



AGENDA

Special Meeting Board of Directors

**Thursday, February 26, 2026
3:30 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.

AGENDA – BOARD OF DIRECTORS – SAN DIEGO COMMUNITY POWER

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

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 January 15, 2026, 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 Update on Marketing, Public Relations, and Local Government Affairs](#)
8. [Receive and File Treasurer's Report for Period Ending November 30, 2025](#)
9. [Receive and File Community Advisory Committee Monthly Update](#)
10. [Receive and File San Diego Regional Energy Network \(SDREN\) Update](#)
11. [Approve Appointment of the San Diego Community Power Alternate to the City of La Mesa Environmental Sustainability Commission](#)
12. [Adopt Resolution No. 2026-01, Appointing Jeb Spengler as San Diego Community Power's Interim Treasurer](#)
13. [Adopt Resolution No. 2026-02, Amending Teleconference Policy](#)
14. [Approve 2026 Community Advisory Committee \(CAC\) Work Plan](#)

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.

15. Community Clean Energy Grants Update

Recommendation: Receive and File Community Clean Energy Grants Update.

16. Consider and Approve Appointment of Sorayda Santos to the Community Advisory Committee to Fill National City Vacancy

Recommendation: Consider and approve appointment of Sorayda Santos to the Community Advisory Committee (CAC) to fill National City vacancy.

17. Amendment of the FY 2025-26 Operating Budget, the FY 2025-26 Capital Budget, and the FY 2026-30 Capital Investment Plan

Recommendation: Approve Amendment of the FY 2025-26 Operating Budget, the FY 2025-26 Capital Budget, and the FY 2026-30 Capital Investment Plan.

18. Adopt Resolution No. 2026-03, Authorizing Execution of an Energy Prepayment Transaction, Related Documents, and ‘Form of’ Documents Subject to Maximum Issuance Amount, Limitation on Fees, and Minimum Required Savings

Recommendation: Adopt Resolution No. 2026-03, approving parameters under which an energy prepayment transaction can be completed; authorizing and approving documents or “form of” documents supporting the prepay transaction; and directing California Community Choice Financing Authority (CCCFA) to make payments to service providers for issuance costs from prepay bond proceeds.

19. Adopt Resolution No. 2026-04, Authorizing Execution of the Application and Agreement for Social Security Coverage

Recommendation: Adopt Resolution No. 2026-04, authorizing execution of the Application and Agreement for Social Security coverage for employees of the San Diego Community Power who are members of the San Diego Community Power Money Purchase Plan.

20. Adopt Resolution No. 2026-05, Amending Inclusive and Sustainable Workforce Policy, and also Updating Energy Proposal Evaluation Criteria

Recommendation: Adopt Resolution No. 2026-05, amending the Inclusive and Sustainable Workforce Policy to update workforce commitments for procurement from new-build renewable energy and storage project solicitations and also updating workforce standards for project evaluation in the Energy Proposal Evaluation Criteria.

21. Update on Regulatory and Legislative Affairs

Recommendation: Receive and File Regulatory and Legislative Affairs Update

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.

ADJOURNMENT

The Board of Directors will adjourn until the next regular meeting scheduled for Thursday, March 26, 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 January 15, 2026

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

WELCOME

CALL TO ORDER

Chair Lawson-Remer called the Community Power Board of Directors regular meeting to order at 5:03 p.m.

ROLL CALL

PRESENT: Chair Lawson-Remer, County of San Diego; Vice Chair Yamane, City of National City; Director Elo-Rivera (arrived at 5:07 p.m.), 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 Executive Officer Burns; General Counsel Tyagi; Senior Director of Data Analytics and Customer Operations Utouh, Director of Finance Manglicmot; Senior Financial Analyst Do; Director of Portfolio Manager Camara; Clerk of the Board Hernandez; and Assistant Clerk of the Board Vences

PLEDGE OF ALLEGIANCE

Director Inzunza 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

- Recognition of Aida Castañeda for her Service to the Community Advisory Committee

Chair Lawson-Remer presented outgoing Community Advisory Committee Member, Aida Castañeda with a proclamation and expressed appreciation for her contributions and years of dedicated service.

- Introduction of New Community Power Staff

Chair Lawson-Remer welcomed new employees Kaily Wakefield, Paralegal and Paige Spounias-Flynn, Procurement Analyst, to introduce themselves.

ITEMS TO BE ADDED, WITHDRAWN OR REORDERED ON THE AGENDA

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

PUBLIC COMMENTS

There were no public comments.

CONSENT CALENDAR

1. Approve December 11, 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 Update on Marketing, Public Relations, and Local Government Affairs
8. Receive and File Treasurer's Report for Period Ending October 31, 2025
9. Receive and File Update on Regulatory and Legislative Affairs

10. **Approve the Marketing Community Initiative Partnership with TEGNA through December 31, 2026, in an Amount not to Exceed \$175,044, and Authorize the Chief Executive Officer to Execute the Agreement**
11. **Approve Request for Board Members Travel to CalCCA Annual Conference May 12-14, 2026, in Sacramento, CA**
12. **Approve Amendment No. 1 to the Professional Services Agreement with Financial Credit Network to remove the Not-To-Exceed Amount for Debt Collection Services for San Diego Community Power**

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

Motioned by Director Inzunza and seconded by Director Suzuki 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

13. Election of Officers for Community Power for Calendar Year 2026

Ross Pike and Serena Pelka provided public comments.

Chair Lawson-Remer called for nominations for the office of Chair.

After Board member comments, motioned by Vice Chair Yamane and seconded by Director Inzunza to appoint Chair Lawson-Remer as Chair for calendar year 2026. 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

Chair Lawson-Remer called for nominations for the office of Vice Chair.

Motioned by Director Suzuki and seconded by Director Inzunza to appoint Vice Chair Yamane as Vice Chair for calendar year 2026. 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

14. Review and approve 2026 Community Power rates, to be retroactively effective as of January 1, 2026

Ms. Burns introduced the item and turned it over to Messrs. Utouh and Manglicmot to present the 2026 Community Power rates.

There were no public comments on Item No. 14.

After Board member discussion, motioned by Vice Chair Yamane and seconded by Director Suzuki to approve 2026 Community Power rates, to be retroactively effective as of January 1, 2026. 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

15. Approve Professional Services Agreement with PS Hummingbird for Enterprise Resource Planning Implementation and Other As-Needed Services for a Total Not-To Exceed Contract Amount of \$1,000,000

Messrs. Manglicmot and Do provided an overview of the proposed Professional Services Agreement with PS Hummingbird.

There were no public comments on Item No. 15.

After Board member discussion, motioned by Vice Chair Yamane and seconded by Director Inzunza to approve Professional Services Agreement with PS Hummingbird regarding Enterprise Resource Planning (ERP) Implementation and other as-needed services for a total not-to-exceed contract amount of \$1,000,000 and authorize the Chief Executive Officer to execute the contract. 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

16. Approve of Professional Services Agreement with Tenaska Power Services for Scheduling Coordinator Services

Ms. Camara provided an overview of the proposed Professional Services Agreement with Tenaska Power Services for Scheduling Coordinator Services.

There were no public comments on Item No. 16.

Motioned by Director Suzuki and seconded by Director Inzunza to approve a Professional Services Agreement with Tenaska Power Services for Scheduling Coordinator Services for an initial three-year term, with one-year auto renewal term, and authorize the Chief Executive Officer to execute the agreement for a not-to-exceed amount of \$2,000,000 over the initial term and a not-to-exceed amount of \$1,500,000 for each auto renewal term. 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

CHIEF EXECUTIVE OFFICER REPORT

Ms. Burns reported on Community Power's recent activities and events.

DIRECTOR COMMENTS

None.

ADJOURNMENT

The meeting was adjourned at 6:27 p.m. to the next regular meeting scheduled for Thursday, February 26, 2026, at 5 p.m.

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: February 26, 2026

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 Project, funded by the California Department of Food and Agriculture (CDFA), is closing as all equipment funding was expended and grant requirements have been met. A total of 32 participants received energy-efficient refrigeration equipment and 20 participants elected to receive American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Level 1 energy assessments. The equipment and energy assessments were at no cost to the participants and were fully covered by the grant.

Next Steps: Staff will finalize the remaining projects and complete all grant closeout and final reporting requirements through the end of the grant period in March 2026.

Residential Programs

California Energy Commission (“CEC”) Equitable Building Decarbonization Direct Install (“EBD DI”) Program

Status & Next Steps: Please refer to [Item 2](#) of the December BOD 2025 agenda packet for the most recent update on this program.

Flexible Load Programs

Smart Home Flex Pilot Project

Status: Staff processed and sent incentives to Smart Home Flex Pilot Project (Smart Home Flex) enrollees that remained enrolled in the pilot during the Smart Flex summer season. Staff began evaluating the Pilot in January 2026 and expect to have preliminary results in early Q2 2026. Learnings from the evaluation will inform the potential expansion of Smart Home Flex.

Staff shipped out the first Universal Communication Modules (UCM) to customers that enrolled their heat pump water heater into Smart Home Flex. The UCM allows Community Power to contact the water heater and pre-heat water to avoid electricity usage during peak periods.

Next Steps: Complete impact evaluation of thermostats participating in the Smart Home Flex Pilot. Monitor the installation of UCMs and provide support as needed.

EV Flex Connect Pilot Project

Status & Next Steps: Please refer to [Item 2](#) of the December BOD 2025 agenda packet for the most recent update on this program.

Solar and Energy Storage Programs

Net Energy Metering (“NEM”) and Net Billing Tariff (“NBT”)

Status & Next Steps: Please refer to [Item 13](#) of the September 2025 BOD agenda packet for the most recent update on this program.

Solar Battery Savings (“SBS”) Program

Status: The SBS program began accepting applications on September 30, 2025. To date, the program has received over 580 applications, 369 of which have been approved. Of the 54 contractors approved to participate in the program, 45 have submitted applications. Seventy percent of applicants are market rate. Sixty-six percent of projects are for new solar and storage systems (as compared to storage being added to existing solar systems).

In January 2026, Community Power posted an invitation via the Power Network for organizations to bid to offer a series of SBS customer workshops to build awareness of the program and the benefits of residential solar and storage, in general. Workshops will be targeted in communities of concern with the goal of increasing non-market rate applications.

Next Steps: In February 2026, 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. Community Power expects to start SBS customer workshops in Q2 2026. Staff expect to seek a vendor to support a bill impact analysis study for SBS participants.

Solar Advantage Program (previously DAC-GT)

Status: Staff shortlisted and helped kick off meetings with developers who bid projects in RFO #2. Following requirements outlined in California Public Utilities Commission (“CPUC”) Resolution E-5367, Staff developed a DAC-GT Confidential Benchmark Value Reference Price (CBVRP) in concert with NewGen Strategy.

Next Steps: Staff will continue working on contract negotiations with shortlisted developers of RFO #2 in alignment with the planned solicitation schedule. Concurrently, staff plan to file an Advice Letter to request approval of the DAC-GT solicitation documents to the CPUC prior to the launch of RFO #3, tentatively scheduled to be released early CY Q2 2026.

San Diego Regional Energy Network (“SDREN”)

Status: Staff continue activities required for the successful launch of SDREN programs with a focus on procurement. As of February 10, 2026, the following contract from Phase 3 has been executed with the selected vendor:

- Efficient Refrigeration Program
 - Vendor: The Energy Coalition
 - Contract Total: \$2,028,045 (direct implementation), \$4,074,678 (incentives)

Please refer to the dedicated SDREN item included in the February 2026 BOD meeting agenda packet for additional SDREN updates.

Next Steps: Staff will continue to finalize contract negotiations with the selected vendors from the Phase 3 solicitation. All contracts from Phase 1 and 2 have been executed. Staff anticipate the remaining Phase 3 contracts to be executed by March 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.’

The remaining SDREN contracts are expected to be executed with selected vendors with amounts not exceeding the budgets stated in the solicitations:

Phase 3

- 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: February 26, 2026

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.

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

Local RFI

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.

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/>

Solar Advantage Program (previously DAC-GT)

Status: Staff notified developers who were shortlisted on December 19, 2025, and held initial kick off meetings for shortlisted bids received from RFO #2. Following the California Public Utilities Commission ("CPUC") issuance of Resolution E-5367 establishing new DAC-GT cost containment requirements, Staff successfully developed the Confidential Benchmark Value Reference Price (CBVRP) in concert with NewGen Strategy.

Next Steps: Staff will continue working on contract negotiations with short-listed developers of RFO #2 in alignment with the planned solicitation schedule. Concurrently, staff plan to file an Advice Letter to request approval of the Solar Advantage solicitation documents to the CPUC prior to the launch of RFO #3, tentatively scheduled to be released early CY Q2 2026.

Short-Term RPS Procurement

Community Power staff continue to actively manage its environmental position and closely monitor the market for opportunities to optimize our renewable and carbon-free portfolios. Community Power has 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 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, the 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 market prices are steady but did react temporarily to recent extreme winter weather across the country, which in turn, impacted natural gas prices and marginal electric prices in the West. Markets are closely watching and reacting to seasonal weather 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.

Committee Review

This item was presented to the Community Advisory Committee at their February 12 meeting. The item was received and filed.

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: February 26, 2026

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 January 24, 2026, Community Power is serving a cumulative total count of **967,129** 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.

B) Customer Participation Tracking

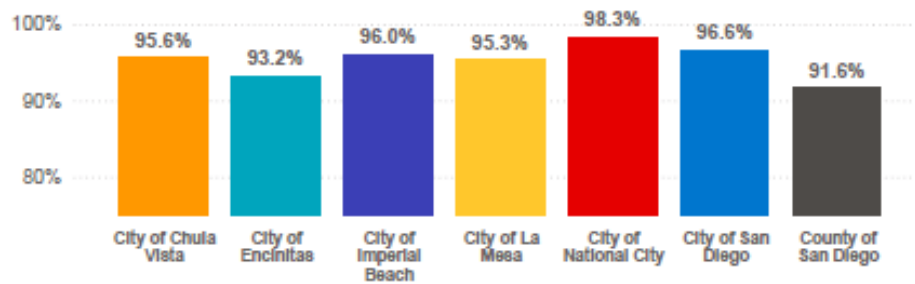
The below charts summarize customer participation by member agency as well as metrics for their elections into San Diego Community Power's four (4) available service options. Re-Enrollment metrics are captured and displayed through December 31, 2025.

**Enrolled
Accounts**
967,129

**Participation
Rate**
95.5%

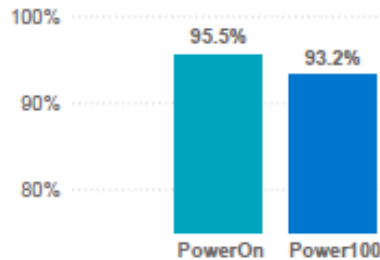
Participation

Participation by Jurisdiction

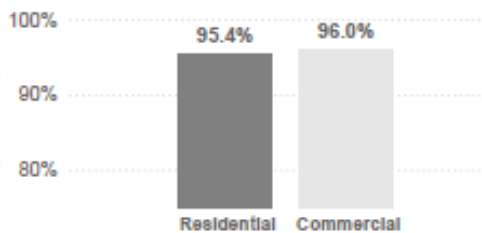


Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	100,145	95,761	95.6%
City of Encinitas	Power100	28,918	26,951	93.2%
City of Imperial Beach	PowerOn	10,815	10,386	96.0%
City of La Mesa	PowerOn	29,621	28,226	95.3%
City of National City	PowerOn	19,690	19,346	98.3%
City of San Diego	PowerOn	632,718	611,265	96.6%
County of San Diego	PowerOn	191,171	175,194	91.6%
Total		1,013,078	967,129	95.5%

Participation by Default Service Option



Residential vs Commercial Participation

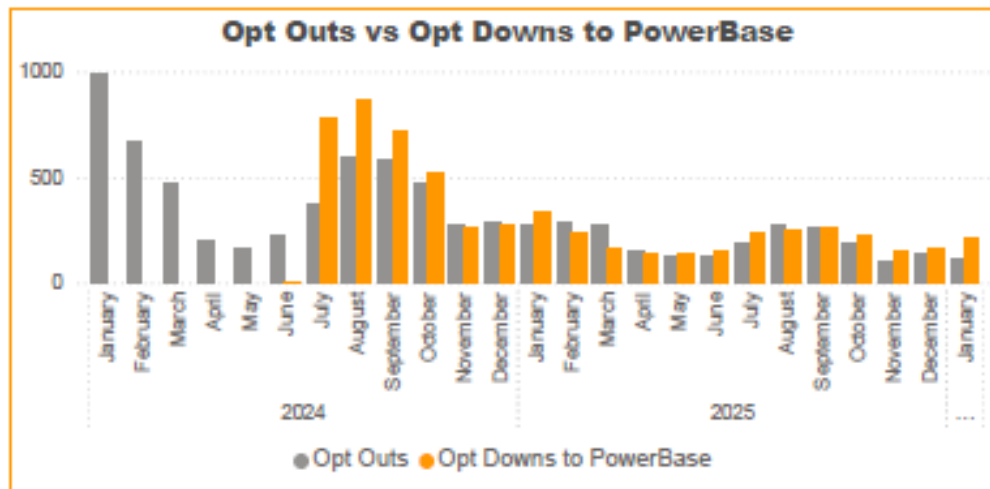


Service Option

PowerBase		PowerOn		Power100		Power100 Green+	
Enrolled	5,254	Enrolled	927,532	Enrolled	34,319	Enrolled	24
Participation	0.5%	Participation	95.9%	Participation	3.5%	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	95,761	474	0.5%	94,373	98.6%	914	1.0%		
City of Encinitas	Power100	26,951	211	0.8%	393	1.5%	26,347	97.8%		
City of Imperial Beach	PowerOn	10,386	40	0.4%	10,262	98.8%	84	0.8%		
City of La Mesa	PowerOn	28,226	147	0.5%	27,814	98.5%	265	0.9%		
City of National City	PowerOn	19,346	62	0.3%	19,254	99.5%	30	0.2%		
City of San Diego	PowerOn	611,265	2,856	0.5%	602,513	98.6%	5,872	1.0%	24	0.0%
County of San Diego	PowerOn	175,194	1,464	0.8%	172,923	98.7%	807	0.5%		
Total		967,129	5,254	0.5%	927,532	95.9%	34,319	3.5%	24	0.0%

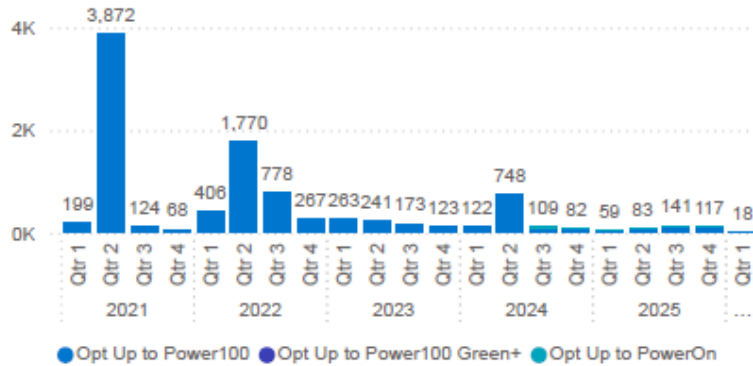


Opt Up History

Total Opt Ups
9,763

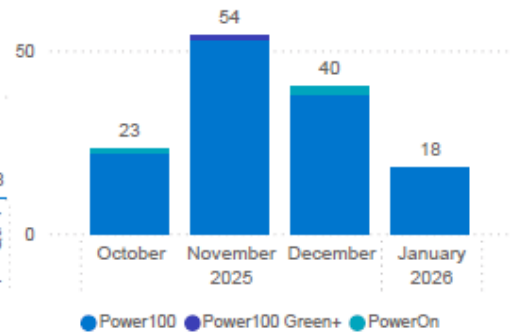
Opt Ups Current*
8,066

Opt Ups Quarterly



Opt Ups Monthly

Last 4 Months



Opt Ups by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025	2026 YTD	Total
City of Chula Vista	710	175	61	49	31	2	1,028
City of Encinitas	18	1	1	3	1	1	25
City of Imperial Beach	60	29	11	6	6	2	114
City of La Mesa	155	120	19	12	8		314
City of National City			12	24	2		38
City of San Diego	3,316	2,896	489	340	309	9	7,359
County of San Diego	4		207	627	43	4	885
Total	4,263	3,221	800	1,061	400	18	9,763

Opt Ups by Customer Class

Customer Class	2021	2022	2023	2024	2025	2026 YTD	Total
Commercial	4,256	296	232	701	159	5	5,649
Residential	7	2,925	568	360	241	13	4,114
Total	4,263	3,221	800	1,061	400	18	9,763

Opt Ups by Method

Opt Method	2021	2022	2023	2024	2025	2026 YTD	Total
CSR	4,232	1,372	301	817	213	5	6,940
IVR	4	85	84	42	29	1	245
Web	27	1,764	415	202	158	12	2,578
Total	4,263	3,221	800	1,061	400	18	9,763

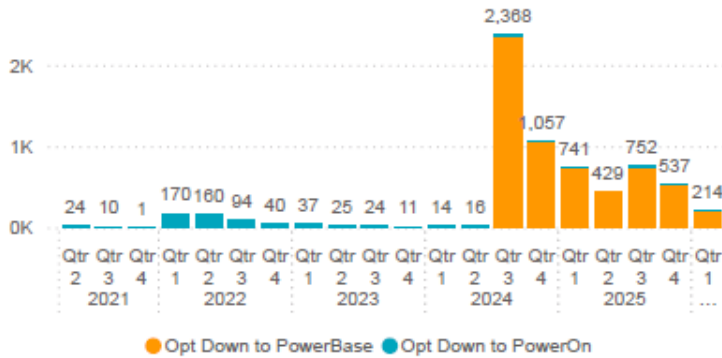
*Current indicates the account is open with SDG&E and this opt action is their latest opt action

2026 YTD as of January 24, 2026

Opt Down History

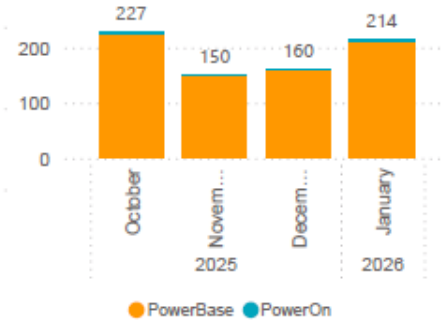
Total Opt Downs	Opt Downs Current*
6,724	5,675

Opt Downs Quarterly



Opt Downs Monthly

Last 4 Months



Opt Downs by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025	2026 YTD	Total
City of Chula Vista		2	4	287	246	13	552
City of Encinitas	35	429	74	150	109	14	811
City of Imperial Beach		1		31	18	2	52
City of La Mesa		4		106	66	6	182
City of National City				36	39	1	76
City of San Diego		28	13	1,793	1,390	152	3,376
County of San Diego			6	1,052	591	26	1,675
Total	35	464	97	3,455	2,459	214	6,724

Opt Downs by Customer Class

Customer Class	2021	2022	2023	2024	2025	2026 YTD	Total
Commercial	34	23	9	508	171	3	748
Residential	1	441	88	2,947	2,288	211	5,976
Total	35	464	97	3,455	2,459	214	6,724

Opt Downs by Method

Opt Method	2021	2022	2023	2024	2025	2026 YTD	Total
CSR	31	311	65	2,562	1,531	72	4,572
IVR	4	26	3	309	274	25	641
Web		127	29	584	654	117	1,511
Total	35	464	97	3,455	2,459	214	6,724

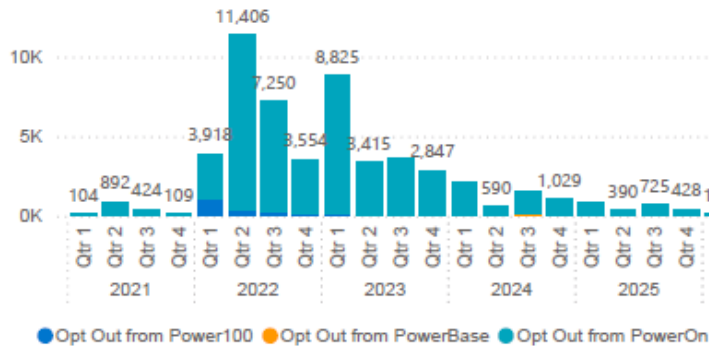
*Current indicates the account is open with SDG&E and this opt action is their latest opt action

2026 YTD as of January 24, 2026

Opt Out History

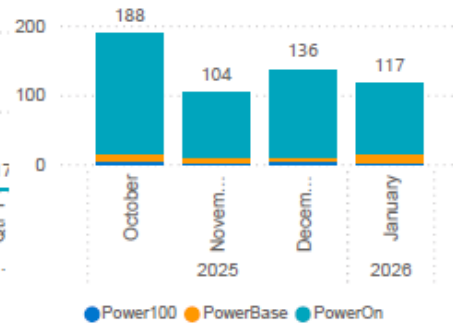
Total Opt Outs	Opt Outs Current*
54,125	44,767

Opt Outs Quarterly



Opt Outs Monthly

Last 4 Months



Opt Outs by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025	2026 YTD	Total
City of Chula Vista	267	3,466	747	411	200	6	5,097
City of Encinitas	66	1,869	230	118	56	4	2,343
City of Imperial Beach	32	343	99	60	17	3	554
City of La Mesa	84	1,269	235	128	59	3	1,778
City of National City			285	75	33	2	395
City of San Diego	1,078	19,180	3,185	1,836	1,065	59	26,403
County of San Diego	2	1	13,899	2,669	944	40	17,555
Total	1,529	26,128	18,680	5,297	2,374	117	54,125

Opt Outs by Customer Class

Customer Class	2021	2022	2023	2024	2025	2026 YTD	Total
Commercial	1,492	535	1,684	344	142	9	4,206
Residential	37	25,593	16,996	4,953	2,232	108	49,919
Total	1,529	26,128	18,680	5,297	2,374	117	54,125

Opt Outs by Method

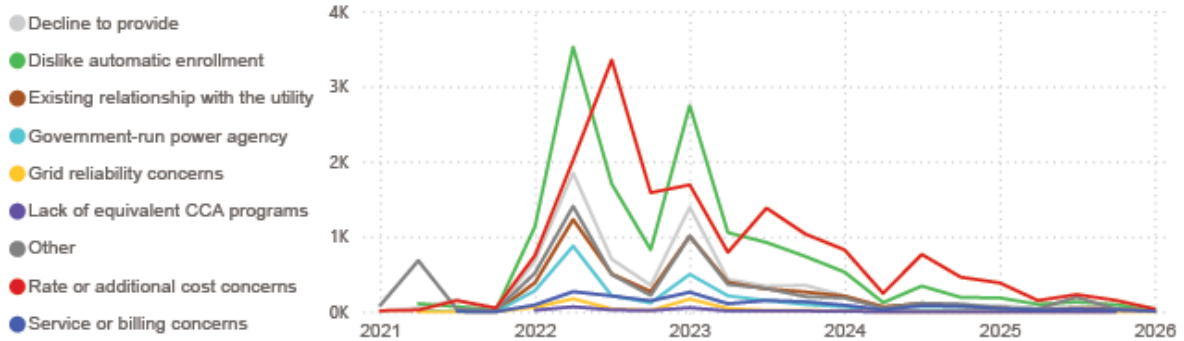
Opt Method	2021	2022	2023	2024	2025	2026 YTD	Total
CSR	1,104	6,963	4,706	1,653	703	39	15,168
IVR	102	4,885	3,788	1,284	445	15	10,519
Web	323	14,280	10,186	2,360	1,226	63	28,438
Total	1,529	26,128	18,680	5,297	2,374	117	54,125

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

2026 YTD as of January 24, 2026

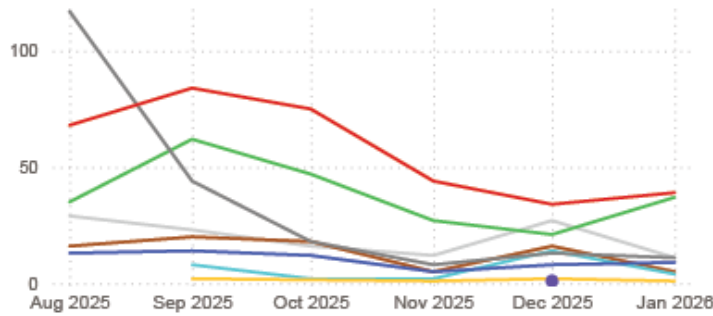
Opt Out Reason Summary

Opt Outs by Reason Quarterly



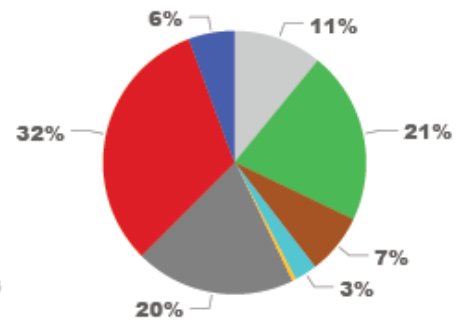
Opt Outs by Reason Monthly

Last 6 Calendar Months



Opt Out Reason Distribution

Last 6 Calendar Months



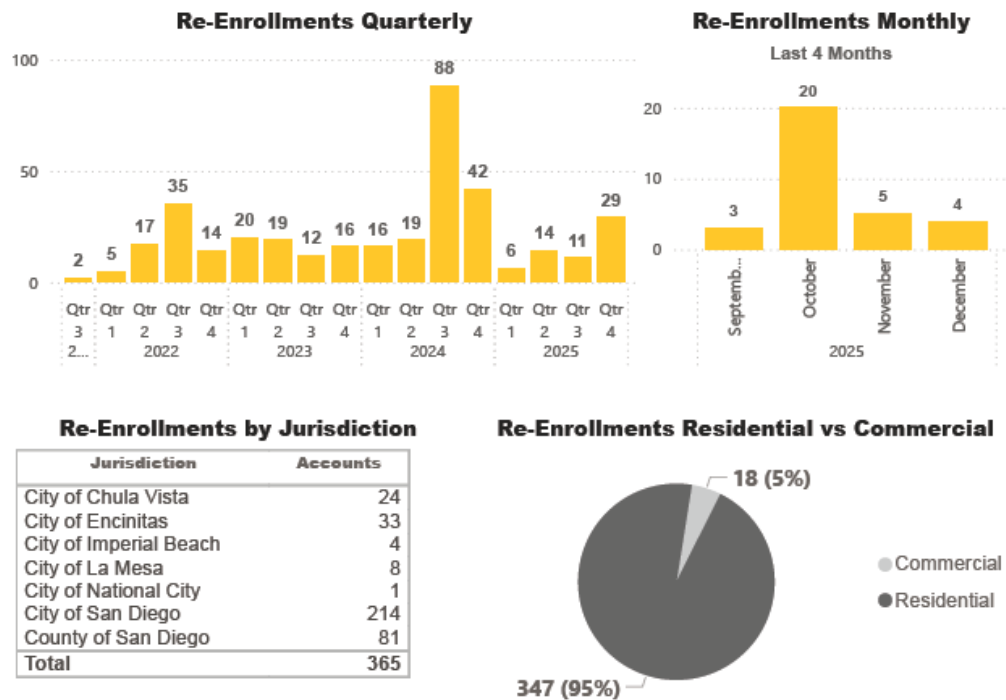
Opt Outs by Reason Table

Opt Out Reason	2021	2022	2023	2024	2025	2026 YTD	Total
Decline to provide	228	3,581	2,518	465	256	11	7,059
Dislike automatic enrollment	203	7,187	5,458	1,188	511	37	14,584
Existing relationship with the utility	2	2,388	1,968	462	153	5	4,978
Government-run power agency	24	1,489	960	129	66	4	2,672
Grid reliability concerns	7	293	252	20	7	1	580
Lack of equivalent CCA programs		131	90	12	6		239
Other	819	2,636	1,883	453	325	11	6,127
Rate or additional cost concerns	240	7,705	4,897	2,296	918	39	16,095
Service or billing concerns	6	718	654	272	132	9	1,791
Total	1,529	26,128	18,680	5,297	2,374	117	54,125

2026 YTD as of January 24, 2026

Re-Enrollment Requests

Excludes closed accounts



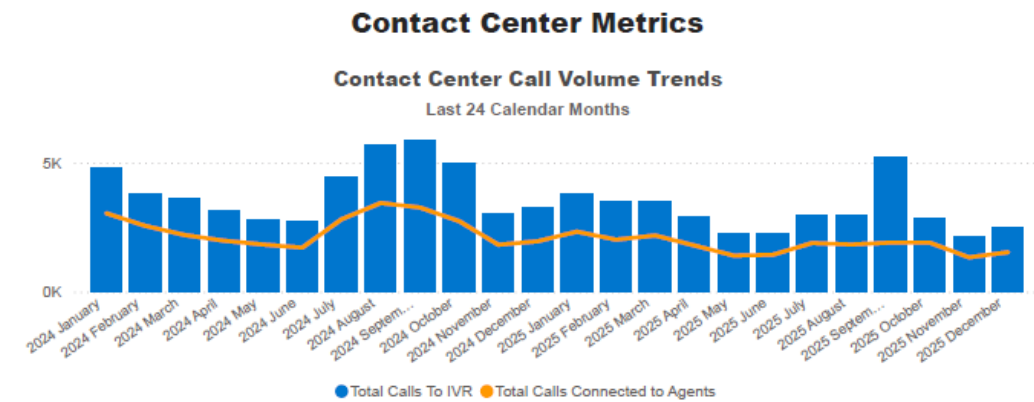
2025 YTD through the end of December, 2025

In September 2025, Community Power implemented an option for customers to identify their reason for re-enrollment at the time they submit their request to re-enroll. With the re-launch of the Solar Battery Savings Program, the primary reason for customers' re-enrollment in Q4 2025 has been to participate in a Community Power program, with ~57% of customers selecting this option; ~25% of customers have re-enrolled to receive lower rates.

