



CAC Item C6  
Staff Report Item 16

**TO:** East Bay Community Energy Board of Directors

**FROM:** Jason Bartlett, Finance Manager

**SUBJECT:** Fiscal Year 2022-2023 Mid-Year Budget Report (Informational)

**DATE:** February 15, 2023

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**Recommendation**

Receive the report informing the Board of the mid-year Budget position for the 2022-2023 fiscal year.

**Background and Discussion**

This staff report compares EBCE's financial performance for the current fiscal year from July 1, 2022 through December 31, 2022 and updated projections through June 30, 2023, with the approved June budget. Attachment A provides the numerical table summaries and comparisons. The difference for each category shown in dollar amounts and percentages relative to budgeted amounts.

Highlights and assumptions from this comparison are listed here:

- Revenues
  - Electricity sales are 13% above budgeted amounts due to CPUC approving higher than expected rates in the 2023 calendar year
  - Uncollectable amounts are still estimated at 1.5% through the fiscal year
  - Other operating revenue is up due to payments made from counterparty shortfalls
- Energy Costs
  - Cost of Energy is 33% above budgeted amounts due to higher than expected market prices. December and January, in particular, had high market prices due to regional storage shortages
- Operating Overhead
  - Overhead is 17% below budgeted amounts due to less than expected costs with personnel, as not all positions have been filled, and resulting reduced costs in all areas

- Non-Operational Position
  - The 10% decrease in Non-Operating Position is due to adjusted development schedule with the new building rehabilitation
- Net Position
  - Net Position is 26% below budget estimates due to the significant increase in expected energy prices despite rising rates in 2023 calendar year.

### **Fiscal Impact**

This report has no fiscal impact on operations

### **Attachments**

- A. FY 2022-23 Mid-Year Budget Report Table

## ITEM 14A: FY 2023-2023 Mid-Year Budget Comparison

	BUDGET	ACTUAL	DELTA	%D
<b>OPERATIONS</b>				
<b>REVENUE &amp; OTHER SOURCES</b>				
<b>Operating Revenue</b>				
Electricity Sales	792,009,000	893,106,000	101,097,000	12.8%
Uncollectables	(15,840,000)	(15,555,000)	285,000	-1.8%
Other Operations Revenue	(6,229,000)	12,346,000	18,575,000	-298.2%
<b>Total Operating Revenue</b>	<b>769,940,000</b>	<b>889,897,000</b>	<b>119,957,000</b>	<b>15.6%</b>
<b>EXPENSES &amp; OTHER USES</b>				
<b>Energy Operating Expenses</b>				
Cost of Energy	523,995,000	699,181,000	175,186,000	33.4%
Data Management/CRM	7,834,000	7,852,000	18,000	0.2%
Billing & Metering	2,715,000	2,712,000	(3,000)	-0.1%
Scheduling	696,000	703,000	7,000	1.0%
<b>Total Energy Operating Expenses</b>	<b>535,240,000</b>	<b>710,448,000</b>	<b>175,208,000</b>	<b>32.7%</b>
<b>Overhead Operating Expenses</b>				
Personnel	15,711,000	13,480,000	(2,231,000)	-14.2%
Marketing & Communications	2,874,000	2,070,000	(804,000)	-28.0%
Legal, Policy, & Regulatory Affairs	2,486,000	1,829,000	(657,000)	-26.4%
Other Professional Services	2,293,000	1,811,000	(482,000)	-21.0%
General & Administrative	3,882,000	3,412,000	(470,000)	-12.1%
Depreciation	180,000	192,000	12,000	6.7%
<b>Total Overhead Operating Expenses</b>	<b>27,426,000</b>	<b>22,794,000</b>	<b>(4,632,000)</b>	<b>-16.9%</b>
<b>Total Operating Expenses</b>	<b>562,666,000</b>	<b>733,242,000</b>	<b>170,576,000</b>	<b>30.3%</b>
<b>NON-OPERATIONS</b>				
<b>NON-OPERATING REVENUE</b>				
Interest Income	261,000	921,000	660,000	252.9%
Grants	0	772,000	772,000	0.0%
Other Non-Operating Revenue	15,000	134,000	119,000	793.3%
<b>Total Non-Operating Revenue</b>	<b>276,000</b>	<b>1,827,000</b>	<b>1,551,000</b>	<b>562.0%</b>
<b>NON-OPERATING EXPENSES</b>				
Borrowing Interest	1,440,000	1,079,000	(361,000)	-25.1%
Local Development Funding	22,550,000	22,550,000	0	0.0%
Capital Expenditures	7,000,000	4,105,000	(2,895,000)	-41.4%
<b>Total Non-Operating Expenses</b>	<b>30,990,000</b>	<b>27,734,000</b>	<b>(3,256,000)</b>	<b>-10.5%</b>
<b>NET NON-OPERATING POSITION</b>	<b>(30,714,000)</b>	<b>(25,907,000)</b>	<b>4,807,000</b>	<b>-15.7%</b>
<b>TOTAL REVENUES</b>	<b>770,216,000</b>	<b>891,724,000</b>	<b>121,508,000</b>	<b>15.8%</b>
<b>TOTAL EXPENSES</b>	<b>593,656,000</b>	<b>760,976,000</b>	<b>167,320,000</b>	<b>28.2%</b>
<b>NET INCREASE(DECREASE) IN POSITION</b>	<b>176,560,000</b>	<b>130,748,000</b>	<b>(45,812,000)</b>	<b>-25.9%</b>