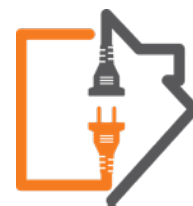


EMPOWERING CONNECTIONS





EMPOWERING CONNECTIONS

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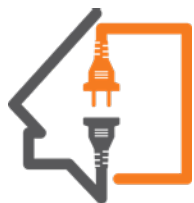
Cleveland Public Power is committed to providing reliable and affordable energy and energy services to the residents and businesses of the City of Cleveland.

Cleveland Public Power
2022 ANNUAL REPORT



ClevelandPublicPower
Count on it

EMPOWERING CONNECTIONS



Cleveland Public Power
2022 ANNUAL REPORT



A MESSAGE FROM THE MAYOR

On behalf of the City of Cleveland, I would like to express our sincere gratitude for the invaluable work being done by Cleveland Public Power (CPP). We are proud to continue the legacy of providing reliable and affordable energy and services to the residents and businesses of our city, a tradition that has spanned over 110 years.

Cleveland Public Power's recent recognition as a Reliable Public Power Utility for the eighth consecutive time speaks volumes about its unwavering commitment to excellence. The American Public Power Association (APPA) honored CPP with the Gold designation, acknowledging its proficiency in key areas such as reliability, safety, workforce development, and system improvement.

With Ammon Danielson stepping in as Commissioner of Cleveland Public Power, I am optimistic about the future. His expertise in formulating strategic priorities and business initiatives positions CPP to modernize and foster sustainable growth. I look forward to seeing how his leadership further enhances the utility's capabilities.

I commend CPP's efforts to build strong partnerships with local agencies, developers, and departments, which are essential for the ongoing growth of our city. Recent initiatives, such as the development of the new Cleveland Foundation headquarters and various mixed-use housing projects, are vital to revitalizing our neighborhoods.

As we move forward, the City is enthusiastic about fostering CPP's collaboration with the Urban Forestry Commission. Trees have always been an integral part of Cleveland's rich heritage. With CPP's expertise and support, we are eager to embark on the journey of revitalizing the city's tree canopy in a way that not only enhances the environment but also enriches the well-being of our communities.

I look forward to Cleveland Public Power's continued growth and the implementation of innovative solutions to meet the needs of our ratepayers.

Sincerely,

JUSTIN M. BIBB
Mayor of Cleveland



BLAINE GRIFFIN
Council President



BRIAN KAZY
Councilman

CITY COUNCIL

From Abbey Avenue on the west side to E. 93rd Street on the east side, Cleveland neighborhoods are growing with the assistance of Cleveland Public Power. Through collaborative relationships with city departments, local developers and agencies CPP exhibits how we can all work together for a positive outcome for the City of Cleveland.

We look forward to the advancement of the utility with its new Commissioner Ammon Danielson at the helm. His knowledge of the development and implementation of large projects, including maintenance, rehabilitation, and construction of high voltage electric transmission assets represents the toolkit needed to enhance CPP's system.

The Cleveland Foundation and CPP are century old institutions in Cleveland known for collaborative work to improve this great city. To see them working cooperatively to revitalize Euclid Avenue is a win for all neighborhoods.

Cleveland City Council is especially pleased with the work CPP is doing to protect the city's tree canopy, including educating residents on the hazards associated with balloon releases. The "Reforest Cleveland" campaign not only looks at the dangers to the utility's infrastructure, it also offers environmentally safe solutions.

We look forward to continuing to work with and support Cleveland Public Power in the years to come.



MARTIN KEANE
Director



AMMON DANIELSON
Commissioner

DIRECTOR | COMMISSIONER

Empowering Connections: A Year of Triumph for Our Electric Utility

At Cleveland Public Power, a tangible measure of success is kilowatts and infrastructure expansion, but just as important are community connections. We are pleased with the continual growth of CPP's customer base, which this year includes setting the electrical foundation for The Cleveland Foundation headquarters, and a host of residential properties to aid in Cleveland's growth.

CPP's growth is largely due to the connections and relationship building with local developers and organizations. Additionally, CPP works daily to improve its infrastructure and business practices to ensure they deliver quality service.

