

# 03-02 Assumptions and Considerations Key to the 2024 Program Cost Forecast

Reservoir Committee and Authority Board

April 19, 2024



# Background

The Authority has advanced strategic plan objectives related to **affordability, permitability, and buildability**

The Program has made progress answering the big 3 questions for Participants: **what do we get, how much does it cost, and how do we pay for it?**

The **2024 Program Cost Forecast** will provide an update to the **how much does it cost** question – staff is seeking input on the proposed process for developing this update

# Considerations

Elements of the **Program Cost Forecast** were last updated in 2021 with the exception of:

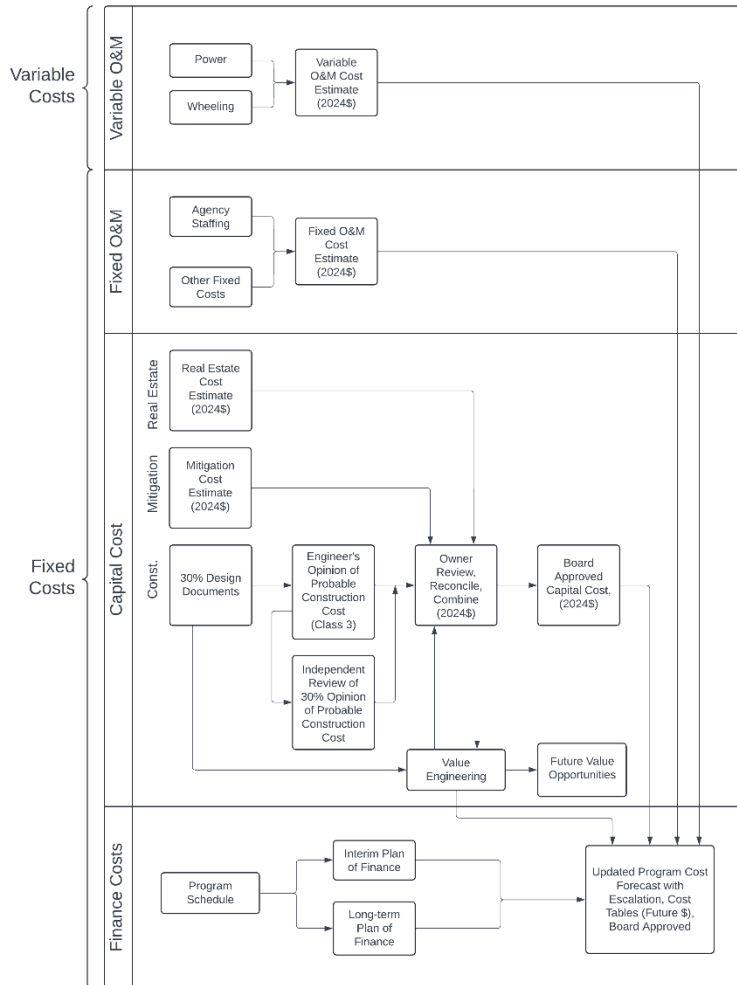
- The Interim Plan of Finance Update (May 2023)
- Adopted Program Baseline Schedule (October 2023)

Development of an updated 2024 Construction Cost Estimate is currently underway:

- Reflective of market conditions
- Higher degree of certainty based on design progression

# 2024 Program Cost Forecast Development Process

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DRAFT - FOR DISCUSSION (Apr 19, 2024)



Update and consider all elements in 2024 dollars:

1. Variable costs
  - Power
  - Wheeling
2. Fixed costs
  - O&M
  - Capital Cost
  - Financing

Objective: complete and adopt the **2024 Program Cost Forecast** before the end of this year

# Next Steps

The RC & AB will have several opportunities for input prior to finalization of the **Resolution to Offer Capacity and Service**, including discussions lead by several Committees and Workgroups

Adoption of the **2024 Program Cost Forecast** will be followed by several key activities that may provide opportunities for cost reduction, value add, and increased affordability certainty:

- Golden Gate Dam siting
- Reservoir CMAR input
- Confirm benefit projections
- Update Plan of Finance

# Questions?