



AGENDA

Meeting of the Finance and Risk Management Committee San Diego Community Power (Community Power)

**Thursday, February 20, 2025
3 p.m.**

**City of Chula Vista
Council Chambers, 276 Fourth Avenue, Chula Vista, CA**

The meeting will be held in person at the above date, time and location. Finance and Risk Management Committee (FRMC) Members and members of the public may attend in person. Under certain circumstances, FRMC Members may also attend and participate in the meeting virtually pursuant to the Brown Act (Gov. Code § 54953). As a convenience to the public, Community Power provides a call-in option and internet-based option for members of the public to virtually observe and provide public comments at its meetings. Additional details on in-person and virtual public participation are below. Please note that, in the event of a technical issue causing a disruption in the call-in option or internet-based option, the meeting will continue unless otherwise required by law, such as when an FRMC Member is attending the meeting virtually pursuant to certain provisions of the Brown Act.

Note: Any member of the public may provide comments to the FRMC on any agenda item. When providing comments, it is requested that you provide your name and city of residence for the record. Commenters are requested to address their comments to the FRMC as a whole through the Chair. Comments may be provided in one of the following manners:

1. Providing oral comments during the meeting. Anyone attending in person desiring to address the FRMC is asked to fill out a speaker's slip and present it to the Clerk of the Board. To provide remote comments during the meeting, join the Zoom meeting by computer, mobile phone, or dial-in number. On Zoom video conference by computer or mobile phone, use the "Raise Hand" feature. This will notify the moderator that you wish to speak during a specific item on the agenda or during non-agenda Public Comment. Members of the public will not be shown on video but will be able to speak when called upon. If joining the meeting using the Zoom dial-in number, you can raise your hand by pressing *9. Comments will be limited to three (3) minutes.
2. Written Comments. Written public comments must be submitted prior to the start of the meeting to clerkoftheboard@sdcommunitypower.org. Please indicate a specific agenda item when submitting your comment. All written comments received prior to the meeting will be provided to the FRMC

members. In the discretion of the Chair, the first ten (10) submitted comments shall be stated into the record of the meeting. Comments read at the meeting will be limited to the first 400 words. Comments received after the start of the meeting will be collected, sent to the FRMC members, and be part of the public record.

If you have anything that you wish to be distributed to the FRMC, please provide it via clerkoftheboard@sdcommunitypower.org, who will distribute the information to the Members.

The public may participate using the following remote options:

Teleconference Meeting Webinar

<https://sdcommunitypower-org.zoom.us/j/95148519712>

Telephone (Audio Only) (669) 900-6833 or (253) 215-8782 | Webinar ID: 95148519712

WELCOME

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA

Opportunity for members of the public to address the FRMC on any items not on the agenda but within the jurisdiction of the FRMC. Members of the public may provide a comment in any manner described above.

CONSENT CALENDAR

1. Approve January 16, 2025, Meeting Minutes

REGULAR AGENDA

2. Amendment of the FY 2024-25 Operating Budget, the FY 2024-25 Capital Budget, and the FY 2025-29 Capital Investment Plan

Recommendation: Recommend Board approval to amend the FY 2024-2025 Operating Budget, the FY 2024-2025 Capital Budget, and the FY 2025-2029 Capital Investment Plan.

3. Treasurer's Report for Period Ending December 31, 2024

Recommendation: Receive and File Treasurer's Report for Period Ending December 31, 2024.

Committee Member Announcements

FRMC Members may briefly provide information to other members and the public. There is to be no discussion or action taken on comments made by FRMC Members unless authorized by law.

ADJOURNMENT

The Finance and Risk Management Committee will adjourn to the next regular meeting scheduled on March 20, 2025, at 3 pm.

Compliance with the Americans with Disabilities Act

Community Power Committee meetings comply with the protections and prohibitions of the Americans with Disabilities Act. Individuals with a disability who require a modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting may contact clerkoftheboard@sdcommunitypower.org. Requests for disability-related modifications or accommodations require different lead times and should be provided at least 72-hours in advance of the public meeting.

Availability of Committee Documents

Copies of the agenda and related materials are available at <https://sdcommunitypower.org/resources/meeting-notes/>. Late-arriving documents related to an agenda item, which are distributed to a majority of the Committee Members prior to or during the Committee meeting are available for public review as required by law. Public records, including agenda-related documents, can be requested electronically at clerkoftheboard@sdcommunitypower.org or by mail to SD Community Power, PO BOX 12716, San Diego, CA 92112. The documents may also be posted at Community Power's website. Such public records are also available for inspection by contacting clerkoftheboard@sdcommunitypower.org to arrange an appointment.



**FINANCE AND RISK MANAGEMENT COMMITTEE
SAN DIEGO COMMUNITY POWER (COMMUNITY POWER)**

City of Chula Vista
Council Chambers, 276 Fourth Avenue, Chula Vista, CA

Regular Meeting Minutes
January 16, 2025

WELCOME

CALL TO ORDER

Interim Chair Aguirre called the Finance and Risk Management Committee meeting to order at 3:04 p.m.

ROLL CALL

PRESENT: Interim Chair Aguirre, City of Imperial Beach and Director Yamane, City of National City

ABSENT: None

STAFF: Chief Financial Officer/Treasurer Washington; General Counsel Tyagi; Senior Director of Data Analytics and Customer Operations Utouh; Rates and Strategy Manager Lu; Clerk of the Board Hernandez; and Assistant Clerk of the Board Vences

PLEDGE OF ALLEGIANCE

Interim Chair Aguirre led the Pledge of Allegiance.

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

There were no items added, withdrawn, or reordered on the agenda.

PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA

There were no public comments.

CONSENT CALENDAR

- 1. Approve October 17, 2024, Meeting Minutes**
- 2. Approval of 2025 Meeting Schedule for San Diego Community Power (Community Power) Finance and Risk Management Committee**

There were no public comments on Consent Item Nos. 1-2.

Motioned by Director Yamane and seconded by Interim Chair Aguirre to approve Consent Item Nos. 1-2. The motion carried unanimously as follows:

AYES: Interim Chair Aguirre and Director Yamane
NOES: None
ABSTAINED: None
ABSENT: None

REGULAR AGENDA

- 3. Approve a Contract with Maher Accountancy for General Accounting Professional Services in an Amount Not-to-Exceed \$1,131,000 from February 1, 2025, through January 31, 2027, and for Two Optional One-Year Extensions in an Amount Not-to-Exceed \$377,000 Each Respective Year, and Authorize the Chief Executive Officer to Execute the Contract**

Dr. Washington presented an overview of a proposed contract with Maher Accountancy for General Accounting Professional Services.

There were no public comments on Item No. 3.

Director Yamane reminded Dr. Washington that the contract expiration year should be 2028. Dr. Washington concurred with Director Yamane and shared that when this item is presented to the Board, the year would be corrected to 2028 to align the three-year initial period.

Following Committee questions, discussion and comments, Director Yamane motioned and seconded by Interim Chair Aguirre to recommend Board approve a contract with Maher Accountancy for General Accounting Professional Services in an Amount Not-to-Exceed \$1,131,000 from February 1, 2025, through January 31, 2028, and for Two Optional One-Year Extensions in an Amount Not-to-Exceed \$377,000 for Each Respective Year, and, Authorize the Chief Executive Officer to Execute the Contract. The motion carried unanimously as follows:

AYES: Interim Chair Aguirre and Director Yamane
NOES: None

ABSTAINED: None
ABSENT: None

4. Review of Treasurer’s Report for Period Ending November 30, 2024

Dr. Washington presented the Treasurer’s Report for Period Ending November 30, 2024.

There were no public comments on Item No. 4.

Committee members received and filed Item No. 4.

5. Update on 2025 Projected Rate Changes

Mr. Utouh and Mr. Lu provided an update on 2025 Projected Rate Changes.

There were no public comments on Item No. 5.

Committee members received and filed Item No. 5.

Committee Member Announcements

None.

ADJOURNMENT

The Finance and Risk Management Committee meeting was adjourned at 3:26 p.m. to the next Finance and Risk Management Committee meeting scheduled on Thursday, February 20, 2025.

