



AGENDA

Regular Meeting Finance and Risk Management Committee

October 16, 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 can attend in person. Under certain circumstances, FRMC members may also attend and participate virtually in the meeting, pursuant to the Brown Act (Gov. Code § 54953). As a convenience, San Diego Community Power provides a Zoom teleconference 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 Zoom teleconference option, the meeting will continue unless otherwise required by law (such as when an FRMC member is virtually attending the meeting), 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 members of the public include their name and city of residence for the record. Members of the public are requested to address their comments to the FRMC as a whole through the chairperson. Comments may be provided in one of the following ways:

1. **Oral comments during the meeting.** Anyone attending in person who wishes to address the FRMC is asked to complete a speaker's card 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. When participating in a Zoom video teleconference by computer or mobile phone, use the "Raise Hand" feature. This will notify the moderator that a member of the public wishes to address the FRMC during a specific item on the agenda or during the non-agenda public comment period. Members of the public will not be shown on video but will be able to address the FRMC when called upon. If joining the meeting using the Zoom dial-in number, members of the public can raise their hand by pressing *9. Comments will be limited to three minutes.
2. **Written comments.** Written public comments must be submitted prior to the start of the meeting to ClerkOfTheBoard@SDCommunityPower.org. Members of the public are asked to indicate a specific agenda item when submitting comment. All written comments received prior to the meeting will be provided to the FRMC members. At the discretion of the chairperson, the first ten 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 become part of the public record.

If members of the public have any materials to be distributed to the FRMC, they should be sent to ClerkOfTheBoard@SDCommunityPower.org, who will distribute the information to FRMC 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

LAND ACKNOWLEDGEMENT

ITEMS TO BE ADDED, WITHDRAWN OR REORDERED ON THE AGENDA

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

This is an 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 comments in any manner described above.

CONSENT CALENDAR

1. [Approve September 18, 2025, Meeting Minutes](#)
2. [Approve 2026 Finance and Risk Management \(FRMC\) Committee Meeting Schedule](#)
3. [Recommend Board Approval of Non-Material Revisions to FY 2025-2026 Operating Budget, the FY 2025-2026 Capital Budget, and the FY 2026-2030 Capital Investment Plan](#)

REGULAR AGENDA

4. Fiscal Year End 2024-25 Financial Audit Progress Report Presentation

Recommendation: Receive and File Fiscal Year End 2024-25 Financial Audit Progress Report Presentation.

5. Treasurer's Report for Period Ending July 31, 2025

Recommendation: Receive and File Treasurer's Report for Period Ending July 31, 2025.

6. Recommend Board Adoption of Resolution No. 2025__, Approving a Third Revision to the Financial Reserves Policy

Recommendation: Recommend Board Adoption of Resolution No 2025__, approving a third revision to the Financial Reserves Policy.

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 until the next regular meeting scheduled for Thursday, November 13, 2025, at 3 p.m.

Compliance with the Americans with Disabilities Act

Community Power committee meetings comply with the Americans with Disabilities Act. Individuals with a disability who require a modification or accommodation, including auxiliary aids or services, to participate in a public meeting may contact ClerkOfTheBoard@SDCommunityPower.org. Requests for disability-related modifications or accommodations require varying 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 are distributed to the committee members prior to or during the committee meeting and are available for public review as required by law. Public records, including agenda-related documents, can be requested electronically from ClerkOfTheBoard@SDCommunityPower.org. or by mailing San Diego Community Power, Attn: Clerk of the Board, P.O. Box 12716, San Diego, CA

92112. The documents may also be posted on Community Power's website. Such public records are also available for inspection by contacting ClerkOfTheBoard@SDCommunityPower.org to arrange an appointment.

SAN DIEGO COMMUNITY POWER

FINANCE AND RISK MANAGEMENT COMMITTEE

Regular Meeting Minutes

September 18, 2025

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

WELCOME

CALL TO ORDER

Chair Yamane called the Finance and Risk Management Committee meeting to order at 3:03 p.m.

ROLL CALL

PRESENT: Chair Yamane, City of National City; Vice Chair Suzuki, City of La Mesa; and Director Inzunza, City of Chula Vista

Absent: None

Staff Present: Chief Financial Officer/Treasurer Dr. Washington; General Counsel Tyagi; Director of Finance Manglicmot; Procurement Manager Stephens (via Zoom Teleconference); Clerk of the Board Hernandez; and Assistant Clerk of the Board Vences

PLEDGE OF ALLEGIANCE

Director Inzunza led the Pledge of Allegiance.

LAND ACKNOWLEDGEMENT

Chair Yamane acknowledged the Kumeyaay Nation and all the original stewards of the land.

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 August 21, 2025, Meeting Minutes

There were no public comments on Consent Item No. 1.

Motioned by Director Inzunza and seconded by Vice Chair Suzuki to approve Consent Item No. 1. The motion carried unanimously as follows:

AYES:	Chair Yamane, Vice Chair Suzuki, and Director Inzunza
NOES:	None
ABSTAINED:	None
ABSENT:	None

REGULAR AGENDA

2. Treasurer's Report for Period Ending June 30, 2025

Dr. Washington introduced the item and turned it over to Daniel Delaney from Chandler Asset Management to provide the report.

There were no public comments on Item No. 2.

The Committee received and filed the Treasurer's Report for Period Ending June 30, 2025.

3. Recommend Board Adoption of Resolution No. 2025-___, Authorizing the Investment of Monies in Local Agency Investment Fund (LAIF)

Dr. Washington provided an overview of the proposed investment.

There were no public comments on Item No. 3.

After Committee member discussion, Director Inzunza motioned and seconded by Vice Chair Suzuki to recommend Board adoption of Resolution No. 2025-___ Authorizing investment of monies in the Local Agency Investment Fund (LAIF) The motion carried unanimously as follows:

AYES:	Chair Yamane, Vice Chair Suzuki, and Director Inzunza
NOES:	None
ABSTAINED:	None
ABSENT:	None

4. Recommend Board Adoption of Resolution No. 2025__, Approving Revisions to the Non-Energy Procurement Policy

Mr. Manglicmot provided an overview of the proposed revisions to the Non-Energy Procurement Policy.

There were no public comments on Item No. 4.

After Committee member discussion, Vice Chair Suzuki motioned and seconded by Director Inzunza to recommend Board Adoption of Resolution No. 2025-__, approving revisions to the non-energy procurement policy. The motion carried unanimously as follows:

AYES:	Chair Yamane, Vice Chair Suzuki, and Director Inzunza
NOES:	None
ABSTAINED:	None
ABSENT:	None

5. Recommend Board Adoption of Resolution No. 2025__, Approving Revisions to the Delegated Contract Authority Policy and Rescinding Resolution No. 2022-10

Mr. Manglicmot provided an overview of the proposed revisions to the Delegated Contract Authority Policy.

There were no public comments on Item No. 5.

After Committee member discussion, Vice Chair Suzuki motioned and seconded by Director Inzunza to recommend Board adoption of Resolution No. 2025-__, approving revisions to the delegated contract authority policy and rescinding Resolution No. 2022-10. The motion carried unanimously as follows:

AYES:	Chair Yamane, Vice Chair Suzuki, and Director Inzunza
NOES:	None
ABSTAINED:	None
ABSENT:	None

COMMITTEE MEMBER ANNOUNCEMENTS

Committee members made announcements and reported on various events taking place in their member jurisdictions.

ADJOURNMENT

The Finance and Risk Management Committee adjourned at 3:43 p.m. to the next regular meeting scheduled for Thursday, October 16, 2025, at 3 pm.

Sandra Vences, Assistant Clerk of the Board

SAN DIEGO COMMUNITY POWER

Staff Report – Item 2

To: Finance and Risk Management Committee

From: Maricela Hernandez, Clerk of the Board

Via: Karin Burns, Chief Executive Officer

Subject: Approval of 2026 Finance and Risk Management (FRMC) Committee Meeting Schedule

Date: October 16, 2025

Recommendation

Approve the FRMC regular meeting schedule for calendar year 2026.

Background

During 2025, the FRMC held their meetings every third Thursday of the month at 3 p.m., except when an adjustment was required.

Analysis and Discussion

During 2026, staff recommend maintaining the same 2025 schedule. FRMC meetings are scheduled to be held at the City of Chula Vista Council Chambers, 276 Fourth Avenue, Chula Vista, CA or at other locations compliant with public meetings specifications, as coordinated and communicated by Community Power staff in compliance with the Brown Act.

Meetings are expected to be in person with a remote/teleconference option for members of the public, staff, and FRMC members if the need arises to participate remotely.

Below are proposed 2026 FRMC meeting dates with a start time of 3 p.m. (exceptions noted):

- February 19, 2026
- March 19, 2026
- April 16, 2026
- May 21, 2026
- June 18, 2026
- August 20, 2026

- September 17, 2026
- October 15, 2026
- December 3, 2026 (First Thursday)

The FRMC will observe recess during the months of July and November, which coincides with the Board of Directors meeting schedule.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER

Staff Report – Item 3

To: Finance and Risk Management Committee

From: Dr. Eric Washington, Chief Financial Officer/Treasurer

Via: Karin Burns, Chief Executive Officer

Subject: Recommend Board Approval of Non-Material Revisions to FY 2025-2026 Operating Budget, the FY 2025-2026 Capital Budget, and the FY 2026-2030 Capital Investment Plan

Date: October 16, 2025

Recommendation

Recommend Board Approval of Non-Material Revisions to FY 2025-2026 Operating Budget, the FY 2025-2026 Capital Budget, and the FY 2026-2030 Capital Investment Plan.

