

June Reconciliation

July 23, 2021

June 2021 Fuel Variation Analysis

The adjustment factor for the fourth quarter of fiscal year 2021 was calculated in March 2021. At that time, the PROMOD simulation resulted in a forecasted generation dispatch cost of approximately \$139.4M. The realized fuel costs in June were \$151.9M. The difference between the forecasted and the actual values is \$12.5M.

Most of that variation is due to different units being dispatched to meet demand compared to the March 2021 PROMOD simulation. Palo Seco 3 steam unit was considered available within the simulation, but it was not available to generate energy during the month of June 2021. The modeled production assumed for the Palo Seco plant which burns residual fuel oil, was replaced by other less efficient units burning diesel fuel oil, such as the peaking units, Cambalache, and the Aguirre combined cycle.

The reconciliation file for June 2021 also considers a prior period adjustment of \$2.7M during this period, increasing the earlier \$12.5 million difference between forecasted and actual to a total of \$15.2M. However, the reconciliation is between fuel costs of \$154.6M (\$151.9 fuel + \$2.7M prior period adjustment) versus billed sales for fuel adjustment clause (per sales report), not against the forecasted generation in PROMOD. The billed sales for fuel adjustment clause (FCA) value is \$127.8M, resulting in an \$26.7M difference between recovered and costs in June 2021.

The billed sales for FCA includes prior period reconciliations, FEMA deferrals and other factors from Finance and Accounting that decreased the FCA versus the forecast and increased the difference between the recovered amount versus the realized costs.

The purchased power (AES, EcoEléctrica and renewable projects) simulation in PROMOD, estimated in March 2021, forecasted costs of \$ 41.3M. The realized costs in June 2021 were \$39.8M, resulting in a difference between forecast and actual values of -\$1.5M. The reconciliation file for June 2021 has a prior period adjustment of -\$6.3M which leads to a total Purchased Power Cost to be recovered of \$33.5M (\$39.8 - \$6.3M). This amount is then compared to the billed sales amount of \$39.6M for a total amount to be returned of -\$6.1M (\$39.6 - \$33.5M).

Please refer to following slides for additional detail.