Sandra Vences, Assistant Clerk of the Board



**SAN DIEGO COMMUNITY POWER
Staff Report – Item 2**

TO: Finance and Risk Management Committee

FROM: Dr. Eric W. Washington, Chief Financial Officer/Treasurer

VIA: Karin Burns, Chief Executive Officer

SUBJECT: Amendment of the FY 2024-25 Operating Budget, the FY 2024-25 Capital Budget, and the FY 2025-29 Capital Investment Plan

DATE: February 20, 2025

RECOMMENDATION:

Recommend Board approval to amend the FY 2024-2025 Operating Budget, the FY 2024-2025 Capital Budget, and the FY 2025-2029 Capital Investment Plan.

BACKGROUND:

On October 1, 2019, the Founding Members of San Diego Community Power (Community Power) adopted the Joint Powers Agreement which was amended and restated on December 16, 2021 (JPA). Section 4.6.2 of the JPA specifies that the Community Power Board of Directors (Board) shall adopt an annual budget prior to the commencement of the fiscal year. The Community Power fiscal year runs from July 1 to June 30.

Section 7.3.1 of the JPA specifies that the Board may revise the budget from time to time as may be necessary to address contingencies and unexpected expenses. On June 27, 2024, the Board approved the FY 2024-25 Operating Budget which included net revenue of \$1,177,925,889 and total expenses of \$1,127,468,231, resulting in a net position of \$34,006,627.

The FY 2024-25 Operating Budget has undergone substantial revisions to both operating revenues and expenses. Notably, on February 7, 2025, the Board approved a retroactive rate adjustment, effective February 1, 2025. This adjustment incorporates increased revenue and energy cost projections. Further budget modifications include reductions in non-energy expenditures across personnel, professional services and consultants, marketing and outreach, and general and administrative functions. These adjustments reflect updated staffing timelines, alignment of professional service costs with known needs, reallocation of resources within the capital investment plan and proactive fiscal management of general and administrative expenses.

Staff therefore recommends approving an amendment to the FY 2024-25 Operating Budget to increase total net operating revenues to \$1,221,258,172 and total expenses to \$1,187,090,169, resulting in a net position of \$34,168,003 for FY 2024-25. Additionally, staff recommend approving an amendment to the FY 2024-25 Capital Budget to increase total expenses to \$144,212,340 and an amendment to the FY 2025-29 Capital Investment Plan to \$155,910,762.

ANALYSIS AND DISCUSSION

Proposed Amended FY 2024-25 Operating Budget

The amendment to the FY 2024-25 Operating Budget updates the original budget presented to the Board in June 2024. This amendment reflects a substantial increase in projected revenues (accounting for a decrease in projected uncollectibles) and rising energy costs. The budget incorporates the rate change approved by the Board on February 7, 2025, and aligns with the Community Power’s most recent projections. Furthermore, it reduces non-energy costs by 5.6% (\$3 million) and allocates \$3 million to the Capital Investment Plan. This allocation will further support the highly successful solar battery savings program, which continues to sustain high customer demand.

Table 1 illustrates the proposed amendment to the FY 2024-25 Operating Budget in comparison to Community Power’s operating budgets from prior years.

Table 1. Community Power Operating Budgets

Budget	Net Revenues	Total Cost	Net Position
FY2021 Approved	\$22,632,170	\$37,310,047	(\$14,677,877)
FY2021 Amendment	\$26,286,909	\$34,135,000	(\$7,848,091)
FY2022 Approved	\$315,137,651	\$297,409,999	\$17,727,652
FY2022 Amendment	\$378,053,506	\$342,177,063	\$35,876,443
FY2023 Approved	\$708,984,646	\$695,936,815	\$13,047,831
FY2023 Amendment	\$929,791,929	\$772,078,709	\$157,713,220
FY2024 Approved	\$1,292,472,530	\$1,002,038,710	\$290,433,820
FY2024 Amendment	\$1,304,274,067	\$1,071,601,284	\$232,672,783
FY2025 Approved	\$1,177,925,889	\$1,143,919,261	\$34,006,627
FY2025 Amendment (Proposed)	\$1,221,258,172	\$1,187,090,169	\$34,168,003

The proposed, amended FY 2024-25 Operating Budget includes the key assumptions outlined below. A more detailed breakdown and explanation of revenues and expenses are presented in Attachment A.

Net Revenue

Community Power's main source of revenue currently is from the retail sale of electricity to its customers. Generally, retail sales are calculated based on customer load (i.e. customer energy usage) multiplied by the associated rate class of the customer. The Board recently approved rate changes during its February 7, 2025, meeting, which became effective on February 1, 2025. Revenue budgeted for FY 2024-25 reflects a full fiscal cycle of retail sales to our commercial and industrial customer base and retail sales to our residential customer base.

Additional assumptions for net operating revenue include:

- Enrollment of customers is complete from member jurisdictions in Phases 1, 2, 3 and 4.
- 95% participation rate across all jurisdictions.
- A 1.75% uncollectible rate which is a decrease from the 4.5% uncollectible rate assumed in the adopted budget.
- Rates were approved by the Board on February 7, 2025, and were retroactive to February 1, 2025.
- Community Power's default PowerOn service is 3% less expensive compared to San Diego Gas and Electric's (SDG&E) generation rates and the PowerBase service electricity generation rate is 5% less expensive than SDG&E's generation rates.
- Power100 and Power100 Green-e Certified maintain premiums of \$0.01/kWh and \$0.02/kWh, respectively.
- Further mid-year rate changes are subject to Board approval.

Cost of Energy

The cost of energy, the largest cost in Community Power's budget, has increased from \$1,073.7 million in the adopted FY 2024-25 Operating Budget to \$1,116.8 million in the amended FY 2024-25 Operating Budget. The largest drivers of energy costs going up are increases to renewable costs and increases to resource adequacy costs.

The California Public Utilities Commission publishes annual market-price benchmarks (MPBs) that estimate the average market price and noted that the MPB for Renewables increased from \$54.56/MWh in 2024 to \$71.24/MWh in 2025. Similarly, the MPB for resource adequacy (system) increased from \$26.26/MWh in 2024 to \$40.32/MWh in 2025; taken together, increases in renewable and resource adequacy costs translated into an increase in energy costs for Community Power.

Operating Expenses

Community Power's non-energy operating expenses fall into four categories: personnel, professional services and consultants, marketing and outreach, and general and administrative. Community Power generally has direct control of these costs and actively manages them. Overall, the proposed, amended FY 2024-25 Operating Budget includes an overall savings of 5.6% from \$53.8 million to \$50.8 million in non-energy expenses. Given that Community Power's non-energy operating expenses are a small percentage

of total expenses, non-energy operating expenses had a minimal impact on the overall total expense. Expense assumptions include the following:

- **Personnel** include salaries, payroll taxes, benefits, and excused absence and paid time off for staff. The recruitment strategy includes increasing staffing levels to 87 (instead of eighty in the adopted budget) by the end of FY 2024-25.
- **Professional Services and Consultants** include SDG&E fees, data management fees from Calpine, technical support (for rate setting, load analysis, energy scheduling, etc.), legal/regulatory services and other general contracts related to IT services, audits, and accounting services.
- **Marketing and Outreach** includes expenses for communication consultants, mailers, printing, sponsorships, and partnerships to educate the community about Community Power as well as support local community events and programs.
- **General and Administration** budget covers the cost of office space, equipment, membership dues, and other general operational costs.

Net Position

The proposed, amended FY 2024-25 Operating Budget results in a net position of \$34,168,003.

The following table illustrates Community Power’s proposed, amended FY 2024-25 Operating Budget compared to its adopted FY 2024-25 Operating Budget.

