AGENDA

Regular Meeting
Board of Directors

Thursday, December 11, 2025
5:00 p.m.

Don L. Nay Port Administration Boardroom
3165 Pacific Hwy.
San Diego, CA 92101

The meeting will be held in person at the above date, time and location(s). Members of the Board of Directors and members of the public may attend in person. Under certain circumstances, Board members may also attend and participate virtually in the meeting, pursuant to the Brown Act (Gov. Code § 54953). As a convenience to the public, 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 call-in option or internet-based option, the meeting will continue unless otherwise required by law (such as when a Board 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 Board of Directors on any agenda item. When providing comments to the Board, it is requested that members of the public include their name and city of residence for the record. Commenters are requested to address their comments to the Board of Directors as a whole through the chairperson. Comments may be provided in one of the following ways:

1. Oral comments during a meeting. Anyone attending in person who wishes to address the Board of Directors 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. When participating in a Zoom video conference by computer or mobile phone, use the "Raise Hand" feature. This will notify the moderator that a member of the public wishes to speak 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 speak when called upon. When participating in the meeting using the Zoom dial-in number, press *9 to request to speak. 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 comments. All written comments received prior to the meeting will be provided to members of the Board. At the discretion of the chairperson, the first 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 members of Board and become part of the public record.

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

The public may participate using the following remote options:

Teleconference Meeting Webinar

sdcommunitypower-org.zoom.us/j/94274587066

Telephone (audio only) 669-900-6833 or 346-248-7799 | Webinar ID: 94274587066

WELCOME

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

LAND ACKNOWLEDGMENT

SPECIAL PRESENTATIONS AND INTRODUCTIONS

- **Introduction of New Community Power Staff**

ITEMS TO BE ADDED, WITHDRAWN OR REORDERED ON THE AGENDA

PUBLIC COMMENTS

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

CONSENT CALENDAR

All matters are approved by one motion without discussion unless a member of the Board requests a specific item to be removed from the Consent Calendar for discussion. A member of the public may comment on any item on the Consent Calendar in either manner described above.

1. **Approve November 20, 2025, Meeting Minutes**

2. **Receive and File Update on Programs**

3. **Receive and File Update on Power Services**

4. **Receive and File Update on Customer Operations**

5. **Receive and File Update on IT and Data Analytics**

6. **Receive and File Update on Human Resources**

7. **Receive and File Community Advisory Committee Monthly Update**

8. **Receive and File Update on Marketing, Public Relations, and Local Government Affairs**

9. **Receive and File Treasurer's Report for Period Ending September 30, 2025**

10. **Receive and File Update on Regulatory and Legislative Affairs**

11. **Approve a Sole Source Amendment No. 5 to Agreement with GB Endeavors LLC., for an additional not-to-exceed amount of $95,000 for a total revised not-to-exceed amount of $219,999 and to extend the term through June 30, 2027**

REGULAR AGENDA

The following items call for discussion or action by the Board of Directors. The Board may discuss and/or take action on any item listed below.

12. **Community Advisory Committee Quarterly Update**

Recommendation: Receive and File Community Advisory Committee Quarterly Update

13. **Fiscal Year End 2024-25 Performance Review**

Recommendation: Receive and File Fiscal Year End 2024-25 Performance Review.

14. Adopt Resolution No. 2025-23, Approving a Fourth Revision to the Financial Reserves Policy

Recommendation: Adopt Resolution No. 2025-23, Approving a Fourth Revision to the Financial Reserves Policy.

15. Update on SDG&E's 2026 Projected Rates

Recommendation: Receive and File SDG&E's 2026 Projected Rates Update.

16. Approval of a Master Service Agreement with Ascend Analytics for Energy Storage Optimization Services

Recommendation: Approve and authorize the Chief Executive Officer (CEO) to execute a Master Service Agreement (MSA) with Ascend Analytics for Energy Storage Optimization Services for an initial three-year term, with one-year automatic renewals; and authorize the CEO to execute work orders for energy storage resources, for a not-to-exceed amount of $2,500,000 over the initial term of the MSA and for a not-to-exceed amount of $2,000,000 for each auto renewal term.

17. Update on Smart Home Flex Project

Recommendation: Receive and File Update on the Smart Home Flex Pilot Project.

CHIEF EXECUTIVE OFFICER REPORT

Community Power management may briefly provide information to the Board and the public. The Board may engage in discussion if the specific subject matter of the report is identified below, but the Board may not take any action other than to place the matter on a future agenda. Otherwise, there is to be no discussion or action taken unless authorized by law.

DIRECTOR COMMENTS

Board Members may briefly provide information to other members of the Board and the public, ask questions of staff, request an item to be placed on a future agenda or report on conferences, events or activities related to Community Power business. There is to be no discussion or action taken on comments made by Directors unless authorized by law.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION
Government Code section 54956.9(d)(2): One matter.

REPORT FROM CLOSED SESSION

ADJOURNMENT

The Board of Directors will adjourn until the next regular meeting scheduled for Thursday, January 15, 2026, at 5 p.m.

Compliance with the Americans with Disabilities Act

Community Power Board of Directors 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 the public meeting may contact 888-382-0169 or 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 Board Documents

Copies of the agenda and agenda packet are available at sdcommunitypower.org/resources/meeting-notes. Late-arriving documents related to a Board meeting item are distributed to Members prior to or during the Board 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

BOARD OF DIRECTORS
Regular Meeting Minutes
November 20, 2025

Don L. Nay Port Administration Boardroom
3165 Pacific Hwy.
San Diego, CA 92101

WELCOME ANDCALL TO ORDER

Chair Lawson-Remer called the Community Power Board of Directors' regular meeting to order at 5:07 p.m.

ROLL CALL

PRESENT: Chair Lawson-Remer, County of San Diego; Vice Chair Yamane, City of National City; Director Elo-Rivera, City of San Diego; Director Inzunza, City of Chula Vista; Director San Antonio, City of Encinitas; Director Fisher, City of Imperial Beach; and Director Suzuki, City of La Mesa

ABSENT: None

Staff Present: Chief Financial Officer Washington; Chief Operations Officer Clark; General Counsel Tyagi; Associate Director of IT and Data Analytics Yi; Vehicle-Grid Integration Program Manager Zook; Senior Manager Strategic Partnerships Friedman; Director of Legislative and Regulatory Affairs Fernandez; Senior Policy Manager Cissna; Regulatory Manager Gunther; Clerk of the Board Hernandez; and Assistant Clerk of the Board Vences

PLEDGE OF ALLEGIANCE

Chair Lawson-Remer led the Pledge of Allegiance.

LAND ACKNOWLEDGMENT

Chair Lawson-Remer acknowledged the Kumeyaay Nation and all the original stewards of the land.

SPECIAL PRESENTATIONS AND INTRODUCTIONS

- **Introduction of New Community Power Staff**

Chair Lawson-Remer welcomed new employee Anna Laprise, Senior Origination Associate, to introduce herself.

ITEMS TO BE ADDED, WITHDRAWN OR REORDERED ON THE AGENDA

Chair Lawson-Remer announced that Regular Agenda Item No. 13: Informational Update on Battery Energy Storage Systems would be moved to follow Item No. 17: Workforce Commitment Assessment.

PUBLIC COMMENTS

There were no public comments.

CONSENT CALENDAR

1. **Approve October 23, 2025, Meeting Minutes**

2. **Receive and File Update on Programs**

3. **Receive and File Update on Power Services**

4. **Receive and File Update on Customer Operations**

5. **Receive and File Update on IT and Data Analytics**

6. **Receive and File Update on Human Resources**

7. **Receive and File Community Advisory Committee Monthly Update**

8. **Receive and File Update on Marketing, Public Relations, and Local Government Affairs**

9. **Receive and File Treasurer's Report for Period Ending August 31, 2025**

10. **Approve a Sole Source Amendment No. 1 to Agreement with Harman Connected Services, Inc. to add Enterprise Data Platform (EDP) Managed Services for an additional not-to-exceed amount of $371,000 through December 31, 2026**

11. **Adopt Resolution No. 2025-21, Approving Proposed Revisions to the Existing Renewable Energy Self-Generation Bill Credit Transfer Tariff**

12. Approve Updates to Employee Handbook

There were no public comments on Consent Item Nos. 1-12.

Motioned by Director Inzunza and seconded by Vice Chair Yamane to approve Consent Calendar Item Nos. 1-12. The motion carried 7/0 as follows:

AYES:	Chair Lawson-Remer, Vice Chair Yamane, Directors Elo-Rivera, Fisher, Inzunza, San Antonio, and Suzuki
NOES:	None
ABSTAINED:	None
ABSENT:	None

REGULAR AGENDA

14. Fiscal Year End 2024-25 Financial Audit

Dr. Washington introduced the item and turned it over to Alauna Rico (via Zoom Teleconference), representative from Sorren CPA, to present the audit results.

There were no public comments on Item No. 14.

After Board member comments, the Fiscal Year End 2024-25 Financial Audit was received and filed.

15. Adopt Resolution No. 2025-22, Authorizing Execution of Grant Agreement EPC-25-015 with the California Energy Commission; and Authorizing the Chief Executive Office to Accept, Appropriate, and Expend Funds; and Related Actions

Ms. Zook provided an overview of the proposed Grant Agreement EPC-25-015 with the California Energy Commission.

There were no public comments on Item No. 15.

After Board member comments and questions, motioned by Director Suzuki and seconded by Director Inzunza to adopt Resolution No. 2025-22, authorizing Execution of Grant Agreement EPC-25-015 with the California Energy Commission; and Authorizing the Chief Executive Office to Accept, Appropriate, and Expend Funds; and Related Actions. The motion carried 7/0 as follows:

AYES:	Chair Lawson-Remer, Vice Chair Yamane, Directors Elo-Rivera, Inzunza, San Antonio, Suzuki, and Fisher
NOES:	None
ABSTAINED:	None

ABSENT:	None

16. Approve agreement with CGI Technologies and Solutions, Inc. for the Development and Deployment of an Organization-wide Customer Relationship Management (CRM) Platform for a not-to-exceed amount of $1,166,915

Mr. Yi provided an overview of the proposed Agreement with CGI Technologies and Solutions, Inc.

There were no public comments on Item No. 16.

After Board member comments and questions, motioned by Vice Chair Yamane and seconded by Director Suzuki to approve Professional Services Agreement with CGI Technologies and Solutions, Inc. for the development and deployment of an organization-wide Customer Relationship Management (CRM) platform that is licensed, owned and maintained by Community Power for a 22 month term including a not-to-exceed amount of $1,166,915 and authorize the Chief Executive Officer to execute the contract. This agreement would allow Community Power to implement an enterprise-wide, cloud-based Customer Relationship Management (CRM) platform to support Customer Operations, Programs, Public Affairs, and the San Diego Regional Energy Network (SDREN) teams. This project aims to bring all CRM functions in-house, integrate with existing systems, and enable Community Power to manage and operate the platform independently. The motion carried 7/0 as follows:

AYES:	Chair Lawson-Remer, Vice Chair Yamane, Directors Elo-Rivera, Inzunza, San Antonio, Suzuki, and Fisher
NOES:	None
ABSTAINED:	None
ABSENT:	None

17. Workforce Commitment Assessment

Chair Lawson-Remer and Director Elo-Rivera provided the Workforce Commitment Assessment.

David Johnson, Ironworkers Local 229 representative; Ansermio Estrada, SD Building Trade representative; Cristina Marquez, IBEW 569 representative; and Efrain Lopez, LIUNA representative (via Zoom Teleconference) provided public comments.

At the request of Director Elo-Rivero, David Johnson, Ironworkers Local 229 representative spoke on his experience working with Public Labor Agreements (PLA). After Board member comments and questions, motioned by Director Elo-Rivera and seconded by Chair Lawson-Remer to direct Community Power staff to review and revise and/or incorporate additional requirements to enhance the existing workforce language and commitments for new-build renewable energy and storage projects. The motion carried by six affirmative votes with one abstention as follows:

AYES:	Chair Lawson-Remer, Vice Chair Yamane, Directors Elo-Rivera, Inzunza, San Antonio, and Suzuki
NOES:	None
ABSTAINED:	Director Fisher
ABSENT:	None

13. Informational Update on Battery Energy Storage Systems

Mr. Friedman introduced the item and turned it over to Robert Rezende, Battalion Chief at San Diego Fire-Rescue Department and Jason Anderson, CleanTech representative, to provide the update on Battery Energy Storage Systems.

Vice Chair Yamane left the meeting at 6:09 p.m.

There were no public comments on Item No. 13.

After Board member comments, the Battery Energy Storage Systems Update was received and filed.

18. Update on Regulatory and Legislative Affairs

Ms. Fernandez introduced the item and turned it over to Ms. Cissna and Mr. Gunther to provide a Regulatory and Legislative Affairs update.

There were no public comments on Item No. 18.

After Board member questions and comments, the update on Regulatory and Legislative Affairs was received and filed.

DIRECTOR COMMENTS

None.

ADJOURNMENT

The meeting was adjourned at 7:25 p.m. to the next regular meeting scheduled for Thursday, December 11, 2025, at 5 p.m.

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Maricela Hernandez, MMC, CPMC
Clerk of the Board

SAN DIEGO COMMUNITY POWER
Staff Report – Item 2

To:	Board of Directors
From:	Jack Clark, Chief Operating Officer Colin Santulli, Senior Director of Programs
Via:	Karin Burns, Chief Executive Officer
Subject:	Update on Programs
Date:	December 11, 2025

Recommendation

Receive and file update on customer energy programs.

Background

Staff will provide regular updates to the Board of Directors ("Board") regarding the following Community Power customer energy programs: Commercial Programs, Residential Programs, Flexible Load Programs, Solar and Energy Storage Programs, and the San Diego Regional Energy Network.

Analysis and Discussion

Updates on customer energy programs are detailed below.

Commercial Programs

Efficient Refrigeration Pilot Project

Status: The Efficient Refrigeration Pilot aims to serve a total of 30 participants. As of November 21, 2025, 28 participants have been approved for the Pilot.

Next Steps: Staff will continue to conduct outreach and enroll participants in the pilot until grant funds are expended.

Residential Programs

California Energy Commission ("CEC") Equitable Building Decarbonization Direct Install ("EBD DI") Program
Status: Staff continue to work with Los Angeles County ("LA County") and their implementation partners to prepare for the launch of the EBD DI Program. At a November 18, 2025, coalition meeting, Staff learned that the Program launch date has been pushed to the end of Q1 2026 due to unforeseen delays at the State level. Staff continue to collaborate with finalize contracts with community-based organizations ("CBOs") in our Power Network to implement and support marketing, outreach, and educational ("ME&O") activities in preparation of the launch of the EBD DI Program.

Next Steps: Staff will continue to work with LA County and the Area Coordinator for San Diego to successfully implement the EBD DI Program in San Diego and make our residents aware of the program through CBOs.

Flexible Load Programs

Smart Home Flex Pilot Project
Status & Next Steps: Please refer to Item 2 of the November BOD 2025 agenda packet for the most recent update on this program. An update on Smart Home Flex is included in this agenda.

EV Flex Connect Pilot Project
Status: Staff continue to work with their V1G software partner to increase participant enrollment and implement load shifting strategies in the EV Flex Connect pilot. Following recent enrollments of Net Energy Metering and Net Billing Tariff customers, Pilot participation now totals over 230. Staff are assessing additional program changes, including expanded vehicle OEM eligibility.

At the November 2025 meeting, the Community Power Board of Directors adopted a resolution authorizing the Chief Executive Officer to execute EPC-25-015 with the California Energy Commission and to negotiate and execute any amendments, extensions, or renewals of the agreement; accept, appropriate, and expend the EPC-25-015 funds in an amount not to exceed $693,611; and to negotiate and execute agreements with third parties, including Pacific Northwest National Laboratory ("PNNL"), to implement EPC-25-015 or use of funds in accordance with applicable policies.

Next Steps: Staff will implement program changes to drive additional enrollments and continue to assess load shifting strategies. Staff will also begin contracting with PNNL on its scope of work for the CEC grant and execute data sharing agreements with the other project partners.

Solar and Energy Storage Programs

Net Energy Metering ("NEM") and Net Billing Tariff ("NBT")

Status: At the September 2025 Board of Directors meeting, the Board of Directors approved proposed revisions to the existing NEM tariff, revisions to the existing NBT and the establishment of new Net Billing Tariff Virtual and new Net Billing Tariff Aggregation tariffs.
Next Steps: Staff will continue to monitor NBT adoption and anticipate conducting an evaluation of the tariff in 2026.

Solar Battery Savings ("SBS") Program

Status: SBS began accepting applications on September 30, 2025. Community Power held a press event at the County of San Diego Administration Building on October 1, 2025, to generate earned media and raise awareness of the program. To date, the program received over 380 applications, of which 210 have already been approved. Of the 51 contractors approved to participate in the program, 43 are actively participating and have submitted applications. In terms of market rate (63%) versus non-market rate (37%) participation, the trends remain consistent with those observed during the pilot program. However, for new versus existing systems, there is a shift toward new installations, which now make up 59% compared to 41% for existing systems.

Next Steps: In November 2025, staff will reopen the contractor application period, including offering additional mandatory trainings, to enable additional interested contractors to apply to become an approved contractor in the program. In Q1 2026, Community Power expects to offer a series of customer workshops to build awareness of the program and the benefits of residential solar and storage, in general.

Solar Advantage Program (previously DAC-GT)

Status: Staff reviewed shortlisted bids as a result of the Solar Advantage Program's Second Request for Offer ("RFO") with the Energy Contract Working Group ("ECWG") on December 2, 2025.

The California Public Utilities Commission ("CPUC") is expected to approve Community Power's Advice Letter 35-E in mid-December, for CPUC approval of the fully executed PPAs with 1st Oak 2, LLC.

Next Steps: Prior to launching RFO #3 (currently planned for Q1 2026), Staff will update the cost containment cap as directed by E-5368. Upon completion of the four projects from the 1st RFO round in Q2 and Q3 2027, 2,000 eligible residential customers in the top 10% of Disadvantaged Communities ("DACs"), located in Central Chula Vista, Barrio Logan, Logan Heights, Southcrest, Mount Hope, and Chollas View, will be auto-enrolled and receive immediate bill reductions.

Staff will bring the shortlisted bidders to the Board for approval within 180 days of notifying bidders of their shortlisting status.

San Diego Regional Energy Network ("SDREN")
Status: Staff continue activities required for the successful launch of SDREN programs with a focus on procurement.

Next Steps: Staff will continue to finalize contract negotiations with the selected vendors from the Phase 2 and 3 solicitations. All contracts from Phase 1 have been executed. Staff anticipate the remaining Phase 2 contracts to be executed in December 2025 and the Phase 3 contracts to be executed in January 2026 in accordance with Resolution No. 2025-01 adopted by the Board on January 23, 2025, authorizing the Chief Executive Officer to 'negotiate and execute contracts with third parties to implement the agreement or use of [SDREN] funds.'

Contracts are expected to be executed with selected vendors with amounts not exceeding the budgets stated in the solicitations:

Phase 2
- Climate Resilience Leadership Program: $9,740,641 (direct implementation), $7,442,846 (incentives).
- Single-Family Program: $6,367,475 (direct implementation), $12,416,267 (incentives).
- Multifamily Program: $3,492,276 (direct implementation), $6,539,071 (incentives).

Phase 3
- Efficient Refrigeration Program: $2,028,045 (direct implementation), $4,074,678 (incentives).
- Market Access Program: $4,597,330 (direct implementation), $9,006,228 (incentives).
- Small-to-Medium Business Energy Coach Program: $6,567,110 (direct implementation), $2,016,518 (incentives).

SDREN funds are authorized by the California Public Utilities Commission and are disbursed to San Diego Community Power in accordance with the *San Diego Regional Energy Network Energy Efficiency Programs and Budget Agreement for Years 2024-2027* executed between Community Power and SDG&E (under Resolution No. 2025-01).

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report - Item 3

To:	Board of Directors
From:	Gordon Samuel, Chief Commercial Officer
Via:	Karin Burns, Chief Executive Officer
Subject:	Update on Power Services
Date:	December 11, 2025

Recommendation

Recommendation to receive and file update on Power Services.

Background

Staff provide the updates below to the Board of Directors regarding Community Power's energy procurement activities.

Analysis and Discussion:

Power Services Staffing
Building out a team of experienced, knowledgeable energy professionals has long been a top priority and allows Community Power not only to solicit, negotiate, and administer contracts for energy supply effectively, but also to monitor market activity, manage risk, bring in-house several activities that have historically been completed by consultants, and to dedicate additional resources to local and distributed energy procurement and development efforts. The Power Services team is now sixteen people strong.

Compliance
On October 31, 2025, Community Power submitted its annual year-ahead resource adequacy filing. This filing demonstrated Community Power's ability to meet its system resource adequacy requirements. In addition, Load Serving Entities (LSEs) in the San Diego-Imperial Valley (SD-IV) area are required to procure a certain amount of Resource Adequacy (RA) from local resources. Despite making all commercially reasonable efforts to procure SD-IV local resources, Community Power was unable to meet its Local RA obligations for 2026 and 2027.

Accordingly, Community Power followed the CA Public Utilities Commission's process to request a waiver for its remaining obligations by filing a Tier 2 Advice Letter on October 31, 2025. Additionally, on December 2, 2025, staff submitted the mid-term reliability update to the California Public Utilities Commission demonstrating Community Power is on track to meet the 2026 requirements.

Long-term Renewable Energy Solicitations

As Community Power strives to meet its environmental, financial, and regulatory compliance goals and requirements, long-term power purchase agreements (PPAs) provide developers with the certain revenue stream against which they can finance up-front capital requirements, so each long-term PPA that Community Power signs with a developing facility will underpin a new, incremental renewable energy and/or storage project. In addition, long-term PPAs lock in renewable energy supply around which Community Power can build its power supply portfolio while also hedging power supply costs. Moreover, the California Renewable Portfolio Standard (RPS), as modified in 2015 by Senate Bill 350, requires that Community Power provide 65% of its RPS-required renewable energy from contracts of at least ten years in length. Finally, in California Public Utilities Commission (CPUC) Decision (D.) 21-06-025, the CPUC required each Load Serving Entity (LSE) in California to make significant long-term purchase commitments for resource adequacy from new, incremental generation facilities that will achieve commercial operation during 2023 through 2026 for purposes of “Mid Term Reliability” (MTR). These requirements have been augmented and extended into 2026 and 2027 via CPUC D.23-02-040.

In pursuit of long-term contracts for renewable energy and storage, staff have released several Requests for Offers (RFOs), including an RFO this year that targeted clean-firm resources that can provide 24/7 deliveries. Staff and the Energy Contracts Working Group (ECWG) evaluate all submissions from solicitations prior to entering negotiations with selected participants. Assuming that staff and shortlisted developers can agree to mutually agreeable contracts consistent with terms authorized by the ECWG, staff then review draft terms with the Community Power Board for approval and authorization to execute the relevant documents. To date, staff have enabled the execution of over two dozen long-term contracts for energy, renewable energy credits and/or capacity from renewable and storage projects.

Staff remain in negotiations for additional resources that are expected to be online between 2027 and 2030. Going forward, staff expect to prioritize projects that increase the portfolio’s diversity in terms of technology and innovative contract structures to achieve a pathway to 100% clean energy. Staff will also be increasingly prioritizing local infill projects as described below.

Local Development

Community Power's rolling Local RFI remains open and has yielded eight Board-approved contracts for local generation and storage facilities. After consultation with the ECWG, Community Power Board of Directors has approved a portfolio of PV PPAs and energy storage and service agreements and is actively negotiating with several local projects submitted to the Local RFI over the past several months. Community Power also released an RFO for distributed renewable energy resources (DERs), focusing on a broad range of distribution-level renewable projects within San Diego County. This solicitation has yielded nine Board-approved PPAs and energy storage agreements. Other ongoing local initiatives include continued collaboration with member agency staff and other local agencies to identify strategic opportunities to further infill development.

As Program Administrators of the CPUC's Disadvantaged Communities Green Tariff (DAC-GT) program, Community Power completed its first solicitation last year. The first DAC-GT PPAs, with Luminia LLC and 1st Oak 2, LLC , subsidiary of 1st Light Sales Corp., were presented to and approved by the Board in January and September respectively. The second DAC-GT solicitation round was released on April 7th and accepted offers through October 20th. Staff is evaluating offers for shortlisting.

Community Power's Local RFI and Feed-in Tariff remain open. More information is available about each at the links below:

- https://sdcommunitypower.org/resources/solicitations/
- https://sdcommunitypower.org/programs/feed-in-tariff/

Short-Term RPS Procurement

Community Power staff continue to actively manage its environmental portfolio and closely monitor the market for opportunities to optimize its renewable and carbon-free portfolios. Community Power has recently been evaluating solicitation offers, bilateral offers, and products that meet needs for multiple portfolios – creating greater value for its customers. Community Power will continue to prioritize environmental targets while also ensuring value for our customers.

Market Update

Due to limited resource availability in the broader Western Interconnection, lingering supply chain impacts and long interconnection queues that have delayed development of new-build energy resources, and implementation of tariffs and duties on foreign imports, the market for renewable energy and resource adequacy (RA) continues to be uncertain. Staff are working with developers, industry groups, the CPUC, and CA Governor's Office and legislators to i) develop near-term solutions while also actively procuring short-term energy and capacity products and long-term energy resources to meet Community Power 's portfolio needs practically and cost-effectively, and ii) to establish a portfolio of resources that will provide value to Community Power and California's clean, reliable energy needs into the future.

