



Cleveland**Public**Power
Count on it



2023 | Annual Report



Welcome to our **2023 Annual Report**

Mission Statement

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

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Message

FROM THE MAYOR

On behalf of the City of Cleveland, I applaud the ongoing efforts of Cleveland Public Power (CPP). The dedication and expertise of the CPP team continue to advance our city by ensuring reliable, affordable energy and essential services for our residents.

Cleveland Public Power's commitment to nurturing the future of our workforce through programs like the Student Internship to Apprenticeship initiative is especially inspiring. This program helps young people build careers in their hometowns. I also take great pride in celebrating the historic achievement of our first African American woman, who earned the rank of Journeyman Line Worker. This milestone reflects CPP's values of inclusion and opportunity.

As I review CPP's role in powering projects that sustain our manufacturing base, create housing, and foster small business development, I am optimistic about Cleveland's future. The partnerships in Circle Square and the Fairfax neighborhood are particularly noteworthy, addressing critical challenges like literacy and food access. The transformation of the Cleveland Public Library's Martin Luther King, Jr. Branch into a modern, welcoming space with cutting-edge technology is a win for residents of all ages. Additionally, the Fairfax Market will bring access to fresh, healthy food to a community long underserved by a lack of grocery options.

Cleveland Public Power's continued growth and innovative solutions will be vital as we strive to meet the evolving needs of our ratepayers. I look forward to witnessing their ongoing impact in shaping a stronger, more resilient Cleveland.

Justin M. Bibb



Mayor of Cleveland

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



CITY OF CLEVELAND
Mayor Justin M. Bibb





Blaine Griffin
Council President



Brian Kazy
Councilman

CITY COUNCIL

Cleveland City Council is pleased to witness the work that Cleveland Public Power does to promote the growth of our city. This year, the utility has expanded its reach into the maritime industry by collaborating with the Port of Cleveland – an economic win for the City of Cleveland and the region.

We have watched over the years, the growth of the Student Internship to Apprenticeship program and are especially pleased to see the level of diversity this program has incorporated. The promotion of the first female and first African American woman to the rank of Journeyman Lineworker is a sure sign of progress.

Cleveland Public Power’s collaborative work with the City’s Economic Development Department and other agencies resulted in a win for Cleveland, and Premium Metals. Premium Metals needed to relocate from its home of nearly 40 years, but agencies working together retained the business and will result in new jobs – a win for all parties.

We are also pleased to see continued growth in the University Circle and Fairfax communities. New housing and the potential for new businesses and jobs illustrates the importance of our city-owned utility.

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



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Martin Keane
Director



Ammon Danielson
Commissioner

DIRECTOR | COMMISSIONER

New partnerships and historic promotions have been key in 2023, as Cleveland Public Power continues to strive toward greatness.

A new partnership with the Port of Cleveland allows CPP to expand its portfolio into the maritime industry and helps spur the continued growth of business on the Great Lakes. The Electrification & Warehouse Modernization project will provide power upgrades to electrical feeds coming into the Terminal and establish Warehouse A as the Port's electrical distribution hub. These advancements will have a positive economic impact on Cleveland and the region.

In 1986, Cleveland Public Power launched the Student Internship to Apprenticeship program to boost its workforce, and provide career opportunities for students graduating from the Cleveland Metropolitan School District. Over the years, more than 20 interns have completed the program to become Journeymen Lineworkers. This year, CPP recognized the first female and African American woman to complete the apprentice program. Ta'Jahnae Buchanan persevered in the face of many obstacles to complete the program and make history. She said of her accomplishment, "There were a couple of times I wanted to quit, but it paid off and I look forward to more women joining me on this journey."