Background

On June 26, 2025, the Board approved Resolution No. 2025-06, adopting the FY 2025-2026 Operating Budget, the FY 2025-2026 Capital Budget, and the FY 2026-2030 Capital Investment Plan, collectively the “Budget Books”. The item was also presented to the Finance and Risk Management Committee on June 12, 2025.

San Diego Community Power's annual Budget Books provide the Community Power budget and also provide technical information and context on the structure, policies and processes surrounding Community Power's budget development and implementation process.

During the normal course of preparing the final document for publication, Community Power staff identified certain non-substantive errors relating to the information provided about prior year budgets. These edits do not alter the FY 2025-2026 budget approved by the Board.

Community Power staff would like to update the Budget Books to ensure consistency and clarity with prior year budgets. Board approval to make these edits will allow staff to finalize the publication to be posted to Community Power's website, ensuring public transparency.

Analysis and Discussion

During the final review of the Fiscal Year 2025–2026 Budget Books, staff identified non-material errors to the previous fiscal year figures and seek approval to revise to ensure accuracy. The updates will be made to prepare the final version for publication and fulfill Community Power’s commitment to transparency.

The revisions include:

- Data Corrections: In several tables, figures from the previous fiscal year require updating as indicated below in red font. This change is necessary to replace prior period "Adopted" budget figures with the "Amended" figures to match column labeling, ensuring all historical data is accurately reflected.
 - Table 1. Operating Budget Overview (page 27)
 - Table 3. Operating Expenses by Budget Level 2 (page 30)
 - Table 19. Professional Services and Consultants by Budget Level 2 and 3 (page 53)
 - Table 21. Marketing and Outreach By Budget Level 2 and 3 (page 54)
 - Table 22. General and Administration By Budget Level 2 and 3 (page 55)
 - Table 23, Programs by Budget Level 2 and 3 (page 55)

Budget	FY24 Amended		FY25 Amended	
Line Items	Draft	Final	Draft	Final
Gross revenue	1,365.7	1,365.7	1,233.4	1,243.0
Less Uncollectible accounts	-61.4	-61.4	-54.5	-21.8
Net Operating revenue	1,304.3	1,304.3	1,177.9	1,221.2
Cost of energy	1,020.8	1,020.8	1,073.7	1,116.8
Non-Energy Cost	43.8	43.8	53.8	50.8
Subtotal Operating Expenses	1,064.6	1,064.7	1,127.5	1,167.6
Debt service	2.4	2.4	1.3	1.3
Capital Investment Program	4.7	4.6	15.2	18.2
Total Expenses	1,071.0	1,071.7	1,143.9	1,187.1
Net Position	233.3	232.6	34.0	34.1

- Organizational Update: References to the former Chief Commercial Officer, Byron Vosburg, have been updated to include “until June 1, 2025”. This ensures the document accurately reflects the agency's leadership structure during that period.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER

Staff Report – Item 4

To: Finance and Risk Management Committee

From: Dr. Eric Washington, Chief Financial Officer/Treasurer

Via: Karin Burns, Chief Executive Officer

Subject: Fiscal Year End 2024-25 Financial Audit Progress Report Presentation

Date: October 16, 2025

Recommendation

Receive and File Fiscal Year End 2024-25 Financial Audit Progress Report Presentation.

Background

On October 1, 2019, the Founding Members of San Diego Community Power (Community Power) adopted the Joint Powers Agreement (JPA) which was amended and restated on December 16, 2021.

Section 4.6.14 of the JPA specifies the Board of Directors (Board) shall arrange for an annual independent fiscal audit.

Section 5.4 of the JPA specifies the Board shall appoint a Treasurer who shall function as the combined offices of Treasurer and Auditor and shall strictly comply with the statutes related to the duties and responsibilities specified in Section 6505.5 of the Government Code. The section further specifies that the Treasurer shall cause an independent audit(s) of the finances of Community Power to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Government Code. Section 7.2.2 of the JPA additionally specifies that the Community Power Board shall contract with a certified public accountant to make an annual audit of the financial statements of Community Power, which shall be conducted in accordance with the requirements of Section 6505 of the Government Code.

On July 1, 2021, Community Power entered into a professional services agreement with Piseni & Brinker to perform its annual audit for FY 2020-21.

On July 1, 2022, Community Power exercised an option in the professional services agreement to extend the term from June 30, 2022, to June 30, 2023, to conduct its annual audit for FY 2021-22.

Subsequently, on July 20, 2023, Community Power exercised an option in the professional services agreement to extend the term from June 30, 2023, to June 30, 2024, to conduct its annual audit for FY 2022-23.

Later, on July 30, 2024, Community Power issued an invitation to bid from qualified and experienced professionals to provide independent financial statement auditing and additional as-needed services such as assisting with the preparation and reporting of audit findings to Community Power's Board. As a result of the invitation to bid, on September 1, 2024, Community Power entered into a professional services agreement with Pisenti & Brinker to perform its annual audit for FY 2023-24.

Shortly thereafter, Pisenti & Brinker subsequently merged with several accounting firms to form Sorren CPAs P.C. (Sorren), and Sorren assumed all of Pisenti & Brinker's rights, duties, and obligations under the professional services agreement.

Finally, on September 23, 2025, Community Power executed Amendment No. 1 to the professional services agreement with Sorren to extend the professional services agreement by one year, from September 30, 2025, to September 30, 2026.

This amendment to extend the contract term was necessary to conduct Community Power's FY 2024-25 annual audit.

Sorren is a firm with extensive experience auditing CCA's throughout California, as well as other local government entities.

Analysis and Discussion

Staff prepared a presentation describing the audit process and the preliminary results from Sorren for its FY 2024-25 financial audit. The full financial audit report for FY 2024-25 is expected to be presented to the FRMC on November 13, 2025, and expected to be reviewed by the Board on November 20, 2025.

Fiscal Impact

N/A

Strategic Plan

The FY 2024-25 financial audit supports Community Power's strategic goal for fiscal sustainability and strengthening financial controls across the agency.

Attachments

N/A

SAN DIEGO COMMUNITY POWER

Staff Report – Item 5

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 July 31, 2025

Date: October 16, 2025

Recommendation

Receive and File Treasurer's Report for Period Ending July 31, 2025.

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. Community Power has prepared its year-to-date financial statements for the one-month period ended July 31, 2025, 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 \$150,000 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 Financial and Risk Management Committee (FRMC) meetings.

Subsequently, on February 27, 2025, the Board approved 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. Additionally, the Board approved 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 (CIP) to \$155,910,762.

On June 26, 2025, the Community Power Board of Directors (Board) approved the Fiscal Year 2025-26 Operating Budget that included net operating revenues of \$1,199,619,579 total expenses of \$1,010,943,119 and a resulting net position of \$164,613,302. The Capital Investment Plan was approved for \$22,170,600. The large majority of this one-time investment is meant to fund \$18.8 million for the Solar Battery Savings program, which offers upfront and performance-based incentives for home battery systems that boost resilience and reduce grid demand.

Analysis and Discussion:

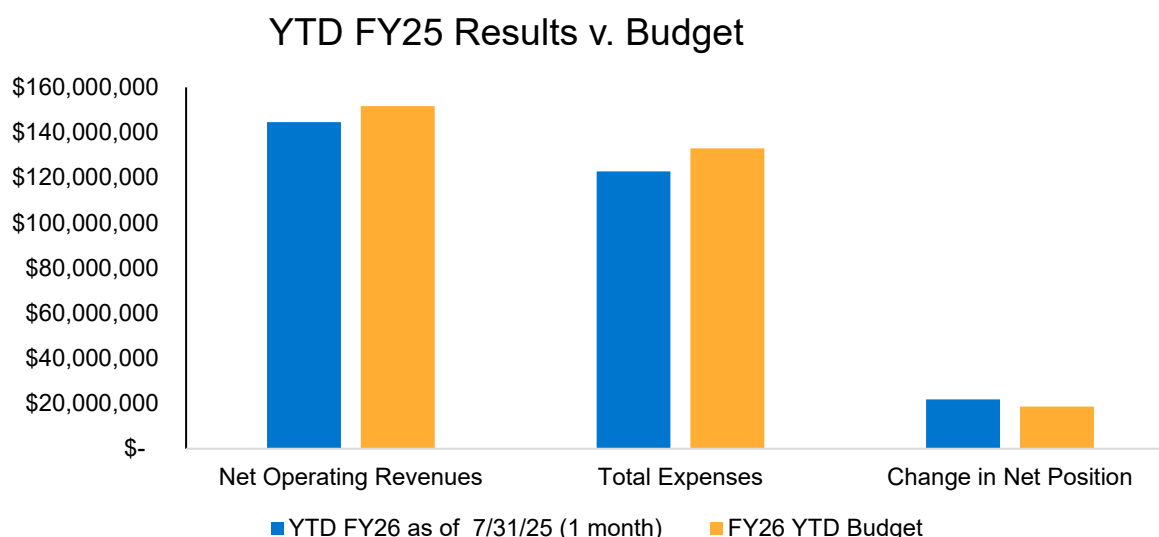
Actual financial results for the period ended July 31, 2025: \$144.6 million in net operating revenues were reported compared to \$151.7 million budgeted for the period. \$122.8 million in total expenses were reported (including \$97.1 million in energy costs) compared to \$133.0 million budgeted for the period (including \$106.1 million budgeted for energy costs). After expenses, Community Power's change in net position of \$21.8 million was reported year-to-date for Fiscal Year 2025-26. The following is a summary of the actual results compared to the Fiscal Year 2025-26 Adopted Budget.