To ensure continued growth, we are pleased to welcome Ammon Danielson as the new Commissioner of CPP. He comes to Cleveland from the Western Area Power Administration (WAPA), one of four power marketing administrations within the U.S. Department of Energy. WAPA markets and transmits wholesale electricity from multi-use water projects in a 15-state region. Commissioner Danielson is a recognized Subject Matter Expert (SME) in formulating strategic priorities and business initiatives to modernize and drive sustainable organizational growth. We look forward to his work in stabilizing and improving our utility.

A key component of continued growth is a solid workforce. For the eighth time The American Public Power Association (APPA) recognized CPP's commitment to its workforce with the Gold designation as a Reliable Public Power (RP3) utility. The RP3 designation recognizes public power utilities that demonstrate proficiency in four key disciplines: reliability, safety, workforce development, and system improvement.

While progress has been the hallmark of our journey, challenges have also emerged. One such challenge came in the form of an increase in power outages caused by Mylar balloons. Collaborating with its sister utilities – the Division of Cleveland Water and Water Pollution Control, a "Reforest" Cleveland campaign is in place to educate the community on the dangers of balloons to our community.

As we look ahead, Cleveland Public Power remains steadfast in our commitment to powering progress, fostering resilience, and strengthening the bonds that unite us as a community. Together, we will continue to illuminate the path towards a brighter, more sustainable future for all.



Ammon Danielson named Commissioner of Cleveland Public Power



In November, Cleveland Public Utilities Director Martin Keane announced the appointment of Ammon Danielson as Commissioner of Cleveland Public Power. Director Keane said, “after a national search, we are confident this appointment will offer the stability and innovation CPP needs as we work on major infrastructure improvements.”

Danielson comes to Cleveland from the Western Area Power Administration (WAPA), one of four power marketing administrations within the U.S. Department of Energy. WAPA markets and transmits wholesale electricity from multi-use water projects in a 15-state region. While at WAPA, Danielson served as Program Director and Regulatory Advisor. He is a recognized Subject Matter Expert (SME) in formulating strategic priorities and business initiatives to modernize and drive sustainable organizational growth.

As the Transmission Construction & Maintenance Program Manager with Wyandotte Services, Danielson led the development and implementation of region-wide projects, including for maintenance, rehabilitation, and construction of high voltage electric transmission assets.

“Cleveland Public Power has a rich history of dedication and community service,” Danielson said. “The public power model has proven to be nimble, affordable, and reliable. CPP is eager to continue providing unmatched service to our customers while embracing unprecedented changes in the electric utility industry”.

“CPP is eager to continue providing unmatched service to our customers while embracing unprecedented changes in the electric utility industry.”

AMMON DANIELSON
Commissioner | Cleveland Public Power

CPP Assistant Commissioner Bernie Jackson named to the City of Cleveland’s Urban Forestry Commission