Table 2. Amended FY 2024-25 Operating Budget compared to Adopted FY 2024-25 Operating Budget

Item	FY25 Approved Budget	FY25 Amendment (Proposed)	Difference
Revenue			
Gross Ratepayer Revenues	\$1,233,430,250	\$1,243,010,863	\$9,580,613
(Less 1.75%* Uncollectible)	\$55,504,361	\$21,752,690	(\$33,751,671)
Net Revenue	\$1,177,925,889	\$1,221,258,172	\$43,332,284
Expenditures			
Cost of Energy	\$1,073,648,137	\$1,116,836,549	\$43,188,412
Non-Energy	\$53,820,095	\$50,802,590	(\$3,017,505)
Subtotal Operating Expense	\$1,127,468,231	\$1,167,639,139	\$40,170,908
Debt Service	\$1,276,000	\$1,276,000	\$0
CIP Transfer	\$15,175,030	\$18,175,030	\$3,000,000
Total Expense	\$1,143,919,261	\$1,187,090,169	\$3,000,000
Net Position	\$34,006,627	\$34,168,003	\$161,376

Proposed Amended FY 2024-25 Capital Budget and FY 2025-29 CIP

The Community Power Capital Investment Plan (CIP) contains the individual capital projects, major equipment purchases, and major programs for the agency that are intended to span multiple years and that are considered one-time projects rather than recurring projects. The first year of the FY 2025-29 CIP is Community Power’s FY 2024-25 Capital Budget.

The proposed, amended FY 2024-25 Operating Budget proposes \$3.0 million as a one-time portion of net operating revenues be transferred to the CIP, and that any unspent funds remain in the CIP and carried forward to the subsequent fiscal year.

The approved FY 2024-25 Capital Budget totals \$16.4 million, while the approved FY 2025-29 Capital Improvement Program (CIP) totals \$20.3 million. Which includes, \$3.9 million in unspent continuing funds, previously appropriated by the Board, are carried forward as revenue.

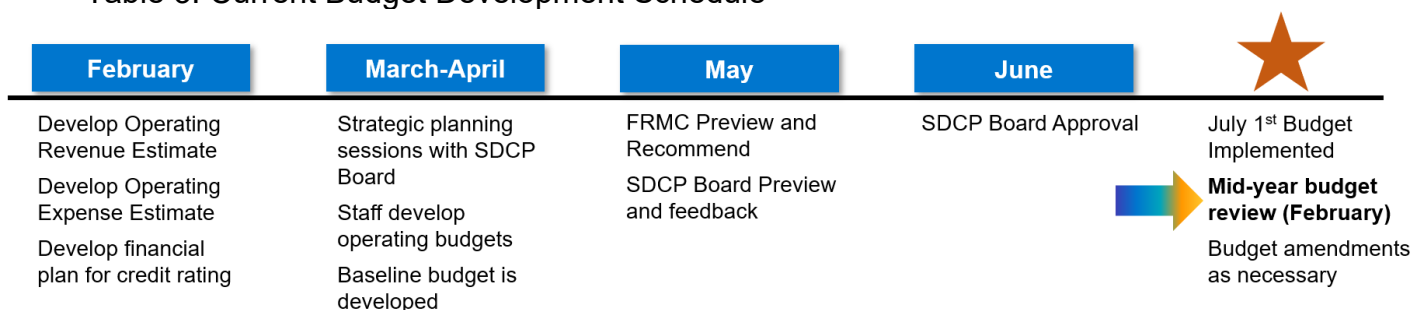
The proposed amended FY 2024-25 Capital Budget would increase to \$143.7 million, and the FY 2025-29 CIP would increase to \$147.6 million. These increases include:

- \$3.0 million contribution from the operating budget to provide additional funding for the Solar Battery Savings Program in FY 2024-25.
- \$124.3 million in external CPUC funding for the Regional Energy Network (REN), previously approved and appropriated by the Board on January 23, 2025.

Budget Development Timeline

On July 28, 2022, the Board adopted a budget development schedule as part of the SDCP Budget Policy. This development schedule includes a mid-year budget review through the proposed budget amendment.

Table 3. Current Budget Development Schedule



FISCAL IMPACT:

The amended FY 2024-25 Operating Budget aligns revenues with the rate increase approved by the Board on February 7, 2025, effective February 1, 2025. The amendment also incorporates higher energy costs, adjusts expenses for known personnel, marketing, communications, professional services, and general and administrative costs, and includes a savings in non-operating expenses of 5.6% or \$3 million. Revenues increase by 3.7% or \$43.3 million, while the cost of energy increases by 4% or \$43.2 million. The contribution to community programs, in particular with the Solar Battery Savings Program, through the CIP increases by \$3 million. The net position increases by \$161,376, resulting in an overall reduction in the budget.

ATTACHMENTS:

Attachment A: Amendment of the FY 2024-25 Operating Budget, the FY 2024-25 Capital Budget, and the FY 2025-29 Capital Investment Plan

ITEM 2
ATTACHMENT A



**FISCAL YEAR 2024-25 AMENDED
BUDGET**

for the period

July 1, 2024,

through

June 30, 2025

TABLE 1: FY2024-25 BUDGET AMENDMENT

San Diego Community Power
Budget Amendment for FY 2024-25 (Proposed)
Supplemental Details

	FY 2024-25 Adopted Budget	FY 2024-25 Revised Budget	FY 2024-25 Amended Budget	% of Net Revenues
OPERATING REVENUES				
Gross Ratepayer Revenues	\$ 1,233,430,250	\$ 1,233,430,250	\$ 1,243,010,863	
(Less Uncollectible Customer Accounts)	\$ (55,504,361)	\$ (55,504,361)	\$ (21,752,690)	
Net Operating Revenues	\$ 1,177,925,889	\$ 1,177,925,889	\$ 1,221,258,172	100.0%
COST OF ENERGY				
Cost of Energy	\$ 1,073,648,137	\$ 1,073,648,137	\$ 1,116,836,549	
Total Cost of Energy	\$ 1,073,648,137	\$ 1,073,648,137	\$ 1,116,836,549	91.4%
Gross Net Position	\$ 104,277,752	\$ 104,277,752	\$ 104,421,623	8.6%
OPERATING EXPENSES				
Professional Services and Consultants				
Data Management	\$ 14,575,524	\$ 14,575,524	\$ 14,569,264	
SDG&E Fees	\$ 3,435,746	\$ 3,435,746	\$ 3,435,746	
Technical Support	\$ 1,998,333	\$ 1,998,333	\$ 2,098,333	
Legal/Regulatory	\$ 2,088,000	\$ 2,088,000	\$ 2,138,000	
Other Services	\$ 2,701,628	\$ 2,701,628	\$ 2,104,999	
Total Prof. Svcs. Costs	\$ 24,799,232	\$ 24,799,232	\$ 24,346,342	2.0%
Personnel Costs				
Salaries	\$ 15,065,155	\$ 15,065,155	\$ 14,988,227	
Benefits (retirement/health)	\$ 2,483,394	\$ 2,483,394	\$ 2,549,522	
Payroll Taxes	\$ 1,021,494	\$ 1,021,494	\$ 1,030,146	
Total Personnel Costs	\$ 18,570,043	\$ 18,570,043	\$ 18,567,895	1.5%
Marketing and Outreach				
Printing	\$ 1,193,954	\$ 1,193,954	\$ 1,107,143	
Sponsorships/Local Memberships	\$ 1,146,450	\$ 1,146,450	\$ 1,201,450	
Marketing and Communications	\$ 670,000	\$ 670,000	\$ 670,000	
Total Mktg and Outreach Costs	\$ 3,010,404	\$ 3,010,404	\$ 2,978,593	0.2%
General and Administration				
Other G & A	\$ 6,189,744	\$ 6,189,744	\$ 3,629,255	
Cal CCA Dues	\$ 460,000	\$ 460,000	\$ 460,000	
Rent	\$ 723,080	\$ 723,080	\$ 744,264	
Insurance	\$ 67,592	\$ 67,592	\$ 67,592	
Total G & A Costs	\$ 7,440,416	\$ 7,440,416	\$ 4,901,111	0.4%
Net Operating Expenses	\$ 53,820,095	\$ 53,820,095	\$ 50,793,940	4.2%
Total Operating Expenses	\$ 1,127,468,231	\$ 1,127,468,231	\$ 1,167,630,489	95.6%
Operating Income (Loss)	\$ 50,457,657	\$ 50,457,657	\$ 53,627,683	4.4%
NON-OPERATING REVENUES (EXPENSES)				
Investment income	\$ -	\$ -	\$ -	
Interest and Related Expenses	\$ (1,276,000)	\$ (1,276,000)	\$ (1,276,000)	
Transfer to Capital Investment Program	\$ (15,200,000)	\$ (15,200,000)	\$ (18,200,000)	
Total Non-Operating Revenues (Expenses)	\$ (16,476,000)	\$ (16,476,000)	\$ (19,476,000)	-1.6%
CHANGE IN NET POSITION	\$ 33,981,657	\$ 33,981,657	\$ 34,151,683	2.8%

Budget Amendment Overview

Budget-in Brief

The proposed FY 2024-25 Operating Budget Amendment is the first full fiscal year of full enrollment from Phases 1, 2, 3 and 4 for all ratepayers, inclusive of net-energy metering customers, from Community Power’s member jurisdictions within the San Diego region. This budget therefore provides the first representation in the agency’s history of what full revenues and expenses are expected to be moving forward.