Table 1: Budget Comparison Versus Actual Result

Budget Comparison					
	YTD FY26 as of 7/31/25 (1 month)	FY26 YTD Budget	Budget Variance (\$)	Budget (%)	
Net Operating Revenues	\$ 144,622,279	\$ 151,679,000	\$ (7,056,721)	95.3%	
Total Expenses	\$ 122,764,286	\$ 133,010,000	\$ (10,245,714)	92%	
Change in Net Position	\$ 21,857,994	\$ 18,669,000	\$ 3,188,994		

- Net operating revenues finished \$144.6 million (or 4.7 percentage points) under the budget and a variance of \$7.0 million is due to cooler temperatures driving lower energy sales.
- Operating expenses ended \$122.8 million (8.0 percentage points) under budget, primarily due to the following factors:
 - Cost of Energy: \$8.9 million below year-to-date budget. The variance between budgeted and actuals primarily reflects timing differences due to accruals of REC pricing.
- Investment Income: Favorable variance of \$0.7 million year-to-date. Investment returns are not budgeted and will be reflected in financial statements as realized.
- Professional Services and Consultants: \$0.5 million below year-to-date budget, mainly due to lower-than-expected costs related to Calpine, Legal, SDG&E fees, and other services.
- Personnel Costs: \$0.2 million under budget, driven by vacancies and accrued vacation.

Figure 1: Budget Comparison versus Actual Results



For the one-month period ending July 31, 2025, Community Power contributed \$21.9 million to its net position compared to the expected contribution of \$18.7 million per the Fiscal Year 2025-26 budget.

Community Power reserves at the end of the period totaled \$389.6 million, including \$312.7 million in unrestricted cash and \$76.9 million in investment holdings. Total available liquidity (including unrestricted cash, investment holdings, and lines of credit availability) was \$617.1 million. Community Power has a total Fiscal Year 2025-26 year-end reserve target of \$575.8 million 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 July 31, 2025, the market value of the portfolio was \$82.3 million compared to the \$72.4 million market value as June 30, 2025. This increase was due to a \$10.0 million contribution during the month of July. The following is a snapshot of the overall characteristics of the portfolio.

PORTFOLIO SUMMARY



San Diego Community Power | Account #11293 | As of July 31, 2025

Portfolio Characteristics	
Average Modified Duration	2.52
Average Coupon	4.09%
Average Purchase YTM	4.27%
Average Market YTM	4.15%
Average Credit Quality*	AA
Average Final Maturity	3.00
Average Life	2.60

Account Summary		
	End Values as of 06/30/2025	End Values as of 07/31/2025
Market Value	71,786,524.28	81,793,533.50
Accrued Interest	620,030.95	545,739.27
Total Market Value	72,406,555.23	82,339,272.77
Income Earned	275,491.36	263,406.61
Cont/WD	10,000,000.00	10,000,000.00
Par	71,691,945.67	82,054,487.97
Book Value	71,173,092.71	81,504,197.45
Cost Value	71,111,132.33	81,430,898.98

Top Issuers	
Government of The United States	46.56%
FHLMC	10.71%
First American Govt Oblig fund	5.97%
PACCAR Inc	1.34%
American Express Credit Master Trust	1.30%
Royal Bank of Canada	1.17%
John Deere Owner Trust	1.15%
Wells Fargo & Company	1.11%

Contract Execution between \$50,000 and \$150,000

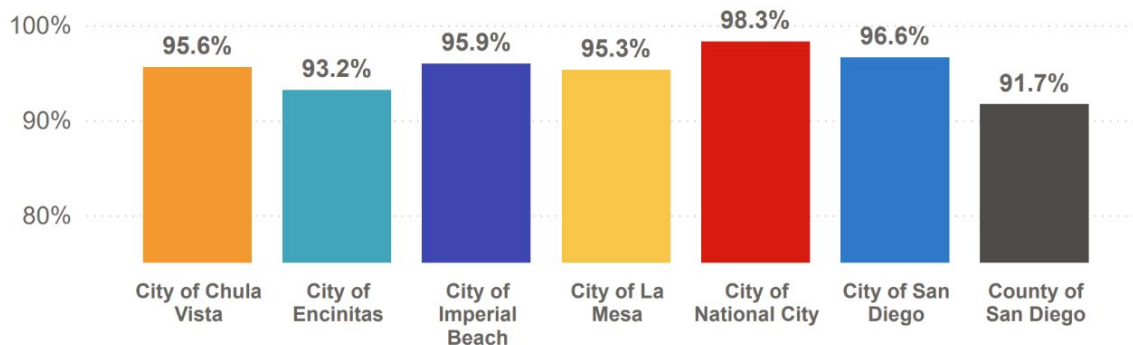
- Communication Cloud Software
 - Vendor: Granicus
 - Contract Total: \$75,563.41
- Professional Advocacy Services
 - Vendor: HB Strategies, LLC
 - Contract Total: \$100,000

Metrics Figure 2: Participation Rates as of 10/1/2025

The Phase 4 mass enrollment process in National City and Unincorporated County of San Diego for Non-Net Energy Metering (NEM) customers was officially completed as of May 2023. 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 October 1, 2025.

Participation by Jurisdiction



Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	99,384	95,012	95.6%
City of Encinitas	Power100	28,918	26,938	93.2%
City of Imperial Beach	PowerOn	10,811	10,373	95.9%
City of La Mesa	PowerOn	29,578	28,174	95.3%
City of National City	PowerOn	19,514	19,176	98.3%
City of San Diego	PowerOn	629,320	607,944	96.6%
County of San Diego	PowerOn	190,903	174,995	91.7%
Total		1,008,428	962,612	95.5%

Figure 3: State of Community Power Arrearages as of 10/1/2025

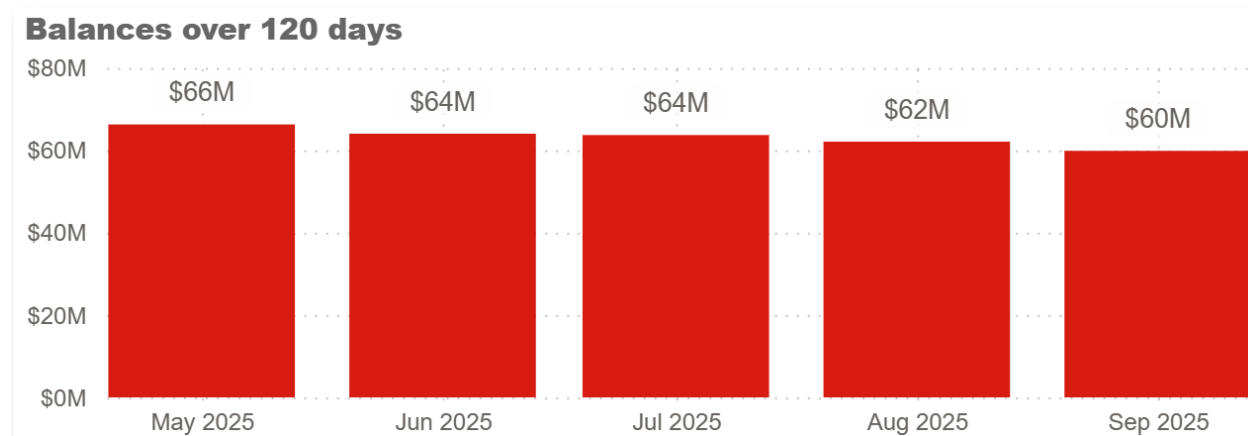
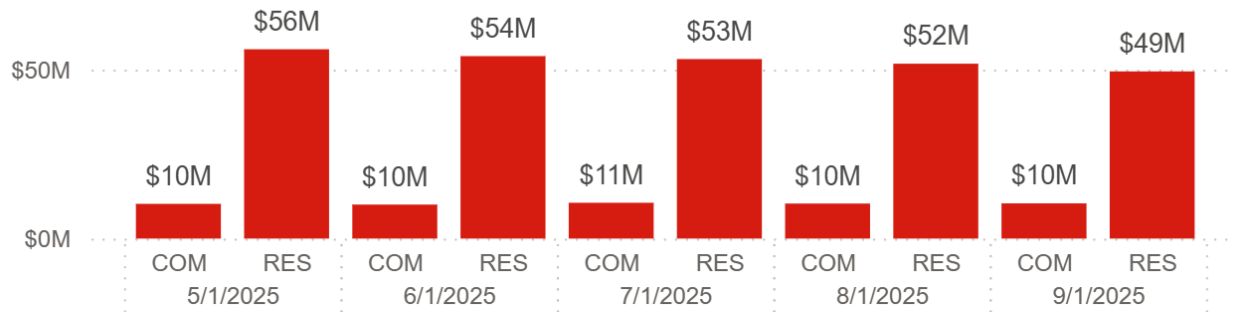


Figure 4: State of Community Power Arrearages Residential vs Commercial as of 10/1/2025

Balances over 120 days - RES vs COM



Fiscal Impact

N/A

Strategic Plan

Strategic Plan of practicing fiscal strategies to promote long-term organizational sustainability.

Attachments

A: FY 2026 Year-to-Date Period Ended July 31, 2025, Financial Statements.