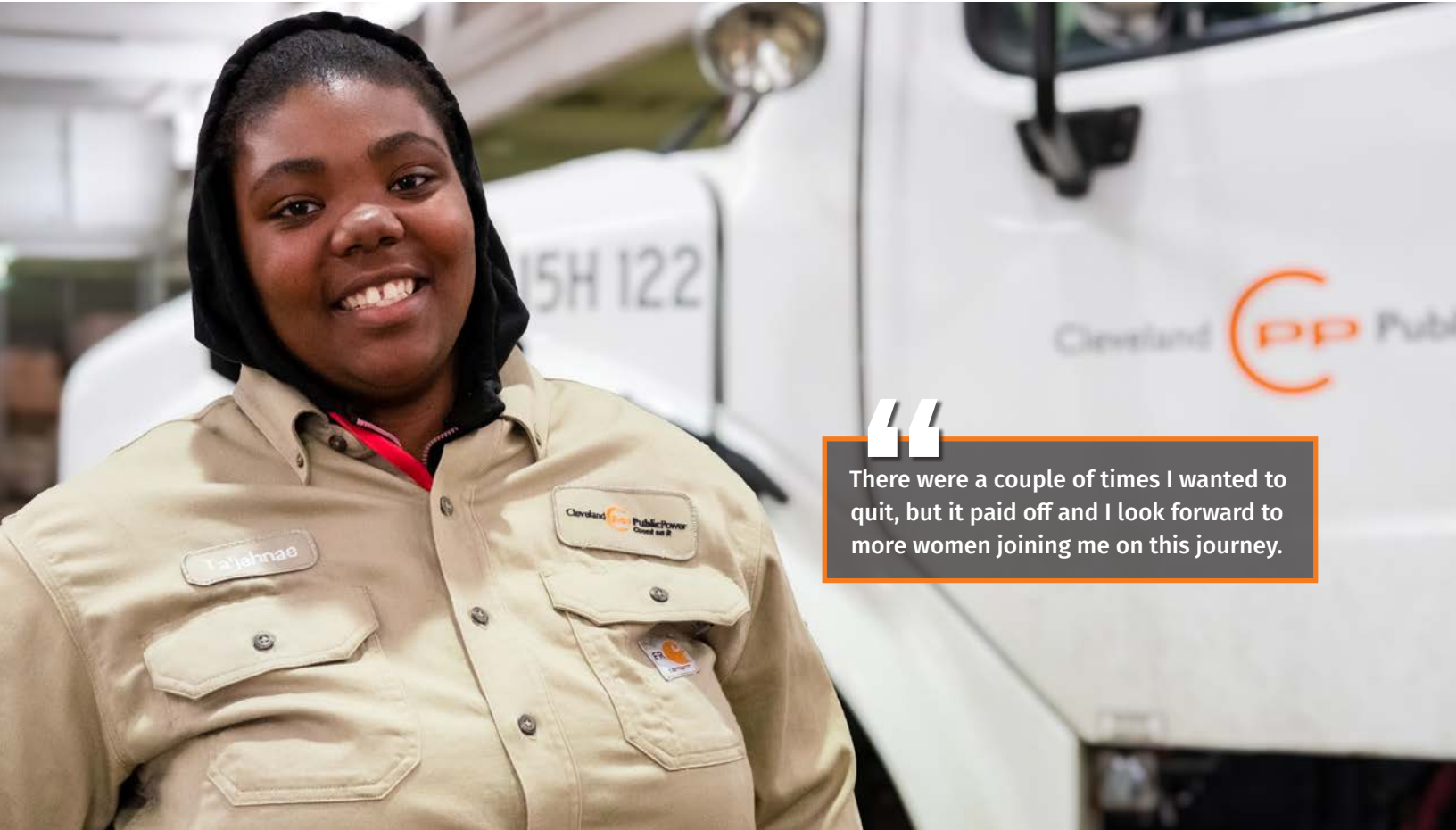
The once thriving steel industry in Cleveland is making a comeback, one company at a time. Cleveland Public Power assisted Premium Metals in maintaining its operations in Cleveland, through a partnership with the city's Economic Development Department and Team NEO, a regional economic development firm seeking to advance northeast Ohio. The collaborative effort helped the flat rolled steel service center remain in Cleveland with the potential for new hires.

Other noteworthy projects include the addition of The Artisan Apartments, Library Lofts, and a new Martin Luther King, Jr. branch of the Cleveland Public Library. These projects make up the Circle Square projects and represent new housing, business and culture in University Circle.

New housing and a new grocery store will soon rise in the city's Fairfax community. CPP will energize the first Meijer brand grocery in the Cleveland. The Fairfax Market will address the need for fresh food in an area known as a food desert. In addition to bringing the Market, multiple-income housing units are part of a mixed-use building adjacent to the market.