C) Contact Center Metrics

As expected, calls to our Contact Center have decreased following the warm summer months that resulted in higher electric bills and have remained steady in the winter months.

The chart below summarizes contact made by customers into the Contact Center broken down by month. Contact Center Metrics are captured and displayed through December 31, 2025.



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	36,829	187,286
Total Calls Connected to Agents	1,401	30,174	34,173	29,332	21,556	116,636
Avg Seconds to Answer	20.00	11.50	6.75	18.08	9.33	12.77
Avg Call Duration (Minutes)	8.5	9.8	9.6	9.6	9.0	9.3
Calls Answered Within 60 Seconds (75% SLA)	96.23%	95.50%	97.57%	91.74%	95.85%	95.33%
Abandon Rate	0.57%	0.36%	0.19%	0.72%	0.43%	0.45%



Customer Service Emails

	2021	2022	2023	2024	2025 YTD	Total
Emails Received	272	2,894	2,116	1,271	1,170	7,723
Emails Answered or Escalated Within 24 Hours	257	2,821	2,107	1,270	1,170	7,625
Completion%	94%	96%	100%	100%	100%	98%

2025 YTD through the end of December, 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 has 11 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.

Committee Review

This item was presented to the Community Advisory Committee at their February 12 meeting. The item was received and filed.

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: February 26, 2026

Recommendation

Receive and file an update on IT and Data Analytics.

Background

Community Power continues to invest in a strong, in-house IT and data analytics function to support efficient, secure, and scalable operations across the organization. Recent efforts have focused on delivering high-impact technology initiatives that simplify business processes, modernize core operations, and improve decision-making, while prioritizing low-cost, sustainable solutions. In parallel, the teams have continued to strengthen Community Power's cybersecurity posture to protect critical systems and data and to support the organization's long-term operational resilience.

Analysis and Discussion:

Information Technology

The transition from December to January highlights a continuation of exceptionally strong performance within the IT support function. After closing 2025 with more than 800 submitted tickets and a resolution rate exceeding 90%, the team increased that total to 922 resolved tickets, representing a 15% rise in resolved volume from month to month. The current workload remains well-managed, with only seven active tickets and fifteen awaiting end-user responses, emphasizing consistent responsiveness and queue discipline. This sustained output shows that the ticketing system has progressed beyond its successful launch phase and is now supporting a mature, high-performing support operation. These results provide a solid foundation for refining internal SLAs

and KPIs to ensure service expectations remain aligned with demonstrated capability and operational growth.

Cybersecurity

Significant progress has been made in strengthening the security posture of our Microsoft 365 cloud storage through collaboration with Varonis. This platform will automate data classification across our cloud file storage and email systems and integrate with endpoint management. It will also provide "Copilot readiness" by resolving file and folder permission issues. Varonis will also monitor and respond to any flow of unwanted data within our enterprise system.

Data Analytics

Enterprise Data Platform (EDP)

The Enterprise Data Platform (EDP) project has achieved a key milestone with the completion of Iteration 3. This release marks the final major phase of Phase 1 of the EDP initiative. With milestone 3 finished, the EDP now functions as a core data and analytics platform for customer information, supporting operational reporting, forecasting, and internal decision-making.

The team plans to roll out new features to the organization and make data accessible for other systems and integrations.

The team is collaborating with internal stakeholders to prioritize future development needs and align upcoming enhancements with organizational goals for 2026 and beyond.

Business Intelligence (BI)

In January, the team completed 8 data requests. They also finalized development of the standard reports in the Enterprise Data Platform and began creating additional reports and tools for other departments to access internal data.

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 Operations and Administrative Services

Via: Karin Burns, Chief Executive Officer

Subject: Update on Human Resources

Date: February 26, 2026

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

Our performance review cycle has begun. As we move into this process, our focus is on delivering clear, meaningful, and actionable feedback that supports employee growth, reinforces accountability, and strengthens alignment with Community Power's mission and organizational goals.

This week we are kicking off our second round of NASH leadership training for all of our current and aspiring people leaders who will each participate in several days of leadership training. Our leaders are committing their time, energy and focus during these training days. Together we will be redefining and refining our leadership principles and approach, then following through to sustain them.

Our focus continues to center on advancing strategic planning and talent acquisition initiatives. We are also excited to launch our first internal Community Power Internship Program and are looking forward to hosting several Interns this summer.

Current open positions:

Chief Financial Officer
Associate Director of Finance - Capital Investments Plan
Contract and Compliance Management Analyst
Digital Specialist
IT Systems Analyst
IT Systems Manager
Internship - Policy Intern

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: Update on Marketing, Public Relations, and Local Government Affairs

Date: February 26, 2026

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

Biocom
Business for Good End of the Year Social
Santa's Clean Air Workshop
San Diego Regional Chamber of Commerce
Logan Heights Community Development Corporation Small Business Advisory Presentation
San Diego Regional Climate Collaborative: Annual Climate Recap
Intertribal Arts: Family Nature Day

Party 4 the Planet
Holiday Tree Lighting at Imperial Beach Pier Plaza
December Nights
Community Climate Conversations - South Bay Community Farm
Chula Vista Community Collaborative
CleanTech San Diego Holiday Party
Montgomery Elementary 75th Anniversary Celebration
Fannie Lou Hamer Legacy Celebration
Green Corridor Holiday at Mundo Gardens
City Heights Community Development Corporation Winter Extravaganza
National City's A Kimball Holiday
United Taxi Works of San Diego Open House
San Diego Green Drinks
Imperial Beach Collaborative
Assemblymember Dr. LaShae Sharp=Collins 79th District Holiday Giveaway
Teralta Park Beautification
Cardiff Farmers Market
National Electrical Contractors Association Annual Dinner
North San Diego Business Chamber Regional Connect
Fallbrook Community Forum
41st Annual Dr. Martin Luther King Jr. Human Dignity Award Breakfast
MLK Day Parade, Fun Run and Festival
38th Annual All Peoples Celebration Breakfast
Cultivating Impact Mixer at Coastal Roots Farm
Suncoast Market Grand Opening
La Mesa Environmental Sustainability Commission
Chula Vista Community Collaborative
NAIOP San Diego's Annual Breakfast
Little Saigon Lunar New Year Festival
Green Schools Conference
San Diego Women's Week

Marketing, Communications and Outreach

The Public Affairs team led the awareness campaign for the new rates approved by the Board of Directors in January. The team is working on a broader public service announcement campaign to promote PowerBase, the agency's most affordable service plan, and expanded super off-peak time-of-use periods that can encourage customers to save money.

The Communications team also issued press releases and received media coverage regarding Coronado's vote to begin the process to join Community Power as well as the announcement

of the Government Finance Officers Association recognizing Community Power with a Budget Award for the fiscal year 2025-2026 budget book.

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 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 to leverage relationships with community partners to amplify our marketing and outreach efforts.

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 8

To: Board of Directors

From: Jeb Spengler, Senior Strategic Finance Manager

Via: Karin Burns, Chief Executive Officer

Subject: Treasurer's Report for Period Ending November 30, 2025

Date: February 26 ,2026

Recommendation

Receive and File Treasurer's Report for Period Ending November 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 five-month period ending November 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 November 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. On January 15, 2026, our Board approved our rates for 2026. In summary, for 2026 we are offering our PowerOn service at a 4% discount to SDG&E and our PowerBase service at a 10% discount to SDG&E.

Analysis and Discussion:

Actual financial results for the period ended November 30, 2025: \$681.9 million in net operating revenues were reported compared to \$689.3 million budgeted for the period. Community Power’s change in net position of \$170.4 million was reported year-to-date for Fiscal Year 2025-26. The following is a summary of the actual results through November 30, 2025, compared to the Fiscal Year 2025-26 Adopted Budget:

- Operating revenues are \$7.3 million, or 1.1% under budget primarily due to cooler temperatures driving lower energy sales.
- Cost of energy is \$46.9 million, or 9.0% under budget, primarily due to lower energy costs resulting from lower Net CAISO and REC costs.
- Professional Services and Consultants: \$2.8 million below budget due to lower-than-expected utilization of outside professional services.
- Personnel Costs: \$1.1 million under budget, driven by vacancies and accrued vacation.
- Non-Operating Revenues and Expenses:
 - Total investment income of \$6.5 million. Investment income is not currently budgeted and is reflected in financial statements as realized.
 - \$737.5 thousand in year-to-date interest and related expenses versus \$789.0 thousand budgeted, in line with expectations.

Under Resolution 2025-23, Community Power’s revised Financial Reserves Policy establishes a minimum reserve requirement of 180 days cash on hand and a reserve target of 225 days cash on hand. For Fiscal Year 2025-26, this target equates to approximately \$623 million, based on projected operating expenses.

Community Power reserves at the end of the period totaled \$562.5 million, or 203 days cash on hand, including \$460.4 million in unrestricted cash and \$102.1 million in investment holdings. Total available liquidity (including unrestricted cash, investment holdings, and available lines of credit) was \$789.9 million.

Table 1 below shows the Budget to Actual results for the five months ended November 30, 2025.

Table 1: Budget Comparison Versus Actual Results

**SAN DIEGO COMMUNITY POWER
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Five Months Ended November 30, 2025**

	Year-to-Date				Annual	
	Budget	Actual	Budget Variance (Under) Over	Actual/ Budget %	Budget	Budget Remaining
REVENUES AND OTHER SOURCES						
Gross Ratepayer Revenues	701,568,000	\$ 690,476,419	(11,091,581)	98%	1,220,987,000	\$ 530,510,581
Less: Uncollectible Customer Accounts	(12,277,000)	(10,357,146)	1,919,854	84%	(21,367,000)	(11,009,854)
Other Income	-	1,801,144	1,801,144	na	-	(1,801,144)
Total Revenues and Other Sources	<u>689,291,000</u>	<u>681,920,417</u>	<u>(7,370,583)</u>		<u>1,199,620,000</u>	<u>517,699,583</u>
OPERATING EXPENSES						
Cost of Energy	524,218,000	477,331,088	(46,886,912)	91%	956,691,000	479,359,912
Professional Services and Consultants	10,297,000	7,512,360	(2,784,640)	73%	24,713,000	17,200,640
Personnel Costs	8,837,000	7,772,915	(1,064,085)	88%	21,209,000	13,436,085
Marketing and Outreach	1,026,000	888,682	(137,318)	87%	2,464,000	1,575,318
General & Administrative	2,444,000	1,627,042	(816,958)	67%	5,867,000	4,239,958
Total Operating Expenses	<u>546,822,000</u>	<u>495,132,086</u>	<u>(51,689,914)</u>		<u>1,010,944,000</u>	<u>515,811,914</u>
Operating Income (Loss)	<u>142,469,000</u>	<u>186,788,332</u>	<u>44,319,332</u>		<u>188,676,000</u>	<u>1,887,668</u>
NON-OPERATING REVENUES (EXPENSES)						
Investment Income	-	6,521,057	6,521,057	na	-	(6,521,057)
Interest and Related Expenses	(789,000)	(737,543)	51,457	93%	(1,893,000)	(1,155,457)
Transfer to Capital Investment Program	(22,170,000)	(22,170,000)	-	100%	(22,170,000)	-
Total Non-Operating Revenues (Expenses)	<u>(22,959,000)</u>	<u>(16,386,486)</u>	<u>6,572,514</u>		<u>(24,063,000)</u>	<u>(7,676,514)</u>
NET CHANGE	<u>\$ 119,510,000</u>	<u>\$ 170,401,846</u>	<u>\$ 50,891,846</u>		<u>\$ 164,613,000</u>	<u>\$ (5,788,846)</u>

Investment Portfolio Report

Chandler Asset Management manages Community Power's investment portfolio. As of November 30, 2025, the market value of the portfolio was \$104.4 million compared to the \$103.8 million market value as October 31, 2025. The following is a snapshot of the overall characteristics of the portfolio.

PORTFOLIO SUMMARY



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

Portfolio Characteristics	
Average Modified Duration	2.58
Average Coupon	3.92%
Average Purchase YTM	4.16%
Average Market YTM	3.76%
Average Credit Quality*	AA
Average Final Maturity	3.07
Average Life	2.81

Account Summary		
	End Values as of 10/31/2025	End Values as of 11/30/2025
Market Value	103,005,945.96	103,538,733.20
Accrued Interest	776,063.97	826,987.02
Total Market Value	103,782,009.93	104,365,720.22
Income Earned	336,615.07	271,462.34
Cont/WD	10,000,000.00	0.00
Par	102,837,768.57	103,181,995.69
Book Value	102,212,320.35	102,506,767.01
Cost Value	102,095,008.39	102,373,284.29

Top Issuers	
United States	51.34%
FHLMC	9.70%
Chase Issuance Trust	1.68%
Guardian Life Global Funding	1.45%
The Home Depot, Inc.	1.40%
Deere & Company	1.40%
WF Card Issuance Trust	1.22%
PACCAR Inc	1.07%

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

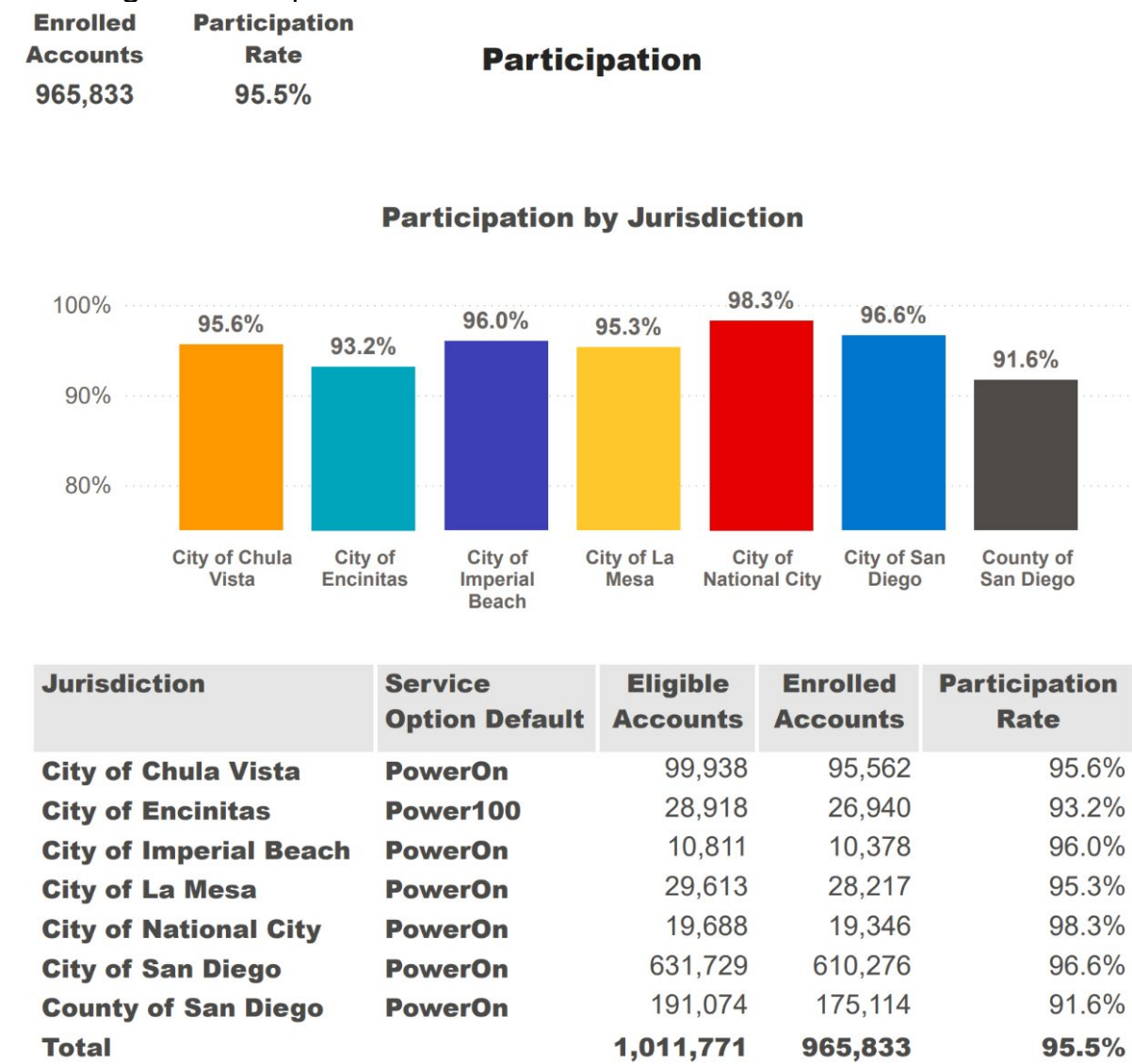
Contract Execution between \$50,000 and \$150,000

To ensure transparency and comply with Community Power's Non-Energy Procurement Policy, the table below lists contracts or amendments with not-to-exceed values between \$50,000 and \$150,000 that were executed under the CEO's authority for the month of January 2026.

- There were no contracts or amendments executed within the range of \$50,000 to \$150,000 since the prior Board of Directors meeting held on January 15, 2026.

Customer Participation Rates

Metrics Figure 2: Participation Rates as of 01/2/2026



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 January 2, 2026.

Figure 3: State of Community Power Arrearages as of 01/2/2026

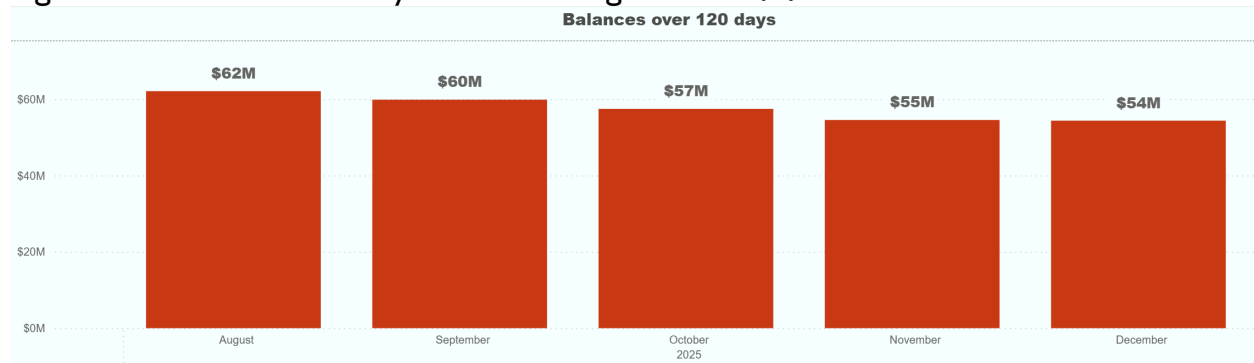
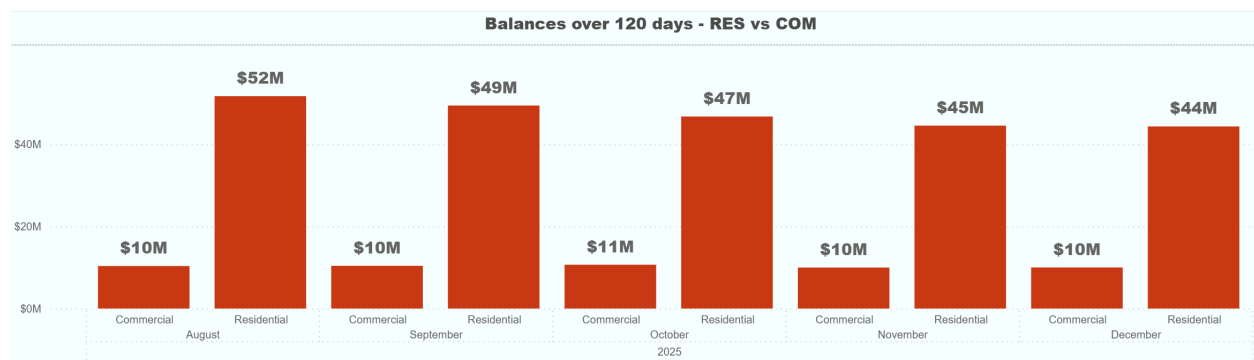


Figure 4: State of Community Power Arrearages Residential vs Commercial as of 01/2/2026



Fiscal Impact

N/A

Fiscal Impact

This item was presented to the Finance and Risk Management Committee at their February 19 meeting. The Committee members received and filed this item.

Strategic Plan

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

Attachments

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

ITEM 8

ATTACHMENT A



ACCOUNTANTS' COMPILATION REPORT

Management
San Diego Community Power

Management is responsible for the accompanying financial statements of San Diego Community Power (a California Joint Powers Authority) which comprise the statement of net position as of November 30, 2025, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the five 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
January 5, 2026

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

ASSETS

Current assets	
Cash and cash equivalents - unrestricted	\$ 460,442,268
Cash and cash equivalents - restricted	33,257,761
Accounts receivable, net of allowance	124,356,277
Accrued revenue	59,845,925
Prepaid expenses	2,863,349
Other receivables	27,595,386
Deposits	27,369,715
Investments	3,699,028
Total current assets	<u>739,429,709</u>
Noncurrent assets	
Cash and cash equivalents - restricted	5,106,708
Investments	98,357,348
Capital assets, net of depreciation and amortization	876,312
Total noncurrent assets	<u>104,340,368</u>
Total assets	<u><u>843,770,077</u></u>

LIABILITIES

Current liabilities	
Accrued cost of electricity	124,612,654
Accounts payable	3,685,624
Other accrued liabilities	2,612,406
State surcharges payable	390,081
Deposits - energy suppliers	383,731
Lease liability	891,669
Advances from grantors	37,217,469
Total current liabilities	<u>169,793,634</u>
Noncurrent liabilities	
Lease liability	219,913
Deposits - energy suppliers	7,443,450
Total noncurrent liabilities	<u>7,663,363</u>
Total liabilities	<u><u>177,456,997</u></u>

NET POSITION

Restricted for security collateral	1,147,000
Unrestricted	665,166,080
Total net position	<u><u>\$ 666,313,080</u></u>

**SAN DIEGO COMMUNITY POWER
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Five Months Ended November 30, 2025**

OPERATING REVENUES

Electricity sales, net	\$ 680,119,273
Grant revenue	927,270
Liquidated damages revenue	1,757,682
Other income	43,462
Total operating revenues	<u>682,847,687</u>

OPERATING EXPENSES

Cost of electricity	477,331,088
Contract services	8,666,251
Staff compensation	8,248,722
Other operating expenses	4,551,094
Depreciation and amortization	441,230
Total operating expenses	<u>499,238,385</u>
Operating income	<u>183,609,302</u>

NON-OPERATING REVENUES (EXPENSES)

Investment income	6,521,057
Interest expense	(49,443)
Nonoperating revenues (expenses), net	<u>6,471,614</u>

CHANGE IN NET POSITION

	190,080,916
Net position at beginning of year	476,232,164
Net position at end of year	<u><u>\$ 666,313,080</u></u>

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS
Five Months Ended November 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 685,740,127
Receipts from grantors	12,742,179
Receipts of supplier security deposits	2,165,459
Receipts from wholesale sales and other operating activities	6,701,118
Payments to suppliers for electricity	(478,216,312)
Payments for other goods and services	(13,810,625)
Payments for deposits and collateral	(1,067,011)
Payments for staff compensation	(8,277,956)
Payments of state surcharges	(1,198,539)
Net cash provided by operating activities	<u>204,778,440</u>

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

Payments on lease	<u>(389,910)</u>
Net cash used by capital and related financing activities	<u>(389,910)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	5,748,456
Proceeds from investment sales and maturities of investments	1,518,403
Purchase of investments	(32,022,898)
Net cash provided (used) by investing activities	<u>(24,756,039)</u>

Net change in cash and cash equivalent

	179,632,491
Cash and cash equivalents at beginning of year	319,174,246
Cash and cash equivalents at end of year	<u><u>\$ 498,806,737</u></u>

Reconciliation to the Statement of Net Position

Unrestricted cash and cash equivalents - current	\$ 460,442,268
Restricted cash and cash equivalents - current	33,257,761
Restricted cash and cash equivalents - noncurrent	5,106,708
Cash and cash equivalents	<u><u>\$ 498,806,737</u></u>

NONCASH INVESTING ACTIVITIES

Change in fair value of investments	\$ 489,241
Change in interest income receivable	\$ 283,360

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

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

Operating income	\$ 183,609,302
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization expense	441,230
(Increase) decrease in:	
Accounts receivable, net	(8,329,054)
Accrued revenue	12,896,434
Prepaid expenses	20,938,786
Other receivables	(23,212,035)
Deposits	(16,275,504)
Increase (decrease) in:	
Accrued cost of electricity	22,410,488
Accounts payable	(125,348)
Advances from grantors	11,961,755
Other accrued liabilities	452,451
State surcharges payable	(145,065)
Deposits - energy suppliers	155,000
Net cash provided by operating activities	<u><u>\$ 204,778,440</u></u>

SAN DIEGO COMMUNITY POWER

Staff Report - Item 9

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: February 26, 2026

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 March 26, 2026, Board meeting.

Analysis and Discussion

During the February 12, 2026, 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, Power Services, and Programs.

The CAC received an informational presentation on the California Community Choice Association (CalCCA), meant to educate members on how the agency supports Community Power and the CCA ecosystem in protecting its interests at the policy level. Members asked questions on the collaboration between Community Choice Aggregators (CCAs) and about how CalCCA activates the local San Diego regulatory team.

The Regulatory and Legislative Affairs team delivered their quarterly presentation, in which they provided highlights of the CalCCA Lobby Day. Members of the public supported Community Power's legislative efforts and CAC members asked about the policy priorities of Senator Steve Padilla, who has authored several bills mentioned in Community Power's reports.

2025 Community Clean Energy Grantees SunCoast CoOp Market and SanDiego350 informed the CAC of their clean energy projects as part of a staff presentation announcing the 2026 cycle of the grants, which launched with the application being released on February 2, 2026. During their presentations, both organizations explained the impact that the grants have had through electrifying the only grocery store in Imperial Beach and in educating high schoolers in communities disproportionately affected by climate change about sustainability careers.

CAC members also received an updated outlined the recently Board-approved 2026 rate adjustments. Members asked clarifying questions on seasonal impacts to rate pricing, the Rate Development objectives and timelines for the development of the Rate Stabilization Fund. Additionally, staff provided an update on the San Diego Regional Energy Network's launch timelines, advisory committee, and business plan submission.

Lastly, after hearing the 2026 CAC Work Plan End of Ad-Hoc Committee Report, the committee moved to recommend for Board approval their 2026 CAC Work Plan. The work plan now includes a recommendation for members to participate in two community events with Community Power.

No items were recommended for the Board of Directors. As of February 26, 2026, the CAC has three vacancies representing the City of Encinitas, the City of Imperial Beach, and the City of National City. The Board is expected to consider an appointment to fill the vacancy for National City during its February 26, 2026 meeting.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER

Staff Report – Item 10

To: Board of Directors

From: Colin Santulli, Senior Director of Programs
Sheena Tran, Associate Director of Programs

Via: Karin Burns, Chief Executive Officer

Subject: San Diego Regional Energy Network (SDREN) Update

Date: February 26, 2026

Recommendation

Receive and file update on San Diego Regional Energy Network (SDREN) progress.

Background

On January 5, 2024, San Diego Community Power (Community Power), in partnership with the County of San Diego, submitted the [SDREN Business Plan Application](#) to the California Public Utilities Commission (CPUC). On August 1, 2024, the CPUC approved SDREN, authorizing funding of \$124 million for program years 2024-2027 for ten energy efficiency programs serving underserved and hard-to-reach residents, businesses, public agencies, and Tribal governments across the region. In compliance with CPUC's process for portfolio administrators to request continued funding, SDREN will submit a subsequent application in March 2026.

Included in SDREN's Business Plan Application is a description of its governance structure (outlined in Figure 1 below). SDREN is led by the Oversight and Administration Team (Community Power and the County of San Diego). Community Power serves as the Lead Portfolio Administrator, overseeing fiscal, regulatory, procurement, and program functions. The Program Operations Teams is made up of Community Power staff and third-party implementers and they manage day-to-day program operations.

In May 2024, the Oversight and Administration Team convened an inaugural Advisory Committee of regional entities to help inform the design of a future expanded Advisory Committee anticipated to launch in 2026. The standing committee will include local and regional governments, community-based organizations, and other stakeholders to advise on program outreach and implementation.



Figure 1: SDREN Governance Structure

Analysis and Discussion

Solicitation Progress Update

In 2025, Staff focused on the procurement of third-party implementers. Solicitations were released in the following three phases:

- Phase 1 (February 4 – March 24, 2025): Administrative, Technical, and Compliance Support; Cross-Cutting Sector Programs.
- Phase 2 (March 6 – April 24, 2025): Public and Residential Sector Programs.
- Phase 3 (May 8 – June 26, 2025): Commercial Sector Programs.

Phase 1 contracts were executed with the selected vendors in August and September 2025. Phase 2 contracts were executed with the selected vendors in November and December 2025. The remaining Phase 3 contracts are expected to be executed with the selected vendors by March 2026 with amounts not exceeding the budgets stated in the solicitations. Staff anticipate releasing one RFP in 2026 to procure a vendor to conduct SDREN evaluation, measurement and verification (EM&V) activities.

These contracts comply with [Resolution No. 2025-01](#) which was adopted by Community Power’s Board of Directors 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.’

Staffing Plan

SDREN is supported by a cross-functional team comprised of staff from Community Power and the County of San Diego. SDREN is led by an Associate Director within the Community Power Programs Department. Reporting to the Associate Director, three staff members

oversee the ten SDREN programs and manage program implementer activities and related contracts. Additionally, four Community Power staff members, situated within their respective departments, lead the SDREN finance, regulatory and marketing and communications functions. The County of San Diego staffs the SDREN Oversight and Administration Team, as well as several Program Operations teams with 1.5 full-time equivalent staff. In 2026, SDREN anticipates hiring three additional dedicated staff to further strengthen program management and marketing and communications capacity. Any staff time committed to SDREN activities is fully covered by SDREN administrative funding, outside of Community Power or County of San Diego budgets.

Anticipated Program Launch

SDREN's energy efficiency program portfolio includes ten programs that serve commercial, residential, public, and cross-cutting sectors. The cross-cutting sector consists of two program types: Workforce, Education and Training and Codes and Standards. SDREN anticipates launching programs beginning in early 2026. Below is a description of each program and the programs' anticipated launch.

Cross-Cutting Sector Programs

SDREN's cross-cutting sector includes two Workforce, Education and Training programs and one Codes and Standards program.

1. Energy Pathways Program

- Description: SDREN's Energy Pathways Program will introduce high school students to energy careers, offering no-cost career technical education, mentorship, and direct ties to local employers.
- Anticipated Launch: Q1 2026

2. Workforce Training and Capacity Building Program

- Description: SDREN's Workforce Training and Capacity Building Program will focus on strengthening workforce skills in electrification, renewable integration, and energy efficiency, benefiting both new entrants and incumbent workers.
- Anticipated Launch: Q1 2026

3. Codes and Standards Program

- Description: SDREN's Codes and Standards Program aims to enhance compliance with existing codes and standards, assist local governments in developing ordinances that surpass statewide minimum requirements and maximize participant benefits through close coordination with other programs.
- Anticipated Launch: Q1 2026

Public Sector Programs

SDREN's public sector includes one program focused on supporting public agencies and one program focused on supporting Tribal communities.

1. Climate Resilience Leadership Program

- Description: SDREN's Climate Resilience Leadership Program will help public agencies obtain technical assistance, financing, and guidance to implement energy efficiency measures.
- Anticipated Launch: Q2 2026

2. Tribal Engagement Program

- Description: SDREN's Tribal Engagement Program will provide culturally responsive outreach and technical support for 18 Tribal governments seeking improved energy infrastructure and sovereignty.
- Anticipated Launch: Q2 2026

Residential Sector Programs

SDREN's residential sector includes two programs, one serving single-family properties and a second serving multifamily properties.

1. Single-Family Program

- Description: SDREN's Single-Family Program will assist owners and renters with energy education, energy efficiency starter kits, direct equipment installations, and stacked rebates provided by a concierge-style service designed to cut single-family renter or owner energy costs.
- Anticipated Launch: Q2 2026

2. Multifamily Program

- Description: SDREN's Multifamily Program will equip building owners, managers, and tenants with no-cost technical assistance, direct installation and measure incentives, energy education, and energy efficiency starter kits intended to reduce utility bills and improve living environments.
- Anticipated Launch: Q2 2026

Commercial Sector Programs

SDREN's commercial sector includes three programs targeting small and medium-sized businesses including hard-to-reach and underserved commercial customers.

1. Efficient Refrigeration Program

- Description: SDREN's Efficient Refrigeration Program will deliver no-cost refrigeration upgrades to small grocers and food service businesses, boosting both energy savings and fresh food accessibility.
- Anticipated Launch: Q2-Q3 2026

2. Market Access Program

- Description: SDREN's Market Access Program will employ a performance-based incentive model, encouraging energy aggregators to achieve peak-demand reductions.
- Anticipated Launch: Q2-Q3 2026

3. Small-Medium Business Energy Coach Program

- Description: SDREN's Small-Medium Business Energy Coach Program will offer personalized guidance to businesses on efficiency solutions, helping them navigate available incentives.
- Anticipated Launch: Q2-Q3 2026

SDREN Advisory Committee

The SDREN Advisory Committee will serve as a standing committee that advises the Oversight and Administration Team on program outreach and implementation. The committee will represent a diverse range of expertise and experience and be composed of up to 19 members from local and regional governments, non-profit organizations, public organizations, trade organizations and community-based organizations. The committee will reflect a broad cross-section of the region and include representation of community interests in each of the five County of San Diego Supervisorial Districts. The specific role of the committee will include providing advisement on SDREN's program implementation activities (e.g., effective outreach and engagement strategies to connect with underserved and hard-to-reach communities across the region), serving as an advocate for SDREN (e.g., providing letters of support if/when necessary) and spreading awareness of program benefits through community and regional networks.