Near-term California power markets are on a slight decline due to decreasing electric demand and cooling temperatures. As Fall weather brings less heat and reduced electric demand, markets are watching seasonal heating changes that can impact natural gas supply and by extension, in-state energy supply and prices. No supply shortfalls are expected, but markets remain sensitive to extreme weather events and unexpected supply shortages.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER

Staff Report – Item 4

TO:	Board of Directors
FROM:	Jack Clark, Chief Operating Officer Lucas Utouh, Senior Director of Data Analytics and Customer Operations
VIA:	Karin Burns, Chief Executive Officer
SUBJECT:	Update on Customer Operations
DATE:	December 11, 2025

Recommendation

Receive and file an update on various customer operations' initiatives.

Background

Staff will provide regular updates to the Community Advisory Committee centered around tracking customer opt actions (i.e., opt outs, opt ups, opt downs, and re-enrollments) as well as customer engagement metrics. The following is a brief overview of items pertaining to customer operations.

Analysis and Discussion

A) Enrollment Update

As of November 20, 2025, Community Power is serving a cumulative total count of **964,539** active accounts.

Customers with newly established accounts or who have moved into a new service address within any and all of our member jurisdictions receive 2 post-enrollment notices through the mail at their mailing address on file within 60 days of their account start date, notifying them that they have defaulted to Community Power electric generation service.

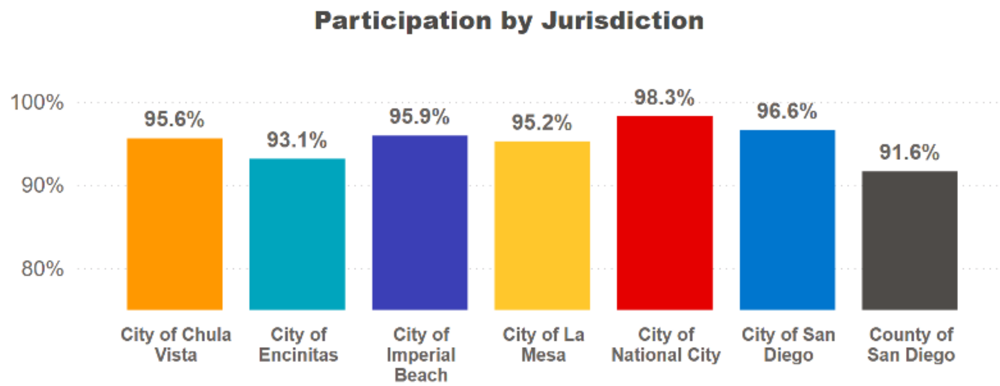
Please note that Re-Enrollment and Contact Center metrics are captured and displayed only through October 31, 2025.

B) Customer Participation Tracking

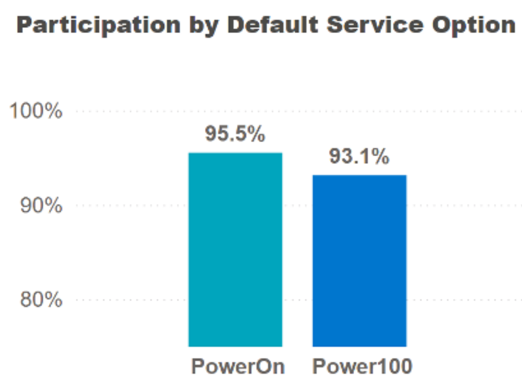
The below charts summarize customer participation by member agency as well as metrics for their elections into San Diego Community Power's four (4) available service options:

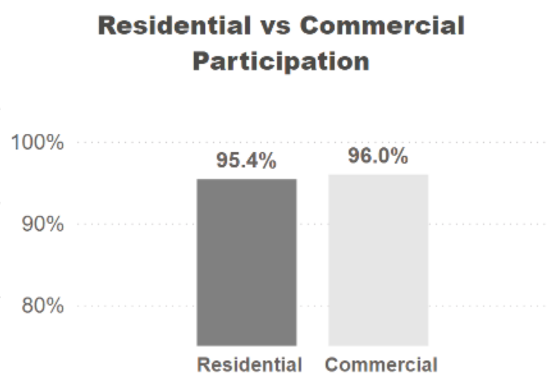
Enrolled Accounts	Participation Rate
964,539	95.5%

Participation



Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	**PowerOn**	99,738	95,357	95.6%
City of Encinitas	**Power100**	28,941	26,958	93.1%
City of Imperial Beach	**PowerOn**	10,821	10,382	95.9%
City of La Mesa	**PowerOn**	29,598	28,191	95.2%
City of National City	**PowerOn**	19,559	19,220	98.3%
City of San Diego	**PowerOn**	630,833	609,370	96.6%
County of San Diego	**PowerOn**	191,019	175,061	91.6%
Total		**1,010,509**	**964,539**	**95.5%**



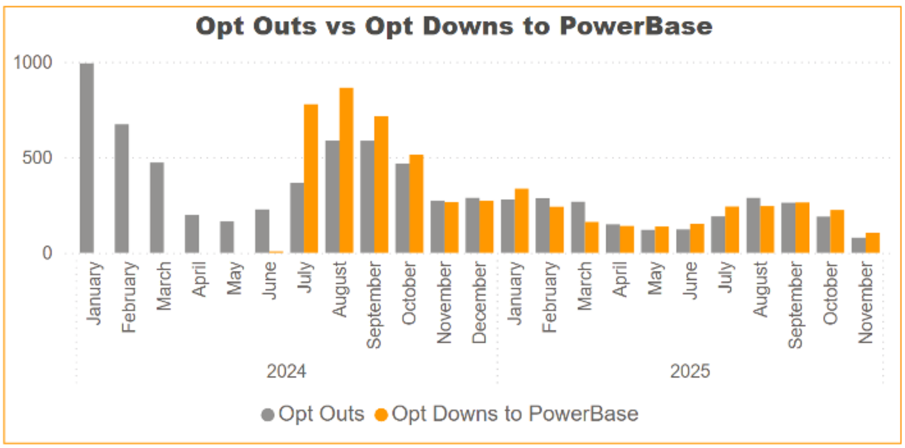


Service Option

PowerBase	PowerOn	Power100	Power100 Green+
Enrolled 4,932	Enrolled 925,211	Enrolled 34,372	Enrolled 24
Participation 0.5%	Participation 95.9%	Participation 3.6%	Participation 0.0%

Service Option Enrollment Summary

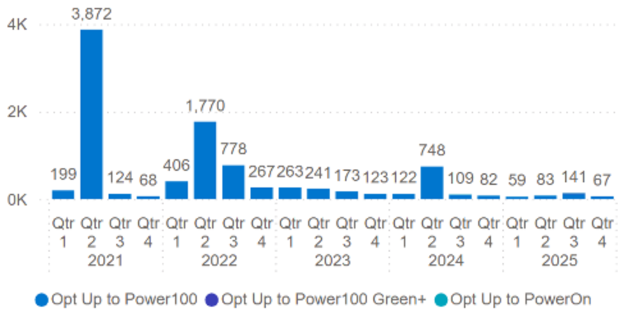
Jurisdiction	Service Option Default	Enrolled Accounts	Power Base Enrolled	Power Base %	PowerOn Enrolled	PowerOn %	Power 100 Enrolled	Power 100%	Power100 Green+ Enrolled	Power100 Green+%
City of Chula Vista	PowerOn	95,357	458	0.5%	93,985	98.6%	914	1.0%		
City of Encinitas	Power100	26,958	195	0.7%	398	1.5%	26,365	97.8%		
City of Imperial Beach	PowerOn	10,382	37	0.4%	10,263	98.9%	82	0.8%		
City of La Mesa	PowerOn	28,191	140	0.5%	27,786	98.6%	265	0.9%		
City of National City	PowerOn	19,220	60	0.3%	19,130	99.5%	30	0.2%		
City of San Diego	PowerOn	609,370	2,630	0.4%	600,802	98.6%	5,914	1.0%	24	0.0%
County of San Diego	PowerOn	175,061	1,412	0.8%	172,847	98.7%	802	0.5%		
Total		**964,539**	**4,932**	**0.5%**	**925,211**	**95.9%**	**34,372**	**3.6%**	**24**	**0.0%**



Opt Up History

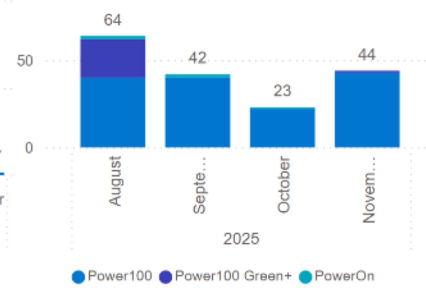
Total Opt Ups	Opt Ups Current*
9,695	8,108

Opt Ups Quarterly



Opt Ups Monthly

Last 4 Months



Opt Ups by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025 YTD	Total
City of Chula Vista	710	175	61	49	26	**1,021**
City of Encinitas	18	1	1	3	1	**24**
City of Imperial Beach	60	29	11	6	6	**112**
City of La Mesa	155	120	19	12	7	**313**
City of National City			12	24	1	**37**
City of San Diego	3,316	2,896	489	340	271	**7,312**
County of San Diego	4		207	627	38	**876**
Total	**4,263**	**3,221**	**800**	**1,061**	**350**	**9,695**

Opt Ups by Customer Class

Customer Class	2021	2022	2023	2024	2025 YTD	Total
Commercial	4,256	296	232	701	144	**5,629**
Residential	7	2,925	568	360	206	**4,066**
Total	**4,263**	**3,221**	**800**	**1,061**	**350**	**9,695**

Opt Ups by Method

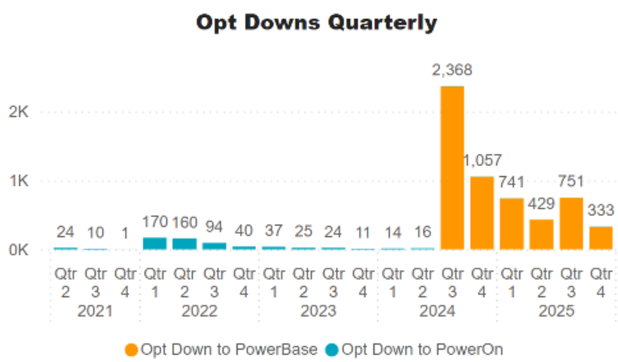
Opt Method	2021	2022	2023	2024	2025 YTD	Total
CSR	4,232	1,372	301	817	193	**6,915**
IVR	4	85	84	42	25	**240**
Web	27	1,764	415	202	132	**2,540**
Total	**4,263**	**3,221**	**800**	**1,061**	**350**	**9,695**

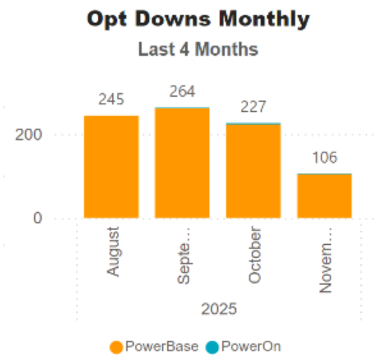
*Current indicates the account is open with SDG&E and this opt action is their latest opt action

2025 YTD as of November 20, 2025

Opt Down History

Total Opt Downs	Opt Downs Current*
6,305	5,417





Opt Downs by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025 YTD	Total
City of Chula Vista		2	4	287	238	**531**
City of Encinitas	35	429	74	150	99	**787**
City of Imperial Beach		1		31	16	**48**
City of La Mesa		4		106	62	**172**
City of National City				36	36	**72**
City of San Diego		28	13	1,793	1,259	**3,093**
County of San Diego			6	1,052	544	**1,602**
Total	**35**	**464**	**97**	**3,455**	**2,254**	**6,305**

Opt Downs by Customer Class

Customer Class	2021	2022	2023	2024	2025 YTD	Total
Commercial	34	23	9	508	164	**738**
Residential	1	441	88	2,947	2,090	**5,567**
Total	**35**	**464**	**97**	**3,455**	**2,254**	**6,305**

Opt Downs by Method

Opt Method	2021	2022	2023	2024	2025 YTD	Total
CSR	31	311	65	2,562	1,430	**4,399**
IVR	4	26	3	309	246	**588**
Web		127	29	584	578	**1,318**
Total	**35**	**464**	**97**	**3,455**	**2,254**	**6,305**

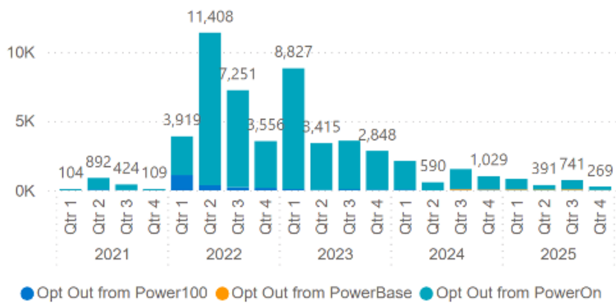
*Current indicates the account is open with SDG&E and this opt action is their latest opt action

2025 YTD as of November 20, 2025

Opt Out History

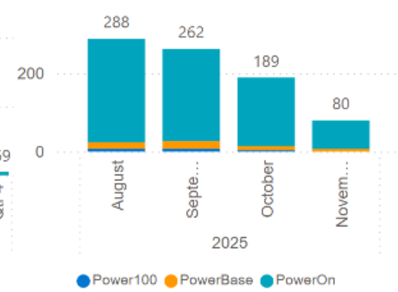
Total Opt Outs	Opt Outs Current*
53,875	44,903

Opt Outs Quarterly



Opt Outs Monthly

Last 4 Months



Opt Outs by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025 YTD	Total
City of Chula Vista	267	3,466	747	411	193	**5,084**
City of Encinitas	66	1,870	230	118	52	**2,336**
City of Imperial Beach	32	343	99	60	17	**551**
City of La Mesa	84	1,269	235	128	56	**1,772**
City of National City			285	75	31	**391**
City of San Diego	1,078	19,185	3,185	1,836	1,004	**26,288**
County of San Diego	2	1	13,902	2,669	879	**17,453**
Total	**1,529**	**26,134**	**18,683**	**5,297**	**2,232**	**53,875**

Opt Outs by Customer Class

Customer Class	2021	2022	2023	2024	2025 YTD	Total
Commercial	1,492	535	1,684	344	118	**4,173**
Residential	37	25,599	16,999	4,953	2,114	**49,702**
Total	**1,529**	**26,134**	**18,683**	**5,297**	**2,232**	**53,875**

Opt Outs by Method

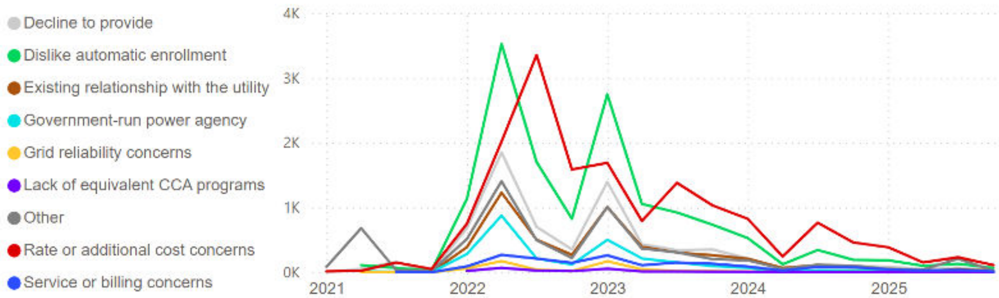
Opt Method	2021	2022	2023	2024	2025 YTD	Total
CSR	1,104	6,963	4,706	1,653	659	**15,085**
IVR	102	4,886	3,789	1,284	423	**10,484**
Web	323	14,285	10,188	2,360	1,150	**28,306**
Total	**1,529**	**26,134**	**18,683**	**5,297**	**2,232**	**53,875**

*Current indicates the account is open with SDG&E and this opt action is their latest opt action

2025 YTD as of November 20, 2025

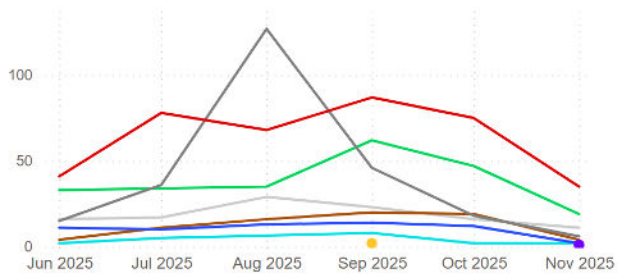
Opt Out Reason Summary

Opt Outs by Reason Quarterly



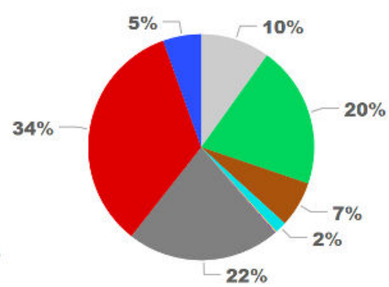
Opt Outs by Reason Monthly

Last 6 Calendar Months



Opt Out Reason Distribution

Last 6 Calendar Months



Opt Outs by Reason Table

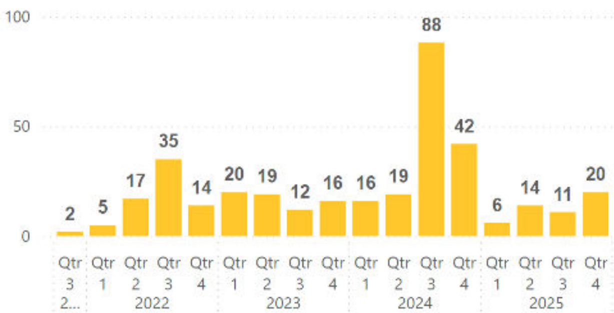
Opt Out Reason	2021	2022	2023	2024	2025 YTD	Total
Decline to provide	228	3,583	2,519	465	228	**7,023**
Dislike automatic enrollment	203	7,187	5,458	1,188	482	**14,518**
Existing relationship with the utility	2	2,389	1,968	462	137	**4,958**
Government-run power agency	24	1,490	961	129	52	**2,656**
Grid reliability concerns	7	293	252	20	4	**576**
Lack of equivalent CCA programs		131	90	12	6	**239**
Other	819	2,636	1,884	453	323	**6,115**
Rate or additional cost concerns	240	7,707	4,897	2,296	879	**16,019**
Service or billing concerns	6	718	654	272	121	**1,771**
Total	**1,529**	**26,134**	**18,683**	**5,297**	**2,232**	**53,875**

2025 YTD as of November 20, 2025

Re-Enrollment Requests

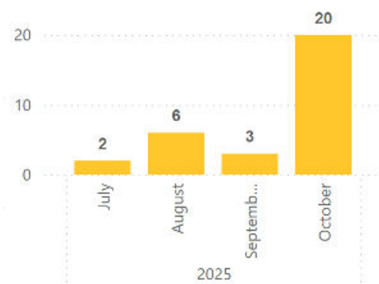
Excludes closed accounts

Re-Enrollments Quarterly



Re-Enrollments Monthly

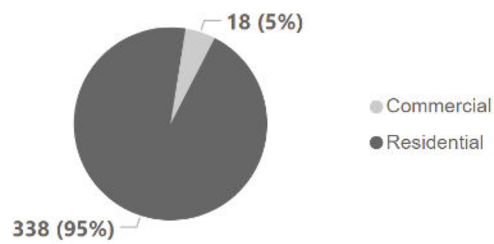
Last 4 Months



Re-Enrollments by Jurisdiction

Jurisdiction	Accounts
City of Chula Vista	24
City of Encinitas	32
City of Imperial Beach	4
City of La Mesa	7
City of National City	1
City of San Diego	213
County of San Diego	75
Total	**356**

Re-Enrollments Residential vs Commercial



2025 YTD through the end of October, 2025

C) Contact Center Metrics

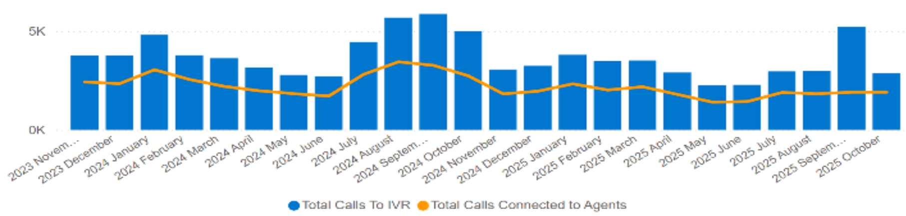
Please note that Contact Center Metrics are captured and displayed through October 31, 2025. As expected, calls to our Contact Center reached peak volume in the month of September in 2025 as customers received highest bills for increased usage, especially for bill periods covering the month of August due to quite a few hot days during that month. As noted in prior reports to the Board, this observation is a standard trend that we notice year over year across the CCA space.

The chart below summarizes contact made by customers into the Contact Center broken down by month:

Contact Center Metrics

Contact Center Call Volume Trends

Last 24 Calendar Months



Interactive Voice Response (IVR) and Service Level Agreement (SLA) Metrics

	2021	2022	2023	2024	2025 YTD	Total
Total Calls to IVR	2,289	47,118	52,977	48,073	32,231	**182,688**
Total Calls Connected to Agents	1,401	30,174	34,173	29,332	18,689	**113,769**
Avg Seconds to Answer	20.00	11.50	6.75	18.08	9.80	**12.98**
Avg Call Duration (Minutes)	8.5	9.8	9.6	9.6	8.9	**9.3**
Calls Answered Within 60 Seconds (75% SLA)	96.23%	95.50%	97.57%	91.74%	95.57%	**95.26%**
Abandon Rate	0.57%	0.36%	0.19%	0.72%	0.45%	**0.45%**

Customer Service Email Volume Trends

Last 24 Calendar Months

Customer Service Emails

	2021	2022	2023	2024	2025 YTD	Total
Emails Received	272	2,894	2,116	1,271	912	**7,465**
Emails Answered or Escalated Within 24 Hours	257	2,821	2,107	1,270	912	**7,367**
Completion%	94%	96%	100%	100%	100%	**98%**

2025 YTD through the end of October, 2025

San Diego Community Power anticipates that the trend of customers calling into the Contact Center's Interactive Voice Response (IVR) system tree and being able to self-serve their opt actions using the recorded prompts as well as utilizing Community Power's website for processing opt actions will continue to account for the majority of all instances. The remaining portion of customer calls are connected to Customer Service Representatives to answer additional questions, assist with account support, or process opt actions.

As of this latest reporting month, Community Power still maintains nine Dedicated Customer Service Representatives staffed at the Contact Center and 1 Supervisor. Robust Quality Assurance (QA) procedures are firmly in place to ensure that customers are getting a world-class customer experience when they contact Community Power.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 5

To:	Board of Directors
From:	Jack Clark, Chief Operating Officer Stephen Yi, Associate Director of IT and Data Analytics
Via:	Karin Burns, Chief Executive Officer
Subject:	Update on IT and Data Analytics
Date:	December 11, 2025

Recommendation

Receive and file an update on IT and Data Analytics.

Background

Community Power onboarded the Associate Director of IT and Data Analytics in February 2025 to continue its commitment to building a world-class in-house IT and analytics service team. In recent months, the IT and Data Analytics teams have led key technology projects aimed at simplifying processes, transforming operations, and improving effectiveness with low-cost, efficient solutions. Improvements in cybersecurity measures were also implemented.

Analysis and Discussion:

Information Technology

For Q4, excluding December, the IT department resolved 168 request tickets, representing an 84.62% increase over Q3. SLA compliance was 92.27%, although response times have increased in some areas, including Customer Support and Incident Management. During the quarter, 10 incident tickets were created, all of which met SLA requirements and were closed, resulting in 100% compliance and closure.

Cybersecurity

Cybersecurity has collaborated with IT and a third-party security vendor to implement a data security platform. This platform will automate data classification in our cloud file storage and email system and integrate with endpoint management. It will also provide "Copilot readiness" by monitoring and responding to any flow of unwanted data within our enterprise Copilot system. The purpose of this initiative is to scale our existing cloud technology capabilities and increase service and productivity.

There were no major cybersecurity incidents in November.

Data Analytics

Enterprise Data Platform (EDP)

The development of the iteration 3 release continues, including updating the codebase and database to support new features and datasets from data partners, loading additional historical data sources, optimizing API ingestion processes, building out databases for billing and interval data, and validating some machine learning models.

The team continues to work with other teams to plan out the roadmap for 2026 development.

Business Intelligence

The team completed 13 data requests in November received through our ticketing system. They continue to support requests from other teams and integrate with other systems and partners.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report - Item 6

To:	Board of Directors
From:	Chandra Pugh, Senior Director of People and Administrative Services
Via:	Karin Burns, Chief Executive Officer
Subject:	Update on Human Resources
Date:	December 11, 2025

Recommendation

Receive and file the update on human resources.

Background

Staff provide regular updates to the Board of Directors regarding Community Power's human resources activities.

Analysis and Discussion

The HR team has been focused on finalizing and distributing the employee handbook, vacation cash-out and preparing for our upcoming performance review cycle.

End-of-year HR activities include multiple compliance audits for our payroll, benefits and retirement offerings. We have also scheduled an informational meeting for staff regarding the planned vote for social security coverage. The election will take place in January and will be facilitated by the HR team.

Current open positions:

Associate Director of Finance - Capital Investments Plan
Paralegal

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report - Item 7

To:	Board of Directors
From:	Jack Clark, Chief Operating Officer Jen Lebron, Senior Director of Public Affairs
Via:	Karin Burns, Chief Executive Officer
Subject:	Community Advisory Committee Monthly Update
Date:	December 11, 2025

Recommendation

Receive and file the Community Advisory Committee (CAC) monthly update.

Background

Per Section 5.10.3 of the San Diego Community Power (Community Power) Joint Powers Authority Agreement:

> The Board shall establish a Community Advisory Committee comprised of non-Board members. The primary purpose of the Community Advisory Committee shall be to advise the Board of Directors and provide a venue for ongoing citizen support and engagement in the strategic direction, goals, and programs of Community Power.