As Community Power has scaled to full enrollment, the agency is thoughtfully scaling the agency by adding 7 staff to grow from 80 to 87 total staff. By the end of FY 2024-25, Community Power is expected to have a similar operating budget and staffing levels compared to its peer CCAs of similar customer and load size. Additionally, and similarly, by the end of FY 2024-25, Community Power’s reserves and total liquidity are expected to be comparable to its CCA counterparts who have investment-grade credit ratings.

The proposed FY 2024-25 Operating Budget Amendment additionally contains savings in all non-energy operating budget categories including reduced general and administration, professional services and consultants, and personnel costs. Even more, revenue has significantly increased due to estimated reduction in uncollectible rates decreasing from 4.5% to 1.75%, reflecting a reduction in projected arrearages.

The cost of energy, the largest cost in Community Power’s budget, has increased from \$1,073.7 million in the FY 2024-25 Adopted Budget to \$1,116.8 million in the FY 2024-25 Operating Budget Amendment. The largest drivers of energy costs going up are increases to renewable costs and increases to resource adequacy costs. The California Public Utilities Commission publishes annual market-price benchmarks (MPBs) that estimate the average market price and noted that the MPB for Renewables increased from \$54.56/MWh in 2024 to \$71.24/MWh in 2025. Similarly, the MPB for resource adequacy (system) increased from \$26.26/MWh in 2024 to \$40.32/MWh in 2025; taken together, increases in renewable and resource adequacy costs translated to an increase in energy costs for Community Power.

Lastly, this budget continues to include the Community Power Capital Investment Plan (CIP) that contains one-time revenue and one-time expenses for programs and projects over multi-year periods, including one-time operating investments from the operating budget to the CIP. Notable adjustments include a \$3.0 million contribution from the Operating Budget to the Solar Battery Savings Program and the approval of \$124.3M in external funding for the Regional Energy Network (REN). The first year of the CIP represents Community Power’s Capital Budget.

By the end of FY 2024-25, Community Power will be on track to nearly hitting its 180-days cash on hand Strategic Plan Goal reserve target and expects to achieve this target by October 2025.

Proposed Budget Amendment

The Community Power FY 2024-25 (FY25) Proposed Budget Amendment is presented in further detail in the following pages. The table below summarizes the revenue and expense budgets adopted for FY25 in comparison to the proposed FY25 Amended Budget.

TABLE 2: OPERATING BUDGET OVERVIEW

	FY25 Adopted	FY25 Revised¹	FY25 Amended
Gross Revenue	1,233.4	1,233.4	1,243.0
Less Uncollectible Accounts	(55.5)	(55.5)	(21.8)
Net Operating Revenues	1,177.9	1,177.9	1,221.3
Cost of Energy	1,073.7	1,073.7	1,116.8
Non-Energy Costs	53.8	53.8	50.8
Subtotal Operating Expense	1,127.5	1,127.5	1,167.6
Debt Service	1.3	1.3	1.3
CIP	15.2	15.2	18.5
Total Expenses	16.5	16.5	19.8
Net Position	33.9	33.9	33.9

Amounts displayed in millions, \$

¹ The revised column reflects actions taken by the Community Power Board of Directors prior to the budget amendment, including the approval of the Regional Energy Network on January 23, 2025.

Operating Revenue

Community Power’s main source of revenue currently is from the retail sale of electricity to its customers. Revenue budgeted for FY 2024-25 reflects a full fiscal cycle of retail sales to our commercial and industrial customer base and retail sales to our residential customer base. Generally, retail sales are calculated based on customer load (i.e. customer energy usage) multiplied by the associated rate class of the customer.

Additional assumptions for net operating revenue include:

- a. Enrollment of customers is complete from member jurisdictions in Phases 1, 2, 3 and 4.
- b. 95% participation rate across all jurisdictions.
- c. A 1.75% uncollectible rate which is a decrease from the 4.5% uncollectible rate assumed in the adopted budget.
- Rates were approved by the Board on February 7, 2025, and were retroactive to February 1, 2025.
- Community Power’s default PowerOn service is 3% less expensive compared to San Diego Gas and Electric’s (SDG&E) generation rates and the PowerBase service electricity generation rate is 5% less expensive than SDG&E’s generation rates.
- Power100 and Power100 Green-e Certified maintain premiums of \$0.01/kWh and \$0.02/kWh, respectively.
- d. Further mid-year rate changes are subject to Board approval.

The following table summarizes the revenues for FY25 Amended Budget and the FY25 Adopted Operating Budget. Note that Gross Revenue and Less Uncollectible Accounts are based on projected numbers from rate setting that was approved by the Board on February 7, 2025.

TABLE 3: OPERATING REVENUE BY BUDGET LEVEL 2

	FY25 Adopted	FY25 Revised	FY25 Amended
Gross Ratepayer Revenues	1,233.4	1,233.4	1,243.0
(Less Uncollectible Customer Accounts) ²	(55.5)	(55.5)	(21.8)
Net Operating Revenues	1,177.9	1,177.9	1,221.3

Amounts displayed in millions, \$

² The amendment to the FY25 budget reduces the adopted assumption for uncollectible accounts from 4.5% to 1.75%.

Operating Expenses

Expenses in the Community Power Operating Budget fall into five budget level 2 categories: cost of energy, personnel costs, professional services and consultants, marketing and outreach, and general and administration.

- **Cost of Energy** – Cost of Energy includes all the various services purchased from the power market through our suppliers. This includes purchased energy, capacity, CAISO fees and other miscellaneous power market expenses.
- **Personnel** – Personnel costs include salaries, payroll taxes, benefits, and excused absence and paid time off for staff. In addition, costs include assumptions from the Board adopted compensation policy including potential merit and cost-of-living increase.
- **Professional services and consultants**
 - Legal/Regulatory Services – Community Power retains legal counsel to assist with the complex aspects of the regulatory, compliance, power supply contract negotiations and its general legal needs. This line item will also allow for the retention of both a state and federal lobbyist to support Community Power’s legislative and regulatory efforts.
 - Technical Support – Community Power engages consultants to assist with rate setting, policies, joint-rate comparisons with the IOU, load analysis, and a scheduling coordinator. After electric power is scheduled for delivery to customers and consumed by those customers, the actual electric consumption must be trued up against the forecasted and scheduled energy. This true-up occurs through the settlement process. Settlements also entail addressing several other market and regulatory requirements. As Community Power grows its internal staff, it will look to continue to in-house portions of this service.
 - Other Services – Community Power contracts or plans to contract for Audit services (data and financial), Accounting services, and other services as needed. Community Power continues to examine if these services are more cost effective or efficient to bring in-house. As Community Power expands its in-house functions, Community Power expects a reduction in the related professional services support areas.
 - SDG&E Service Fees – Service fees paid to SDG&E consist of a charge of a fixed fee per account per month. The fees cover SDG&E’s costs associated with meter reading additional data processing and bill coordination as mandated and regulated by the California Public Utilities Commission (CPUC). There are also numerous small fees associated with data requests.

- Data Management – Broad scope of services that includes all “back office” billing data validation, bill coordination with SDG&E, call center services and billing technical support, customer enrollment database management, move- in/move-out services, customer research for enrollment support, and many support functions related to data reporting.
- **Marketing and Outreach** – Marketing and Outreach involves promoting Community Power services and engaging with the community through campaigns, public relations, events, and educational programs to increase awareness, drive customer enrollment, and build positive relationships. It also includes outreach to underserved communities to ensure equitable access to Community Power’s clean, renewable energy services.
- **General and Administration** – General and Administration costs include leasing office space, industry fees or memberships (e.g., CalCCA dues), equipment and software, as well as other general operational costs including Board and Committee expenses, Board stipends, staff travel or professional development, team building, etc.

