

Financial Dashboard

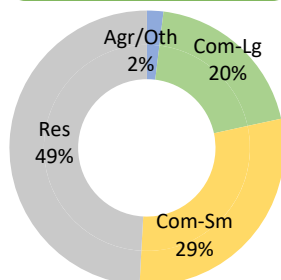
YTD
Dec
2022

Active Accounts
1,005,336

Participation Rate
93.2%

YTD Sales Volume
6,022 GWh

Dec Sales Volume
879 GWh



Summary of Financial Results

in \$000,000's	Dec				Year-to-Date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Operating Revenues	82.9	84.1	-1.1	-1%	609.2	607.7	1.5	0%
Cost of Energy	104.3	67.6	36.7	54%	609.7	512.6	97.1	19%
Revenues Less Energy Cost	-21.4	16.4	-37.8	-230%	-0.5	95.1	-95.5	-100%
Operating Expenses	2.7	3.5	-0.8	-22%	16.4	22.4	-5.9	-27%
Operating Income	-24.1	13.0	-37.0	-286%	-16.9	72.7	-89.6	-123%

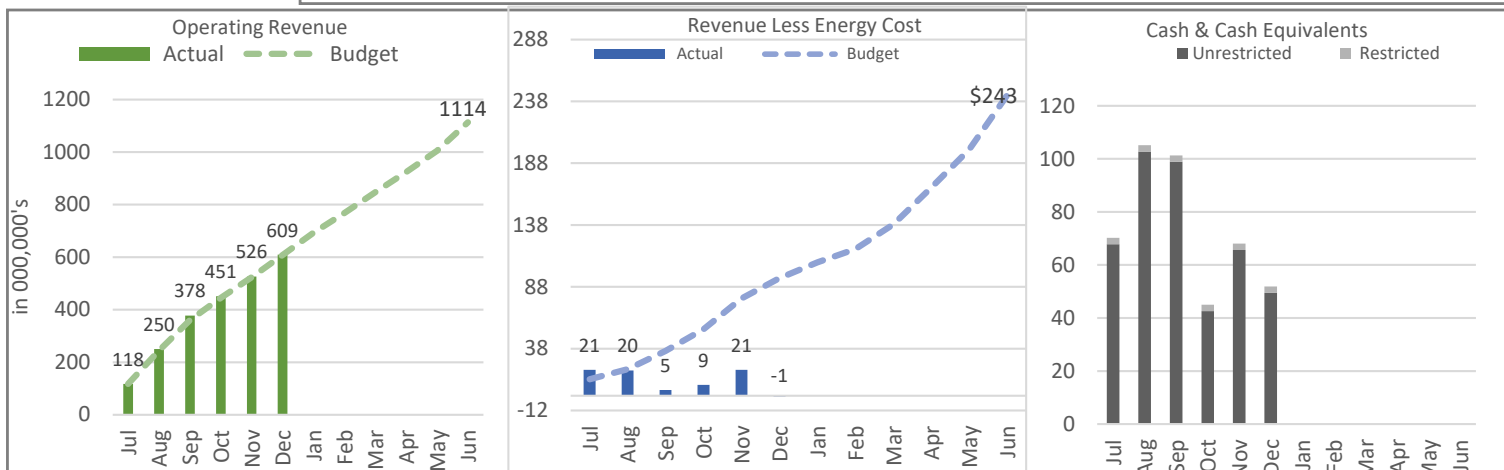
Note: Numbers may not sum up due to rounding.

In December 2022 CPA recorded an operating loss of \$24.1 million which was \$37 million less than the budgeted operating income of \$13 million. December results were negatively impacted by higher than forecast wholesale electricity prices that resulted from price shocks in the natural gas market. December results were also negatively impacted by the recording of charges from prior periods in the month. Absent these prior period charges, the operating loss in December would have been \$8.9 million, \$21.9 million below budget. Prior period charges arose from higher than expected renewable and carbon free energy costs and higher CAISO load charges.

CPA recorded a loss of \$13.5 million in the 2nd quarter and a fiscal year to date (YTD) loss of \$16.9 million which was \$89.6 million less than a budgeted YTD operating income of \$72.7 million. Losses during the period resulted from an extreme heat event in September 2022, higher than budgeted electricity costs in the December resulting from a price shock in the natural gas market and by higher than budgeted renewable and carbon free costs. Operating costs were 27% below budget for the YTD primarily as a result of lower spending on general administrative and other service costs than budgeted and the non-utilization of contingencies.