At the direction of the Board Chair, the CAC provides quarterly reports to the Board of Directors on the regular agenda and monthly updates on the consent agenda. The next quarterly report is expected to take place at the December 11, 2025, Board meeting.

Analysis and Discussion

During the December 4, 2025, regular CAC meeting, Chair Harris (City of La Mesa) welcomed new Community Power staff and led the approval of the consent agenda, which included updates on Customer Operations, Marketing, Public Relations and Local Government Affairs, Regulatory and Legislative Affairs, Power Services, and Programs.

The CAC received several informational updates from Community Power's Finance and Customer Operations departments. On the Fiscal Year End 2024-25 Performance Review, members asked about the investment portfolio and whether staff included climate change in demand forecasts for budget projections, recommending that staff track whether monthly customer energy consumption and/or demand stayed on track with what was budgeted.

The CAC also received a presentation on a resolution to approve a fourth revision to the Financial Reserves Policy, in which members asked questions about the Power Charge Indifference Adjustment (PCIA), its longevity, and recent changes to how it is calculated, stressing the importance of rate stabilization reserves in supporting ratepayers in the future.

Lastly, members heard an update on SDG&E's 2026 projected rates, where members asked about wildfire mitigation charges calculation and noted that customers can expect variability in pricing during summer to reduce next year.

No items were recommended for the Board of Directors. Member Hammond shared details on an upcoming rooftop solar installation made possible by the Community Clean Energy Grants program, and Member Montero-Adams shared an overview of the actions taken by the Board of Directors during its last meeting. Chair Harris volunteered to provide the next report on Board activities, and announced the volunteers appointed to the ad-hoc committees created during the November CAC meeting, below:

- <u>2026 CAC Work Plan</u>: Member Vasilakis and Vice-Chair Montero Adams (City of San Diego)
- <u>Community Power Plan Review:</u> Member Gonzalez (City of Chula Vista), Member Emerson (City of National City), Secretary Pike (Unincorporated San Diego County), and Chair Harris (City of La Mesa)
- <u>Distributed Energy Resources/Local Infill Development Plan:</u> Members Sclafani (City of Chula Vista), Sumner (La Mesa), and Chair Harris (City of La Mesa)

As of December 4, 2025, the CAC has three vacancies representing the City of Encinitas, the City of Imperial Beach, and the City of National City; the latter was prompted by Aida Castañeda's resignation earlier this month. Members of the public must be residents, community leaders, and/or business owners of their respective jurisdictions and may submit their applications electronically. The vacancies are advertised at meetings, community events, and through Community Power's social media.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 8

To:	Board of Directors
From:	Jack Clark, Chief Operating Officer Jen Lebron, Senior Director of Public Affairs
Via:	Karin Burns, Chief Executive Officer
Subject:	Update on Marketing, Public Relations, and Local Government Affairs
Date:	December 11, 2025

Recommendation

Receive and file an update on marketing, public relations, and local government affairs activities for San Diego Community Power (Community Power).

Background

Community Power has engaged in a variety of public relations, marketing, community outreach, and local government affairs activities to drive awareness, spark community engagement, and maintain high customer enrollment.

Analysis and Discussion

Community Power's Public Affairs Department has been participating in events across our member agencies as it aims to increase general awareness and answer questions in a friendly, helpful manner.

Recent and Upcoming Public Engagement Events

San Diego Regional Chamber of Commerce Circle of Influence Reception
San Diego Climate Week: Sustainable Business & Film Night
San Diego Climate Week: Latinx in Sustainability Panel
Sherman Heights Community Center Noche de Mole
Tree San Diego Plant-A-Thon
Startup Week Cleantech Panel
Asian Business Association 35th Annual Awards
Environmental Health Coalition RICCE Resource Fair

California Energy Storage Alliance Market Development Forum
Spirit of the Barrio Luncheon
Imperial Beach Collaborative
San Diego Wave Futbol Club Fan Fest
County of San Diego Pumpkin Patch at Waterfront Park
Live Well Advance Conference
Chula Vista Chamber Bayfront Business Expo
MAAC 2025 Soiree
City of Imperial Beach Spooktacular Trunk or Treat
Circulate San Diego Momentum Awards
San Diego Environmental Film Festival
San Diego Regional Climate Collaborative Mixer
La Mesa Farmers Market
Jackie Robinson Family YMCA Halloween Spooktacular
MANA de San Diego Brindis Gala
Jackie Robinson Family YMCA Resource Fair
San Diego Regional Chamber of Commerce Legislative Lounge
Lesley K. McAllister Symposium on Climate and Energy Law
National City Farmers Market
Climate Action Campaign's Community Climate Conversations
Thanksgiving Grocery Giveaway and Resource Fair
Boys & Girls Club of South County Feed the Kids & Families
MAAC Senior Food Distribution
Surfrider Pacific Beach Cleanup
National City District 3 Neighborhood Thanksgiving

Marketing, Communications and Outreach

The Public Affairs team has been working diligently behind the scenes to support programmatic efforts, including the launch of the San Diego Regional Energy Network and relaunch of the Solar Battery Savings program. It is also ramping up efforts to promote pilot programs, including one that helps customers repair their roofs to be ready for solar installations, and another that will distribute grants to small businesses that would benefit from more efficient refrigerators. The Public Affairs team is working closely with internal and external stakeholders to encourage participation in these programs and leveraging relationships with community partners to amplify our marketing and outreach efforts.

The Marketing and Communications division has also been working on a website refresh and brand update. After a survey of more than 4,700 stakeholders including customers, board members, CAC members and staff, the team is making improvements to the website to enhance navigability and increase accessibility. The website was officially launched earlier this week. As a companion to the website update, Community Power brand standards are being refreshed to create more easily recognizable, consistent imagery.

Community Power has continued its efforts to connect with local leaders through meetings and community events.

The Public Affairs team will continue to develop new strategies, processes and capacity over the next several months to conduct more community outreach, expand marketing and brand awareness efforts, and provide timely, accurate information across multiple channels.

Local Government Affairs

Community Power continues to meet with and work with local governments and tribal nations throughout the greater San Diego region. It has made a concerted effort to reach out to newly elected officials in all seven member agencies to provide education about the organization.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 9

To:	Board of Directors
From:	Dr. Eric W. Washington, Chief Financial Officer/Treasurer
Via:	Karin Burns, Chief Executive Officer
Subject:	Treasurer's Report for Period Ending September 30, 2025
Date:	December 11, 2025

Recommendation

Receive and File Treasurer's Report for Period Ending September 30, 2025.

Background

San Diego Community Power (Community Power) prepares its accounting records on a full accrual basis under GAAP for governmental enterprise funds. Year-to-date financial statements for the three-month period ending September 30, 2025, include budget comparisons.

The Board adopted an Investment Policy on May 25, 2023, with subsequent revisions on June 27, 2024, and August 28, 2025, to ensure the safeguarding of principal, preservation of liquidity, generation of returns, and adherence to a high standard of fiduciary care. The policy requires regular reporting to the Financial and Risk Management Committee (FRMC) via the Treasurer's Report. As of September 30, 2025, the investment portfolio was compliant with the Community Power Investment Policy.

To enhance transparency, Community Power reports newly executed contracts between $50,000 and $150,000 in the Treasurer's Report, per the Delegated Contract Authority Policy. Monthly operational metrics are presented at Board meetings, and key risk metrics are shared during FRMC meetings as part of the Treasurer's Report.

On June 26, 2025, the Community Power Board of Directors (Board) approved the Fiscal Year 2025-26 Operating Budget, which serves as the basis for comparison in this report.

Table 1: Budget Comparison Versus Actual Results

SAN DIEGO COMMUNITY POWER
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Three Months Ended September 30, 2025

	Year-to-Date				Annual	
	Budget	Actual	Budget Variance (Under) Over	Actual/ Budget %	Budget	Budget Remaining
REVENUES AND OTHER SOURCES						
Gross Ratepayer Revenues	484,380,000	$ 473,331,893	(11,048,107)	98%	1,220,987,000	$ 747,655,107
Less: Uncollectible Customer Accounts	(8,477,000)	(7,099,978)	1,377,022	84%	(21,367,000)	(14,267,022)
Total Revenues and Other Sources	475,903,000	466,231,915	(9,671,085)		1,199,620,000	733,388,085
OPERATING EXPENSES						
Cost of Energy	366,825,000	349,752,365	(17,072,635)	95%	956,691,000	606,938,635
Professional Services and Consultants	6,178,000	4,573,106	(1,604,894)	74%	24,713,000	20,139,894
Personnel Costs	5,302,000	4,293,934	(1,008,066)	81%	21,209,000	16,915,066
Marketing and Outreach	616,000	698,183	82,183	113%	2,464,000	1,765,817
General & Administrative	1,467,000	971,689	(495,311)	66%	5,867,000	4,895,311
Total Operating Expenses	380,388,000	360,289,278	(20,098,722)		1,010,944,000	650,654,722
Operating Income (Loss)	95,515,000	105,942,637	10,427,637		188,676,000	82,733,363
NON-OPERATING REVENUES (EXPENSES)						
Investment Income	-	3,551,532	3,551,532	na	-	(3,551,532)
Interest and Related Expenses	(473,000)	(445,344)	27,656	94%	(1,893,000)	(1,447,656)
Transfer to Capital Investment Program	(22,170,000)	(22,170,000)	-	100%	(22,170,000)	-
Total Non-Operating Revenues (Expenses)	(22,643,000)	(19,063,812)	3,579,188		(24,063,000)	(4,999,188)
NET CHANGE	$ 72,872,000	$ 86,878,825	$ 14,006,825		$ 164,613,000	$ 77,734,175

Analysis and Discussion:

Actual financial results for the period ended September 30, 2025: $466.2 million in net operating revenues were reported compared to $475.9 million budgeted for the period. Community Power's change in net position of $86.9 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

- Operating revenues year-to-date are $9.7 million, or 2.0% under budget primarily due to cooler temperatures driving lower energy sales.
- Cost of Energy year-to-date are $17.1 million, or 5.0% under budget, primarily due to lower energy costs resulting from timing differences due to accruals of REC pricing.
- Professional Services and Consultants: $1.6 million below budget due to lower-than-expected utilization of outside professional services.
- Personnel Costs: $1.0 million under budget, driven by vacancies and accrued vacation.

- **Non-Operating Revenues and Expenses**:
    - Investment income of $3.5 million year-to-date. Investment income is not currently budgeted and is reflected in financial statements as realized.
    - $445.3 thousand in year-to-date interest and related expenses versus $473.0 thousand budgeted.

Community Power reserves at the end of the period totaled $449.9 million, including $357.3 million in unrestricted cash and $92.5 million in investment holdings. Total available liquidity (including unrestricted cash, investment holdings, and available lines of credit) was $677.3 million. Community Power has a total Fiscal Year 2025-26 year-end reserve target of $498.5 million which is equivalent to 180-days of total Fiscal Year 2025-26 budgeted 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 September 30, 2025, the market value of the portfolio was $93.4 million compared to the $83.2 million market value as August 31, 2025. The increase is primarily a result of a $10.0M contribution in September. The following is a snapshot of the overall characteristics of the portfolio.

PORTFOLIO SUMMARY — CHANDLER ASSET MANAGEMENT

San Diego Community Power | Account #11293 | As of September 30, 2025

Portfolio Characteristics

Average Modified Duration	2.69
Average Coupon	4.02%
Average Purchase YTM	4.20%
Average Market YTM	3.86%
Average Credit Quality*	AA
Average Final Maturity	3.18
Average Life	2.77

Account Summary

	End Values as of 08/31/2025	End Values as of 09/30/2025
Market Value	82,628,896.17	92,792,666.55
Accrued Interest	583,194.30	652,522.58
Total Market Value	**83,212,090.47**	**93,445,189.13**
Income Earned	196,973.02	408,604.34
Cont/WD	0.00	10,000,000.00
Par	82,283,205.83	92,618,819.51
Book Value	81,754,160.74	92,000,108.54
Cost Value	81,669,386.28	91,898,140.41

Top Issuers

United States	52.30%
FHLMC	10.31%
Guardian Life Global Funding	1.62%
The Home Depot, Inc.	1.56%
WF Card Issuance Trust	1.36%
PACCAR Inc	1.19%
American Express Credit Master Trust	1.15%
Royal Bank of Canada	1.04%

As of September 30, 2025, the portfolio was compliant with Community Power's Investment Policy.

September 2025 Contract Execution between $50,000 and $150,000

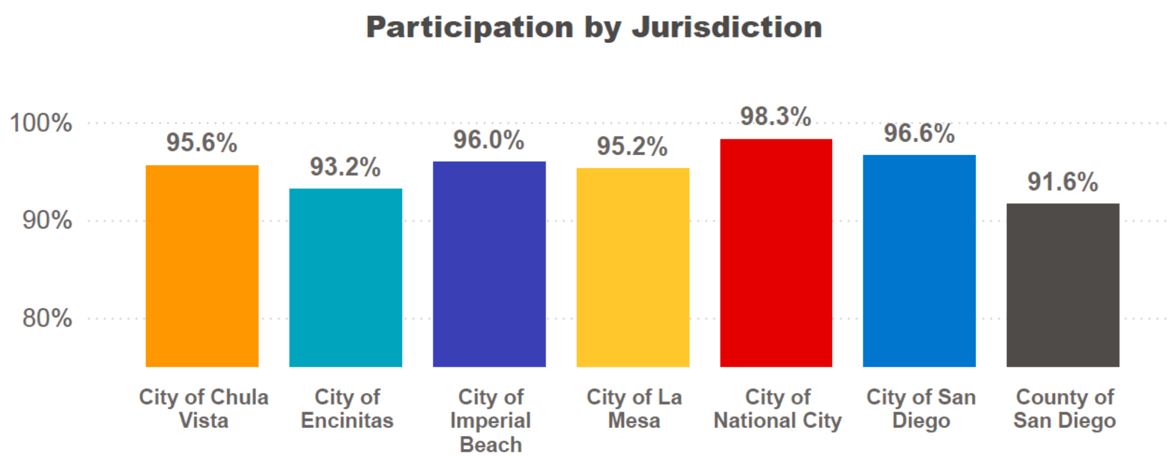
- Power Switch Advisory LLC
  - Contract Title: Advisory Services for BESS
  - Value: $50,000
- Skycentrics, Inc
  - Contract Title: Grid Connectivity Services
  - Value: $117,681

Customer Participation Rates

Metrics Figure 2: Participation Rates as of 11/3/2025

Enrolled Accounts	Participation Rate
963,721	95.4%

Participation



Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	99,600	95,217	95.6%
City of Encinitas	Power100	28,935	26,953	93.2%
City of Imperial Beach	PowerOn	10,818	10,382	96.0%
City of La Mesa	PowerOn	29,594	28,184	95.2%
City of National City	PowerOn	19,544	19,206	98.3%
City of San Diego	PowerOn	630,177	608,753	96.6%
County of San Diego	PowerOn	190,999	175,026	91.6%
Total		**1,009,667**	**963,721**	**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. The below arrearage data includes Community Power's Receivables aged 120+ Days as of November 3, 2025.

Figure 3: State of Community Power Arrearages as of 11/3/2025

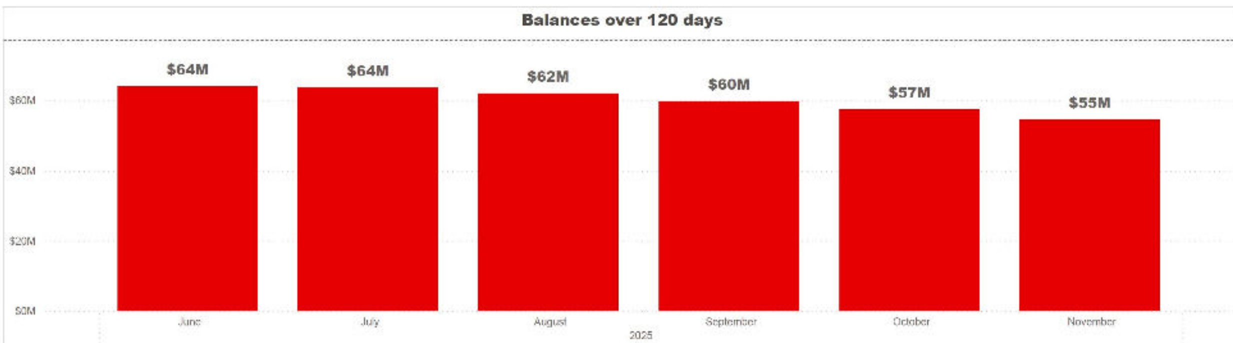
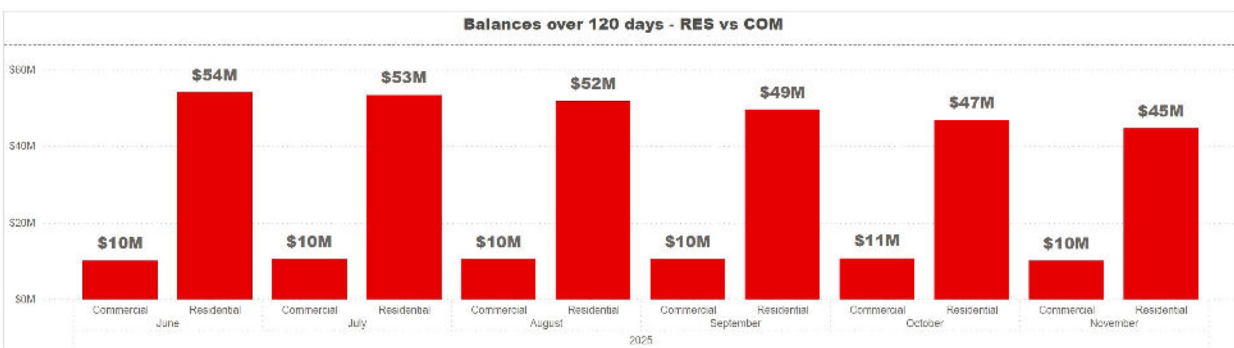


Figure 4: State of Community Power Arrearages Residential vs Commercial as of 11/3/2025



Fiscal Impact

N/A

Committee Review

At their December 4 meeting, the Finance and Risk Management Committee received and filed this item.

Attachments

A: FY 2026 Year-to-Date Period Ended September 30,2025, Financial Statements.

ITEM 9
ATTACHMENT A

MAHER
ACCOUNTANCY

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 September 30, 2025, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the three 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
November 10, 2025

1101 Fifth Avenue, Suite 200 San Rafael, CA 94901 415 459 1249 mahercpa.com

SAN DIEGO COMMUNITY POWER
STATEMENT OF NET POSITION
As of September 30, 2025

ASSETS	
Current assets	
Cash and cash equivalents - unrestricted	$ 357,318,946
Cash and cash equivalents - restricted	25,313,026
Accounts receivable, net of allowance	174,186,185
Accrued revenue	93,761,751
Prepaid expenses	2,537,131
Other receivables	25,949,315
Deposits	12,484,068
Investments	2,138,052
Total current assets	693,688,474
Noncurrent assets	
Cash and cash equivalents - restricted	647,000
Investments	90,391,443
Capital assets, net of depreciation and amortization	1,028,952
Total noncurrent assets	92,067,395
Total assets	785,755,869
LIABILITIES	
Current liabilities	
Accrued cost of electricity	161,416,697
Accounts payable	3,530,238
Other accrued liabilities	2,373,257
State surcharges payable	663,394
Deposits - energy suppliers	383,731
Lease liability	867,502
Advances from grantors	24,813,026
Total current liabilities	194,047,845
Noncurrent liabilities	
Lease liability	372,402
Deposits - energy suppliers	7,443,450
Total noncurrent liabilities	7,815,852
Total liabilities	201,863,697
NET POSITION	
Restricted for security collateral	1,147,000
Unrestricted	582,745,172
Total net position	$ 583,892,172

See accountants' compilation report.

SAN DIEGO COMMUNITY POWER
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Three Months Ended September 30, 2025

OPERATING REVENUES	
Electricity sales, net	$ 466,231,915
Grant revenue	843,233
Total operating revenues	467,075,148
OPERATING EXPENSES	
Cost of electricity	349,752,365
Contract services	5,203,025
Staff compensation	4,769,742
Other operating expenses	2,931,149
Depreciation and amortization	288,590
Total operating expenses	362,944,871
Operating income	104,130,277
NON-OPERATING REVENUES (EXPENSES)	
Investment income	3,551,532
Interest expense	(21,801)
Nonoperating revenues (expenses), net	3,529,731
CHANGE IN NET POSITION	107,660,008
Net position at beginning of year	476,232,164
Net position at end of year	$ 583,892,172

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS
Three Months Ended September 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 387,716,954
Receipts of supplier security deposits	268,448
Receipts from wholesale sales and other operating activities	1,045,672
Payments to suppliers for electricity	(292,239,085)
Payments for other goods and services	(9,043,805)
Payments for deposits and collateral	(100,000)
Payments for staff compensation	(4,802,447)
Payments of state surcharges	(535,146)
Net cash provided by operating activities	82,310,591
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments of lease liability	(233,946)
Net cash used by capital and related financing activities	(233,946)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income received	3,278,375
Proceeds from investment sales and maturities of investments	1,831
Purchase of investments	(21,252,125)
Net cash provided (used) by investing activities	(17,971,919)
Net change in cash and cash equivalent	64,104,726
Cash and cash equivalents at beginning of year	319,174,246
Cash and cash equivalents at end of year	$ 383,278,972
Reconciliation to the Statement of Net Positio	
Unrestricted cash and cash equivalents - current	$ 357,318,946
Restricted cash and cash equivalents - current	25,313,026
Restricted cash and cash equivalents - noncurrent	647,000
Cash and cash equivalents	$ 383,278,972
NONCASH INVESTING ACTIVITIES	
Change in fair value of investments	$ 216,561
Change in interest income receivable	$ 56,596

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS (continued)
Three Months Ended September 30, 2025

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	$ 104,130,277
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization expense	288,590
(Increase) decrease in:	
Accounts receivable, net	(58,158,962)
Accrued revenue	(21,019,392)
Prepaid expenses	21,265,004
Other receivables	(21,792,728)
Deposits	(1,389,857)
Increase (decrease) in:	
Accrued cost of electricity	59,214,531
Accounts payable	(280,734)
Advances from grantors	(442,688)
Other accrued liabilities	213,302
State surcharges payable	128,248
Deposits - energy suppliers	155,000
Net cash provided by operating activities	$ 82,310,591

MAHER
ACCOUNTANCY

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 three months ended September 30, 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
November 10, 2025

1101 Fifth Avenue, Suite 200 San Rafael, CA 94901 415 459 1249 mahercpa.com

SAN DIEGO COMMUNITY POWER
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Three Months Ended September 30, 2025

	Year-to-Date				Annual	
	Budget	**Actual**	**Budget Variance (Under) Over**	**Actual/ Budget %**	**Budget**	**Budget Remaining**
REVENUES AND OTHER SOURCES						
Gross Ratepayer Revenues	484,380,000	$ 473,331,893	(11,048,107)	98%	1,220,987,000	$ 747,655,107
Less: Uncollectible Customer Accounts	(8,477,000)	(7,099,978)	1,377,022	84%	(21,367,000)	(14,267,022)
Total Revenues and Other Sources	475,903,000	466,231,915	(9,671,085)		1,199,620,000	733,388,085
OPERATING EXPENSES						
Cost of Energy	366,825,000	349,752,365	(17,072,635)	95%	956,691,000	606,938,635
Professional Services and Consultants	6,178,000	4,573,106	(1,604,894)	74%	24,713,000	20,139,894
Personnel Costs	5,302,000	4,293,934	(1,008,066)	81%	21,209,000	16,915,066
Marketing and Outreach	616,000	698,183	82,183	113%	2,464,000	1,765,817
General & Administrative	1,467,000	971,689	(495,311)	66%	5,867,000	4,895,311
Total Operating Expenses	380,388,000	360,289,278	(20,098,722)		1,010,944,000	650,654,722
Operating Income (Loss)	95,515,000	105,942,637	10,427,637		188,676,000	82,733,363
NON-OPERATING REVENUES (EXPENSES)						
Investment Income	-	3,551,532	3,551,532	na	-	(3,551,532)
Interest and Related Expenses	(473,000)	(445,344)	27,656	94%	(1,893,000)	(1,447,656)
Transfer to Capital Investment Program	(22,170,000)	(22,170,000)	-	100%	(22,170,000)	-
Total Non-Operating Revenues (Expenses)	(22,643,000)	(19,063,812)	3,579,188		(24,063,000)	(4,999,188)
NET CHANGE	$ 72,872,000	$ 86,878,825	$ 14,006,825		$ 164,613,000	$ 77,734,175

See accountants' compilation report.

CAPITAL INVESTMENT PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
Three Months Ended September 30, 2025

	Annual Budget	YTD Actual	Budget Remaining
REVENUES AND OTHER SOURCES			
Transfer in from Operating Fund	$ 22,170,000	$ 22,170,000	$ -
Grant Revenue - SDREN	31,868,547	843,233	(31,025,314)
Grant Revenue - DAC	589,822		(589,822)
Total Revenue and Other Sources	54,628,369	23,013,233	(31,615,136)
EXPENDITURES AND OTHER USES			
Program Expenditures	54,628,369	2,164,429	$ (52,463,940)
Net increase (decrease) in fund balance	$ -	20,848,804	
Fund balance at beginning of period		10,340,567	
Fund balance at end of period		$ 31,189,371	

See accountants' compilation report.

SAN DIEGO COMMUNITY POWER
Staff Report – Item 10

To:	Board of Directors
From:	Jack Clark, Chief Operating Officer Laura Fernandez, Senior Director of Regulatory and Legislative Affairs
Via:	Karin Burns, Chief Executive Officer
Subject:	Update on Regulatory and Legislative Affairs
Date:	December 11, 2025

Recommendation

Receive and file the update on regulatory and legislative affairs.