Organizations interested in joining the committee will be invited to submit an application outlining their experience and the unique perspective they bring to advancing the committee's goals. The application period will be open in February 2026 followed by a review of applications based on alignment with committee priorities, subject matter expertise, regional representation, and capacity to actively participate. Selected organizations will be

notified and provided with next steps for committee engagement by end of March 2026, followed by commencement of regular meetings. Organizations interested in learning more can email their interest to ee@sdcommunitypower.org.

2028-2035 SDREN Business Plan Application

In compliance with the CPUC Rolling Portfolio process¹ for reviewing and approving portfolio administrators' programs, SDREN will be submitting its 2028-2035 Strategic Business Plan and 2028-2031 Portfolio Plan Application in March 2026 following approved CPUC templates and guidance². The 8-year Strategic Business Plan includes a detailed narrative of portfolio goals, outcomes, principles, energy savings forecasts, quantification methods, and demonstrated alignment with legislative and CPUC requirements as well as the 8-year budget request. The 4-year Portfolio Plan includes an annual budget request over four years and performance goals and metrics to be achieved in that same period. The budget request for the next 4-year period covering 2028-2031 is approximately \$175 million³ and approximately \$375 million over the 8-year period covering 2028-2035.

Given the timing of the application approval cycles, SDREN has not had the opportunity to fully launch all 10 programs from our previous application and has not identified any significant changes to previously described program strategies. Therefore, the programs detailed in the March 2026 application will include the same programs as the initial SDREN application approved in late 2024. Updates regarding Business Plan Application proceeding developments once filed with the CPUC will be covered in future Regulatory and Legislative Affairs staff reports.

Fiscal Impact

All SDREN activities are cost recoverable. Community Power staff time contributing to SDREN management is reimbursable by the CPUC.

Strategic Plan

This activity supports the strategic plan goal of launching all SDREN programs and making them available to customers by Fiscal Year 2026.

Committee Review

This item was presented to the Community Advisory Committee at their February 12 meeting. The Committee members received and filed this item.

¹ CPUC Decision (D).21-05-031

² [caeec final-revision attachment-a_clean.pdf](#)

³ The proposed budget amounts may be adjusted between now and March 2026 based on program needs.

Attachments

N/A

SAN DIEGO COMMUNITY POWER

Staff Report – Item 11

To: Board of Directors

From: Jack Clark, Chief Operating Officer
Jen Lebron, Senior Director of Public Affairs

Via: Karin Burns, Chief Executive Officer

Subject: Appointment of the San Diego Community Power Alternate to the City of La Mesa Environmental Sustainability Commission

Date: February 26, 2026

Recommendation

Approve a change in appointment of the San Diego Community Power Alternate to the City of La Mesa Environmental Sustainability Commission.

Background

The City of La Mesa's Environmental Sustainability Commission serves as an advisory body to their City Council on how actions and policies of the city may preserve and enhance the quality of La Mesa's environment. The Commission also serves to address the effects of climate change and assist in the identification of measures that will improve environmental sustainability in La Mesa and the region.

The Commission is made up of seven members as residents of the City of La Mesa with voting privileges and six members as advisory in nature from the business community without voting privileges. The six nonvoting members are made up of representatives from the City of La Mesa's water utility, franchise waste and recycling hauler, electricity and gas utilities, and high school and elementary/middle school district.

Early in 2021, La Mesa staff requested that Community Power staff participate as a nonvoting member of the Commission after it amended Chapter 2.85.010 of the La Mesa Municipal Code to add Community Power as a non-voting representative of the Environmental Sustainability Commission, pending an appointment from the Board of Directors of San Diego Community Power.

Doing so required a vote of the Community Power Board of Directors, so at the April 2021 regular meeting, the Board approved the first appointments of Community Power staff to serve as members, with different staff members being appointed by the Board in September 2022. In 2023, Sr. Director of Public Affairs, Jen Lebron, and Sr. Community Engagement Manager, Xiomalys Crespo, were appointed as the Regular and Alternate members, respectively.

Analysis and Discussion

Staff recommends appointing Community Engagement Coordinator Catherine “Kate” Riegel as Community Power’s primary representative to the City of La Mesa Environmental Sustainability Commission. In her role, Kate leads and supports community engagement and outreach efforts across member jurisdictions and regularly works with local governments, advisory bodies, and community partners. Her responsibilities align closely with the work of the Commission and position her well to represent Community Power’s programs, priorities, and ongoing coordination with City of La Mesa staff. Xiomalys Crespo, Senior Community Engagement Manager, will continue to serve as the alternate representative to ensure continuity and institutional knowledge.

Fiscal Impact

N/A

Strategic Plan

This action continues to 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 12

TO: Board of Directors

FROM: Karin Burns, Chief Executive Officer

SUBJECT: Appointment of Jeb Spengler as San Diego Community Power's Interim Treasurer

DATE: February 26, 2025

Recommendation

Board Adoption of Resolution 2026-01, Appointing Jeb Spengler as San Diego Community Power's (Community Power) Interim Treasurer.

Background

The Joint Exercise of Powers Act (Government Code § 6500, *et seq.*) and the Community Power Joint Powers Agreement (JPA Agreement) provide that Community Power will appoint a Treasurer who will perform the duties of Treasurer and Auditor as prescribed by law and the JPA Agreement.

Specifically, Section 5.4 of the JPA Agreement provides that the Board of Directors shall appoint a Treasurer who shall function as the combined offices of Treasurer and Auditor, and that the Board may transfer responsibilities of Treasurer to any qualified person as the law allows. Government Code Section 6505.6 allows a joint powers agency to appoint one of its officers or employees to the positions of Treasurer and/or Auditor.

Analysis and Discussion

The position of Treasurer was recently vacated with the departure of Community Power's Chief Financial Officer, Dr. Eric Washington. The Board needs to appoint a replacement for the interim period until a new Chief Financial Officer is selected. The Community Power Senior Strategic Finance Manager, Jeb Spengler, is supporting the function of Treasurer and is recommended for appointment to the position on an interim basis.

By adopting the attached resolution, Community Power would formally appoint Jeb Spengler, Senior Strategic Finance Manager, as Community Power's Interim Treasurer, to perform the functions of both Treasurer and Auditor as provided by law and the JPA Agreement.

Committee Review

At their February 19 meeting, the Finance and Risk Management Committee unanimously recommended Board adoption of Resolution No. 2026-01, appointment of Jeb Spengler as interim Treasurer.

Fiscal Impact

Cost of Surety Bond

Attachment

A: Resolution No. 2026-01, Appointing Jeb Spengler as Community Power's Interim Treasurer.

ITEM 12

ATTACHMENT A

RESOLUTION NO. 2026-01

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF SAN DIEGO COMMUNITY POWER
APPOINTING JEB SPENGLER OF SAN DIEGO COMMUNITY
POWER AS ITS INTERIM TREASURER.**

A. WHEREAS, San Diego Community Power (“Community Power”) is a joint powers agency formed and existing pursuant to the provisions of the Joint Exercise of Powers Act (Chapter 5, Division 7, Title 1 of the California Government Code) and SDCP’s Joint Powers Agreement (“JPA Agreement”); and

B. WHEREAS, Section 5.1 of the JPA Agreement provides that the Board shall appoint a Treasurer as provided in Government Code section 6505.5; and

C. WHEREAS, Section 5.4 of the JPA Agreement provides that 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 Government Code Section 6505.5; and

D. WHEREAS, Section 5.4 of the JPA Agreement also provides that the Board may transfer the responsibilities of Treasurer to any qualified person or entity as the law allows at the time; and

E. WHEREAS, Government Code Section 6505.6 provides that an agency established by a joint powers agreement may appoint one of its officers or employees to the positions of treasurer and/or auditor; and

F. WHEREAS, the Chief Financial Officer/Treasurer has departed his post effective February 15, 2026; and

G. WHEREAS, the Board of Directors of Community Power desires to appoint Jeb Spengler, Community Power’s Senior Strategic Finance Manager, as its Interim Treasurer, who shall perform the duties of Treasurer and Auditor pursuant to the JPA Agreement until such time that a permanent Treasurer is appointed.

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

1. Jeb Spengler, Senior Strategic Finance Manager of Community Power, is hereby appointed as the Interim Treasurer of Community Power. The Treasurer shall strictly comply with the statutes related to the duties and responsibilities specified in Government Code Section 6505.5, and the duties and responsibilities set forth in the JPA Agreement. The Treasurer shall serve under such rules as may be established by Community Power and shall

perform such duties and have such powers as Community Power may determine from time to time. Mr. Spengler will serve as Interim Treasurer until another appointment is made by the Board.

2. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on February 26, 2026.

AYES:

NOES:

ABSTAIN:

ABSENT:

Terra Lawson Remer, Chair
San Diego Community Power

ATTEST:

APPROVED AS TO FORM:

Maricela Hernandez, MMC/CPMC
Clerk of the Board/Secretary

Veera Tyagi, General Counsel

SAN DIEGO COMMUNITY POWER

Staff Report – Item 13

To: Board of Directors

From: Veera Tyagi, General Counsel

Subject: Adoption of Resolution No. 2026-02 Amending the Teleconferencing Policy

Date: February 26, 2026

Recommendation

Adopt Resolution No. 2026-02 amending the Teleconferencing Policy.

Background

In March 2023, the Board of Directors (“Board”) of San Diego Community Power (“Community Power”) adopted the Teleconferencing Policy to allow members of Community Power’s Board, standing committees of the Board and the Community Advisory Committee (“CAC”) to attend meetings remotely pursuant to the Ralph M. Brown Act (Govt. Code Section 54950 *et seq.*) and to establish general procedures for teleconferencing. On October 23, 2025, Governor Gavin Newsom signed SB 707 into law, which amended the Brown Act. Among other things, SB 707 amended the Brown Act to expressly allow a member of the legislative body with a disability to participate in a meeting remotely as a reasonable accommodation pursuant to any applicable law. Members participating remotely as a reasonable accommodation must participate through both audio and visual technology (camera on), except they may participate by audio only (camera off) if their physical condition related to their disability results in the need to participate off camera. At the meeting, and before any action is taken, the member must also announce whether there is any individual who is 18 years of age or older in the room with the member at the remote location and their relationship to that individual. Teleconferencing as reasonable accommodation is treated as in-person participation for all purposes, including quorum.

In addition, under a prior law, Assembly Bill 2449 (“AB 2449”), a member could participate remotely if they meet the requirements for “just cause” or “emergency circumstances.” Under SB 707, the provision applicable to “emergency circumstances” has been removed and the definition of “just cause” has been broadened to include those that used to be included in the definition of “emergency circumstances.”

Analysis and Discussion

SB 707 does not materially change Community Power's general procedures for teleconferencing as set forth in the current Teleconference Policy. However, staff recommends revising the Teleconferencing Policy to remove language relating to "emergency circumstances" to be consistent with SB 707, and to include a procedure for remote participation as a reasonable accommodation to ensure reasonable accommodation requests are timely evaluated and legal requirements relating to teleconferencing as a reasonable accommodation can be met. The proposed procedure for reasonable accommodation provides that:

- The member with the qualifying disability notify the Clerk of the Board of the request to appear remotely as a reasonable accommodation.
- The General Counsel will work with relevant Community Power staff to verify that the member has a qualifying disability. Relevant Community Power staff are staff who review reasonable accommodation requests for the agency (Human Resources). Once verified, the member (or the Clerk of the Board, acting on their behalf) will notify the chair that the member will be participating remotely as a reasonable accommodation. The member does not need to disclose the specific disability to the legislative body or the public.
- At the meeting:
 - The member must disclose the presence of any individual over 18 years of age in the same room as the member and the member's relationship with said individual(s).
 - The member must participate through both audio and video technology (camera on), unless the member has a physical condition related to their disability that results in the need to participate off camera.

Fiscal Impact

N/A

Attachments

A: Resolution No. 2026-02, Amending the Teleconferencing Policy
Exhibit A: Teleconferencing Policy (Clean version)
Exhibit B: Teleconferencing Policy (Redlined with proposed changes)

ITEM 13

ATTACHMENT A

RESOLUTION NO. 2026-02

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
SAN DIEGO COMMUNITY POWER AMENDING THE
TELECONFERENCING POLICY.**

A. San Diego Community Power (“Community Power”) is a joint powers agency 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 and restated December 16, 2021 (JPA Agreement);

B. In March 2023, the Community Power Board of Directors (“Board”) adopted a Teleconferencing Policy to allow members of the Community Powers’ Board, standing committees and the Community Advisory Committee to attend meetings remotely pursuant to the Ralph M. Brown Act (Govt. Code Section 54950 *et seq.*);

C. In October 2025, Senate Bill 707 (2025) (“SB 707”) was signed into law and amended the Brown Act to, among other things, expressly allow teleconferencing as a reasonable accommodation for a disability and subsume the provision for teleconferencing requirements under “emergency circumstances” into the provision for teleconferencing under “just cause”;

D. The Board now desires to amend the Teleconferencing Policy to include a procedure for members to request teleconferencing as a reasonable accommodation for a qualified disability and to make other changes consistent with SB 707;

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

Section 1. The Board of Directors hereby approve and adopt an amended Teleconferencing Policy, as provided in Exhibit A, attached hereto and incorporated herein.

Section 2. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on February 26, 2026.

AYES:

NOES:

ABSTAIN:

ABSENT:

Terra Lawson-Remer, Chair
San Diego Community Power

ATTEST:

APPROVED AS TO FORM:

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

Veera Tyagi, General Counsel
San Diego Community Power

ITEM 13

EXHIBIT A

POLICY	TELECONFERENCE	ORIGINAL ADOPTION DATE	MARCH 23, 2023
APPROVAL DATE	FEBRUARY 26, 2026	RESOLUTION NO.	2026-02

PURPOSE

This policy ("Policy") is intended to authorize members of San Diego Community Power's ("Community Power") legislative bodies, including the Board of Directors ("Board"), standing committees of the Board, and the Community Advisory Committee ("CAC"), to attend meetings remotely under the teleconferencing provisions of the Ralph M. Brown Act (Government Code Section 54950, *et seq.*) ("Brown Act"), and to establish general procedures to ensure Brown Act compliance by Community Power and members of its legislative bodies.

POLICY

1. General Authorization for Use of Teleconferencing. Members of legislative bodies of Community Power ("Legislative Body Members") may attend meetings using teleconferencing, subject to the requirements of the Brown Act and terms and conditions of this Policy. For purposes of this Policy, "legislative body" shall have the meaning provided under the Brown Act.

2. Procedures.

- a. Legislative Body Members shall notify the Clerk of the Board as soon as possible of a request to attend an upcoming meeting via teleconference. The Legislative Body Member shall provide a general description of the circumstances relating to their need to appear remotely.
- b. The Clerk of the Board will work with the requesting Legislative Body Member and the General Counsel to verify that the applicable Brown Act teleconferencing requirements can be met. Such requirements may vary depending on the type of teleconferencing the Legislative Body Member desires to use, or is eligible to use, under the Brown Act. For example: (1) the Legislative Body Member may have reached the maximum number of times they are eligible to use a particular method of teleconferencing for that year; (2) Community Power may be required to comply with certain time-sensitive agenda posting requirements for the member to use a particular method of teleconferencing; (3) Community Power may be unable to comply with requirements for remote public participation applicable to a particular method of teleconferencing; or (4) multiple other Legislative Body Members may have already requested to participate via teleconference and a quorum may be required to participate in person, etc.

If a Legislative Body Member's request is not timely provided, or Community Power is otherwise unable to ensure compliance with all applicable Brown Act requirements, the requesting Legislative Body Member may be unable to participate in a meeting via teleconference.

For reasonable accommodation requests, the General Counsel will work with relevant Community Power staff who review reasonable accommodation requests to verify that the

Legislative Body member has a qualifying disability. Teleconferencing as a reasonable accommodation for a qualifying disability counts as in-person attendance for all purposes, including quorum.

- c. If a Legislative Body Member is participating in a meeting using the “just cause” provision of the Brown Act, the following provisions shall apply:
 - i. After Community Power staff has verified that the applicable Brown Act teleconferencing requirements can be met, the Legislative Body Member (or the Clerk of the Board, acting on their behalf) will notify the chair and other members of the legislative body that the Legislative Body Member intends to participate via teleconference and the general description of the circumstances relating to their need to appear remotely.
 - ii. During the meeting, the Legislative Body Member participating via teleconference shall:
 - 1. Before any action is taken, disclose whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member’s relationship with any such individuals.
 - 2. Participate through both audio and visual technology throughout the meeting (cameras on).
- d. If a Legislative Body Member is participating remotely in a meeting as a reasonable accommodation due to a disability as defined by applicable law, the following provisions shall apply:
 - i. After Community Power staff verify that the Legislative Body Member has a qualifying disability, the Legislative Body Member (or the Clerk of the Board , acting on their behalf) will notify the Chair that the Legislative Body Member will be participating remotely as a reasonable accommodation due to a disability. The Legislative Body Member does not need to disclose the specific disability to the legislative body or the public.
 - ii. During the meeting, the Legislative Body Member participating via teleconference shall:
 - 1. Before any action is taken, disclose whether anyone 18 years of age or older is in the room at the remote location with the member, and the general nature of the member’s relationship with any such individual.
 - 2. Participate through both audio and visual technology throughout the meeting (camera on), except the member may participate by audio only (camera off) if a physical condition related to their disability results in a need to participate off camera.
- 3. **Interpretation and Severability.** This Policy is intended to supplement the provisions of the Brown Act and shall be interpreted in accordance therewith. In the event of any conflict between

the provisions of this Policy and the Brown Act or any other applicable law, the Brown Act or applicable law shall control.

PRIOR VERSIONS

DATE	ACTION	RESOLUTION NO.	POLICY NO.
MARCH 23, 2023	ADOPTION	N/A	2023-03

ITEM 13

EXHIBIT B

San Diego Community Power

Teleconferencing Policy

Effective Date: March 23, 2026 Policy Number 2023-03

<u>POLICY</u>	<u>TELECONFERENCE</u>	<u>ORIGINAL ADOPTION DATE</u>	<u>MARCH 23, 2023</u>
<u>APPROVAL DATE</u>	<u>FEBRUARY 26, 2026</u>	<u>RESOLUTION NO.</u>	<u>2026-02</u>

PURPOSE

This policy ("Policy") is intended to authorize members of San Diego Community Power's ("Community Power") ~~SDCP's~~ legislative bodies, including the Board of Directors ("Board"), standing committees of the Board, and the Community Advisory Committee ("CAC"), to attend meetings remotely under the teleconferencing provisions of the Ralph M. Brown Act (Government Code Section 54950, *et seq.*) ("Brown Act"), and to establish general procedures to ensure Brown Act compliance by SDCP Community Power and members of its legislative bodies.

POLICY

1. **General Authorization for Use of Teleconferencing.** Members of legislative bodies of SDCP Community Power ("Legislative Body Members") may attend meetings using teleconferencing, subject to the requirements of the Brown Act and terms and conditions of this Policy. For purposes of this Policy, "legislative body" shall have the meaning provided under the Brown Act.

2. **Procedures.**

- a. Legislative Body Members shall notify the Clerk of the Board ~~Secretary or CAC staff liaison~~ as soon as possible of a request to attend an upcoming meeting via teleconference. The Legislative Body Member shall provide a general description of the circumstances relating to their need to appear remotely.
- b. The Clerk of the Board ~~Secretary and/or CAC staff liaison~~ will work with the requesting Legislative Body Member and the General Counsel to verify that the applicable Brown Act teleconferencing requirements can be met. Such requirements may vary depending on the type of teleconferencing the Legislative Body Member desires to use, or is eligible to use, under the Brown Act. For example: (1) the Legislative Body Member may have reached the maximum number of times they are eligible to use a particular method of teleconferencing for that year; (2) SDCP Community Power may be required to comply with certain time-sensitive agenda posting requirements for the member to use a particular method of teleconferencing; (3) SDCP Community Power may be unable to comply with requirements for remote public participation applicable to a particular method of teleconferencing; or (4) multiple other Legislative Body Members may have already requested to participate via teleconference and a quorum may be required to participate in person, etc.

If a Legislative Body Member's request is not timely provided, or SDCP Community Power is otherwise unable to ensure compliance with all applicable Brown Act requirements, the requesting Legislative Body Member may be unable to participate in a meeting via teleconference.

For reasonable accommodation requests, the General Counsel will work with relevant Community Power staff who review reasonable accommodation requests to verify that the Legislative Body member has a qualifying disability. Teleconferencing as a reasonable accommodation for a qualifying disability counts as in-person attendance for all purposes, including quorum.

c. If a Legislative Body Member is participating in a meeting using ~~either~~ the "just cause" ~~or individual "emergency circumstances"~~ provisions of the Brown Act, the following provisions shall apply:

i. After SDCP Community Power staff has verified that the applicable Brown Act teleconferencing requirements can be met, the Legislative Body Member (or the Clerk of the Board Secretary or GAC staff liaison, acting on their behalf) will notify the chair and other members of the legislative body that the Legislative Body Member intends to participate via teleconference and the general description of the circumstances relating to their need to appear remotely.

~~ii. If a Legislative Body Member is requesting to participate in a meeting using the "emergency circumstances" teleconferencing provisions of the Brown Act, the request shall be subject to approval by a majority of the legislative body at the meeting before any other action is taken. If the request does not allow sufficient time to place the proposed action on such a request on the posted agenda for the meeting for which the request is made, the legislative body may take action at the beginning of the meeting.~~

~~iii.~~ ii. During the meeting, the Legislative Body Member participating via teleconference shall:

1. Before any action is taken, disclose whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individuals.
2. Participate through both audio and visual technology throughout the meeting (cameras on).

d. If a Legislative Body Member is participating remotely in a meeting as a reasonable accommodation due to a disability as defined by applicable law, the following provisions shall apply:

i. After Community Power staff verify that the Legislative Body Member has a qualifying disability, the Legislative Body Member (or the Clerk of the Board Secretary, acting on their behalf) will notify the Chair that the Legislative Body Member will be participating remotely as a reasonable accommodation due to a disability. The Legislative Body Member does not need to disclose the specific disability to the legislative body or the public.

ii. During the meeting, the Legislative Body Member participating via teleconference shall:

1. Before any action is taken, disclose whether anyone 18 years of age or older is in the room at the remote location with the member, and the general nature of the member's relationship with any such individual.
2. Participate through both audio and visual technology throughout the meeting (camera on), except the member may participate by audio only (camera off) if a physical condition related to their disability results in a need to participate off camera.

3. **Interpretation and Severability.** This Policy is intended to supplement the provisions of the Brown Act and shall be interpreted in accordance therewith. In the event of any conflict between the provisions of this Policy and the Brown Act or any other applicable law, the Brown Act or applicable law shall control.

PRIOR VERSIONS

DATE	ACTION	RESOLUTION NO.	POLICY NO.
MARCH 23, 2023	ADOPTION	N/A	2023-03

SAN DIEGO COMMUNITY POWER

Staff Report – Item 14

To: Board of Directors

From: Jack Clark, Chief Operating Officer
Jen Lebron, Senior Director of Public Affairs

Via: Karin Burns, Chief Executive Officer

Subject: Approve 2026 Community Advisory Committee Work Plan

Date: February 26, 2026

Recommendation

Approve 2026 Community Advisory Committee (CAC) Work Plan.

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 the Authority.

Per the Board-approved CAC Policies and Procedures: “The CAC will adopt a Work Plan that aligns with the CAC Scope of Work approved by the Board of Directors. This shall be updated annually. The Work Plan shall be approved by the Board.”

To discuss and recommend revisions to the CAC Work Plan for the 2026 calendar year, the CAC established a 2026 CAC Work Plan Ad-Hoc Committee during its December 4, 2025, regular meeting. CAC Chair Harris (City of La Mesa) appointed the following volunteers to serve on the ad-hoc committee: Vice-Chair Montero-Adams (City of San Diego) and Member Vasilakis (City of San Diego).

Analysis and Discussion

The 2026 CAC Work Plan Ad-Hoc Committee met on December 15, 2025, to discuss necessary revisions to the staff-provided draft, to be presented for full CAC discussion. Proposed changes to the current Work Plan include:

- Splitting the work plan into two overarching, main objectives that incorporate the previous “Equity Overview” focus in the 2025 CAC Work Plan under the main commitments of the 2026 CAC Work Plan;
- Clarifying member expectations on compliance with required trainings and forms, community event participation and meeting preparation and participation; and
- Aligning all focus areas and outcomes to the Board-approved FY 2026-2028 Community Power Strategic Plan Goals.

During its February 12 regular meeting, the CAC discussed revisions proposed by the ad-hoc committee and moved to recommend Board approval of the 2026 CAC Work Plan, as shown on Item A. CAC Officers will monitor its implementation during check-ins with staff.

Fiscal Impact

N/A

Committee Review

At their February 12 meeting, the Community Advisory Committee unanimously recommended Board approval of 2026 CAC Work Plan.

Strategic Plan

This item supports Community Power’s Public Affairs strategic goals by: establishing Community Power as a trusted public agency that collaborates and engages with other local governments and stakeholders; and increasing brand awareness through outreach, education, and strategic communications to help customers understand their energy usage, save money, and utilize customer offerings.

Attachments

Item A – 2026 Community Advisory Committee Work Plan (Draft)

ITEM 14

ATTACHMENT A

The purpose of the San Diego Community Power (Community Power) Community Advisory Committee (CAC) is 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, as stated in section 5.10.3 of the Community Power Joint Powers Authority Agreement.

The CAC annually adopts a work plan at the start of the calendar year that aligns with the defined objectives and [scope of work](#) approved by the Board of Directors on January 18, 2024 to assist members in their decision-making. This Work Plan is also complementary to the Board-approved, agency-wide [Strategic Plan Goals FY 2026-FY2028](#).

2026 Community Advisory Committee Work Plan	
Objective 1: Ensure CAC members are well-equipped to assist the Board of Directors in decision-making, and that the CAC operates independently of, as well as collaboratively, Community Power staff. Consistent with Community Power's commitment to justice, equity, diversity and inclusion, the CAC will ensure an equity perspective in all of its operations, and that the CAC represents a diverse cross-section of interests and skills sets, and diverse social, economic, and racial backgrounds that are representative of all residents within the service territory of Community Power.	
Focus	Outcomes
Training and Compliance Requirements	Work with the Clerk of the Board to ensure 100% member compliance with the following required trainings, regulations, and form submissions, as well as familiarity with key governance policies, including: • California Public Records Act • Ralph M. Brown Act • Ethics Training • Sexual Harassment Prevention Training • Statement of Economic Interests • Conflict of Interest and Ethical Conduct Policy • Community Power's Board and Committee Compensation and Reimbursement Policy
Operations	Work with Community Power staff to: • Annually adopt a work plan; • Annually elect CAC Officers; • Provide quarterly presentations to the Board of Directors on CAC activities, with findings and recommendations as may be needed; • Prior to attending, read all pertinent meeting materials to be able to actively participate, and attend, whenever possible, informational briefings; and • Comply with all member responsibilities, as outlined in the CAC Policies and Procedures.
Civic Engagement, Outreach and Member Recruitment	Work with Community Power staff to: • Inform their community members of current Community Power rates, goals, and programs; • Attend and actively participate in at least two (2) community events with Community Power; • Assist staff and the Board of Directors in member recruitment efforts to fill existing and future vacancies; • Raise awareness and interest about serving in the CAC and encourage participation in Community Power's publicly-noticed meetings.
External Educational Presentations	Members may coordinate with Community Power staff to agendize external educational presentations during regular CAC meetings, to assist members in providing ongoing support of Community Power operations as well as ensuring members are knowledgeable of issues that may impact the organization.

Objective 2: Represent and provide the views, concerns, priorities, and needs of their member agencies and the larger community on the strategic direction, goals, and programs of Community Power through comments and recommendations made during regular meetings, briefings, ad-hoc committees, and/or otherwise directly connecting with Community Power staff and/or the Board to assist them in identifying issues of concern and opportunities to educate community members about Community Power.

Consistent with Community Power's commitment to justice, equity, diversity and Inclusion, the CAC will ensure an equity perspective on the tasks brought before them and monitor the equitable distribution of programming and service levels.

Focus	Outcomes
Financial Stability	Monitor and provide advisory feedback on progress towards achieving cost-saving measures for customers, which may include a public investment grade credit rating, building reserves, developing a rate stabilization reserve, and any other policy that may strengthen financial controls in contracting, risk management, and procurement, while recognizing that the Board of Directors holds fiduciary responsibility for these matters.
Energy Portfolio Development	Track the development of a clean energy portfolio with 100% renewable content by 2035, of which 300 MW will be distributed energy resources capacity, by receiving updates from staff and, whenever appropriate, sharing community resources, priorities and concerns with staff.
Community Program Delivery	Assist staff in the outreach and evaluation of all Community Power programs, pilots and initiatives, including the San Diego Regional Energy Network.
Legislative and Regulatory	Continuously learn about policies consistent with Community Power's regulatory and legislative platform; advance Community Power's policy platform, whenever appropriate, by making Community Power-approved public comments and/or otherwise deploy organized advocacy efforts.
Public Affairs	Increase brand awareness through outreach, education, and strategic communications to help customers understand their energy usage, save money, and utilize customer offerings.
Customer Operations	Uplift competitiveness, affordability, and fiscal sustainability by providing advisory input during the rate-setting process; proactively raise relevant issues that may cause customer confusion and/or complaints to staff and dispel misinformation with fact-based evidence, with support from staff.

The CAC shall cover these tasks year-round, and other tasks not mentioned above (but within the purview of the Scope of Work) with prior approval of Community Power staff. All tasks shall be presented and acted upon in a manner that complies with the Ralph M. Brown Act.

SAN DIEGO COMMUNITY POWER

Staff Report – Item 15

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 Clean Energy Grants Update

Date: February 26, 2026

Recommendation

Receive and file the update on San Diego Community Power's (Community Power) Community Clean Energy Grants.

Background

Community Power's Community Clean Energy Grants aim to support local clean energy projects and programs that provide economic, environmental, health, and community benefits. The program was launched in March 2023 with a design informed by the community needs assessment that Community Power conducted for its Community Power Plan, and Community Power awarded grants to 10 organizations later that June.

In August 2023, Community Power ran a competitive bidding process to establish ongoing program administration support. San Diego Foundation (SDF) was selected to serve as the program administrator through FY 2026-27 based on their demonstrated expertise supporting similar grant programs locally, established relationships with community-based organizations and nonprofits, and experience securing additional funding to support program budgets. SDF's mission is to inspire enduring philanthropy and enable community solutions to improve the quality of life in the San Diego region.

To date, Community Power and its partners have awarded over \$2.5 million to more than 25 organizations as part of the Community Clean Energy Grants. This update provides a progress update on past cycles and an overview of the FY 2025-26 cycle, which was launched earlier this month.

Analysis and Discussion

Building on the success of previous years, Community Power's FY 2025-26 Community Clean Energy Grant Program will award funding to community-based organizations and nonprofits to implement projects that move communities toward a healthier, more sustainable, clean energy future. Upwards of \$750,000 will be awarded, with grant sizes ranging from \$25,000 to \$150,000, and funding from SDF and Calpine included in the total funding amount for a third year in a row.

Applications must be led by a nonprofit with a 501(c)(3) public charity status or another tax-exempt organization (such as a public agency and/or a higher education institution) and have proven experience serving community members through projects or programs.

Proposed projects or programs must serve Community Power customers, directly relate to clean energy, and advance one or more of the following focus areas, per the Board-approved policy:

- Increase overall energy literacy of Community Power customers.
- Deliver energy focused educational programming that encourages clean energy use, particularly for youth.
- Improve indoor and/or outdoor air quality related to electrification.
- Deliver workforce development opportunities that support careers in the clean energy industry.
- Improve energy resilience to ensure communities can avoid, prepare for, minimize, adapt to, and recover from energy disruptions.

Consistent with the Board-approved Community Power FY 2025-2028 Strategic Goals, there are two funding tracks used to assess applications for this grant cycle:

Track 1 – Clean Energy Infrastructure will primarily support the establishment of clean energy infrastructure within Community Power's service areas, prioritizing Communities of Concern. When applicable, projects will be strongly encouraged to enroll grant-funded distributed energy resources (DERs) into Community Power's Virtual Power Plant (VPP). Examples of eligible Track 1 projects include, but are not limited to:

- Distributed solar and storage
- Electric vehicles (EVs) and EV charging stations
- Grid-interactive buildings such as community resilience hubs that create energy cost reductions and provide response and services to communities during power outages.

Grants under Track 1 range from \$50,000 to \$150,000.

Track 2 – Clean Energy Programming will primarily focus on supporting programmatic opportunities to increase overall energy literacy of Community Power customers. This can include energy focused educational programming that encourages clean energy use, youth engagement programming, and workforce development opportunities that support careers in the clean energy industry. Examples of eligible Track 2 programming include, but are not limited to:

- Workforce development programs that support careers in the clean energy industry, such as jobs and education to maintain electric vehicles or install solar panels
- Energy literacy programming in Communities of Concern that encourages adoption of clean energy technologies
- Adoption of clean energy curriculum in K-12 focused programming.

Grants under Track 2 range from \$25,000 to \$50,000.

A collaborative evaluation committee consisting of staff from Community Power, SDF, Calpine, and philanthropic funders in the climate space will review, score, and select applications based on the evaluation criteria listed in the table below (out of 55 points).