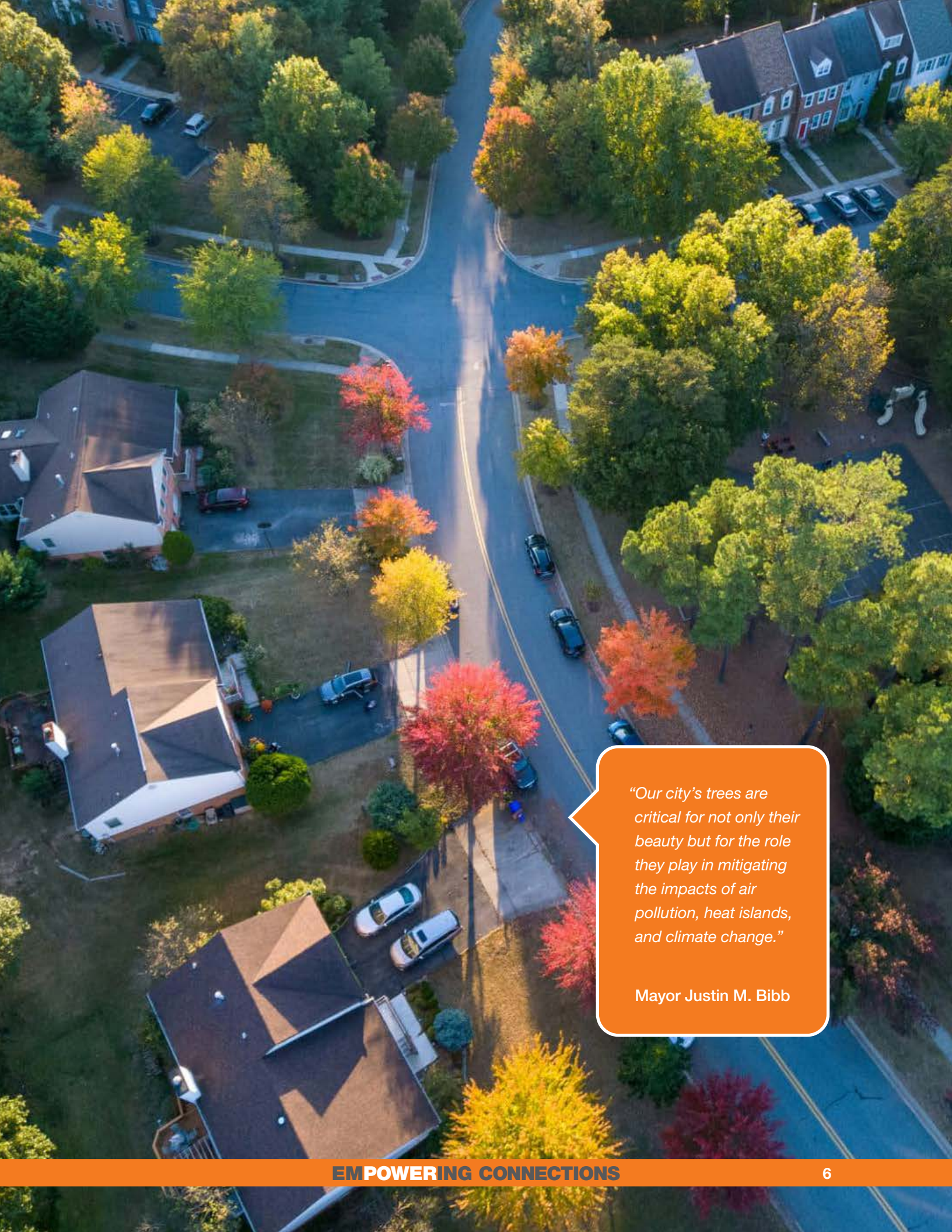
As the City of Cleveland works to increase its tree canopy, Mayor Justin Bibb revitalized and renamed the dormant “Tree Commission,” as the Urban Forestry Commission (UFC). The UFC will have the authority to develop and recommend policy, work with departments to administer policy changes, and monitor policy implementation in order to maintain and grow Cleveland’s tree canopy.

“Our city’s trees are critical for not only their beauty but for the role they play in mitigating the impacts of air pollution, heat islands, and climate change,” said Mayor Justin M. Bibb. “I am grateful for the work that went into reviving this commission and I thank the members for their commitment to preserving and expanding our tree canopy and to environmental justice and equity.” “Cleveland was once known as the Forest City, but our tree canopy has been on the decline for decades,” said Ward 16 Councilman Brian Kazy. “Our goal is to bring the right people together to reduce tree loss and damage, help educate residents about proper care, and foster more tree-related collaboration among city departments.”

Bernie Jackson, assistant commissioner of Cleveland Public Power, will serve on the commission to ensure there is a balance between the needs of the utility to provide reliable service, and a flourishing tree canopy. Jackson said of the appointment, “I look forward to working with this committee to help others understand the importance of tree trimming and tree placement for the utility.”

This new change comes as recognition of the important role trees play in the urban landscape of the city. “Trees can reduce ozone from the air, reduce carbon emissions, lower energy costs, provide storm water mitigation, and improve water quality,” said Cleveland’s Director of Sustainability & Climate Justice Sarah O’Keeffe. “Trees also increase property values and make neighborhoods more desirable.”





"Our city's trees are critical for not only their beauty but for the role they play in mitigating the impacts of air pollution, heat islands, and climate change."