Background

Staff provide regular updates to the Board of Directors regarding Community Power's regulatory and legislative engagement.

Analysis and Discussion:

A) Regulatory Updates

Resource Adequacy

On November 4, 2025, Community Power's trade association, the California Community Choice Association (CalCCA), filed opening comments on the California Public Utilities Commission's (CPUC) Order Instituting Rulemaking (OIR) establishing a new Resource Adequacy (RA) proceeding (R.25-10-003), establishing RA procurement obligations for the 2027 compliance year, and considering program reform. For additional background on the new OIR, please see the November 2025 regulatory update to the Board of Directors on page 319.

CalCCA's comments made the following recommendations:

- Address RA slice-of-day (SOD) transactability issues, as scoped in the OIR, with a modified schedule to allow parties to file updated proposals following the release of the Energy Division report on transactability issues in Q1 2026;
- Include load forecasting issues within the scope to improve processes with the California Energy Commission (CEC) to increase transparency, collaboration, and

certainty in the demand forecast, adjustment, and allocation processes, especially considering the emergence of new data centers and other large loads in the forecast;
- Clarify how local RA central procurement entities are intended to use the aggregated results of load serving entities' local RA data request responses in their procurement decisions;
- Consider within this proceeding updates to the Commission's requirements for showing maximum import capacity to align with the SOD framework; and
- Include demand response, distributed energy resources, and microgrid counting rules within the scope of this proceeding.

CalCCA filed reply comments on November 14, and a prehearing conference was held on November 17, 2025.

SDG&E Energy Resource Recovery Account (ERRA) Forecast

The purpose of the ERRA Forecast proceeding is to review the forecasted costs that SDG&E will incur to procure energy resources (fuel for power plants, purchased power, and greenhouse gas (GHG) Costs & Allowance Revenues) in the coming year. Based on these forecasts, the CPUC approves rates that allow utilities to recover these costs from customers.

SDG&E 2026 ERRA Forecast Case

On November 10, 2025, the CPUC issued a Proposed Decision (PD) approving SDG&E's 2026 ERRA Forecast. The PD adopts SDG&E's updated 2026 revenue requirement forecast of $824.1 million which is $701.8 million higher than its currently effective revenue requirement of $122.3 million. The PD notes that the 2025 forecast revenue requirement authorized in Decision 24-12-040 is significantly lower primarily due to the application of investment tax credits and changes in market price benchmarks in comparison to the 2026 forecast.

Comments on the Proposed Decision were filed on November 17, including comments jointly filed by Community Power and Clean Energy Alliance (the Joint CCAs). The Joint CCA Opening Comments express support for the PD as written, but suggests that in the alternative, the Commission could revise the PD to provide longer-term definitive guidance as to the use and treatment of banked renewable energy credits (RECs). In other words, the Commission could: 1) order SDG&E to prioritize the use of Post-2018 Banked RECs, valuing them at the full, current Renewables Portfolio Standard (RPS) Adder market price benchmark (MPB), until those RECs are exhausted (which, with a similar RPS shortfall as that of 2026, could last SDG&E more than 20 years); or 2) conclusively resolve the valuation of Pre-2019 Banked RECs in this proceeding (and across each IOU's ERRA Forecast proceeding) by requiring SDG&E to apply a credit at the current RPS Adder MBP to the Power Charge Indifference Adjustment (PCIA) vintage corresponding to the year the Pre-2019 Banked REC was generated.

SDG&E continues to argue in Opening Comments that the PD should be revised to allow SDG&E to use pre-2019 banked RECs valued at zero dollars for 2026 RPS compliance.

Reply comments were filed November 24. Joint CCA Reply Comments support the Proposed Decision's treatment of banked RECs and urge the CPUC either to adopt it as is or refine it to provide clear, long-term rules on valuing and allocating RECs across PCIA vintages. The filing also opposes SDG&E's request to value pre-2019 banked RECs at zero and instead recommends valuing all RECs at the full current RPS MPB to protect CCA customers from unjust PCIA increases and to ensure consistent, fair treatment of banked RECs. SDG&E's reply comments ask the Commission to reject the Joint CCA's proposed changes, opposing both a requirement to prioritize use of post-2018 banked RECs and any alternative valuation of pre-2019 bank RECs. SDG&E instead urges the Commission to affirm its flexibility to use the banked RECs from any vintage and to value pre-2019 banked RECs at zero dollars.

The Proposed Decision may be heard as early as the Commission's meeting on December 18.

SDG&E Cost of Capital 2026 Proceeding

On November 14, 2025, the CPUC issued a Proposed Decision (PD) establishing the 2026 ratemaking cost of capital for PG&E, SoCalGas, SCE, and SDG&E and closing this consolidated proceeding.

Across the board, the PD rebuffs SDG&E's positions and supports the outcomes recommended by Community Power in this proceeding.

Although SDG&E requested a Return on Equity (ROE) of 11.25%, the PD sets the ROE at 9.88%, which is not only significantly closer to the ROEs proposed by intervenors and national averages, but also well below SDG&E's current authorized ROE of 10.23%

SDG&E requested a cost of capital/rate of return (ROR) of 8.19%. Community Power supported a ROR of up to 7.16%. The PD sets the ROR at 7.39%.

SDG&E's current capital structure authorization is 52.00% common equity, 2.75% preferred equity, and 45.25% long-term debt. SDG&E requested a capital structure of 54% common equity, 0% preferred equity, and 46% long-term debt. The PD maintains the currently authorized capital structure. The PD notes that the capital structures proposed by PG&E and SDG&E should not be adopted because they do not sufficiently balance ratepayer interests with the intention to maintain an investment grade rating and attract capital. The PD also notes it is not beneficial to ratepayers for SDG&E to reduce its preferred equity to 0.00% and increase its long-term debt and common equity.

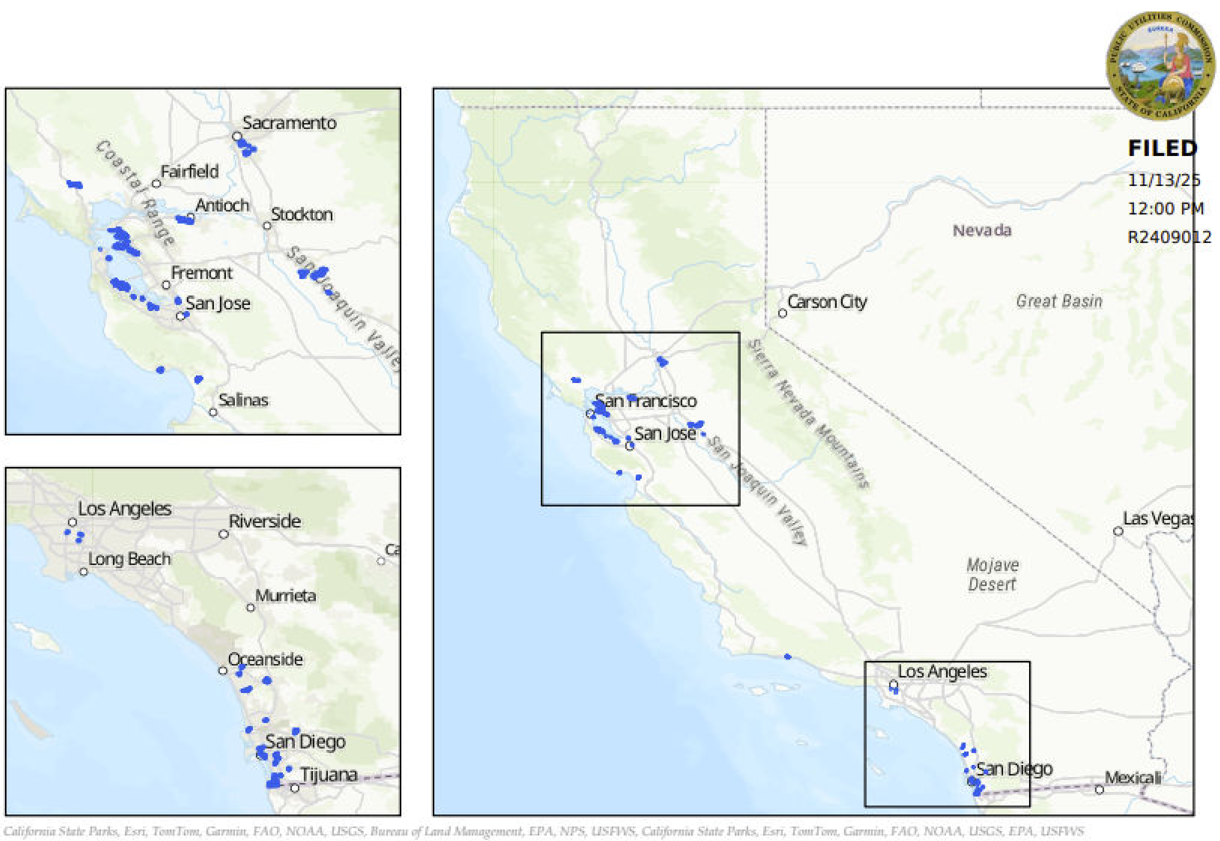
Comments are due December 4, reply comments are due December 9, this decision may be heard as early as the Commission's meeting on December 18.

Long-Term Gas Planning Proceeding

Per Senate Bill 1221, by July 1, 2026, the CPUC is required to designate priority neighborhood decarbonization zones. The CPUC is currently determining implementation details in the long-term gas planning proceeding (Rulemaking 24-09-012). Community Power is jointly participating in the long-term gas planning proceeding with several other Community Choice Aggregators (CCAs).

On November 13, 2025, the California Public Utilities Commission issued a [Proposed Decision (PD)] designating *initial* (emphasis added) priority neighborhood decarbonization zones (PNZs). *The PD has no effect until it is passed at a CPUC voting meeting which will happen no sooner than December 18th.*

This PD designates the initial PNZs and provides both a map showing their locations and a table listing the census tracts included. There are 31 census tracts listed for San Diego (see last five pages of the [census tract list]).



Initial SB 1221 Neighborhood Decarbonization Zones, 2025

Last Update: 11/07/2025
Created by: CPUC Energy Division: Building Decarbonization Section, Gas Policy & Reliability Section

Within 15 days of approval at a CPUC business meeting, PG&E, SoCalGas, and SDG&E must update the maps they submitted on July 1, 2025, to incorporate the initial PNZs; no initial PNZs are designated within Southwest Gas's service territory. All four utilities - PG&E, SoCalGas, SDG&E, and Southwest Gas - are further ordered to engage community partners across diverse locations, gather feedback on local equity considerations, and host at least one SB 1221 information session in each of their service areas by March 15, 2025. Opening comments are due December 3, 2025, and reply comments are due December 8, 2025. Initial considerations for comments include the Commission's use of supportive community partners to narrow down census tracts.

The Joint CCA Working Group, in which Community Power participates, will be filing comments on the PD; a summary of filed comments will be included in the next staff report.

Rulemaking on Demand Response

Opening comments were filed on November 13 on the CPUC opened an Order Instituting Rulemaking (OIR) to enhance Demand Response. Opening comments signal broad stakeholder interest in a more flexible, customer-centric demand response framework that recognizes the full value of flexible load and distributed energy resources while maintaining affordability and competitive neutrality. Stakeholders broadly support the Commission's effort to modernize demand response but warn that the proposed schedule delays key reforms until late 2026 and urge both an accelerated timeline and bridge funding to avoid program disruptions. Across parties, there is strong emphasis on aligning demand response more closely with Resource Adequacy (RA), expanding eligibility for behind-the-meter resources, and explicitly enabling virtual power plants and demand response exports to count toward RA. Commenters also call for updated demand response cost-effectiveness and valuation methods, clearer rules for dual participation and pilots, improved and standardized data access and communication systems, and better coordination with related proceedings.

Reply comments are due December 1 and a prehearing conference to set the scope and schedule of the proceeding is scheduled for December 16.

Smart Meter Decision Petition for Modification Requesting SDG&E to Continue to Provide Real-Time Data to Customers

On November 12, 2025, Community Power and Clean Energy Alliance joined Mission:Data (Joint Parties) in filing an Application for Rehearing of the Decision denying the Petition for Modification submitted by the Joint Parties which denied the request to fix SDG&E's discontinuation of real-time smart meter data access. The Application for Rehearing requests that the CPUC overturn the Decision denying the petition for modification submitted by the Joint Parties, arguing that the Decision is legally flawed and violates due process because it rolls back more than a decade of Commission orders that require utilities to provide customers with real-time usage data. Responses to the Application for Rehearing are due December 1.

Rulemaking to Improve and Update Electric Rule 21

Reply comments were filed on November 10 on the Rulemaking to Update and Improve Electric Tariff Rule 21. CalCCA and other parties had filed opening comments on October 20, generally agreeing that interconnection timeline and benchmarks need revisions, although SDG&E states no changes are needed. Across reply comments, non-utility parties press for accelerated, phased decisions that prioritize near-term fixes and chronic interconnection delays, while the IOUs generally support more incremental reforms and resist punitive measures or major changes in this proceeding. There is significant interest in updating application fees and cost allocation so that smaller non-Net Energy Metering (NEM)/Net Billing Tariff (NBT) projects are not disproportionately burdened, and in clarifying the scope boundaries between Rule 21 and other proceedings.

B) State Legislative Activities Update

None. The Legislature is on Interim Study Recess and reconvenes for the 2026 legislative year on January 5.

C) Federal Activities Update

On November 12, 2025, Congress passed a Continuing Resolution to re-open the government through January 30, 2026. The House of Representatives is now resuming its business after being out of session for seven weeks during the shutdown.

House Energy and Commerce Subcommittee Holds Appliance Efficiency Mark Up

The subcommittee held a markup – a key step in the Congressional process during which committees debate the bill and offer amendments – on several energy efficiency-related bills on Nov 19. They marked up the following bills, which will next be considered by the full committee:

- H.R. 3699, Energy Choice Act (Rep. Langworthy): this would prohibit state or local governments from implementing, adopting, or enforcing any law, regulation, ordinance, building code, or policy that directly or indirectly prohibits or limits access to an energy service based on the type or source of energy that is sold.

- H.R. 4758, Homeowner Energy Freedom Act (Rep. Goldman): this would repeal the following sections of the Inflation Reduction Act:

    - Section 50122, establishing a new high efficiency electric home rebate program;

    - Section 50123, establishing the home energy efficiency contractor training grants; and

- Section 50131, to provide financial assistance to states and localities to adopt certain energy conservation building codes.

- H.R. 4626, Don't Mess with My Home Appliances Act (Rep. Allen): this would amend the Energy Policy and Conservation Act (EPCA) to reform the Department of Energy's (DOE's) procedures for issuing energy efficiency standards. The legislation would prohibit DOE from prescribing any new or amended energy efficiency standards for a product that is not technologically feasible and economically justified. The bill defines a minimum threshold for energy or water savings that must be achieved to justify a new regulation and establishes several new factors that DOE must consider, including the cost to low-income households and the full lifecycle costs associated with requiring consumers to purchase a new qualifying appliance.

House Natural Resources Committee Markup of Environmental Review Reform Legislation

The committee on November 20 marked up and passed H.R. 4776, the Standardized Permitting and Expediting Economic Development (SPEED) Act (Rep. Westerman). The bipartisan bill is intended to speed up reviews and limit legal challenges under the National Environmental Protection Act (NEPA). The changes would apply to a wide range of energy projects on federal lands, including fossil fuel and electric transmission projects. The bill would do the following:

- Shorten permitting timelines and reduce the frequency of litigation
- Simplify the analysis required by NEPA documents
- Establish a 150-day deadline for filing claims in court and establish a new standard of review.

Infrastructure permitting reform will likely continue to be a focus of the Congress.

Federal Energy Regulatory Commission Asked to Launch Rulemaking on Large Loads

On Oct. 23, 2025, U.S. DOE Secretary Chris Wright directed the Federal Energy Regulatory Commission (FERC) to launch a rulemaking process to reduce the time it takes for large loads, including data centers and manufacturers, to connect to the transmission system. The Secretary urged FERC to clarify and standardize rules for the interconnection procedures for large electricity consumers based on 14 principles for reform, including incentivizing co-locating large load and generation facilities where practicable, prioritizing interconnection for facilities that agree to flexible consumption or generation, and imposing requirements to deter speculative projects to improve the accuracy of energy demand forecasts.

The request is spurred by a growth in the deployment of data centers to support the boom in artificial intelligence technology. Data centers are forecasted to increase electricity demand in the near and long-term. It also sets up a potential discussion on the dividing line between federal and state authority on energy policy. States typically regulate the interconnection process since it is a matter of interstate commerce. The National Association of Regulatory Utility Commissioners adopted a resolution urging FERC to ensure their efforts on large load interconnections preserve state authority. FERC was requested to issue a rule by April 30, 2026.

Federal Energy Regulatory Commission Order on SDG&E's Compliance Filing

On November 20, 2025, FERC issued an order on SDG&E's proposed revisions to its Wholesale Distribution Access Tariff (WDAT), finding that SDG&E's elimination of the Independent Study Process for Small Generators is in compliance with FERC Order 2023.

Community Power and Clean Energy Alliance (the Joint CCAs) had filed a protest with FERC regarding SDG&E's proposed revisions to its WDAT on September 18, 2024, as well as filed a Motion for Expedited Consideration on August 1, 2025. The Joint CCAs argued that SDG&E's WDAT revisions would impede the ability of small generators to interconnect to SDG&E's distribution grid in a timely and efficient manner and the operating assumptions for electric storage resources could require generators to pay for costly and unnecessary network upgrades.

FERC ultimately disagreed with the Joint CCAs' primary arguments and found that SDG&E's WDAT revisions are consistent with FERC Order 2023.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 11

To:	Board of Directors
From:	Chandra Pugh, Sr. Director of People Operations & Administration
Via:	Karin Burns, Chief Executive Officer
Subject:	Approve a Sole Source Amendment No. 5 to Agreement with GB Endeavors LLC., for an additional not-to-exceed amount of $95,000 for a total revised not-to-exceed amount of $219,999 and to extend the term through June 30, 2027
Date:	December 11, 2025

Recommendation

Approve Amendment No. 5 to the Agreement with GB Endeavors LLC., to strengthen Community Power's enterprise risk and financial governance capabilities.

The amendment would increase the total Agreement amount by $95,000 and extend the term through June 30, 2027, for a new total revised not-to-exceed amount of $219,999.

Background

Community Power has been working with this vendor, GB Endeavors, since August 2024 and has made extensive progress in building out Community Power's risk management functions. This work is ongoing and is a continuation of existing efforts taking place under the existing Agreement dated August 7, 2024 and subsequent Amendments 1, 2, 3, and 4. Previous amendments increased either the amount or the duration of the Agreement to continue services. The most recent amendment, Amendment 4, increased the total Not-To-Exceed to $124,999 and extended the term through December 31, 2025.

This new amendment, Amendment 5, would increase the total amount of the Agreement by $95,000, for a new Not-To-Exceed amount of $219,999, and extend the term for an additional 18 months, through June 30, 2027.

Analysis and Discussion

This is a sole source amendment with a demonstrated need for compatibility with an existing service that Community Power has already procured. This extension and increase allows GB Endeavors to continue supporting Community Power's leadership and organizational development as the agency strengthens its enterprise-risk and financial-governance capabilities, as they have done since August 2024.

The engagement focuses on three broad areas: (1) executive coaching and strategic advisory support; (2) continued development of enterprise-risk and financial-management processes, including ERMP updates, ROC support, and integration of financial and market insights across departments; and (3) as-needed technical and strategic projects that advance Community Power's organizational maturity. The consultant's work includes the executive team and directors and managers involved in risk, finance, and market operations, ensuring that leadership decisions, systems, and structures evolve together in a cohesive way.

GB Endeavors has developed deep familiarity with Community Power's leadership, enterprise-risk framework, and evolving operational systems, allowing the consultant to provide continuity through a period of significant organizational transition. The engagement bridges executive coaching, risk-governance design, and technical integration—areas that overlap heavily and would lose effectiveness if split among vendors. The consultant's prior experience as a CCA CEO and public-power executive, combined with demonstrated results in aligning and strengthening Community Power's s risk-management culture, make this a uniquely qualified and efficient resource for the agency's next phase of development.

This activity reduces the agency's overall risk, especially as relates to power procurement and rate setting, by supporting the establishment of systems, processes, teams and building core skill sets.

Fiscal Impact

This Agreement would increase the Agreement by $95,000 and would be reflected in the mid-year budget update.

Strategic Plan

This contributes to Community Power's goal of prudently managing risk as relates to the organization's power portfolio and financial stability.

Attachments

A: Amendment 5 to Agreement 2024-09 with GB Endeavors LLC

ITEM 11
ATTACHMENT A

AMENDMENT 5
TO PROFESSIONAL SERVICES AGREEMENT NO. 2024-09
BETWEEN
SAN DIEGO COMMUNITY POWER AND GB ENDEAVORS LLC

THIS AMENDMENT NO. 5 (this "**Amendment 5**") is entered into as of this ________________________ by and between SAN DIEGO COMMUNITY POWER, a California joint powers agency ("SDCP") and GB ENDEAVORS LLC, a California Limited Liability Company ("Consultant"). SDCP and Consultant are sometimes individually referred to herein as the "Party" and collectively as the "Parties."

RECITALS

WHEREAS, the Parties entered into that certain Agreement between SDCP and Consultant dated August 7, 2024 (the "**Agreement**"); and

WHEREAS, the Parties amended the Agreement on December 4, 2024 (the "**Amendment 1**") to extend the term two months and add an hourly billing fee in lieu of a retainer fee when Consultant does not meet the minimum ten hours per month of work; and

WHEREAS, the Parties amended the Agreement on March 25, 2025 (the "**Amendment 2**") to extend the term of the Agreement from March 31, 2025 to June 30, 2025 (a 3-month term extension at no additional cost to the original not to exceed amount); and

WHEREAS, the Parties amended the Agreement on May 12, 2025 (the "**Amendment 3**") to extend the term from June 30, 2025 to September 30, 2025 and increase the Not-To-Exceed amount of the Agreement by $50,000 for a new Not-to-Exceed amount of $100,000 (a 3-month term extension and a fund increase); and

WHEREAS, the Parties amended the Agreement on August 1, 2025 (the "**Amendment 4**") to extend the term from September 30, 2025 to December 31, 2025 and increase the Not-To-Exceed amount of the Agreement by $24,999 for a new Not-to-Exceed amount of $124,999 (a 3-month term extension and a fund increase); and

WHEREAS, pursuant to the Agreement, Consultant provides executive coaching services to SDCP; and

WHEREAS, the parties desire to amend the Agreement to extend the term of the Agreement by eighteen months and increase the Not-to-Exceed amount of the Agreement by $95,000; and

NOW, THEREFORE, it is agreed by and between the parties as follows:

1. Recitals. The Recitals set forth above are true and correct and are incorporated into the body of this Amendment as though expressly set forth herein.

2. Amendment of Section 1.2 (Term). Section 1.2 of the Agreement is amended to extend the term of the Agreement from December 31, 2025, to **June 30, 2027**.

3. Amendment of Section 3.1 and Exhibit B (Compensation). Section 3.1 of the Agreement and Exhibit B is amended to increase the Not-to-Exceed amount by $95,000 from $124,999 to a revised Not-to-Exceed amount of **TWO HUNDRED NINETEEN THOUSAND NINE HUNDRED NINETY-NINE DOLLARS ($219,999)**.

4. Effect of Amendment. Except as expressly set forth in this Amendment 5, all other sections, provisions, exhibits and commitments of the Agreement remain unchanged and in full force and effect.

5. Counterparts. This Amendment 5 may be executed in one or more counterparts, including facsimile counterparts, each of which shall, for all purposes, be deemed an original and all such counterparts, taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Amendment 5 to the Professional Services Agreement between San Diego Community Power and Consultant, through their authorized representatives, as of the date first set forth above.

SAN DIEGO COMMUNITY POWER	**GB ENDEAVORS LLC**
______________________________	______________________________
Name: Karin Burns	Name: ______________________________
Title: Chief Executive Officer	Title: ______________________________
Date: ______________________________	Date: ______________________________

ATTEST:

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Maricela Hernandez
Secretary, SDCP Board of Directors

APPROVED AS TO FORM:

____
Veera Tyagi
SDCP General Counsel

SAN DIEGO COMMUNITY POWER
Staff Report - Item 12

To:	Board of Directors
From:	Jack Clark, Chief Operating Officer Jen Lebron, Sr. Director of Public Affairs Xiomalys Crespo, Senior Community Engagement Manager
Via:	Karin Burns, Chief Executive Officer
Subject:	Community Advisory Committee Quarterly Report
Date:	December 11, 2025

Recommendation

Receive and file the Community Advisory Committee (CAC) quarterly report.

Background

Per Section 5.10.3 of the San Diego Community Power (Community Power) Joint Powers Authority Agreement:

> The Board shall establish a Community Advisory Committee comprised of non-Board members. The primary purpose of the Community Advisory Committee shall be to advise the Board of Directors and provide a venue for ongoing citizen support and engagement in the strategic direction, goals, and programs of SDCP.

At the direction of the Board Chair, the CAC provides quarterly presentations to the Board of Directors on the regular agenda and monthly reports on the consent agenda. The last quarterly report was provided during the September 25, 2025 regular Board meeting.

Analysis and Discussion

At the September 25, 2025, regular meeting of the Board of Directors, the CAC presented a summary of CAC activities from May through August. This report summarizes September through November.