Criteria	Description	Scoring
Funding Priority Alignment and Program Design	Project/program is designed to meet community needs while advancing one or more of the following focus areas: • Increasing overall energy literacy of Community Power customers. • Energy focused educational programming that encourages clean energy use, particularly for youth. • Improvements in indoor and/or outdoor air quality related to electrification. • Workforce development opportunities that support careers in the clean energy industry. • Improved energy resilience to ensure communities can avoid, prepare for, minimize, adapt to, and recover from energy disruptions.	13 Points
Regional Environmental Impact	San Diego Community Power is committed to 100% clean and renewable electricity by 2035 or sooner. Program/project contributes to regional clean energy goals such as: • Reduced carbon emissions • Improved energy usage • Increased energy literacy among participants • Increased energy infrastructure and resiliency among communities served	15 Points

	Program/project promotes the awareness and adoption of quantifiable clean energy solutions, creates energy cost reductions for customers, and/or contributes to strategic goals that advance Distributed Energy Resources (DER).	
Feasibility and Readiness	Program/project outlines well-defined goals and demonstrates having the staffing capability, timing, partnerships and applicable skills to successfully implement the program/project. Applicants sought guidance from staff on Virtual Power Plant (VPP) enrollment during available technical assistance periods and incorporated VPP elements to their project/plan where applicable and feasible. Application includes realistic timelines, and an implementation plan that accounts for all necessary permits, approvals, project requirements, as well as plans for addressing potential permitting or regulatory challenges (if applicable). Budget is within the allowable grant range and is reasonable for the program/project's scope.	15 Points
Communities Served	Program/project demonstrates a comprehensive understanding of the population to be served and focuses on Communities of Concern in Community Power's service territory. Program/project addresses potential barriers to participation and outlines outreach strategies to engage its target audience (if applicable). Program/project demonstrates how any partnerships and roles will be complementary and additive.	12 Points

The application was released on Monday, February 2, 2026 and will close on Friday, March 6, 2026. Grant awardees will be notified by July 2026. Grant funds must be expended within 12 months from their award date, and may be used for personnel, supplies, equipment, capital purchases, administrative or indirect costs, and any other program/project costs tied to effectively executing the proposed project. SDF and Community Power staff will provide technical assistance to potential applicants by appointment.

Promotional and outreach activities that Community Power and SDF may undertake to promote the FY 2025-26 program cycle include, but are not limited to, webpage updates, a live (and recorded) webinar, press releases, newsletter updates, community group presentations, email blasts, and social media posts. Staff will also leverage the Community Advisory Committee and the San Diego Community Power Network to help promote the Cycle among eligible applicants.

Fiscal Impact

The Board-approved FY 2025-26 budget included \$1.2 million to be allocated to the FY 2025-26 Community Clean Energy Grant Program, with \$600,000 earmarked for grantmaking and the remaining funding for SDF's ongoing administration of the program. Calpine will contribute additional funding to the FY 2025- 26 program cycle per their Data Services Agreement with Community Power; San Diego Foundation will leverage its donor network to leverage further funding. All program-related expenditures will comply with Community Power's Board-approved Procurement Policy.

Strategic Plan

This item supports establishing Community Power as a trusted public agency that collaborates and engages with other local governments and stakeholders; building community relationships and reinvesting in the communities we serve; increasing brand awareness through outreach, education, and strategic communications to help customers understand their energy usage, save money, and utilize customer offerings; and developing and executing effective communications & marketing plans to encourage San Diego residents to take advantage of programs they qualify for to enhance their energy efficiency.

Committee Review

This item was presented at the Community Advisory Committee meeting of February 12, 2026. The Committee members received and filed this update.

Attachments

N/A

SAN DIEGO COMMUNITY POWER

Staff Report – Item 16

To: Board of Directors

From: Jack Clark, Chief Operating Officer
Jen Lebron, Senior Director of Public Affairs

Via: Karin Burns, Chief Executive Officer

Subject: Consider and Approve Appointment of Sorayda Santos to the Community Advisory Committee to Fill National City Vacancy

Date: February 26, 2026

Recommendation

Consider and approve appointment of Sorayda Santos to the Community Advisory Committee (CAC) to fill National City vacancy.

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 for a venue for ongoing citizen support and engagement in the strategic direction, goals, and programs of the Authority. The Community Advisory Committee is advisory only, and shall not have decision-making authority, nor receive any delegation of authority from the Board of Directors. Each Party may nominate a committee member(s) and the Board shall determine the final selection of committee members, who should represent a diverse cross-section of interests, skills sets, and geographic regions.

Analysis and Discussion

Community Power staff announced a vacancy for the City of National City at the December 4, 2025 CAC regular meeting, and the January 15, 2026 Board of Directors meeting; at the latter, outgoing member Aida Castañeda was recognized for her service in the CAC since before Community Power began servicing National City residents.

Staff worked with Vice-Chair Yamani to review the application, resume, and qualifications of Sorayda Santos, advancing her nomination. Sorayda brings experience in project management, financial and banking operations, as well as technology and leadership, serving in the Commission on the Status of Women and Girls of the City of San Diego, the Parks, Recreation and Senior Citizen Advisory Committee of the City of National City, and UC San Diego's Project Management Advisory Committee.

If approved by the Board with a simple majority vote, staff will work with the representative to conduct their oath of office and onboarding prior to the next CAC meeting on March 12, 2026. Staff will also update its website to include the new representative.

There are two additional CAC vacancies: one for the City of Encinitas and another for the City of Imperial Beach. Staff continues to promote these vacancies through Community Power's social media channels and the CAC, as well as directly engaging with staff, advocacy organizations, and the general public during networking and tabling events in all our member agencies.

Fiscal Impact

N/A

Strategic Plan

This item supports Community Power's Public Affairs strategic goals by establishing Community Power as a trusted public agency that collaborates and engages with local stakeholders, and increasing brand awareness through outreach, education, and strategic communications to help customers understand their energy usage, save money, and utilize customer offerings.

Attachment

N/A

SAN DIEGO COMMUNITY POWER

Staff Report – Item 17

To: Board of Directors

From: Timothy Manglicmot, Director of Finance
Christopher Do, Senior Financial Analyst
Kevin Batemen, Financial Analyst
Julissa Mercedes, Financial Analyst
Diana Gonzalez, Risk Manager

Via: Karin Burns, Chief Executive Officer

Subject: Amendment of the FY 2025-26 Operating Budget, the FY 2025-26 Capital Budget, and the FY 2026-30 Capital Investment Plan

Date: February 26, 2026

Recommendation

Approve Amendment of the FY 2025-26 Operating Budget, the FY 2025-26 Capital Budget, and the FY 2026-30 Capital Investment Plan.

Background

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

Section 7.3.1 of the JPA specifies that the Board may revise the budget from time to time as may be necessary to address contingencies and unexpected expenses. On June 26, 2025, the Board approved the FY 2025-26 Operating Budget which included net revenue of \$1,199,619,579 and total expenses of \$1,016,711,339, resulting in a net position of \$182,908,241. 21 projects that will receive funding in the five-year period, totaling \$344.3 million in investments. Additionally, on June 26, 2025, the Board approved the FY 2025-26 capital budget which included revenue and expenses of \$54,545,636 to fund 12 projects in FY 2025-26, totaling 21 active projects during the fiscal year. Finally, on June 26, 2025, the Board approved the FY 2026-30 Capital Investment Plan which included 21 projects that will receive

funding in the five-year period, totaling \$344.3 million in investments. The first year of the FY 2026-2030 CIP comprised the FY 2025-26 capital budget.

The FY 2025-26 Operating Budget has undergone substantial revisions to both operating revenues and expenses. Notably, on January 15, 2026, the Board approved a retroactive rate adjustment, effective January 1, 2026. This adjustment incorporates decreased revenue and an increase in energy cost projections. Further budget modifications include reductions in non-energy expenditures across personnel, professional services and consultants, marketing and outreach, and general and administrative functions. These adjustments reflect updated staffing timelines, alignment of professional service costs with known needs, reallocation of resources within the capital investment plan and proactive fiscal management of general and administrative expenses.

Staff therefore recommend approving an amendment to the FY 2025-26 Operating Budget to decrease net revenue to \$1,175,418,914 and total expenses to \$1,025,004,360, resulting in a net position of \$150,414,553 for FY 2025-26.

The amended FY 2025-2026 capital budget includes revenue and expenses of \$55,239,247 to fund 12 projects in FY 2025-2026, totaling 21 active projects during the fiscal year.

The proposed FY 2026-2030 capital investment plan includes 21 projects that will receive funding in the five-year period, totaling \$345.1 million in investments. The first year of the FY 2026-2030 CIP comprises the FY 2025-2026 capital budget. Additionally, \$11.2 million in unspent continuing funds were appropriated by the Board in prior fiscal years and is represented as carryforward revenue.

Analysis and Discussion

Proposed Amended FY 2025-26 Operating Budget

The amendment to the FY 2025-26 Operating Budget updates the original budget presented to the Board in June 2025. This amendment reflects a decrease in projected revenues and rising energy costs. The budget incorporates the rate change approved by the Board on January 15, 2026, and aligns with Community Power's most recent projections. Furthermore, given the rate action from January 15, 2026, staff worked across the agency to reduce operating non-energy costs by 8% (\$4.3 million) and reduced the operating revenues transferred into the FY 2025-26 Capital Budget and the FY 2026-30 Capital Investment Plan by \$290,000.

Table 1 illustrates the proposed amendment to the FY 2025-26 Operating Budget in comparison to Community Power's operating budgets from prior years.

Table 1. Community Power Operating Budgets

Budget	Net Revenues	Total Cost	Net Position
FY 2021 Approved	\$ 22,632,170	\$ 37,310,047	\$ (14,677,877)
FY 2021 Amendment	\$ 26,286,909	\$ 34,135,000	\$ (7,848,091)
FY 2022 Approved	\$ 315,137,651	\$ 297,409,999	\$ 17,727,652
FY 2022 Amendment	\$ 378,053,506	\$ 342,177,063	\$ 35,876,443
FY 2023 Approved	\$ 708,984,646	\$ 695,936,815	\$ 13,047,831
FY 2023 Amendment	\$ 929,791,929	\$ 772,078,709	\$ 157,713,220
FY 2024 Approved	\$ 1,292,472,530	\$ 1,002,038,710	\$ 290,433,820
FY 2024 Amendment	\$ 1,304,274,067	\$ 1,071,601,284	\$ 232,672,783
FY 2025 Approved	\$ 1,177,925,889	\$ 1,143,199,261	\$ 34,006,627
FY 2025 Amendment	\$ 1,221,258,172	\$ 1,187,090,169	\$ 34,168,003
FY 2026 Approved	\$ 1,199,619,579	\$ 1,016,711,339	\$ 182,908,240
FY 2026 Amendment (Proposed)	\$ 1,175,418,914	\$ 1,025,004,360	\$ 150,414,553

The proposed, amended FY 2025-26 Operating Budget includes the key assumptions outlined below. A more detailed breakdown and explanation of revenues and expenses are presented in Attachment A.

Net Revenue

Community Power's main source of revenue currently is from the retail sale of electricity to its customers. Generally, retail sales are calculated based on customer load (i.e. customer energy usage) multiplied by the associated rate class of the customer. The Board recently approved rate changes during its January 15, 2026, meeting, which became effective on January 1, 2026. Revenue budgeted for FY 2025-26 reflects a full fiscal cycle of retail sales to our commercial and industrial customer base and retail sales to our residential customer base.

Additional assumptions for net operating revenue include:

- Net operating revenue through October 31, 2025, has been actualized.
- Enrollment of customers is complete from member jurisdictions in Phases 1, 2, 3 and 4.
- 95% participation rate across all jurisdictions.
- A 1.75% uncollectible rate.
- Rates were approved by the Board on January 15, 2026, and were retroactive to January 1, 2026.
- Community Power's default PowerOn service is 4% less expensive compared to San Diego Gas and Electric's (SDG&E) generation rates and the PowerBase service electricity generation rate is 10% less expensive than SDG&E's generation rates.

- Power100 and Power100 Green-e Certified (Green-e Plus) will maintain premiums of \$0.01/kWh and \$0.02/kWh, respectively, compared to PowerOn.
- Further mid-year rate changes are subject to Board approval.

Cost of Energy

The cost of energy, the largest cost in Community Power's budget, has increased from \$956.7 million in the adopted FY 2025-26 Operating Budget to \$969.9million in the amended FY 2025-26 Operating Budget.

The increase in the FY 2025-26 cost of energy budget is driven in part by higher Resource Adequacy and renewable costs. The California Public Utilities Commission's market price benchmarks (MPBs) reflect average market pricing assumptions, with renewable MPBs of \$63.86/MWh and \$62.45/MWh in 2025 and 2026, respectively. Resource Adequacy MPBs were \$11.21/kW-month in 2025 and \$11.53/kW-month for 2026. These updated benchmarks contribute to higher projected costs for a portion of Community Power's energy portfolio.

Operating Expenses

Community Power's non-energy operating expenses fall into four categories: personnel, professional services and consultants, marketing and outreach, and general and administrative. Community Power generally has direct control of these costs and actively manages them. Overall, the proposed, amended FY 2025-26 Operating Budget includes an overall savings of 8% from \$54.3 million to \$50.0 million in non-energy expenses. Given that Community Power's non-energy operating expenses are a small percentage of total expenses, non-energy operating expenses had a minimal impact on the overall total expense. Expense assumptions include the following:

- **Personnel** include salaries, payroll taxes, benefits, and excused absence and paid time off for staff. The recruitment strategy includes increasing staffing levels to 103 full-time employees (instead of ninety-four in the adopted budget) by the end of FY 2025-26.
- **Professional Services and Consultants** include SDG&E fees, data management fees from Calpine, technical support (for rate setting, load analysis, energy scheduling, etc.), legal/regulatory services and other general contracts related to IT services, audits, and accounting services.
- **Marketing and Outreach** includes expenses for communication consultants, mailers, printing, sponsorships, and partnerships to educate the community about Community Power as well as support local community events and programs.
- **General and Administration** budget covers the cost of office space, equipment, membership dues, and other general operational costs.

Non-Operating Revenues and Expenses

San Diego Community Power's non-operating revenues and expenses are categorized into three primary areas to ensure financial transparency and long-term stability. Revenue is primarily generated through investment income, including interest earned on bank accounts and strategic holdings managed by Chandler Asset Management to maximize the value of our cash reserves. Expenses in this category are largely driven by the costs of maintaining essential credit facilities, such as interest and fees associated with standby letters of credit and lines of credit. Notably, we expect a reduction in interest and related expenses of \$377,733 this year by rightsizing our credit facility to better align with our actual needs. Finally, we manage transfers to the Capital Investment Plan (CIP), a dedicated funding stream used to invest in local infrastructure and renewable energy projects that support the community's sustainable future.

Net Position

The proposed, amended FY 2025-26 Operating Budget results in a net position of \$150,414,553.

The following table illustrates Community Power's proposed, amended FY 2025-26 Operating Budget compared to its adopted FY 2025-26 Operating Budget.

Table 2. Amended FY 2025-26 Operating Budget compared to Adopted FY 2025-26 Operating Budget

Item	FY26 Approved Budget	FY26 Amendment (Proposed)	Difference
Operating Revenues			
Gross Ratepayer Revenues	\$ 1,220,986,849	\$ 1,194,789,046	\$(26,197,803)
(Less 1.75%* Uncollectible)	\$ (21,367,270)	\$ (19,370,133)	\$ 1,997,137
Net Revenue	\$ 1,199,619,579	\$ 1,175,418,914	\$(24,200,666)
Operating Expenditures			
Cost of Energy	\$ 956,690,816	\$ 969,916,628	\$ 13,225,812
Non-Energy	\$ 54,252,303	\$ 49,987,246	\$ (4,265,058)
Subtotal Operating Expense	\$ 1,010,943,119	\$ 1,019,903,874	\$ 8,960,754
Non-Operating Rev and Exp			
Interest Income	\$ (18,294,938)	\$ (18,294,938)	\$ -
Debt Service	\$ 1,892,558	\$ 1,514,825	\$ (377,733)
CIP Transfer	\$ 22,170,600	\$ 21,880,600	\$ (290,000)
Subtotal	\$ 5,768,220	\$ 5,100,487	\$ (667,733)
Total Expense	\$ 1,016,711,339	\$ 1,025,004,360	\$ 8,293,021
Net Position	\$ 182,908,241	\$ 150,414,553	\$(32,493,687)

Proposed Amended FY 2025-26 Capital Budget and FY 2026-30 CIP

Community Power’s Capital Investment Plan (CIP) contains the individual capital projects, major equipment purchases, and major programs for the agency that are intended to span multiple years and that are considered one-time projects rather than recurring projects. The first year of the FY 2025-29 CIP is Community Power’s FY 2025-26 Capital Budget.

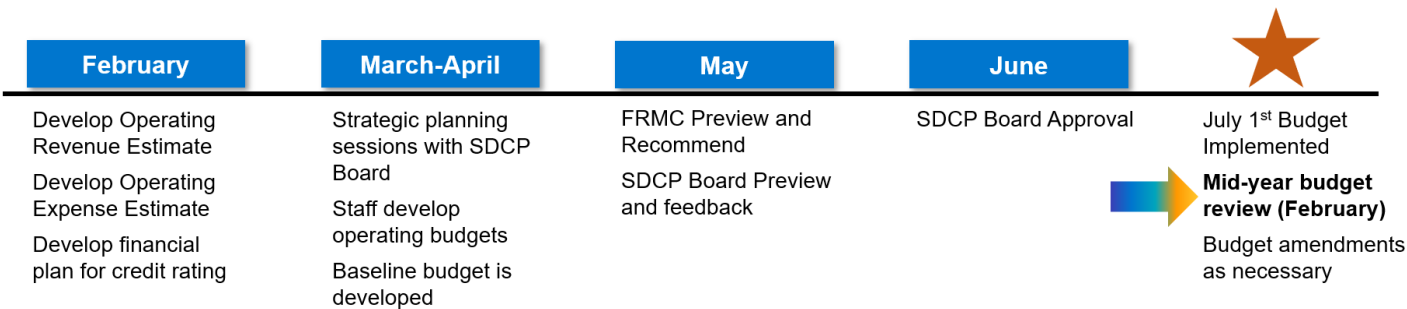
The proposed, amended FY 2025-26 Operating Budget includes a \$693,611 contribution in external funding that was approved at the November 2025 Board of Directors meeting, and that any unspent funds remain in the CIP and carried forward to the subsequent fiscal year.

The amended FY 2025-26 Capital Budget totals \$55.4 million, while the amended FY 2026-30 Capital Improvement Program (CIP) totals \$345.1 million. This includes \$11.2 million in unspent continuing funds, previously appropriated by the Board and carried forward as revenue.

Budget Development Timeline

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

Table 3. Current Budget Development Schedule



Fiscal Impact

The amended FY 2025-26 Operating Budget aligns revenues with the rate increase approved by the Board on January 15, 2026, effective January 1, 2026. The amendment also incorporates lower energy costs, adjusts expenses for known personnel, marketing, communications, professional services, and general and administrative costs, and includes savings in non-operating expenses of 8.8% or \$5 million. Revenues decrease by 2.0% or \$24.2 million, while the cost of energy increases by 1.4% or \$13.2 million. The capital budget increases by 1.3% or \$0.7 million. The net position decreases by \$32,493,687, resulting in an overall reduction in the budget.

Strategic Plan

This activity supports the strategic plan goal for Financial Stability and to practice fiscal strategies to promote long-term organizational stability. Specifically, this action supports the strategic goals of (1) obtaining a public investment grade credit rating by November 2027, and (2) building reserves by \$150M to maintain a reserve target of at least 180 Days Cash On Hand by December 2027.

Committee Review

This item was presented to the Finance and Risk Management Committee at their February 19 meeting. The Finance and Risk Management Committee recommended the Board approve the amendment of the FY 2025-26 Operating Budget, the FY 2025-26 Capital Budget, and the FY 2026-30 Capital Investment Plan.

Attachments

Attachment A: Amendment of the FY 2025-26 Operating Budget, the FY 2025-26 Capital Budget, and the FY 2026-30 Capital Investment Plan

ITEM 17

ATTACHMENT A



**FISCAL YEAR 2025-26 AMENDED
BUDGET**

for the period

July 1, 2025,

through

June 30, 2026

TABLE 1: FY2025-26 BUDGET AMENDMENT

San Diego Community Power
Budget Amendment for FY 2025-26
Supplemental Details

	FY 2025-26 Adopted Budget	FY 2025-26 Revised Budget	FY 2025-26 Amended Budget	% of Net Revenues
OPERATING REVENUES				
Gross Ratepayer Revenues	\$ 1,220,986,849	\$ 1,220,986,849	\$ 1,194,789,046	
(Less Uncollectible Customer Accounts)	\$ (21,367,270)	\$ (21,367,270)	\$ (19,370,133)	
Net Operating Revenues	\$ 1,199,619,579	\$ 1,199,619,579	\$ 1,175,418,914	100.0%
COST OF ENERGY				
Cost of Energy	\$ 956,690,816	\$ 956,690,816	\$ 969,916,628	
Total Cost of Energy	\$ 956,690,816	\$ 956,690,816	\$ 969,916,628	82.5%
Gross Net Position	\$ 242,928,764	\$ 242,928,764	\$ 205,502,285	17.5%
OPERATING EXPENSES				
Professional Services and Consultants				
Data Management	\$ 14,819,264	\$ 14,819,264	\$ 13,819,264	
SDG&E Fees	\$ 4,035,746	\$ 4,035,746	\$ 3,835,746	
Technical Support	\$ 2,079,800	\$ 2,079,800	\$ 2,264,333	
Legal/Regulatory	\$ 1,731,200	\$ 1,731,200	\$ 1,226,200	
Other Services	\$ 1,981,744	\$ 1,981,744	\$ 2,268,835	
Total Prof. Svcs. Costs	\$ 24,647,755	\$ 24,647,755	\$ 23,414,378	2.0%
Personnel Costs				
Salaries	\$ 16,671,435	\$ 16,671,435	\$ 15,298,873	
Benefits (retirement/health)	\$ 3,287,397	\$ 3,287,397	\$ 3,811,399	
Payroll Taxes	\$ 1,156,708	\$ 1,156,708	\$ 498,938	
Total Personnel Costs	\$ 21,115,541	\$ 21,115,541	\$ 19,609,209	1.7%
Marketing and Outreach				
Printing	\$ 753,381	\$ 753,381	\$ 693,263	
Sponsorships/Local Memberships	\$ 1,124,100	\$ 1,124,100	\$ 1,000,700	
Marketing and Communications	\$ 770,000	\$ 770,000	\$ 622,500	
Total Mrktg and Outreach Costs	\$ 2,647,481	\$ 2,647,481	\$ 2,316,463	0.2%
General and Administration				
Other G & A	\$ 3,986,964	\$ 3,986,964	\$ 2,824,997	
Cal CCA Dues	\$ 594,000	\$ 594,000	\$ 555,000	
Rent	\$ 935,784	\$ 935,784	\$ 935,784	
Insurance	\$ 324,779	\$ 324,779	\$ 331,414	
Total G & A Costs	\$ 5,841,527	\$ 5,841,527	\$ 4,647,195	0.4%
Net Operating Expenses	\$ 54,252,303	\$ 54,252,303	\$ 49,987,246	4.3%
Total Operating Expenses	\$ 1,010,943,119	\$ 1,010,943,119	\$ 1,019,903,874	86.8%
Operating Income (Loss)	\$ 188,676,460	\$ 188,676,460	\$ 155,515,040	13.2%
NON-OPERATING REVENUES (EXPENSES)				
Investment income	\$ 18,294,938	\$ 18,294,938	\$ 18,294,938	
Interest and Related Expenses	\$ (1,892,558)	\$ (1,892,558)	\$ (1,514,825)	
Transfer to Capital Investment Program	\$ (22,170,600)	\$ (22,170,600)	\$ (21,880,600)	
Total Non-Operating Revenues (Expenses)	\$ (5,768,220)	\$ (5,768,220)	\$ (5,100,487)	-0.4%
CHANGE IN NET POSITION	\$ 182,908,241	\$ 182,908,241	\$ 150,414,553	12.8%

Budget Amendment Overview

Budget-in Brief

The FY 2025-26 Operating Budget Amendment is the continues full enrollment from Phases 1, 2, 3 and 4 for all ratepayers, inclusive of net-energy metering customers, from Community Power's member jurisdictions within the San Diego region.

As Community Power has scaled to full enrollment, the agency is thoughtfully scaling the agency by adding 9 staff to grow from 94 to 103 total staff. By the end of FY 2025-26, Community Power is expected to have a similar operating budget and staffing levels compared to its peer CCAs of similar customer and load size. Additionally, and similarly, by the end of FY 2025-26, Community Power's reserves and total liquidity are expected to be comparable to its CCA counterparts who have investment-grade credit ratings.

The FY 2025-26 Operating Budget Amendment additionally contains savings in all non-energy operating budget categories including reduced general and administration, professional services and consultants, and personnel costs.

The cost of energy, the largest cost in Community Power's budget, has increased from \$956.7 million in the FY 2025-26 Adopted Budget to \$969.9 million in the FY 2025-26 Operating Budget Amendment. The increase in the FY 2025-26 cost of energy budget is driven in part by higher Resource Adequacy and renewable costs. The California Public Utilities Commission's market price benchmarks (MPBs) reflect average market pricing assumptions, with renewable MPBs of \$63.86/MWh and \$62.45/MWh in 2025 and 2026, respectively. Resource Adequacy MPBs were \$11.21/kW-month in 2025 and \$11.53/kW-month for 2026. These updated benchmarks contribute to higher projected costs for a portion of Community Power's energy portfolio.

Lastly, this budget continues to include the Community Power Capital Investment Plan (CIP) that contains one-time revenue and one-time expenses for programs and projects over multi-year periods, including one-time operating investments from the operating budget to the CIP. Notable adjustments include a \$250,000 reduction from the Enterprise Resource Planning project and \$40,000 from Civic Spark Fellows. Additionally, on November 20, 2025, the Board authorized the execution of Grant Agreement EPC-25-015 with the California Energy Commission (CEC) for Community Power to accept \$693,611 in funding. The first year of the CIP represents Community Power's Capital Budget.

Budget Amendment

The Community Power FY 2025-26 (FY26) Budget Amendment is presented in further detail in the following pages. The table below summarizes the revenue and expense budgets adopted for FY26 in comparison to the FY26 Amended Budget.

TABLE 2: OPERATING BUDGET OVERVIEW

	FY26 Adopted	FY26 Revised ¹	FY26 Amended
Gross Revenue	1,221.0	1,221.0	1,194.8
Less Uncollectible Accounts	(21.4)	(21.4)	(19.4)
Net Operating Revenues	1,199.6	1,199.6	1,175.4
Cost of Energy	956.7	956.7	969.9
Non-Energy Costs	54.2	54.2	50.0
Subtotal Operating Expense	1,010.9	1,010.9	1,019.9
Interest Income	(18.3)	(18.3)	(18.3)
Debt Service	1.9	1.9	1.5
CIP	22.2	22.2	21.9
Total Expenses	1,016.7	1,016.7	1,025.0
Net Position	182.9	182.9	150.4

Amounts displayed in millions, \$

¹ The revised column reflects actions taken by the Community Power Board of Directors prior to the budget amendment.

Operating Revenue

Community Power's main source of revenue currently is from the retail sale of electricity to its customers. Revenue budgeted for FY 2026-26 reflects a full fiscal cycle of retail sales to our commercial and industrial customer base and retail sales to our residential customer base. Generally, retail sales are calculated based on customer load (i.e. customer energy usage) multiplied by the associated rate class of the customer.

Additional assumptions for net operating revenue include:

- Net operating revenue through October 31, 2025 has been actualized.
- Enrollment of customers is complete from member jurisdictions in Phases 1, 2, 3 and 4.
- 95% participation rate across all jurisdictions.
- A 1.75% uncollectible rate.
- Rates were approved by the Board on January 15, 2026, and were retroactive to January 1, 2026.
- Community Power's default PowerOn service is 4% less expensive compared to San Diego Gas and Electric's (SDG&E) generation rates and the PowerBase service electricity generation rate is 10% less expensive than SDG&E's generation rates.
- Power100 and Power100 Green-e Certified (Green-e Plus) will maintain premiums of \$0.01/kWh and \$0.02/kWh, respectively, compared to PowerOn.
- Further mid-year rate changes are subject to Board approval.

The following table summarizes the revenues for FY26 Amended Budget and the FY26 Adopted Operating Budget. Note that Gross Revenue and Less Uncollectible Accounts are based on projected numbers from rate setting that was approved by the Board on January 15, 2026.

TABLE 3: OPERATING REVENUE BY BUDGET LEVEL 2

	FY26 Adopted	FY26 Revised	FY26 Amended
Gross Ratepayer Revenues	1,221.0	1,221.0	1,194.8
(Less Uncollectible Customer Accounts) ²	(21.4)	(21.4)	(19.4)
Net Operating Revenues	1,199.6	1,199.6	1,175.4

Amounts displayed in millions, \$

Operating Expenses

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

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

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

The table below summarizes the expenses for the FY26 Amended Budget and the FY26 Adopted Operating Budget. Note that Community Power reduced expenses in non-energy costs.

TABLE 4: OPERATING EXPENSES BY BUDGET LEVEL 2

	FY26 Adopted	FY26 Revised	FY26 Amended
Cost of Energy	956.7	956.7	969.9
Professional Services and Consultants	24.7	24.7	23.4
Personnel Costs	21.1	21.1	19.6
Marketing and Outreach	2.6	2.6	2.3
General and Administration	5.8	5.8	4.7
Subtotal Operating Expenses	1,010.9	1,010.9	1,019.9
Interest Income	(18.3)	(18.3)	(18.3)
Interest and Related Expenses	1.9	1.9	1.5
Capital Investment Program (Transfer Out)	22.2	22.2	21.9
Total Expenses	1,016.7	1,016.7	1,025.0

Amounts displayed in millions, \$

Non-Operating Revenues (Expenses)

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

Community Power Capital Investment Program (CIP)

Continuing in FY 2025-26 is the CIP for FY 2026-30 which will contain all the individual capital projects, major equipment purchases, and major programs for the agency that are intended to span multiple years and that are considered one-time projects rather than recurring projects. The first year of the FY 2026-30 CIP is Community Power's capital budget.

The FY 2025-26 operating budget amendment proposes a \$290,000 decrease of net operating revenues be transferred to the CIP, and that unspent funds are kept within the CIP and carried forward to the subsequent fiscal year.

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

The amended FY2025-26 Capital Budget totals \$54.7 million, and the amended FY 2026-30 CIP totals \$344.3 million, which was approved by the Board on June 26, 2025. Additionally, \$11.2 million in unspent continuing funds were appropriated by the Board in prior fiscal years and is represented as Carryforward revenue.

The FY26 Budget Amendment includes an increase in the capital budget and CIP resulting from:

1. \$693,611 external CEC funding for Programs Evaluation, previously approved and appropriated by the Board on November 20, 2025.
2. \$40,000 reduction from the operating budget for Civic Spark Fellows which is a part of the Community Education program.
3. \$250,000 reduction from the Enterprise Resource Planning IT Project.

TABLE 5: FY 2025-2026 CAPITAL BUDGET

	Carryforward	FY26 Adopted	FY26 Revised	FY26 Amended
Operating Transfer In	9.2	22.2	22.2	22.2
Regional Energy Network	-			
DAC-GT	(0.1)	31.9	31.9	31.9
CDFA	0.7	0.6	0.6	0.6
Equitable Building Decarbonization	1.4	-	-	-
Programs Evaluation	-	-	0.7	0.7
Other	-	-	-	-
Total CIP Revenue	11.2	54.7	55.4	55.4

Amounts displayed in millions, \$

TABLE 6: FY 2026-30 CIP BUDGET EXPENSES BY PROGRAM TYPE

	Carryforward	FY26 Adopted	FY26 Revised	FY26 Amended
External Funding				
Regional Energy Network	-	31.9	31.9	31.9
DAC-GT	(0.1)	0.6	0.6	0.6
CDFA	0.7	-	-	-
Equitable Building Decarbonization	1.4	-	-	-
Programs Evaluation	-	-	0.7	0.7
Other	-	-	-	-
Subtotal	2.0	32.5	33.2	33.2
Internal Funding				
Solar Battery Savings	3.2	18.8	18.8	18.8
Energy Efficiency	0.0	-	-	-
Pilot Programs	2.5	-	-	-
Grants	0.2	1.3	1.3	1.3
DER	0.0	-	-	-
Flexible Load	0.3	0.3	0.3	0.3
IT Projects	2.5	1.5	1.5	1.5
Community Education	-	0.0	0.0	0.0
Program Evaluation	-	0.3	0.3	0.3
Application Assistance	0.3	-	-	-
Other	-	-	-	-
Subtotal	9.2	22.2	22.2	22.2
Total CIP Expenses	11.2	54.7	55.4	55.4

Amounts displayed in millions, \$

Table 7: FY 2026-30 CIP Programs and Projects

	Carryforward	FY26 Amended	FY27	FY28	FY29	FY30	Total
External Funding							
Regional Energy Network	-	31.9	59.5	51.4	42.0	43.7	228.6
DAC-GT	(0.1)	0.6	0.5	0.5	0.5	0.5	2.4
CDFA	0.7	-	-	-	-	-	0.7
Equitable Building Decarbonization	1.4	-	-	-	-	-	1.4
Programs Evaluation	-	0.7	-	-	-	-	0.7
Other	-	-	-	-	-	-	-
Subtotal	2.0	33.2	60.0	51.9	42.5	44.2	233.8
Internal Funding							
Solar Battery Savings	3.2	18.8	11.1	10.4	8.3	8.5	60.3
Energy Efficiency	0.0	-	-	-	-	-	0.0
Pilot Programs	2.5	-	-	-	-	-	2.5
Grants	0.2	1.3	-	-	-	-	1.5
DER	0.0	-	-	-	-	-	0.0
Flexible Load	0.3	0.3	0.6	0.6	0.8	0.7	3.3
IT Projects	2.5	1.5	-	-	-	-	4.0
Community Education	-	0.0	-	-	-	-	0.0
Program Evaluation	-	0.3	-	-	-	-	0.3
Application Assistance	0.3	-	-	-	-	-	0.3
Other	-	-	7.4	8.7	11.2	11.7	39.1
Subtotal	9.2	22.2	19.1	19.7	20.3	20.9	111.3
Total CIP Expenses	11.2	55.4	79.1	71.6	62.8	65.1	345.1

Amounts displayed in millions, \$

Operating Expenses by Department

The table below summarizes the FY26 Operating Budget expenses by department. All personnel costs including fringe benefits are included in the Operations department. Departments were established as part of the FY26 Operating Budget and are not shown in the prior year. The Power Services department includes Cost of Energy in their Expenses.

