



**CAC Item C6
Staff Report Item 9**

TO: East Bay Community Energy Board of Directors
FROM: Jason Bartlett, Finance Manager
SUBJECT: Fiscal Year 2020-21 Mid-Year Budget Report (Informational Item)
DATE: February 17, 2021

Recommendation

Receive the mid-year status of the annual budget.

Background and Discussion

This staff report compares EBCE's financial performance for the current fiscal year from July 1, 2020 through December 31, 2020 with the approved June budget. January's revenues and expenses are still being reconciled, and therefore not included in this report. Attachment A provides the side-by-side numerical table summaries and comparisons. The difference for each category shown in dollar amounts and percentages relative to budgeted amounts.

Highlights from this comparison show:

- Electricity Sales are 8.3% (\$33.5m) above budgeted amounts, due to about \$19m delayed payment on PCIA Undercollection Balancing Account (PUBA).
- Energy costs are higher by 4.1% (\$14.7m) as compared to budgeted amounts. Approximately \$12m is due specifically to the higher than expected temperatures in the end of August through early October which drove up prices, basis spread, and CAISO unbalance charges. Approximately \$700,000 is due to delayed deployment of one of our long-term power purchase agreements (PPA) coming online. The remaining \$2m is due to higher prices projected in the second half of the year.
- Overhead is 3.3% (\$661,000) under budgeted costs, due to cost savings in Marketing and Operations, with some savings from delayed staffing.
- Interest costs are 4.6% (\$37k) above budget due to additional interest charges on postings of letters of credit.
- Overall spending is 3.6% (\$13.8m) more than budgeted, as primarily driven by higher than expected costs in the late summer of 2020.

- The Net Position, as unadjusted by PUBA, has increased by 655.3% (\$18.2m) above budget, which is accounted as the difference in revenues and overall costs.

Fiscal Impact

This report has no fiscal impact

Attachments

- A. FY 2019-20 Mid-Year Budget Report Table

ITEM 9—Attachment A: Mid-Year Budget Comparison

| | FY 2020-21 BUDGET* | FY 2020-21 MID-YEAR* | Fiscal Year Difference | % Difference |
|--|-----------------------|-------------------------|---------------------------|---------------|
| REVENUE AND OTHER SOURCES | | | | |
| Electricity Sales | 401,405,000 | 434,876,000 | 33,471,000 | 8.3% |
| Investment Income | 1,231,000 | 767,000 | (464,000) | -37.7% |
| Other Income | 275,000 | 275,000 | 0 | 0.0% |
| Uncollectables | (9,902,000) | (10,872,000) | (970,000) | 9.8% |
| Total Revenue and Other Sources | 393,009,000 | 425,046,000 | 32,037,000 | 8.2% |
| <i>Margin:</i> | <i>0.7%</i> | <i>4.9%</i> | | <i>0.0%</i> |
| EXPENSES AND OTHER USES | | | | |
| ENERGY OPERATIONS | | | | |
| Cost of Energy | 358,078,000 | 372,778,000 | 14,700,000 | 4.1% |
| Data Management/Customer Service | 8,003,000 | 7,868,000 | (135,000) | -1.7% |
| PG&E Service Fees (Billing/Metering) | 2,483,000 | 2,422,000 | (61,000) | -2.5% |
| Scheduling | 660,000 | 663,000 | 3,000 | 0.5% |
| Total Energy Operating Costs | 369,224,000 | 383,731,000 | 14,507,000 | 3.9% |
| OVERHEAD OPERATIONS | | | | |
| Personnel | 7,429,000 | 7,161,000 | (268,000) | -3.6% |
| Marketing, Outreach, Communications | 1,544,000 | 1,374,000 | (170,000) | -11.0% |
| Legal, Policy, & Regulatory Affairs | 1,297,000 | 1,297,000 | 0 | 0.0% |
| Other Professional Services | 1,345,000 | 1,345,000 | 0 | 0.0% |
| General & Administrative | 2,196,000 | 1,976,000 | (220,000) | -10.0% |
| Local Development Funding | 6,340,000 | 6,340,000 | 0 | 0.0% |
| Depreciation | 60,000 | 57,000 | (3,000) | -5.0% |
| Total Overhead Operating Costs | 20,211,000 | 19,550,000 | (661,000) | -3.3% |
| TOTAL ENERGY & OPERATING EXPENSES | 389,435,000 | 403,281,000 | 13,846,000 | 3.6% |
| INTEREST PAYMENTS | | | | |
| Borrowing Interest | 804,000 | 841,000 | 37,000 | 4.6% |
| Total Interest Payments | 804,000 | 841,000 | 37,000 | 4.6% |
| TOTAL EXPENSES & INTEREST DUE | 390,239,000 | 404,122,000 | 13,883,000 | 3.6% |
| NET INCREASE (DECREASE) IN POSITION | 2,770,000 | 20,924,000 | 18,154,000 | 655.4% |
| Wholesale Load (MWh) | 6,548,000 | 6,493,000 | (55,000) | |
| Retail Load (MWh) | 6,120,000 | 6,071,000 | (49,000) | |
| | 6.5% | 6.5% | | |

*Includes New Communities Revenue and Costs