



GENERATION PLANNING SUPPLEMENTAL FINANCIAL INSIGHTS

PRESENTED BY:

Chad Hoopingarner
Vice President of Financial Planning

December 2nd, 2022

OVERVIEW



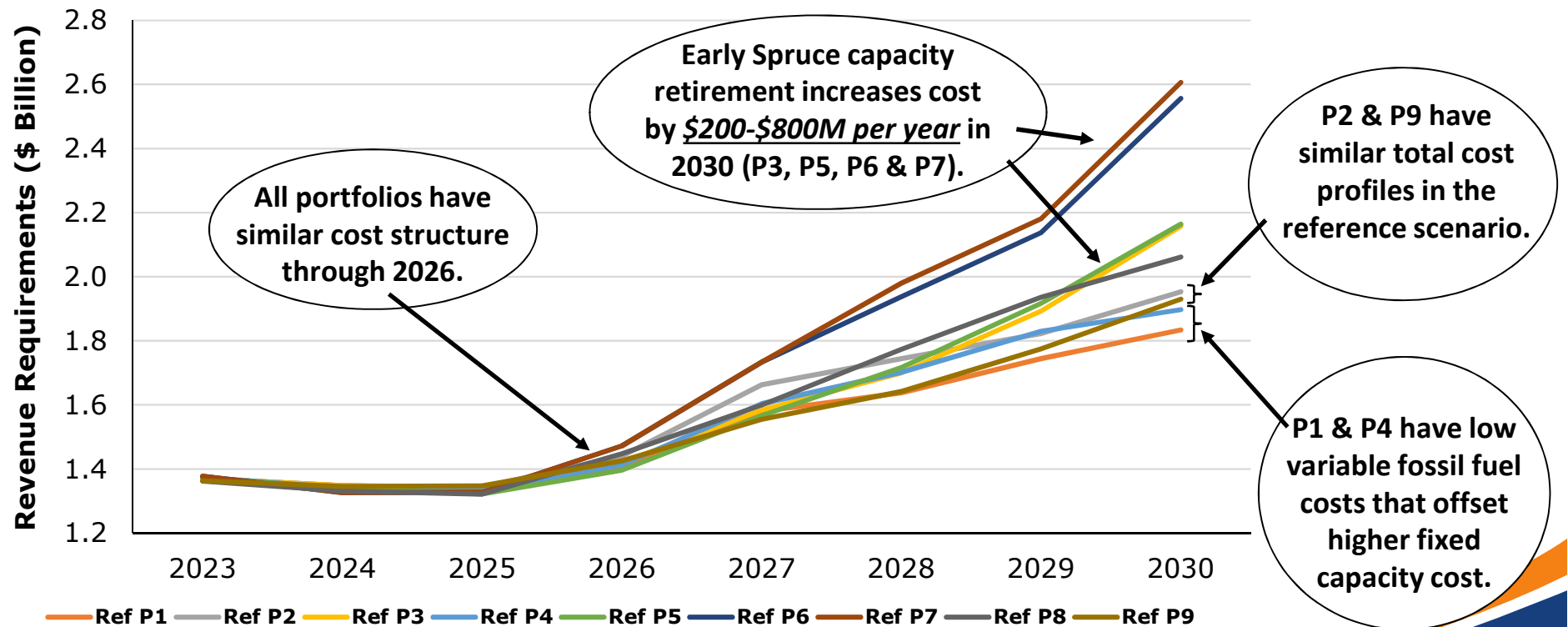
- At the November 17th Rate Advisory Committee meeting, Charles Rivers Associates (CRA) provided an in-depth review of the generation portfolio modeling results (including the primary financial take-aways).
- We also provided a supplemental financial data pack that underpinned the affordability portion of the scorecard in CRA's presentation; the data pack included cost data (i.e., revenue requirements) and bill impact calculations.
- As a helpful visualization, we have graphically illustrated key financial observations from the supplemental financial data pack (i.e., this is not new data).
- The implications of these financial views are consistent with the take-aways from CRA's presentation last month.