September: Chair Harris (City of La Mesa) welcomed new Community Power staff, and led the unanimous approval of the consent agenda, which included updates on Customer Operations, Marketing, Public Relations and Local Government Affairs, Power Services, Regulatory and Legislative Affairs, and Programs. The CAC received an update on the Solar Battery Savings Program Relaunch, where members asked questions on the demographics of the enrolled contractors, pilot evaluations, and incentive structure, commending staff for the innovative way this program addresses Resource Adequacy constraints through and committing to share information on the program to their communities once it is launched.

The CAC also learned about Revisions to existing Net Energy Metering (NEM) tariff and Revisions to the existing Net Billing Tariff (NBT), and new Net Billing Tariff-Aggregation (NBT)-A and new Net Billing Tariff-Virtual (NBT-V). Members asked for clarification on whether these were SDG&E programs and what effect they would have on shared living structures, such as homeowner associations.

October: After approving the consent agenda, the CAC received an update on the Pilot Projects from the Programs team, which included the Disadvantaged Communities-Single Family Affordable Solar Homes (DAC-SASH), Commercial Application Assistance, and Efficient Refrigeration. Members asked questions on the DAC-SASH program outreach, its vendor, and specifics around third party-owned systems and monitoring setups. Members also asked about the wider, long-term planning strategy for project pilots and commended staff for finding other funding sources available to support them. The CAC also learned about ongoing efforts to implement the San Diego Regional Energy Network (SDREN). Members asked about the governance structure of SDREN, the County of San Diego's involvement in its program administration, and its budget request process.

Lastly, the CAC received an update on the 2024 Power Content Label and Power Source Disclosure Update, where staff shared some key information on changes to the formatting by the California Public Utilities Commission. CAC members asked about general trends in types of renewable energy in California and the impacts to the Power Content Label that projects Community Power has approved will have moving forward as they come online in the coming years.

November: After approving the consent agenda, which included a recommendation that the Board adopt a resolution to approve proposed revisions to existing Renewable Energy Self-Generation Bill Credit Transfer Tariff, the CAC received an informational update on Battery Energy Storage Systems from CleanTech San Diego. Members asked how Community Power can be more proactive in the planning for these projects and about specific audiences included in the survey, as well as audiences receiving the summary of the survey's findings for educational purposes.

The CAC also learned about ongoing Regulatory and Legislative Affairs efforts. Members asked clarifying questions on energy crossing state lines and commended the team for continuing to work in invisible ways to protect ratepayers, encouraging the Public Affairs team to consider storytelling strategies to communicate regulatory successes that prevent adverse impacts to rates and ratepayers.

The Programs team also provided updates on the Smart Home Flex Project, where members asked clarifying questions on water heating technologies, and the California Energy Commission Grant Agreement EPC-25-015, where the CAC discussed the impact of electric vehicles with bigger batteries on this type of program and the conventional charging times.

Lastly, the CAC created the following ad-hoc committees, and will be assigning volunteers:

- 2026 CAC Work Plan Ad-Hoc Committee, which will revise the annual work plan;
- Community Power Plan Review, which will assess progress towards programming implementation; and
- Distributed Energy Resources/Local Infill Ad-Hoc Committee, which will review local procurement strategies.

As of December 5, 2025, the CAC has two vacancies representing the City of Encinitas and the City of Imperial Beach. Members of the public must be residents, community leaders, and/or business owners of the respective jurisdictions and may submit their applications electronically. The vacancies are advertised at meetings, community events, and through Community Power's social media.

Fiscal Impact

N/A

Strategic Plan

Public Affairs Goal 1: Establish Community Power as a trusted public agency that collaborates and engages with other local governments and stakeholders.

Attachments

N/A

SAN DIEGO COMMUNITY POWER

Staff Report – Item 13

To:	Board of Directors
From:	Dr. Eric W. Washington, Chief Financial Officer/Treasurer
Via:	Karin Burns, Chief Executive Officer
Subject:	Fiscal Year End 2024-25 Performance Review
Date:	December 11, 2025

Recommendation

Receive and File: Fiscal Year End 2024-25 Performance Review.

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-end audited financial statements for the twelve-month period ended June 30, 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 and on August 28, 2025. 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) through the Treasurer's Report.

On February 27, 2025, the Board approved an amendment to the FY 2024-25 Operating Budget to adjust total net operating revenues upward to $1,221.3 million and total expenses upward to $1,187.1 million, and a budgeted net position of $34.2 million.

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.

Sorren CPAS P.C. (Sorren) conducted the audit for FY 2024-25. Sorren is a firm with experience auditing CCAs and other local government entities. The FY 2024-25 Financial Audit marks the 5th consecutive clean report with satisfactory outcomes.

The Board officially Received and Filed the Fiscal Year 2024-25 Financial Audit at the November 20, 2025 Board meeting.

Analysis and Discussion

Staff have consistently demonstrated good stewardship over rate-payer funds. Community Power finished its fiscal year end, as of June 30, 2025, with the change in net position of $100.8 million raising the cumulative net position to $476.2 million. The FYE outcome compares favorably to the $34.2 million net position budgeted for the period.

The following is a summary of Community Power's financial performance for FY 2024-25:

Item	Actuals	Budget	Difference ($)
Operating Revenue			
Total Operating Revenues	**$1,243,031,946**	**$1,221,258,173**	**$21,773,773**
Expenditures			
Cost of Energy	$1,101,545,238	$1,116,836,549	($15,291,311)
Non-Energy Expenses	$53,668,137	$69,002,590	($15,334,453)
Subtotal Operating Expense	**$1,155,213,375**	**$1,185,839,139**	($30,625,764)
Nonoperating Revenues			
Investment Income	$13,467,273	$0	
Interest Expense	$436,062	$1,276,000	($839,938)
Nonoperating Revenues	**$13,031,211**	($1,276,000)	
Net Position	**$100,849,782**	**$34,143,034**	**$66,706,748**

The FY2024-25 performance was highlighted by:

- Operating revenues finishing 1.8% over budget driven by lower-than budgeted uncollectibles, lower-than budgeted PowerBase participation, and higher-than expected load usage in the June 2025 summer month.
- Non-Energy expenses finishing 22.2% under budget contributing $15.3 million in savings to the net position. Non-Energy savings were centered in:
    - Professional services and contracts savings of $6.1 million
    - Personnel cost saving of $2.9 million.
    - General and Administrative savings of $1.8 million
    - Marketing and Outreach savings of $1.0 million
    - Timing of the launch of capital investment plan programs/projects contributed $3.5 million
- Cost of energy finishing 1.4% under budget contributing $15.3 million in savings to the net position. Savings were primarily driven by:
    - Renewables – Substantial savings driven by CPUC market price benchmarks lower-than-forecasted resulting in $15.6 million in SDG&E Voluntary Allocation Market Offer (VAMO) savings.
    - Resource Adequacy and Day-Ahead Load Costs – Renewable savings were partially offset by higher-than budgeted resource adequacy costs to close short positions and by day-ahead load costs being higher-than budgeted.
- Unbudgeted non-operating income of $13.0 million generated from the investment income net of $0.4 million in interest expenses.
    - Interest expenses were budgeted at $1.3 million; $0.9 million in savings were generated by reducing the costs associated with dollar amounts of outstanding standby letters of credit posted as collateral.

The above highlights are reflective of good stewardship and staff's diligence in identifying opportunities to reduce non-energy cost as well as carrying out a sound investment strategy of diversifying investments focused on high-investment grade debt instruments yielding returns above 4%. Investment income will be conservatively budgeted at a 3% return for the upcoming budget development cycle.

Although overall fiscal performance for the period was favorable, Community Power continues to be exposed to various risks factors, including financial risks, operational risks, and regulatory risks. These risk factors reiterate the importance of maintaining a reserve level that supports Community Power's strategic goal to build a sustained, financially stable organization.

Fiscal Impact

N/A

Strategic Plan

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

Committee Review

At their December 4 meetings, the Finance and Risk Management and the Community Advisory Committees received and filed this item.

Attachments

N/A

SAN DIEGO COMMUNITY POWER

Staff Report – Item 14

TO:	Board of Directors
FROM:	Dr. Eric W. Washington, Chief Financial Officer/Treasurer Tim Manglicmot, Director of Finance Jeb Spengler, Senior Strategic Finance Manager
VIA:	Karin Burns, Chief Executive Officer
SUBJECT:	Adopt Resolution No. 2025-23, Approving a Fourth Revision to the Financial Reserves Policy
DATE:	December 11, 2025

Recommendation

Adopt Resolution No 2025-23, approving a fourth 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 prior to the start of the fiscal year, which currently 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.

Reserve Policy

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.

Finally, on October 23, 2025, the Board reviewed and approved a third revision to the Financial Reserves Policy that added 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.

Strategic Plan Goals

Directly related to the Financial Reserve Policy, on June 23, 2022, the Board approved Community Power's Mission, Vision, Core Values and Goals for 2023-2027. The key focus areas and goals included:

- Adopt plan to increase reserves to $175 million by October 2023 and $360 million by October 2025, which represented 90-days cash on hand and 180-days cash on hand, respectively when the policy was approved.
- Develop Rate Stabilization Reserve of $70 million to mitigate power cost fluctuations and economic downturns.

Subsequently, on March 27, 2025, the Board approved Community Power's Strategic Plan Goals for FY 2026- 2028 which reaffirmed the reserve goals:

- Build reserves by $150 million to maintain a reserve target of at least 180-days cash on hand by December 2027.
- Develop Rate Stabilization Reserve of $70 million to mitigate power cost fluctuations and economic downturns.

Rate Setting and FY 2025-26 Operating Budget

On February 7, 2025, the Board approved Community Power's 2025 rates which were designed to serve the needs of Community Power's customers by being lower than SDG&E's, and, critically related, allowed for the accrual of reserves to make it highly likely that Community Power could meet its strategic goal of 180-days cash on hand.

Subsequently, on June 26, 2025, the Board approved Community Power's FY 2025-26 Operating Budget which stated that by the end of FY 2025–2026, Community Power was likely to achieve its strategic goal of having 180 days' cash on hand, which would equip Community Power to earn and maintain an investment grade public credit rating.

Finally, on November 20, 2025, staff reported Community Power's Treasurer's Report for the period ending August 31, 2025, which reflected $439.9 million in unrestricted cash and investments and a Fiscal Year 2025-26 year-end reserve target of $498.5 million. The Treasurer's Report reflected that Community Power met 88% of its 180-days cash on hand reserve goal target through that period.

Updated Risk Analysis

As part of Community Power's efforts to strengthen its overall risk management capabilities, staff performed a comprehensive reserve analysis to determine if the existing 180-day cash on hand target should be updated and pursuant to which analysis, staff recommends amending this financial reserve goal to protect the agency against market fluctuations and other risks and provide customers with greater pricing stability.

Analysis and Discussion

Since 2024, Community Power has undertaken a series of strategic initiatives to strengthen its risk management capabilities. These efforts include engaging specialized risk consultants, deploying advanced analytics platforms, and forming a multi-department risk team to systematically identify, assess, and quantify the full spectrum of financial, operational and regulatory risks facing the organization.

Through this comprehensive risk management framework, Community Power conducted a bottom-up risk analysis, leveraging both internal data and market intelligence to evaluate the likelihood and impact of key risk factors such as market price volatility, energy costs, customer participation rates, and operational contingencies. The quantification of these risks revealed that the financial exposures – especially those related to market price benchmark volatility and unforeseen events – necessitate a higher reserve threshold to ensure the agency's resilience and ability to meet its obligations under adverse conditions. This holistic approach, validated by peer benchmarking and credit rating agency criteria, demonstrates that raising the reserve target is both prudent and essential for maintaining financial stability, supporting a strong credit profile, and aligning with industry's best practices.

The following summarizes the specific risk management strategies and reserve validation processes implemented by Community Power.

Risk Management

Multi-Department Risk Team. Community Power has a risk management team composed of subject-matter experts and leaders across Community Power's senior leadership and business units. Additional support is currently being provided by GB Endeavors LLC and is recently bolstered by the cQuant Analytics Platform. This Multi-Department Risk Team plays a critical role in alerting the organization to financial, operational, and regulatory risks.

cQuant Energy Risk Management. On August 3, 2024, Community Power entered into a professional services agreement with cQuant.IO Inc. cQuant.io access provides its cQuant Analytics Platform, which enables Community Power to access and use a variety of models, including econometric, statistical, mathematical, problem solving, and logistical models. Additionally, cQuant.io provides custom software development services to Community Power. With the cQuant Analytics Platform, Community Power is now able to run several price simulation models that consume internal data combined with the most up-to-date market data available to generate robust financial projections, a critical function needed to analyze market risks to inform reserve targets.

Risk Consultant. On August 7, 2024, Community Power entered into a professional services agreement with GB Endeavors LLC. Through this agreement, Community Power onboarded an expert risk consultant to help in enhancing a business-specific risk structure and model similar to Silicon Valley Clean Energy, a community choice aggregator with an established and robust risk framework, and in alignment with American Public Power Association best practices.

Reserve Quantification

Community Power used a Bottom-up Approach to first identify risks posed to the agency, resulting in a risk register to document and track these risks. Subsequently, Community Power evaluated the likelihood and impact of the identified risks based on data informed by various sources. By quantifying the impact levels associated with these risks, Community Power could identify mitigation strategies such as reserves or insurance to directly address these risks.

Through this exercise, Community Power staff recommends that the risks identified in the table below should be mitigated through reserves. These risks provide contingencies and emergency funding to ensure financial stability in the short term while allowing Community Power to identify longer-term mitigation strategies.

Category (Uncertainty)	Risk	Coverage Level	Reserve Level (Millions)
Market Price Benchmark Volatility*	**PCIA & Generation Rate "Snapback Event"**	100%	$420.1
Energy Costs and Retail Revenue*	**Wholesale, Load and Open Position Volatility**	100%	$244.7
Load*	**Participation Rate Drops to 86%**	100%	$51.1
Uncollectible Accounts*	**Increase in uncollectible customer account balances from 1.75% to 5%**	100%	$36.0

Prepay Savings Loss	**Prepay savings loss due to unforeseen event**	100%	$11.8
Operations	**Legal Loss**	100%	$5.0
Operations	**Force Majeure or Cybersecurity Event**	100%	$1.8
* Risk categories may fluctuate marginally due to changes in market conditions		**Total**	**$770.5**
		DCOH	**278**

Through the reserve quantification exercise, staff recommends the establishment of three reserve thresholds:

a. **Minimum Reserve Balance:** Community Power will strive to ensure a minimum reserve balance sufficient to cover at least 180 days cash on hand – a threshold widely recognized as an industry best practice among community choice aggregators, public power utilities and credit rating agencies. This minimum level provides the agency with the ability to meet essential obligations and maintain short-term financial stability while aligning with industry standards and supporting a strong credit profile. Maintaining balances below the minimum balance threshold could threaten the agency's ability to address an unexpected risk event and/or establish and maintain an investment grade credit rating.

b. **Target Reserve Balance:** Community Power will strive to maintain a target reserve balance sufficient to cover at least 225 days cash on hand. The Target Reserve Balance provides sufficient reserves for typical fluctuations in market volatility. This target level ensures the agency's ability to absorb unexpected cost increases or revenue shortfalls without immediate negative impacts on operations, credit rating, or customer rates. Additionally, the target reserve balance is considered sufficient to cover normal cyclical fluctuations to market price benchmark volatility resulting from fluctuations to PCIA and SDG&E rates.

c. **Maximum Reserve Balance:** Community Power will strive to build reserves sufficient to cover no more than 270 days cash on hand, unless specifically authorized by the Board. The Maximum Reserve Balance provides sufficient reserves for significant fluctuations in market volatility or unforeseen circumstances in alignment with the reserve quantification exercise.

   In alignment with the validation of the reserve target and given that certain risk categories are subject to marginal fluctuation due to market conditions, staff are proposing a maximum reserve balance of 270 days cash on hand rather than the 278 days cash on hand in the reserve quantification exercise.

Primary Risk Factors

Market Price Benchmark Volatility. The largest risk factor to Community Power is Market Price Benchmark Volatility through the Power Charge Indifference Adjustment (PCIA) and SDG&E rates. As background, PCIA is a fee established by the California Public Utilities Commission (CPUC) to ensure fairness when customers leave an investor-owned utility (IOU) for a Community Choice Aggregator (CCA) or Direct Access provider. IOUs make long-term power purchase commitments to serve their customers; when some customers depart, the IOU still pays for those contracts. The PCIA recovers the above-market costs of those legacy contracts from departing customers so remaining utility customers aren't left with the financial burden. It's recalculated annually based on the difference between the IOU's portfolio costs and current market value, it significantly affects CCA rate competitiveness and budgeting, and it fluctuates significantly based on market-price volatility.

The CPUC uses a Market Price Benchmark (MPB) as an annual reference price that estimates the current market value of an IOU's energy portfolio. It's used to calculate the PCIA by comparing the IOU's actual portfolio costs to this benchmark, ensuring departing customers pay their fair share of above-market costs.

MPBs from 2021, in particular, are considered to be historically lower than average, particularly for resource adequacy and renewable energy. Even further, the 'actual' 2021 MPBs were considered by the CPUC to be the actual, final market prices from 2021. The 2021 MPBs therefore represent real market prices that have already occurred and therefore have a higher probability of occurring in future periods. The recommended reserve level represents the difference between Community Power's net position given the 2021 market price benchmark volatility and Community Power's net position to cover its cost of service excluding the impacts of market price benchmark volatility.

Energy Costs and Retail Revenue. Community Power also faces significant risks from the combined effects of historically low customer demand and declining energy market conditions. Extended periods of mild summer weather can significantly reduce demand, leading to weaker retail revenues. At the same time, if wholesale energy prices fall below the levels of contracted fixed-price positions, those contracts become "out of the money" and generate financial losses. For this risk to materialize, both suppressed demand and sustained soft market pricing would need to occur simultaneously, leaving the portfolio exposed to margin erosion from both volume and price pressures.

Decrease in Customer Participation Rates. In reviewing other community choice aggregators, the distribution of participation rates ranges from 86% to 98%. Certain events such as sustained negative sentiment toward Community Power can trigger opt-outs and – given that the low end of the participation-rate range is 86% – it's possible that Community Power's participation rate could drop to 86% as well.

Other factors considered. Community Power considered a wide range of risks to the agency through its risk register. However, several of these risks were either considered to be unquantifiable, such as impacts from regulatory reform, or to not require reserves given that Community Power could have sufficient time to address the risk through operational changes. Additionally, other risks to Community Power were addressed through other means, such as through insurance.

Validating the Reserve Target

The validation of Community Power's reserve targets is grounded in a comprehensive, multi-pronged approach that integrates risk analysis, peer benchmarking, and credit rating agency metrics. Starting with the bottom-up risk analysis, Community Power has evaluated risk exposures across revenue, expenses, and other operational threats such as natural disasters. This analysis is complemented by a peer analysis, which compares Community Power's reserve policy and financial metrics to other CCAs and regional public utilities. The benchmarking reveals that most peer organizations set reserve targets between 90 and 270 days cash on hand, with Community Power's proposed targets aligning with the industry practice. Community Power, in particular, is proposing to set its maximum reserve balance at 270 days cash on hand rather than using the 278 days cash on hand as calculated in its reserve quantification exercise. Financial audit comparisons further highlight the need for reserve strengthening, with Community Power's 2024 and 2025 calculations at 101 and 115 DCOH, respectively, and below the recommended range. Regional comparisons with other southern California public power agencies such as Burbank, Los Angeles Department of Water and Power, and Anaheim reinforce the appropriateness of the proposed thresholds, as these entities also recommend minimums of 90 – 150 days cash on hand and ranges up to 240.

In addition to peer benchmarking, Community Power's reserve strategy is validated against credit rating agency criteria specific to public power and community choice aggregators. Moody's, S&P, and Fitch each provide credit rating frameworks that emphasize the importance of liquidity. Moody's AAA rating suggests maintaining cash in excess of 250 days, while S&P's "Very Strong" and "Extremely Strong" assessments require minimums of 150 and over 270 days, respectively. Fitch views liquidity lasting more than 90 days as having a neutral effect on ratings, while liquidity below this limit is considered "weak" and carries greater risk. National medians, as reported by Fitch Ratings, further support these targets, with AA-rated entities holding a median of 296 days cash on hand and A+ at 165 days cash on hand.

Collectively, these analyses confirm that Community Power's reserve thresholds of 180-270 days cash on hand are not only consistent with best practices among peer organizations and regional utilities but also align with the investment grade credit criteria of three nationally recognized credit rating agencies and national public utility medians data.

Reserve Policy Language Revisions

Community Power is updating the language in the financial reserve policy to reflect the holistic risk analysis and validation approach described above. Key updates include the following revisions:

- **Clearer Definition of "Reserves**:" The definition of "reserves" is being updated to align with available liquid assets (unrestricted cash & investment balances) that would be available quickly if needed for emergencies. The previous definition of Reserves included Restricted balances and nonliquid assets that would not be available in an emergency.
- **Updated Reserve Target Thresholds:** the policy now includes the three benchmark thresholds as described above.
- **Reserves Below the Minimum Balance:** The Board should ensure that reserves do not drop below the Minimum Reserve Balance unless determined by the Board and voted on to be necessary to address a critical need.
- **Reserves above the Maximum Balance:** The Board may evaluate opportunities for strategic investments, programmatic reserves, or other purposes as authorized by the Board.
- **Reserves between the Target Balance and Maximum Balance:** The Board may authorize the use of Reserves between the Target Reserve Balance and Maximum Reserve Balance to be designated as Rate Stabilization Reserves. Rate Stabilization Reserves allow Community Power to defer revenues in years of strong financial results for use in future years when financial results are weaker or stressed.

Community Power staff will return with a specific Rate Stabilization Reserves policy for the Board to consider in the first quarter of 2026.

Fiscal Impact

If Community Power were to increase the target threshold balance from 180 days cash on hand to 225 days cash on hand, annual investment earnings on reserves balances would be anticipated to grow by $5.0 million annually at an assumed investment rate of 4.00%, reflecting the current approximate yield to maturity of Community Power's investment portfolio.

Maintaining higher liquidity also supports a stronger credit profile, which can lead to more favorable terms with counterparties, lower borrowing costs and improved access to capital markets and bank products.

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 and the Development of a Rate Stabilization Reserve to mitigate power cost fluctuations and economic downturns.

Committee Review

At their December 4 meeting, the Finance and Risk Management Committee recommended Board adoption of Resolution No. 2025-23, approving a fourth revision to the Financial Reserves Policy. Also on December 4, The Community Advisory Committee received and filed proposed changes to the Financial Reserves Policy.

Attachments

A: Resolution No. 2025-23, Adopting Revisions to Financial Reserves Policy

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

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

ITEM 14
ATTACHMENT A

RESOLUTION NO. 2025-23

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, on June 24, 2021, the Board of Directors (the "Board") approved a Financial Reserves Policy to provide a policy framework for accumulating and maintaining reserves as part of Community Power's annual budget and rate setting processes, and was subsequently amended on February 22, 2022 and on June 27, 2024 to provide for and then to increase the financial reserve goal, and most recently amended on October 23, 2025 to make certain definitional changes; and

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

WHEREAS, this fourth revision to the Financial Reserves Policy establishes specific threshold levels for reserve accumulation and introduces a risk-based analysis framework to ensure that reserve targets are aligned with the financial risks and operational needs of Community Power, thereby strengthening the organization's ability to proactively respond to volatile energy markets and to maintain long-term financial stability.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Diego Community Power as follows:

Section 1. The Board of Directors hereby approves and adopts a fourth revision to the Reserves Policy, as provided in Exhibit A, attached hereto and incorporated herein.

Section 2. If any provision of this resolution, the attached policy, or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the resolution or policy which can be given effect without the invalid provision or application, and to this end the provisions of this resolution and the policy are severable. The Board of Directors hereby declares that it would have adopted this resolution and the attached policy irrespective of the invalidity of any particular portion thereof.

Section 3. 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 December 11, 2025, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

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

ATTEST:

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

APPROVED AS TO FORM:

____
Veera Tyagi, General Counsel
San Diego Community Power

ITEM 14
EXHIBIT A

SAN DIEGO COMMUNITY POWER

BOARD POLICY

POLICY	FINANCIAL RESERVES	ORIGINAL ADOPTION DATE:	JUNE 24, 2021
APPROVAL DATE		RESOLUTION NO.	

PURPOSE AND SCOPE

San Diego Community Power ("Community Power" or "agency") will maintain Financial Reserves (Reserves) as described in this policy.

DEFINITIONS

- **Days cash on hand:** Unrestricted cash, cash equivalents, and investments unencumbered by legal agreements and not earmarked for specific purposes x 365 / (budgeted operating expenses for the current fiscal year)

- **Reserves:** Unrestricted cash, cash equivalents, and investments unencumbered by legal agreements and not earmarked for specific purposes. Any Reserves that are designated by the Board of Directors as Rate Stabilization Reserves are included in the total Reserves calculation and reserve thresholds.

- **Reserve Event:** An occurrence that necessitates the use of Reserves to preserve Community Power's financial stability or to address risk factors. Reserve Events may include, but are not limited to:

    - Volatility in energy costs, market price benchmarks, and energy sales (load)
    - An increase in uncollectable customer accounts due to an unforeseen event
    - Need to stabilize customer rates
    - Ensuring sufficient working capital, including funding for strategic capital projects
    - Covering unanticipated expenditures

- **Rate Stabilization Reserves**: A type of reserve intended to provide budget stabilization for the organization while mitigating financial impacts and cost of energy to customers due to cyclical cost of energy fluctuations. It is intended to reduce rate shocks while maintaining compliance with financial covenants.

POLICY

A. Reserves Balance Thresholds

Community Power's Reserves policy establishes three key thresholds:

Minimum Reserve Balance: Community Power will strive to ensure a minimum reserve balance sufficient to cover at least 180 days cash on hand. This minimum level provides the agency with the ability to meet essential obligations and maintain financial stability.

