

Power Stabilization Fund Update

Board of Trustees Meeting

- May 30, 2024

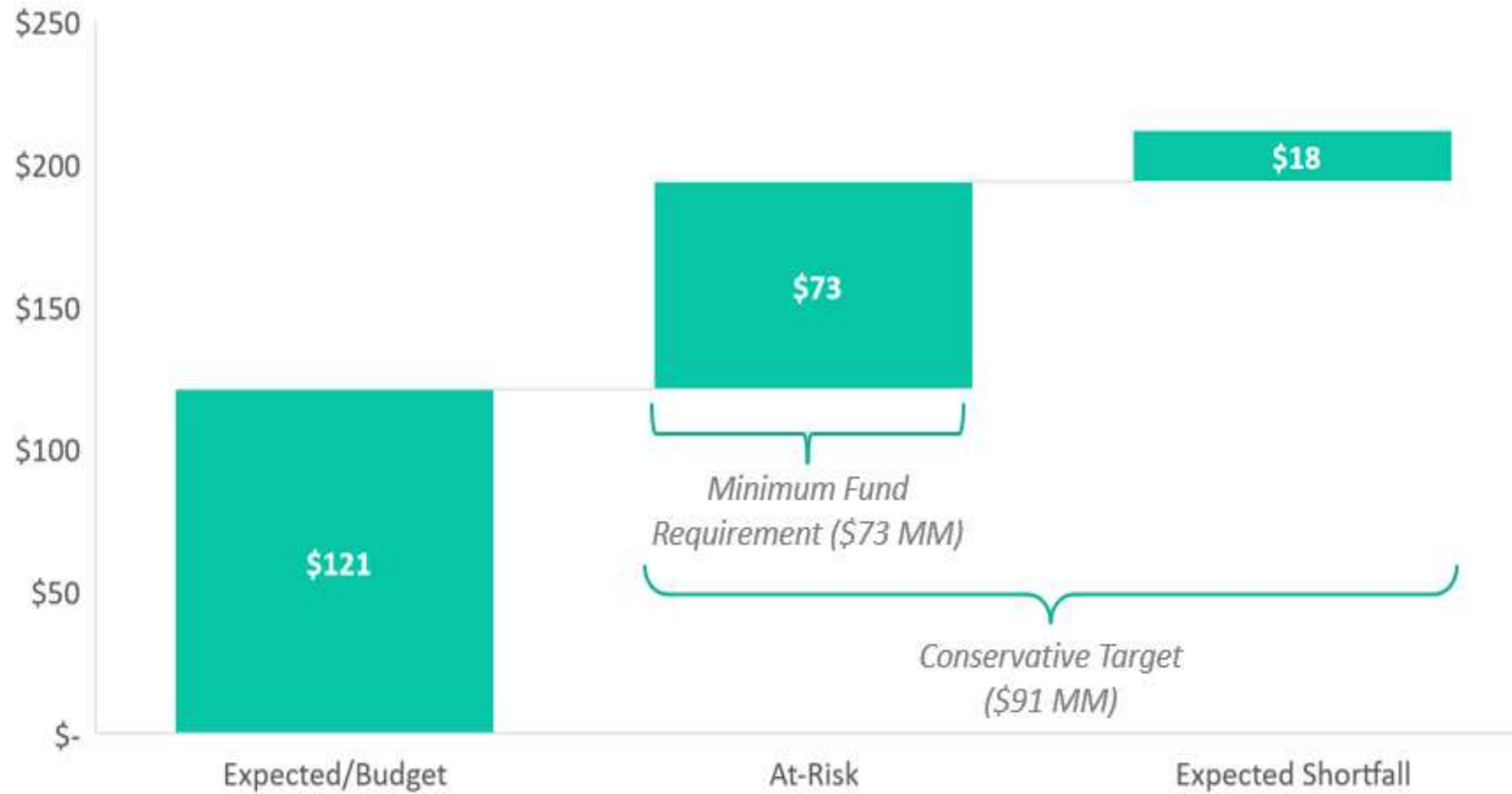


TEA Analysis

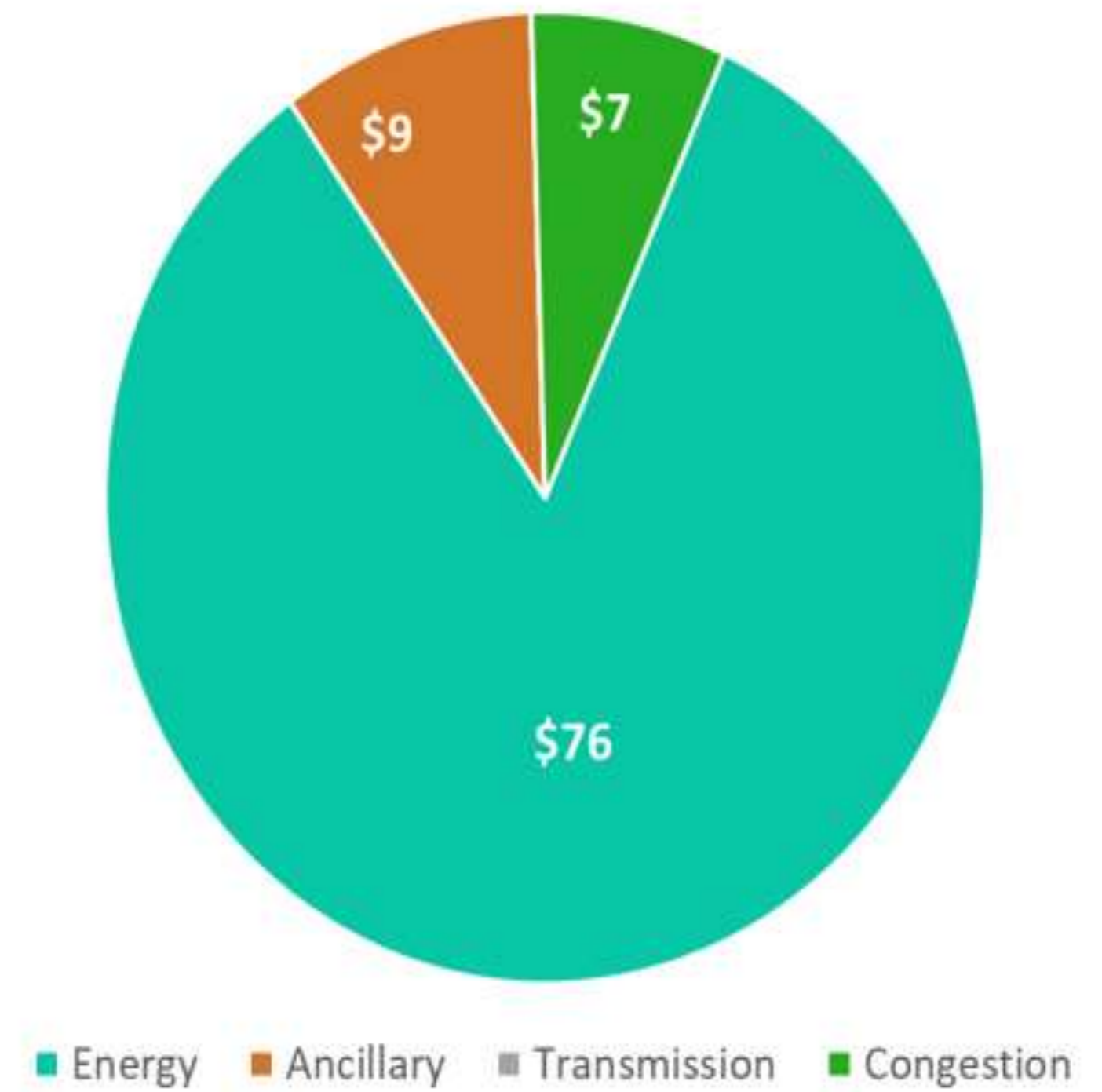
- Reviewed last years calculation and updated data
- Conducted analysis based on stochastic modeling
- Looked at 1000 iterations

TEA Analysis

Power Stabilization Fund - Recommendation (\$ MM)



Power Stabilization Fund by Component (\$ MM)



Represents Conservative Target (\$91 MM)

Mission

Strengthening our community by providing resilient essential services



Vision

Be a trusted community partner dedicated to excellence in service



Core Values

Safety, Team, Integrity, Culture, and Stewardship

PSF Management

- **~\$95MM appears “steady-state” Expected Shortfall assuming reasonable pricing and hedging practices**
 - PSF (FY 24/25) → \$91MM
 - PSF (FY 23/24) → \$95MM (assumed additional winter + summer hedges during time of study)
- **Consider deviating from the above target when/if NBU system changes materially**
 - Structural decision to hedge more
 - Loss of generation resource
 - Addition of generation resources pursuant to IRP (e.g., CT)

Plan

- Continue with the current \$95M target
- Fund full target FY28
- Analysis updated annually

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