TABLE 8: OPERATING EXPENSES BY DEPARTMENT

	FY26 Adopted	FY26 Revised	FY26 Amended
Power Services	958.6	958.6	972.0
Executive	0.2	0.2	0.1
Operations	22.6	22.6	20.9
Finance	3.4	3.4	2.8
Customer Operations	19.8	19.8	18.5
IT and Data Analytics	1.6	1.6	1.5
Public Affairs	1.9	1.9	1.7
Programs	0.0	0.0	0.0
Regulatory and Legislative Affairs	0.7	0.7	0.5
Human Resources and Administration	0.7	0.7	0.9
Legal	1.4	1.4	1.0
Total Operating Expenses	1,010.9	1,010.9	1,019.9

Amounts displayed in millions, \$

Personnel by Department

The table below summarizes the projected personnel from the FY26 Adopted Operating Budget and the full-time equivalent (FTE) personnel in the FY26 Amended Operating Budget. While personnel may be authorized, they must be filled. Detailed information showing filled and proposed FTE transfers by department is included in the following personnel by department section below. Personnel budget is included within the Operations department.

TABLE 9: PERSONNEL BY DEPARTMENT

	FY26 Adopted	FY26 Revised	FY26 Amended
Power Services	17.0	17.0	15.0
Executive	5.0	5.0	5.0
Operations	4.0	4.0	6.0
Finance	10.0	10.0	13.0
Customer Operations	5.0	5.0	6.0
IT and Data Analytics	12.0	12.0	16.0
Public Affairs	13.0	13.0	11.0
Programs	14.0	14.0	16.0
Regulatory Affairs	5.0	5.0	5.0
Human Resources	6.0	6.0	7.0
Legal	3.0	3.0	3.0
Total FTEs	94.0	94.0	103.0

Budget by Department

Power Services

Budget Amendment Highlights

- The cost of energy, the largest cost in Community Power's budget, has increased from \$956.7 million to \$969.9 million.
- The largest drivers of energy costs going up are increases to renewable costs and increases to resource adequacy costs.

Department Positions

	FY26 Adopted	FY26 Revised	FY26 Amended
Power Services	17.0	17.0	15.0

TABLE 10: POWER SERVICES POSITIONS

Executive

Budget Amendment Highlights

- Executive budget has decreased by \$20,000 due to the reduction of Leadership Development and Clerk of Board.

Department Positions

	FY26 Adopted	FY26 Revised	FY26 Amended
Executive	5.0	5.0	5.0

TABLE 11: EXECUTIVE POSITIONS

Operations

Budget Amendment Highlights

- Decreased funding for personnel and general and administration costs.
- The Operations team proposes adding one position, Executive Assistant for CEO and transitioning one position to roll directly under Operations.

Department Positions

	FY26 Adopted	FY26 Revised	FY26 Amended
Operations	4.0	4.0	6.0

TABLE 12: OPERATIONS POSITIONS

Finance

Budget Amendment Highlights

- The Finance budget decreased mainly due to the reduction of estimated costs of Bank Interest Fees
- Additionally, the Finance team proposes adding three positions, to the department

Department Positions

	FY26 Adopted	FY26 Revised	FY26 Amended
Finance	10.0	10.0	13.0

TABLE 13: FINANCE POSITIONS

Customer Operations

Budget Amendment Highlights

- A \$1 million reduction has been made to Calpine Energy Solutions.
- The Customer Application Assistance Program was removed from the Operating Budget and transferred to the CIP.

Department Positions

	FY26 Adopted	FY26 Revised	FY26 Amended
Customer Operations	5.0	5.0	6.0

TABLE 14: CUSTOMER OPERATIONS POSITIONS

IT and Data Analytics

Budget Amendment Highlights

- \$110,100 reduction from the IT and Data Analytics Budget.
- Three additional personnel are proposed to improve Data Analytics capabilities.

Department Positions

	FY26 Adopted	FY26 Revised	FY26 Amended
IT and Data Analytics	12.0	12.0	16.0

TABLE 15: IT AND DATA ANALYTICS

Public Affairs

Budget Amendment Highlights

- Continued outreach to educate the community of the benefits of community choice and to encourage awareness of our mission.
- Addition of a Public Affairs intern.

Department Positions

	FY26 Adopted	FY26 Revised	FY26 Amended
Public Affairs	13.0	13.0	11.0

TABLE 16: PUBLIC AFFAIRS POSITIONS

Programs

Budget Amendment Highlights

- There is a \$290,000 reduction from the Operating Budget due to the removal of Civic Sparks Fellows and Enterprise Resource Planning.
- An additional \$693,611 million in external funding for Programs Evaluation was approved at the November 2025 Board of Directors meeting.

Department Positions

	FY26 Adopted	FY26 Revised	FY26 Amended
Programs	14.0	14.0	16.0

TABLE 17: PROGRAMS POSITIONS

Regulatory and Legislative Affairs

Budget Amendment Highlights

- \$119K decrease from the Regulatory Affairs Budget.
- Addition of a Regulatory Affairs Intern.

Department Positions

	FY26 Adopted	FY26 Revised	FY26 Amended
Regulatory and Legislative Affairs	5.0	5.0	5.0

TABLE 18: REGULATORY AND LEGISLATIVE AFFAIRS POSITIONS

Human Resources

Budget Amendment Highlights

- The budget has been increased to account for temporary staffing for the agency.
- Addition of a Human Resources Intern.

Department Positions

	FY26 Adopted	FY26 Revised	FY26 Amended
Human Resources	6.0	6.0	7.0

TABLE 19: HUMAN RESOURCES POSITIONS

Legal

Budget Amendment Highlights

- \$392K decrease in budget due to in-house Legal department.
- Addition of a Legal Intern.

Department Positions

	FY26 Adopted	FY26 Revised	FY26 Amended
Legal	3.0	3.0	3.0

TABLE 20: LEGAL POSITIONS

SAN DIEGO COMMUNITY POWER

Staff Report - Item 18

To: Board of Directors

From: Jeb Spengler, Senior Strategic Finance Manager

Via: Karin Burns, Chief Executive Officer

Subject: Adopt Resolution 2026-03, Authorizing Execution of an Energy Prepayment Transaction, Related Documents, and 'Form of' Documents Subject to Maximum Issuance Amount, Limitation on Fees, and Minimum Required Savings

Date: February 26, 2026

Recommendation

Adopt Resolution No. 2026-03, approving parameters under which an energy prepayment transaction can be completed; authorizing and approving documents or “form of” documents supporting the prepay transaction; and directing California Community Choice Financing Authority (CCCFA) to make payments to service providers for issuance costs from prepay bond proceeds.

Background

Clean Energy Prepayment transactions are legal and codified in US Tax Law. Since the first natural gas prepayments were made in the early 1990s, the Internal Revenue Service (IRS) issued rules allowing tax-exempt prepayments, and Congress enacted legislation specifically allowing the transactions (National Energy Policy Act of 2005; Section 1327). Prepayments have saved utility ratepayers (natural gas, electricity from gas-fired power plants, and energy from renewable power projects) billions of dollars in reduced rates and energy charges and are anticipated to continue to do so over the 30-year life of the transactions.

Following a 2024 request for proposal process, Community Power selected its prepay municipal advisor, prepay counterparties, and outside prepay counsel. The clean energy prepayment bonds are issued through CCCFA as a conduit. Community Power and its customers benefit from the lower-cost funding available through tax-exempt energy prepayment structures. By accessing tax-exempt capital—rather than taxable markets or the prepay supplier’s own higher cost of capital—the supplier, or funding recipient, can offer energy to Community Power at a reduced effective price. In return, Community Power commits to

long-term energy purchases and receives a discount to contracted or market prices for the duration of the agreement, lowering both current and future procurement costs.

Community Power has now executed two prepayment transactions to date, the first in November 2024 and the second in July 2025 and is now preparing to execute its third energy prepayment transaction. As Community Power continues to expand its renewable energy portfolio to meet the needs of its customer base, the agency anticipates pursuing multiple prepay transactions in the coming years to capture energy procurement savings made possible through tax-exempt financing structures. This upcoming transaction will largely mirror Community Power's prior prepay transaction structures. To date, Community Power's previous two prepayment transactions have generated energy cost savings in excess of \$107 million, with annual savings ranging from \$3.9 million to \$15.3 million through to be realized between 2025 and 2034.

Analysis and Discussion

Timeline:

Staff is providing an update and presentation to the Board on the current timeline for a potential third clean energy prepayment bond financing. Below is a draft timeline, which is subject to change.

- **November 2025:** Staff engages with Goldman Sachs as clean energy prepay counterparty for Community Power's energy prepayment transaction #3.
- **February 4, 2026:** Kestrel Green Bond certification interview
- **February 19, 2026:** FRMC – Presentation and potential recommendation for Board approval on prepay Resolution to authorize a third prepay transaction.
- **February 26, 2026:** CCCFA – Staff will present and seek approval from CCCFA Board on third prepay indenture and documents.
- **February 26, 2026:** Board – Presentation and potential Board approval on third prepay Resolution to authorize prepay transaction parameters and documents.
- **March 3, 2026:** (Tentative) Bond Pricing (subject to change based on market conditions)
- **March 12, 2026:** (Tentative) Estimated bond closing date (subject to change based on bond pricing date)
- **June 2026:** (Tentative) Energy cost savings begin

Prepay Parties

The prepay transaction requires the selection and involvement of multiple parties. Names and functions are as follows:

Prepay Buyer: San Diego Community Power

- Role: Provide Power Purchase Agreements (PPA) to flow through prepay transaction

Prepay Supplier and Bond Underwriter: Goldman Sachs

- Role: Structure transaction, underwrite bonds, and pay contract price to PPA provider
- Selection Process: via solicitation issued by Community Power in 2024

Municipal Advisor: PFM

- Role: Advise Community Power in negotiations
- Selection Process: via solicitation issued by Community Power in 2024

Issuer's Counsel (*also known as Prepay Counsel*): Chapman & Cutler LLP

- Role: Represent issuer's interests, support drafting and negotiating terms of prepay agreement and associated energy supply agreements
- Selection Process: via solicitation issued by Community Power in 2024

Bond & Tax Counsel: Orrick, Herrington & Sutcliffe

- Role: Represent bondholders; provide tax opinion on transaction

Underwriter's Counsel: Nixon Peabody

- Role: Prepare Official Statement and represent Bond Underwriter's interests

Electricity Supplier: J. Aron & Company LLC

- Role: Serve as the commodity supplier

Electricity Supplier Counsel: Sheppard Mullin

- Role: Draft prepay agreements between various parties

Bond Issuer: California Community Choice Financing Authority (CCCFA)

- Role: Issue municipal bonds for prepay
- Note: Community Power joined CCCFA as a member agency in 2024

Trustee/Custodian: U.S. Bank

- Role: Manage the various Payment Accounts

Commodity Swap Counterparty: RBC

- Role: Provide commodity swap for any periods with floating/indexed power prices
- Selection Process: via competitive bid for each prepay transaction.

Credit Rating Agency: Moody's

- Role: Provide the credit rating on the bonds

Green Bond Verifier: Kestrel

- Role: Provide a "Second Party Opinion" for bond investors reflecting their view on the conformance of the Bonds with established Green Bond Principles as published by the International Capital Market Association.

Funding Recipient: Realty Income Corporation

- Role: Receives the tax-exempt bond proceeds from the issuer (CCCFA) and uses those funds to deliver energy to Community Power under a long-term prepaid agreement.

Requested Action

The proposed Board Resolution encompasses the following approvals or authorizations relating to the execution of the prepay transaction:

- Defines the parameters under which the prepay transaction can be completed; and
- Authorizes staff to execute or approve for distribution documents and “form of” documents supporting the prepay transaction.

The proposed Board Resolution will allow staff to act nimbly when market conditions are advantageous for issuing prepay bonds.

Resolution Parameters to Proceed with Transaction

Board Resolution specifies parameters that must be satisfied to execute the prepay transaction. Those parameters are:

- That the aggregate bond principal will not exceed \$1.25 billion. The final size of the transaction will be determined at the initial pricing date of the bonds in response to market conditions;
- That the minimum “Prepaid Discount” shall be at least 8%. This establishes the minimum energy cost savings;
- That the fees of the transaction will not exceed 1% of the bond issuance amount; and
- That the Bonds will not be obligations of Community Power but will be limited obligations of the Issuer payable solely from the revenues and other amounts pledged therefor under each indenture, including amounts payable by Community Power under the Clean Energy Purchase Contracts.

Fiscal Impact

As a result of this third prepay transaction, Community Power expects to realize *minimum* average annual energy cost savings of \$3.5 million, assuming a \$750 million bond issuance at the minimum savings threshold through the initial term of the bonds (typically 7-10 years). The amount of the final discount is dependent on market conditions. Community Power staff will work with the underwriter, Goldman Sachs, and its financial advisor, PFM, to determine the optimal time to market the bonds. Community Power is targeting savings of 8-12%. CCCFA will pay the costs of bond issuance out of bond proceeds, not exceeding 1% of the issuance threshold set in the Resolution parameters.

Strategic Plan

Approving clean energy prepayment bonds supports Community Power's strategic objective of rate affordability by lowering the cost of energy procurement, reducing upward pressure on rates, and passing those savings through to customers.

Attachments

1. Resolution No. 2026-03, Authorizing the Execution and Delivery of a Clean Energy Purchase Contract and Certain Other Documents in Connection with the Issuance of California Community Choice Financing Authority (CCCFA) Clean Energy Project Revenue Bonds; and Certain Other Actions Required to Ensure the Reduction in the Costs of Renewable Energy Therewith.

- Exhibit A:
 - Clean Energy Purchase Contracts between San Diego Community Power and the Issuer
 - Description: Document between Community Power and Issuer (CCCFA). This is the primary document that Community Power will enter into and lays out: (1) delivery obligations, (2) assignment provisions associated with a Power Purchase Agreement, and (3) minimum future savings
 - PPA Custodial Agreement by and among San Diego Community Power, the Issuer, J. Aron & Company LLC, ("J. Aron") and a custodial bank (U.S. Bank)
 - Description: This agreement helps manage the different cash flows that may be due to the PPA Counterparty which can come from Community Power, CCCFA and/or J. Aron. This agreement stipulates that all funds are deposited into one account, and then a custodian (U.S. Bank) manages the combining of funds to the PPA Counterparty.
 - Form of Limited Assignment Agreement, by and among San Diego Community Power, the counterparty to the power purchase agreement described therein, and J. Aron
 - Description: Document between PPA Seller, Community Power and J. Aron detailing the limited assignment provisions in the document. This form does not impact Community Power's ability to receive the RECs or associated products. The assignment may be terminated early upon the transaction terminating or upon select payment failures or bankruptcy. Applies after energy "bridge" product delivery period.
 - Letter Agreement between San Diego Community Power and J. Aron regarding matters relating to the Limited Assignment Agreements
 - Description: Defines the commercial and administrative terms between the parties, including operational procedures, notice requirements, reporting expectations, etc.
 - Operational Services Agreement relating to the Project between San Diego Community Power and the Issuer

- Description: Agreement between CCCFA and Community Power regarding administration of operational matters for the Clean Energy Project.
- Memorandum of Understanding between San Diego Community Power and the Issuer indemnifying Issuer against certain fees.
 - Description: Details the cost share arrangement with Goldman Sachs to cover rating agency and green bond designation fees and Community Power to cover those costs on behalf of CCCFA through the bond proceeds.
- Exhibit B:
 - Appendix A to the Preliminary Official Statement
 - Description: Provides a full description of Community Power as required disclosure for bond investors. It supports investor understanding of the creditworthiness, governance, service area, operations and financial position of the entity taking delivery of the prepaid energy.

RESOLUTION NO. 2026-03

RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER AUTHORIZING THE EXECUTION AND DELIVERY OF A POWER SUPPLY CONTRACT AND CERTAIN OTHER DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY (CCCFA) CLEAN ENERGY PROJECT REVENUE BONDS; AND CERTAIN OTHER ACTIONS REQUIRED TO ENSURE THE REDUCTION IN THE COSTS OF RENEWABLE ENERGY THEREWITH.

THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER DOES HEREBY FIND, RESOLVE, AND ORDER AS FOLLOWS:

WHEREAS, San Diego Community Power (“**San Diego Community Power**” or “**SDCP**”) was formed on October 1, 2019, under the provisions of the Joint Exercise of Powers Act of the State of California, Government Code section 6500 *et seq.* (the “**JPA Law**”); and

WHEREAS, San Diego Community Power is duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California, is duly authorized to transact business, having obtained all necessary filings, governmental licenses and approvals in the State of California, and has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage; and

WHEREAS, San Diego Community Power is a community choice aggregator (as defined in Section 331.1 of the Public Utilities Code of the State of California (the “**Public Utilities Code**”)), and is a public agency (as defined in the JPA Law) that has implemented a Community Choice Aggregation (“**CCA**”) program pursuant to Section 366.2 of the Public Utilities Code, and possesses the power to purchase and sell electric energy and enter into related contracts for such purposes; and

WHEREAS, San Diego Community Power, acting pursuant to the JPA Law, may enter into a joint exercise of powers agreement with one or more other public agencies pursuant to which such contracting parties may jointly exercise any power common to them and, pursuant to Government Code Section 6588, to exercise certain additional powers; and

WHEREAS, pursuant to the provisions of the JPA Law, San Diego Community Power joined certain other California community choice aggregators by entering into the joint powers agreement (the “**Joint Powers Agreement**”) pursuant to which the CCCFA (the “**Issuer**”) was organized for the purpose, among other things, of entering into contracts and issuing bonds to assist community choice aggregators, including San Diego Community Power, in financing the acquisition of supplies of clean energy; and

WHEREAS, the Issuer is authorized by its Joint Powers Agreement to acquire supplies of clean energy and to issue revenue bonds to finance the cost of acquisition of such supplies,

and is vested with all powers necessary to accomplish the purposes for which it was created; and

WHEREAS, San Diego Community Power has determined that it is desirable to acquire a long-term supply of clean energy from the Issuer pursuant to a clean energy prepayment transaction (the “**Prepayment Transaction**”); and

WHEREAS, San Diego Community Power has determined to authorize pursuant to this Resolution the undertaking of a Prepayment Transaction with the Prepaid Supplier (defined below); and

WHEREAS, in connection with the foregoing, San Diego Community Power is requesting the Issuer to agree to purchase on a prepaid basis certain quantities of clean energy from Aron Energy Prepay 60 LLC, a Delaware limited liability company (the “**Prepaid Supplier**”) and to sell such clean energy to San Diego Community Power, as contemplated herein (the “**Project**”); and

WHEREAS, San Diego Community Power is requesting that the Issuer finance the costs of the Project with the proceeds of its clean energy project revenue bonds, with a Series designation determined by the Issuer based on the timing and sequence of issuance (the “**Bonds**”); and

WHEREAS, San Diego Community Power has determined to authorize the representatives of San Diego Community Power to take all necessary action to accomplish the purchase of clean energy from the Issuer and to assist the Issuer in the issuance, sale, and delivery of the Bonds; and

WHEREAS, the forms of the following agreements to which San Diego Community Power is a party (collectively, the “**SDCP Documents**”) have been submitted to this meeting for approval:

1. Clean Energy Purchase Contracts between San Diego Community Power and the Issuer;
2. PPA Custodial Agreement by and among San Diego Community Power, the Issuer, J. Aron & Company LLC, a New York limited liability company (“J. Aron”) and a custodial bank to be named therein;
3. Form of Limited Assignment Agreement, by and among San Diego Community Power, the counterparty to the power purchase agreement described therein, and J. Aron;
4. Letter Agreement between San Diego Community Power and J. Aron regarding matters relating to the Limited Assignment Agreements;
5. Operational Services Agreement relating to the Project, by and between San Diego Community Power and the Issuer; and
6. Memorandum of Understanding between San Diego Community Power and the Issuer indemnifying Issuer against certain fees.

WHEREAS, the forms of the following additional documents relating to the Project have also been submitted to this meeting:

1. Appendix A to the Preliminary Official Statement to be used in connection with the offering and sale of the Bonds (together with the SDCP Documents, the “Project Documents”).

NOW, THEREFORE, IT IS HEREBY DETERMINED, AFFIRMED, AND ORDERED BY THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER as follows:

Section 1. AUTHORIZED REPRESENTATIVES. The following named individuals are the authorized representatives of San Diego Community Power with the respective titles specified below (collectively referred to as “Authorized Representatives” and individually referred to as an “Authorized Representative”):

<u>NAMES</u>	<u>TITLES</u>
Terra Lawson-Remer	Chair of the Board
Karin Burns	Chief Executive Officer
Gordon Samuel	Chief Commercial Officer
Jack Clark	Chief Operating Officer
Veera Tyagi	General Counsel

Section 2. SDCP Documents. The proposed forms of the SDCP Documents, attached hereto as Exhibit A, are hereby approved. The form of Limited Assignment Agreement may be used, in a substantially similar form, for assignments of the initial or any additional SDCP power purchase agreements, as needed to maintain the transactions approved hereby, and any such Limited Assignment Agreements to be included in the SDCP Documents are hereby approved. Subject to the parameters set forth in Section 5 of this Resolution, any Authorized Representative is hereby authorized and directed, for and on behalf of San Diego Community Power, to execute and deliver the SDCP Documents in substantially similar form, with such changes and insertions therein as the Authorized Representatives executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. Appendix A to the Preliminary Official Statement. Appendix A to the Preliminary Official Statement is hereby approved. Any Authorized Representative is hereby authorized and directed, for and on behalf of San Diego Community Power, to execute and deliver a certificate as to the information regarding San Diego Community Power contained in such Appendix A, with such changes and insertions therein as the Authorized Representative approving the same may deem necessary or appropriate. San Diego Community Power hereby authorizes the inclusion of such Appendix A in the Preliminary Official Statement and the final Official Statement, in each case with such changes as may be approved as aforesaid.

Section 4. Actions Authorized. The Authorized Representatives, each acting alone, are hereby authorized and directed, for and in the name and on behalf of San Diego Community Power, to execute and deliver any and all documents, including, without limitation, any tax certificate relating to its expected use of the energy to be purchased by it from the Project, any

continuing disclosure certificate or similar agreement required for the offering or sale of the Bonds, and any and all closing certificates to be executed in connection with the issuance of the Bonds and to take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which San Diego Community Power has approved in this Resolution, for the issuance, sale and delivery of the Bonds, and to consummate by San Diego Community Power the transactions contemplated by the Power Supply Contract for the Project, the SDCP Documents approved hereby and the other Project Documents presented to the Board herewith, including any subsequent amendments, waivers or consents entered into or given under or in accordance with such documents.

Section 5. Transaction Parameters. The approvals provided for herein shall be subject to the following parameters:

(a) the Bonds will not be obligations of San Diego Community Power, but will be limited obligations of the Issuer payable solely from the revenues and other amounts pledged thereto, including amounts payable by San Diego Community Power under the Clean Energy Purchase Contracts;

(b) the aggregate principal amount of the related Series of Bonds shall not exceed \$1,250,000,000;

(c) the “Monthly Discount Percentage” and “Annual Refund” as provided for in the applicable Clean Energy Purchase Contract for the Project shall result in at least 8% average annual savings based on the fixed cash flows or equivalent \$ per MWh during the initial period; and

(d) CCCFA total cost of issuance including all underwriting, legal and consultant fees for the Project will not exceed 1.00% of the amount of the proceeds of the Bonds issued by CCCFA with respect to such Project.

Section 6. Execution and delivery of the SDCP Documents by an Authorized Representative shall be conclusive evidence that the parameters set forth in Section 5 have been met, and all actions heretofore taken by the Authorized Representatives with respect to the issuance of the Bonds are hereby ratified, confirmed, and approved.

Section 7. If Section 5 and Section 6 listed herein have been met, an Authorized Representative may direct CCCFA to make payments to vendors that provided professional services to SDCP to complete the SDCP Documents and ultimately the issuance of the Bonds with respect to the Project. These professional services include legal counsel, bond counsel, tax counsel, municipal financial advisor, swap advisor, trustee and trustee counsel, underwriter of the bonds, underwriter’s counsel, and any other vendor required to complete the issuance of the Bonds. Payment to these vendors is considered a cost of issuance and will be paid by CCCFA out of the proceeds of the sale of the Bonds.

IT IS HEREBY FURTHER DETERMINED AND ORDERED that the Authorized Representatives are duly elected, appointed, or employed by or for San Diego Community

Power, as the case may be. This Resolution now stands of record on the books of San Diego Community Power, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

IT IS HEREBY FURTHER DETERMINED AND ORDERED that any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved.

IT IS HEREBY FURTHER DETERMINED AND ORDERED that this Resolution shall take effect upon its passage, shall be continuing and shall remain in full force and effect unless and until expressly revoked by further resolution of the Board of Directors.

ADOPTED AND APPROVED this 26th day of February 2026.

AYES:

NOES:

ABSTAIN:

ABSENT:

Terra Lawson-Remer
Chair of the Board of Directors

ATTEST:

APPROVED AS TO FORM:

Maricela Hernandez, MMC/CPMC
Secretary of the Board of Directors

Veera Tyagi, General Counsel

EXHIBIT A

SDCP Documents

(see attached)

ITEM 18

EXHIBIT A

CLEAN ENERGY PURCHASE CONTRACT ([NO. 1]/[NO.2]¹)

between

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

and

SAN DIEGO COMMUNITY POWER

Dated as of [____], 2026

¹ NTD: There will be two Clean Energy Purchase Contracts. The form will be separated into separate documents once the form is fully negotiated and agreed upon by the parties.

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CLEAN ENERGY PURCHASE CONTRACT

This Clean Energy Purchase Contract ([No. 1]/[No. 2]) (this “Agreement”) is made and entered into as of [____], 2026 (the “Execution Date”), by and between California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) (“Issuer”) and San Diego Community Power, a California joint powers authority (“Purchaser”).

WITNESSETH:

WHEREAS, Issuer has planned and developed a project to acquire long-term supplies of Product from Aron Energy Prepay [] LLC, a Delaware limited liability company (“Prepay LLC”) (or Prepay LLC’s designee) and a wholly-owned subsidiary of The Goldman Sachs Group, Inc., pursuant to a Master Power Supply Agreement, dated as of [____], 2026 (the “Master Power Supply Agreement”), to meet a portion of the Product supply requirements of Purchaser through a discounted clean energy purchase product (the “Clean Energy Project”);

WHEREAS, Purchaser desires to enter into an agreement with Issuer for the purchase of Product acquired by the Issuer under the Clean Energy Project;

WHEREAS, Issuer will finance its payment for Product under, and the other costs of, the Clean Energy Project by issuing Bonds;

WHEREAS, Purchaser is a joint powers authority and a community choice aggregator, duly organized, validly existing and in good standing under the laws of the State of California and the rules, regulations and orders of the California Public Utilities Commission, and is qualified to conduct business in each jurisdiction of the Joint Powers Agreement members for the transmission, distribution, sale, and delivery of Product to retail electric consumers within its service area;

WHEREAS, Purchaser is agreeable to purchasing a portion of its Product requirements from Issuer under the terms and conditions set forth in this Agreement and Issuer is agreeable to selling to Purchaser such supplies of Product under the terms and conditions set forth in this Agreement;

WHEREAS, as a condition precedent to the effectiveness of the Parties’ obligations under this Agreement, Issuer shall have entered into the Master Power Supply Agreement and shall have issued the Bonds.

NOW, THEREFORE, in consideration of the premises above and the mutual covenants and agreements herein set forth, Issuer and Purchaser (the “Parties” hereto; each is a “Party”) agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.1 Defined Terms. The following terms, when used in this Agreement (including the preamble or recitals to this Agreement) and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

“Administrative Fee” means the amount per MWh specified as such in Exhibit H.

“Affiliate” means, with respect to either Party, any entity which is a direct or indirect parent or subsidiary of such Party or which directly or indirectly (i) owns or controls such Party, (ii) is owned or controlled by such Party, or (iii) is under common ownership or control with such Party. For purposes of this definition, “control” of an entity means the power, directly or indirectly, either to (a) vote 50% or more of the securities having ordinary voting power for the election of directors or Persons performing similar functions or (b) direct or cause the direction of the management and policies, whether by contract or otherwise.

“Agreement” has the meaning specified in the preamble and shall include exhibits, recitals and attachments referenced herein and attached hereto.

“Alternate Delivery Point” has the meaning specified in Section 5.1(a).

“Annual Quantity” means, with respect to each Contract Year of the Delivery Period, the quantity (in MWh) of Assigned Product for such Contract Year as set forth on Exhibit A-3; provided that the Annual Quantity for any Contract Year shall be reduced by the aggregate amount of any quantities of Base Product required to be remarketed under this Agreement for any given Contract Year.

“Annual Refund” means the annual refund, if any, to be provided to the Purchaser and calculated pursuant to the procedures specified in Section 3.4.

“APC Contract Price” means the Day-Ahead Average Price with respect to the Monthly Projected Quantities for any Assignment Period.

“APC Party” has the meaning specified in Exhibit F.

“Applicable Project” has the meaning specified in Exhibit F.

“Assignable Power Contract” has the meaning specified in Section 6.1.

“Assigned Delivery Point” means, with respect to any Assigned Energy, the Assigned Delivery Point as set forth in the applicable Assignment Schedule for such Assigned Energy.

“Assigned Energy” means any Energy, including Energy associated with PCC1 Product, Long-Term PCC1 Product, and PCC2 Product to be delivered to J. Aron or any successor thereto pursuant to any Assigned Rights and Obligations.

“Assigned PPA” means any power purchase agreement that is assigned pursuant to an Assignment Agreement in accordance with the terms of this Agreement.

“Assigned Prepay Value” means, for any Month and each Assignment Schedule, the Monthly Projected Quantities for such Month multiplied by the applicable APC Contract Price.

“Assigned Product” means, as applicable, PCC1 Product, Long-Term PCC1 Product, PCC2 Product, Assigned Energy, Assigned RECs and any other Product included on an Assignment Schedule, subject to the limitations for such other Product set forth in Exhibit F.

“Assigned RECs” means any RECs associated with PCC1 Product, Long-Term PCC1 Product or PCC2 Product to be delivered to J. Aron or any successor thereto pursuant to any Assigned Rights and Obligations.

“Assigned Rights and Obligations” has the meaning specified in Section 6.1.

“Assignment Agreement” means, for any Assigned Rights and Obligations, an agreement among Purchaser, J. Aron and the APC Party, approved by Issuer, in the form attached hereto as Annex II to Exhibit F (with such changes thereto as may be mutually agreed upon by Purchaser, J. Aron, the APC Party, and Issuer, each in its sole discretion).

“Assignment Period” for any Assigned Rights and Obligations has the meaning specified in the applicable Assignment Agreement.

“Assignment Schedule” has the meaning specified in Exhibit F.

“Available Discount Percentage” has the meaning specified in the Re-Pricing Agreement. For the avoidance of doubt, the “Available Discount Percentage” under the Re-Pricing Agreement includes the Monthly Discount Percentage, as well as additional discounting expected to be made available through the Annual Refund.

“Balancing Authority” has the meaning specified in the CAISO Tariff.

“Base Delivery Point” has the meaning specified in Section 5.1(a).

“Base Product” means Firm (LD) Energy to be delivered to the Base Delivery Point.

“Base Quantity” means, with respect to each Delivery Hour during the Delivery Period, the Base Unadjusted Quantity for such Delivery Hour less the Base Quantity Reduction for such Delivery Hour, each as set forth on Exhibit A-1, as Exhibit A-1 may be revised pursuant to Article VI.

“Base Quantity Reduction” means, with respect to each Delivery Hour during the Delivery Period, the “Base Quantity Reduction” of Base Product (in MWh) set forth for such Delivery Hour on Exhibit A-1, as Exhibit A-1 may be revised pursuant to Article VI.

“Base Unadjusted Quantity” means, with respect to each Delivery Hour during the Delivery Period, the “Base Unadjusted Quantity” (in MWh) set forth for such Delivery Hour on Exhibit A-1.

“Billing Statement” has the meaning specified in Section 14.1(b).

“Bond Closing Date” means the date on which Bonds are first issued pursuant to the Trust Indenture.

“Bonds” means the bonds issued pursuant to the Trust Indenture.

“Business Day” means any day other than (i) a Saturday or Sunday, (ii) a Federal Reserve Bank Holiday, (iii) any other day on which commercial banks generally in either New York, New York or the State of California are authorized or required by Law to close, or (iv) any other day excluded from “Business Day” as therein defined, pursuant to the Trust Indenture.

“CAISO” means California Independent System Operator or its successor.

“CAISO Tariff” means CAISO’s FERC-approved tariff, as modified, amended or supplemented from time to time.