As of December 31, 2022, CPA had \$49.5 million in unrestricted cash and cash equivalents, and \$79.853 million available on its bank line of credit.

CPA is in sound financial health and in compliance with its bank and other credit covenants.



Definitions:

Accounts: Active Accounts represents customer accounts of active customers served by CPA per Calpine Invoice.

Participation Rate %: Participation Rate represents active accounts divided by eligible CPA accounts

YTD Sales Volume: Year-to-date sales volume represents the amount of energy (in gigawatt hours) sold to retail customers

Revenues: Retail energy sales less allowance for doubtful accounts

Cost of energy: Cost of energy includes direct costs incurred to serve CPA's load

Operating expenses: Operating expenditures include general, administrative, consulting, payroll and other costs required to fund operations
Net operating income, also known as earnings before interest, depreciation and amortization (EBIDA), represents the difference between revenues and expenditures before depreciation expense, interest income and expense, and capital expenditures

Cash and Cash Equivalents: Includes cash held as bank deposits.

Year to date (YTD): Represents the fiscal period beginning July 1, 2022

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 49,457,464	\$ 67,450,194
Accounts receivable, net of allowance	114,647,063	103,408,024
Accrued revenue	53,579,027	44,419,776
Other receivables	20,717,137	7,578,663
Prepaid expenses	4,869,439	2,193,981
Deposits	34,849,518	13,903,151
Restricted cash	2,400,000	3,614,700
Total current assets	<u>280,519,647</u>	<u>242,568,489</u>
Noncurrent assets		
Capital assets, net of depreciation	653,517	628,115
Intangible - right-to-use lease asset	2,393,197	-
Deposits	88,875	88,875
Total noncurrent assets	<u>3,135,589</u>	<u>716,991</u>
Total assets	<u>\$ 283,655,236</u>	<u>\$ 243,285,480</u>
LIABILITIES		
Current liabilities		
Accounts payable	\$ 4,245,080	\$ 3,329,969
Accrued cost of electricity	134,730,208	84,693,265
Other accrued liabilities	2,748,289	2,917,480
User taxes and energy surcharges due to other governments	8,045,585	6,460,038
Loans payable to County of Los Angeles	-	30,000,000
Security deposits from energy suppliers	297,915	5,522,400
Unearned program funds	3,094,669	1,750,941
Lease liability, current	380,430	-
Total current liabilities	<u>153,542,177</u>	<u>134,674,093</u>
Noncurrent liabilities		
Supplier security deposits	3,132,849	7,142,000
Deferred rent	-	291,167
Lease liability, noncurrent	2,460,561	-
Total noncurrent liabilities	<u>5,593,410</u>	<u>7,433,167</u>
Total liabilities	<u>\$ 159,135,587</u>	<u>\$ 142,107,261</u>
NET POSITION		
Investment in capital assets	\$ 205,723	\$ 628,115
Restricted for collateral	2,400,000	3,614,700
Unrestricted	121,913,926	96,935,404
Total net position	<u>\$ 124,519,649</u>	<u>\$ 101,178,219</u>

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR SIX MONTHS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
OPERATING REVENUES		
Electricity sales, net	\$ 608,016,496	\$ 483,626,589
Other revenue	1,197,332	480,116
Total operating revenues	<u>609,213,828</u>	<u>484,106,706</u>
OPERATING EXPENSES		
Cost of electricity	609,676,090	443,359,386
Contract services	9,369,926	8,844,581
Staff compensation	5,930,953	3,843,067
General and administration	1,119,257	835,379
Total operating expenses	<u>626,096,226</u>	<u>456,882,414</u>
Operating income (loss)	<u>(16,882,397)</u>	<u>27,224,292</u>
NONOPERATING REVENUES (EXPENSES)		
Interest income	520,945	17,963
Interest and related expenses	(336,877)	(293,335)
Interest expense - lease	(35,251)	-
Total nonoperating revenues (expenses)	<u>148,818</u>	<u>(275,372)</u>
CHANGE IN NET POSITION	<u>(16,733,580)</u>	<u>26,948,920</u>
Net position at beginning of period	141,253,228	74,207,784
Net position at end of period	<u><u>\$ 124,519,648</u></u>	<u><u>\$ 101,156,704</u></u>