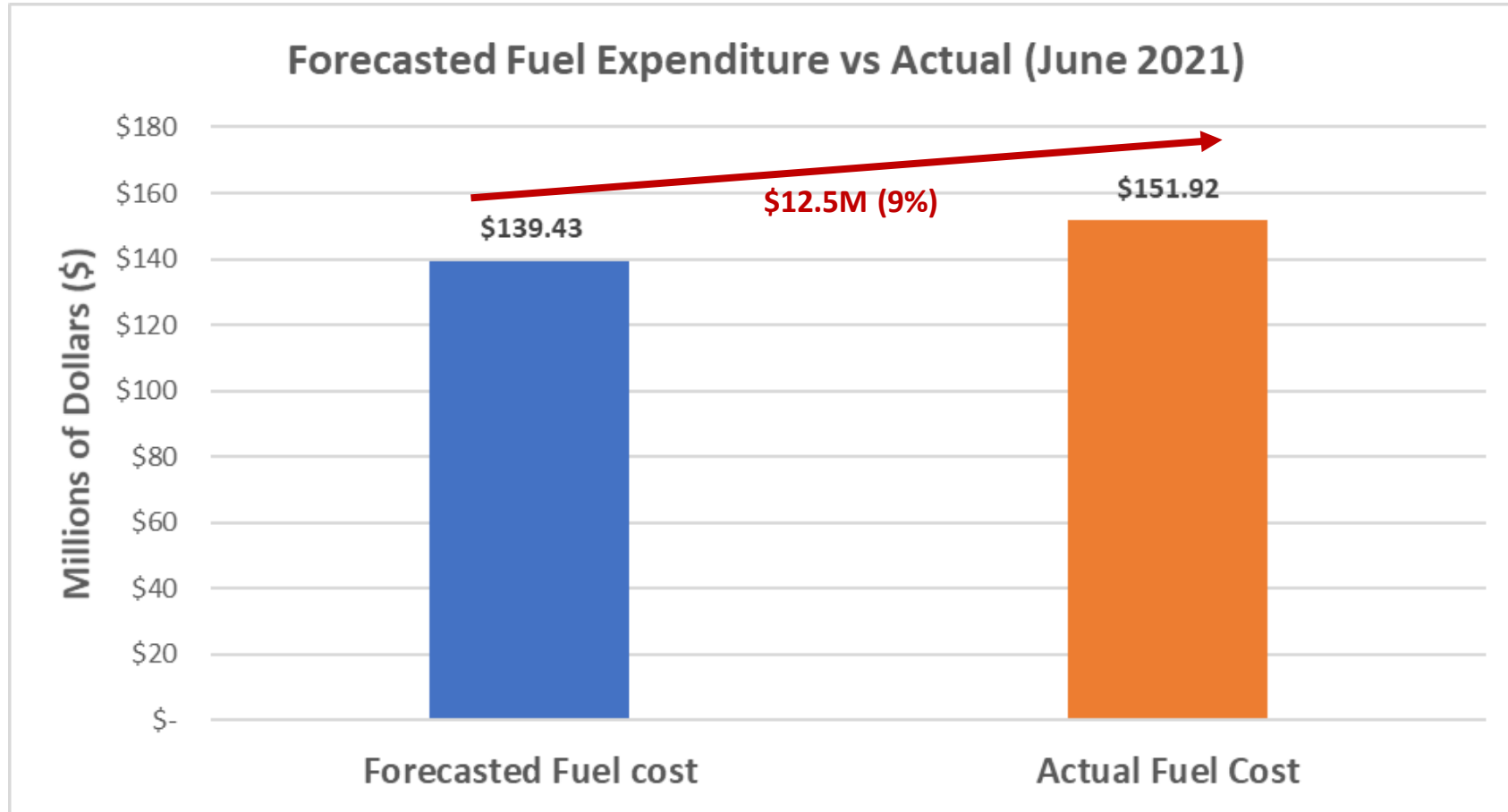


June 2021 Variance Analysis

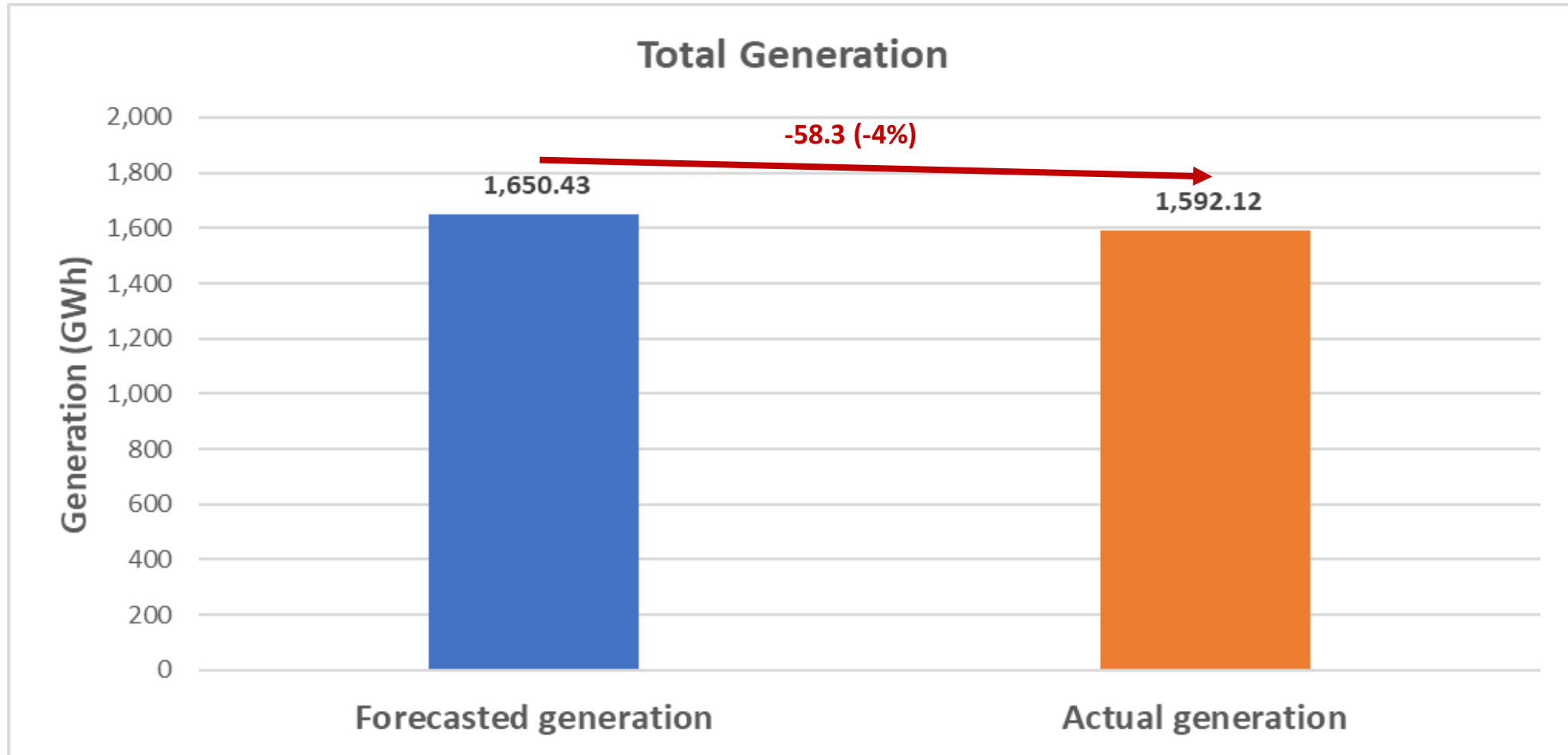