“Calculation Agent” has the meaning specified in the Re-Pricing Agreement.

“California Long-Term Contracting Requirements” means the long-term contracting requirement set forth in the Clean Energy and Pollution Reduction Act of 2015 (SB 350), California Public Utilities Code Section 399.13(b), and CPUC Decision 17-06-026 and CPUC Decision 18-05-026, as may be modified by subsequent decision of the California Public Utilities Commission or by other Law.

“CEC” means California’s State Energy Resources Conservation and Development Commission, also known as the California Energy Commission, and any successor agency thereto.

“Claiming Party” has the meaning specified in Section 11.1.

“Claims” means all claims or actions, threatened or filed, that directly or indirectly relate to the indemnities provided herein, and the resulting losses, damages, expenses, attorneys’ fees, experts’ fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

“Clean Energy Project” has the meaning specified in the recitals.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commercially Reasonable” or “Commercially Reasonable Efforts” means, with respect to any purchase or sale or other action required to be made, attempted or taken by a Party under this Agreement, such efforts as a reasonably prudent Person would undertake for the protection of its own interest under the conditions affecting such purchase or sale or other action, including without limitation, the amount of notice of the need to take such action, the duration and type of the purchase or sale or other action, the competitive environment in which such purchase or sale or other action occurs, and the risk to the Party required to take such action.

“Commodity Reference Price” means either (i) the Day-Ahead Market Price, or (ii) the Real-Time Market Price, as applicable.

“Contract Price” means (i) with respect to the Base Product and any Delivery Hour, (A) the Day-Ahead Market Price for such Delivery Hour at the Base Delivery Point less (B) the product of the Fixed Price for Base Quantities multiplied by the Monthly Discount Percentage, (ii) with respect to the Monthly Projected Quantities and any Delivery Hour, (A) the Day-Ahead Average Price for such Delivery Hour at the Assigned Delivery Point less (B) the product of the Fixed Price for Monthly Projected Quantities multiplied by the Monthly Discount Percentage and (iii) with respect to Monthly Excess Quantities, the contract price then in effect under the applicable Assigned PPA for such Assigned Products. For the avoidance of doubt, the Contract Price for Assigned Energy is inclusive of any amounts due in respect of other Assigned Products.

“Contract Year” means each period of 12 Months from [____] until [____] during the Delivery Period.

“Day” means each period of 24 consecutive Hours commencing at the Hour ending at 01:00 (LPT) through the Hour ending at 24:00 (LPT).

“Day-Ahead Average Price” means, for any Monthly Projected Quantities, the result of (i) (x) the sum of the Day-Ahead Market Prices for each Pricing Interval in a Month, divided by (y) the number of Pricing Intervals in such Month; plus (ii) \$[____]/MWh. As used in this definition, “Pricing Interval” means the unit of time for which CAISO establishes a separate price.

“Day-Ahead Market Price” has the meaning specified on Exhibit A-1 for the Primary Delivery Point.

“Default Rate” means, as of any date of determination, the lesser of (a) the sum of (i) the rate of interest per annum quoted in The Wall Street Journal (Eastern Edition) under the “Money Rates” section as the “Prime Rate” for such date of determination, plus (ii) one percent per annum, or (b) if a lower maximum rate is imposed by applicable Law, such maximum lawful rate.

“Delivering Entity” has the meaning specified in the Master Power Supply Agreement.

“Delivery Hour” has the meaning specified in Exhibit A-1.

“Delivery Period” has the meaning specified in Exhibit H.

“Delivery Point” means the Base Delivery Point or an Assigned Delivery Point, as applicable.

“Disqualified Sale Proceeds” has the meaning specified in Section 7.6.

“Disqualified Sale Units” has the meaning specified in Section 7.6.

“Electricity Sale and Service Agreement” means that certain Electricity Purchase, Sale and Service Agreement dated as of [____], 2026, by and between J. Aron and Prepay LLC, which provides for the delegation by Prepay LLC to J. Aron of Prepay LLC’s Product sale and delivery obligations under the Master Power Supply Agreement.

“Eligible Renewable Energy Resource” has the meaning set forth in California Public Utilities Code Section 399.12(e) and California Public Resources Code Section 25741(a), as either code provision is amended or supplemented from time to time.

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in megawatt hours.

“EPS” means California’s Emissions Performance Standards, as set forth in Sections 8340 and 8341 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law.

“EPS Compliant Energy” means Energy that Purchaser can contract for and purchase in compliance with EPS requirements that are applicable to Purchaser.

“EPS Energy Period” means any Assignment Period or J. Aron EPS Energy Period.

“Execution Date” has the meaning specified in the preamble.

“Federal Tax Certificate” means the executed Federal Tax Certificate delivered by Purchaser in the form attached as Exhibit D.

“FERC” means the Federal Energy Regulatory Commission or any successor thereto.

“Firm (LD)” means, with respect to a Party’s obligation to sell and deliver or purchase and receive, that such Party’s liability for the failure to meet such obligation shall only be excused to the extent that, and for the period during which, such performance is prevented by Force Majeure and that in the absence of Force Majeure, the Party to which performance of such obligation is owed shall be entitled to receive from the Party which failed to deliver/receive an amount determined pursuant to Article IV.

“Fixed Price” means \$[____]/MWh with respect to Base Quantities and \$[____]/MWh with respect to Monthly Projected Quantities, which are the fixed prices under the Buyer Swap (as defined in the Master Power Supply Agreement).

“Force Majeure” means an event or circumstance which prevents one Party from performing its obligations under this Agreement, which event or circumstance was not anticipated as of the Execution Date, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided; provided that, for the avoidance of doubt, to the extent that (x) an APC Party to an Assigned PPA fails to deliver any Assigned Product and claims force majeure with respect to such failure to deliver or (y) an APC Party to an Assigned PPA otherwise is unable to deliver any portion of the Annual Quantity due to an event that would be considered Force Majeure under this Agreement if it affected Issuer directly, then, in either case, such event shall be deemed to constitute Force Majeure in respect of Issuer hereunder. Force Majeure shall include, provided the criteria in the first sentence are met, riot, insurrection, war, labor dispute, natural disaster, vandalism, terrorism, sabotage. Force Majeure shall not be based on (i) the loss of Purchaser’s markets; (ii) Purchaser’s inability economically to use or resell the Product purchased hereunder; (iii) the delay, loss or failure of Issuer’s supply; or (iv) Issuer’s ability to sell the Product at a higher price. Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider unless (x) such Party has contracted for firm transmission with a Transmission Provider for the Product to be delivered to or received at the applicable Delivery Point and (y) such curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the Transmission Provider’s tariff; provided, however, that existence of the foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of a Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that a Force Majeure as defined in the first sentence hereof has occurred. Force Majeure declared by Prepay LLC under the Master Power Supply Agreement shall constitute Force Majeure in respect of Issuer hereunder to the extent the conditions set forth above have been satisfied with respect to Prepay LLC. Notwithstanding the foregoing or anything to the contrary herein, to the extent that an Assignment Agreement is terminated early, such termination shall constitute Force Majeure with respect to Issuer hereunder until the earlier of (I) the commencement of an “Assignment Period” under a replacement Assignment Agreement, (II) the commencement of a J. Aron EPS Energy Period or (III) the end of the second Month following the Month in which such early termination occurs.

“Government Agency” means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

“Governmental Approval” means any authorization, consent, approval, license, ruling, permit, exemption, variance, order, judgment, registration, filing, giving of notice to, decree, declaration of or regulation by any Government Agency relating to the valid execution, delivery or performance of this Agreement or the consummation of any of the transactions contemplated hereby.

“Hour” means the 60-minute period commencing at 00:00 (LPT) on first Day of the Delivery Period and ending at 01:00 (LPT) on the first Day of the Delivery Period, and each 60-minute interval thereafter.

“Initial Reset Period” has the meaning specified in Exhibit H.

“Interest Rate Period” has the meaning specified in the Trust Indenture.

“Issuer” has the meaning specified in the preamble.

“Issuer Default” has the meaning specified in Section 17.1.

“ISTs” has the meaning specified in Section 5.1(a).

“J. Aron” means J. Aron & Company LLC, a New York limited liability company, and its permitted successors and assigns under an Assignment Agreement.

“J. Aron EPS Energy Period” has the meaning specified in Section 6.1(c).

“J. Aron Fixed Payment” has the meaning specified in the PPA Custodial Agreement.

“J. Aron Prepay Payment” has the meaning specified in the PPA Custodial Agreement.

“Joint Powers Act” means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.).

“Joint Powers Agreement” means that certain [Joint Powers Agreement] dated [____], 20[] as amended from time to time, under which Purchaser is organized as a Joint Powers Authority in accordance with the Joint Powers Act.

“Law” means any statute, law, rule or regulation or any written judicial or administrative decision, ruling or interpretation with respect thereto or thereof having the effect of the foregoing enacted, promulgated, or issued by a Government Agency whether in effect as of the Execution Date or at any time during the term of this Agreement.

“Long-Term PCC1 Product” means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1, and the California Long-Term Contracting Requirements, to be delivered to J. Aron or any successor thereto pursuant to any Assigned Rights and Obligations.

“Long-Term PCC2 Product” means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 2, and the California Long-Term Contracting Requirements, to be delivered to J. Aron or any successor thereto pursuant to any Assigned Rights and Obligations.

“LPT” means the local prevailing time then in effect in the State of California.

“Master Power Supply Agreement” has the meaning specified in the recitals.

“Minimum Discount Percentage” has the meaning specified in Exhibit H.

“Month” means a period beginning on the first Day of a calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.

“Monthly Discount Percentage” has the meaning specified in Exhibit H.

“Monthly Excess Quantity” means, for any Month, the amount, if any, by which the total quantity (in MWh) of Assigned Product delivered under an Assigned PPA in such Month exceeds the Monthly Projected Quantity for such Assigned PPA for such Month.

“Monthly Projected Quantity” means, with respect to each Assigned PPA and each Month of the Assignment Period for each Assigned PPA, the quantity (in MWh) of Assigned Product for such Month as set forth on Exhibit A-2 for such Assigned PPA (as such Exhibit A-2 may be updated from time to time in accordance with Article VI).

“Municipal Utility” means any Person that (i) is a “governmental person” as defined in the implementing regulations under Section 141 of the Code and any successor provision, (ii) owns either or both a gas distribution utility or an electric distribution utility (or provides natural gas or electricity at wholesale to, or that is sold to entities that provide natural gas or electricity at wholesale to, governmental Persons that own such utilities), and (iii) agrees in writing to use the gas or electricity purchased by it (or cause such gas or electricity to be used) for a qualifying use as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii).

“MWh” means megawatt-hour.

“Non-Priority Products” means any Products that are not Priority Products.

“Other Clean Energy Purchase Contract” means that certain Clean Energy Purchase Contract ([No. 1]/[No. 2]), dated as of the date hereof, by and between Purchaser and Issuer.

“Party” has the meaning specified in the preamble.

“PCC1 Product” means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1 to be delivered to J. Aron or any successor thereto pursuant to any Assigned Rights and Obligations.

“PCC2 Product” means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 2 to be delivered to J. Aron or any successor thereto pursuant to any Assigned Rights and Obligations.

“Person” means any individual, limited liability company, corporation, partnership, joint venture, trust, unincorporated organization, or Government Agency.

“Potential Remarketing Event” has the meaning specified in Section 3.5(b).

“Portfolio Content Category 1” or “PCC1” means any Renewable Energy Credit associated with the generation of electricity from an Eligible Renewable Energy Resource consisting of the portfolio content set forth in California Public Utilities Code Section 399.16(b)(1), as may be amended from time to time or as further defined or supplemented by Law.

“Portfolio Content Category 2” or “PCC2” means any Renewable Energy Credit associated with the generation of electricity from an Eligible Renewable Energy Resource consisting of the portfolio content set forth in California Public Utilities Code Section 399.16(b)(2), as may be amended from time to time or as further defined or supplemented by Law.

“PPA Custodial Agreement” means that certain PPA Custodial Agreement, dated as of the Bond Closing Date, by and among Purchaser, Issuer, J. Aron and the PPA Custodian.

“PPA Custodian” means U.S. Bank Trust Company, National Association, and its successors as custodian under the PPA Custodial Agreement.

“Prepay LLC” has the meaning stated in the recitals.

“Primary Delivery Point” has the meaning specified in Section 5.1(a).

“Priority Products” means the Base Quantity and Assigned Products to be purchased by Purchaser under this Agreement, together with Products that (i) Purchaser is obligated to take under a long-term agreement, which Products either have been purchased by Purchaser or a joint action agency pursuant to a long-term prepaid power purchase agreement using the proceeds of bonds, notes, or other obligations, the interest on which is excluded from income for federal income tax purposes, or (ii) with respect to Energy, Energy that is generated using capacity that was constructed using the proceeds of bonds, notes, or other obligations, the interest on which is excluded from income for federal income tax purposes (provided that, for the avoidance of doubt, Priority Products shall not include Energy that is generated using capacity that was wholly or partially financed through the monetization of renewable tax credits, whether such monetization is accomplished through a tax equity investment or otherwise, or that is generated from federally owned and operated hydroelectric facilities, including through the United States Army Corps of Engineers and the United States Bureau of Reclamation, and marketed by the Bonneville Power Administration or the Western Area Power Administration).

“Product” means Energy and, to the extent included on an Assignment Schedule, associated RECs or other products related to the foregoing; *provided* that the inclusion of any Product on an Assignment Schedule is subject to the limitation set forth in Exhibit F.

“Purchaser” has the meaning specified in the preamble.

“Purchaser Default” has the meaning specified in Section 17.2.

“Purchaser’s Statement” has the meaning specified in Section 14.1(a).

“Qualifying Use Requirements” means, with respect to any Product delivered under this Agreement, such Product is used (i) for a “qualifying use” as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii), (ii) in a manner that will not result in any “private business use” within the meaning of Section 141 of the Code, and (iii) in a manner that is consistent with the Federal Tax Certificate attached as Exhibit D.

“Re-Pricing Agreement” means the Re-Pricing Agreement, dated as of the Bond Closing Date (as defined in the Master Power Supply Agreement), by and between Prepay LLC and Issuer.

“Real-Time Market Price” has the meaning specified on Exhibit A-1 for each Delivery Point.

“Remarketing Entity” has the meaning specified in the Master Power Supply Agreement.

“Remarketing Election Deadline” means, for any Reset Period, the last date and time by which Purchaser may provide a Remarketing Election Notice, which shall be 4:00 p.m. LPT on the 10th day of the Month (or, if such day is not a Business Day, the next succeeding Business Day) prior to the first delivery Month of a Reset Period with respect to which a Potential Remarketing Event has occurred.

“Remarketing Election Notice” has the meaning specified in Section 3.5(b).

“Renewable Energy Credit” or “REC” has the meaning specified for “Renewable Energy Credit” in California Public Utilities Code Section 399.12(h), as may be amended from time to time or as further defined or supplemented by Law.

“Replacement Price” means, with respect to any Shortfall Quantity of Base Quantities, the price at which Purchaser, acting in a Commercially Reasonable manner, purchases at the applicable Delivery Point Replacement Product for such Shortfall Quantity, plus (i) costs reasonably incurred by Purchaser in purchasing Replacement Product, and (ii) additional transmission charges, if any, reasonably incurred by Purchaser to the applicable Delivery Point, or at Purchaser’s option, the market price at the Delivery Point for such Product not delivered as determined by Purchaser in a Commercially Reasonable manner. The Replacement Price for any Shortfall Quantity shall not include any administrative or other internal costs incurred by Purchaser and shall be limited to a price that is Commercially Reasonable with respect to the timing and manner of purchase. In no event shall the Replacement Price include any penalties, ratcheted demand or similar charges, nor shall Purchaser be required to utilize or change its utilization of its owned or controlled assets or market positions to minimize Issuer’s liability.

“Replacement Product” means any Energy purchased by Purchaser to replace any Shortfall Quantity at the Delivery Point where such Shortfall Quantity occurred; provided that such Energy is purchased for delivery in the Delivery Hour to which such Shortfall Quantity relates.

“Reset Period” means each “Reset Period” under the Re-Pricing Agreement.

“Reset Period Notice” has the meaning specified in Section 3.5(a).

“RPS Law” means the California Renewable Energy Resources Act, including the California Renewables Portfolio Standard Program, Article 16 of Chapter 2.3, Division 1 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law.

“Schedule”, “Scheduled” or “Scheduling” means the actions of Issuer, Purchaser and/or their designated representatives, including each Party’s Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity and type of Product to be delivered during any given portion of the Delivery Period at a specified Delivery Point.

“Shortfall Quantity” has the meaning specified in Section 4.1(a).

“Transmission Provider” means any entity or entities transmitting or transporting the Product on behalf of Issuer or Purchaser to or from the Delivery Point.

“Trust Indenture” means (i) the Trust Indenture to be entered into prior to the commencement of the Delivery Period between Issuer and the Trustee, and (ii) any trust indenture entered into in connection with the commencement of any Interest Rate Period after the initial Interest Rate Period between Issuer and the Trustee containing substantially the same terms as the indenture described in clause (i) and which is intended to replace the indenture described in clause (i) as of the commencement of such Interest Rate Period.

“Trustee” means U.S. Bank Trust Company, N.A. and its successors as trustee under the Trust Indenture.

“Utility Revenues” means all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of Purchaser’s electric system, including, without limiting the generality of the foregoing, (1) all income, rents, rates, fees, charges, or other moneys derived by the Purchaser from the sale, furnishing and supplying of the electric capacity or energy or other services, facilities, and commodities sold, furnished or supplied through the facilities of or in the conduct or operation of the business of the Purchaser’s electric system, (2) the earnings on and income derived from the investment of such income, rents, rates, fees, charges, or other moneys to the extent that the use of such earnings and income is limited to Purchaser’s electric system by or pursuant to law, (3) deferred revenues and moneys maintained in the Purchaser’s operating reserve fund and (4) such other income, charges, revenue or moneys maintained in reserves as the Purchaser may specify in a written order of the Purchaser filed with the Issuer, but excluding (A) in all cases customers’ deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the Purchaser; and (B) such other income, charges, revenue or moneys as the Purchaser may specify in a written order of the Purchaser filed with the Issuer, provided that such written order of the Purchaser confirms that, following the filing of such written order of the Purchaser, (i) the requirements of Section 14.7 shall be satisfied; and

(ii) the income, charges, revenue or moneys specified in such written order of the Purchaser shall be accounted for separately from the “Utility Revenues” as defined herein.

“Voided Remarketing Election Notice” has the meaning specified in Section 3.5(b).

“Western EIM” has the meaning ascribed to “Energy Imbalance Market (EIM)” under the CAISO Tariff.

“WREGIS” means the Western Renewable Energy Generation Information System or its successor.

Section 1.2 Definitions; Interpretation. References to “Articles,” “Sections,” “Schedules” and “Exhibits” shall be to Articles, Sections, Schedules and Exhibits, as the case may be, of this Agreement unless otherwise specifically provided. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use herein of the word “include” or “including”, when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest scope of such general statement, term or matter. Except where expressly provided otherwise, any reference herein to any agreement or document includes all amendments, supplements or restatements to and of such agreement or document as may occur from time to time in accordance with its terms and the terms hereof, and any reference to a party to any such agreement includes all successors and assigns of such party thereunder permitted by the terms hereof and thereof.

ARTICLE II.

DELIVERY PERIOD; NATURE OF CLEAN ENERGY PROJECT; CONDITION PRECEDENT

Section 2.1 Delivery Period. Subject to Section 2.3, delivery of Product by Issuer to Purchaser shall commence at the beginning of the Delivery Period and, except for any Reset Period for which a Remarketing Election Notice is in effect as provided in Section 3.5(b), shall continue throughout the Delivery Period.

Section 2.2 Nature of Clean Energy Project. Purchaser acknowledges and agrees that Issuer will meet its obligations to provide Product to Purchaser under this Agreement exclusively through its purchase of Product from Prepay LLC or the Delivering Entity, as applicable, pursuant to the Master Power Supply Agreement and that Issuer is financing its purchase of such supplies through the issuance of the Bonds.

Section 2.3 Condition Precedent. Notwithstanding anything to the contrary herein, commencement of deliveries and the rights and obligations of Issuer and Purchaser hereunder are

subject to the condition precedent that Issuer shall have entered into the Master Power Supply Agreement and shall have issued the Bonds.

Section 2.4 Pledge of this Agreement. Purchaser acknowledges and agrees that Issuer will pledge its right, title and interest under this Agreement and the revenues to be received under this Agreement to secure Issuer's obligations under the Trust Indenture.

ARTICLE III.

SALE AND PURCHASE; PRICING

Section 3.1 Sale and Purchase of Product. Issuer shall sell and deliver or cause to be delivered to Purchaser, and Purchaser shall purchase and receive from Issuer, the applicable Product in the quantities and at the times and subject to the terms and conditions set forth in this Agreement. The quantities of Product to be sold and purchased and delivered and received pursuant to the terms and conditions set forth in this Agreement shall be equal to (a) the Base Quantity, if any, for each Delivery Hour and (b) the Monthly Projected Quantity delivered to J. Aron in each Month of the Delivery Period pursuant to the Assignment Agreements. The Parties acknowledge and agree that Issuer's delivery obligation for (i) Assigned Products will be measured on an annual basis and (ii) Base Products will be measured on an hourly basis as set forth in the terms of this Agreement.

Section 3.2 Payments.

(a) For each Month for which an EPS Energy Period is in effect at the start of such Month, Purchaser shall pay Issuer the Contract Price multiplied by the Monthly Projected Quantity actually delivered for such Month, provided that (x) Issuer shall owe a payment to Purchaser to the extent that the Contract Price for such Monthly Projected Quantity is negative and (y) Purchaser's payment of the [SDCP Gross Amount] (as defined in the PPA Custodial Agreement) to the PPA Custodian consistent with the terms of the PPA Custodial Agreement (x) shall satisfy Purchaser's obligations hereunder with respect to Monthly Excess Quantities and (y) any portion of such amount attributable to Monthly Excess Quantities shall be deemed to be paid by Purchaser to the applicable APC Party on behalf of J. Aron and shall satisfy the obligations of the respective parties under each of the Electricity Sale and Service Agreement, the Master Power Supply Agreement, this Agreement and the applicable Assignment Agreement.

(b) To the extent that Base Quantities are delivered hereunder in any Month, Purchaser shall pay Issuer the Contract Price multiplied by the Base Quantities actually delivered.

Section 3.3 [Limited Obligation to Take Base Quantities.] Notwithstanding anything to the contrary in this Agreement, Purchaser shall not be required to purchase and receive any Base Quantities hereunder, and Issuer, with respect to any Base Quantities that otherwise would be

delivered hereunder, shall cause Prepay LLC to remarket such Base Quantities pursuant to the provisions of Exhibit C to the Master Power Supply Agreement.]²

Section 3.4 Annual Refund. In addition to any Monthly Discount Percentage applied to Energy Scheduled hereunder, Issuer shall credit such Annual Refund to Purchaser as may be available for distribution by Issuer pursuant to [Section 5.12] of the Trust Indenture, subject to the provisions of this Section 3.4. Such Annual Refund, if any, shall be credited to the next amount due from Purchaser following the release of funds for such purpose to Issuer under the terms of the Trust Indenture. In determining the amount of such Annual Refund, if any, to be credited to Purchaser, Issuer may reserve such funds (i) as may be required under the terms of the Trust Indenture or (ii) with the prior written consent of Purchaser (a) to fund or maintain the Minimum Discount Percentage for any future Reset Period, (b) to fund or maintain any rate stabilization or working capital reserve, (c) to reserve or account for unfunded liabilities and expenses or (d) for other costs of the Clean Energy Project.

Section 3.5 [Reset Period Remarketing.³

(a) **Reset Period Notice.** For each Reset Period, Issuer shall provide to Purchaser, at least ten (10) days prior to the Remarketing Election Deadline, written notice (a “Reset Period Notice”) setting forth (i) the duration of such Reset Period, (ii) the estimated Available Discount Percentage for such Reset Period, and (iii) the applicable Remarketing Election Deadline. Issuer may thereafter update such notice at any time prior to the Remarketing Election Deadline, provided that Issuer may extend the Remarketing Election Deadline only to the extent consented to in writing by J. Aron.

(b) **Remarketing Election.** If the Reset Period Notice (or any update thereto) for any Reset Period indicates that the estimated Available Discount Percentage specified in such notice is not at least equal to the Minimum Discount Percentage for such Reset Period, then: (i) a “Potential Remarketing Event” shall be deemed to exist, and (ii) Purchaser may, not later than the Remarketing Election Deadline, issue a written notice in the form attached hereto as Exhibit C (a “Remarketing Election Notice”) to Issuer, Prepay LLC and the Trustee electing the Assignment Agreements to be terminated and all Base Quantities with respect to such Reset Period to be remarketed; provided, however, if the actual Available Discount Percentage, as finally determined under the Re-Pricing Agreement, is equal to or greater than the Minimum Discount Percentage, then Issuer may, in its sole discretion, elect by written notice (a “Voided Remarketing Election Notice”) to Purchaser to treat such Remarketing Election Notice as void. If Purchaser issues a

² NTD: For inclusion only in Clean Energy Purchase Contract No. 2 given that SDCP will be obligated to purchase Base Quantities under Clean Energy Purchase Contract No. 1.

³ NTD: Reset Period remarketing provisions to be included only in Clean Energy Purchase Contract No. 2 given that Clean Energy Purchase Contract No. 1 will expire during the Initial Reset Period.

valid Remarketing Election Notice (other than a Voided Remarketing Election Notice) in accordance with this Section 3.5(b) for any Reset Period, then Purchaser shall have no rights or obligations to receive any Product hereunder during such Reset Period or to receive any Annual Refund attributable to such Reset Period.

(c) Final Determination of Available Discount Percentage. The Parties acknowledge and agree that the final Available Discount Percentage for any Reset Period following the Initial Reset Period will be determined on the Re-Pricing Date (as defined in the Re-Pricing Agreement) for such Reset Period, and that such Available Discount Percentage may differ from the estimate or estimates of such Available Discount Percentage last provided to Purchaser prior to the Remarketing Election Deadline for such Reset Period; provided that the Available Discount Percentage for any Reset Period will not be less than the lower of (i) the last estimated Available Discount Percentage set forth in the Reset Period Notice for such Reset Period (or any update thereof) sent to Purchaser by Issuer and (ii) the Minimum Discount Percentage for Reset Period.

(d) Obligations Following a Remarketing Election. Notwithstanding the issuance of any Remarketing Election Notice for a Reset Period, Purchaser shall not make any new commitment to purchase Priority Products during such Reset Period to the extent any such commitment could reasonably be expected to cause, during any portion of the Delivery Period after such Reset Period, Purchaser's aggregate obligations to purchase Priority Products (including its obligation to purchase Priority Products hereunder) to exceed Purchaser's expected aggregate requirements for Products that will be used (i) for a "qualifying use" as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii) and (ii) in a manner that will not result in any "private business use" within the meaning of Section 141 of the Code. Unless Purchaser issues a new Remarketing Election Notice (other than a Voided Remarketing Election Notice) for any subsequent Reset Period in accordance with this Section 3.5, Purchaser and J. Aron will cooperate in good faith and exercise Commercially Reasonable Efforts to locate EPS Compliant Energy for redelivery hereunder in any such Reset Period.]

ARTICLE IV.

FAILURE TO SCHEDULE PRODUCT

Section 4.1 Issuer's Failure to Schedule Base Quantity (Not Due to Force Majeure).

(a) Shortfall Quantity. If, for any Delivery Hour during the Delivery Period, Issuer breaches its obligation to Schedule or deliver all or any portion of the Base Quantity, after giving effect to reductions for Assigned Energy at any Delivery Point pursuant to the terms of this Agreement, then the portion of the Base Quantity that Issuer failed to Schedule or deliver shall be a "Shortfall Quantity".

(b) Issuer Cover Damage Payments. To the extent Purchaser actually purchases Replacement Product with respect to any Shortfall Quantity, then Issuer shall pay to Purchaser the result determined by the following formula:

$$P = Q \times (RP - CP + AF)$$

Where:

P = The amount payable by Issuer under this Section 4.1(b);

Q = The quantity of Replacement Product purchased;

RP = The Replacement Price;

CP = The Contract Price that would have applied to such Product; and

AF = The Administrative Fee.

(c) Purchaser Obligation to Mitigate. Purchaser shall exercise Commercially Reasonable Efforts to mitigate Issuer's damages paid by Issuer hereunder.

Section 4.2 Purchaser's Failure to Schedule or Take Base Quantities (Not Due to Force Majeure). If, for any Delivery Hour during the Delivery Period, Purchaser breaches its obligation to Schedule or take all or any portion of the Base Quantity at any Delivery Point pursuant to the terms of this Agreement, then Purchaser shall remain obligated to pay Issuer the Contract Price for such Base Quantity. Issuer shall credit to Purchaser's account any net revenues Issuer may receive from Prepay LLC under the Master Power Supply Agreement in connection with the ultimate sale of any such Product by the Delivering Entity to Municipal Utilities or, if necessary, other purchasers, up to the Contract Price.

Section 4.3 Failure to Deliver or Take Due to Force Majeure. If with respect to all or any portion of Base Quantities:

(a) Purchaser fails to take or Issuer fails to deliver all or any portion of such quantities at any Delivery Point pursuant to the terms of this Agreement; and

(b) such failure is due to Force Majeure claimed by either Party, then the Parties shall have no payment obligations with respect to such quantities hereunder.

Section 4.4 Assigned Product. Notwithstanding anything herein to the contrary, neither Purchaser nor Issuer shall have any liability or other obligation to one another for any failure to Schedule, take, or deliver Assigned Product.

Section 4.5 Sole Remedies. Except with respect to the termination of this Agreement pursuant to Article XVII, the remedies set forth in this Article IV shall be each Party's sole and exclusive remedies for any failure by the other Party to Schedule, deliver or take Product, as applicable, pursuant to this Agreement.

ARTICLE V.

DELIVERY POINTS; SCHEDULING

Section 5.1 Delivery Points.

(a) Base Delivery Points. All Base Product delivered under this Agreement shall be Scheduled for delivery and receipt at (i) the Delivery Point set forth in Exhibit A-1 (the “Primary Delivery Point”) or (ii) any other point (an “Alternate Delivery Point”) that has been mutually agreed by Issuer, Purchaser and Prepay LLC (the Primary Delivery Point or, to the extent specified, any Alternate Delivery Point being the “Base Delivery Point”). Delivery of Energy to Purchaser at the Primary Delivery Point shall be facilitated through submission of Inter-SC Trades, as defined in the CAISO Tariff (“ISTs”). Purchaser shall designate a scheduling coordinator in the CAISO market for this purpose as specified in Exhibit G.

(b) Alternate Base Market Prices. The Day-Ahead Market Price and Real-Time Market Price for each Alternate Delivery Point, as applicable, shall be the price mutually agreed and identified by the Parties, or if no such price is identified for such Alternate Delivery Point, the Day-Ahead Market Price and Real-Time Market Price, as applicable, specified on Exhibit A-1 for the Primary Delivery Point from which quantities are being shifted to such Alternate Delivery Point.

(c) Assigned Energy Delivery Points. Assigned Energy delivered under this Agreement shall be Scheduled for delivery and receipt at the applicable Assigned Delivery Point specified in the applicable Assignment Schedule. All other Assigned Product shall be delivered consistent with the terms of the applicable Assignment Agreement.

Section 5.2 Transmission and Scheduling. Issuer shall Schedule or arrange for Scheduling services with CAISO in accordance with the CAISO Tariff, to deliver the Base Product to the Base Delivery Point. Purchaser shall Schedule or arrange for Scheduling services with CAISO in accordance with CAISO Tariff, to receive the Base Product at the Base Delivery Point. If Prepay LLC Schedules or arranges for Scheduling services, to deliver Base Product to the Base Delivery Point, then Issuer’s obligations under this Section shall be relieved pro tanto. Scheduling of Assigned Energy shall be in accordance with the applicable Assignment Schedule.

Section 5.3 Title and Risk of Loss. Title to and risk of loss of the Product delivered under this Agreement shall pass from Issuer to Purchaser at the applicable Delivery Point. The transfer of title and risk of loss for all Assigned Product shall be in accordance with the applicable Assignment Agreement; provided that all Assignment Agreements shall provide for the transfer of Renewable Energy Credits in accordance with WREGIS. Subject to Section 18.1, each Party shall indemnify, defend and hold harmless the other Party from and against any Claims made by a third party arising from or out of any event, circumstance, act or incident related to the Product delivered hereunder first occurring or existing during the period when control and title to Base Product or Assigned Product is vested in the indemnifying Party as provided in this Section; provided that, notwithstanding the foregoing, (a) Issuer shall have no obligations to indemnify, defend or hold harmless Purchaser for any such Claims relating to replacement costs, cover damages or similar liabilities that are payable to any Person because of Purchaser’s failure to deliver any Product to such Person and (b) no obligation to indemnify, defend or hold harmless shall supplant or control the provisions of this Agreement relating to Force Majeure. Notwithstanding anything to the

contrary herein, no Party shall have any obligations to indemnify, defend or hold harmless the other Party in respect of any Claims relating to any Assigned Product.