ITEM 5

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 July 31, 2025, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the month 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
September 25, 2025

SAN DIEGO COMMUNITY POWER
STATEMENT OF NET POSITION
As of July 31, 2025

ASSETS

Current assets	
Cash and cash equivalents - unrestricted	\$ 312,698,344
Cash and cash equivalents - restricted	25,734,783
Accounts receivable, net of allowance	140,911,893
Accrued revenue	77,641,042
Prepaid expenses	36,579,778
Other receivables	6,377,720
Deposits	11,761,383
Investments	1,360,288
Total current assets	<u>613,065,231</u>
Noncurrent assets	
Cash and cash equivalents - restricted	647,000
Investments	75,546,166
Capital assets, net of depreciation and amortization	1,221,345
Total noncurrent assets	<u>77,414,511</u>
Total assets	<u><u>690,479,742</u></u>

LIABILITIES

Current liabilities	
Accrued cost of electricity	112,303,895
Accounts payable	3,433,629
Other accrued liabilities	2,317,698
State surcharges payable	209,428
Deposits - energy suppliers	483,731
Lease liability	858,414
Advances from grantors	25,234,783
Total current liabilities	<u>144,841,578</u>
Noncurrent liabilities	
Lease liability	523,318
Deposits - energy suppliers	7,443,450
Total noncurrent liabilities	<u>7,966,768</u>
Total liabilities	<u><u>152,808,346</u></u>

NET POSITION

Restricted for security collateral	1,147,000
Unrestricted	536,524,396
Total net position	<u><u>\$ 537,671,396</u></u>

SAN DIEGO COMMUNITY POWER
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
One Month Ended July 31, 2025

OPERATING REVENUES

Electricity sales, net	\$ 144,622,279
Grant revenue	20,932
Total operating revenues	<u>144,643,211</u>

OPERATING EXPENSES

Cost of electricity	97,145,126
Contract services	1,885,813
Staff compensation	1,559,391
Other operating expenses	1,195,931
Depreciation and amortization	96,197
Total operating expenses	<u>101,882,458</u>
Operating income	<u>42,760,753</u>

NON-OPERATING REVENUES (EXPENSES)

Investment income	742,685
Interest expense	<u>(7,665)</u>
Nonoperating revenues (expenses), net	<u>735,020</u>

CHANGE IN NET POSITION

	43,495,773
Net position at beginning of year	<u>494,175,623</u>
Net position at end of year	<u><u>\$ 537,671,396</u></u>

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS
One Month Ended July 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 115,048,354
Receipts of supplier security deposits	268,448
Receipts from wholesale sales and other operating activities	(389,868)
Payments to suppliers for electricity	(84,306,133)
Payments for other goods and services	(3,513,129)
Payments for staff compensation	(1,559,739)
Payments of state surcharges	(535,146)
Net cash provided by operating activities	<u>25,012,787</u>

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**

Payments of lease liability	<u>(77,982)</u>
Net cash used by capital and related financing activities	<u>(77,982)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	1,127,617
Proceeds from investment sales and maturities of investments	642
Purchase of investments	<u>(6,157,182)</u>
Net cash provided (used) by investing activities	<u>(5,028,923)</u>

Net change in cash and cash equivalents	19,905,882
Cash and cash equivalents at beginning of year	<u>319,174,246</u>
Cash and cash equivalents at end of year	<u>\$ 339,080,128</u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)	\$ 312,698,344
Restricted cash and cash equivalents - current	25,734,783
Restricted cash and cash equivalents - noncurrent	<u>647,000</u>
Cash and cash equivalents	<u>\$ 339,080,127</u>

NONCASH INVESTING ACTIVITIES

Change in fair value of investments	\$ (312,726)
Change in interest income receivable	\$ (72,206)

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS (continued)
One Month Ended July 31, 2025

**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 42,760,753
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization expense	96,197
(Increase) decrease in:	
Accounts receivable, net	(24,884,670)
Accrued revenue	(4,898,683)
Prepaid expenses	(12,777,643)
Other receivables	(2,349,935)
Deposits	(667,172)
Increase (decrease) in:	
Accrued cost of electricity	28,045,188
Accounts payable	(377,343)
Advances from grantors	(20,931)
Other accrued liabilities	157,743
State surcharges payable	(325,718)
Deposits - energy suppliers	255,000
Net cash provided by operating activities	<u><u>\$ 25,012,786</u></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 month ended July 31, 2025 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
September 25, 2025

**SAN DIEGO COMMUNITY POWER
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
One Month Ended July 31, 2025**

	Year-to-Date				Annual	
	Budget	Actual	Budget Variance (Under) Over	Actual/ Budget %	Budget	Budget Remaining
REVENUES AND OTHER SOURCES						
Gross Ratepayer Revenues	154,381,000	\$ 146,824,649	(7,556,351)	95%	1,220,987,000	\$ 1,074,162,351
Less: Uncollectible Customer Accounts	(2,702,000)	(2,202,370)	499,630	82%	(21,367,000)	(19,164,630)
Total Revenues and Other Sources	<u>151,679,000</u>	<u>144,622,279</u>	<u>(7,056,721)</u>		<u>1,199,620,000</u>	<u>1,054,997,721</u>
OPERATING EXPENSES						
Cost of Energy	106,132,000	97,145,126	(8,986,874)	92%	956,691,000	859,545,874
Professional Services and Consultants	2,059,000	1,580,390	(478,610)	77%	24,713,000	23,132,610
Personnel Costs	1,767,000	1,559,391	(207,609)	88%	21,209,000	19,649,609
Marketing and Outreach	205,000	354,826	149,826	173%	2,464,000	2,109,174
General & Administrative	489,000	517,445	28,445	106%	5,867,000	5,349,555
Total Operating Expenses	<u>110,652,000</u>	<u>101,157,178</u>	<u>(9,494,822)</u>		<u>1,010,944,000</u>	<u>909,786,822</u>
Operating Income (Loss)	<u>41,027,000</u>	<u>43,465,101</u>	<u>2,438,101</u>		<u>188,676,000</u>	<u>145,210,899</u>
NON-OPERATING REVENUES (EXPENSES)						
Investment Income	-	742,685	742,685	na	-	(742,685)
Interest and Related Expenses	(158,000)	(149,793)	8,207	95%	(1,893,000)	(1,743,207)
Transfer to Capital Investment Program	(22,200,000)	(22,200,000)	-	100%	(22,200,000)	-
Total Non-Operating Revenues (Expenses)	<u>(22,358,000)</u>	<u>(21,607,108)</u>	<u>750,892</u>		<u>(24,093,000)</u>	<u>(2,485,892)</u>
NET CHANGE	<u>\$ 18,669,000</u>	<u>\$ 21,857,993</u>	<u>\$ 3,188,993</u>		<u>\$ 164,583,000</u>	<u>\$ 142,725,007</u>

CAPITAL INVESTMENT PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
One Month Ended July 31, 2025

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Budget Remaining</u>
REVENUES AND OTHER SOURCES			
Transfer in from Operating Fund	\$ 22,200,000	\$ 22,200,000	\$ -
Grant Revenue - SDREN	31,900,000	20,932	(31,879,068)
Grant Revenue - DAC	600,000	-	(600,000)
Total Revenue and Other Sources	<u>54,700,000</u>	<u>22,220,932</u>	<u>(32,479,068)</u>
EXPENDITURES AND OTHER USES			
Program Expenditures	<u>54,700,000</u>	<u>560,214</u>	<u>\$ (54,139,786)</u>
Net increase (decrease) in fund balance	<u>\$ -</u>	21,660,718	
Fund balance at beginning of period		<u>10,340,567</u>	
Fund balance at end of period		<u><u>\$ 32,001,285</u></u>	

SAN DIEGO COMMUNITY POWER

Staff Report – Item 6

TO: Finance and Risk Management Committee

FROM: Dr. Eric W. Washington, Chief Financial Officer/Treasurer
Jeb Spengler, Senior Strategic Finance Manager

VIA: Karin Burns, Chief Executive Officer

SUBJECT: Recommend Board Adoption of Resolution No. 2025__, Approving a Third Revision to the Financial Reserves Policy

DATE: October 16, 2025

Recommendation

Recommend Board Adoption of Resolution No 2025__, approving a third revision to the Financial Reserves Policy.

Background

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

Section 3.2.12 of the JPA specifies that the Community Power Board of Directors adopt rules, regulations, policies, bylaws and procedures governing the operation of Community Power. Additionally, section 4.5.5 of the JPA states that one of the general purposes of the Board is to set policy.

Even further, section 5.10.2.c of the JPA states that one of the primary purposes of the Finance and Risk Management Committee (FRMC) is to review and recommend to the Board financial policies and procedures to ensure, among other things, “rules and regulations governing investment of surplus funds” and “selection and designation of financial institutions for deposit” of funds.

On June 24, 2021, the Board originally reviewed and approved Community Power's Financial Reserves Policy. Subsequently, on February 24, 2022, the Board approved the first revision to the Financial Reserves Policy.

On June 27, 2024, the Board reviewed and approved a second revision to the Financial Reserves Policy that updated the financial reserve goal from 90-days cash on hand to 180-days cash on hand in alignment with reserve goals set by the Board.

The Financial Reserves Policy states that staff will complete an annual review of the Financial Reserve Policy to ensure that the policy meets the needs of the organization.