July 22, 2021



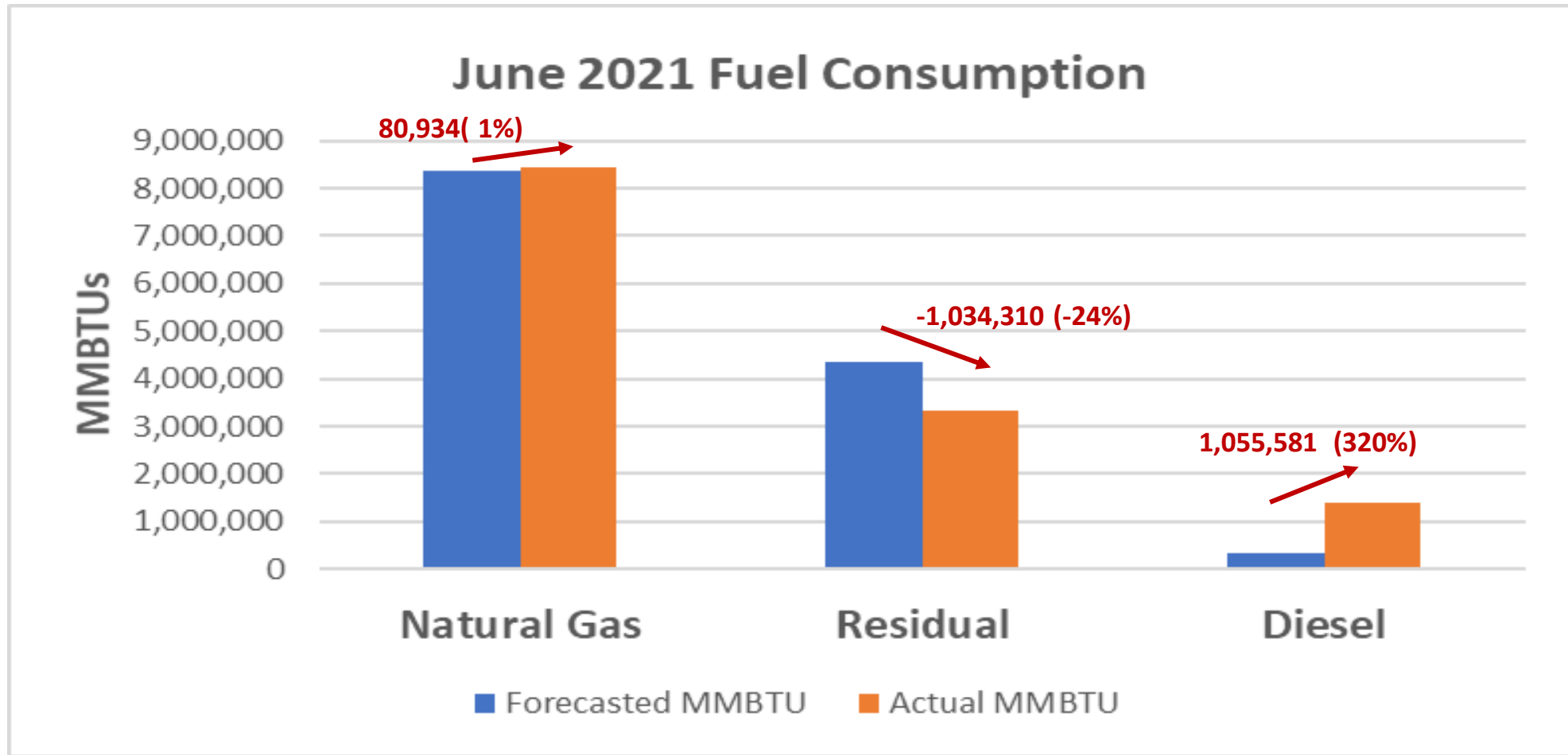
June 2021 Fuel Expenditures (Mil \$)



