

CPCNH Operating Budget (Draft)

(January 1, 2024 - December 31, 2024)

(\$000)	2024	2023 (est.)	Y/Y %	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Revenue	\$101,700	\$44,911	126%	\$7,414	\$6,809	\$7,034	\$7,465	\$7,131	\$7,637	\$8,908	\$10,928	\$10,534	\$8,912	\$8,920	\$10,008
Energy, Capacity and Ancillary Costs	\$77,378	\$33,068	134%	\$6,077	\$4,309	\$5,891	\$5,009	\$5,465	\$5,477	\$6,953	\$8,933	\$7,118	\$6,683	\$7,111	\$8,353
RPS Obligations and Voluntary RECs	\$6,909	\$2,077	233%	\$487	\$435	\$598	\$498	\$549	\$572	\$736	\$723	\$564	\$525	\$565	\$657
Cost of Goods Sold	\$84,287	\$35,145	140%	\$6,564	\$4,744	\$6,489	\$5,507	\$6,014	\$6,049	\$7,689	\$9,655	\$7,682	\$7,207	\$7,676	\$9,011
Gross Margin ^(c)	\$17,413	\$9,766	78%	\$850	\$2,065	\$545	\$1,958	\$1,118	\$1,588	\$1,219	\$1,273	\$2,852	\$1,704	\$1,244	\$997
Load Serving Entity Services	\$477	\$277	72%	\$34	\$31	\$41	\$35	\$38	\$40	\$49	\$49	\$39	\$37	\$39	\$45
Other Contractor Services	\$3,195	\$2,460	^(b) 30%	\$263	\$232	\$264	\$270	\$309	\$277	\$271	\$271	\$271	\$260	\$253	\$253
Member Services	\$269	\$210	28%	\$62	\$14	\$12	\$29	\$62	\$12	\$23	\$9	\$10	\$25	\$6	\$6
Salaries, Benefits and Emp. Taxes	\$1,717	\$419	^(d) 310%	\$107	\$129	\$129	\$136	\$136	\$137	\$245	\$138	\$138	\$144	\$139	\$139
Other (Purchase of Receivables, etc.)	\$718	\$314	128%	\$53	\$49	\$50	\$53	\$51	\$54	\$62	\$76	\$74	\$62	\$62	\$70
Operating Expense	\$6,377	\$3,680	73%	\$520	\$455	\$497	\$524	\$596	\$521	\$651	\$542	\$531	\$528	\$500	\$513
Office, Insurance and Other	\$90	\$43	111%	\$10	\$18	\$10	\$5	\$9	\$5	\$5	\$5	\$5	\$5	\$5	\$5
General and Administrative	\$90	\$43	^(e) 111%	\$10	\$18	\$10	\$5	\$9	\$5	\$5	\$5	\$5	\$5	\$5	\$5
Net Margin ^(f)	\$10,946	\$6,044	81%	\$320	\$1,592	\$38	\$1,429	\$513	\$1,062	\$563	\$725	\$2,315	\$1,171	\$739	\$479
Joint Reserves (End of Month) ^(g)	\$17,610	\$6,720	162%	\$7,036	\$8,623	\$8,657	\$10,081	\$10,588	\$11,646	\$12,204	\$12,924	\$15,235	\$16,401	\$17,135	\$17,610
Retail Sales (GWh) ^(h)	1,001	340	194%	71	63	87	72	80	83	107	105	82	76	82	95
CPA Accounts Served (000)	122	90	36%	90	90	^(a) 122	122	122	122	122	122	122	122	122	122
Reserve Operating Days (min target 60) ⁽ⁱ⁾	73	63	17%	66	68	62	63	61	62	63	64	71	73	74	73

Year over Year Variance Discussion

Revenue: 2023 was a partial year with services beginning at the end of April. 2024 includes an expected launch in March of an additional 32k (a) customers from eleven communities. The launch month for these communities is in March. This budget does not include the expected summer launch of additional communities.

Cost of Goods Sold: Energy, Capacity, Ancillary Services, Renewable Portfolio Standard (RPS) and Voluntary Renewable Energy Certificate (REC) costs are higher in 2024 due to 2023 being a partial year of service and new communities being served in 2024.

Gross Margin: Gross Margin in 2024 (c) is ~\$7.6MM higher than 2023 Gross Margin (~\$17.4MM vs ~\$9.8MM).

Operating Expense: Salaries and Benefits are higher by 310% (d) due to the increase in staffing from no staffing in early 2023 to six full time employees (FTE) in April 2024. Additional staffing joining the organization in February include a Senior Analyst and a Director of Energy Strategy and Projects with a Communications Coordinator expected in April. Of note is proportionally lower Other Contractor Services (b) as we reduce our outsourced Power Portfolio Support Services given our increase in staffing.

General and Administrative: Increasing primarily due to Lebanon and Concord office spaces, computers and related items and furniture (e).

Net Margin: Net Margin is estimated to increase to ~\$10.9MM (f) from ~\$6MM in 2023, an increase of ~\$4.9MM.

Joint Reserves: Joint reserves forecasted to increase to ~\$17.6MM (g) from \$6.7MM in 2023, an increase of \$10.9MM while serving one terrawatt hour of customer energy needs (h). Joint Reserves forecast dependent upon competitive supply rates being offered for the spring and fall rate periods of 2024.

Reserve Operating Days: Three year (2025) minimum target of 60 days achieved in 2023. On track to meet five year, 120 day target in 2028 (i).