Given the recent adoption of the investment policy to include the permission of certain eligible investments, staff recommend a third revision to the Financial Reserve Policy to clarify the definition of the days cash on hand metric to include certain unrestricted investments in the Reserves calculation.

Analysis and Discussion

Within Community Power's Financial Reserves Policy, the current definition of Reserves is "Net Position". Further, Community Power's current Financial Reserves Policy Guideline is to secure 180-days cash on hand. "Days Cash on Hand" is currently defined as unrestricted cash and cash equivalents $\times 365 / (\text{operating expenses for the current fiscal year})$. This definition does not explicitly include investments, even though Community Power maintains an investment portfolio in compliance with California Government Code Sections 53600 et seq. and Community Power's Investment Policy.

Rationale for Inclusion of Investments

Including investments in the definition of financial reserves aligns with best practices recommended by the Government Finance Officers Association (GFOA) and the California Debt and Investment Advisory Commission (CDIAC). These organizations emphasize that reserves should reflect all liquid and legally accessible resources available to Community Power, not just cash balances. Investments held in authorized instruments—such as the Local Agency Investment Fund (LAIF), or other permissible securities—are readily convertible to cash and serve the same purpose as traditional reserves: ensuring liquidity, stability, and fiscal resilience.

Fiscal Impact

If Community Power were to immediately invest up to the maximum amount (\$75 million) allowed within LAIF, and under current market interest rates, it is anticipated that Community Power could earn approximately \$125,000 per month in interest earnings over current bank money market interest rates.

Strategic Plan

This supports Community Power's strategic plan goal of building reserves to a reserve target of at least 180 days cash on hand by December 2027.

Attachments

A: Resolution 2025-___, Adopting Revisions to Financial Reserves Policy

Exhibit A: Draft of Third Revision to the Financial Reserves Policy

Exhibit B: Draft Redline Version of Third Revision to the Financial Reserves Policy

ITEM 6

ATTACHMENT A

RESOLUTION NO. 2025-__

A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER, ADOPTING A REVISED FINANCIAL RESERVES POLICY

WHEREAS, San Diego Community Power (Community Power) is a joint powers authority formed pursuant to the Joint Exercise of Powers Act, Cal. Gov. Code § 6500 *et seq.*, California Public Utilities Code § 366.2, and a Joint Powers Agreement effective on October 1, 2019, and amended on December 16, 2021, (“JPA Agreement”); and

WHEREAS, in June 2021, the Board of Directors (the “Board”) approved Financial Reserves Policy F21_001, the terms of which, as amended from time to time, provide a policy framework for accumulating and maintaining reserves as part of Community Power’s annual budget and rate setting processes; and

WHEREAS, in August 2025, the Board adopted Resolution No, 2025-08 establishing investment guidelines for protecting Community Power’s cash reserves, deposits, and investments while producing a reasonable rate of return on investments, but are excluded from the definition for “Days Cash on Hand”; and

WHEREAS, the Board finds it necessary and prudent to ensure long-term financial stability of Community Power by maintaining adequate financial reserves; and

WHEREAS, the Board recognizes that investments held in compliance with California Government Code section 16429.1 *et. seq* and Community Power’s Investment Policy represent a liquid and reliable source of funds that can be accessed in times of fiscal need; and

WHEREAS, this third revision to the policy to include such investments within the definition of “Days Cash On Hand” will provide clarity, transparency, and consistency in the application of Community Power’s Financial Reserves Policy.

NOW THEREFORE, BE IT RESOLVED, the Board of Directors hereby amends the Financial Reserves Policy as provided in Exhibit A, attached hereto and incorporated herein, with the inclusion of investments within the definition of “Days Cash on Hand”, in accordance with Government Code sections 53600 *et. seq.* and Community Power’s Investment Policy for the purpose of calculating Financial Reserves as provided therein.

This resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Board of Directors of San Diego Community Power held on October 23, 2025, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Terra Lawson-Remer, Chair
Board of Directors
San Diego Community Power

ATTEST:

APPROVED AS TO FORM:

Maricela Hernandez, MMC, CPMC
Secretary/Clerk of Board of Directors
San Diego Community Power

Veera Tyagi, General Counsel
San Diego Community Power

ITEM 6

EXHIBIT A

POLICY	FINANCIAL RESERVES	ORIGINAL ADOPTION DATE:	JUNE 24, 2021
APPROVAL DATE	10/23/2025	RESOLUTION NO.	2025 -

PURPOSE AND SCOPE

San Diego Community Power (Community Power) will maintain Financial Reserves (Reserves) as described in this policy to:

- Meet Community Power's strategic objectives
- Secure, maintain, and/or improve a standalone investment grade credit rating
- Secure favorable terms with vendors, including power producers
- Satisfy working capital requirements
- Adhere to contractual covenants
- Provide funds to cover unanticipated expenditures
- Support rate stability

Policy Guidelines:

Community Power's financial reserve goal is to secure 180-days of cash on hand.

The contribution to Reserves is determined through Community Power's annual budget process as defined in the agency's Budget Policy and/or Community Power's rate setting process as defined in the agency's Rate Development Policy. To the extent Community Power is able to meet operational expenses and maintain competitive rates, Community Power will establish rates and adopt budgets with the goal of building and maintaining Reserves at or above the 180-days of cash on hand target level.

DEFINITIONS

- **Days cash on hand:** unrestricted cash, cash equivalents, and investments unencumbered by legal agreements and not earmarked for specific purposes x 365 / (operating expenses for the current fiscal year)
- **Reserves:** Net position
- **Use of Reserves:** A projected or estimated reduction in the amount of reserves by the end of a fiscal year below the sum of the balance of the reserves at the commencement of the fiscal year plus the projected addition to the Reserves in the budget for the current fiscal year.

Reserve Review: Reserves and annual contributions will be reviewed on an annual basis as part of Community Power's budget process. Reserves will also be reviewed at the completion of Community Power's annual audit to reconcile the Reserve balance.

Reserve Distribution: If reserves exceed the 180-days of cash on hand target level established in this policy, the Board may authorize reserve distributions as follows.

- **Strategic Uses:** Use excess funds for capital projects, financing programs, paying down existing debt, rate reductions, or other strategic purposes.
- **Stabilization Reserve:** Use excess funds to fund a Rate Stabilization Reserve. A Stability Reserve mitigates financial and cost of energy risk due cyclical cost of energy fluctuations and rate shocks and may maintain compliance with financial covenants. The purpose of this reserve would be to provide budgetary stabilization and not to serve as an alternative funding source for new programs.
- **Programmatic Reserve:** Use excess funds to establish a contingency for programs and projects. Specifically, this Reserve could fund unforeseen and unexpected needs such as cost overruns, local leveraging or matching for external funds, or other programmatic needs as required.

Conditions for Use of Reserves

- Temporary reductions in Reserves for cash flow purposes to even out the expected peaks or dips in revenues and expenditures are normal cyclical occurrences to be expected during the fiscal year, and do not constitute a use of reserves. Transfers to and from Reserves to account for such temporary cash flow fluctuations is within the discretion of the CFO.
- The CEO will have the discretion to authorize the use of reserves during the fiscal year up to the lesser of 10% of the year's total budgeted costs, or \$100 million, for the following purposes:
 1. Cover increases in power supply expenses due to spikes in costs and/or due to higher customer demand;
 2. Meet any margin or collateral posting requirements under energy supply contracts; and
 3. Provide resources to meet emergency expenditures.
- Any further use of reserves as necessary or desirable, must be recommended by CEO to the Board for approval of such use.
- Any use of the reserves under the CEO's authority shall be reported to the Board at the next regularly scheduled meeting.

Policy Review: Community Power staff will complete a periodic review of this Financial Reserve Policy to ensure that the policy meets the needs of the organization.

PRIOR VERSIONS

DATE	ACTION	RESOLUTION NO.	POLICY NO.
6/24/21	ADOPTION	N/A	2020-04
02/24/2022	FIRST REVISION	N/A	F21_001
06/27/2024	SECOND REVISION	N/A	F21_001

RELATED POLICIES

Investment Policy – Resolution No. 2025-08

ITEM 6

EXHIBIT B



Policy Number: F21_001

Original Adoption Date: June 24, 2021

Revision Date: June 27, 2024

POLICY	FINANCIAL RESERVES	ORIGINAL ADOPTION DATE:	JUNE 24, 2021
APPROVAL DATE	10/23/2025	RESOLUTION NO.	2025 -

Subject: Financial Reserves Policy

PURPOSE AND SCOPE:

San Diego Community Power (SDCommunity Power) will maintain Financial Reserves (Reserves) as described in this policy to:

- Meet Community PowerSDCP's strategic objectives
- Secure, maintain, and/or improve a standalone investment grade credit rating
- Secure favorable terms with vendors, including power producers
- Satisfy working capital requirements
- Adhere to contractual covenants
- Provide funds to cover unanticipated expenditures
- Support rate stability

Policy Guidelines:

Community PowerSDCP's financial reserve goal is to secure 180-days of cash on hand.

The contribution to Reserves is determined through Community PowerSDCP's annual budget process as defined in the agency's Budget Policy and/or Community PowerSDCP's rate setting process as defined in the agency's Rate Development Policy. To the extent Community PowerSDCP is able to meet operational expenses and maintain competitive rates, Community PowerSDCP will establish rates and adopt budgets with the goal of building and maintaining Reserves at or above the 180- days of cash on hand target level.