Target Reserve Balance: Community Power will strive to maintain a target reserve balance sufficient to cover at least 225 days cash on hand. The Target Reserve Balance provides sufficient reserves for typical fluctuations in market volatility. This target level ensures the agency's ability to absorb unexpected cost increases or revenue shortfalls without immediate negative impacts on operations, credit rating, or customer rates.

Maximum Reserve Balance: Community Power will strive to build reserves sufficient to cover no more than 270 days cash on hand, unless specifically authorized by the Board. The Maximum Reserve Balance provides sufficient reserves for significant fluctuations in market volatility or unforeseen circumstances.

B. Purpose and Intent of Reserves Balance Thresholds:

The Board shall determine the contribution to Reserves at least annually, with the goal of maintaining balances between the Target Reserve Balance and Maximum Reserve Balance. However, to the extent fiscal year end reserves fall between the Minimum and Maximum Reserve Balances, no immediate Board action is required.

If Reserves are below the Minimum Reserve Balance:
The Board should ensure that Reserves do not drop below the Minimum Reserve Balance unless determined by the Board to be necessary to address a Reserve Event. The Minimum Reserves Balance is essential to maintain operational requirements and credit worthiness by providing reserves sufficient to meet basic threats of risk.

Should Community Power's Reserves fall below the Minimum Reserve Balance, a plan to restore Reserves to the Minimum Reserve Balance shall be included in subsequent budget and rate discussions to return to the Minimum Reserve Balance as soon as practicable.

If Reserves are above the Maximum Reserve Balance:
If Fiscal Year End Reserves are above the Maximum Reserve Balance, the Board may evaluate opportunities for strategic investments, programmatic reserves, or other purposes as authorized by the Board.

C. Permissible Use of Reserves:

- The Board may authorize the use of Reserves for any Reserve Event.

- The Board may authorize the use of Reserves between the Target Reserve Balance and Maximum Reserve Balance to be designated as Rate Stabilization Reserves. Rate Stabilization Reserves allows Community Power to defer revenues in years of strong financial results for use in future years when financial results are weaker or stressed. This strategy would enable Community Power to address spikes in energy costs or other variable costs through the use of the Rate Stabilization Reserves and mitigating or avoiding substantial rate increases for customers.

D. 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 Chief Financial Officer.

- The Chief Executive Officer ("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 use of the reserves under the CEO's authority shall be reported to the Board at the next regularly scheduled meeting.

- Any further use of reserves as necessary or desirable, must be recommended by the CEO to the Board for approval of such use.

E. Reserve Review and Reporting

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. The results will be reported to the Board as part of the year-end financial report presentation.

F. **Excess Reserve Distribution**

If Fiscal Year End reserves exceed the Maximum Reserve Balance, the Board may authorize excess reserve distributions at their discretion, including for the following purposes:

- **Strategic Uses**: Use excess funds for capital projects, financing programs, paying down existing debt, rate reductions, or other strategic purposes.
- **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.

G. **Policy Review**

Community Power staff will complete a periodic review of this Financial Reserve Policy.

PRIOR VERSIONS

DATE	ACTION	RESOLUTION NO.	POLICY NO.
06/24/21	ADOPTION	N/A	2020-04
02/24/2022	FIRST REVISION	N/A	F21_001
06/27/2024	SECOND REVISION	N/A	F21_001
10/23/2025	THIRD REVISION	2025-20	F21_001

RELATED POLICIES

Investment Policy – Resolution No. 2025-08

ITEM 14
EXHIBIT B

SAN DIEGO COMMUNITY POWER

BOARD POLICY

POLICY	FINANCIAL RESERVES	ORIGINAL ADOPTION DATE:	JUNE 24, 2021
APPROVAL DATE	~~10/23/2025~~	RESOLUTION NO.	~~2025-20~~

PURPOSE AND SCOPE

San Diego Community Power ~~(~~(“Community Power~~)~~” or “agency”) 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 ability 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~~Unrestricted cash, cash equivalents, and investments unencumbered by legal agreements and not earmarked for specific purposes x 365 / (budgeted operating expenses for the current fiscal year)

- **Reserves:** ~~Net position~~

- ~~**Use of**~~ Unrestricted cash, cash equivalents, and investments unencumbered by legal agreements and not earmarked for specific purposes. Any 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,~~ that are designated by 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~~of Directors as Rate Stabilization Reserves are included in the total Reserves calculation and reserve thresholds.

- **Reserve** ~~Reserve. A Stability Reserve mitigates~~**Event:** An occurrence that necessitates the use of Reserves to preserve Community Power's financial ~~and cost of energy~~ stability or to address risk factors. Reserve Events may include, but are not limited to:

    - Volatility in energy costs, market price benchmarks, and energy sales (load)
    - An increase in uncollectable customer accounts due to an unforeseen event
    - Need to stabilize customer rates
    - Ensuring sufficient working capital, including funding for strategic capital projects
    - Covering unanticipated expenditures

- **Rate Stabilization Reserves**: A type of reserve intended to provide budget stabilization for the organization while mitigating financial impacts and cost of energy to customers due to cyclical cost of energy fluctuations ~~and~~. It is intended to reduce rate shocks ~~and may maintain~~ while maintaining compliance with financial covenants.

POLICY

A. Reserves Balance Thresholds

Community Power's Reserves policy establishes three key thresholds:

Minimum Reserve Balance: Community Power will strive to ensure a minimum reserve balance sufficient to cover at least 180 days cash on hand. This minimum level provides the agency with the ability to meet essential obligations and maintain financial stability.

Target Reserve Balance: Community Power will strive to maintain a target reserve balance sufficient to cover at least 225 days cash on hand. The ~~purpose~~Target Reserve Balance provides sufficient reserves for typical fluctuations in market volatility. This target level ensures the agency's ability to absorb unexpected cost increases or revenue shortfalls without immediate negative impacts on operations, credit rating, or customer rates.

Maximum Reserve Balance: Community Power will strive to build reserves sufficient to cover no more than 270 days cash on hand, unless specifically authorized by the Board. The Maximum Reserve Balance provides sufficient reserves for significant fluctuations in market volatility or unforeseen circumstances.

B. Purpose and Intent of Reserves Balance Thresholds:

The Board shall determine the contribution to Reserves at least annually, with the goal of maintaining balances between the Target Reserve Balance and Maximum Reserve Balance. However, to the extent fiscal year end reserves fall between the Minimum and Maximum Reserve Balances, no immediate Board action is required.

If Reserves are below the Minimum Reserve Balance:
The Board should ensure that Reserves do not drop below the Minimum Reserve Balance unless determined by the Board to be necessary to address a Reserve Event. The Minimum Reserves Balance is essential to maintain operational requirements and credit worthiness by providing reserves sufficient to meet basic threats of risk.

Should Community Power's Reserves fall below the Minimum Reserve Balance, a plan to restore Reserves to the Minimum Reserve Balance shall be included in subsequent budget and rate discussions to return to the Minimum Reserve Balance as soon as practicable.

If Reserves are above the Maximum Reserve Balance:
If Fiscal Year End Reserves are above the Maximum Reserve Balance, the Board may evaluate opportunities for strategic investments, programmatic reserves, or other purposes as authorized by the Board.

C. Permissible Use of Reserves:

- The Board may authorize the use of Reserves for any Reserve Event.

- The Board may authorize the use of Reserves between the Target Reserve Balance and Maximum Reserve Balance to be designated as Rate Stabilization Reserves. Rate Stabilization Reserves allows Community Power to defer revenues in years of ~~this reserve~~ strong financial results for use in future years when financial results are weaker or stressed. This strategy would ~~be to provide budgetary stabilization and not to serve as an alternative funding source for new programs.~~enable Community Power to address spikes in energy costs or other variable costs through the use of the Rate Stabilization Reserves and mitigating or avoiding substantial rate increases for customers.

- ~~**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.~~

D. 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~~Chief Financial Officer.

- The Chief Executive Officer ("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.

- Any further use of reserves as necessary or desirable, must be recommended by the

CEO to the Board for approval of such use.

E. Reserve Review and Reporting

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. The results will be reported to the Board as part of the year-end financial report presentation.

F. Excess Reserve Distribution

If Fiscal Year End reserves exceed the Maximum Reserve Balance, the Board may authorize excess reserve distributions at their discretion, including for the following purposes:

- **Strategic Uses**: Use excess funds for capital projects, financing programs, paying down existing debt, rate reductions, or other strategic purposes.

- **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.

G. **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
10/23/2025	THIRD REVISION	2025-20	F21_001

RELATED POLICIES

Investment Policy – Resolution No. 2025-08

SAN DIEGO COMMUNITY POWER
Staff Report - Item 15

To:	Board of Directors
From:	Jack Clark, Chief Operating Officer Lucas Utouh, Senior Director of Data Analytics & Customer Operations Aaron Lu, Rates and Strategy Manager Pete Polonsky, Senior Rates Analyst
Via:	Karin Burns, Chief Executive Officer
Subject:	Update on SDG&E's 2026 Projected Rates
Date:	December 11, 2025

Recommendation

Receive and file an update on SDG&E's 2026 projected rates.

Background

As San Diego Community Power (Community Power) prepares to develop and propose rates for 2026, it is critical to understand current San Diego Gas and Electric (SDG&E) bundled commodity/generation and the Power Charge Indifference Adjustment (PCIA) rates – as both SDG&E bundled generation and PCIA rates play a role in the Community Power rate setting process, particularly as it relates to Community Power's competitiveness. Community Power's Board of Directors last adjusted Community Power commodity/generation rates on February 7, 2025, and those rates came into effect retroactively as of February 1, 2025. SDGE's 2026 electric rates, if and when finalized on December 31 ,2025, are expected to inform Community Power's 2026 rate setting which Community Power staff anticipate bringing to the Board in January of 2026.

Analysis and Discussion

Rate Development Process

The Community Power Board of Directors is responsible for setting the electric generation rates for Community Power's customers. The Chief Executive Officer is responsible for developing proposed rates that are sufficient to recover operational expenses, for the Board to consider before finalization. For Community Power to be fiscally sustainable, the final approved rates should, at a minimum, meet the annual revenue requirements developed by Community Power, including any reserves or coverage requirements set forth in policy and/or loan covenants/debt service. The Board has the flexibility to consider rate adjustments, provided that the overall revenue requirement is achieved. In alignment with the Rate Development Policy, adopted by the Board of Directors on November 17, 2022,[1] Community Power considers the following objectives in its rate setting framework:

- Cost Recovery,
- Reserves,
- Rate Competitiveness and Customer Value,
- Rate Stability,
- Equity Among Customers,
- Rate Structure Simplicity and Comparability,
- Transparency,
- Avoidance of Cost Shifting, and
- Cost of Service.

Additionally, per previous Board direction, staff will, if possible, recommend rates that remain competitive with SDG&E service.

It is important to note that electricity rates are made up of several components, only one of which Community Power has control over (i.e., Community Power's generation rate). The chart below is an example of a current rate tariff composition for a residential customer on TOU-DR-1 to illustrate the various components that affect rates and make up a total customer bill.[1] Staff tracks the changes to the Power Charge Indifference Adjustment (PCIA) rate, as it is the above market cost of power associated with SDG&E's portfolio that both SDG&E's bundled customers and Community Power's customers, who have departed SDG&E's generation service, pay and can affect Community Power's competitiveness. "Above-market cost" refers to expenditures for generation resources that cannot be fully recovered through sales of these

[1] See https://www.sdge.com/sites/default/files/SDCP_SDGE%20JRC%2006.01.2025_Final.pdf for Community Power and SDG&E's Joint Rate Comparisons, which provide this table for each tariff.

resources at current market prices.

Time of Use – TOUDR1-Residential

Residential: TOUDR1	SDG&E 41.4% Renewable	SDCP PowerBase 45% Renewable	SDCP PowerOn 51.1% Renewable + 4.3% Carbon Free	SDCP Power100 100% Renewable
Generation Rate ($/kWh)	$0.14979	$0.15783	$0.16094	$0.17094
PCIA ($/kWh)	$0.00211	-$0.01364	-$0.01364	-$0.01364
SDG&E Delivery Rate ($/kWh)	$0.26381	$0.26378	$0.26378	$0.26378
Franchise Fees ($/%)	$0.00308	$0.00308	$0.00308	$0.00308
Total Electricity Cost ($/kWh)	$0.41880	$0.41106	$0.41416	$0.42416
Average Monthly Bill ($)	**$142.81**	**$140.17**	**$141.23**	**$144.64**

Average Monthly Usage: 341 kWh

Rate Development Timeline

Community Power, like most Community Choice Aggregators (CCAs), usually adjusts rates annually and/or in response to utility rate adjustments. SDG&E is expected to adjust their rates twice in early 2026. The first rate adjustment is their regularly planned January 1, 2026 consolidated rate adjustment, and the second rate adjustment is expected to occur on April 1, 2026 to incorporate rate design changes approved by the California Public Utilities Commission (CPUC) within SDG&E's latest General Rate Case (GRC) Phase 2.

The currently planned schedule for Community Power's 2026 rate setting is as follows:

- October 14, 2025: SDG&E filed its 2026 Energy Resource Recovery Account (ERRA) Forecast Update.
- November 17, 2025: SDG&E filed its advice letter for Preliminary Consolidated Filing to Implement January 1, 2026 Electric Rates.
- December 2025: Community Power staff will brief the committees and Board of Directors on SDG&E's 2026 projected generation and PCIA rate changes.
- December 31, 2025: SDG&E is expected to file its advice letter for Final Consolidated Filing to Implement January 1, 2026 Electric Rates.
- January 1, 2026: SDG&E's expected effective date of implementation of its delivery and generation rates as well as the PCIA.
- January 15, 2026: Community Power Board adopts 2026 rates, effective retroactively as of January 1, 2026.

- March 1, 2026: SDG&E is expected to file the advice letter on its GRC Phase 2 rate design changes, including time-of-use adjustments and the creation of a new medium commercial customer class.

- March 2026: Community Power Board adopts GRC Phase 2 rate design changes, effective as of April 1, 2026.

- April 1, 2026: SDG&E and Community Power implement GRC Phase 2 rate design changes.

2026 Bundled Generation & PCIA Rate Projections

Based on SDG&E's most recent November Preliminary Consolidated Filing to Implement January 1, 2026 Electric Rates, the projected bundled system average generation rates are expected to increase by 12.11% on January 1, 2026. SDG&E attributes bundled system average generation rate increases in 2026 primarily to decreased credits and revenues from lower market values, as well as a lower sales forecast.

2026 SDG&E bundled generation rate change projections are articulated in the table below.

	SDG&E Avg. Commodity Rate ($/kWh)			**SDG&E Avg. Commodity Rate Change (%)**	
Customer Class	10/1/2025 (Current Effective)	1/1/2026 (Oct. ERRA Update)	1/1/2026 (Nov. Prelim)	10/1/2025 - 1/1/2026 (Oct. ERRA Update)	10/1/2025 - 1/1/2026 (Nov. Prelim)
Residential	0.15777	0.18929	0.17168	19.98%	8.82%
Small Commercial	0.13478	0.16134	0.15071	19.71%	11.82%
M/L C&I	0.16156	0.19444	0.19096	20.35%	18.20%
Agricultural	0.11424	0.13634	0.12773	19.35%	11.81%
Lighting	0.10341	0.12408	0.11745	19.99%	13.58%
System Total	**0.15515**	**0.18453**	**0.17394**	18.94%	12.11%

Based on SDG&E's filings, Community Power is expecting to see an increase in PCIA rates for all vintages relevant to its customers, including Vintage Year 2020 (Phase 1 & 2 customers), Vintage Year 2021 (Phase 3 customers), and Vintage Year 2022 (Phase 4 customers).

If SDG&E's ERRA Forecast and Update are approved by the CPUC before this year ends, SDGE's projected bundled generation and PCIA rate changes are expected to be effective on January 1, 2026.

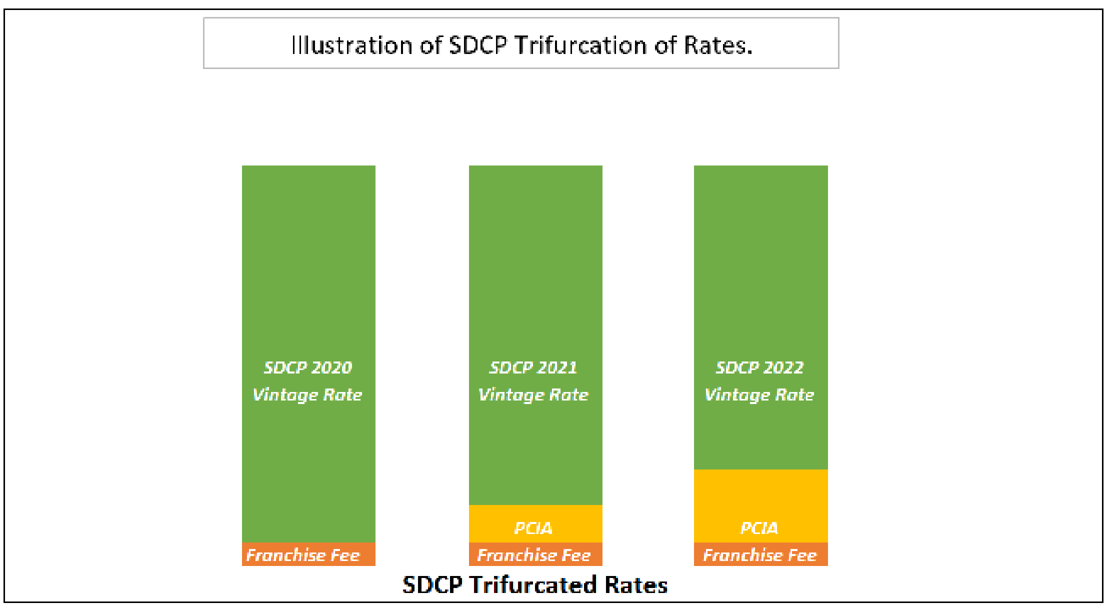
Rate Development Mechanics

In accordance with SDG&E's definition of load transfer from bundled service to Community Power's service per Schedule CCA-CRS, Community Power Phase 1 and 2 customers' Vintage Year is 2020, Phase 3 customers' Vintage Year is 2021, and Phase 4 customers' Vintage Year is 2022. Vintaging denotes the year during which SDG&E recognizes the transition of Community Power customers from bundled service into Community Power service and creates a mechanism for the assessment of the PCIA rate.

Next Steps

Staff will continue to monitor all updates from SDG&E and CPUC throughout the remainder of the year and into 2026 to be able to better analyze and recommend rate changes that are reflective of all the inputs articulated in CPUC's decision(s). Staff expects to present rates to the Community Power Board for adoption at the January 15, 2026 meeting that both meet the revenue and prudent reserve needs of Community Power as well as maintain value for our customers.

As a result of the material deltas expected between PCIA rates for Vintage Years 2020, 2021, and 2022, staff will also recommend that the Board continues to trifurcate three sets of rates. This trifurcation will maintain a fair, equitable, and balanced rate structure that does not create winners and losers across our customers with differing vintage years as illustrated below:



After SDG&E files its March 1, 2026 advice letter relating to rate design adjustments including time-of-use and customer class changes, staff will brief Community Power's committees and request the Board to adopt the appropriate rate design updates, so Community Power rates continue to be aligned with SDG&E's to improve the overall customer experience.

Fiscal Impact

N/A

Committee Review

The Finance and Risk Management and Community Advisory Committees received and filed this update at their December 4 meetings.

Strategic Plan

This activity supports the strategic plan goals of (1) evolving rate strategy to ensure competitiveness, affordability, and fiscal sustainability, and (2) developing customer strategies to increase retention and engagement.

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 16

To:	Board of Directors
From:	Gordon Samuel, Chief Commercial Officer Jennine Camara, Director of Portfolio Management
Via:	Karin Burns, Chief Executive Officer
Subject:	Approval of a Master Service Agreement with Ascend Analytics for Energy Storage Optimization Services
Date:	December 11, 2025

Recommendation

Approve and authorize the Chief Executive Officer (CEO) to execute a Master Service Agreement (MSA) with Ascend Analytics for Energy Storage Optimization Services for an initial three-year term, with one-year automatic renewals; and authorize the CEO to execute work orders for energy storage resources, for a not-to-exceed amount of $2,500,000 over the initial term of the MSA and for a not-to-exceed amount of $2,000,000 for each auto renewal term.

Background

Energy Storage Optimization is required for day-to-day scheduling of Community Power's Battery Energy Storage System (BESS) projects in the California Independent System Operator (CAISO) markets. These projects are regularly paired with a renewable generation source but also include stand-alone BESS projects to manage fluctuating customer demand and market prices. Each of Community Power's planned energy storage projects and optimization needs are unique based on the project location, project size, and terms in the underlying power purchase agreement.

In June 2025, Community Power issued the Request for Proposal (RFP) No.25-009 for Load Forecasting and Scheduling Coordinator Services. Ascend Analytics was selected for Category B Task 3 from 3 shortlisted and interviewed participants (of 10 total Category B respondents) for Energy Storage Optimization Services.

Analysis and Discussion

Day-to-day energy storage optimization of Community Power's BESS projects requires advanced analytics and resource-specific bidding strategies to account for each project's unique configuration and limitations. Energy storage optimization integrates with daily scheduling and bidding of Community Power's energy resource portfolio in CAISO's markets.

The evaluation team recommended Ascend Analytics' SmartBidder for energy storage optimization services based on the platform demonstration and the available framework for active risk and resource strategy management. SmartBidder allows staff to manage and adjust resource-specific bidding strategies and override energy resource bids if, and when, market conditions call for. The service includes nodal price forecasts and will integrate with Tenaska Power Services' (TPS) scheduling systems to inform Community Power's energy storage bids. The SmartBidder optimization balances risk and reward in the day-ahead and real-time markets and ensures that all Resource Adequacy bidding requirements are met. Ascend has an existing partnership with the TPS team, who are responsible for confirming Community Power's resources are bid correctly daily.

SmartBidder pricing was competitive compared to other proposals submitted. New resource optimization charges will begin during the New Resource Implementation (NRI) process about three months prior to each resource's commercial operations date to allow for the development of resource-specific bidding strategies and integration with the TPS scheduling system. Ascend included pricing discounts based on their existing partnership with TPS and the initial term length. Also included is discounted access to Ascend's Market Intelligence price forecasts for use in Power Services long-term resource modeling and planning.

Ascend has been operating in California providing portfolio management and optimization services since 2003. Ascend supports a diverse mix of California clients, including CCAs, investor-owned utilities, developers, and independent power producers. Ascend launched the development of SmartBidder in 2021 and is currently contracted for Bid Optimization support to over 5.1 GW of energy storage assets connected to the electric grid.

Staff negotiated the attached MSA for an initial three-year term, including automatic annual renewals after the initial term. The initial agreement term will start December 31, 2025 and will not exceed $2,500,000. Resource fees are determined by each BESS project megawatt (MW) capacity and whether it is a stand-alone system or is paired with a renewable generation source. Work orders will be issued to authorize Market Intelligence price forecasting and Optimization Services.

The annual renewal fees for successive terms of SmartBidder will increase by no more than 4% and renewal fees for successive terms of the Market Intelligence price forecasts will increase no more than a 7%. Total cost of annual renewals will depend on the number of BESS projects that come online and utilize SmartBidder for daily optimization services and will not exceed $2,000,000.

Fiscal Impact

Total costs associated with this agreement will not exceed $2,000,000 annually. Final annual costs will be based on the number of Community Power's energy storage resources that utilize the SmartBidder optimization services. Optimization fees are determined by megawatt (MW) capacity and resource configuration. Optimization Services fees will increase by no more than 4% for any renewal terms, and Market Intelligence price forecasting fees will increase by no more than 7% for any renewal terms. Costs associated with this agreement have been incorporated into the FY 2025-26 operating budget.

Strategic Plan

This agreement supports Power Services' strategic plan goal to prudently manage the power portfolio to minimize risk and customer costs.

Attachments

A: Agreement 2025-65 - Ascend Analytics LLC SaaS MSA

ITEM 16
ATTACHMENT A

MASTER SERVICES AGREEMENT (SAAS)

This **MASTER SERVICES AGREEMENT** ("**Agreement**") is dated _______________ ("**Effective Date**") and entered into between Ascend Analytics, LLC, a Colorado limited liability company ("**Ascend**") and San Diego Community Power, a California joint powers agency ("**Customer**"). Customer desires to use Ascend's proprietary software as a service platform, pursuant to the terms and conditions of this Agreement. The parties agree as follows:

1. DEFINITIONS.

1.1 "**Affiliate**" means, with respect to a party, any other entity that directly or indirectly controls, is controlled by, or is under common control with such entity, where "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such entity through the ownership of 50% or more of the outstanding voting securities (but only for as long as such entity meets these requirements).

1.2 "**Content**" means content, data, and information owned by Ascend or any of its licensors that is provided or made available by Ascend through use of the Platform or as part of or in connection with Ascend's provision of Services. Content does not include Customer Data.

1.3 "**Customer Data**" means the electronic data and information input into the Platform by or on behalf of Customer. Customer Data does not include Usage Data or Aggregated Data.

1.4 "**Documentation**" means any user materials, instructions, and specifications set forth in the proposal agreed to by the parties and made available by Ascend to Customer for the Services.

1.5 "**Implementation Services**" means Ascend's standard implementation and set-up services for the Platform.

1.6 "**Work Order**" means any written order document executed by Ascend and Customer setting forth the terms and conditions relating to the Services. The Form of Work Order is attached as Exhibit A. Each Work Order is incorporated by reference into this Agreement.

