



ANNUAL REPORT

2020-2021

forward

POWERING THE FUTURE


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2,673 GWh
of power produced
from NCPA's
generation fleet

\$8.8 million in
funding secured for
NCPA members to
assist customers
with past due bills
accrued during
COVID-19

8 level 2
electric vehicle
chargers installed
at NCPA
headquarters

37 virtual
Speakers Series
sessions held
featuring prominent
policymakers and
industry thought
leaders



This year, at NCPA we've focused on ways to keep our agency and our members moving **forward**. As we move through the phases of the pandemic, we're reshaping our thinking on policies and practices that have long informed how we run our utilities and businesses.

We're advancing not just our procurement and operations to better align with climate goals, but also reinforcing our public power commitment to our employees, our members, and our community.

UTILITY OPERATIONS HAVE ALWAYS BEEN A DELICATE BALANCE AND MAINTAINING A RELIABLE POWER SUPPLY IS ONLY GETTING MORE CHALLENGING AS THE IMPACTS OF CLIMATE CHANGE ARE BEING FELT ACROSS THE BOARD.

In 2021, NCPA's Power Management team addressed these impacts directly, working with members to navigate complex operational challenges such as extreme heat events, wildfires, a severe drought hydro year, resource scarcity, and the ongoing impacts of the pandemic.

Operating as a Load-Following Membered Subsystem, we successfully balanced the members' portfolio during 98% of all hours in the 2021 fiscal year, creating significant cost savings for our members.

NCPA earned \$2 million in additional outside service revenues, which are credited to members to offset costs associated with NCPA's services, ultimately increasing the overall value that members receive from the agency.

In addition, NCPA facilitated members' ability to sign 30-year contracts for federal hydropower resources, granting members access to carbon-free, flexible generation capacity that will help balance utility portfolios for years to come.

In light of these challenges, NCPA continued to support the members and customers through the supply of reliable, clean, and cost-effective resources.

This year, NCPA's generation facilities have produced approximately 2,673 GWh of power. The severe drought had a significant impact on the hydro generation resources and their production and flexibility during the year. The total capacity of our generation fleet is enough to support the average energy consumption of more than 640,000 homes. The Generation Services (GS) department completed its regular review of the agency's wildfire mitigation plan, implementing recommended vegetation management work to protect our investments in our facilities and ensure that we're maintaining safe and reliable practices in the communities within which we operate. Our GS team completed spring outages to conduct regular maintenance at the facilities, supporting safety and reliability during the peak summer months. Also, progress continued on the implementation of strategies for integrating green hydrogen at our Lodi Energy Center.

The GS team, in partnership with the Administrative Services and Legislative and Regulatory Affairs teams, also helped NCPA take active steps toward supporting members' transportation decarbonization plans. NCPA completed the installation of four Level 2 electric vehicle chargers, with two ports each, in late 2021. These eight EV charging ports will provide members, employees, and visitors an assurance that they can drive their electric vehicles to the agency and will have access to charging that may be needed as battery ranges continue to improve with technological innovation. It is critical that we partner with our members to facilitate the transition to cleaner modes of transportation and sources of energy.



Our Administrative Services (AS) division monitored developments with the pandemic, ensuring that our employee and visitor screening and precautionary protocols continually reflected the latest developments at the local, state, and federal levels. With additional safety precautions at all of our facilities, we are pleased to report that we were able to stay on track with completing all planned maintenance, inspections, and capital-related projects on schedule. The division engaged in a robust effort to go to the market and enhance the Agency's insurance program after multiple years of large increases in costs and reductions in benefits. After much work, NCPA now has a new insurance carrier that provides both a significant cost savings as well as a partnership approach to both reducing and managing risk.

On the employee front, the NCPA Commission made an important commitment to NCPA employees and retirees to fund retiree medical benefits at an accelerated 15-year amortization schedule. We're proud to say that we have accomplished this goal and now have an Other Post Employment Benefit (OPEB) trust fund that is 100% funded. Retirees and future retirees who rely on this as part of their benefits package now will have a secured and fully funded benefit they can count on being there for them. This couldn't have been done without the support of our members.



With respect to our advocacy in the policy realm, NCPA worked with members, our public power colleagues, and legislators at the state and federal levels to secure funding to address utility arrearages accrued by customers experiencing hardship during the COVID-19 pandemic. A total of nearly \$300 million was made available to California publicly owned utilities and electric cooperatives; NCPA members will have access to approximately \$8.8 million of that total to support their customers. As community-owned and operated utilities, our members are deeply rooted in public service and always strive to support their neighbors and local businesses.

We also continued our virtual Speakers Series, ensuring that our members would have the opportunity to remain engaged in critical policy discussions in Sacramento, Washington, D.C., and across the nation. In sum, the agency has held 37 online discussions with high-profile policymakers and industry leaders. Prominent guests joining the series included FERC Chair Richard Glick, California Air Resources Board Chair Liane Randolph, Congressman Jared Huffman, and many other esteemed policymakers.

To support our members' work in their communities, NCPA issued multiple requests for proposals and secured contracts to support transportation and building electrification marketing and outreach, utility physical security compliance, income verification for customer programs, graphic design, conference and event planning, and grant writing assistance services that members can use to access pre-negotiated pricing.



I am proud of the many accomplishments that our agency has achieved over the past year and look ahead at the boundless opportunities the future holds. These opportunities are embedded in the urgency of addressing climate change and the pace of technological change impacting our world. Though our industry is sure to encounter some significant hurdles as we proceed in our efforts, I am confident that, working together, we will help one another achieve these objectives and increase our efficiency in the process. I am optimistic for what the future holds, and know that the valuable partnerships we have today will be incredibly important for helping us collectively reach our goals.

A handwritten signature in blue ink that reads "Randy S. Howard". The signature is written in a cursive, flowing style.

Randy S. Howard
General Manager



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