DEFINITIONS

- **Days cash on hand:** unrestricted cash, and cash equivalents, and investments unencumbered by legal agreements and not earmarked for specific purposes x 365 / (operating expenses for the current fiscal year)
- **Reserves:** Net position
- **Use of Reserves:** A projected or estimated reduction in the amount of reserves by the end of a fiscal year below the sum of the balance of the reserves at the commencement of the fiscal year plus the projected addition to the Reserves in the budget for the current fiscal year.

Reserve Review: Reserves and annual contributions will be reviewed on an annual basis as part of Community PowerSDCP's budget process. Reserves will also be reviewed at the completion of Community PowerSDCP's annual audit to reconcile the Reserve balance.

Reserve Distribution: If reserves exceed the 180-days of cash on hand target level established in this policy, the Board may authorize reserve distributions as follows.

- **Strategic Uses:** Use excess funds for capital projects, financing programs, paying down existing debt, rate reductions, or other strategic purposes.
- **Stabilization Reserve:** Use excess funds to fund a Rate Stabilization Reserve. A Stability Reserve mitigates financial and cost of energy risk due cyclical cost of energy fluctuations and rate shocks and may maintain compliance with financial covenants. The purpose of this reserve would be to provide budgetary stabilization and not to serve as an alternative funding source for new programs.
- **Programmatic Reserve:** Use excess funds to establish a contingency for programs and projects. Specifically, this Reserve could fund unforeseen and unexpected needs such as cost overruns, local leveraging or matching for external funds, or other programmatic needs as required.

Conditions for Use of Reserves

- Temporary reductions in Reserves for cash flow purposes to even out the expected peaks or dips in revenues and expenditures are normal cyclical occurrences to be expected during the fiscal year, and do not constitute a use of reserves. Transfers to and from Reserves to account for such temporary cash flow fluctuations is within the discretion of the CFO.
- The CEO will have the discretion to authorize the use of reserves during the fiscal year up to the lesser of 10% of the year's total budgeted costs, or \$100 million, for the following purposes:
 1. Cover increases in power supply expenses due to spikes in costs and/or due to higher customer demand;
 2. Meet any margin or collateral posting requirements under energy supply contracts; and
 3. Provide resources to meet emergency expenditures.
- Any further use of reserves as necessary or desirable, must be recommended by CEO to the Board for approval of such use.

- Any use of the reserves under the CEO's authority shall be reported to the Board at the next regularly scheduled meeting.

Policy Review: Community PowerSDGP staff will complete a periodic review of this Financial Reserve Policy to ensure that the policy meets the needs of the organization.

PRIOR VERSIONS

<u>DATE</u>	<u>ACTION</u>	<u>RESOLUTION NO.</u>	<u>POLICY NO.</u>
<u>6/24/21</u>	<u>ADOPTION</u>	<u>N/A</u>	<u>2020-04</u>
<u>02/24/2022</u>	<u>FIRST REVISION</u>	<u>N/A</u>	<u>F21_001</u>
<u>06/27/2024</u>	<u>SECOND REVISION</u>	<u>N/A</u>	<u>F21_001</u>

RELATED POLICIES

Investment Policy – Resolution No. 2025-08

Glossary

AB – Assembly Bill: An Assembly Bill is a piece of legislation that is introduced in the Assembly. In other words, the Assembly (rather than the Senate) is the bill's house of origin in the Legislature. In California, it is common for legislation to be referred to by its house of origin number even after it becomes law. However, because bill numbers “reset” and start again from 1 in each legislative session, it is less confusing to include chapter and statute information when referring to a bill that has become law; for example, SB 350 (Chapter 547, Statutes of 2015).

AL - Advice Letter: An Advice Letter is a request by a California Public Utilities Commission (CPUC) jurisdictional entity for Commission approval, authorization or other relief.

ALJ – Administrative Law Judge: ALJs preside over CPUC cases to develop the evidentiary record and draft proposed decisions for Commission action.

ARB – Air Resources Board: The California Air Resources Board (CARB or ARB) is the “clean air agency” in the state government of California. CARB is charged with protecting the public from the harmful effects of air pollution and developing programs and actions to fight climate change.

AReM – Alliance for Retail Energy Markets: AReM is a not-for-profit corporation that advocates for continued development of successful customer choice in retail energy markets and provides a focused voice for competitive energy retailers and their customers in select public policy forums at the state level. It represents direct access providers such as Constellation NewEnergy and Direct Energy.

BayREN – Bay Area Regional Energy Network: BayREN offers regionwide energy programs, services and resources to members of the public by promoting energy efficient buildings, reducing carbon emissions and building government capacity.

CAISO – California Independent System Operator: CAISO is a nonprofit public benefit corporation that oversees the operation of the California bulk electric power system, transmission lines and electricity market generated and transmitted by its members (approximately 80% of California's electric flow). Its stated mission is to “operate the grid reliably and efficiently, provide fair and open transmission access, promote environmental stewardship and facilitate effective markets and promote infrastructure development.” CAISO is regulated by the Federal Energy Regulatory Commission (FERC) and governed by a five-member governing board appointed by the governor.

CalCCA – California Community Choice Association: CalCCA is a statewide association, made up of Community Choice Aggregators (CCAs), that represents the interests of California's community choice electricity providers.

CALSEIA – California Solar Energy Industries Association: CALSEIA represents more than 200 companies doing solar-related business in California, including manufacturers, distributors, installation contractors, consultants and educators. Members' annual dues support professional staff and a lobbyist who represents the common interests of California's solar industry at the Legislature, Governor's Office and state and local agencies.

CALSLA – California City-County Street Light Association: CALSLA is a statewide association representing cities, counties and towns before the CPUC that is committed to maintaining fair and equitable streetlight electricity rates and facilities charges and disseminating streetlight-related information.

CAM – Cost Allocation Mechanism: CAM is the cost recovery mechanism to cover procurement costs incurred in serving the central procurement function.

CARB – California Air Resources Board: The CARB is charged with protecting the public from the harmful effects of air pollution and developing programs and actions to fight climate change in California.

CARE – California Alternative Rates for Energy: CARE is a state program for low-income households that provides a 30% discount on monthly energy bills and a 20% discount on natural gas bills. It is funded through a rate surcharge paid by all other utility customers.

CBE – Communities for a Better Environment: CBE is an environmental justice organization that was founded in 1978. The mission of CBE is to build people's power in California's communities of color and low-income communities to achieve environmental health and justice by preventing and reducing pollution and building green, healthy and sustainable communities and environments.

CCA – Community Choice Aggregator: A community choice aggregator, sometimes referred to as community choice aggregation, is an entity of local governments that procure power on behalf of their residents, businesses and municipal accounts from an alternative supplier while still receiving transmission and distribution service from their existing utility provider. CCAs are an attractive option for communities that want more local control over their electricity sources, more green power than is offered by the default utility, and/or lower electricity prices. By aggregating demand, communities gain leverage to negotiate better rates with competitive suppliers and choose greener power sources.

CCSF – City and County of San Francisco: The City and County of San Francisco often engage in joint advocacy before the CPUC. San Francisco operates CleanPowerSF, a CCA.

CEC – California Energy Commission: The CEC is the primary energy policy and planning agency for California, whose core responsibilities include advancing state energy policy, achieving energy efficiency, investing in energy innovation, developing renewable energy, transforming transportation, overseeing energy infrastructure and preparing for energy emergencies.

CEE – Coalition for Energy Efficiency: CEE is a nonprofit composed of U.S. and Canadian energy-efficiency administrators working together to accelerate the development and availability of energy-efficient products and services.

CLECA – California Large Energy Consumers Association: CLECA is an organization of large, high-load factor industrial customers located throughout the state; its members are in the cement, steel, industrial gas, pipeline, beverage, cold storage, food packaging and mining industries and their electricity costs comprise a significant portion of their costs of production. Some members are bundled customers, others are Direct Access (DA) customers, and some are served by Community Choice Aggregators (CCAs); a few members have onsite renewable generation.

CPUC – California Public Utility Commission: The CPUC is a state agency that regulates privately owned electric, natural gas, telecommunications, water, railroad, rail transit and passenger transportation companies, in addition to authorizing video franchises.

C&I – Commercial and Industrial: C&I customers are business customers who generally consume much higher volumes of electricity and gas. Many utilities segment their C&I customers by energy consumption (small, medium and large).

CP – Compliance Period: A Compliance Period is the time period to become Renewables Portfolio Standard (RPS) compliant, set by the California Public Utilities Commission (CPUC).

DA – Direct Access: Direct Access is an option that allows eligible customers to purchase their electricity directly from third-party providers known as Electric Service Providers (ESPs).

DA Cap: The DA Cap is the maximum amount of electric usage that may be allocated to Direct Access customers in California or, more specifically, within an investor-owned utility service territory.

DACC – Direct Access Customer Coalition: DACC is a regulatory advocacy group composed of educational, governmental, commercial and industrial customers that utilize direct access for all or a portion of their electrical energy requirements.

DA Lottery: The DA Lottery is a random drawing by which DA waitlist customers become eligible to enroll in DA service under the currently applicable Direct Access Cap.

DA Waitlist: The DA Waitlist consists of customers that have officially registered their interest in becoming a DA customer but are not yet able to enroll in service because of DA cap limitations.