Cleveland Public Power continues to live its mission of providing reliable and affordable electricity to the residents and businesses in Cleveland.





There were a couple of times I wanted to quit, but it paid off and I look forward to more women joining me on this journey.

CPP's first female lineworker COMPLETES APPRENTICE PROGRAM

Ta'Jahnae Buchanan successfully completed all requirements of the Cleveland Public Power (CPP) Lineworker Apprenticeship Program becoming the first female and first African American female to earn this status. Buchanan, a graduate of Jane Addams Business Career Center, entered the Cleveland Public Power Internship-Apprenticeship Program in 2014 months after graduation.

Throughout her journey with CPP, Ta'Jahnae exhibited a strong aptitude for the job and demonstrated tenacity, grit and a strong determination to succeed. She said of the recognition, "I am happy. It's a good thing. There were a couple of times I wanted to quit, but it paid off and I look forward to more women joining me on this journey."

Ammon Danielson, commissioner of CPP said, "We are proud of the hard work that Ta'Jahnae has put in to reach

this pinnacle and we look forward to the role she will play as a mentor to those following in her footsteps."



As a female journeyman, Ta'Jahnae joins a small, but mighty group of women. American Municipal Power (AMP), a nonprofit corporation that owns and operates electric facilities with the purpose of providing generation, transmission and distribution of electric power

and energy to its members, notes that of its 133 member communities only one has a female Lineworker. Nationally, there are 87,715 Lineworkers and only 5.3% are women.

Powering the growth of University Circle, **ONE BLOCK AT A TIME**

To the east of downtown Cleveland, the University Circle neighborhood is home to world-renowned museums, nationally recognized hospitals and universities, parks and beautiful homes. Over the last ten years, Cleveland Public Power has worked with local developers to bring life to century old buildings and new construction.

This commitment to the community's growth continues with Circle Square projects. Circle Square is considered one of the largest, multi-structure developments in the city's history. Their work will result in more than 500 residential apartments, vast retail and restaurant space, a new hotel and the new state of the art Martin Luther King Jr. Public Library.

Cleveland Public Power will provide the electricity to power this growth. The electrical infrastructure for

The Artisan, a 24-story apartment building and the new MLK Library and Library Lofts apartments are in place.

The Artisan offers 298 apartment units and ground level retail space. Once completed the building will eclipse the One University Circle apartment building as the highest structure in the area.

The Martin Luther King, Jr. Library is a two-story building topped by nine stories of more than 200 market-rate apartments.

These projects bring new residents to this thriving community. CPP continues to collaborate with developers, community development organizations and city departments to provide the power to illuminate Cleveland neighborhoods.





The Martin Luther King, Jr. Library is a two-story building topped by nine stories of more than 200 market-rate apartments.



Cleveland Public Power collaborates with local agencies to **KEEP STEEL ROLLING IN CLEVELAND**

Collaborative relationships are key to the continued growth of Cleveland Public Power. The city-owned utility recently collaborated with internal and external partners to provide continued stability and growth to Premium Metals, Inc.

Premium Metals Inc., a flat rolled steel service center, serving the metal stamping and metal fabricating industries has been a fixture in the city of Cleveland for more than 30 years.

American Consolidated Industries (ACI), another Cleveland based steel manufacturer acquired Premium Metals, and was selling the land where they were located calling for the relocation of their new acquisition. ACI and Premium were in need of a new facility and sought guidance and support from the City of Cleveland's Economic Development department.

Cleveland's economic development team enlisted the assistance of partners Team NEO, the economic development partner working to advance the northeast Ohio region, and Cleveland Public Power to help relocate Premium Metals, to maintain their presence in Cleveland. The new location in Cleveland's Ward 5 allowed the steel manufacturer to add office space, equipment and potentially increase its workforce in the next 3-5 years.

Evaluating the new site, the biggest expense was the electrification and power upgrade. This is where Cleveland Public Power proved to be an asset. With facilities already in place at the site, CPP was able to develop a plan to improve power quality and handle the increased electric load.