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA
STATEMENT OF CASH FLOWS
FOR SIX MONTHS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Net operating income (loss)	\$ (16,882,397)	\$ 27,222,100
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense	110,866	63,220
Amortization expense	191,454	-
Revenue adjusted for allowance for uncollectible accounts	10,601,906	10,431,641
(Increase) decrease in:		
Accounts receivable	(28,678,197)	(25,615,765)
Other receivables	(13,057,672)	(5,165,610)
Accrued revenue	1,917,764	11,479,288
Prepaid expenses	1,268,965	1,994,223
Deposits	(8,733,988)	(576,309)
Increase (decrease) in:		
Accounts payable	(281,235)	(1,454,179)
Energy market settlements payable	11,928,247	1,116,385
Accrued cost of electricity	39,172,754	(4,579,261)
Other accrued liabilities	355,205	1,150,128
User taxes due to other governments	2,019,228	1,130,939
Supplier security deposits	(4,486,736)	(37,798,000)
Unearned program funds	(409,364)	152,955
Net cash provided (used) by operating activities	<u>(4,963,200)</u>	<u>(20,448,245)</u>
 CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Loan proceeds	60,000,000	30,000,000
Principal payments on loan	(60,000,000)	-
Interest and related expense payments	(347,372)	(110,370)
Net cash provided (used) by non-capital financing activities	<u>(347,372)</u>	<u>29,889,630</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments to acquire capital assets	(90,125)	(201,423)
Payments on lease (for both principal and interest)	(200,456)	-
Net cash provided (used) by capital and related financing activities	<u>(290,581)</u>	<u>(201,423)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	520,945	17,963
Net cash provided (used) by investing activities	<u>520,945</u>	<u>17,963</u>
 Net change in cash and cash equivalents	(5,080,207)	9,257,925
Cash and cash equivalents at beginning of period	56,937,672	61,806,968
Cash and cash equivalents at end of period	<u>\$ 51,857,464</u>	<u>\$ 71,064,894</u>
 Reconciliation to the Statement of Net Position		
Cash and cash equivalents (unrestricted)	\$ 49,457,464	\$ 67,450,194
Restricted cash	2,400,000	3,614,700
Cash and cash equivalents	<u>\$ 51,857,464</u>	<u>\$ 71,064,894</u>

**CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
FOR SIX MONTHS ENDED DECEMBER 31, 2022**

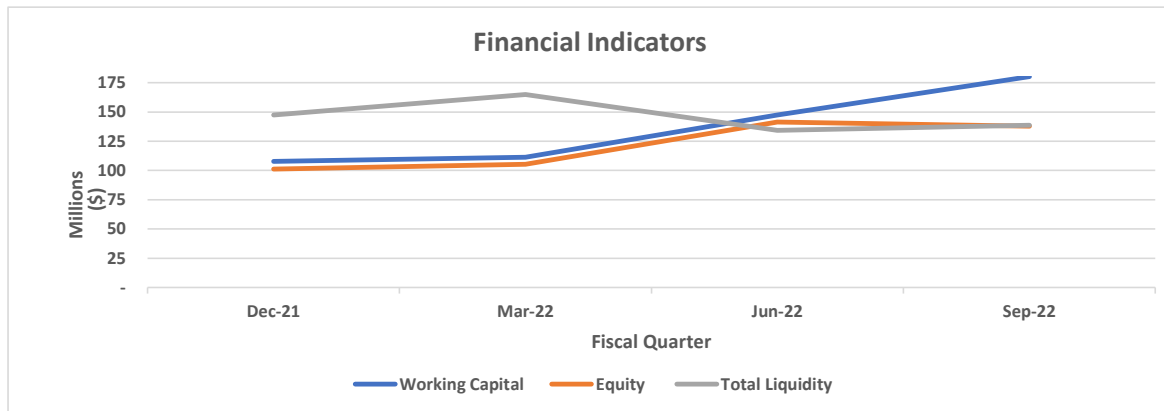
	2022/23 YTD Budget	2022/23 YTD Actual	2022/23 YTD Budget Variance (Under) Over	2022/23 YTD Actual / Budget %	2022/23 Budget	2022/23 Remaining Budget	2022/23 Remaining Budget %
Operating revenues							
Revenue - electricity, net	\$ 606,600,040	\$ 608,016,496	\$ 1,416,456	100%	\$ 1,110,781,000	\$ 502,764,504	45%
Other revenues	1,078,536	1,197,332	118,796	111%	2,742,000	1,544,668	56%
Total operating revenues	607,678,576	609,213,828	1,535,252	100%	1,113,523,000	504,309,172	45%
Energy costs							
Total energy costs	512,596,544	609,676,090	97,079,545	119%	870,533,000	260,856,910	30%
Operating revenues less energy costs	95,082,032	(462,261)	(95,544,293)	0%	242,990,000	243,452,261	100%
Operating Expenditures							
Staffing	6,630,740	5,930,953	(699,787)	89%	13,976,000	8,045,047	58%
Technical services	755,800	612,306	(143,494)	81%	1,436,000	823,694	57%
Legal services	730,900	281,826	(449,074)	39%	1,243,000	961,174	77%
Other professional services	1,132,102	372,822	(759,280)	33%	1,902,000	1,529,178	80%
Communications and outreach	1,013,990	432,096	(581,894)	43%	2,018,000	1,585,903	79%
Mailers	1,071,142	578,005	(493,137)	54%	1,346,000	767,995	57%
Billing data manager	5,226,490	5,228,418	1,928	100%	10,474,000	5,245,582	50%
SCE services	1,057,990	960,000	(97,990)	91%	2,116,000	1,156,000	55%
Customer programs	1,828,425	904,454	(923,972)	49%	4,663,000	3,758,547	81%
General and administrations	2,905,689	1,119,257	(1,786,432)	39%	5,877,000	4,757,743	81%
Total operating expenditures	22,353,268	16,420,136	(5,933,132)	73%	45,051,000	28,630,864	64%
Operating income	72,728,764	(16,882,397)	(89,611,161)	-23%	197,939,001	214,821,398	109%
Non-operating revenues (expenditures)							
Interest income	243,200	520,945	277,745	214%	486,400	(34,545)	-7%
Finance and interest expense	(346,005)	(372,128)	(26,123)	108%	(562,000)	(189,872)	34%
Total non-operating revenues (expenditures)	(102,805)	148,818	251,623	-145%	(75,600)	(224,418)	
Change in net position	72,625,959	(16,733,579)	(89,359,539)		197,863,401	214,596,980	108%
Other uses							
Capital outlay	112,250	90,125	(22,125)	80%	224,500	134,375	60%
Depreciation and Amortization	(313,170)	(302,320)	10,850	97%	(622,000)	(319,680)	51%
Total other uses	(200,920)	(212,195)	(11,275)	106%	(397,500)	(185,305)	47%
Change in fund balance	\$ 72,826,879	\$ (16,521,384)	\$ (89,348,264)	-23%	\$ 198,260,901	\$ 214,782,285	