DAC – Disadvantaged Community: “Disadvantaged communities” refers to the areas throughout California that most suffer from a combination of economic, health and environmental burdens. These burdens include poverty, high unemployment, air and water pollution and the presence of hazardous wastes as well as high incidences of asthma and heart disease. One way that the state identifies these areas is by collecting and analyzing information from communities statewide. CalEnviroScreen, an analytical tool created by the California Environmental Protection Agency (CalEPA), combines different types of census tract-specific information into a score to determine which communities are the most burdened or “disadvantaged.”

DASR – Direct Access Service Request: DASR is a request submitted by C&I customers to become direct access eligible.

Demand: Demand refers to the rate at which electric energy is delivered to or by a system or part of a system, generally expressed in kilowatts (kW), megawatts (MW) or gigawatts (GW), at a given instant or averaged over any designated interval of time. Demand should not be confused with Load or Energy.

DER – Distributed Energy Resource: A DER is a small-scale physical or virtual asset (e.g., EV charger, smart thermostat, behind-the-meter solar/storage, energy efficiency) that operates locally and is connected to a larger power grid at the distribution level.

Distribution: Distribution refers to the delivery of electricity to the retail customer's home or business through low-voltage distribution lines.

DLAP – Default Load Aggregation Point: In the CAISO's electricity optimization model, DLAP is the node at which all bids for demand should be submitted and settled.

DR – Demand Response: DR is an opportunity for consumers to play a significant role in the operation of the electric grid by reducing or shifting their electricity usage during peak periods in response to time-based rates or other forms of financial incentives.

DRP – Distributed Resource Plans: Distributed Resource Plans are required by statute and intended to identify optimal locations for the deployment of distributed resources.

DWR – Department of Water Resources: DWR is the state agency charged with managing California's water resources, systems and infrastructure in a responsible, sustainable way.

ECR – Enhanced Community Renewable: ECR is an IOU (Investor-Owned Utility) program that reflects the "Community Solar" model of renewable energy purchasing. Customers sign up to purchase a portion of a local solar project directly from a developer at a level that meets at least 25% and up to 100% of their monthly electricity demand. The customer pays the developer for the subscribed output and receives a credit on their utility bill that reflects their enrollment level.

ED – Energy Division: The CPUC's Energy Division develops and administers energy policy and programs to serve the public interest, advise the Commission and ensure compliance with Commission decisions and statutory Mandates.

EE – Energy Efficiency: Energy Efficiency refers to the use of less energy to perform the same task or produce the same result. Energy-efficient homes and buildings use less energy to heat and cool and run appliances and electronics, and energy-efficient manufacturing facilities use less energy.

ELCC – Effective Load Carrying Capacity: ELCC is the additional load met by an incremental generator while maintaining the same level of system reliability. For solar and wind resources, the ELCC is the amount of capacity that can be counted for Resource Adequacy purposes.

EPIC – Electric Program Investment Charge: The EPIC program was created by the CPUC to support investments in clean energy technologies that provide benefits to the electricity ratepayers of Pacific Gas and Electric (PG&E), San Diego Gas & Electric Company (SDG&E) and Southern California Edison Company (SCE).

ERRA – Energy Resource Recovery Account: ERRA proceedings are used to determine fuel and purchased power costs that can be recovered in rates. The utilities do not earn a rate of return on these costs and recover only actual costs. The costs are forecast for the year ahead. If the actual costs are lower than forecast, then the utility gives money back, and vice versa.

ES – Energy Storage: Energy Storage is the capture of energy produced at one time for use at a later time to reduce imbalances between energy demand and energy production.

ESA – Energy Storage Agreement: An ESA refers to a battery services contract, a capacity contract, demand response contract or similar agreement.

ESP – Energy Service Provider: An Energy Service Provider is an energy entity that provides service to a retail or end-use customer.

EV – Electric Vehicle: An EV is a vehicle that uses one or more electric motors for propulsion.

FCR – Flexible Capacity Requirements: “Flexible capacity need” is defined as the quantity of resources needed by the CAISO to manage grid reliability during the greatest three-hour continuous ramp in each month. Resources will be considered as “flexible capacity” if they can sustain or increase output or reduce ramping needs during the hours of “flexible need.” FCR means the flexible capacity requirements established for LSEs by the CPUC pursuant to the CPUC decisions.

GHG – Greenhouse gas: Water vapor, carbon dioxide, tropospheric ozone, nitrous oxide, methane and chlorofluorocarbons (CFCs) are gases that cause the atmosphere to trap heat radiating from the earth. The most common GHG is carbon dioxide.

GRC – General Rate Case: General Rate Cases are proceedings used to address the costs of operating and maintaining the utility system and the allocation of those costs among customer classes. For California’s three large IOUs, the GRCs are parsed into two phases. Phase I of a GRC determines the total amount the utility is authorized to collect, while Phase II determines the share of the cost each customer class is responsible for and the rate schedules for each class. Each large electric utility files a GRC application every three years for review by the Public Advocate’s Office and interested parties and for approval by the CPUC.

GTSR – Green Tariff Shared Renewables: The GTSR program enables customers to receive 50 to 100 percent of their electricity demand from renewable sources. The GTSR program has two components: the Green Tariff (GT) component and the Enhanced Community Renewables (ECR) component. Through GT, a customer may pay the difference between their current generation charge and the cost of procuring 50 to 100 percent renewables. With ECR, a customer agrees to purchase a share of a community renewable (typically solar) project directly from a developer and in exchange will receive a credit from their utility for the customer’s avoided generation procurement.

GWh – Gigawatt-hour: This is the unit of energy equal to that expended in one hour at a rate of one billion watts. One GWh equals 1,000 megawatt-hours.

ICA – Integration Capacity Analysis: The enhanced integrated capacity and locational net benefit analysis quantify the capability of the system to integrate Distributed Energy Resources (DERs) within the distribution system. Results are dependent on the most limiting element of the various power system criteria such as thermal ratings, power quality, system protection limits and safety standards of existing equipment.

IDER – Integrated Distributed Energy Resources: A CPUC proceeding that aims to more effectively coordinate the integration of demand-side resources in order to better meet customer and grid needs, while enabling California to attain its greenhouse gas reduction goals.

IDSM – Integrated Demand-Side Management: This is an approach that joins together all the resources utilities have at their disposal to plan, generate and supply electricity in the most efficient manner possible.

IEPA – Independent Energy Producers Association: IEPA is California's oldest and leading nonprofit trade association, representing the interest of developers and operators of independent energy facilities and independent power marketers.

IMD – Independent Marketing Division: Under state law, IOUs are prohibited from lobbying or marketing on community choice unless the IOU forms an independent marketing division funded by shareholders rather than ratepayers. SDG&E and its parent company Sempra were permitted by the CPUC to create such an independent marketing division, which allowed SDG&E to lobby against plans to create a CCA program.

IOU – Investor-Owned Utility: An IOU is a private electricity and natural gas provider, such as SDG&E, PG&E or SCE, which are the three largest IOUs in California.

IRP – Integrated Resource Plan: An Integrated Resource Plan outlines an electric utility's resource needs in order to meet expected electricity demand long-term.

kW – Kilowatt: This is a measure of power where power (watts) = voltage (volts) x amperage (amps) and 1 kW = 1,000 watts.

kWh – Kilowatt-hour: This is a measure of consumption. It is the amount of electricity that is used over some period of time, typically a one-month period for billing purposes. Customers are charged a rate per kWh of electricity used.

LCE – Lancaster Choice Energy: LCE is the CCA that serves the City of Lancaster, California.

LCFS – Low Carbon Fuel Standard: This is a CARB program designed to encourage the use of cleaner low-carbon fuels in California, encourage the production of those fuels and, therefore, reduce greenhouse gas emissions.

LCR – Local (RA) Capacity Requirements: This is the amount of Resource Adequacy capacity required to be demonstrated in a specific location or zone.

LMP – Locational Marginal Price: Each generator unit and load pocket is assigned a node in the CAISO optimization model. The model will assign a LMP to the node in both the day-ahead and real-time market as it balances the system using the least cost. The LMP is composed of three components: the marginal cost of energy, congestion and losses. The LMP is used to financially settle transactions in the CAISO.

LNBA – Locational Net Benefits Analysis: This is a cost-benefit analysis of distributed resources that incorporates location-specific net benefits to the electric grid.

Load: Load refers to an end-use device or customer that receives power from an energy delivery system. Load should not be confused with Demand, which is the measure of power that a load receives or requires. See Demand.

LSE – Load-serving Entity: Load-serving Entities have been granted authority by state, local law or regulation to serve their own load directly through wholesale energy purchases and have chosen to exercise that authority.

LTPP – Long-Term Procurement Rulemaking: This is an “umbrella” proceeding to consider, in an integrated fashion, all of the CPUC’s electric procurement policies and Programs.

MCE – Marin Clean Energy: MCE was the first CCA in California and began serving customers in 2010. It serves customers in Contra Costa, Marin, Napa and Solano counties in Northern California.

MEO – Marketing Education and Outreach: This is a term generally used to describe various strategies to inform customers, such as to motivate consumers to take action on energy efficiency or conservation measures and change their behavior.

MW – Megawatt: A megawatt hour (Mwh) is equal to 1,000 Kilowatt hours (Kwh) or 1,000 kilowatts of electricity used continuously for one hour.

MWH – Megawatt-hour: This is a measure of energy.

NAESCO – National Association of Energy Service Companies: NAESCO is an advocacy and accreditation organization for energy service companies (ESCOs). Energy service companies contract with private and public-sector energy users to provide cost-effective energy efficiency retrofits across a wide spectrum of client facilities.