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Cleveland Public Power collaborating with **PORT OF CLEVELAND ON MODERNIZATION PROJECT**

Cleveland Public Power (CPP) is collaborating with the Cleveland-Cuyahoga Port Authority on the Port's Electrification & Warehouse Modernization project. This project will positively affect the economic growth of Cleveland and the region.

As the international gateway for cargo entering and exiting the region via maritime transport, the Port of Cleveland handles a diverse mix of cargo primarily imported from Europe. The cargo includes specialty breakbulk cargo, such as steel coil, tin plate, and various steel shapes/plate and other specialty cargo.

Modernization of this 67-year-old facility will bring the Terminal's Warehouse A to a state of good repair, continue the implementation of the Port Authority's Stormwater Master Plan to improve the quality of stormwater discharging into Lake Erie, and make necessary electrification investments to prepare the Terminal for its next 50 years of operation.

This is a multi-phase project and CPP will play an integral role in making necessary power upgrades to electrical feeds coming into the Terminal and establish Warehouse A as the Port's electrical distribution hub. This hub will allow the Port to provide new electrical service to the locomotive storage area in Warehouse A and the newly constructed maintenance facility.

A critical sub-element of this project is to coordinate with CPP on the future power requirements of the Port Authority's General Cargo Terminal, which projections indicate will substantially increase as portions of the Terminal's operations are electrified.



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CPP powers new **FAIRFAX MARKET AND MEDLEY APARTMENTS**

Cleveland Public Power is pleased to add the soon to be constructed, Fairfax Market, to its customer base adding a grocery store to an underserved area of Cleveland.

The Market is part of a mixed-used neighborhood revitalization project developed in partnership with the City of Cleveland, Cleveland Clinic, the Fairfax Renaissance Development Corporation and Fairmount Properties.

The Market will offer fresh, high-quality food at low prices with an assortment of products including fresh meat and deli items, fresh produce, a bakery, and Meijer and other national brand items. The store will also provide space for local small businesses by selling more than 2,000 local products including Cleveland Cold Brew Coffee, Micah's

Supreme Sauce, PUR Spices, Akron Honey, Lemon Waves and beauty care products from Catlin Naturals.

In addition to the Market, the site is home to new multi-income housing units. Apartments range from Studio to two bedroom, two bath units. This mixed-use development is in close proximity to University Circle, Little Italy and the Cleveland Metroparks.

This development is another example of the importance of collaborating with local organizations to ensure the continual growth of Cleveland neighborhoods.

An artist rendering of the new Fairfax Market located in Cleveland's Fairfax neighborhood.



2023

Statement of Net Position

(In thousands)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
CURRENT ASSETS	
Cash and cash equivalents	\$ 78,147
Receivables:	
Accounts receivable - net of allowance for doubtful accounts of \$7,791	8,506
Recoverable costs of purchased power	320
Unbilled revenue	6,660
Due from other City of Cleveland departments, divisions or funds	2,429
Materials and supplies	10,622
Prepaid expenses	415
TOTAL CURRENT ASSETS	107,099
RESTRICTED ASSETS	
Cash and cash equivalents	4,651
Accrued interest receivable	15
TOTAL RESTRICTED ASSETS	4,666
NONCURRENT ASSETS	
Net pension Asset	232
CAPITAL ASSETS	
Land	5,035
Land improvements	3,194
Utility plant	613,632
Buildings, structures and improvements	25,478
Furniture, fixtures, equipment and vehicles	94,065
Right to use assets	761
	742,165
Less: Accumulated depreciation	(476,277)
	265,888
Construction in progress	52,195
CAPITAL ASSETS, NET	318,083
TOTAL ASSETS	430,080
DEFERRED OUTFLOWS OF RESOURCES	
Unamortized loss on debt refunding	17,582
Pension	13,109
OPEB	1,986
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 32,677

