



## Sierra Nevada Region Power Revenue Requirement Forecast

August 2024

|  | FY 2024 PRR          |                      | FY 2025 PRR          |                      | FY 2026 PRR          |                      | FY 2027 PRR          |                      | FY 2028 PRR          |                      | FY 2029 PRR          |                      | FY 2030 PRR          |                      |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | Expenses             | Revenues             | Expenses             | Revenues             | Expenses             | Revenues             | Expenses             | Revenues             | Expenses             | Revenues             | Expenses             | Revenues             | Expenses             | Revenues             |
| <b>O&amp;M Expense: /1</b>                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Reclamation O&M                                    | \$60,362,978         |                      | \$60,576,173         |                      | \$61,941,782         |                      | \$63,584,759         |                      | \$64,149,348         |                      | \$64,659,491         |                      | \$66,503,276         |                      |
| WAPA O&M   | \$78,845,006         |                      | \$80,798,993         |                      | \$84,402,673         |                      | \$87,594,027         |                      | \$90,913,034         |                      | \$94,364,802         |                      | \$97,954,641         |                      |
| <b>Total O&amp;M Expense</b>                       | <b>\$139,207,984</b> |                      | <b>\$141,375,166</b> |                      | <b>\$146,344,455</b> |                      | <b>\$151,178,785</b> |                      | <b>\$155,062,382</b> |                      | <b>\$159,024,293</b> |                      | <b>\$164,457,917</b> |                      |
| <b>Purchase Power Expense:</b>                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Custom Product & Suppl. Power /2                   | \$205,152,052        | \$205,152,052        | \$246,478,110        | \$246,478,110        | \$222,182,160        | \$222,182,160        | \$226,625,803        | \$226,625,803        | \$231,158,319        | \$231,158,319        | \$235,781,486        | \$235,781,486        | \$240,497,115        | \$240,497,115        |
| HBA Costs /3                                       | \$3,132,245          |                      | \$3,132,245          |                      | \$3,210,551          |                      | \$3,290,815          |                      | \$3,373,085          |                      | \$3,457,412          |                      | \$3,543,848          |                      |
| Purchases for Project Use /4                       | \$0                  |                      | \$0                  |                      | \$0                  |                      | \$0                  |                      | \$0                  |                      | \$0                  |                      | \$0                  |                      |
| Washoe Cost for BR                                 | \$246,000            |                      | \$246,000            |                      | \$246,000            |                      | \$246,000            |                      | \$246,000            |                      | \$246,000            |                      | \$246,000            |                      |
| <b>Total Purchase Power Expense/Revenue</b>        | <b>\$208,530,297</b> | <b>\$205,152,052</b> | <b>\$225,638,711</b> | <b>\$222,182,160</b> | <b>\$225,638,711</b> | <b>\$222,182,160</b> | <b>\$230,162,618</b> | <b>\$226,625,803</b> | <b>\$234,777,405</b> | <b>\$231,158,319</b> | <b>\$239,484,898</b> | <b>\$235,781,486</b> | <b>\$244,286,963</b> | <b>\$240,497,115</b> |
| <b>Interest Expense: /5</b>                        | <b>\$7,540,470</b>   |                      | <b>\$6,960,869</b>   |                      | <b>\$3,150,970</b>   |                      | <b>\$8,823,701</b>   |                      | <b>\$3,278,269</b>   |                      | <b>\$10,637,320</b>  |                      | <b>\$11,564,780</b>  |                      |
| <b>Other Expenses: /6</b>                          | <b>\$9,949,043</b>   |                      | <b>\$3,089,186</b>   |                      | <b>\$3,150,970</b>   |                      | <b>\$3,213,989</b>   |                      | <b>\$3,278,269</b>   |                      | <b>\$3,343,835</b>   |                      | <b>\$3,410,711</b>   |                      |
| <b>Project Repayment (Expense): /7</b>             |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| CVP Project Repayment                              | \$2,000,000          |                      | \$2,000,000          |                      | \$2,000,000          |                      | \$2,000,000          |                      | \$2,000,000          |                      | \$2,000,000          |                      | \$2,000,000          |                      |
| BIL Funded Project Repayment                       | \$0                  |                      | \$0                  |                      | \$167,760            |                      | \$1,393,357          |                      | \$1,130,829          |                      | \$388,795            |                      | \$47,765             |                      |
| <b>Total Project Repayment</b>                     | <b>\$2,000,000</b>   |                      | <b>\$2,000,000</b>   |                      | <b>\$2,167,760</b>   |                      | <b>\$3,393,357</b>   |                      | <b>\$3,130,829</b>   |                      | <b>\$2,388,795</b>   |                      | <b>\$2,047,765</b>   |                      |
| <b>Other Pass-through Expenses &amp; Revenues:</b> |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| CAISO Market & GMC Charges (WSLW) & (WPUL) /8      | \$6,307,043          | \$0                  | \$6,405,231          | \$0                  | \$6,630,372          | \$0                  | \$6,849,400          | \$0                  | \$7,025,352          | \$0                  | \$7,204,853          | \$0                  | \$7,451,032          | \$0                  |
| CAISO Expenses & Revenues /9                       | \$66,825,729         | \$68,257,951         | \$66,825,729         | \$68,257,951         | \$66,825,729         | \$68,257,951         | \$66,825,729         | \$68,257,951         | \$66,825,729         | \$68,257,951         | \$66,825,729         | \$68,257,951         | \$66,825,729         | \$68,257,951         |
| PG&E costs incurred for Wheeling /10               | \$39,468,867         | \$31,575,094         | \$39,468,867         | \$31,575,094         | \$39,468,867         | \$31,575,094         | \$39,468,867         | \$31,575,094         | \$39,468,867         | \$31,575,094         | \$39,468,867         | \$31,575,094         | \$39,468,867         | \$31,575,094         |