NBC – Non-Bypassable Charge: Non-Bypassable Charges are fees that are paid on every kilowatt-hour of electricity that is consumed from the grid. These charges can be used to fund things like energy assistance programs for low-income households and energy efficiency programs. These charges apply even if customers buy grid-supplied power from an outside power company such as a CCA.

NDA – Non-Disclosure Agreement: An NDA is a contract by which one or more parties agree not to disclose confidential information that they have shared with each other.

NEM – Net Energy Metering: NEM is a program in which solar customers receive credit for excess electricity generated by solar panels.

NRDC – Natural Resources Defense Council: NRDC is a nonprofit international environmental advocacy group.

NP-15 – North Path 15: NP-15 is a CAISO pricing zone usually used to approximate wholesale electricity prices in Northern California in PG&E's service territory.

OIR – Order Instituting Rulemaking: An OIR is a procedural document that is issued by the CPUC to start a formal proceeding. A draft OIR is issued for comment by interested parties and made final by vote of the five commissioners of the CPUC.

OSC – Order to Show Cause: OSC is an order requiring an individual or entity to explain, justify or prove something.

ORA – Office of Ratepayer Advocates: The ORA is an independent consumer advocate within the CPUC, now called the Public Advocates Office.

PA – Program Administrator (for EE Business Plans): IOUs and local government agencies can be authorized to implement CPUC-directed energy efficiency programs.

PCE – Peninsula Clean Energy Authority: PCE is the CCA serving San Mateo County and all 20 of its cities and towns as well as the City of Los Banos.

PCC1 – RPS Portfolio Content Category 1: RPS Portfolio Content Category 1 includes bundled renewables where the energy and Renewable Energy Certificate (REC) are dynamically scheduled into a California Balancing Authority (CBA) such as the CAISO, also known as "in-state" renewables.

PCC2 – RPS Portfolio Content Category 2: RPS Portfolio Content Category 2 includes bundled renewables where the energy and Renewable Energy Certificate (REC) are from out of state and not dynamically scheduled to a CBA.

PCC3 – RPS Portfolio Content Category 3: RPS Portfolio Content Category 3 includes Unbundled Renewable Energy Certificate (REC).

PCIA or "exit fee" – Power Charge Indifference Adjustment: The Power Charge Indifference Adjustment (PCIA) is an "exit fee" based on stranded costs of utility generation set by the California Public Utilities Commission. It is calculated annually and assessed to customers of CCAs and paid to the IOU that lost those customers as a result of the formation of a CCA.

PCL – Power Content Label: The PCL is a user-friendly way of displaying information to California consumers about the energy resources used to generate the electricity they sell, as required by AB 162 (Chapter 313, Statutes of 2009) and SB 1305 (Chapter 796, Statutes of 1997).

PD – Proposed Decision: A PD is a procedural document in a CPUC Rulemaking that is formally commented on by parties to the proceeding. A PD is a precursor to a final decision voted on by the five commissioners of the CPUC.

PG&E – Pacific Gas & Electric: PG&E is the IOU that serves 16 million people over a 70,000-square-mile service area in Northern California.

PHC – Prehearing Conference: A PHC is a CPUC hearing to discuss the scope of a proceeding, among other matters. Interested stakeholders can request party status during these conferences.

Pnode – Pricing Node: In the CAISO optimization model, this is a point where a physical injection or withdrawal of energy is modeled and for which an LMP is calculated.

PPA – Power Purchase Agreement: A PPA is a contract used to purchase the energy, capacity and attributes from a renewable resource project.

PRP – Priority Review Project: These are transportation electrification pilot projects approved by the CPUC pursuant to SB 350 (Chapter 547, Statutes of 2015).

PRRR – Progress on Residential Rate Reform: Pursuant to a CPUC decision, the IOUs must submit to the CPUC and other parties periodic updates on the progress of their efforts to assist customers with residential rate design changes related to rate reform, including tier collapse and transition to a default time of use rate.

PUC – Public Utilities Code: The PUC is a California statute that contains 33 divisions; the range of topics within this code includes natural gas restructuring, private energy producers, telecommunication services, and specific municipal utility districts and transit authorities; the primary statute for governance of utilities as well as CCAs in California.

PURPA – Public Utilities Regulatory Policy Act: The PURPA is a federal statute passed in 1978 by Congress in response to the 1973 energy crisis to encourage fuel diversity via alternative energy sources and to introduce competition into the electric sector. It was intended to promote energy conservation (reduce demand) and promote greater use of domestic energy and renewable energy (increase supply).

RA – Resource Adequacy: Under its Resource Adequacy (RA) program, the California Public Utilities Commission (CPUC) requires load-serving entities – investor-owned utilities, electricity service providers and CCAs – to demonstrate in both monthly and annual filings that they have purchased capacity commitments of no less than 115% of their peak loads.

RAM – Renewables Auction Mechanism: This is a procurement program the investor-owned utilities (IOUs) may use to procure RPS eligible generation. The IOUs may use RAM to satisfy authorized procurement needs, for example, system Resource Adequacy needs, local Resource Adequacy needs, RPS needs, reliability needs, Local Capacity Requirements, Green Tariff Shared Renewables needs and any need arising from commission or legislative mandates.



RE – Renewable Energy: Renewable energy is energy from a source that is not depleted when used, such as wind or solar power.

REC - Renewable Energy Certificate: A REC is the property right to the environmental benefits associated with generating renewable electricity. For instance, homeowners who generate solar electricity are credited with 1 solar REC for every megawatt-hour of electricity they produce. Utilities obligated to fulfill an RPS requirement can purchase these RECs on the open market.

RES-BCT – Renewables Energy Self-Generation Bill Credit Transfer: This program enables local governments and universities to share generation credits from a system located on one government-owned property with billing accounts at other government-owned properties. The system size limit under RES-BCT is 5 MW, and bill credits are applied at the generation-only portion of a customer's retail rate.

RFO – Request for Offers: This is a competitive procurement process used by organizations to solicit the submission of proposals from interested parties in response to a scope of services.

RPS - Renewable Portfolio Standard: RPS is a law that requires California utilities and other load-serving entities (including CCAs) to provide an escalating percentage of California qualified renewable power (culminating at 33% by 2020) in their annual energy portfolio.

SB – Senate Bill: A Senate Bill is a piece of legislation that is introduced in the Senate. In other words, the Senate, rather than the Assembly, is the house of origin in the Legislature for the Legislation.

SBP – Solar Billing Plan: The Solar Billing Plan, also known as the Net Billing Tariff or NEM 3.0, is the new method of compensating customer-sited renewable energy self-generation, intended to promote grid reliability and incentivize solar and battery storage.

SCE – Southern California Edison: SCE is the large IOU that serves the Los Angeles and Orange County area.

SCP – Sonoma Clean Power Authority: SCP is the CCA serving Sonoma County and surrounding areas in Northern California.

SDG&E – San Diego Gas & Electric: SDG&E is the IOU that serves San Diego County and owns the infrastructure that delivers Community Power energy to our customers.

SGIP – Self-Generation Incentive Program: SGIP is a program that provides incentives to support existing, new and emerging distributed energy resources (storage, wind turbines, waste heat to power technologies, etc.).

SUE – Super User Electric: This is an electric surcharge intended to penalize consumers for excessive energy use.

SVCE – Silicon Valley Clean Energy: SVCE is the CCA serving the communities in Santa Clara County.

TCR EPS Protocol – The Climate Registry Electric Power Sector Protocol: This refers to online tools and resources provided by The Climate Registry to assist organizations to measure, report and reduce carbon emissions.

TE – Transportation Electrification: For the transportation sector, electrification means replacing fossil fuels with electricity as the means of powering light-duty vehicles and medium- and heavy-duty trucks and buses. The primary goal is to reduce greenhouse gas (GHG) emissions and, ultimately, contribute to mitigating the effects of climate change on the planet.

Time-of-Use (TOU) Rates: TOU Rates refers to the pricing of delivered electricity based on the estimated cost of electricity during a particular time block. Time-of-use rates are usually divided into three or four time blocks per 24 hour period (on-peak, mid-peak, off-peak and sometimes super off-peak) and by seasons of the year (summer and winter). Real-time pricing differs from TOU rates in that it is based on actual (as opposed to forecasted) prices that may fluctuate many times a day and are weather sensitive, rather than varying with a fixed schedule.

TM – Tree Mortality: This is a term that refers to the death of forest trees and provides a measure of forest health. In the context of energy, as part of the Governor’s Tree Mortality Emergency Proclamation, the CPUC is tasked with utilizing its authority to extend contracts and take actions to authorize new contracts on bioenergy facilities that receive feedstock from high hazard zones.

TURN – The Utility Reform Network: TURN is a ratepayer advocacy group charged with ensuring that California IOUs implement just and reasonable rates.

Unbundled RECs: Unbundled RECs are renewable energy certificates that verify a purchase of a MWH unit of renewable power where the actual power and the certificate are “unbundled” and sold to different buyers.

VPP – Virtual Power Plant: A Virtual Power Plant is a cloud-based network that leverages an aggregation of distributed energy resources (DERs) to shift energy demand or provide services to the grid. For example, thousands of EV chargers could charge at a slower speed and hundreds of home batteries could discharge to the grid during a demand peak to significantly reduce the procurement of traditional supply resources.

VAMO – Voluntary Allocation, Market Offer: VAMO is the process for SDG&E to allocate a proportional share of its renewable portfolio to Community Power and other LSEs within the service territory.