1.7 "**Platform**" means Ascend's proprietary software-as-a-service platform utilized by Ascend to provide the Software to Customer. The Platform does not include Customer's connectivity equipment, internet and network connections, hardware, software, and other equipment as may be necessary for Customer and its Users to connect to and obtain access to the Platform or to utilize the Services.

1.8 "**Professional Services**" means the professional services provided by Ascend as set forth and identified as "professional services" in the applicable Work Order and provided in accordance with Exhibit B. Professional Services do not include Implementation Services and Support Services.

1.9 "**Services**" means, collectively, Implementation Services, Professional Services (if any), access to the Platform, Support Services, and the other services made available on, by, or through the Platform by Ascend under this Agreement.

1.10 "**Software**" means Ascend's proprietary software as a service offering as set forth in the applicable Work Order and made available through remote access by Ascend to Customer and Users as part of the Platform, including any modified, updated, or enhanced versions that may become part of the Software.

1.11 "**Support Services**" means the technical support and Software maintenance services set forth in the applicable Work Order.

1.12 "**Usage Data**" means any content, data, or information that is collected or produced by the Platform in connection with use of the Services that does not identify Customer or its Users, and may include, but is not limited to, usage patterns, traffic logs, and user conduct associated with the Platform. Usage Data does not include Customer Confidential Information.

1.13 "**Users**" means Customer's employees, independent contractors, and other individuals who are authorized by Customer to use the Services on behalf of Customer.

2. SERVICES.

2.1 Provision of Services. Subject to the terms and conditions of this Agreement, Ascend shall provide the Services to Customer and its Users.

2.2 Cooperation. Customer shall provide Ascend with the Customer Data along with access and personnel resources that Ascend reasonably requests for Ascend to provide the Services.

2.3 Resources. Customer is solely responsible for, at its own expense, acquiring, installing, and maintaining all connectivity equipment, internet and network connections, hardware, software, and other equipment as may be necessary for its Users to connect to and access the Platform.

2.4 Third Party Offerings. The Platform may link to, incorporate, or interoperate with third-party software services, applications, or functionality (collectively, "**Third-Party Offerings**"). Customer acknowledges that Ascend does not own or control such Third-Party Offerings, they are made available as a convenience only, and are not part of the Platform. Customer's access to or use of Third-Party Offerings is in Customer's sole discretion. Any acquisition by Customer of Third-Party Offerings, and any exchange of data between Customer and its Users and any Third Party Offering is solely between Customer and its Users and the applicable Third-Party Offering provider. Ascend may disable or restrict access to any Third-Party Offerings on the Platform at any time without notice. Ascend is not liable for Third-Party Offerings or any Customer Data provided to a third party via a Third-Party Offering.

3. GRANT OF RIGHTS.

3.1 Access Rights; Customer's Use of the Platform. Subject to the terms and conditions of this Agreement, Ascend hereby grants to Customer, during the Term (as defined below), a non-exclusive, non-transferable (except as permitted by Section 12.3), non-sublicensable right to access and use the Platform for Customer's and its Affiliates' internal business purposes in accordance with the Documentation and the terms and conditions of this Agreement and the Usage Limitations (as defined below). Ascend and its licensors reserve all rights in and to the Platform and the Services not expressly granted to Customer under this Agreement.

3.2 Restrictions on Use. Customer shall not (a) reproduce, display, download, modify, create derivative works of, or distribute the Platform, or attempt to reverse engineer, decompile, disassemble or access the source code for the Platform or any component thereof; (b) use the Platform, or any component thereof, in the operation of a service bureau to support or process any content, data, or information of any party other than Customer or Customer Affiliates; (c) permit any party, other than the then-currently authorized Users to independently access the Platform; (d) use the Platform in any manner or for any purpose that infringes, misappropriates, or otherwise violates any intellectual property right or other right of any third-party, or that violates any applicable law; (e) exceed the Usage Limitations; or (f) use the Platform to store or transmit any code, files, scripts, agents, or programs intended to do harm, including, for example, viruses, worms, time bombs and Trojan horses. Ascend may, in its sole discretion and upon notice to Customer, impose reasonable limits on the Services, including, but not limited to limiting the number of concurrent live unique strategies enabled within the Customer's node to fifteen (15) and on API usage to no more than 1000 requests per hour to reduce technical risk and ensure platform performance for all users (the "**Usage Limitations**").

3.3 Users. Under the rights granted to Customer under this Agreement, Customer may permit its and its Affiliates' independent contractors and employees to become Users in order to access and use the Platform in accordance with this Agreement; provided that Customer will be liable for the acts and omissions of all Customer Affiliates and Users to the extent any of such acts or omissions, if performed by Customer, would constitute a breach of, or otherwise give rise to liability to Customer under, this Agreement. Customer shall not, and shall not permit any User to, use the Platform, Software or Documentation except as expressly permitted under this Agreement. Customer is responsible for Users' compliance with this Agreement.

3.4 Trial Services. Ascend may make certain Services available to Customer and its Users on a trial basis (the "**Trial Services**"). Trial Services will be identified as such on the applicable Work Order. If Customer is accessing and using the Trial Services, this Section 3.4 applies with respect to the Trial Services and takes precedence over any inconsistent or conflicting terms. Subject to the terms and conditions of this Agreement, Ascend grants to Customer, during the Trial Services Period (as defined below), non-exclusive, non-transferable (except as otherwise provided in Section 12.4), non-sublicensable right to access and use the Trial Services solely for Customer's internal business purpose of evaluating the Trial Services to determine whether to purchase a full right to access and use the Trial Services and subject to any limitations specified in the applicable Work Order. Customer may elect to purchase a full right to access and use the Trial Services by notifying Ascend prior to the expiration of the Trial Services Period and paying the applicable Fees (as defined below) for full access to and use of the Platform in accordance with this Agreement. "**Trial Services Period**" means the period beginning when Customer first orders the Trial Services until the earlier of: (a) the date specified in the applicable Work Order for the end of the Trial Services period; (b) the start date for any purchased Services order by Customer; and (c) either party provides the other with written notice of termination of the Trial Services, which either party may provide at any time in its sole discretion. During the Trial

Services Period, Ascend may discontinue, suspend, or remove access to the Trial Services at any time in Ascend's sole discretion. Fees for any Trial Services will be set forth on the applicable Work Order. CUSTOMER ACKNOWLEDGES THAT THE TRIAL SERVICES MAY NOT INCLUDE OR ALLOW ACCESS TO ALL FEATURES AND FUNCTIONALITY AVAILABLE TO PAYING CUSTOMERS.

4. FEES AND PAYMENT TERMS.

4.1 Price. Customer shall pay Ascend the fees set forth in the applicable Work Order ("**Fees**") in accordance with the terms of this Agreement. Fees are exclusive of, and Customer shall pay all taxes, fees, duties, and other governmental charges arising from the payment of any Fees or any amounts owed to Ascend under this Agreement (excluding any taxes arising from Ascend's income or any employment taxes). Fees for any Services requested by Customer that are not set forth in a Work Order will be charged as mutually agreed to by the parties in writing and in accordance with Exhibit D.

4.2 Payment. Customer shall pay to Ascend all undisputed Fees within forty-five (45) days after Customer's receipt of the applicable invoice for such Services. All payments received by Ascend are non-refundable except as otherwise expressly provided in this Agreement. Customer shall make all payments in United States dollars. Upon any renewal of any Work Order, Ascend may increase the Fees for Services as defined in the Work Order and such Fee increase shall be mutually agreed upon and memorialized by the parties in the Work Order. If Ascend exercises its right to increase Fees in accordance with the foregoing sentence, such increase will become effective upon the Renewal Term (as defined below) for that Work Order, and that Work Order will be deemed amended to reflect such Fee increase. Such fee increase will be applied to the fees under that Work Order in the subsequent term.

5. TERM AND TERMINATION.

5.1 Term. The initial term of this Agreement shall commence on December 31, 2025 and end on December 30, 2028, unless terminated earlier in accordance with this Agreement (the "**Initial Term**"). This Agreement will automatically renew for additional one year periods (each, a "**Renewal Term**") unless a party gives the other party written notice of its intent to not renew at least thirty (30) days prior to the end of the Initial Term or the then-current Renewal Term.

5.2 Work Order Term. The Work Order term will be defined in the Work Order and shall begin on the date Ascend receives a Notice to Proceed (if applicable, and as defined below) for such Work Order and continues for the period set forth in the Work Order ("**Work Order Term**") not to exceed the term of this Agreement. Each Work Order will automatically renew for additional one-year periods (each, a "**Work Order Renewal Term**") not to exceed the term of this Agreement.

5.3 Termination for Cause. A party may terminate this Agreement or Work Order upon notice if the other party breaches any material provision of this Agreement and (provided that such breach is capable of cure) does not cure such breach within thirty (30) days after being provided with written notice of such breach.

5.4 Acceptance. Following the completion of the Implementation Services carried out for Customer's first two storage assets (Pomona 2 BESS and Arrowleaf BESS), Customer will have fifteen (15) Business days (the "Acceptance Period") beginning on the latest start date of live bidding to reject the Services (a "**Notice of Non-Acceptance**"). If Customer chooses not to send a notice within five (5) Business Days following the end of the Acceptance Period, Ascend shall deem the Services to be accepted. In the event that Customer delivers a Notice of Non-Acceptance to Ascend, the Notice of Non-Acceptance shall include specific examples where the Scope of Work, as described in Exhibit C and associated Work Order forms, has not been completed as described. It will also include a description indicating why Customer has rejected the Services so as to allow Ascend to correct and remedy, at Ascend's expense, such Services described in the Notice of Non-Acceptance within thirty (30) days, and, upon Ascend's notice to Customer that Ascend has corrected and remedied or redelivered such corrected and remedied Services, as applicable, Customer shall have a new fifteen (15) day Acceptance Period to evaluate and either accept or reject such corrected and remedied Services, as applicable, in accord with the same process. In the event the Services still do not meet the applicable specifications, Customer, at its sole discretion, shall either extend the cure period for such Services or receive a refund of any payments made for such Services, and may elect to terminate this Agreement in whole or in part for material breach, in accord with Section 5.3. Following the issuance of a notice of non-acceptance, and if non-conformities are not cured within the thirty (30)-day cure period, Customer shall have the right to terminate this Agreement or any Work Orders pursuant to Section 4.

5.5 Early Termination Related to Unsatisfactory Performance. An Event of Unsatisfactory Performance ("**Event**") means an unexcused error, act of negligence, omission, or refusal by Ascend in performing any of the

Services of this Agreement of which Customer notifies Ascend in writing. If on two or more occasions within a six (6)-month period, Customer experiences an Event, Customer may notify Ascend of its dissatisfaction detailing the events or circumstances giving rise to its dissatisfaction, the steps proposed for Ascend to avoid any future Events, and require Ascend to provide Customer with a plan for improving Ascend's performance which specifically addresses steps Ascend will take to avoid future Events ("**Performance Improvement Plan**"). Ascend shall submit a Performance Improvement Plan to Customer within ten (10) calendar days for Customer's reasonable approval and acceptance. If Customer is not reasonably satisfied that the proposed Performance Improvement Plan will remedy the causes of the Events of Unsatisfactory Performance, the Parties shall meet and confer and mutually agree upon changes to the Performance Improvement Plan. Upon Customer approval of the Performance Improvement Plan, Ascend shall promptly commence implementation of the Performance Improvement Plan and complete implementation within sixty (60) days to Customer's reasonable satisfaction. If the Performance Improvement Plan has failed to materially improve the Ascend performance level and remove Customer's cause for dissatisfaction, Customer may terminate this Agreement by sending Ascend thirty (30) days written notice of termination.

5.6 Effects of Termination. Upon termination of this Agreement and all Work Orders: (a) all amounts owed to Ascend under this Agreement before such termination will be due and payable in accordance with Section 4; (b) Customer's rights granted in this Agreement will immediately cease; (c) Customer shall promptly discontinue all access and use of the Platform and return or erase, all copies of the Documentation in Customer's possession or control; and (d) Ascend shall promptly return or erase all Customer Data, except that Ascend may retain Customer Data in Ascend's archived backup files. Sections 3.4, 4, 5.6, and 6 shall survive expiration or termination of this Agreement.

5.7 Suspension. Notwithstanding anything to the contrary in this Agreement, Ascend may suspend Customer's access to the Platform if Ascend determines that: (a) there is an attack on the Platform; (b) Customer's or any of its Users' use of the Platform poses a reasonable risk of harm or liability to Ascend and, if capable of being cured, Customer is not taking appropriate action to cure such risk; (c) Customer has breached Sections 3.2 (a), (b), (c), (d), (f)or 11; (d) Customer's or its Users' use of the Platform violates applicable law; or (e) Customer has failed to pay any undisputed amounts owed under this Agreement when due and has failed to cure such late payment within fifteen (15) days after Ascend has provided Customer with written notice of such late payment. Ascend shall use commercially reasonable efforts to provide Customer with notice of such suspension. Ascend may suspend Customer's access to the Platform until the situation giving rise to the suspension has been remedied to Ascend's reasonable satisfaction. Ascend's suspension of Customer's access to the Platform will not relieve Customer of its payment obligations under this Agreement.

6. PROPRIETARY RIGHTS.

6.1 Customer Data. As between the parties, Customer owns all right, title, and interest in Customer Data, including all intellectual property rights therein.

6.2 Customer Data License Grant. Customer hereby grants to Ascend and its authorized representatives and contractors, during the term of this Agreement, a limited, non-exclusive, non-transferable (except as permitted by Section 12.3) license to use the Customer Data solely for the limited purpose of performing the Services for Customer and fulfilling its other obligations and exercising its rights under this Agreement.

6.3 The Services. All proprietary technology utilized by Ascend to perform its obligations under this Agreement, and all intellectual property rights in and to the foregoing, as between the parties, are the exclusive property of Ascend. Ascend or its third-party licensors retain ownership of all right, title, and interest to all copyrights, patents, trademarks, trade secrets, and other intellectual property rights in and to the Content and the Platform, including without limitation the Software, Documentation, customizations, and enhancements, and all processes, know-how, and the like utilized by or created by Ascend in performing under this Agreement. Any rights not expressly granted to Customer hereunder are reserved by Ascend.

6.4 Aggregated Data. Notwithstanding anything in this Agreement to the contrary, Ascend may analyze Customer Data to create a de-identified or aggregated data set that does not identify Customer or its Users (collectively, "**Aggregated Data**"). Ascend retains ownership of all right, title, and interest in and to Aggregated Data. Ascend may use Aggregated Data for internal business purposes, including, but not limited to, improving and providing the Services and for marketing purposes.

6.5 Usage Data. Ascend retains ownership of all right, title, and interest in and to the Usage Data. Ascend may use Usage Data in connection with its performance of its obligations in this Agreement and for any other lawful business purpose, including, but not limited to, benchmarking, data analysis, and to improve Ascend's services, systems, and algorithms.

7. WARRANTY; DISCLAIMERS.

7.1 Access to the Platform. Ascend warrants that the Platform will perform materially in accordance with the Documentation and this Agreement. Ascend does not warrant that the Platform will be completely error-free or uninterrupted. If Customer notifies Ascend of a reproducible error in the Platform that indicates a breach of the foregoing warranty (each, an "**Error**") within thirty (30) days after Customer experiences such Error, Ascend shall, at its own expense and as its sole obligation and Customer's exclusive remedy: (a) use commercially reasonable efforts to correct or provide a workaround for such Error; or (b) if Ascend is unable to correct or provide a workaround for such Error within sixty (60) days after receiving notice of such Error from Customer, Customer may terminate this Agreement upon notice to Ascend and, Ascend shall refund the amounts paid by Customer for access to the Platform for the period during which the Platform was not usable by Customer. The warranties set forth in this Section 7.1 do not apply to any Third Party Offerings or cover any Error caused by: (i) Customer or its Users; (ii) use of the Platform in any manner or in any environment inconsistent with its intended purpose; (iii) Customer's hardware or software if modified or repaired in any manner which materially adversely affects the operation or reliability of the Platform; or (iv) any equipment, software, or other material utilized by Customer in connection with the Platform contrary to the provider's instructions.

7.2 No Conflict of Interest Ascend represents and warrants that it will not provide the same Services provided under this Agreement to any other battery storage market participants at the same node as Customer (each, a "**Conflict of Interest**"). Ascend shall promptly notify Customer if a Conflict of Interest arises. If Customer objects to the conflict of interest, but Ascend elects to proceed with such new customer, then Customer shall be entitled to terminate this Agreement immediately without liability except for obligations that accrued prior to such termination.

7.3 Right to Customer Data. Customer represents and warrants that it has the right to: (a) use the Customer Data as contemplated by this Agreement; and (b) grant Ascend the license in Section 6.2.

7.4 Disclaimer. EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 7, NEITHER PARTY MAKES ANY WARRANTIES OF ANY KIND AND EACH PARTY SPECIFICALLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT, AND ANY WARRANTIES ARISING FROM COURSE OF DEALING OR COURSE OF PERFORMANCE. CUSTOMER ACKNOWLEDGES THAT, ASCEND, IN CONNECTION WITH THE SERVICES, WILL BE MAKING RECOMMENDATIONS AND PROVIDING ADVICE BUT IS NOT RESPONSIBLE FOR MANAGING CUSTOMER'S ASSETS AND ALL DECISIONS AS TO IMPLEMENTING SUCH ADVICE AND RECOMMENDATIONS AND MANAGING SUCH ASSETS WILL BE MADE BY CUSTOMER AND WILL BE CUSTOMER'S SOLE RESPONSIBILITY. CUSTOMER ACKNOWLEDGES THAT IT IS RESPONSIBLE FOR REVIEWING ANY RECOMMENDATIONS AND ADVICE PRODUCED IN CONNECTION WITH THE SERVICES TO CONFIRM THAT IT IS APPROPRIATE FOR CUSTOMER'S BUSINESS. ASCEND MAKES NO WARRANTY REGARDING THE RELIABILITY, TIMELINESS, SUITABILITY, OR ACCURACY OF THE SERVICE OR ANY ADVICE OR RECOMMENDATIONS PRODUCED IN CONNECTION THEREWITH, ANY RESULTS CUSTOMER MAY OBTAIN BY IN CONNECTION WITH THE SERVICES OR IMPLEMENTING ANY ADVICE OR RECOMMENDATIONS OR THAT THE SERVICES OR ANY ADVICE OR RECOMMENDATIONS WILL ACHIEVE CUSTOMER'S INTENDED RESULTS. ASCEND MAKES NO WARRANTY REGARDING THE RESULTS OR SPECIFIC OUTCOMES THAT CUSTOMER MAY OBTAIN IN CONNECTION WITH THE SERVICES OR THAT SUCH RESULTS WILL MEET CUSTOMER'S EXPECTATIONS.

8. Insurance

8.1 Insurance. Ascend shall maintain insurance coverage consistent with the following:

(a) Terms and Provisions of Policies. All policies of insurance will:

(i) provide that, without thirty (30) days prior written notice sent to Customer, they may not be canceled;

(ii) if Customer requests in writing, with the exception of worker's compensation/employer liability insurance and any professional liability insurance/errors and omissions insurance that may be required, be endorsed to name the following as additional insureds: Customer and its Affiliates; the directors, officers, employees, and agents of Customer and its Affiliates; and the successors and assigns of all of the foregoing (the "**Additional Insureds**");

(iii) with the exception of worker's compensation/employer liability insurance and any professional liability insurance/errors and omissions insurance that may be required, be primary to and not excess to or on a contributing basis with any insurance or self-insurance maintained by any Additional Insured(s);

(iv) as to policies required by this Agreement to name Additional Insureds, provide for severability of interests or cross liability as to all insureds (whether named or otherwise); and

(v) be written on an occurrence basis (except that any professional liability insurance may be required may be written on a claims-made basis) and issued by insurance carriers reasonably acceptable to Customer.

(b) **<u>Specific Coverages</u>**. Ascend shall maintain the following insurance policies:

(i) Commercial General Liability, on an occurrence basis, with a combined single limit of $1,000,000 per occurrence and an annual aggregate limit of $2,000,000. Such policy shall contain a waiver of subrogation endorsement in favor of the Additional Insureds;

(ii) Comprehensive Automobile Liability, with a combined single limit of $1,000,000. Such policy shall contain a waiver of subrogation endorsement in favor of the Additional Insureds;

(iii) Workers' Compensation, in statutorily required amount(s), and employer's liability insurance of not less than $1,000,000 for each instance, provided that if Ascend is not required by law to, and does not, carry Workers' Compensation Insurance, Ascend shall execute and deliver to Customer a Worker's Compensation Insurance waiver provided by Customer. Such policies shall contain a waiver of subrogation;

(iv) Professional Liability/Errors and Omissions insurance covering liability for financial loss due to errors, omissions, wrongful acts, negligent acts, design and software defects, copyright and trademark infringement, including coverage for cyber liability and privacy liability in an amount not less than $3,000,000 in the aggregate; and

(v) Umbrella Excess Liability of not less than $2,000,000. Such coverage shall be on a per "occurrence" basis and over and above and shall not contain endorsements that restrict coverages described in this Section 8. Such policy shall include a waiver of subrogation endorsement in favor of the Additional Insureds.

(c) **<u>Insurance Coverage; Miscellaneous</u>.** Notwithstanding anything to the contrary in this Agreement, the liabilities of Ascend under this Agreement shall not be terminated, reduced, or otherwise limited by any expiration or termination of insurance coverages.

9. INDEMNIFICATION.

9.1 Claims Against Customer. Ascend shall defend any claim, suit, or action against Customer brought by a third party to the extent based on an allegation that the Software infringes any intellectual property rights of such third party (a "**Customer Claim**"), and Ascend shall indemnify and hold Customer harmless, from and against damages, losses, liabilities, and expenses (including reasonable attorneys' fees and other legal expenses) (collectively, "**Losses**") that are specifically attributable to such Customer Claim or those costs and damages agreed to in a settlement of such Customer Claim. The foregoing obligations are conditioned on Customer: (a) promptly notifying Ascend in writing of such Customer Claim; (b) giving Ascend sole control of the defense thereof and any related settlement negotiations; and (c) cooperating and, at Ascend's request and expense, assisting in such defense. In the event that the use of the Platform is enjoined, Ascend shall, at its option and at its own expense either: (i) procure for Customer the right to continue using the Platform; (ii) replace the Software with a non-infringing but functionally equivalent product; (iii) modify the Software so it becomes non-infringing; or (iv) terminate this Agreement and refund the amounts

Customer paid for access to the Platform that relate to the period during which Customer was not able to use the Platform. Notwithstanding the foregoing, Ascend will have no obligation under this Section 9.1 with respect to any infringement claim based upon: (1) any use of the Platform not in accordance with this Agreement; (2) any use of the Platform in combination with products, equipment, software, or data that Ascend did not supply or approve of if such infringement would have been avoided without the combination with such other products, equipment, software or data; (3) any modification of the Platform by any person other than Ascend or its authorized agents or subcontractors; or (4) any Third-Party Offering. This Section 9.1 states Ascend's entire liability and Customer's sole and exclusive remedy for infringement claims or actions.

9.2 Claims Against Ascend. Customer shall defend, any claim, suit, or action against Ascend brought by a third party to the extent that such claim, suit, or action is based upon Ascend's use of any Customer Data in accordance with this Agreement or Customer's use of any Customer Data (a "**Ascend Claim**") and Customer shall indemnify and hold Ascend harmless, from and against Losses that are specifically attributable to such Ascend Claim or those costs and damages agreed to in a settlement of such Ascend Claim. The foregoing obligations are conditioned on Ascend: (a) promptly notifying Customer in writing of such Ascend Claim; (b) giving Customer sole control of the defense thereof and any related settlement negotiations; and (c) cooperating and, at Customer's request and expense, assisting in such defense. Notwithstanding the foregoing, Customer will have no obligation under this Section 9.2 or otherwise with respect to any Ascend Claim to the extent based upon Ascend's use of the Customer Data in violation of this Agreement.

10. LIMITATIONS OF LIABILITY. IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, EXEMPLARY, SPECIAL, OR INCIDENTAL DAMAGES, OR FOR ANY LOST DATA, LOST PROFITS, OR COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, ARISING FROM OR RELATING TO THIS AGREEMENT, HOWEVER CAUSED AND UNDER ANY THEORY OF LIABILITY (INCLUDING NEGLIGENCE), EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING ANYTHING TO THE CONTRARY, THE AGGREGATE LIABILITY OF EITHER PARTY FOR ANY AND ALL CLAIMS ARISING OUT OF OR RELATED TO THIS AGREEMENT SHALL NOT EXCEED THE TOTAL AMOUNT OF FEES PAID BY CUSTOMER TO ASCEND IN THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO THE CLAIM. THE EXCLUSIONS AND LIMITATION OF LIABILITIES SET FORTH IN THIS SECTION 10 DO NOT APPLY TO A PARTY'S OBLIGATIONS UNDER SECTION 9, TO LIABILITY ARISING FROM A PARTY'S BREACH OF SECTION 11, OR TO LIABILITY ARISING FROM CUSTOMER'S BREACH OF SECTION 3.2.

11. CONFIDENTIALITY.

11.1 Definitions. "**Confidential Information**" means all information disclosed by one party ("**Discloser**") to the other party ("**Recipient**") under this Agreement during the term of this Agreement. Confidential Information includes information that is marked or identified as confidential and, if not marked or identified as confidential, information that should reasonably have been understood by Recipient to be proprietary and confidential to Discloser or to a third party. Ascend's Confidential Information includes Software and Documentation. Customer's Confidential Information includes Customer Data.