| PATH 15 revenues and expenses                      | \$12,000             | \$12,000             | \$12,000             | \$12,000             | \$12,000             | \$12,000             | \$12,000             | \$12,000             | \$12,000             | \$12,000             | \$12,000             | \$12,000             | \$12,000             | \$12,000             |
| Purchases and Sales for SBA /11                    | \$10,620,797         | \$14,054,282         | \$10,620,797         | \$14,054,282         | \$10,620,797         | \$14,054,282         | \$10,620,797         | \$14,054,282         | \$10,620,797         | \$14,054,282         | \$10,620,797         | \$14,054,282         | \$10,620,797         | \$14,054,282         |
| Resource Adequacy/Flexible Resource Adequacy /12   | \$7,082,265          | \$5,873,458          | \$7,082,265          | \$5,873,458          | \$7,223,910          | \$5,990,927          | \$7,368,389          | \$6,110,746          | \$7,515,756          | \$6,232,961          | \$7,666,071          | \$6,357,620          | \$7,819,393          | \$6,484,772          |
| <b>Total Other Pass-through Expense/Revenue</b>    | <b>\$130,316,701</b> | <b>\$119,772,785</b> | <b>\$130,414,889</b> | <b>\$119,772,785</b> | <b>\$130,781,676</b> | <b>\$119,890,254</b> | <b>\$131,145,181</b> | <b>\$120,010,073</b> | <b>\$131,468,501</b> | <b>\$120,132,288</b> | <b>\$131,798,317</b> | <b>\$120,256,947</b> | <b>\$132,197,818</b> | <b>\$120,384,099</b> |
| <b>Other Revenues:</b>                             |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Non-firm energy sales                              |                      | \$0                  |                      | -\$3,348,880         |                      | \$0                  |                      | \$0                  |                      | \$0                  |                      | \$0                  |                      | \$0                  |
| Miscellaneous Revenues /13                         |                      | \$80,020,611         |                      | \$76,671,731         |                      | \$79,155,223         |                      | \$82,186,742         |                      | \$84,795,300         |                      | \$87,219,498         |                      | \$88,823,323         |
| SC, PM, and VRC Admin Fees                         |                      | \$3,574,848          |                      | \$3,574,848          |                      | \$3,574,848          |                      | \$3,574,848          |                      | \$3,574,848          |                      | \$3,574,848          |                      | \$3,574,848          |
| Ancillary Service Sales to IOA SCA Members         |                      | \$4,163,019          |                      | \$4,163,019          |                      | \$4,246,279          |                      | \$4,331,205          |                      | \$4,417,829          |                      | \$4,506,186          |                      | \$4,596,309          |
| <b>Total Other Revenues</b>                        |                      | <b>\$87,758,478</b>  |                      | <b>\$84,409,598</b>  |                      | <b>\$86,976,351</b>  |                      | <b>\$90,092,795</b>  |                      | <b>\$92,787,977</b>  |                      | <b>\$95,300,532</b>  |                      | <b>\$96,994,480</b>  |
| <b>Project Use Revenues: /14</b>                   |                      | <b>\$41,100,000</b>  |                      | <b>\$37,058,222</b>  |                      | <b>\$38,185,100</b>  |                      | <b>\$39,553,308</b>  |                      | <b>\$40,736,570</b>  |                      | <b>\$41,839,653</b>  |                      | <b>\$42,583,345</b>  |
| <b>Transmission Revenues: /15</b>                  |                      | <b>\$0</b>           |                      | <b>\$0</b>           |                      | <b>\$0</b>           |                      | <b>\$0</b>           |                      | <b>\$0</b>           |                      | <b>\$0</b>           |                      | <b>\$0</b>           |
| <b>Total Expenses &amp; Revenues</b>               | <b>\$497,544,495</b> | <b>\$453,783,315</b> | <b>\$509,478,821</b> | <b>\$463,422,764</b> | <b>\$516,151,755</b> | <b>\$467,233,865</b> | <b>\$527,917,632</b> | <b>\$476,281,979</b> | <b>\$537,192,850</b> | <b>\$484,815,154</b> | <b>\$546,677,458</b> | <b>\$493,178,618</b> | <b>\$557,965,954</b> | <b>\$500,459,039</b> |
| <b>Forecast PRR Summary:</b>                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Total Expenses                                     | \$495,544,495        |                      | \$507,478,821        |                      | \$513,983,994        |                      | \$524,524,275        |                      | \$534,062,021        |                      | \$544,288,664        |                      | \$555,918,189        |                      |
| add: Project Repayment                             | \$2,000,000          |                      | \$2,000,000          |                      | \$2,167,760          |                      | \$3,393,357          |                      | \$3,130,829          |                      | \$2,388,795          |                      | \$2,047,765          |                      |
|  | \$497,544,495        |                      | \$509,478,821        |                      | \$516,151,755        |                      | \$527,917,632        |                      | \$537,192,850        |                      | \$546,677,458        |                      | \$557,965,954        |                      |
| less: Total Revenues                               | (\$453,783,315)      |                      | (\$463,422,764)      |                      | (\$467,233,865)      |                      | (\$476,281,979)      |                      | (\$484,815,154)      |                      | (\$493,178,618)      |                      | (\$500,459,039)      |                      |
| <b>Estimated Power Revenue Requirement</b>         | <b>\$43,761,179</b>  |                      | <b>\$46,056,057</b>  |                      | <b>\$48,917,889</b>  |                      | <b>\$51,635,653</b>  |                      | <b>\$52,377,695</b>  |                      | <b>\$53,498,841</b>  |                      | <b>\$57,506,915</b>  |                      |
| Aug 2023 Forecast                                  | \$55,390,115         |                      | \$59,549,437         |                      | \$64,002,678         |                      | \$66,594,068         |                      | \$70,145,973         |                      | \$73,937,480         |                      | \$0                  |                      |