Mayor Justin M. Bibb



Longfellow





CPP powers rebirth of historic Longfellow Elementary School

The school bells were silenced more than a decade ago, but a collaboration between the Cleveland Restoration Society (CRS) and Vesta Corporation revitalized Longfellow Elementary School. Working with Vesta, Cleveland Public Power will power this community treasure into homes for seniors seeking to remain in the neighborhood.

The residential project included refurbishing the historic Longfellow Elementary School and constructing a new 3-story building. Built in 1924 by Cleveland school architect Walter McCornack, Longfellow served as the educational epicenter for generations of Cleveland students. After 82 years, the school closed its doors in 2006.

The school remained vacant, and was slated for demolition until CRS stepped in around 2015. The Society launched a three-year effort to save Longfellow, actively campaigning to have the building rehabilitated and returned to productive use in the community. At the end of 2018, Connecticut developer, Vesta Corporation, took title to the property with the expectation of completing a \$21M project that will result in adapting the school into 94 affordable senior housing units.

CPP will provide individual meters to the 30, one- and two-bedroom apartments in the former school, along with 63 meters for the one and two-bedroom apartments in the new building.

This project is a win for Cleveland by increasing quality housing for Senior residents on the city's eastside while helping to preserve some of the area's rich architecture.



Building communities through collaboration

Working with local developers, Cleveland Public Power has played an integral role in the redevelopment of Cleveland neighborhoods throughout the city.

CPP is proud to be the electric provider for the new Cleveland Foundation headquarters in the city's Midtown neighborhood. The collaboration of century-old organizations working to improve and empower Clevelanders is key to the increased vitality of the city.

In addition to the Foundation, CPP is working to bring electricity to the southeast side through collaborating with local developers on the E. 93rd St. Apartments representing new construction of more than 40 units. Also in the southeast corridor, construction of an additional 38 units is underway.

Other areas witnessing a resurgence of new construction include Slavic Village with 38 units, W. 44th & Lorain has 23 units – both rentals and new homes; Ohio City's Abbey Townhomes represents 130 new homes and the Scranton community will soon have 300 rentals.

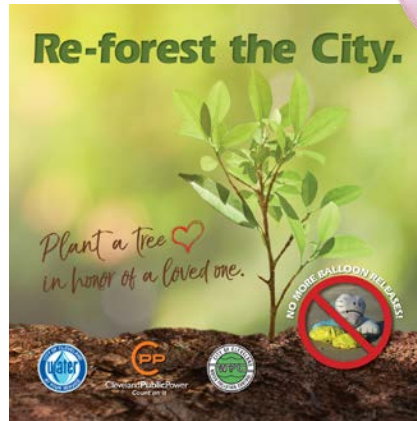
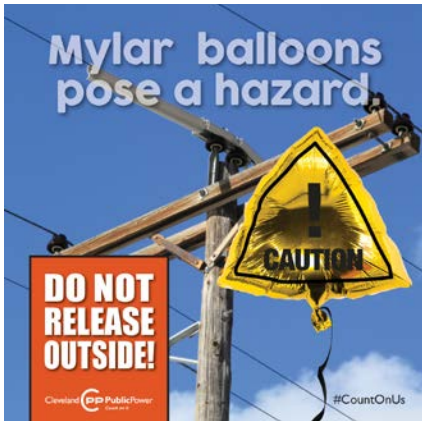
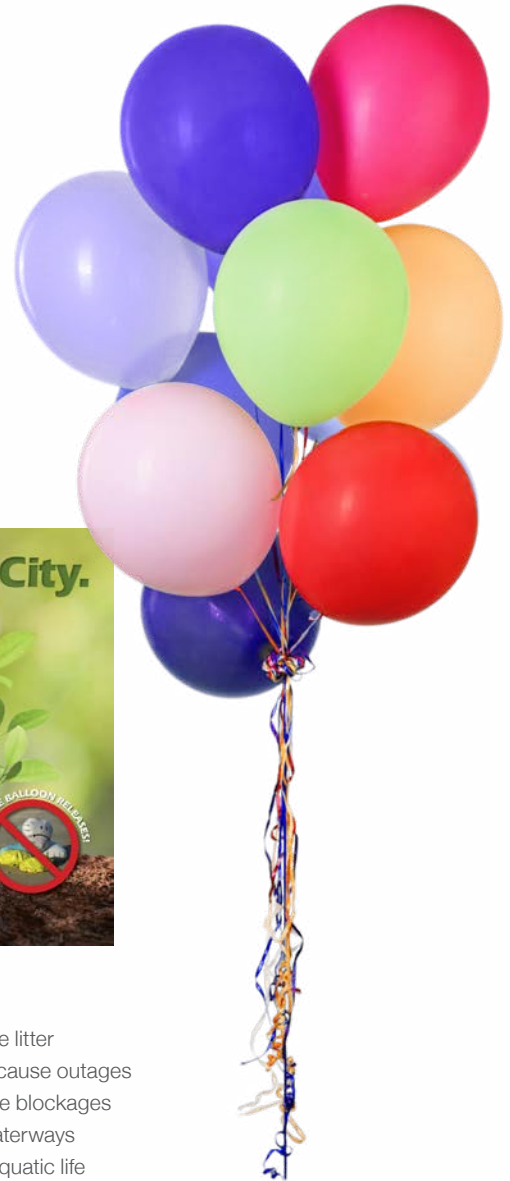
As the city owned electric utility, Cleveland Public Power is committed to providing reliable and affordable service to its residents, while being a key to the rebirth of neighborhoods throughout Cleveland.