Section 5.4 PCC1 Product, Long-Term PCC1 Product and PCC2 Product. Notwithstanding any other provision of this Agreement to the contrary, to the extent that any Assigned Product is PCC1 Product, Long-Term PCC1 Product or PCC2 Product, the following provisions apply:

(a) Eligibility. Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project's output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. As used above, "Seller" means "Issuer", "Buyer" means "Purchaser", and any other capitalized terms not otherwise defined herein shall have the meaning specified in the Assigned PPA. **[STC 6, Non-Modifiable. (Source: D.07-11-025, Attachment A.) D.08-04-009].**

(b) Transfer of Renewable Energy Credits. Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. As used above, "Seller" means "Issuer", "Buyer" means "Purchaser", and any other capitalized terms not otherwise defined herein shall have the meaning specified in the Assigned PPA. **[STC REC-1, Non-modifiable. D.11-01-025].**

(c) Tracking of RECs in WREGIS. Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract. **[STC REC-2, Non-modifiable. D.11-01-025].** With respect to Sections 5.4(a) through (c), "Seller" means "Issuer", Buyer means "Purchaser", and any other capitalized terms not otherwise defined therein shall have the meaning specified in the Assigned PPA.

(d) Governing Law. This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced, and performed in

accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement. **[STC 17, Non-Modifiable. (Source: D.07-11-025, Attachment A) D.08-04-009.]**

(e) Issuer Representations and Warranties.

Issuer represents and warrants:

- (i) Issuer has the right to sell the Assigned Product from the Applicable Project;
- (ii) Issuer has not sold the Assigned Product or any REC or other attributes of the Assigned Product to be transferred to Purchaser to any other person or entity;
- (iii) The Energy component of the Assigned Product produced by the Applicable Project and purchased by Issuer for resale to Purchaser hereunder is not being sold by Issuer back to the Applicable Project or APC Party;
- (iv) Assigned Product to be purchased and sold pursuant to this Agreement has not been committed to another party;
- (v) The Assigned Product is free and clear of all liens or other encumbrances;
- (vi) Issuer will deliver to Purchaser all Assigned Energy and associated RECs generated by the Applicable Project for PCC1 Product in compliance with the requirements set forth in California Public Utilities Code 399.16(b)(1) and the California RPS compliance requirements for Portfolio Content Category 1 as set forth in CPUC Decision 11-12-052, if applicable;
- (vii) Issuer will deliver to Purchaser all Assigned Energy and associated RECs generated by the Applicable Project for PCC2 Product in compliance with the requirements set forth in California Public Utilities Code 399.16(b)(2) and the California RPS compliance requirements for Portfolio Content Category 2 as set forth in CPUC Decision 11-12-052, if applicable;
- (viii) Issuer will deliver to Purchaser all Assigned Energy and associated RECs generated by the Applicable Project for Long-Term PCC1 Product in compliance with the California Long-Term Contracting Requirements, if applicable;
- (ix) The Assigned Product supplied to Purchaser under this Agreement that is Long-Term PCC1 Product will be sourced solely from Applicable Projects that have an Assignment Period of ten years or

more in length, or otherwise in compliance with the California Long Term Contracting Requirements; and

- (x) Issuer will cooperate and work with Purchaser, the CEC, and/or the CPUC to provide any documentation required by the CPUC or CEC to support the Product's classification as a Portfolio Content Category 1 Product or Portfolio Content Category 2 Product, as applicable, as set forth in California Public Utilities Code Section 399.16(b)(1) or 399.16(b)(2), as applicable, or compliance with the California Long-Term Contracting Requirements, if applicable.

Issuer further represents and warrants to Purchaser that, to the extent that the PCC1 Product sold by Issuer is a resale of part or all of a contract between Issuer and one or more third parties, Issuer represents, warrants and covenants that the resale complies with the following conditions in (i) through (iv) below during the Assignment Period and throughout the generation period:

- (i) The original upstream third-party contract(s) meets the criteria of California Public Utilities Code Section 399.16(b)(1);
- (ii) This Agreement transfers only electricity and RECs that have not yet been generated prior to the Assignment Period;
- (iii) The electricity transferred by this Agreement is transferred to Purchaser in real time; and
- (iv) If the Applicable Project has an agreement to dynamically transfer electricity to a California balancing authority, the transactions implemented under this Agreement are not contrary to any condition imposed by a balancing authority participating in the dynamic transfer arrangement.

Issuer further represents and warrants to Purchaser that, to the extent that the PCC2 Product sold by Issuer is a resale of part or all of a contract between Issuer and one or more third parties, Issuer represents, warrants and covenants that the resale complies with the following conditions in (i) through (v) below during the Assignment Period and throughout the generation period:

- (i) The original upstream third-party contract(s) meets the criteria of California Public Utilities Code Section 399.16(b)(2);
- (ii) this Agreement transfers only electricity and RECs that have not yet been generated prior to the Assignment Period;
- (iii) this Agreement transfers the original arrangement for substitute electricity (e.g., source and quantity);

(iv) this Agreement retains the scheduling of the substitute electricity into a California balancing authority as set out in the original firming and shaping transaction; and

(v) this Agreement continues to provide incremental.

(f) Subsequent Changes in Law. In the event that the qualifications or requirements of the RPS program, PCC1 Product, PCC2 Product or the California Long-Term Contracting Requirements change, Issuer shall take commercially reasonable actions to meet the amended qualifications or requirements of the RPS Law, PCC1 Product, PCC2 Product or the California Long-Term Contracting Requirements but will not be required to incur any unreimbursed costs to comply with the RPS Law, PCC1, PCC2 Product or the California Long-Term Contracting Requirements, collectively.

(g) Limitations. Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge and agree as follows:

(i) Issuer has relied exclusively upon the representations and warranties of each respective APC Party set forth in the Assigned PPAs in making the representations and warranties set forth in this Section 5.4 and has not performed any independent investigation with respect thereto;

(ii) J. Aron has agreed pursuant to the Electricity Sale and Service Agreement to terminate the applicable Assignment Period in the event that any representation or warranty in this Section 5.4 proves to be incorrect in any respect; and

(iii) Purchaser agrees that its sole recourse for any breach of the provisions of this Section 5.4 shall be the termination of the applicable Assignment Period and Purchaser shall have no other recourse against Issuer or remedies under this Agreement.

Section 5.5 Communications Protocol. With respect to the Scheduling and delivery of Base Quantities, Issuer and Purchaser shall comply with the communications protocol set forth in Exhibit G. Scheduling and transmission of Assigned Energy shall be in accordance with the applicable Assignment Agreement pursuant to which the Purchaser shall act as scheduling agent for each of J. Aron, Prepay LLC and Issuer.

Section 5.6 Deliveries within CAISO or another Balancing Authority. The Parties acknowledge that Energy delivered by Issuer at a Delivery Point within CAISO or another Balancing Authority (including a Balancing Authority operating within the Western EIM) will be delivered in accordance with the CAISO Tariff and rules of the Balancing Authority as applicable. Scheduling such Energy in accordance with the requirements of the applicable Product into the applicable Balancing Authority shall constitute delivery of such Product to Purchaser hereunder,

provided that any associated Renewable Energy Credits and other Assigned Product are also delivered to Purchaser.

Section 5.7 Assigned Products. Issuer shall have no liability under this Article V with respect to any Assigned Products.

ARTICLE VI.

ASSIGNMENT OF POWER PURCHASE AGREEMENTS

Section 6.1 Assignments Generally.

(a) Initial Assignments. Prior to the commencement of the Delivery Period, Purchaser agrees to exercise Commercially Reasonable Efforts to assign the Assigned Rights and Obligations to J. Aron sufficient to reduce the Base Quantity to zero. [For the avoidance of doubt, this provision is only applicable to the Other Clean Energy Purchase Contract.]

(b) Assignments of Replacement Assigned Rights and Obligations. Commencing (i) one year prior to the expiration of any EPS Energy Period or (ii) otherwise immediately upon the early termination or anticipated early termination of a EPS Energy Period or a failure at any time to assign sufficient Assigned Rights and Obligations to reduce the Base Quantities to zero for any Month in the upcoming 12 Months, Purchaser shall exercise Commercially Reasonable Efforts and cooperate with J. Aron in good faith to assign a portion of Purchaser's rights and obligations (the "Assigned Rights and Obligations") under one or more power purchase agreements (each such agreement, an "Assignable Power Contract") pursuant to which Purchaser is purchasing EPS Compliant Energy, RECs and other products that may be assigned pursuant to Exhibit F. The Parties recognize that, in the case of such an assignment, J. Aron will be obligated to sell and deliver Assigned Product it receives under all Assigned Rights and Obligations to Prepay LLC under the terms of the Electricity Sale and Service Agreement, and Prepay LLC will be obligated to deliver such Product to Issuer under the terms of the Master Power Supply Agreement. To be effective hereunder, any assignment of replacement Assigned Rights and Obligations must be proposed, agreed and consented to in accordance with Exhibit F and the Master Power Supply Agreement.

(c) J. Aron Procurement of EPS Compliant Energy. Under certain circumstances specified in Section 6.1(c) of the Electricity Sale and Service Agreement, J. Aron is obligated to exercise Commercially Reasonable Efforts to obtain EPS Compliant Energy for ultimate redelivery to Purchaser hereunder, and, in such case, Purchaser shall cooperate in good faith with J. Aron in connection therewith, provided that:

(i) J. Aron's procurement of any such EPS Compliant Energy for ultimate redelivery hereunder shall be subject to Purchaser's prior written consent, with such consent not to be unreasonably withheld, provided, for the avoidance of doubt, that it shall be reasonable for Purchaser to withhold its consent based on the requirements of the EPS or other regulatory requirements;

(ii) Issuer and Purchaser shall act in good faith and in a Commercially Reasonable manner to negotiate appropriate amendments to this Agreement to facilitate the delivery of such EPS Compliant Energy, including with respect to the Delivery Point, consequences of failing to deliver or receive and scheduling matters;

(iii) the period of delivery for any such EPS Compliant Energy (any such period, a "J. Aron EPS Energy Period") shall not exceed the length, as applicable, of (A) the then-current Reset Period if such EPS Compliant Energy is obtained for delivery for the remainder of a Reset Period and (B) the length of the next succeeding Reset Period if such EPS Compliant Energy is obtained for delivery commencing in such succeeding Reset Period; and

(iv) during a J. Aron EPS Energy Period, if requested by J. Aron, Purchaser shall continue to exercise Commercially Reasonable Efforts and cooperate with J. Aron in good faith to assign Assigned Rights and Obligations to J. Aron under an Assignable Power Contract.

(d) Amendments. Purchaser and Issuer agree to seek the written consent of J. Aron prior to any amendment to this Article VI or Exhibit F hereto.

Section 6.2 Failure to Obtain EPS Compliant Energy. To the extent an EPS Energy Period terminates or expires and Purchaser and J. Aron have been unable to obtain EPS Compliant Energy for delivery hereunder pursuant to the provisions of Section 6.1, then, until EPS Compliant Energy is obtained for delivery hereunder, Prepay LLC shall remarket Purchaser's Base Quantities pursuant to the provisions of Exhibit C to the Master Power Supply Agreement, subject to the following:

(a) Purchaser's and J. Aron's obligations set forth in Section 6.1 shall continue to apply; and

(b) Purchaser shall not make any new commitment to purchase Priority Products during such a remarketing.

Section 6.3 Adjustments to Base Quantities. Effective upon the first day of the third Month following the early termination of an EPS Energy Period for any reason, Issuer shall revise Exhibits A-1 and A-2 to (a) update the Base Quantity Reductions as provided in Exhibit F to the extent a subsequent EPS Energy Period will commence on such date or (b) reverse such Base

Quantity Reductions associated with the EPS Energy Period that terminated for all remaining Hours in the Delivery Period to the extent a replacement EPS Energy Period will not commence on such date. In the case of any other commencement of a subsequent EPS Energy Period, Issuer shall revise (i) the Base Quantity Reductions in Exhibit A-1 as provided by Exhibit F hereto and (ii) Exhibit A-2 to reflect the details for such EPS Energy Period.

Section 6.4 J. Aron Non-Payment to APC Party. To the extent that (a) J. Aron fails to pay when due any J. Aron Prepay Payment and (b) Purchaser makes a payment for such amounts to the applicable APC Party, Purchaser shall provide notice thereof to Issuer upon Purchaser's payment to the applicable APC Party and Issuer shall make a payment to Purchaser in the amount of such non-payment.

Section 6.5 Relevant Agreement for Assignments. The Parties acknowledge and agree that (x) the terms of this Article VI shall only apply under [the Other Clean Energy Purchase Contract and not under this Agreement]/[this Agreement and not under the Other Clean Energy Purchase Contract] and (y) any assignment of Assigned Rights and Obligations in connection with the Clean Energy Project shall occur only under [the Other Clean Energy Purchase Contract]/[this Agreement].

ARTICLE VII.

USE OF PRODUCT

Section 7.1 Tax Exempt Status of the Bonds. Purchaser acknowledges that the Bonds will be issued with the intention that the interest thereon will be exempt from federal taxes under Section 103 of the Code. Accordingly, Purchaser agrees that it will (a) provide such information with respect to its community choice aggregation program as may be requested by Issuer in order to establish the tax-exempt status of the Bonds, and (b) act in accordance with such written instructions as Issuer may provide from time to time in order to maintain the tax-exempt status of the Bonds. Purchaser further agrees that it will not at any time take any action, or fail to take any action, that, if taken or omitted, respectively, would adversely affect the tax-exempt status of the Bonds.

Section 7.2 Priority Products. Purchaser agrees to purchase and receive the Products to be delivered under this Agreement (a) in priority over and in preference to all other Products available to Purchaser that are not Priority Products; and (b) on at least a pari passu and non-discriminatory basis with other Priority Products.

Section 7.3 Assistance with Sales to Third Parties. If (a) (i) a quantity of Assigned Product less than the Annual Quantity is delivered hereunder in any Contract Year for any reason other than Force Majeure or (ii) an Assigned PPA FM Remarketing Event has occurred and is in effect (as defined in Exhibit F to the Master Power Supply Agreement), [(b) Issuer is required under Section 3.3 to cause Base Quantities that otherwise would be delivered hereunder to be

remarketed]⁴ or (c) notwithstanding Purchaser's compliance with Section 7.1, Purchaser does not require all or any portion of the Monthly Projected Quantity to meet its requirements for Energy that it is obligated to purchase under this Agreement as a result of (i) insufficient demand by Purchaser's retail customers or (ii) a change in Law, Purchaser may, with reasonable notice issued in the form of a remarketing notice in accordance with Exhibit G, request (and, in the case of clauses (a) and (b), shall be deemed to request) that the Delivering Entity, as permitted by the Master Power Supply Agreement, sell such portion of such Base Quantities or Monthly Projected Quantity (I) to another Municipal Utility, or (II) if necessary, to another purchaser. Any remarketing notice issued under clause (c)(ii) above shall constitute a Structural Remarketing Notice (as defined in the Master Power Supply Agreement) and shall be subject to the requirements set forth in the Master Power Supply Agreement. If the Remarketing Entity makes such a sale under Exhibit C to the Master Power Supply Agreement, Issuer shall credit against the amount owed by Purchaser to Issuer hereunder the amount received by Issuer from Prepay LLC for such sales less all reasonable costs and expenses directly incurred by Issuer, including but not limited to remarketing administrative charges paid by it to Prepay LLC under the Master Power Supply Agreement, but in no event shall the amount of such credit be more than the Contract Price for the Energy so sold.

Section 7.4 Qualifying Use. Without limiting Purchaser's other obligations under this Article VII, Purchaser agrees that, subject to Section 7.5, it will use all of the Product purchased under this Agreement in compliance with the Qualifying Use Requirements. Purchaser agrees that it will provide such additional information, records and certificates as Issuer may reasonably request to confirm Purchaser's compliance with this Section 7.4.

Section 7.5 Remediation.

(a) The Parties acknowledge that Purchaser may at times inadvertently remarket Products received hereunder in a manner that does not comply with Qualifying Use Requirements due to daily and hourly fluctuations in Purchaser's Product needs. To the extent Purchaser does so, Purchaser shall (a) exercise Commercially Reasonable Efforts to use any Disqualified Sale Proceeds of such remarketing to purchase Products (other than Priority Products) that Purchaser then uses in compliance with the Qualifying Use Requirements and (b) reserve funds in an amount equal to any Disqualified Sale Proceeds until such Disqualified Sale Proceeds are remediated or transferred to the Trustee pursuant to Section 7.6(b) below.

⁴ NTD: For inclusion only in Clean Energy Purchase Contract No. 2.

(b) To the extent that all or any portion of Monthly Projected Quantities or Base Quantities are remarketed under [under Section 3.3]⁵ or under Section 7.3, as applicable, and any such remarketing results in a Ledger Entry (as defined in the Master Power Supply Agreement), Purchaser agrees that it shall (i) exercise Commercially Reasonable Efforts to use an amount equivalent to the remarketing proceeds associated with such any such Ledger Entry to purchase Non-Priority Products and use such Non-Priority Products in compliance with the Qualifying Use Requirements in order to remediate such Ledger Entries; and (ii) apply its purchases of Non-Priority Products to remediate any such proceeds under the Master Power Supply Agreement prior to remediating such proceeds under any other contract that provides for the purchase of Priority Products. To track compliance with Purchaser's obligations under this Section 7.5(b), Purchaser shall deliver a remediation certificate to Issuer and the Remarketing Entity by the tenth day of the Month subsequent to any relevant Non-Priority Products purchases (which may include purchases of Energy from CAISO to the extent such Energy is used in compliance with the Qualifying Use Requirements); provided that the Parties acknowledge and agree that (x) any purchases of Monthly Excess Quantities shall be applied to remediate any such Ledger Entries and no remediation certificate shall be required with respect to purchases of Monthly Excess Quantities applied to remediate Ledger Entries, and (y) Monthly Excess Quantities applied to reduce Ledger Entries shall not credit toward the satisfaction of the Annual Quantity for the Contract Year in which such Monthly Excess Quantities are delivered. For Ledger Entries remediated under this Section 7.5(b) that have not otherwise been remediated by the Remarketing Entity pursuant to the remarketing provisions of the Master Power Supply Agreement, Issuer shall pay Purchaser any portion of the Monthly Discount Percentage associated with such Ledger Entries that is available under the Trust Indenture on or before the last Business Day of the Month in which Purchaser provides a certificate under this Section 7.5(b) evidencing such remediation.

Section 7.6 Remediation; Ledger Entries; Redemption.

(a) Remediation. To track compliance with the requirements of Section 7.5(a), Purchaser will provide a quarterly report to Issuer (delivered not later than the 15th day of each April, July, October and January until the end of the Delivery Period) showing the following: the total quantity of proceeds from sales of Products received hereunder that (i) were sold by Purchaser to any Person in a transaction that does not comply with the Qualifying Use Requirements and (ii) have not been remediated by Purchaser by applying such proceeds to purchase Products that are used in compliance with the Qualifying Use Requirements (the quantities of Product producing

⁵ NTD: For inclusion only in Clean Energy Purchase Contract No. 2.

such proceeds, “Disqualified Sale Units” and such proceeds received, “Disqualified Sale Proceeds”).

(b) Ledger Entries. Issuer shall report such unremediated Disqualified Sale Proceeds and the associated Disqualified Sale Units to the Remarketing Entity for addition to the remarketing ledgers maintained by the Remarketing Entity under the Master Power Supply Agreement, with the ledger entries to be dated as of the end of the first month of the relevant quarter.

(c) Transfers to Trustee. Purchaser shall transfer (to the extent such unremediated Disqualified Sales Proceeds and associated Disqualified Sale Units remain reflected on the remarketing ledger described under Section 7.6(b)) at the time such transfer is required by this Section 7.6(c)) any such unremediated Disqualified Sale Proceeds and any other required funds (i.e., all additional funds necessary for redemption of the Bonds referred to in this Section 7.6(c)) to the Trustee at least 95 days prior to the second anniversary of the date on which such unremediated Disqualified Sale Proceeds and the associated Disqualified Sale Units were first reflected on the remarketing ledgers in accordance with Section 7.6(b), with such funds to be deposited in the Debt Service Account (as defined in the Trust Indenture) and applied to the redemption of Bonds as directed by Issuer and approved by Special Tax Counsel (as defined in the Trust Indenture) as preserving the tax-exempt status of the Bonds.

ARTICLE VIII.

REPRESENTATIONS AND WARRANTIES; ADDITIONAL COVENANTS

Section 8.1 Representations and Warranties. As a material inducement to entering into this Agreement, each Party, with respect to itself, hereby represents and warrants to the other Party as of the Execution Date as follows:

(a) it is a joint powers authority, duly organized and validly existing under the Laws of the State of California,

(b) it has all requisite power and authority, corporate or otherwise, to own its material properties, carry on its material business as now being conducted, enter into, deliver and to perform its obligations under this Agreement and to carry out the terms and conditions hereof and the transactions contemplated hereby;

(c) there is no litigation, action, suit, proceeding with service of process accomplished with respect to such Party or investigation pending or, to the best of such Party’s knowledge, threatened, in each case before or by any Government Agency and, in each case, which could reasonably be anticipated to materially and adversely affect such Party’s ability to perform its obligations under this Agreement or that questions the validity, binding effect or enforceability hereof, any action taken or to be taken by such Party pursuant hereto, or any of the transactions contemplated hereby;

(d) the execution, delivery and performance of this Agreement by such Party have been duly authorized by all necessary action on the part of such Party and its governing body and do not require any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party;

(e) this Agreement has been duly executed and delivered on behalf of such Party by an appropriate officer or authorized Person of such Party and constitutes the legal, valid and binding obligation of such Party, enforceable against it in accordance with its terms, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights generally and by general principles of equity;

(f) the execution, delivery and performance of this Agreement by such Party shall not violate any provision of any Law, order, writ, judgment, decree or other legal or regulatory determination applicable to it;

(g) the execution, delivery and performance by such Party of this Agreement, and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its financial obligations under this Agreement, shall not result in any violation of any term of any material contract or agreement applicable to it, or any of its charter or bylaws or of any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, Law, ordinance, rule or regulation applicable to it or any of its properties or to any obligations incurred by it or by which it or any of its properties or obligations are bound or affected, or of any determination or award of any arbitrator applicable to it, and shall not conflict with, or cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets, except with respect to Issuer, the lien of the Trust Indenture;

(h) to the best of the knowledge and belief of such Party, no Governmental Approval is required in connection with the valid authorization, execution, delivery and performance by such Party of this Agreement or the consummation of any of the transactions contemplated hereby other than those Governmental Approvals that have been obtained; and

(i) it enters this Agreement as a bona-fide, arms-length transaction involving the mutual exchange of consideration and, once executed by both Parties, considers this Agreement a legally enforceable contract.

Section 8.2 Warranty of Title. Issuer warrants that it will deliver to Purchaser (a) all Base Product free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any Person arising prior to the Delivery Point, and (b) all Assigned Product free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any Person that are imposed on such Assigned Product solely as a result of Issuer's or Prepay LLC's actions.

Section 8.3 Disclaimer of Warranties. EXCEPT FOR THE WARRANTIES EXPRESSLY MADE BY ISSUER IN THIS ARTICLE VIII, ISSUER HEREBY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Section 8.4 Continuing Disclosure. Purchaser agrees to provide to Issuer: (a) such financial and operating information as may be requested by Issuer, including Purchaser's most recent audited financial statements, for use in Issuer's offering documents for the Bonds; and (b) annual updates to such information and statements to enable Issuer to comply with its undertakings to enable the underwriters of the offerings of the Bonds to comply with the continuing disclosure provisions of Rule 15(c)2-12 of the United States Securities and Exchange Commission. Failure by Purchaser to comply with its agreement to provide such annual updates shall not be a default under this Agreement, but any such failure shall entitle Issuer or an owner of the Bonds to take such actions and to initiate such proceedings as may be necessary and appropriate to cause Purchaser to comply with such agreement, including without limitation the remedies of mandamus and specific performance.

ARTICLE IX.

TAXES

As between Issuer and Purchaser, Issuer shall (i) be responsible for and pay or cause to be paid all ad valorem, excise, severance, production and other taxes assessed with respect to Product (other than any Assigned Product) delivered pursuant to this Agreement arising prior to the applicable Delivery Point and (ii) indemnify Purchaser and its Affiliates for any such taxes paid by Purchaser or its Affiliates. As between Issuer and Purchaser, Purchaser shall (i) be responsible for all taxes with respect to Product received pursuant to this Agreement assessed at or from the applicable Delivery Point, and (ii) indemnify Issuer and its Affiliates for any such taxes paid by Issuer or its Affiliates. Nothing shall obligate or cause a Party to pay or be liable for any tax for which it is exempt under Law.

ARTICLE X.

JURISDICTION; WAIVER OF JURY TRIAL

Section 10.1 Consent to Jurisdiction. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST EITHER PARTY ARISING OUT OF OR RELATING HERETO SHALL BE BROUGHT EXCLUSIVELY IN (A) THE COURTS OF THE STATE OF CALIFORNIA LOCATED IN THE CITY OF SAN FRANCISCO, (B) THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE NORTHERN DISTRICT OF CALIFORNIA SITTING IN THE CITY AND COUNTY OF SAN FRANCISCO. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH ARTICLE XVI; AND AGREES THAT SERVICE AS PROVIDED ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT.

Section 10.2 Waiver of Jury Trial. TO THE EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING UNDER THIS AGREEMENT. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 10.2 AND EXECUTED BY EACH OF THE PARTIES), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY A COURT.

ARTICLE XI.

FORCE MAJEURE

Section 11.1 Applicability of Force Majeure. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement and such Party (the “Claiming Party”) gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations with respect to this Agreement (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure and as provided in Section 4.3). The Claiming Party shall remedy the Force Majeure with all reasonable dispatch. For the duration of the Claiming Party’s non-performance (and only for such period), the non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

Section 11.2 Settlement of Labor Disputes. Notwithstanding anything to the contrary herein, the Parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the Party experiencing such disturbance, and the failure of a Party to settle such strikes, lockouts or other industrial disturbances shall not prevent the existence of Force Majeure or of reasonable dispatch to remedy the same.

ARTICLE XII.

GOVERNMENTAL RULES AND REGULATIONS

Section 12.1 Compliance with Laws. This Agreement shall be subject to all present and future Laws of any Government Agency having jurisdiction over this Agreement or the transactions to be undertaken hereunder, and neither Party has knowingly undertaken or will knowingly undertake or knowingly cause to be undertaken any activity that would conflict with such Laws; provided, however, that nothing herein shall be construed to restrict or limit either Party's right to object to or contest any such Law, or its application to this Agreement or the transactions undertaken hereunder, and neither acquiescence therein or compliance therewith for any period of time shall be construed as a waiver of such right.

Section 12.2 Contests. Excluding all matters involving a contractual dispute between the Parties, no Party shall contest, cause to be contested or in any way actively support the contest of the equity, fairness, reasonableness or lawfulness of any terms or conditions set forth or established pursuant to this Agreement, as those terms or conditions may be at issue before any Government Agency in any proceeding, if the successful result of such contest would be to preclude or excuse the performance by either Party of this Agreement or any provision hereunder.

Section 12.3 Defense of Agreement. Excluding all matters involving a contractual dispute between the Parties, each Party shall hereafter exercise Commercially Reasonable Efforts to defend and support this Agreement before any Government Agency in any proceeding, if the substance, validity or enforceability of all or any part of this Agreement is hereafter directly challenged or if any proposed changes in regulatory practices or procedures would have the effect of making this Agreement invalid or unenforceable or would subject either Party to any greater or different regulation or jurisdiction that materially affects the rights or obligations of the Parties under this Agreement.

ARTICLE XIII.

ASSIGNMENT

The terms and provisions of this Agreement shall extend to and be binding upon the Parties and their respective successors, assigns, and legal representatives; *provided*, however, that, subject to Section 18.14, neither Party may assign this Agreement or its rights and interests, in whole or in part, under this Agreement without the prior written consent of the other Party; *provided* furthermore that, for the avoidance of doubt, any applicable Assignment Agreement shall terminate concurrent with the assignment of this Agreement. Prior to assigning this Agreement, Purchaser shall deliver to Issuer written confirmation from each Rating Agency (as defined in the Trust Indenture) then rating the Bonds, *provided* that such agency has rated and continues to rate the Bonds, that the assignment will not result in a reduction, qualification, or withdrawal of the then-current ratings assigned by such Rating Agency to the Bonds. Whenever an assignment or a transfer of a Party's interest in this Agreement is requested to be made with the written consent of the other Party, the assigning or transferring Party's assignee or transferee shall expressly assume, in writing, the duties and obligations under this Agreement of the assigning or transferring Party. Upon the agreement of a Party to any such assignment or transfer, the assigning or transferring Party shall furnish or cause to be furnished to the other Party a true and correct copy of such assignment or transfer and assumption of duties and obligations.

ARTICLE XIV.

PAYMENTS

Section 14.1 Monthly Statements.

(a) Purchaser's Statements. No later than the 5th day of each Month during the Delivery Period (excluding the first Month of the Delivery Period) and the first Month following the end of the Delivery Period, Purchaser shall deliver to Issuer a statement (a "Purchaser's Statement") listing (i) in respect of the prior Month, if Base Quantities were required to be delivered in such Month and there is a Shortfall Quantity for such Month, the Replacement Price applicable to such Shortfall Quantity, and (ii) any other amounts due to Purchaser in connection with this Agreement with respect to prior Months.

(b) Billing Statements.

(i) No later than the 20th day of each Month during the Delivery Period (excluding the first Month of the Delivery Period) and the first Month following the end of the Delivery Period, Issuer shall deliver a statement (a "Billing Statement") to Purchaser indicating (i) the total amount due to Issuer for Product delivered in the prior Month, (ii) any other amounts due to Issuer or Purchaser in connection with this Agreement with respect to the prior Months, and (iii) the net amount due to Issuer or Purchaser; provided that invoicing for Monthly Excess Quantities shall occur under the PPA Custodial Agreement.

(ii) For each Month of any Assignment Period, the Billing Statement prepared by Issuer shall assume that all Monthly Projected Quantities under each Assigned PPA were delivered for such Month. To the extent that a Billing Statement subsequently delivered under the PPA Custodial Agreement reflects that less than the Monthly Projected Quantities were actually delivered under any such Assigned PPA, then (A) the previously delivered Billing Statement shall be deemed to be updated in accordance with such Billing Statement; and (B) Issuer shall owe a resettlement payment to Purchaser in an amount equal to the resettlement payment owed by Prepay LLC to Issuer under Section 14.1(b)(ii) of the Master Power Supply Agreement. The Parties acknowledge and agree that J. Aron shall have a separate resettlement payment obligation with respect to the amounts described in the clause (B) of the preceding sentence under the Electricity Sale and Service Agreement, and J. Aron's payment of the J. Aron Resettlement Payment as defined in and pursuant to the PPA Custodial Agreement shall satisfy the corresponding obligations of the respective parties under each of the Electricity Sale and Service Agreement, the Master Power Supply Agreement and this Agreement. The Parties acknowledge and agree that (x) the terms of this Section 14.1(b)(ii) shall only apply under [the Other Clean Energy Purchase Contract and not under this Agreement]/[this Agreement and not under the Other Clean Energy Purchase Contract] and (y) any assignment of Assigned Rights and Obligations in

connection with the Clean Energy Project shall occur only pursuant to [the Other Clean Energy Purchase Contract]/[this Agreement].

(c) Supporting Documentation. Upon request by either Party, the other Party shall deliver such supporting documentation of the foregoing statements and information described in this Section 14.1 as such requesting Party may reasonably request.

Section 14.2 Payments.

(a) Payments Due. If the Billing Statement indicates an amount due from Purchaser, then Purchaser shall remit such amount to the Trustee for the benefit of the Issuer by wire transfer (pursuant to the Trustee's instructions for amounts due under this Agreement, provided that amounts due from Purchaser with respect to Monthly Excess Quantities shall be paid pursuant to the terms of the PPA Custodial Agreement), in immediately available funds, on or before the 23rd day of the Month following the most recent Month to which such Billing Statement relates, or if such day is not a Business Day, the preceding Business Day. If the Billing Statement indicates an amount due from Issuer, then Issuer shall remit such amount to Purchaser by wire transfer (pursuant to Purchaser's instructions), in immediately available funds, on or before the 28th day of the Month following the most recent Month to which such Billing Statement relates, or if such day is not a Business Day, the following Business Day.

(b) No Duty to Estimate. If Purchaser fails to issue a Purchaser's Statement with respect to any Month, Issuer shall not be required to estimate any amounts due to Purchaser for such Month, provided that Purchaser may include any such amount on subsequent Purchaser's Statements issued within the next sixty (60) days. The sixty (60)-day deadline in this subsection (b) replaces the two (2) year deadline in Section 14.5 with respect to any claim by any non-delivering Party of inaccuracy in any estimated invoice issued or payment made pursuant to this subsection (b).

Section 14.3 Payment of Disputed Amounts. If Purchaser disputes any amounts included in a Billing Statement, Purchaser shall (except in the case of manifest error) nonetheless pay any amount required by the Billing Statement in accordance with Section 14.2 without regard to any right of set-off, counterclaim, recoupment or other defenses to payment that Purchaser may have; *provided, however*, that Purchaser shall have the right, after payment, to dispute any amounts included in a Billing Statement or otherwise used to calculate payments due under this Agreement pursuant to Section 14.5. If Issuer disputes any amounts included in the Purchaser's Statement, Issuer may withhold payment to the extent of the disputed amount; *provided, however*, that interest shall be due at the Default Rate for any withheld amount later found to have been properly due.

Section 14.4 Late Payment. If Purchaser fails to remit within one Business Day the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at the Default Rate.

Section 14.5 Audit; Adjustments.

(a) Right to Audit. A Party shall have the right, at its own expense, upon reasonable notice to the other Party and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other Party to the extent reasonably necessary, but only to such extent, to verify the accuracy of any statement, charge, payment, or computation made under this Agreement. This right to examine, audit, and obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Agreement.

(b) Deadline for Objections. Each Purchaser's Statement and each Billing Statement shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such Purchaser's Statement or Billing Statement is objected to in writing, with adequate explanation and/or documentation, within two (2) years after the applicable Month of Product delivery.