Select Financial Indicators

Note		Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
1	Working Capital	107,892,204	111,423,404	147,468,653	180,312,395	126,977,470
2	Current Ratio	1.8	1.9	2.5	1.8	1.8
3	Days Sales Outstanding	39	39	41	38	34
4	Equity	101,176,027	105,176,451	141,253,228	137,907,020	124,519,649
5	Equity to Assets %	42%	44%	56%	34%	44%
6	Available Cash	67,450,194	85,085,627	54,537,672	98,830,346	49,457,464
7	Available Line of Credit	79,853,000	79,853,000	79,853,000	39,853,000	79,853,000
8	Total Liquidity	147,303,194	164,938,627	134,390,672	138,683,346	129,310,464
9	Days Liquidity on Hand (TTM)	67	75	61	57	49
10	Gross Margin	8%	8%	11%	1%	-0.1%
11	Net Margin	6%	5%	8%	-1%	-3%

Percentage Change from Prior Quarter

Working Capital	20%	3%	32%	22%	-30%
Current Ratio	20%	6%	29%	-26%	0%
Days Sales Outstanding	-4%	1%	3%	-8%	-9%
Equity	21%	4%	34%	-2%	-10%
Equity to Assets %	35%	6%	27%	-39%	28%
Available Cash	26%	26%	-36%	81%	-50%
Available Line of Credit	0%	0%	0%	-50%	100%
Total Liquidity	10%	12%	-19%	3%	-7%
Days Liquidity on Hand (TTM)	12%	11%	-18%	-7%	-14%



Note	Description	Note	Description
1	Current Assets less Current Liabilities	7	Total Line of Credit less Borrowing and Letters of Credit
2	Current Assets divided by Current Liabilities	8	Sum of Available Cash and Line of Credit
3	Accounts receivable divided by Sales divided by 365	9	Total Liquidity divided by trailing 12 month expenses divided by 365
4	Net Position plus Fiscal Stabilization Fund	10	Operating revenue less energy cost divided by operating revenue
5	Equity (Net Position + FSF) divided by Total Assets	11	Change in net position divided by operating revenue
6	Unrestricted cash and cash equivalents		