Help prevent power outages, plant a tree instead of launching balloons

Cleveland Public Power and its sister utilities Cleveland Division of Water and Water Pollution Control collaborated on a “Re-forest” Cleveland campaign following the passage of Ordinance 1022-2021 on January 24, 2022. With this ordinance, Cleveland City Council banned the release of ten or more balloons at a time.

Balloon releases are a popular way to celebrate special events or remember loved ones. The colorful balloons floating in the sky are a beautiful sight. But what goes up must come down—causing power outages, water quality issues, wildlife, and aquatic life problems. People are encouraged to seek alternative ways to celebrate.



When balloons deflate, they:

- Hit the ground and become litter
- Catch on power lines and cause outages
- Flow into sewers and cause blockages
- Become plastic trash in waterways
- Injure and kill wildlife and aquatic life

Even biodegradable party balloons are a myth. While balloons made of natural latex are considered biodegradable, the color and chemicals added to make the balloons durable is a problem. Colorful party balloons can take six months or longer to break down.



Instead of releasing balloons, consider some of the following sustainable ways to remember your loved ones:

1. Plant a tree and help re-forest Cleveland. Trees will grow for generations.
2. Plant a rain garden with native plants that will slow stormwater runoff.
3. Float flowers or candles on the water, then reel them back
4. Blow bubbles
5. Hold a candlelight vigil
6. Have a ceremonial bonfire, then properly dispose of the debris
7. Release ladybugs; they are a natural pest control for gardens

2022

Statement of NET POSITION

(In thousands)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES CURRENT ASSETS	
Cash and cash equivalents	\$ 63,262
Receivables:	
Accounts receivable - net of allowance for doubtful accounts of \$8,661	9,759
Recoverable costs of purchased power	4,938
Unbilled revenue	7,331
Due from other City of Cleveland departments, divisions or funds	2,782
Materials and supplies	10,537
Prepaid expenses	445
TOTAL CURRENT ASSETS	99,054
RESTRICTED ASSETS	
Cash and cash equivalents	4,138
Accrued interest receivable	11
TOTAL RESTRICTED ASSETS	4,149
NONCURRENT ASSETS	
Net pension Asset	410
Net OPEB Asset	3,419
Right to use asset (net of accumulated depreciation)	254
TOTAL NONCURRENT ASSETS	4,083
CAPITAL ASSETS	
Land	5,574
Land improvements	3,194
Utility plant	609,254
Buildings, structures and improvements	25,440
Furniture, fixtures, equipment and vehicles	93,857
	737,319
Less: Accumulated depreciation	(459,339)
	277,980
Construction in progress	45,706
CAPITAL ASSETS, NET	323,686
TOTAL ASSETS	430,972
DEFERRED OUTFLOWS OF RESOURCES	
Unamortized loss on debt refunding	19,699
Pension	4,065
OPEB	26
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 23,790

