



CPS Energy City Payment Wholesale Revenues

Presented by: Ben Gorzell, Jr., Chief Financial Officer
City Council Special Meeting
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Financial Policies

City Payment Base Budget

CPS revenues in excess of 10% of City payment base budget allocated to the following as determined by the City

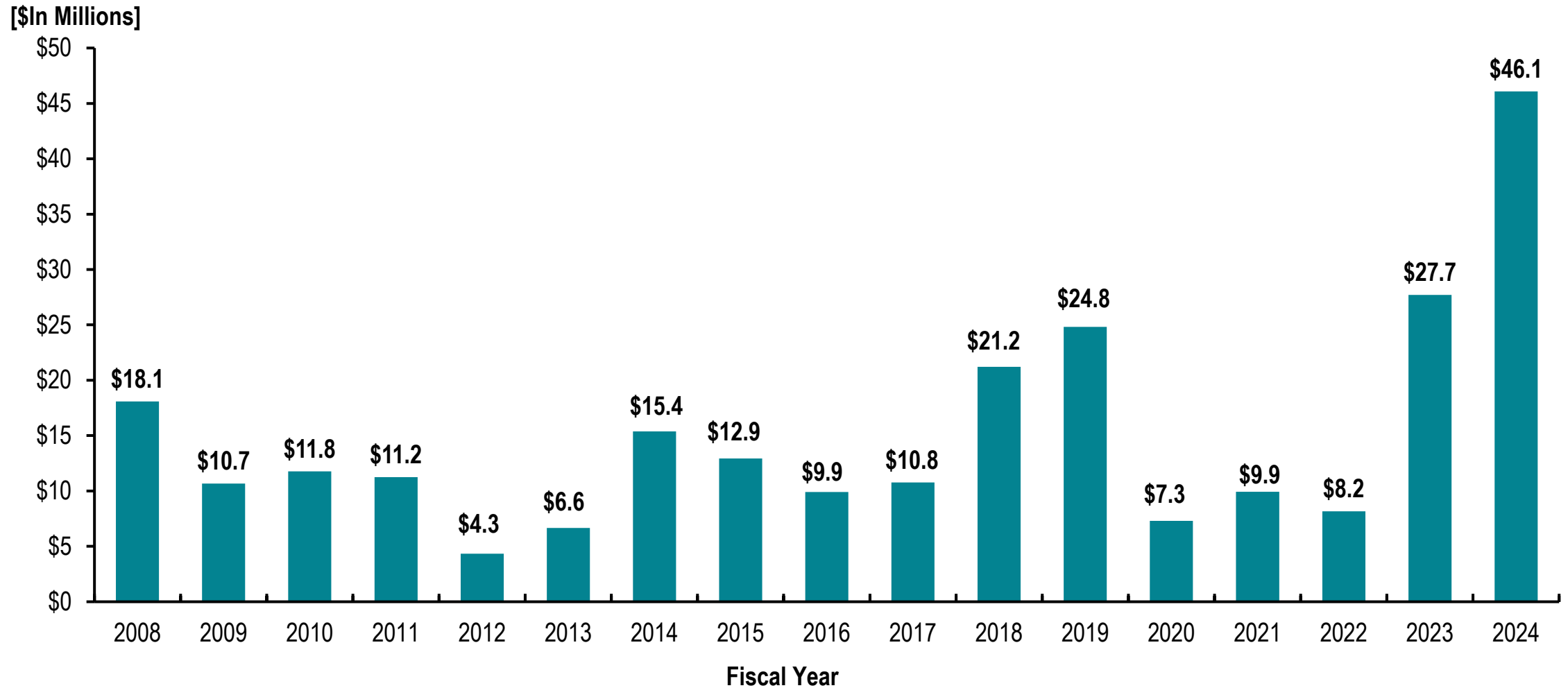
- CPS Energy for resiliency and reliability projects with input from Sustainability
- City's Resiliency, Energy Efficiency, and Sustainability Fund

City Payment Off-System Sales

City Payment from Off System Sales capped at \$10 Million annually

- Reserve amount over \$10 Million in Capital Reserve Fund
- Determine at year end if City met base budget amount
 1. Fund any shortfall in City payment base budget
 2. Remaining funds eligible to be transferred to CPS Energy to fund resiliency and reliability projects

Off-System Sales City Payment by Fiscal Year



City Payment – Summary Results FY 2024

City Payment Base Budget

[\$In Millions]

Budget Re-Estimate*	\$430.4
110% of Budget Re-Estimate	\$473.4
Actual – Base	\$420.2
Excess over 10%	\$ -

City Payment Off-System Sales

[\$In Millions]

	Re-Estimate	Actual	Variance
Base payment	\$ 430.4	\$ 420.2	\$ (10.2)
Off-System Sales	\$ 10.0	\$ 46.1	\$ 36.1
Balance	\$ 440.4	\$ 466.3	\$ 25.9

\$25.9 Million eligible to be transferred to CPS Energy

* The Re-Estimated Budget was used for the first year of implementation in FY 2024. Beginning in FY 2025, the Adopted Budget will be utilized.



Cory Kuchinsky, CPA
Chief Financial Officer & Treasurer (CFO)

MEMORANDUM OF UNDERSTANDING

UTILIZING A PORTION OF THE GENERAL FUND TO SUPPORT RESILIENCY AND RELIABILITY



**Reinvest in
the System**

Proposed Reliability Projects:

- Reclosers program
- Power plant reliability investments



Under the MOU, city payment can be deployed in a one-time nature to address resiliency, reliability and sustainability.



Cory Kuchinsky, CPA
Chief Financial Officer & Treasurer (CFO)