2023

Statement of Net Position

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND NET POSITION

(In thousands)	
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	\$ 10,160
Other accrued expenses	406
Customer deposits and other liabilities	242
Current portion of accrued wages and benefits	2,781
Due to other City of Cleveland departments, divisions or funds	185
Subscriptions	58
Accrued interest payable	678
Current portion of long-term debt, due within one year	10,455
TOTAL CURRENT LIABILITIES	<u>24,965</u>
LONG-TERM OBLIGATIONS-excluding amounts due within one year	
Accrued wages and benefits	598
Accreted interest payable	35,558
Revenue bonds	155,073
Net pension liability	31,817
Net OPEB liability	670
Subscriptions	106
Other	391
TOTAL LONG-TERM OBLIGATIONS	<u>224,213</u>
TOTAL LIABILITIES	<u>249,178</u>
DEFERRED INFLOWS OF RESOURCES	
Excess purchased power costs	3,411
Pension	447
OPEB	236
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>4,094</u>
NET POSITION	
Net investment in capital assets	170,053
Restricted for capital projects	1,880
Restricted for debt service	2,902
Restricted for pension and OPEB assets	232
Unrestricted	34,418
TOTAL NET POSITION	<u>\$ 209,485</u>

2023 Statement of Revenues, Expenses and Changes in Net Position

(In thousands)

OPERATING REVENUES	
Charges for services	\$ 189,050
TOTAL OPERATING REVENUES	189,050
OPERATING EXPENSES	
Purchased power	120,686
Operations	20,978
Maintenance	17,750
Depreciation and amortization	18,739
TOTAL OPERATING EXPENSES	178,153
OPERATING INCOME (LOSS)	10,897
NON-OPERATING REVENUE (EXPENSE)	
Investment income	2,998
Interest expense	(11,227)
Amortization of bond premiums and discounts	1,862
Gain (loss) on disposal of assets	(263)
Other	5,772
TOTAL NON-OPERATING REVENUE (EXPENSE), NET	(858)
INCREASE (DECREASE) IN NET POSITION	10,039
NET POSITION AT BEGINNING OF YEAR	199,446
NET POSITION AT END OF YEAR	\$ 209,485

2023

Statement of Cash Flows

(In thousands)

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 195,325
Cash payments to suppliers for goods or services	(18,204)
Cash payments to employees for services	(17,995)
Cash payments for purchased power	(118,960)
Electric excise tax payments to custodial fund and other	(4,402)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	35,764
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Electric excise tax receipts	5,699
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	5,699
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(13,127)
Principal paid on long-term debt	(9,960)
Principal paid on lease obligations	(254)
Principal paid on subscriptions	(80)
Interest paid on long-term debt	(5,922)
Interest paid on lease obligations	(8)
Interest paid on subscriptions	(6)
Sale of land	298
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	(29,059)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investment securities	(14,763)
Proceeds from sale and maturity of investment securities	14,763
Interest received on investments	2,994
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	2,994
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	15,398
Cash and cash equivalents, BEGINNING of year	67,400
Cash and cash equivalents, END of year	\$ 82,798



2023

Statement of Cash Flows

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

(In thousands)

OPERATING INCOME (LOSS)	\$ 10,897
ADJUSTMENTS::	
Depreciation and amortization	18,739
(INCREASE) DECREASE IN ASSETS:	
Accounts receivable, net	1,253
Recoverable costs of purchased power	4,618
Unbilled revenue	671
Due from other City of Cleveland departments, divisions or funds	353
Materials and supplies, net	(85)
Prepaid expenses	30
Net pension asset	178
Net OPEB asset	3,419
(INCREASE) DECREASE IN DEFERRED OUTFLOWS OF RESOURCES:	
Pension	(9,044)
OPEB	(1,960)
(INCREASE) DECREASE IN LIABILITIES:	
Accounts payable	(2,471)
Other accrued expenses	(14)
Customer deposits and other liabilities	(95)
Accrued wages and benefits	(387)
Due to other City of Cleveland departments, divisions or funds	107
Other long-term liabilities	(187)
Net pension liability	22,173
Net OPEB liability	670
(INCREASE) DECREASE IN DEFERRED INFLOWS OF RESOURCES:	
Excess purchased power costs	3,411
Pension	(12,996)
OPEB	(3,516)
TOTAL ADJUSTMENTS	<u>24,867</u>
NET CASH PROVIDED BY (USED FOR)	
OPERATING ACTIVITIES	<u>\$ 35,764</u>



Cleveland**Public**Power
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