TOTAL GENERATION COSTS

Reference Scenario



REVENUE REQUIREMENTS BY CALENDAR YEAR

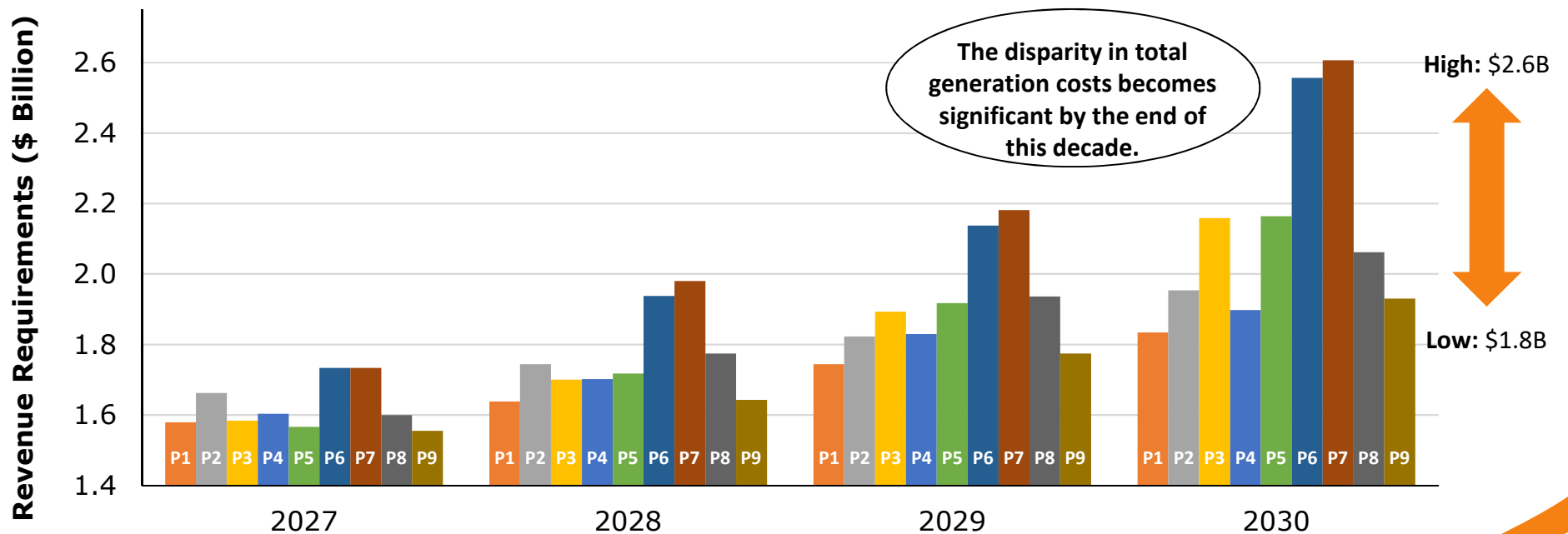


This data is the basis for the "PV of Revenue Requirements" included in the Affordability section of the scorecard.