The table below summarizes the expenses for the FY25 Amended Budget and the FY25 Adopted Operating Budget. Note that Community Power reduced expenses in non-energy costs.

TABLE 4: OPERATING EXPENSES BY BUDGET LEVEL 2

	FY25 Adopted	FY25 Revised	FY25 Amended
Cost of Energy	1,073.7	1,073.7	1,116.8
Professional Services and Consultants	24.8	24.8	24.3
Personnel Costs	18.6	18.6	18.6
Marketing and Outreach	3.0	3.0	3.0
General and Administration	7.4	7.4	4.9
Subtotal Operating Expenses	1,127.5	1,127.5	1,167.6
Interest and Related Expenses	1.3	1.3	1.3
Capital Investment Program (Transfer Out)	15.2	15.2	18.2

Total Expenses	1,111.0	1,111.0	1,147.3
-----------------------	----------------	----------------	----------------

Amounts displayed in millions, \$

Non-Operating Revenues (Expenses)

Non-operating revenue represents interest income earned on cash reserves. Non-operating expenses represent interest paid on borrowed funds under the bank credit facility maintained by Community Power used to finance a portion of its operations. Expenses also include other bank related fees (i.e., letter of credit issuance fees, renewal fees, etc.).

Community Power Capital Investment Program (CIP)

Continuing in FY 2024-25 is the CIP for FY 2025-29 which will contain all the individual capital projects, major equipment purchases, and major programs for the agency that are intended to span multiple years and that are considered one-time projects rather than recurring projects. The first year of the FY 2025-29 CIP is Community Power’s capital budget.

The FY 2024-25 operating budget amendment proposes \$3.0 million as a one-time portion of net operating revenues be transferred to the CIP, and that unspent funds are kept within the CIP and carried forward to the subsequent fiscal year.

The CIP includes funding for local development feasibility studies, customer program pilot projects, member agency grants, community grants, a customer education platform, and other community-focused areas.

The proposed amended FY2024-25 Capital Budget totals \$143.7 million, and the proposed amended FY 2025-29 CIP totals \$155.4 million, which \$7.8 million is subject to Board approval during the annual budget process and are subject to change. Additionally, \$3.9 million in unspent continuing funds were appropriated by the Board in prior fiscal years and is represented as Carryforward revenue.

The FY25 Budget Amendment includes an increase in the capital budget and CIP resulting from:

1. Proposed \$3.0 million contribution from the operating budget to provide additional funding for the Solar Battery Savings Program.
2. \$124.3M in external CPUC funding for the Regional Energy Network (REN), previously approved and appropriated by the Board on January 23, 2025.

TABLE 5: FY 2025-2029 CIP BUDGET APPROPRIATION

	Carryforward³	FY25 Adopted	FY25 Revised	FY25 Amended
Operating Transfer Out	-	15.2	15.2	18.2
Operating Transfer In	3.2	15.2	15.2	18.2
DAC-GT CSGT	-	0.5	0.5	0.5
Energy Efficiency	-	0.7	125.0	125.0
CDFA Healthy Refrigeration Grant Program	0.7	-	-	-
Total CIP Revenue	3.9	16.4	140.7	143.7

Amounts displayed in millions, \$

³ Carryforward has been trued-up since the adopted budget.

TABLE 6: FY 2025-29 CIP BUDGET EXPENSES BY PROGRAM TYPE

	Carryforward	FY25 Adopted	FY25 Revised	FY25 Amended
Energy Awareness and Education	-	0.0	0.0	0.0
Application Assistance	-	0.3	0.3	0.3
Disadvantaged Communities Green Tariff and Community Solar Green Tariff	-	0.5	0.5	0.5
Pilot Programs	2.2	1.0	1.0	1.0
Grant Programs	0.6	0.2	0.2	0.2
Distributed Energy Resources: Energy Storage Systems	0.3	10.6	10.6	13.6
Energy Efficiency	0.7	0.7	125.0	125.0
Flexible Load	0.1	0.5	0.5	0.5
Information Technology: Upgrades	-	2.6	2.6	2.6
Total CIP Expenses	3.9	16.4	140.7	143.7

Amounts displayed in millions, \$

TABLE 7: FY 2025-29 CIP PROGRAMS AND PROJECTS

	Carryforward	FY25 Amended	FY26	FY27	FY28	FY29	Total
Energy Awareness and Education	-	0.0	-	-	-	-	0.0
Application Assistance	-	0.3	-	-	-	-	0.3
Disadvantaged Communities Green Tariff and Community Solar Green Tariff	-	0.5	0.5	0.5	0.5	0.5	2.5
Pilot Programs	2.2	1.0	-	-	-	-	3.2
Grant Programs	0.6	0.2	-	-	-	-	0.6
Distributed Energy Resources: Energy Storage Systems	0.3	13.6	-	-	-	-	13.9
Energy Efficiency	0.7	125.0	0.7	0.7	0.7	0.7	128.5
Flexible Load	0.1	0.5	-	-	-	-	0.6
Information Technology: Upgrades	-	2.6	1.6	1.4	-	-	5.6
Total CIP Expenses	3.9	143.7	2.8	2.6	1.2	1.2	155.4

Amounts displayed in millions, \$

Operating Expenses by Department

The table below summarizes the FY25 Proposed Operating Budget expenses by department. All personnel costs including fringe benefits are included in the Operations department. Departments were established as part of the FY25 Operating Budget and are not shown in the prior year. The Power Services department includes Cost of Energy in their Expenses.

TABLE 8: OPERATING EXPENSES BY DEPARTMENT

	FY25 Adopted	FY25 Revised	FY25 Amended
Power Services	1,075.6	1,075.6	1,118.9
Executive	0.2	0.2	0.2
Operations	22.5	22.5	20.6
Finance	3.5	3.5	2.1
Customer Operations	19.3	19.3	19.3
Data Analytics and IT	1.4	1.4	1.4
Public Affairs	1.8	1.8	1.8
Programs	0.0	0.0	0.0
Regulatory Affairs	0.7	0.7	0.7
Human Resources	0.7	0.7	0.7
Legal	1.8	1.8	1.8
Clerk of Board	0.0	0.0	0.1
Total Operating Expenses	1,127.5	1,127.5	1,167.6

Amounts displayed in millions, \$

Personnel by Department

The table below summarizes the projected personnel from the FY25 Adopted Operating Budget and the full-time equivalent (FTE) personnel in the FY25 Amended Operating Budget. While personnel may be authorized, they must be filled. Detailed information showing filled and proposed FTE transfers by department is included in the following personnel by department section below. Personnel budget is included within the Operations department.

TABLE 9: PERSONNEL BY DEPARTMENT

	FY25 Adopted	FY25 Revised	FY25 Amended
Power Services	16.0	16.0	16.0
Executive	1.0	1.0	5.0
Operations	6.0	6.0	3.0
Finance	8.0	8.0	9.0
Customer Operations	8.0	8.0	8.0
Data Analytics and IT	7.0	7.0	9.0
Public Affairs	12.0	12.0	12.0
Programs	11.0	11.0	12.0
Regulatory Affairs	5.0	5.0	5.0
Human Resources	4.0	4.0	4.0
Legal	2.0	2.0	2.0
Clerk of Board	0.0	0.0	2.0
Total FTEs	80.0	80.0	87.0

Budget by Department

Power Services

Budget Amendment Highlights

- The cost of energy, the largest cost in Community Power’s budget, has increased from \$1,073.7 million to \$1,116.8 million.
- The largest drivers of energy costs going up are increases to renewable costs and increases to resource adequacy costs.
- The proposed budget amendment also includes one additional analyst position to support Community Power’s energy portfolio.

Department Positions

	FY25 Adopted	FY25 Revised	FY25 Amended
Power Services	16.0	16.0	16.0

TABLE 10: POWER SERVICES POSITIONS

Executive

Budget Amendment Highlights

- All Executive Team personnel, including the COO, CFO, CCO, and General Counsel, have been transitioned from their related departments into the Executive Department.

