



**National Rural Utilities
Cooperative Finance Corporation**

SERVICE | INTEGRITY | EXCELLENCE

CFC Update

Sheldon C. Petersen, CEO, CFC
APA 2019 Annual Meeting

CFC Overview



FY 2019 ENDED 5/31/19

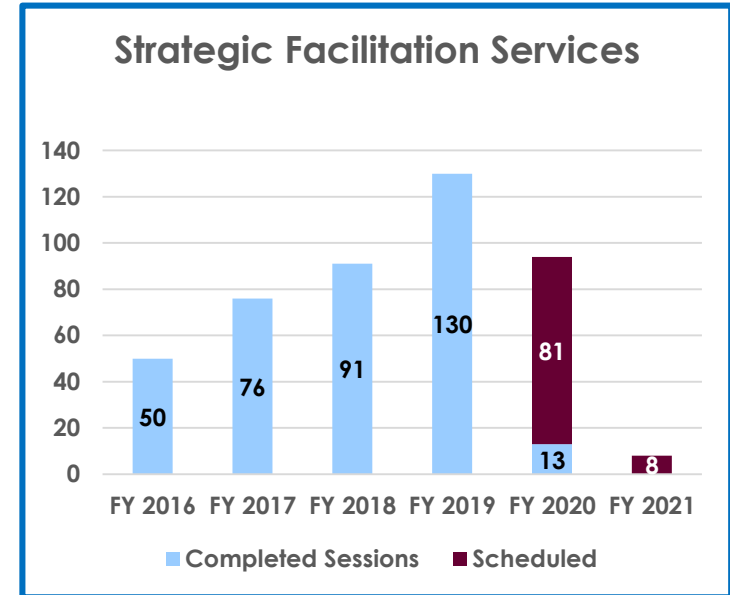
A Significant Inflection Year for CFC

- Substantial reduction in funding costs
- Additional follow-on Patronage Capital to be retired
- Strategic planning, industry analysis and electric rate assistance accelerates
- Block Island Utility District

Strategic Facilitation Services

- Strategic planning
- Strategic plan implementation assistance
- Enterprise risk management
- **Approximately 360 sessions completed in 36 states in five years**
 - More than 30% of the electric cooperative network

Ranking	Top Strategic Plan Goals
1	External Communications and Engagement
2	Long-Range Financial Plan
3	Safety Plan
4	Technology Plan
5	Reliability Enhancement Plan



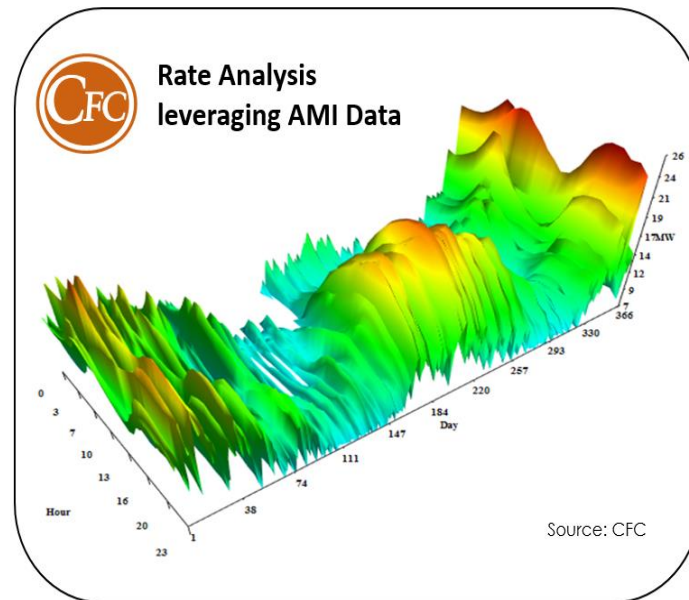
Strategic Planning in Alaska



FY 2016	1 Session	AK-030-Cordova
FY 2017	2 Sessions	AK-006-Golden Valley AK-002-Matanuska
FY 2019	2 Sessions	AK-029-INN AK-041-Barrow
FY 2020	3 Sessions (Completed)	AK-013-Kotzebue AK-002-Matanuska AK-029-INN
	1 Session (Pending)	AK-027-AK Villages

Utility Regulatory Trends

- **Shift in Revenue Recovery ... Fixed vs. Variable**
- **Evolving Rate Policy Goals/Objectives**
- **Consumer Demands, Engagement**
- **“EV” Rate Design**
 - Residential, Commercial, Public
- **Shift in “Power Supply” & Load Management**
 - Distributed Resources
 - Environmental
 - Wholesale Market Integration
- **Data Availability, Analytics**
 - 3-Part (demand), TOU, subscription, other



Industry Research & Analysis

- Energy industry trends
- Emerging technologies
- Power market analysis
- Generation/resource mix
- Renewables & energy storage
- Distributed energy resources
- Evolving business models
- New product solutions
- Battery energy storage system evaluation

An outline map of the United States, including Alaska and Hawaii, serving as a background for the text.

**Created
and Owned
by America's
Electric Cooperative
Network**