TOTAL GENERATION COSTS

SPOTLIGHT ON 2027-2030

Reference Scenario

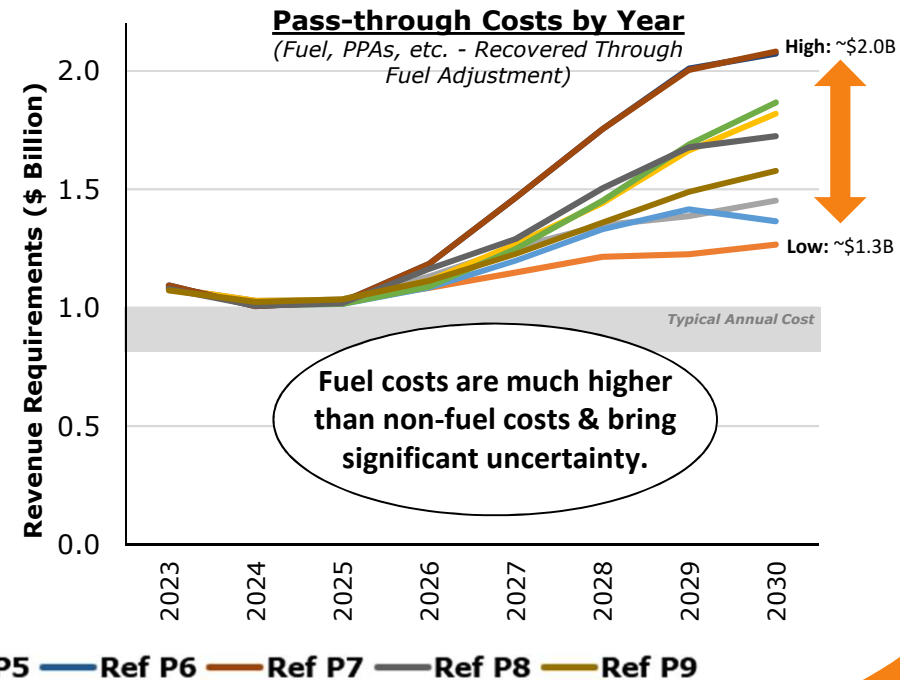
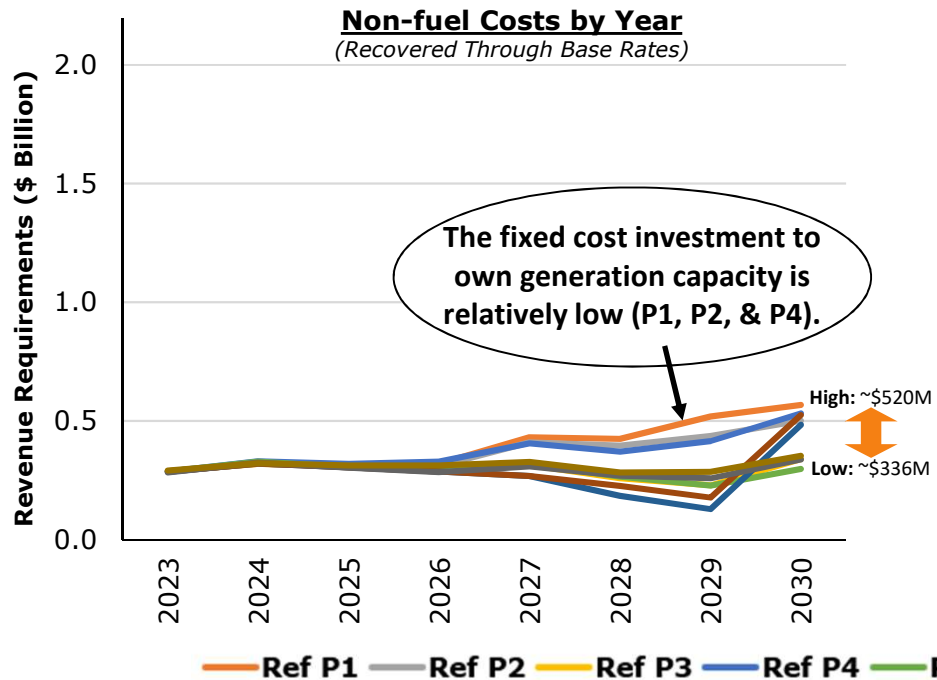


In some years, the most expensive portfolios are forecasted to cost ~\$800M per year more than the least expensive portfolios.