Department Positions

	FY25 Adopted	FY25 Revised	FY25 Amended
Executive	1.0	1.0	5.0

TABLE 11: EXECUTIVE POSITIONS

Operations

Budget Amendment Highlights

- Increased funding for office safety measures.
- A \$2.4M reduction in Corporate Filing and Tax Registration.

Department Positions

	FY25 Adopted	FY25 Revised	FY25 Amended
Operations	6.0	6.0	3.0

TABLE 12: OPERATIONS POSITIONS

Finance

Budget Amendment Highlights

- The Finance team proposes adding three positions, including a summer intern, which will not be counted as a full-time equivalent (FTE).
- A budget of \$72K is allocated to support the Procurement and Risk Management teams.

Department Positions

	FY25 Adopted	FY25 Revised	FY25 Amended
Finance	8.0	8.0	9.0

TABLE 13: FINANCE POSITIONS

Customer Operations

Budget Amendment Highlights

- \$6K has been reallocated to obtain Green-e Energy certification, ensuring our renewable energy products meet strict environmental and consumer protection standards.

Department Positions

	FY25 Adopted	FY25 Revised	FY25 Amended
Customer Operations	8.0	8.0	8.0

TABLE 14: CUSTOMER OPERATIONS POSITIONS

Data Analytics and IT

Budget Amendment Highlights

- Additional funding has been allocated to enhance office security measures.
- Two additional personnel are proposed to improve Data Analytics capabilities.

Department Positions

	FY25 Adopted	FY25 Revised	FY25 Amended
Data Analytics and IT	7.0	7.0	9.0

TABLE 15: DATA ANALYTICS AND IT POSITIONS

Public Affairs

Budget Amendment Highlights

- Continued outreach to educate the community of the benefits of community choice and to encourage awareness of our mission.

Department Positions

	FY25 Adopted	FY25 Revised	FY25 Amended
Public Affairs	12.0	12.0	12.0

TABLE 16: PUBLIC AFFAIRS POSITIONS

Programs

Budget Amendment Highlights

- An additional \$3.0 million from the Operating Budget has been allocated to the Solar Battery Savings Program.
- An additional \$124.3 million in external funding for the Regional Energy Network was approved at the January 2025 Board of Directors meeting.

Department Positions

	FY25 Adopted	FY25 Revised	FY25 Amended
Programs	11.0	11.0	12.0

TABLE 17: PROGRAMS POSITIONS

Regulatory and Legislative Affairs

Budget Amendment Highlights

- \$15K increase for the Local Energy Aggregation Network (LEAN) membership will benefit Community Power through joint federal advocacy and funding opportunities.

Department Positions

	FY25 Adopted	FY25 Revised	FY25 Amended
Regulatory and Legislative Affairs	5.0	5.0	5.0

TABLE 18: REGULATORY AND LEGISLATIVE AFFAIRS POSITIONS

Human Resources

Budget Amendment Highlights

- The budget has been increased to account for the additional potential support of 6 FTE positions and 1 intern should the budget amendment be approved.

Department Positions

	FY25 Adopted	FY25 Revised	FY25 Amended
Human Resources	4.0	4.0	4.0

TABLE 19: HUMAN RESOURCES POSITIONS

Legal

Budget Amendment Highlights

- Additional personnel are proposed to enhance the capabilities of the in-house Legal department.

Department Positions

	FY25 Adopted	FY25 Revised	FY25 Amended
Legal	2.0	2.0	3.0

TABLE 20: LEGAL POSITIONS

Clerk of Board

Budget Amendment Highlights

- The Clerk of the Board has transitioned out of Operations and established as its own department.

Department Positions

	FY25 Adopted	FY25 Revised	FY25 Amended
Clerk of Board	0.0	0.0	2.0

TABLE 21: CLERK OF BOARD POSITIONS



**SAN DIEGO COMMUNITY POWER
Staff Report – Item 3**

TO: Finance and Risk Management Committee

FROM: Dr. Eric W. Washington, Chief Financial Officer/Treasurer

VIA: Karin Burns, Chief Executive Officer

SUBJECT: Treasurer’s Report for Period Ending December 31, 2024

DATE: February 20, 2025

RECOMMENDATION:

Receive and File Treasurer’s Report for Period Ending December 31, 2024.

BACKGROUND:

San Diego Community Power (Community Power) maintains its accounting records on a full accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) as applicable to governmental enterprise funds. SDCP has prepared its year-to-date financial statements for the six-month period ended December 31, 2024, along with budgetary comparisons.

Additionally, on May 25, 2023, the Community Power Board of Directors (Board) adopted the Community Power Investment Policy, which was subsequently revised on June 27, 2024. The objectives of the Investment Policy are to (1) safeguard the principal of investment funds, (2) meet the liquidity needs of Community Power, (3) achieve a return on funds invested, and (4) exercise a high standard of care on investment funds. The Investment Policy additionally includes provisions for regular reporting to the Financial and Risk Management (FRMC) which will be included in the Treasurer’s Report.

In an effort to increase public transparency and in alignment with section 1.a of the Community Power Delegated Contract Authority Policy, Community Power will also report newly executed contracts between \$50,000 and \$125,000 for goods and services in the Treasurer’s Report.

Community Power additionally reports monthly metrics during its Board meetings as part of its Update on Back-Office Operations. As part of the Treasurer’s Report, certain key metrics related to risk are presented during FRMC meetings.

On June 27, 2024, the Community Power Board approved an operating budget for Fiscal Year 2024-25 that included net operating revenues of \$1,177,925,889 total expenses of

\$1,143,919,262 and a resulting net position of \$34,006,627. The approved Fiscal Year 2024-25 budget also includes a capital budget to fund 16 projects, totaling 23 active projects during the fiscal year for \$16,434,280.

ANALYSIS AND DISCUSSION:

Financial Results

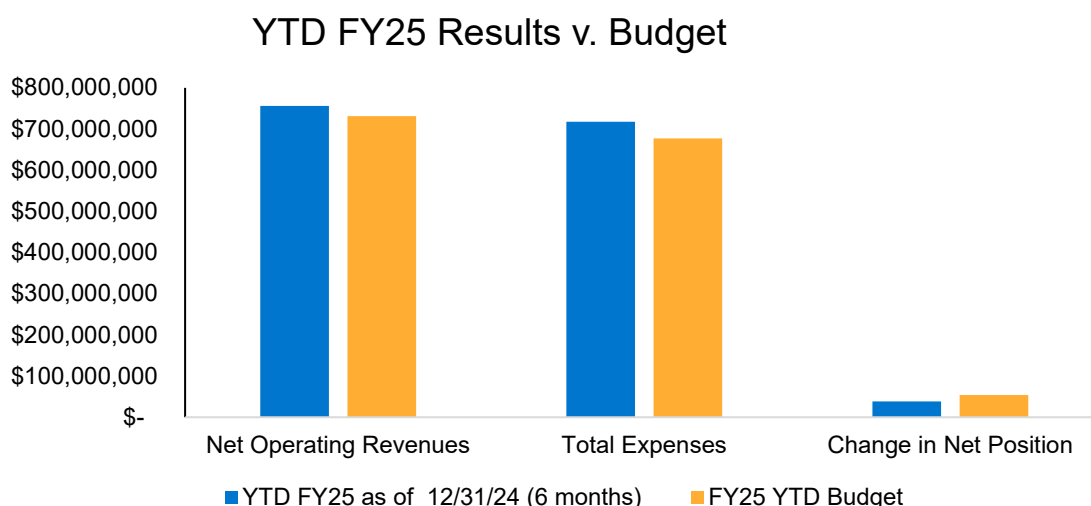
Actual financial results for the period ended 12/31/2024: \$756.0 million in net operating revenues were reported compared to \$731.4 million budgeted for the period. \$717.7 million in total expenses were reported (including \$687.7 million in energy costs) compared to \$677.4 million budgeted for the period (including \$634.4 million budgeted for energy costs). After expenses, Community Power’s change in net position of \$38.4 million was reported year-to-date for Fiscal Year 2024-25. The following is a summary of the actual results compared to the adopted Fiscal Year 2024-25 Operating Budget.