Rate methodology is based on Rate Order WAPA 156 effective October 1, 2011 thru September 30, 2016. Rate Order WAPA 173 extends WAPA 156 through FY 2019, and Rate Order WAPA 185 extends the formula rate methodology through September 2024.

**Footnotes:**

- /1 WAPA's and Reclamation's O&M is based on forecasted budget data. Both agencies' O&M include unfunded benefits.
- /2 Estimates for Custom Product and Supplemental Power costs are based on WAPA's Purchase Power budget.
- /3 Host Balancing Authority (HBA) charges are estimated to increase by 2.5% each year based on a 3 year average.
- /4 Currently, there are no planned forward purchases for Project Use and First Preference customers.
- /5 Interest Expense is from the preliminary FY24 Power Repayment Study.
- /6 Other Expenses are forecasted to increase at 2% per year.
- /7 Capital repayment projection includes WAPA's and BOR's planned investment from customer funding and appropriations. Bipartisan Infrastructure Law repayment includes projected annual capital repayment, and will include interest once information is available.
- /8 CAISO charges for WPUL are based on current historical data and projected based on % change in USBR O&M. Includes charges from CDWR.
- /9 CAISO expense and revenue projections are based on current historical data and held constant thereafter.
- /10 These estimates reflect projected rates with PG&E's Wholesale Distribution Tariff (WDT) service.
- /11 SBA power purchases and sales are based on historical data.
- /12 Resource Adequacy (RA) (Local and Flexible) costs are forecasted to increase 2% annually.
- /13 Miscellaneous Revenues include projected transmission revenues based on the August 2024 transmission forecast.
- /14 Project Use revenues are projected at a rate consistent with O&M changes.
- /15 Transmission revenues, included in miscellaneous revenues, are based on actual and forecasted data.