

# Increase Credit Facilities

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# Lines of Credit - Background

- Lines of credit are available liquidity for any valid corporate purpose
  - Cash typically available within 24 hours
- Current lines of credit total \$450 Million
  - Last increase was in 2020
- Lines of credit add to Days Liquidity instead of Days Cash
  - Still must coordinate with a bank when cash is needed
- OPPD maintains lines of credit at least to the level of commercial paper program
  - Currently \$350 Million authorized of commercial paper
- Available credit is reduced when drawn or by issuing letters of credit

# Current Available Liquidity

- Total lines of credit - \$450 Million
  - Less Commercial Paper Program support - \$350 Million
  - Less current and anticipated letters of credit - \$39 Million
- Remaining available liquidity - **\$61 Million**

# Upcoming Impacts to OPPD's Financial Condition

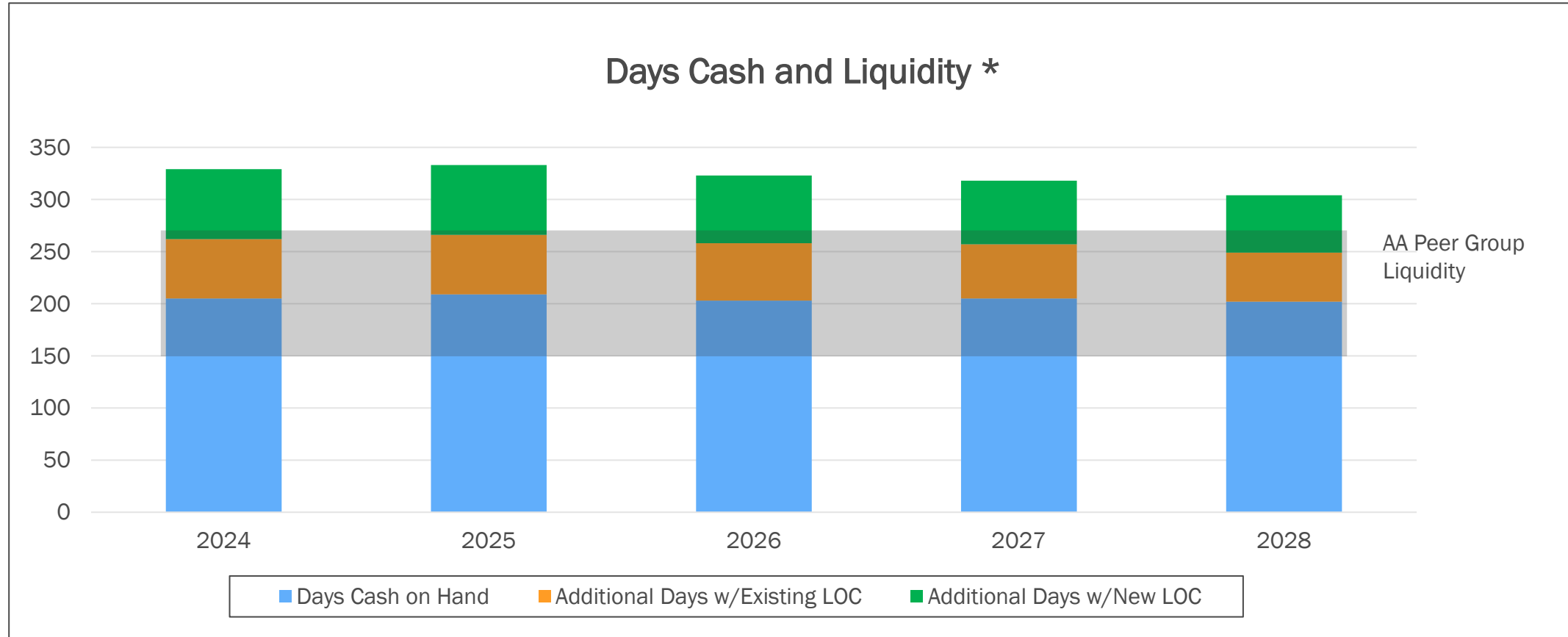
- Debt issuance projected to be approximately \$1.9 billion between 2024 and 2028 to support capital expenditures
- Additionally, District revenues of approximately \$1.2 billion will be used to support OPPD capital expenditures over the same period
- Unexpected events could cause potential liquidity issues
  - Recent examples: Polar vortex, COVID, Winter Storm Gerri, river flooding, etc.

# Lines of Credit Recommendation

- Recommend increasing the lines of credit authorization by \$200 million up to a maximum of \$650 million total
  - Provides financial flexibility during New Generation construction
  - Fiscally prudent and provides additional liquidity if unexpected needs arise
  - The District's Financial Advisor supports the increase to \$650 million
- Upon Board's authorization, pursue an increase of current lines of credit up to an additional \$200 million
  - Current providers have provided the most competitive bids to cover increase up to \$200 million
  - Additional \$200 million would increase projected 2024 days liquidity to 329 days, in-line with a strong 'AA' rated utility

# Days Cash and Liquidity Projections

- Liquidity levels with additional LOC



\* \$200 million additional LOC in 2024-2028

# Discussion