COST DRIVERS

NON-FUEL VS. FUEL REVENUE REQUIREMENTS

Reference Scenario



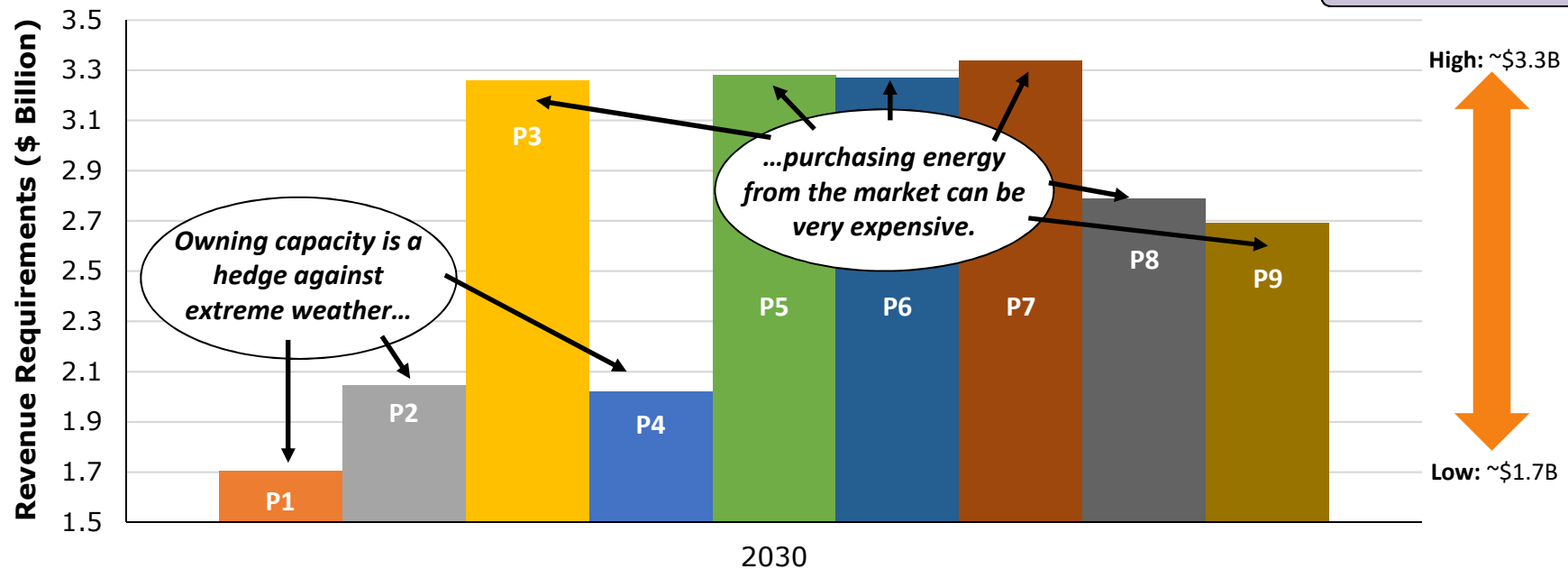
Portfolios that provide fixed cost savings have significant variable fuel costs, and this creates uncertainty and risk.

COST UNCERTAINTY & RISK

IMPACT OF EXTREME WEATHER ON TOTAL COST



Extreme Weather Sensitivity



Extreme weather can create billions in additional cost in a single year.