2022

Statement of NET POSITION

(In thousands)

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND NET POSITION

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$	12,631
Other accrued expenses		420
Customer deposits and other liabilities		337
Current portion of accrued wages and benefits		3,224
Due to other City of Cleveland departments, divisions or funds		78
Current portion of leases		254
Accrued interest payable		743
Current portion of long-term debt, due within one year		9,960
TOTAL CURRENT LIABILITIES		27,647

LONG-TERM OBLIGATIONS-excluding amounts due within one year

Accrued wages and benefits		542
Accreted interest payable		32,320
Revenue bonds		167,390
Net pension liability		9,644
Other		578
TOTAL LONG-TERM OBLIGATIONS		210,474
TOTAL LIABILITIES		238,121

DEFERRED INFLOWS OF RESOURCES

Pension		13,443
OPEB		3,752
TOTAL DEFERRED INFLOWS OF RESOURCES		17,195

NET POSITION

Net investment in capital assets		167,237
Restricted for capital projects		177
Restricted for debt service		2,746
Unrestricted		29,286
TOTAL NET POSITION	\$	199,446

2022

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

(In thousands)

OPERATING REVENUES	
Charges for services	\$ 199,816
TOTAL OPERATING REVENUES	199,816
OPERATING EXPENSES	
Purchased power	129,928
Operations	15,850
Maintenance	16,793
Depreciation	19,092
TOTAL OPERATING EXPENSES	181,663
OPERATING INCOME (LOSS)	18,153
NON-OPERATING REVENUE (EXPENSE)	
Investment income	762
Interest expense	(11,526)
Amortization of bond premiums and discounts	2,014
Amortization of lease agreements	(263)
Gain (loss) on disposal of assets	(5,090)
Other	6,007
TOTAL NON-OPERATING REVENUE (EXPENSE), NET	(8,096)
INCREASE (DECREASE) IN NET POSITION	10,057
NET POSITION AT BEGINNING OF YEAR	189,389
NET POSITION AT END OF YEAR	\$ 199,446

2022

STATEMENT OF CASH FLOWS

(In thousands)

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 190,871
Cash payments to suppliers for goods or services	(20,032)
Cash payments to employees for services	(17,808)
Cash payments for purchased power	(131,791)
Electric excise tax payments to agency fund and other	(4,779)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	16,461
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Electric excise tax receipts	5,935
NET CASH PROVIDED BY (USED FOR) NONCAPITAL AND RELATED FINANCING ACTIVITIES	5,935
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(14,835)
Principal paid on long-term debt	(9,485)
Principal paid on lease obligations	(263)
Interest paid on long-term debt	(6,396)
NET CASH PROVIDED BY (USED FOR) CAPITAL FINANCING ACTIVITIES	(30,979)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investments	751
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	751
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,832)
Cash and cash equivalents, BEGINNING of year	75,232
Cash and cash equivalents, END of year	\$ 67,400



2022

STATEMENT OF CASH FLOWS

(In thousands)

RECONCILIATION OF OPERATING INCOME (LOSS) TO TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES

OPERATING INCOME (LOSS)	\$	18,153
Adjustments:		
Depreciation		19,092
(Increase) decrease in assets:		
Accounts receivable, net		163
Recoverable costs of purchased power		(4,410)
Unbilled revenue		(457)
Due from other City of Cleveland departments, divisions or funds		(454)
Materials and supplies, net		(382)
Prepaid expenses		(62)
Net pension asset		(410)
Net OPEB asset		(1,242)
(Increase) decrease in deferred outflows of resources:		
(Increase) decrease in deferred outflows of resources - pensions		(1,359)
OPEB		1,156
(Increase) decrease in liabilities:		
Accounts payable		1,991
Other accrued expenses		(7)
Customer deposits and other liabilities		(87)
Accrued wages and benefits		(6)
Due to other City of Cleveland departments, divisions or funds		(20)
Other long-term liabilities		(227)
Net pension liability		(10,535)
(Increase) decrease in deferred inflows of resources:		
Excess purchased power costs		(6,771)
Pension		5,237
OPEB		(2,902)
	TOTAL ADJUSTMENTS	<u>(1,692)</u>
	NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 16,461</u>



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