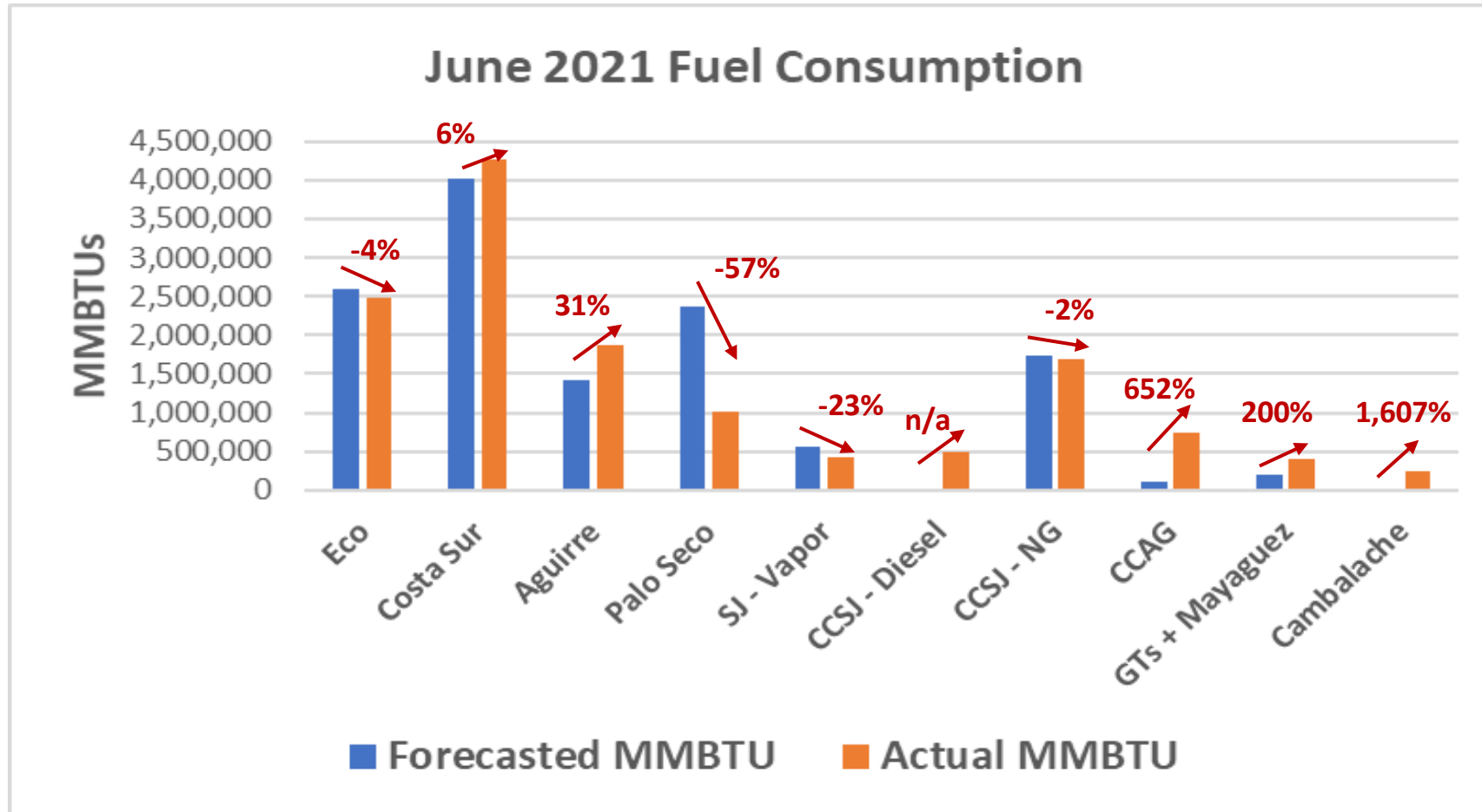
June 2021 Generation (GWh)