11.2 Protection. Recipient shall not use any Confidential Information for any purpose not expressly permitted by this Agreement and shall not disclose Confidential Information to anyone other than Recipient's employees and independent contractors who have a need to know such Confidential Information for purposes of this Agreement and who are subject to confidentiality obligations no less restrictive than Recipient's obligations under this Section 11. Recipient will be liable to the Discloser for any of its employees' and independent contractors' acts or omissions, which, if performed by Recipient, would constitute a breach of this Section 11. Recipient shall protect Confidential Information from unauthorized use, access, and disclosure in the same manner as Recipient protects its own confidential or proprietary information of a similar nature and with no less than reasonable care.

11.3 Exceptions. Recipient will have no confidentiality obligations under Section 11.2 above with respect to any information of Discloser that Recipient can document: (a) was already known to Recipient prior to Discloser's disclosure; (b) is disclosed to Recipient by a third party who had the right to make such disclosure without violating any confidentiality agreement with or other obligation to the party who disclosed the information; (c) is, or through no fault of Recipient has become, generally available to the public; or (d) is independently developed by Recipient without access to or use of Confidential Information. Recipient may disclose Confidential Information if required to as part of a judicial process, government investigation, legal proceeding, or other similar process on the condition that, to the extent permitted by applicable law, Recipient gives prior written notice of such requirement to Discloser. Recipient shall take reasonable efforts to provide this notice in sufficient time to allow Discloser to seek an appropriate confidentiality agreement, protective order, or modification of any disclosure, and Recipient shall reasonably cooperate in such efforts at the expense of Discloser.

12. GENERAL.

12.1 Independent Contractor. The relationship of the parties established under this Agreement is that of independent contractors and neither party is a partner, employee, agent, or joint venture partner of or with the other, and neither party has the right or authority to assume or create any obligation on behalf of the other party.

12.2 Subcontractors. Ascend may utilize subcontractors, subprocessors, and other third-party service providers (collectively, "**Subcontractors**") in the performance of its obligations, provided that Ascend will remain liable and responsible for the Subcontractors' acts and omissions to the extent any of such acts or omissions, if performed by Ascend, would constitute a breach of, or otherwise give rise to liability to Ascend under, this Agreement when they are performing for or on behalf of Ascend.

12.3 Publicity. Ascend shall not use Customer's name or insignia, or undertake any publicity pertaining to this Agreement or the Services provided hereunder in any magazine, trade paper, newspaper, television or radio production, website or other similar medium without the prior written consent of Customer.

12.4 Assignment. Neither party may assign this Agreement or any of its rights under this Agreement to any third party without the other party's prior written consent, except that a party may assign this Agreement without consent from the other party to (a) an Affiliate; or (b) any successor to its business or assets to which this Agreement relates, whether by merger, acquisition, or sale of all or substantially all of its assets, or otherwise. Any attempted assignment in violation of the foregoing will be void and of no force or effect.

12.5 Force Majeure. Except for payment obligations, neither party will be liable for any breach of this Agreement, or for any delay or failure of performance, resulting from any cause beyond that party's reasonable control.

12.6 Notices. To be effective, notices under this Agreement must be delivered in writing to the other party at the physical or email address for each party set forth below and will be effective upon receipt. Each party may update its notice address in accordance with this provision.

For Ascend:	**For Customer:**
Gary Dorris	Karin Burns
Ascend Analytics LLC	San Diego Community Power
1877 Broadway, Suite 706	815 E Street, Suite 12716
Boulder, CO 80302	San Diego, CA 92112
legal@ascendanalytics.com	PowerContracts@sdcommunitypower.org

12.7 Governing Law; Venue. The laws of the State of California govern this Agreement and any matters related to this Agreement, without regard to any conflicts of laws principles that would require the application of the laws of a different jurisdiction. The parties hereby submit to the exclusive jurisdiction of, and waive any venue objections against, state or federal courts sitting in San Diego, California in any litigation arising out of this Agreement or the Services.

12.8 Remedies. Each party acknowledges that any actual or threatened breach of Sections 3.2 or 11 will constitute immediate, irreparable harm to the non-breaching party for which monetary damages would be an inadequate remedy, that injunctive relief is an appropriate remedy for such breach, and that if granted, the breaching party agrees to waive any bond that would otherwise be required. If any legal action is brought by a party to enforce this Agreement, the prevailing party will be entitled to receive its reasonable attorneys' fees, court costs, and other legal expenses, in addition to any other relief it may receive from the non-prevailing party.

12.9 Compliance with Laws. Each party shall comply with all laws, rules, and regulations, applicable to that party in connection with this Agreement.

12.10 Waivers. To be effective, any waivers must be in writing and signed by the party to be charged. Any waiver or failure to enforce any provision of this Agreement on one occasion will not be deemed a waiver of any other provision or of such provision on any other occasion.

12.11 Severability. If any provision of this Agreement is unenforceable, the other provisions of this Agreement will be unimpaired, and the unenforceable provision will be deemed modified so that it is enforceable to the maximum extent permitted by law (unless such modification is not permitted by law, in which case such provision will be disregarded).

12.12 Counterparts. This Agreement may be executed in counterparts, each of which will be considered an original, but all of which together will constitute the same instrument.

12.13 Entire Agreement. This Agreement, including any Work Order and any exhibits or attachments thereto, constitutes the final and entire agreement between the parties regarding the subject hereof and supersedes all other agreements, whether written or oral, between the parties concerning such subject matter. No terms and conditions proposed by either party will be binding on the other party unless accepted in writing by both parties, and each party hereby objects to and rejects all terms and conditions not so accepted. To the extent of any conflict between the provisions of this Agreement and the provisions of any Work Order, the provisions of the Agreement will govern unless the Work Order specifically overrides this Agreement. No amendment to this Agreement will be effective unless in writing and signed by the party to be charged.

12.14 Change Management and Non-Standard Work. Non-standard work, new integrations, or scope changes requested by Customer will be delivered via Change Order that describes scope, schedule, and fees. Work begins upon mutual execution.

The parties, by their authorized representatives, have entered into this Master Services Agreement as of the Effective Date.

SAN DIEGO COMMUNITY POWER	**ASCEND ANALYTICS, LLC**
Signature: ______________________	Signature: ______________________
Printed: ______________________	Printed: ______________________
Title: ______________________	Title: ______________________

ATTEST:

Signature: ______________________

Secretary, SDCP Board of Directors

APPROVED AS TO FORM:

Signature: ______________________

San Diego Community Power General Counsel

EXHIBIT A

FORM OF SMARTBIDDER LICENSE WORK ORDER

This Work Order ("**Work Order**") is dated [INSERT WORK ORDER EFFECTIVE DATE] (the "**Work Order Effective Date**") and is between Ascend Analytics, LLC, a Colorado limited liability company ("**Ascend**") and San Diego Community Power, a California joint powers agency ("**Customer**") and governs Customer's access to and use of the Platform and Ascend's provision of the Services under the Master Services Agreement dated [INSERT MSA EFFECTIVE DATE]. Capitalized terms used in this Work Order but not defined have the meaning given to them in the MSA.

CUSTOMER INFORMATION		
Contact:	Enter contact information here	
Billing Address:	Add the company address here	
Shipping Address:	Complete only if physical address differs from billing address (for sales tax). Enter N/A if not applicable.	
Billing Terms:	Choose an item.	
Payment Terms:	Choose an item.	
Invoice Submission Email Address:	List accounting contact email	
With Copies to:	List additional emails here	
PO Required [1]:	No	Contract No. 2025-65
Upload to Vendor Portal Required:	No	
TERM		
• The Initial Work Order Term of this Work Order begins on Ascend's receipt of the Notice to Proceed for this Work Order and continues until December 30, 2028[1]. Implementation Services will commence after receipt of NTP.		

SOFTWARE PRODUCTS		
Product	**Term**	**Price/Percentage**
Choose an item.		
Choose an item.		
Choose an item.		
Choose an item.		
Choose an item.		
Estimated Contracted Value (ECV)		

[1] License fees will be invoiced annually in advance for each full year in the Term. If the Term of any Work Order includes a partial year at the end of the Term, then the final invoice will be prorated in proportion to the number of months for which services are actually authorized under the Work Order.

Upon renewal of this Work Order, Ascend may increase the Fees for Services as defined in the Work Order. If Ascend exercises its right to increase Fees, such an increase will become effective upon the Work Order Renewal Term (as defined in the MSA) for this Work Order, and this Work Order will be deemed amended to reflect a fee increase not to exceed 4%. Such a fee increase will be applied to the fees under that work order in the subsequent term.

[1] If you would like your invoice to reference a purchase order (PO), please provide the information above (Customer to complete). Failure to provide a PO number, or a delay in providing a PO number, does not extend the payment period, which begins on your receipt of the invoice. If you do not provide a subsequent PO number for subsequent Orders, Ascend will continue to reference the original PO number. Ascend references your PO for administrative convenience only, and pursuant to this agreement, no additional terms on your PO apply to this Order.

SOFTWARE, PLATFORM, IMPLEMENTATION SERVICES, AND SUPPORT SERVICES DESCRIPTION	
• Product & Services Description located is located in the SmartBidder Help Center, accessible in the top right corner of the UI https://smartbidder.ascendanalytics.com/	
PROJECT NAME AND INFORMATION	
• Project Name: [INSERT PROJECT NAME] (the "**Project**") • Project Estimated COD: [INSERT ESTIMATED COD DATE]	
ITEM	**DESCRIPTION/VALUE**
ISO	
Site Configuration	
Node Name	
Battery Nameplate Capacity	
Renewables Nameplate Capacity	
EMS Provider/ Site Controller	
Scheduling Coordinator/QSE	
Renewable Forecast Provider	

SAN DIEGO COMMUNITY POWER

Name: ______________________________

Title: ______________________________

Date: ______________________________

By: ______________________________

ASCEND ANALYTICS, LLC

Name: ______________________________

Title: ______________________________

Date: ______________________________

By: ______________________________

EXHIBIT B

PROFESSIONAL SERVICES

Subject to the terms and conditions of the Agreement and if purchased under the applicable Work Order, Ascend shall provide the Professional Services to Customer as follows:

1. **Professional Services.** Ascend shall perform the Professional Services for Customer as described in the applicable Work Order. Each Work Order will contain descriptions of the Professional Services and a description of any Deliverables (as defined below) to be provided by Ascend, the Fees for the Professional Services, and any additional terms and conditions the parties deem appropriate. Customer acknowledges that any schedules or timelines for Professional Services set forth in the applicable Work Order are not firm or fixed performance dates, and are only to be regarded as estimated beginning and completion dates for the Professional Services. All Professional Services and Deliverables will be deemed accepted upon delivery.

2. **Changes.** Each party may request changes that affect the scope or duration of the Professional Services. Neither party shall be bound by any change requested by the other party, unless such change has agreed to in writing by authorized representatives of each party (each, a "**Change Order**"). Each Change Order will be subject to the terms and conditions of this Agreement.

3. **Customer Materials and Assistance**. Customer acknowledges that in order to perform the Professional Services, Ascend may require access to certain content, data, information, and materials of Customer (collectively, "**Customer Materials**"). Customer shall provide Ascend with the Customer Materials, along with any assistance, access, and personnel resources that Ascend reasonably requests in order for Ascend to perform the Professional Services. Customer acknowledges that Ascend's ability to successfully perform the Professional Services is contingent upon Ascend's receipt of such Customer Materials and such assistance, access, and personnel resources. Accordingly, Ascend will not be deemed in breach of this Agreement and will have no liability for failure to perform, or any other deficiencies in, the Professional Services or for damages resulting from: (a) Customer's failure to provide any Customer Materials or any such assistance, access, and personnel resources reasonably requested by Ascend; (b) the acts or omissions of Customer, its agents, or employees; or (c) performance of the Professional Services in accordance with Customer's instructions.

4. **Customer Information.** Customer acknowledges that Ascend may, in performing the Professional Services, be dependent upon or use data, material, and other information furnished by Customer without any independent investigation or verification thereof, and that Ascend may rely upon the accuracy and completeness of such information in performing the Professional Services. Ascend, in performing the Professional Services, will be making recommendations and providing advice, but all decisions as to implementing such advice and recommendations will be made by Customer and will be Customer's sole responsibility and Ascend may rely on all such Customer decisions.

5. **Ownership**. "**Ascend Intellectual Property**" means any ideas, concepts, know-how, knowledge, techniques, tools, approaches, methodologies, templates, operating instructions, standardized features, other technology, or any intellectual property rights created, developed, owned or licensed by Ascend: (a) prior to the Effective Date of the applicable Work Order for Professional Services; (b) during the term of the applicable Work Order for Professional Services but outside the scope of this Agreement and the applicable Work Order for Professional Services; or (c) during the term of the applicable Work Order for Professional Services that have applicability Ascend's provision of any services to its customers generally. Other than Ascend Intellectual Property, all deliverables that Ascend provides specifically and exclusively for Customer and identified as a deliverable under the applicable Work Order (collectively, the "**Deliverables**"), and all patents, copyrights, trade secrets or other proprietary rights in or to the Deliverables, are and will be Customer's sole and exclusive property, and Ascend hereby assigns ownership of such Deliverables to Customer. Notwithstanding the foregoing, Ascend retains all worldwide right, title, and interest in and to the intellectual property rights embodied in the Ascend Intellectual Property. Nothing in this Agreement prevents Ascend from creating derivative works based on the Ascend Intellectual Property, developing, modifying, using, marketing, distributing or otherwise commercially exploiting the Ascend Intellectual Property in any manner. Ascend reserves all rights not expressly granted to Customer under this Exhibit.

6. **Limited Warranty.** Ascend warrants to Customer that: (a) the Services will be performed in a professional manner consistent with industry standards; and (b) the Deliverables, when delivered, will materially conform the specifications set forth in this Agreement and the applicable Work Order. If Customer notifies Ascend of a breach of the foregoing warranty specifying the breach in reasonable detail within thirty (30) days after Ascend performs the Services or delivers the Deliverable, Ascend shall, at its own expense and as its sole obligation and Customer's exclusive remedy for breach of the foregoing warranty: (i) use commercially reasonable efforts to re-perform the

Services or re-deliver the Deliverable which gave rise to the breach; or (ii) if Ascend cannot re-perform such defective Services or re-deliver such defective Deliverable to Customer within sixty (60) days after receiving notice of the breach, Customer may terminate this Agreement upon written notice to Ascend, and Ascend shall refund to Customer the fees paid for such defective Services and/or Deliverables.

EXHIBIT C

SCOPE OF WORK FOR SMARTBIDDER LICENSE AGREEMENTS

The Consultant shall provide a range of services that include, but are not limited to, the following:

Energy Storage Optimization Software Services

The Consultant shall provide energy storage optimization software services via SmartBidder software platform, including:

1. **Compliance-aware bidding.** Ensure required resource adequacy ("RA") volumes are consistently bid while optimizing for market conditions.
   - 1.1. Bid optimization will ensure RA resource is bid to meet resource adequacy must-offer requirements, and
   - 1.2. Bid optimization in the real-time market will dynamically manage state of charge ("SOC") to ensure obligations from day-ahead awards can be met and will take into account market conditions that might lead to deployment of must offer obligations.
2. **Outage-aware adjustments.** Direct integration with CAISO's Outage Management System ("OMS") to incorporate real-time operating limitations into bid strategies.
   - 2.1. SmartBidder will consider the latest planned and unplanned resource outages or derates from CAISO OMS to optimize strategy performance within those constraints and manage SOC.
3. **Market research and adaptability.** Dedicated resources for monitoring CAISO market reforms and updating bidding strategies accordingly.
   - 3.1. Ascend will ensure SmartBidder platform is compliant with CAISO market rules at all time
   - 3.2. SDCP's dedicated SmartBidder analyst will work with SDCP staff to configure strategies to achieve desired risk-return balance, and
   - 3.3. SDCP will receive a weekly newsletter with information about upcoming market opportunities, strategy recommendations, and proposed regulatory changes
4. **Price forecasting and tiered bidding.** Capability to forecast day-ahead market ("DAM"), fifteen-minute market ("FMM"), real-time market ("RTM"), and ancillary services ("AS") prices, constructing tiered bid curves that align with SDCP's risk and revenue strategies.

   [redacted]

   - 4.5. CAISO Price Forecasts include at minimum:

Price Forecasts
EnergyDA
EnergyRT5 (day-ahead)
EnergyRT15 (day-ahead)
Energy RT5 (real-time)
Energy RT15 (real-time)
DART Spread (day-ahead)
Spin DA
Nonspin DA
Regup DA

Price Forecasts
Regdown DA

5. **User interface and override capabilities.** A platform where Community Power can review bids, view predicted schedules, and, if needed, submit alternative bid strategies or overrides.
   5.1. SmartBidder allows SDCP to view all DA and RT energy and ancillary price forecasts for each resource/node,
   5.2. SDCP can view model generated DA and RT bids and offers for each live simulating strategy enabled in SmartBidder and override model generated bids prior to the market submission window directly in the UI for both RT and DA market operations
6. **Risk and strategy customization.** The ability to define risk parameters or bidding strategies within the software to align with Community Power's portfolio objectives.
   6.1. Ascend will train SDCP staff to configure custom bidding strategies upfront during implementation and how to refine and create new strategies.
   6.2. Ongoing Risk and Strategy support includes:

Support provided	Description
Initial risk policies and procedure development	Ascend will provide a framework, guidance, and expert consult to develop risk policies and procedures specific to the resource, as described above, leveraging Ascend's professional experience across many projects and risk profiles
Operational protocol development	Ascend will provide a framework, guidance, and expert consult to develop on operational protocol specific to the resource, which outlines roles and responsibilities for ongoing operations, as well as remediation steps in the event of a failure, including manual operations plan and default bids. Ascend will consult on operational protocols if it is drafted by another party (e.g. scheduler), as requested by SDCP.
Risk reporting metrics and framework	SmartBidder provides a set of financial and risk metrics to establish a framework for ongoing reporting and monitoring
Assistance for risk management committee meetings	Optional attendance from Ascend personnel to risk management committee meetings to provide expert outside support (e.g., detailed explanations of selected strategies, information on risk/performance reports, etc.)
Annual update of risk policies and procedures	Ascend will consult on revising the risk policies and procedures on an annual basis to ensure the document continues to reflect the desired risk posture of the resource and its related parties

Ascend will train SDCP users to use and monitor the risk-return performance of strategies using SmartBidder pre-configured dashboard plats such as the gains and costs water fall and the revenue distribution plots.

TASK 1 DELIVERABLES & TIMELINE		
	Anticipated Deliverable	**Anticipated Completion Date**
1	Provide a storage operations and bidding monitoring dashboard.	February 28, 2026
2	Provide a storage bidding manual override interface.	February 28, 2026
3	Deliver interval-level reporting data for storage awards and net revenues.	February 28, 2026
4	Final User Acceptance Testing in PROD	March 1, 2026
5	Provide Storage estimated profit & loss output and report.	Available in the SmartBidder UI

SmartBidder Implementation:

- SmartBidder will send day-ahead and real-time bids and offers to Tenaska, SDCP's dedicated scheduling agent providing SC services.
- SDCP will be the primary SmartBidder use and is responsible for day-to-day operations.
- SDCP's dedicated Ascend analyst will be responsible for: node setup & configuration, strategy creation, and adding new users.

<u>EXHIBIT D</u>

SMARTBIDDER LICENSE FEE SCHEDULE

License fees for the SmartBidder software [redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

- [redacted]

Integration Fees: SmartBidder requires integration with a battery EMS provider and QSE/Scheduling Coordinator. Ascend works with most leading EMS providers and schedulers active in the utility scale storage market and the base fees assume standard cloud-to-cloud integrations. Custom integrations, such as establishing a dedicated VPN, are charged an upfront fee and per site fee:

- [redacted]

[redacted]

Term Length Discounts: A discount of 5% is offered for any Work Order term length commitment of3 or more years.

Portfolio Volume Discounts: Ascend will honor a portfolio volume discount based on the total number of assets and sizing planned to be added over the course of the Initial Term of the Agreement, in accordance with the discounts in Table 5 below. Discounts apply to SmartBidder software licenses when multiple sites are contracted simultaneously and managed by the same team, minimizing incremental support needs. [redacted]

[redacted]

[redacted]	[redacted]	
	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]

Tenaska Scheduling Partnership Discount: A discount of [redacted] applies on license fees for sites that engage Tenaska for scheduling services. This discount reflects efficiencies created through the partnership and has been included for each of the projects in Customer's portfolio.

Additional advisory support: Additional technical support is available at $325 an hour billed in arrears of $300 an hour when purchased up front in blocks of 60 hours. SDCP will approve all additional support hours in advance of billing.

[redacted]

[redacted]

- [redacted]
- [redacted]

[redacted]

- [redacted]

[redacted]

[redacted]

Optional Add-Ons:

- Long-term Nodal pricing for use in SDCP's long-term portfolio modeling
- Market Intelligence report

SAN DIEGO COMMUNITY POWER

Staff Report – Item 17

To:	Board of Directors
From:	Colin Santulli, Sr. Director of Programs Nelson Lomeli, Sr. Program Manager
Via:	Karin Burns, Chief Executive Officer
Subject:	Update on Smart Home Flex Pilot Project
Date:	December 11, 2025

Recommendation

Receive and file an update on the Smart Home Flex Pilot Project.

Background

Pilot programs were identified as one of the recommended short-term program types in the Community Power Plan ("CPP"), Community Power's five-year strategic plan for customer energy programs. Pilot programs are defined as small-scale, short-duration projects (6-18 months) that can provide Community Power and stakeholders data on program design, technology acceptance, and other helpful information for broader program delivery.

At its January 18, 2024, meeting, the Board received an update on Community Power's Flex Load Strategy. Load flexibility is a critical part of California's clean energy goals, supporting decarbonization, grid reliability, and cost reductions while enabling greater integration of renewable resources. The goal of the Flex Load Strategy is to design and deliver a portfolio of programs that maximizes the size and value of Community Power's flexible resource base. This approach allows for customer load optimization, providing direct bill savings to participants, while reducing procurement risks and costs, lowering rates for the broader community, and aligning with statewide energy policy goals.

A core value of flex load programs is the ability to reshape energy demand to meet both grid operational needs and customer priorities. Flexible load technologies can shed energy usage during periods of high demand or shift usage to periods when the grid is less congested, energy prices are lower, or renewable generation is more abundant.

At its September 27, 2024, meeting, the Board approved an agreement with Virtual Peaker, Inc. to implement a Distributed Energy Resources Management System ("DERMS") platform to support flex load programming.

At its March 2025, the Board approved Community Power's Strategic Plan Goals for FY 26-28, which included a goal of delivering 150 Megawatts ("MW") of local capacity from distributed energy resources ("DERs") and our Virtual Power Plant ("VPP") by 2035.

Analysis and Discussion

To support our strategic goal of delivering 150 MW of local capacity from DERs and our VPP, Community Power launched the Smart Home Flex Pilot (Pilot) in January 2025 for customers with existing smart thermostats. Pilot participants received a $50 enrollment incentive and ongoing participation incentives. Staff worked with device OEMs to recruit Pilot participants from existing smart thermostat owners in the service territory. By April 2025, the program achieved its goal of enrolling 2,000 thermostats and closed to new applications. Due to some thermostat disconnections because of a move, switch in equipment, or other forms of disconnection, the pilot, as of December 2025, has 1,945 thermostats enrolled.

On June 30, 2025, Staff conducted the first Smart Flex Event. Smart Flex Events are called when the day ahead load forecast exceeds a predetermined threshold set by Community Power's Power Services Department, often driven by weather-based increases in demand. When this occurs, Staff sends a signal through Community Power's DERMS platform to all enrolled thermostats increasing temperature settings by up to 3 degrees, reducing air conditioning load. Participants can opt out of events on the device itself or through the thermostat app. The relatively mild summer weather led to fewer Smart Flex Events than expected, with only 6 events being called during the summer season ending October 31st.[1] Pilot participants that remained enrolled in the pilot throughout the summer received a $25 participation incentive via check mailed to their address.

Staff expanded the Smart Home Flex Pilot to include heat pump water heaters installed through the statewide TECH Clean California Heat Pump Water Heater Rewards ("TECH") program, which relaunched in July 2025. Working with Energy Solutions, the TECH program administrator, Staff integrated Smart Home Flex as an eligible pathway under the Water Heater Rewards program. Currently, Wi-Fi–enabled Rheem heat pump water heaters are able to enroll and integrate immediately. These water heaters receive and respond to signals through Community Power's DERMS platform.

Additional heat pump water heaters will be eligible to integrate with the installation of EcoPort-compatible command modules. These modules enable water heater models without Wi-Fi to connect to and respond to Community Power's signals. Community Power purchased and received an initial set of 400 modules and plans to begin distributing, on a first come first service basis, to Pilot participants with EcoPort-compatible equipment in December 2025.

[1] The mild weather experienced in San Diego, was also felt statewide leading to no Flex Alerts or other critical grid alerts being called by State Officials over the summer season.

Next Steps: Staff is currently in contract negotiations with a consultant to conduct an impact evaluation to measure and verify the load impacts of thermostats participating in the Smart Home Flex Pilot. This evaluation will quantify demand reduction benefits and inform recommendations for Pilot expansion in 2026. Staff anticipate preliminary evaluation results by Q2 2026.

Pending positive results from the impact evaluation, Staff would request funding to support expansion of the Smart Home Flex Pilot into a full program in the Fiscal Year ("FY") 2026-2027 budget. Adjustments to program design may occur if evaluation results warrant.

Fiscal Impact

The $240,000 Smart Home Flex Pilot Project budget is included in the Pilot Project budget item in the approved FY 25-26 Capital Improvement Plan.

Strategic Plan

The Smart Home Flex Pilot supports the strategic plan goals of delivering 150 Megawatts of local capacity from distributed energy resources and our Virtual Power Plant by 2035. An expanded program will continue to support this strategic goal.

Committee Review

The Community Advisory Committee received an update on the Smart Home Flex Pilot at their November 13, 2025, meeting.

Attachments

N/A

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.