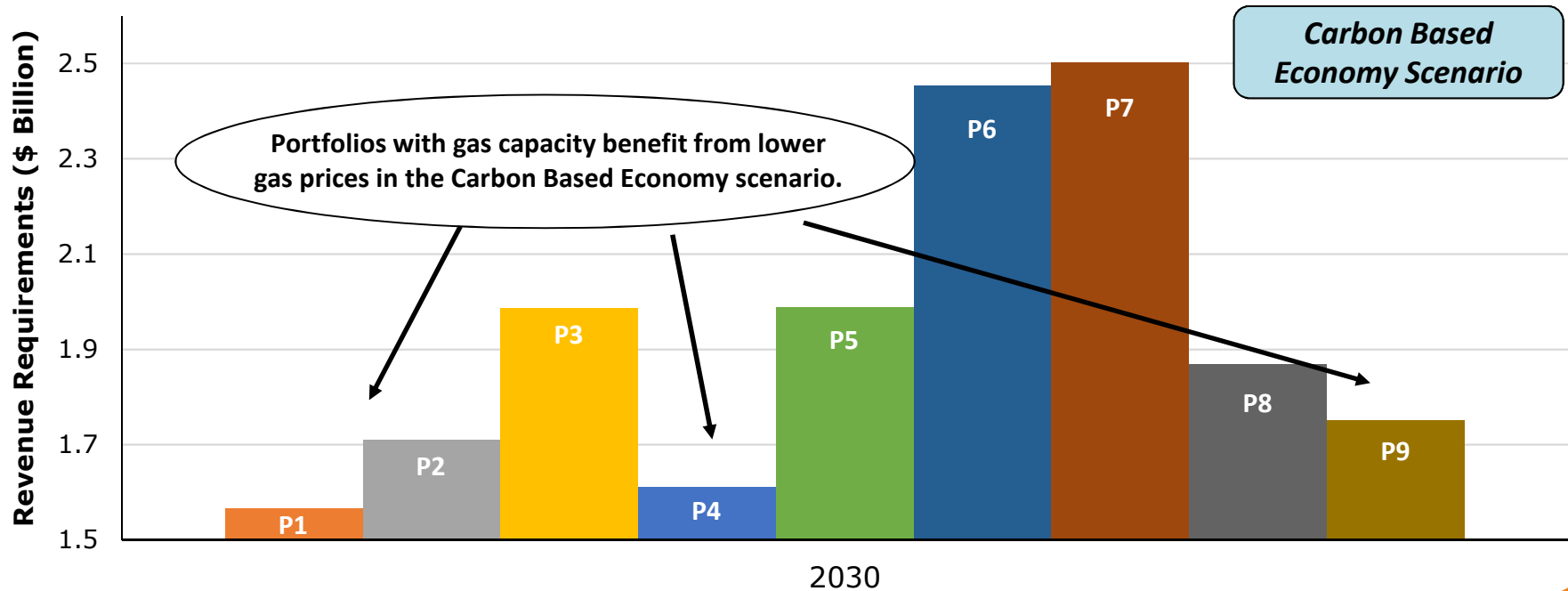


Appendix



COSTS IN A CARBON BASED ECONOMY

TOTAL GENERATION REVENUE REQUIREMENTS



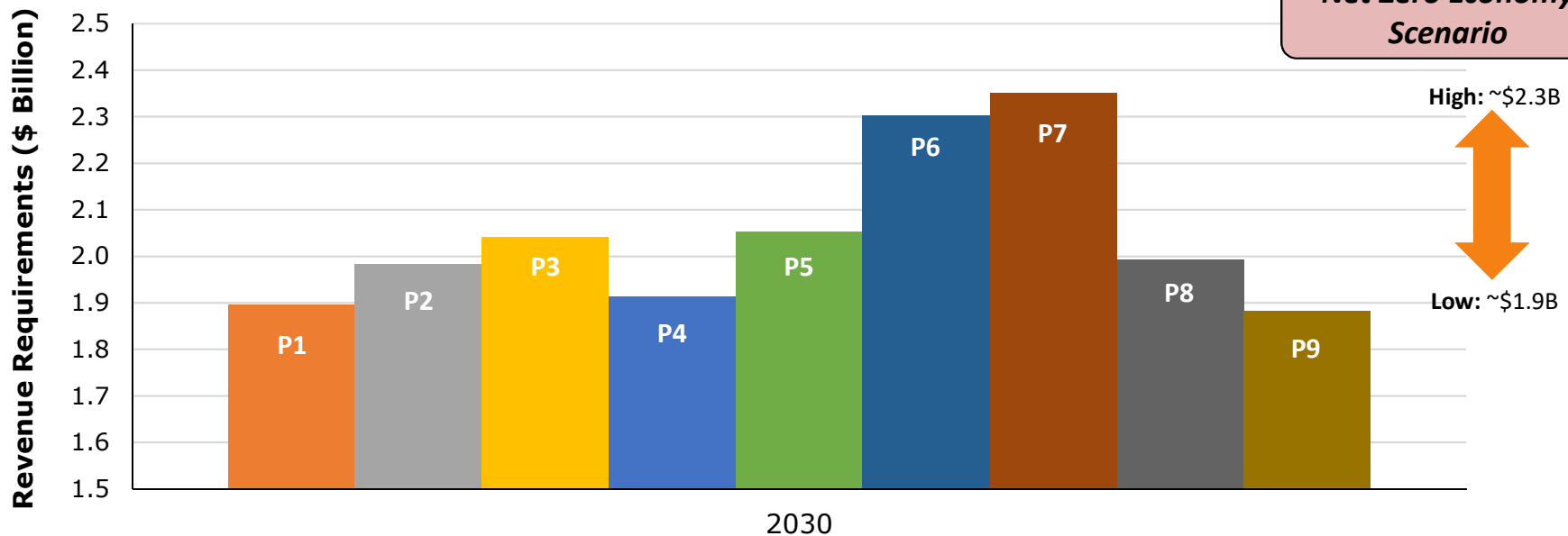
All portfolios are forecasted to be cheaper in a Carbon Based Economy, but portfolios with gas capacity see bigger cost reductions.