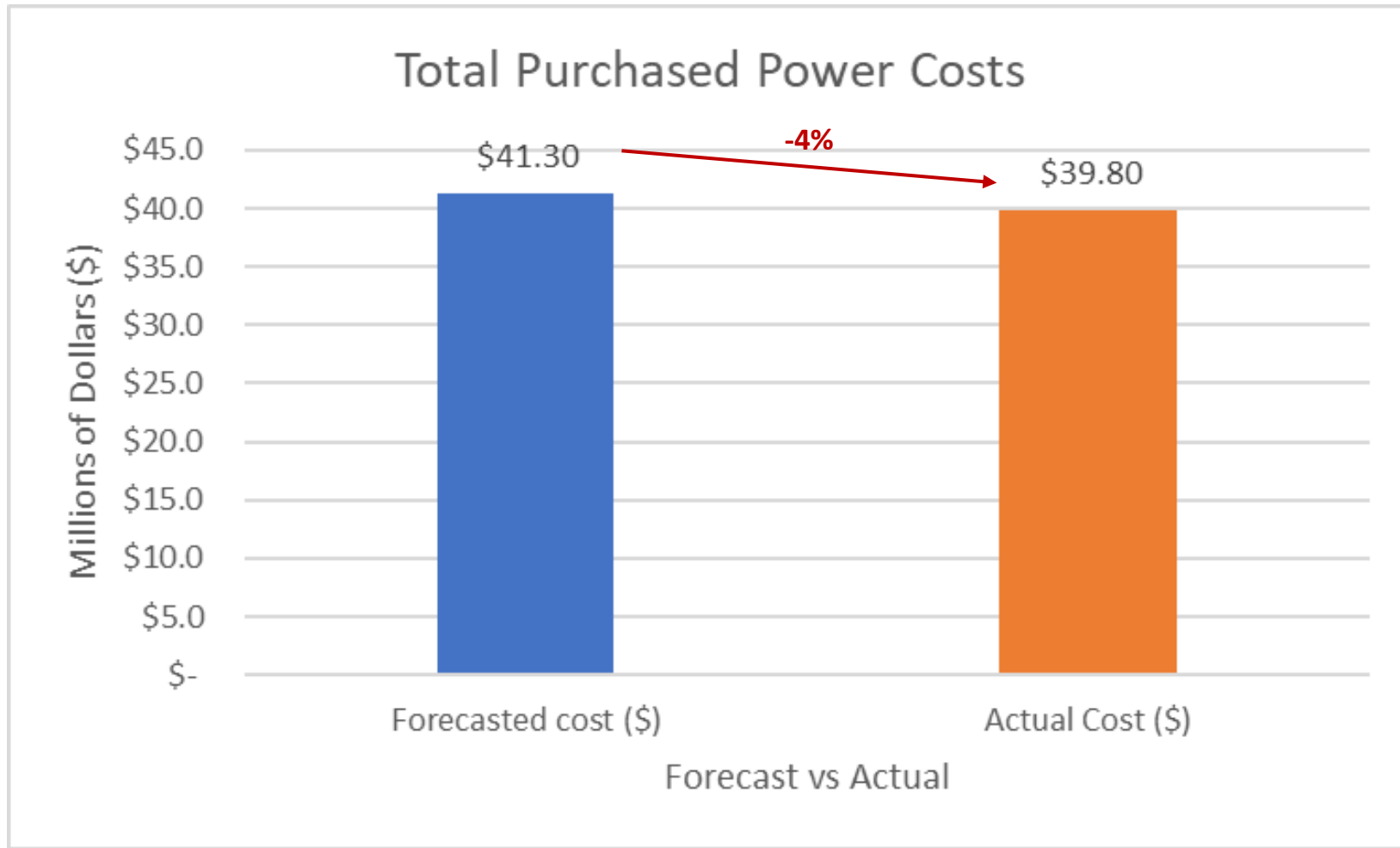
June 2021 Fuel Consumption (by fuel type)



June 2021 Fuel Consumption (by plant)



June 2021 Purchased Power Costs



June 2021 Purchased Power Generation