Table 1: Budget Comparison Versus Actual Result

Budget Comparison					
	YTD FY25 as of 12/31/24 (6 months)	FY25 YTD Budget	Budget Variance (\$)	Budget (%)	
Net Operating Revenues	\$ 756,048,845	\$ 731,417,225	\$ 24,631,620	103%	
Total Expenses	\$ 717,660,481	\$ 677,423,389	\$ 40,237,092	106%	
Change in Net Position	\$ 38,388,364	\$ 53,993,836	\$ (15,605,472)	-29%	

- Net operating revenues finished \$24.6 million (or 3.0 percentage points) over the budget due to a decrease in projected uncollectible accounts.
- Operating expenses finished \$40.2 million (or 6.0 percentage points) over the budget similarly due to higher-than-expected resource adequacy and CAISO costs which were partially offset by savings in non-energy costs.

Figure 1: Budget Comparison versus Actual Results



For the six-month period ending December 31, 2024, Community Power contributed \$38,388,364 to its net position compared to the expected contribution of \$53,993,836 per the Fiscal Year 2024-25 budget. Total Community Power reserves at the end of the period were \$ \$371,032,793 based on cash and cash equivalents – unrestricted, and total available liquidity (including lines of credit) was \$583,532,793. Community Power has a total Fiscal Year 2024-25 year-end reserve target of \$556,027,397 which is equivalent to 180-days of total operating expenses as set in Community Power’s Reserve Policy and Strategic Goals

Investment Portfolio Report

Chandler Asset Management manages Community Power’s investment portfolio. As of December 31, 2024, the market value was \$50.3M compared to the \$24.8M market value as September 30, 2024. The rise in market value is reflective of an increase in the dollar amount of asset under management. The following is a snapshot of overall characteristics of the portfolio.

PORTFOLIO CHARACTERISTICS

San Diego Community Power | Account | As of December 31, 2024

	Benchmark*	12/31/2024 Portfolio	9/30/2024 Portfolio
Average Maturity (yrs)	2.66	2.43	3.20
Average Modified Duration	2.48	2.06	2.70
Average Purchase Yield		4.30%	4.25%
Average Market Yield	4.29%	4.41%	3.88%
Average Quality**	AA+	AA+	AA+
Total Market Value		50,337,325	25,462,904

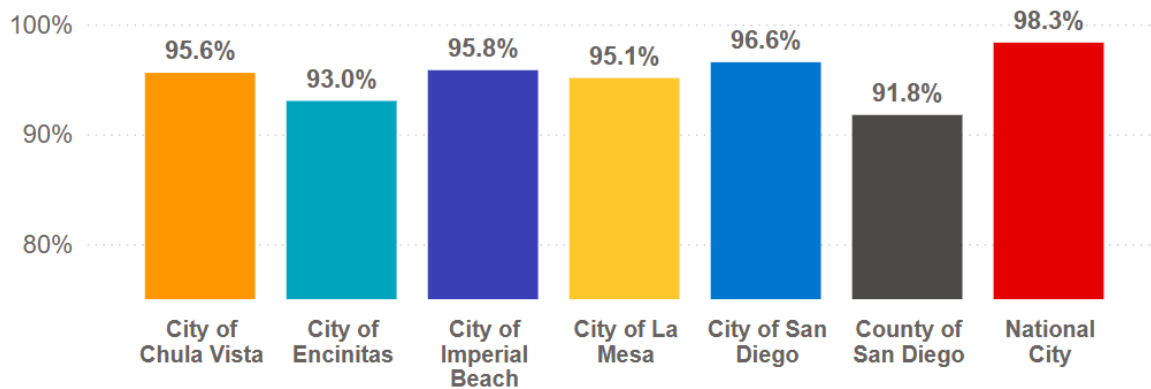
Contract Execution between \$50,000 and \$125,000

In December 2024, Community Power did not execute any contracts between \$50,000 and \$125,000.

Metrics

Figure 2: Participation Rates as of 2/8/2025

Participation by Jurisdiction



Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	98,450	94,107	95.6%
City of Encinitas	Power100	28,756	26,754	93.0%
City of Imperial Beach	PowerOn	10,846	10,394	95.8%
City of La Mesa	PowerOn	29,321	27,890	95.1%
City of San Diego	PowerOn	623,821	602,339	96.6%
County of San Diego	PowerOn	190,361	174,678	91.8%
National City	PowerOn	19,334	19,013	98.3%
Total		1,000,889	955,175	95.4%

The participation rate for Community Power reflects full enrollment of current member agencies. We are reporting on the opt outs and eligible accounts associated with the phase based on those accounts that we have noticed for enrollment on a rolling basis as of the reporting month.

Staff are also presenting the state of Community Power Arrearages related to financial risk for FRMC consideration and for regular review. Additional metrics can be added by request. The below arrearage data includes Community Power’s Receivables aged 120+ Days as of February 8, 2025.

Figure 3: State of SDCP Arrearages as of 2/08/2025

Balances over 120 days

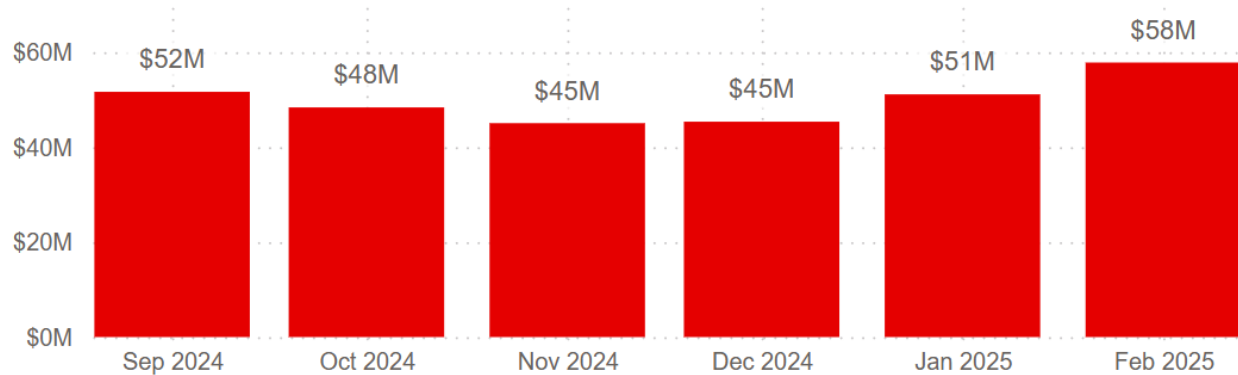
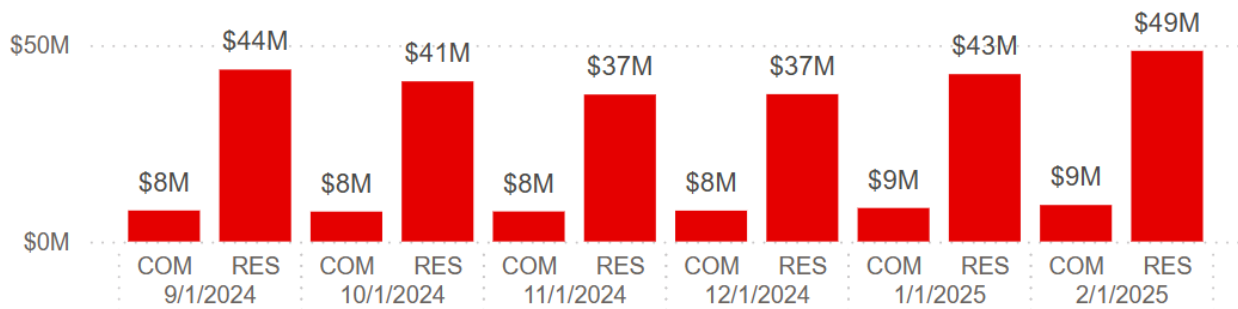


Figure 4: State of SDCP Arrearages Residential vs Commercial as of 2/08/2025

Balances over 120 days - RES vs COM



FISCAL IMPACT:

N/A

COMMITTEE REVIEW:

N/A

ATTACHMENTS:

Attachment A: 2024 Year-to-Date Period Ended 12/31/2024 Financial Statements.