COSTS IN A NET ZERO ECONOMY

TOTAL GENERATION REVENUE REQUIREMENTS



Net Zero Economy Scenario



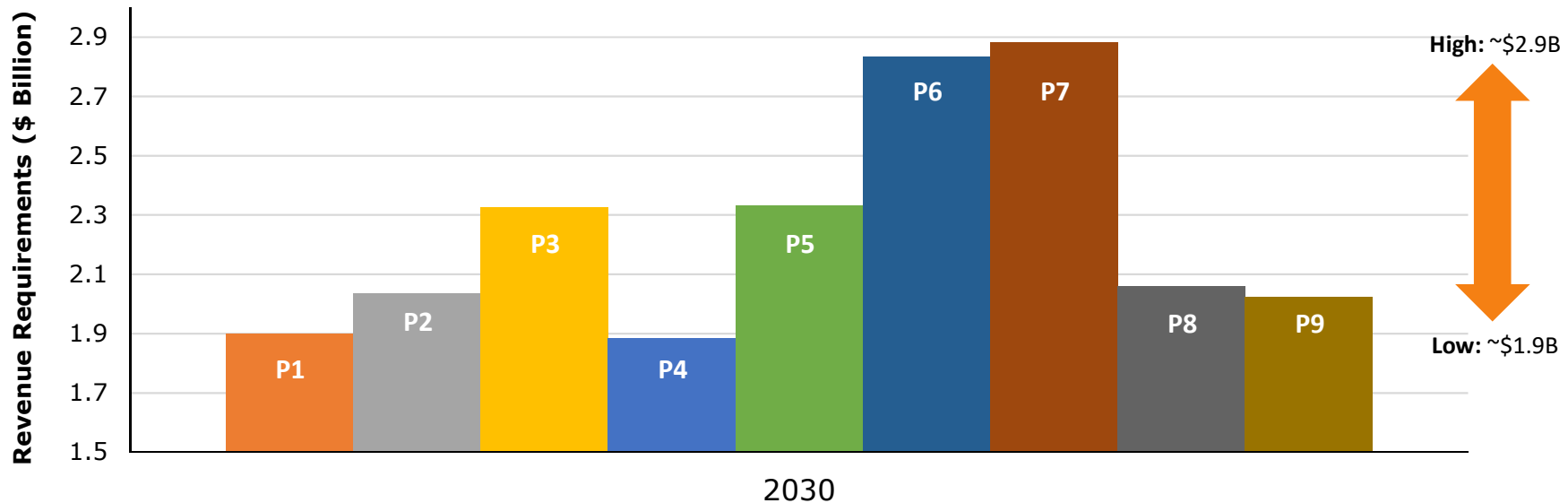
The cost differential between portfolios decreases in a Net Zero Economy; early retirement of Spruce (P6 & P7) is comparatively less expensive.

COSTS IN A VOLATILE MARKET

TOTAL GENERATION REVENUE REQUIREMENTS



Volatile Market Scenario



In the a Volatile Market, higher prices for fuel, renewables, and new technologies disproportionately impact some portfolios.