ITEM 3
ATTACHMENT A



ACCOUNTANTS' COMPILATION REPORT

Management
San Diego Community Power

Management is responsible for the accompanying financial statements of San Diego Community Power (a California Joint Powers Authority) which comprise the statement of net position as of December 31, 2024, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the six months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. San Diego Community Power's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
February 5, 2025

**SAN DIEGO COMMUNITY POWER
STATEMENT OF NET POSITION
As of December 31, 2024**

ASSETS

Current assets	
Cash and cash equivalents - unrestricted	\$ 371,032,793
Cash and cash equivalents - restricted	500,000
Accounts receivable, net of allowance	99,031,447
Accrued revenue	44,684,315
Prepaid expenses	2,430,052
Other receivables	3,421,156
Deposits	19,128,889
Investments	1,936,977
Total current assets	542,165,629
Noncurrent assets	
Cash and cash equivalents - restricted	1,147,000
Investments	35,620,723
Capital assets, net of depreciation and amortization	503,667
Total noncurrent assets	37,271,390
Total assets	579,437,019

LIABILITIES

Current liabilities	
Accrued cost of electricity	138,875,527
Accounts payable	4,065,038
Other accrued liabilities	2,190,428
State surcharges payable	587,833
Deposits - energy suppliers	3,143,000
Lease liability	483,612
Total current liabilities	149,345,438
Noncurrent liabilities	
Deposits - energy suppliers	4,410,450
Total noncurrent liabilities	4,410,450
Total liabilities	153,755,888

NET POSITION

Restricted for security collateral	1,647,000
Unrestricted	424,034,131
Total net position	\$ 425,681,131

**SAN DIEGO COMMUNITY POWER
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Six Months Ended December 31, 2024**

OPERATING REVENUES

Electricity sales, net	\$ 755,568,971
Grant revenue	352,500
Other income	1,218,049
Total operating revenues	<u>757,139,520</u>

OPERATING EXPENSES

Cost of electricity	688,775,015
Contract services	10,041,650
Staff compensation	7,595,860
Other operating expenses	5,643,338
Depreciation and amortization	256,178
Total operating expenses	<u>712,312,041</u>
Operating income	<u>44,827,479</u>

NON-OPERATING REVENUES (EXPENSES)

Investment income	5,888,016
Interest expense	(416,746)
Nonoperating revenues (expenses), net	<u>5,471,270</u>

CHANGE IN NET POSITION

	50,298,749
Net position at beginning of year	<u>375,382,382</u>
Net position at end of year	<u><u>\$ 425,681,131</u></u>

**SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS
Six Months Ended December 31, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 793,522,716
Receipts of supplier security deposits	4,867,455
Other operating receipts	1,548,355
Payments to suppliers for electricity	(669,837,112)
Payments for other goods and services	(16,182,698)
Payments for staff compensation	(7,276,865)
Payments for deposits and collateral	(1,645,050)
Payments of state surcharges	(1,235,027)
Net cash provided by operating activities	103,761,774

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Proceeds from bank note	55,500,000
Principal payments - bank note	(55,500,000)
Interest payments	(393,961)
Net cash provided (used) by noncapital financing activities	(393,961)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments of lease liability	(308,340)
Net cash used by capital and related financing activities	(308,340)

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	5,588,706
Proceeds from investment sales and maturities of investments	
Purchase of investments	(37,410,496)
Net cash provided (used) by investing activities	(31,821,790)

Net change in cash and cash equivalents	71,237,683
Cash and cash equivalents at beginning of year	301,442,110
Cash and cash equivalents at end of year	\$ 372,679,793

Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)	\$ 371,032,793
Restricted cash - current	500,000
Restricted cash - noncurrent	1,147,000
Cash and cash equivalents	\$ 372,679,793

NONCASH INVESTING ACTIVITIES

Unrealized appreciation and timing differences in investment income	\$ 299,310
---	------------

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS (continued)
Six Months Ended December 31, 2024

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 44,827,479
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization expense	256,178
(Increase) decrease in:	
Accounts receivable, net	4,480,718
Accrued revenue	32,179,108
Prepaid expenses	32,588,348
Other receivables	2,619,808
Deposits	(6,966,690)
Increase (decrease) in:	
Accrued cost of electricity	(9,240,789)
Accounts payable	(942,840)
Other accrued liabilities	1,027,113
State surcharges payable	58,891
Deposits - energy suppliers	2,874,450
Net cash provided by operating activities	<u>\$ 103,761,774</u>



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
San Diego Community Power

Management is responsible for the accompanying operating fund and capital investment program fund budgetary comparison schedules of San Diego Community Power (SDCP), a California Joint Powers Authority, for the six months ended December 31, 2024, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

These special purpose statements are prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of SDCP.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. SDCP's annual audited financial statements will include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to SDCP because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
February 5, 2025

**SAN DIEGO COMMUNITY POWER
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Six Months Ended December 31, 2024**

	<u>Year-to-Date</u>				<u>Annual</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget Variance (Under) Over</u>	<u>Actual/ Budget %</u>	<u>Budget</u>	<u>Budget Remaining</u>
REVENUES AND OTHER SOURCES						
Gross Ratepayer Revenues	765,881,911	\$ 769,026,943	3,145,032	100%	\$ 1,233,400,000	\$ 464,373,057
Less: Uncollectible Customer Accounts	(34,464,686)	(13,457,972)	21,006,714	39%	(55,500,000)	(42,042,028)
Grant Revenue	-	352,500	352,500	na	-	(352,500)
Other Income	-	127,374	127,374	na	-	(127,374)
Total Revenues and Other Sources	<u>731,417,225</u>	<u>756,048,845</u>	<u>24,631,620</u>		<u>1,177,900,000</u>	<u>421,851,155</u>
OPERATING EXPENSES						
Cost of Energy	634,397,000	687,684,339	53,287,339	108%	1,073,700,000	386,015,661
Professional Services and Consultants	12,414,616	9,323,926	(3,090,690)	75%	24,800,000	15,476,074
Personnel Costs	9,259,784	7,595,860	(1,663,924)	82%	18,600,000	11,004,140
Marketing and Outreach	1,513,427	1,181,801	(331,626)	78%	3,000,000	1,818,199
General and Administration	4,000,562	1,628,205	(2,372,357)	41%	7,400,000	5,771,795
Total Operating Expenses	<u>661,585,389</u>	<u>707,414,131</u>	<u>45,828,742</u>		<u>1,127,500,000</u>	<u>420,085,869</u>
Operating Income (Loss)	<u>69,831,836</u>	<u>48,634,714</u>	<u>(21,197,122)</u>		<u>50,400,000</u>	<u>1,765,286</u>
NON-OPERATING REVENUES (EXPENSES)						
Investment Income	-	5,888,016	5,888,016	na	-	(5,888,016)
Interest and Related Expenses	(638,000)	(934,366)	(296,366)	146%	(1,300,000)	(365,634)
Transfer to Capital Investment Program	(15,200,000)	(15,200,000)	-	100%	(15,200,000)	-
Total Non-Operating Revenues (Expenses)	<u>(15,838,000)</u>	<u>(10,246,350)</u>	<u>5,591,650</u>		<u>(16,500,000)</u>	<u>(6,253,650)</u>
NET CHANGE	<u>\$ 53,993,836</u>	<u>\$ 38,388,364</u>	<u>\$ (15,605,472)</u>		<u>\$ 33,900,000</u>	<u>\$ (4,488,364)</u>

**SAN DIEGO COMMUNITY POWER
CAPITAL INVESTMENT PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
Six Months Ended December 31, 2024**

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Budget Remaining</u>
REVENUES AND OTHER SOURCES			
Transfer in from Operating Fund	<u>\$ 15,200,000</u>	<u>\$ 15,200,000</u>	<u>\$ -</u>
 EXPENDITURES AND OTHER USES			
Program expenditures	<u>16,400,000</u>	<u>3,336,642</u>	<u>(13,063,358)</u>
Net increase (decrease) in fund balance	<u>\$ (1,200,000)</u>	11,863,358	
Fund balance at beginning of period		<u>3,492,291</u>	
Fund balance at end of period		<u>\$ 15,355,649</u>	