(c) Payment of Adjustments. All retroactive adjustments shall be paid in full by the Party owing payment within 30 days of notice and substantiation of such inaccuracy. If the Parties are unable to agree upon any retroactive adjustments requested by either Party within the time period specified in Section 14.5(b), then either Party may pursue any remedies available with respect to such adjustments at law or in equity. Retroactive adjustments for payments made based on an incorrect Purchaser's Statement or Billing Statement shall bear interest at the Default Rate from the date such payment was made.

Section 14.6 Netting; No Set-Off. The Parties shall net all amounts due and owing, including any past due amounts (which, for the avoidance of doubt, shall include any accrued interest), arising under this Agreement such that the Party owing the greater amount shall make a single payment of the net amount to the other Party in accordance with this Article XIV. Notwithstanding the foregoing, no Party shall be entitled to net any amounts that are in dispute and payment for all amounts set forth in a Billing Statement provided to Purchaser shall be made without set-off or counterclaim of any kind.

Section 14.7 Rate Covenant. Purchaser agrees to make payments it is required to make under this Agreement from Utility Revenues, and only from such Utility Revenues, and as a charge against such Utility Revenues, as an operating expense of its electric system and a cost of purchased Product; provided, however, that Purchaser, in its discretion, may apply any legally available moneys to the payment of amounts due under this Agreement. Purchaser hereby covenants and agrees that it will establish, maintain, and set rates and charges for its electric system so as to provide Utility Revenues sufficient, together with all available electric system revenues, to enable Purchaser to pay to Issuer all amounts payable under this Agreement and to pay all other amounts payable from the revenues of Purchaser's electric system, and to maintain any reserves as required by the Purchaser's reserve policy. Purchaser further covenants and agrees that it shall not furnish or supply electric services free of charge to any person, firm, corporation association, or other entity, public or private, except any such service free of charge that Purchaser is supplying on the date hereof or such free service as required by order of the CPUC or the State of California, and that it shall promptly enforce the payment of any and all accounts owing to Purchaser for the sale of electricity or the provision of transmission, distribution or other services to its customers. Purchaser further covenants and agrees that in any future bond issue, certificate of participation

issue, interest rate swap agreement, commodity swap agreement or any other financing or financial transaction undertaken by, or on behalf of, Purchaser in connection with its electric system, Purchaser shall not pledge or encumber the Utility Revenues through a gross revenue pledge or in any other way which creates a prior or superior obligation to its obligation to make payments under this Agreement.

ARTICLE XV.

[RESERVED]

ARTICLE XVI.

NOTICES

Any notice, demand, statement, or request required or authorized by this Agreement to be given by one Party to the other Party (or to any third party) shall be in writing and shall either be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses specified in Exhibit B for the receiving Party. Any such notice, demand, or request shall be deemed to be given (i) when delivered by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon 10 days' prior written notice to the other Party, to change its list of notice recipients and addresses in Exhibit B. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods, such as electronic mail. Notwithstanding the foregoing, either Party may at any time notify the other that any notice, demand, statement, or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during the specified period of time shall be ineffective.

ARTICLE XVII.

DEFAULT; REMEDIES; TERMINATION

Section 17.1 Issuer Default. Each of the following events shall constitute a "Issuer Default" under this Agreement:

(a) any representation or warranty made by Issuer in this Agreement or the Other Clean Energy Purchase Contract shall prove to have been incorrect in any material respect when made; or

(b) Issuer shall have failed to perform, observe, or comply with any covenant, agreement or term contained in this Agreement or the Other Clean Energy Purchase Contract, and such failure continues for more than thirty (30) days following receipt by Issuer of written notice thereof.

Section 17.2 Purchaser Default. Each of the following events shall constitute a “Purchaser Default” under this Agreement:

(a) Purchaser fails to pay when due any amounts owed to Issuer pursuant to this Agreement or the other Clean Energy Purchase Contract and such failure continues for three Days following receipt by Purchaser of written notice thereof;

(b) Purchaser (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency Law or other similar Law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained, in each case within 30 days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; (vii) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its of assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (viii) causes or is subject to any event with respect to it which, under the applicable Laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) through (vii); or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

(c) any representation or warranty made by Purchaser in this Agreement or the Other Clean Energy Purchase Contract proves to have been incorrect in any material respect when made, and such default is not remedied within thirty (30) days after receipt by Purchaser of written notice thereof;

(d) Purchaser shall have failed to perform, observe or comply with any material covenant, agreement or term contained in this Agreement or the Other Clean Energy Purchase Contract, and such failure continues for more than 30 days following the earlier of receipt by Purchaser of notice thereof; or

(e) Purchaser shall have failed to establish, maintain, or collect rates or charges adequate to provide Utility Revenues sufficient to enable Purchaser to pay all amounts due to Issuer under this Agreement or the Other Clean Energy Purchase Contracts in accordance with Section 14.7 (Rate Covenant), and such failure continues for more than 30 days following receipt by Purchaser of notice thereof.

Section 17.3 Remedies Upon Default.

(a) Termination. If at any time a Issuer Default or a Purchaser Default has occurred and is continuing, then the non-defaulting Party may do any or all of the following (i) by notice to the defaulting Party specifying the relevant Issuer Default or Purchaser Default, as applicable, terminate this Agreement effective as of a day not earlier than the day such notice is deemed given under Article XVI and/or (ii) declare all amounts due to the non-defaulting Party under this Agreement or any part thereof immediately due and payable, and the same shall thereupon become immediately due and payable, without notice, demand, presentment, notice of dishonor, notice of intent to demand, protest or other formalities of any kind, all of which are hereby expressly waived by the defaulting Party; *provided, however*, this Agreement shall automatically terminate and all amounts due to the non-defaulting Party hereunder shall immediately become due and payable as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition giving rise to a Purchaser Default specified in Section 17.2(b)(iv) or, to the extent analogous thereto, Section 17.2(b)(viii). In addition, during the existence of an Issuer Default or a Purchaser Default, as applicable, the non-defaulting Party may exercise all other rights and remedies available to it at Law or in equity, including without limitation mandamus, injunction and action for specific performance, to enforce any covenant, agreement or term of this Agreement.

(b) Additional Remedies. In addition to the remedies set forth in Section 17.3(a) (and without limiting any other provisions of this Agreement), during the existence of any Purchaser Default, Issuer may suspend its performance hereunder and discontinue the supply of all or any portion of the Product otherwise to be delivered to Purchaser by it under this Agreement. If Issuer exercises its right to suspend performance under this Section 17.3(b), Purchaser shall remain fully liable for payment of all amounts in default and shall not be relieved of any of its payment obligations under this Agreement. Deliveries of Product may only be reinstated, at a time to be determined by Issuer, upon (i) payment in full by Purchaser of all amounts then due and payable under this Agreement and (ii) unless otherwise agreed by Issuer, payment in advance by Purchaser at the beginning of each Month of amounts estimated by Issuer to be due to Issuer for the future delivery of Product under this Agreement for such Month. Issuer may continue to require payment in advance from Purchaser after the reinstatement of Issuer's supply services under this Agreement for such period of time as Issuer in its sole discretion may determine is appropriate. In addition, and without limiting any other provisions of or remedies available under this Agreement, if Purchaser fails to accept from Issuer any Product tendered for delivery under this Agreement, Issuer shall have the right to sell such Product to third parties on any terms that Issuer, in its sole discretion, determines are appropriate.

(c) Effect of Early Termination. As of the effectiveness of any termination date in accordance with clause (i) of Section 17.3(a), (i) the Delivery Period shall end, (ii) the obligation of Issuer to make any further sales and deliveries of Product to Purchaser under this Agreement shall terminate, and (iii) the obligation of Purchaser to purchase and receive deliveries of Product from Issuer under this Agreement will terminate. Neither this Agreement nor the Delivery Period may be terminated for any reason except as specified in this Article XVII. Without prejudice to

any payment obligation in respect of periods prior to termination, no payments will be due from either Party in respect of periods occurring after the effective termination date of this Agreement.

Section 17.4 Termination of Master Power Supply Agreement. Purchaser acknowledges and agrees that (i) in the event the Master Power Supply Agreement terminates prior to the end of the primary term of this Agreement, this Agreement shall terminate on the effective date of early termination of the Master Power Supply Agreement (which date shall be the last date upon which deliveries are required thereunder, subject to all winding up arrangements), (ii) Issuer's obligation to deliver Product, and Purchaser's obligation to purchase and receive deliveries, under this Agreement shall terminate upon the termination of deliveries of Product to Issuer under the Master Power Supply Agreement and (iii) in either event described in clauses (i) or (ii), Purchaser shall exercise its right to terminate any Assignment Agreements in effect. Issuer shall provide notice to Purchaser of any early termination date of the Master Power Supply Agreement or any termination of deliveries of Product to Issuer under the Master Power Supply Agreement. The Parties recognize and agree that, in the event that the Master Power Supply Agreement terminates because of a Failed Remarketing (as defined in the Trust Indenture) of the Bonds that occurs in the first Month of a Reset Period, Issuer shall deliver Product under this Agreement for the remainder of such first Month, and, notwithstanding anything in this Agreement to the contrary, no Monthly Discount Percentage or Annual Refunds shall be associated with such deliveries and the Contract Price shall be adjusted accordingly.

Section 17.5 Limitation on Damages. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS HEREIN PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION, OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING WITHOUT LIMITATION THE NEGLIGENCE OF EITHER PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THIS AGREEMENT ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT, AND THE LIQUIDATED DAMAGES CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS. IN DETERMINING THE APPROPRIATE MEASURE OF DAMAGES THAT WOULD MAKE THE PARTIES WHOLE, THE PARTIES HAVE THOROUGHLY CONSIDERED, INTER ALIA, THE UNCERTAINTY OF FLUCTUATIONS IN PRODUCT PRICES, THE ABILITY AND INTENTION OF THE PARTIES TO HEDGE

SUCH FLUCTUATIONS, THE BARGAINED-FOR ALLOCATION OF RISK, THE KNOWLEDGE, SOPHISTICATION AND EQUAL BARGAINING POWER OF THE PARTIES, THE ARMS-LENGTH NATURE OF THE NEGOTIATIONS, THE SPECIAL CIRCUMSTANCES OF THIS TRANSACTION, THE ACCOUNTING AND TAX TREATMENT OF THE TRANSACTION BY THE PARTIES, AND THE ENTERING INTO OF OTHER TRANSACTIONS IN RELIANCE ON THE ENFORCEABILITY OF THE LIQUIDATED DAMAGES PROVISIONS CONTAINED HEREIN.

ARTICLE XVIII. MISCELLANEOUS

Section 18.1 Indemnification Procedure. With respect to each indemnification included in this Agreement, the indemnity is given to the fullest extent permitted by applicable Law and the following provisions shall be applicable. The indemnified Party shall promptly notify the indemnifying Party in writing of any Claim and the indemnifying Party shall have the right to assume its investigation and defense, including employment of counsel, and shall be obligated to pay related court costs, attorneys' fees and experts' fees and to post any appeals bonds; *provided*, however, that the indemnified Party shall have the right to employ at its expense separate counsel and participate in the defense of any Claim. The indemnifying Party shall not be liable for any settlement of a Claim without its express written consent thereto. In order to prevent double recovery, the indemnified Party shall reimburse the indemnifying Party for payments or costs incurred in respect of an indemnity with the proceeds of any judgment, insurance, bond, surety or other recovery made by the indemnified Party with respect to a covered event.

Section 18.2 Deliveries. Contemporaneously with this Agreement and the Other Clean Energy Purchase Contract (unless otherwise specified):

(a) each Party shall deliver to the other Party evidence reasonably satisfactory to it of (i) such Party's authority to execute, deliver and perform its obligations under this Agreement and (ii) the appropriate individuals who are authorized to sign this Agreement and the Other Clean Energy Purchase Contract on behalf of such Party;

(b) on the Bond Closing Date, Purchaser shall deliver to Issuer a fully executed Federal Tax Certificate in substantially the form attached hereto as Exhibit D;

(c) on the Bond Closing Date, Purchaser shall deliver to Issuer an opinion or opinions of counsel to Purchaser covering the matters set forth in the form attached hereto as Exhibit E; and

(d) on the Bond Closing Date, Purchaser shall deliver to Issuer a Closing Certificate in substantially the form set forth hereto as Exhibit I.

For added clarity: the Parties acknowledge and agree that the foregoing deliverable requirements under this Section 18.2 and Section 18.2 of the Other Clean Energy Purchase Contract may be satisfied with a single consolidated set of deliverables for the two agreements.

Section 18.3 Entirety; Amendments. This Agreement, including the exhibits and attachments hereto, constitutes the entire agreement between the Parties and supersedes all prior discussions and agreements between the Parties with respect to the subject matter hereof. There are no prior or contemporaneous agreements or representations affecting the same subject matter other than those expressed herein. Except for any matters that, in accordance with the express provisions of this Agreement, may be resolved by oral agreement between the Parties, no amendment, modification, supplement, or change hereto shall be enforceable unless reduced to writing and executed by both Parties.

Section 18.4 Governing Law. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLE THAT WOULD DIRECT THE APPLICATION OF ANOTHER JURISDICTION'S LAW.

Section 18.5 Non-Waiver. No waiver of any breach of any of the terms of this Agreement shall be effective unless such waiver is in writing and signed by the Party against whom such waiver is claimed. No waiver of any breach or breaches shall be deemed a waiver of any other subsequent breach.

Section 18.6 Severability. If any provision of this Agreement, or the application thereof, shall for any reason be invalid or unenforceable, then to the extent of such invalidity or unenforceability, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby, but rather shall be enforced to the maximum extent permissible under applicable Law, so long as the economic and legal substance of the transactions contemplated hereby is not affected in any materially adverse manner as to either Party.

Section 18.7 Exhibits. Any and all Exhibits and attachments referenced in this Agreement are hereby incorporated herein by reference and shall be deemed to be an integral part hereof.

Section 18.8 Winding Up Arrangements. All indemnity and confidentiality obligations, audit rights, and other provisions specifically providing for survival shall survive the expiration or termination of this Agreement. The expiration or termination of this Agreement shall not relieve either Party of (a) any unfulfilled obligation or undischarged liability of such Party on the date of such termination or (b) the consequences of any breach or default of any warranty or covenant contained in this Agreement. All obligations and liabilities described in the preceding sentence of this Section 18.8, and applicable provisions of this Agreement creating or relating to such obligations and liabilities, shall survive such expiration or termination.

Section 18.9 Relationship of Parties. The Parties shall not be deemed to be in a relationship of partners or joint venturers by virtue of this Agreement, nor shall either Party be an agent, representative, trustee or fiduciary of the other. Neither Party shall have any authority to

bind the other to any agreement. This Agreement is intended to secure and provide for the services of each Party as an independent contractor.

Section 18.10 Immunity. Each Party represents and covenants to and agrees with the other Party that it is not entitled to and shall not assert the defense of sovereign immunity with respect to its obligations or any Claims under this Agreement.

Section 18.11 Rates and Indices. If the source of any publication used to determine the index or other price used in the Contract Price should cease to publish the relevant prices or should cease to be published entirely, an alternative index or other price will be used based on the determinations made by Issuer and Prepay LLC under Section 18.11 of the Master Power Supply Agreement. Issuer shall provide Purchaser the opportunity to provide its recommendations and other input to Issuer for Issuer's use in the process for selecting such alternative index or other price under Section 18.11 of the Master Power Supply Agreement.

Section 18.12 Limitation of Liability. Notwithstanding anything to the contrary herein, all obligations of Issuer under this Agreement, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of Issuer payable solely from Trust Estate (as such term is defined in the Trust Indenture) as and to the extent provided in the Trust Indenture, including with respect to Operating Expenses (as such term is defined in the Trust Indenture). Issuer shall not be required to advance any moneys derived from any source other than the Revenues (as such term is defined in the Trust Indenture) and other assets pledged under the Trust Indenture for any of the purposes in this Agreement mentioned. Neither the faith and credit of Issuer nor the taxing power of the State of California or any political subdivision thereof is pledged to payments pursuant to this Agreement. Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent Revenues (as such term is defined in the Trust Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Trust Indenture.

Section 18.13 Counterparts; Electronic Signatures. This Agreement may be executed and acknowledged in multiple counterparts and by the Parties in separate counterparts, each of which shall be an original and all of which shall be and constitute one and the same instrument. Each of the Parties agrees that the transaction consisting of this Agreement may be conducted by electronic means. Each Party agrees, and acknowledges that it is such Party's intent, that if such Party signs this Agreement using an electronic signature, it is signing, adopting, and accepting this Agreement and that signing this Agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this Agreement on paper. Each Party acknowledges that it is being provided with an electronic or paper copy of this Agreement in a usable format.

Section 18.14 Third Party Beneficiaries; Rights of Trustee. Purchaser acknowledges and agrees that (a) Issuer will pledge and assign its rights, title and interest in this Agreement and the amounts payable by Purchaser under this Agreement to secure Issuer's obligations under the Trust Indenture, (b) the Trustee shall be a third-party beneficiary of this Agreement with the right to enforce Issuer's rights and Purchaser's obligations under this Agreement, (c) J. Aron shall be a

third-party beneficiary of this Agreement with the right to enforce the provisions of this Agreement relating to the Remarketing Entity, Article VI and Exhibit F of this Agreement, (d) the Trustee or any receiver appointed under the Trust Indenture shall have the right to perform all obligations of Issuer under this Agreement, and (e) in the event of any Purchaser Default under Section 17.2(a), (i) Prepay LLC may, to the extent provided for in, and in accordance with, Exhibit E to the Master Power Supply Agreement, take assignment from Issuer of receivables owed by Purchaser to Issuer under this Agreement, and Prepay LLC or any third party transferee who purchases and takes assignment of such receivables from Prepay LLC shall thereafter have all rights of collection with respect to such receivables (provided that, if at any time an insurance provider agrees to insure Purchaser's payment obligations hereunder, then such insurance provider shall have the same rights under this Section 18.14 as Prepay LLC), and (ii) if such receivables are not so assigned, the Swap Counterparty or Swap Counterparties (as defined in the Trust Indenture) shall have the right to pursue collection of such receivables to the extent any non-payment by Issuer to any Swap Counterparty was caused by Purchaser's payment default. Pursuant to the terms of the Trust Indenture, Issuer has irrevocably appointed the Trustee as its agent to issue notices and, as directed under the Trust Indenture, to take any other actions that Issuer is required or permitted to take under this Agreement. Purchaser may rely on notices or other actions taken by Issuer or the Trustee and Purchaser has the right to exclusively rely on any notices delivered by the Trustee, regardless of any conflicting notices that it may receive from Issuer.

Section 18.15 No Recourse to Members of Purchaser. Purchaser is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to its Joint Powers Agreement and is a public entity separate from its constituent members. Purchaser shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Issuer shall have no rights and shall not make any claims, take any actions or assert any remedies against any of Purchaser's constituent members, or the employees, directors, officers, consultants or advisors of Purchaser or its constituent members, in connection with this Agreement.

Section 18.16 Waiver of Defenses. Each Party waives all rights to set-off, counterclaim, recoupment and any other defenses that might otherwise be available to it with regard to its obligations pursuant to the terms of this Agreement.

Section 18.17 Rate Changes.

(a) Standard of Review. Absent the agreement of the Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any waiver in Section 18.17(b) below is unenforceable or ineffective as to such Party), a non-party or FERC acting *sua sponte*, shall solely be the "public interest" application of the "just and reasonable" standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) and clarified by Morgan Stanley Capital Group Inc. v. Public Util. Dist. No. 1 of Snohomish, 554 U.S. 527 (2008).

(b) Waiver. In addition, and notwithstanding Section 18.17(a), to the fullest extent permitted by applicable Law, each Party, for itself and its successors and assigns, hereby

expressly and irrevocably waives any rights it can or may have, now or in the future, whether under Section 205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any section of this Agreement specifying the rate, charge, classification, or other term or condition agreed to by the Parties, it being the express intent of the Parties that, to the fullest extent permitted by applicable Law, neither Party shall unilaterally seek to obtain from FERC any relief changing the rate, charge, classification, or other term or condition of this Agreement, notwithstanding any subsequent changes in applicable Law or market conditions that may occur. In the event it were to be determined that applicable Law precludes the Parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then this Section 18.17(b) shall not apply, *provided* that, consistent with Section 18.17(a), neither Party shall seek any such changes except solely under the “public interest” application of the “just and reasonable” standard of review and otherwise as set forth in Section 18.17(a).

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

[Separate Signature Page(s) Attached]

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

SAN DIEGO COMMUNITY POWER

By: _____
Name: _____
Title: _____

EXHIBIT A-1

BASE QUANTITIES; BASE DELIVERY POINTS; COMMODITY REFERENCE PRICES

[To be attached.]

EXHIBIT A-2

EPS ENERGY PERIOD MONTHLY PROJECTED QUANTITIES

[To be attached.]

EXHIBIT A-3

ANNUAL QUANTITY

[To be attached.]

EXHIBIT B

NOTICES

IF TO ISSUER: California Community Choice Financing Authority
1125 Tamalpais Avenue
San Rafael, CA 94901
Email: notices@cccfa.org and invoices@cccfa.org

IF TO PURCHASER: San Diego Community Power
Eric Washington
Chief Financial Officer & Treasurer
815 E Street, Suite 12716
San Diego, CA 92112
Email: ewashington@sdcommunitypower.org

EXHIBIT C

REMARKETING ELECTION NOTICE⁶

California Community Choice Financing Authority
1125 Tamalpais Avenue
San Rafael, CA 94901
Email: notices@cccfa.org and invoices@cccfa.org

Aron Energy Prepay [] LLC
c/o J. Aron & Company LLC
200 West Street
New York, New York 10282

U.S. Bank Trust Company, National Association
2 Concourse Parkway, Suite 800
Atlanta, GA 30328
Attention: Mark Hallam

To the Addressees:

The undersigned, duly authorized representative of San Diego Community Power (the “Purchaser”), is providing this notice (the “Remarketing Election Notice”) pursuant to the Clean Energy Purchase Contract, dated as of [], 2026 (the “Clean Energy Purchase Contract”), between California Community Choice Financing Authority and Purchaser. Capitalized terms used herein shall have the meanings set forth in the Clean Energy Purchase Contract.

Pursuant to Section 3.5(b) of the Clean Energy Purchase Contract, the Purchaser has elected to have all of its Base Quantity, for each Hour of the Reset Period commencing _____ and extending to and including _____, remarketed beginning as of the commencement of such Reset Period. The resumption of deliveries of Base Quantities in any future Reset Period shall be in accordance with Section 3.5(d) of the Clean Energy Purchase Contract.

Given this [] day of [], 20[].

SAN DIEGO COMMUNITY POWER

⁶ NTD: For inclusion only in Clean Energy Purchase Contract No. 2 given that Clean Energy Purchase Contract No. 1 will expire during the Initial Reset Period.

By: _____
Printed Name:
Title:

EXHIBIT D

FORM OF FEDERAL TAX CERTIFICATE

This Federal Tax Certificate is executed in connection with the two Clean Energy Purchase Contracts, dated as of [____], 2026 (the “Clean Energy Purchase Contracts”), by and between the California Community Choice Financing Authority (“Issuer”) and San Diego Community Power, a California joint powers authority (“Purchaser”). Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Clean Energy Purchase Contract, in the Tax Certificate and Agreement, or in the Trust Indenture.

WHEREAS Purchaser acknowledges that Issuer is issuing the Bonds to fund the prepayment prices under the two Master Power Supply Agreements, dated as of the date of the Clean Energy Purchase Contracts, between Issuer and Prepay LLC; and

WHEREAS the Bonds are intended to qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended; and

WHEREAS Purchaser’s use of Energy acquired pursuant to the Clean Energy Purchase Contracts and certain funds and accounts of Purchaser will affect the Bonds’ qualification for such tax exemption.

NOW, THEREFORE, POWER PURCHASER HEREBY CERTIFIES AS FOLLOWS:

Purchaser is a joint powers authority and a community choice aggregator created and existing pursuant to the provisions of California law, organized under the laws of the State of California. As a community choice aggregator, the Purchaser is a load-serving entity providing electricity to customers within the boundaries of cities and/or counties that have elected to participate in Purchaser’s community choice aggregation program. For purposes of this Certificate, the term “service area” of the Purchaser means the boundaries of the cities and/or counties that have elected to participate in the Purchaser’s community choice aggregation program, as well as any other area recognized as the service area of the Purchaser under state or federal law.

Purchaser will resell all of the Energy acquired pursuant to the Clean Energy Purchase Contracts to its retail Energy customers within its service area, with retail sales in all cases being made pursuant to regularly established and generally applicable tariffs.

From January [2020] to [____], the monthly average amount of Energy purchased (other than for resale) by customers of Purchaser who are located within the service area of Purchaser is at least [____] MWh. Over the terms of the Clean Energy Purchase Contracts, the Purchaser expects the monthly average amount of Energy purchased (other than for resale) by customers of the Purchaser who are located within the service area of the Purchaser to be at least [____] MWh. The maximum monthly amount of Energy in any month being acquired pursuant to the Clean Energy Purchase Contracts is [____] MWh.

The Purchaser has existing rights to acquire other energy (including rights to capacity to generate electricity, whether owned, leased or otherwise contracted for) over the terms of the Clean Energy Purchase Contracts. Over the terms of the Clean Energy Purchase Contracts, the sum of (a) the amount of Energy being acquired pursuant to the Clean Energy Purchase Contracts in any month, and (b) the amount of Energy that Purchaser otherwise has a right to acquire (including rights to capacity to generate electricity, whether owned, leased or otherwise contracted for) for such month does not exceed (i) [_____] % of the monthly amount of Energy expected to be purchased (other than for resale) by customers of Purchaser who are located within the service area of Purchaser in any month in calendar year [____], and (ii) does not exceed [_____] % of the monthly amount of Energy expected to be purchased (other than for resale) by customers of Purchaser who are located within the service area of Purchaser in any month in later calendar years.

The Purchaser has assigned certain rights and obligations under power purchase agreements to J. Aron that, in addition to rights to Energy, include rights to capacity based on battery storage (the “Storage”) that will be charged from Energy produced at the same facilities and acquired pursuant to that same power purchase agreements. The Purchaser certifies that it will exercise its rights pursuant to such power purchase agreements to ensure that such Storage will only be charged from Energy produced at such facilities and acquired pursuant to such power purchase agreements.

In the event of the expiration or termination of an EPS Energy Period, Purchaser agrees to comply with its obligations in the Clean Energy Purchase Contracts, including but not limited to its obligations to (a) exercise Commercially Reasonable Efforts to assign a portion of Purchaser’s rights and obligations under a power purchase agreement under which Purchaser is purchasing EPS Compliant Energy to J. Aron pursuant to an Assignment Agreement and (b) cooperate in good faith with Issuer and J. Aron with respect to any proposed assignments.

Purchaser expects to pay for Energy acquired pursuant to the Clean Energy Purchase Contracts solely from funds derived from its power distribution operations. Purchaser expects to use current net revenues of its to pay for current Energy acquisitions. Neither the Purchaser nor any person who is a related party to the Purchaser will hold any funds or accounts in which monies are invested and which are reasonably expected to be used to pay for Energy acquired more than one year after such monies are set aside. No portion of the proceeds of the Bonds will be used directly or indirectly to replace funds of Purchaser or any persons who are related Persons to Purchaser that are or were intended to be used for the purpose for which the Bonds were issued.

_____, 2026

By: _____

[Name]

[Title]

EXHIBIT E

OPINION OF COUNSEL

[INSERT SDCP LETTERHEAD]

[____], [____], 2026

California Community Choice Financing Authority
San Rafael, CA

Aron Energy Prepay [____] LLC
New York, NY

Goldman Sachs & Co. LLC
New York, NY

U.S. Bank Trust Company, N.A.
Atlanta, GA

[Swap Counterparty]
[City, State]

Re: Clean Energy Purchase Contracts between San Diego Community Power and California Community Choice Financing Authority dated as of [____], 2025

Ladies and Gentlemen:

We are Counsel to San Diego Community Power (“Purchaser”). Purchaser is a Purchaser in the Energy Project undertaken by California Community Choice Financing Authority (“Issuer”). We are furnishing this opinion to you in connection with the two Clean Energy Purchase Contracts between Issuer and Purchaser dated as of [____], 2025 (the “Supply Contracts”).

Unless otherwise specified herein, all terms used but not defined in this opinion shall have the same meaning as is ascribed to them in the Supply Contracts.

In connection with this opinion, we have examined originals or copies, certified or otherwise identified to our satisfaction, of the following:

(a) The Constitution and laws of the State of California (the “State”) including, as applicable, acts, ordinances, certificates, articles, charters, bylaws, and agreements pursuant to which Purchaser was created and by which it is governed;

(b) Resolution No. [], duly adopted by Purchaser on [] (the “Resolution”) and certified as true and correct by certificate and seal, authorizing Purchaser to execute and deliver the Supply Contracts;

(c) Copies of the Supply Contracts executed by Purchaser; and

(d) All outstanding instruments relating to bonds, notes, or other indebtedness of or relating to Purchaser and Purchaser’s CCA System.

We have also examined and relied upon originals or copies, certified or otherwise authenticated to our satisfaction, of such records, documents, certificates, and other instruments, and made such investigations of law, as in our judgment we have deemed necessary or appropriate to enable us to render the opinions expressed below.

Based upon the foregoing, we are of the opinion that:

1. Purchaser is a joint powers authority of the State, duly organized and validly existing as a community choice aggregator under the laws of the State, and has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into and to perform its obligations under the Agreement.

2. The execution, delivery, and performance by Purchaser of the Supply Contracts have been duly authorized by the governing body of Purchaser and do not and will not require, subsequent to the execution of the Supply Contracts by Purchaser, any consent or approval of the governing body or any officers of Purchaser.

3. The Supply Contracts are the legal, valid, and binding obligations of Purchaser, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

4. No approval, consent or authorization of any governmental or public agency, authority, commission or person, or, to our knowledge, of any holder of any outstanding bonds or other indebtedness of Purchaser, is required with respect to the execution, delivery and performance by Purchaser of the Supply Contracts or Purchaser's participation in the transactions contemplated thereby other than those approvals, consents and/or authorizations that have already been obtained.

5. The authorization, execution and delivery of the Supply Contracts and compliance with the provisions thereof (a) will not conflict with or constitute a breach of, or default under, (i) any instrument relating to the organization, existence or operation of Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Purchaser (or any of its officers in their respective capacities as such) is subject or (iii) any provision of the laws of the State relating to Purchaser and its affairs, and (b) to our knowledge will not result in, or require the creation or

imposition of, any lien on any of the properties or revenues of Purchaser pursuant to any of the foregoing.

6. Purchaser is not in breach of or default under any applicable constitutional provision or any law or administrative regulation of the State or the United States or any applicable judgment or decree or, to our knowledge, any loan or other agreement, resolution, indenture, bond, note, resolution, agreement or other instrument to which Purchaser is a party or to which Purchaser or any of its property or assets is otherwise subject, and to our knowledge no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument.

7. Payments to be made by Purchaser under the Supply Contracts shall constitute operating expenses of Purchaser's electric system payable solely from the revenues and other available funds of Purchaser's electric system as a cost of purchased electricity. The application of the revenues and other available funds of Purchaser's CCA System to make such payments is not subject to any prior lien, encumbrance or other restriction.

8. As of the date of this opinion, to the best of our knowledge after due inquiry, there is no pending or threatened action or proceeding at law or in equity or by any court, government agency, public board or body affecting or questioning the existence of Purchaser or the titles of its officers to their respective offices or affecting or questioning the legality, validity, or enforceability of this Supply Contracts nor to our knowledge is there any basis therefor.

This opinion is rendered solely for the use and benefit of the addressees listed above in connection with the Supply Contracts and may not be relied upon other than in connection with the transactions contemplated by the Supply Contracts, or by any other person or entity for any purpose whatsoever, nor may this opinion be quoted in whole or in part or otherwise referred to in any document or delivered to any other person or entity, without the prior written consent of the undersigned.

Very truly yours,

EXHIBIT F

ASSIGNMENT OF ASSIGNABLE POWER CONTRACTS

1. **General Requirements.** Assigned Rights and Obligations under an Assignable Power Contract may only be assigned under this Exhibit F if the following requirements are satisfied or waived by J. Aron and Issuer:
 - 1.1. The seller under such Assignable Power Contract (the “APC Party”) either (i) has a long-term senior unsecured credit rating that is “Baa3” or higher from Moody’s Investor’s Service, Inc. (or any successor to its credit rating service operation), “BBB-” or higher from Standard & Poor’s Global Ratings (or any successor to its credit rating service operation) or “BBB-” or higher from Fitch Ratings, Inc. (or any successor to its credit rating service operation), (ii) provides credit support that is reasonably satisfactory to J. Aron or (iii) otherwise provides evidence of its creditworthiness that is reasonably satisfactory to J. Aron (which, for the avoidance of doubt, may include credit support provided by such APC Party to Purchaser).
 - 1.2. The APC Party satisfies J. Aron’s internal requirements as they relate to “know your customer” rules, policies and procedures, anti-money laundering rules and regulations, Dodd-Frank Act, Commodity Exchange Act, Patriot Act and similar rules, regulations, requirements and corresponding policies.
 - 1.3. The APC Party is organized in the United States and in a jurisdiction that does not present adverse tax consequences to J. Aron or Issuer in connection with such proposed assignment.
 - 1.4. J. Aron, Purchaser, and Issuer have agreed on and executed an Assignment Schedule for such assignment.
 - 1.5. J. Aron, Purchaser, Issuer, and the applicable APC Party have agreed on and executed an Assignment Agreement for such assignment.
 - 1.6. If the Assignable Power Contract is unit-contingent or for an as-generated Product, then:
 - 1.6.1. J. Aron has determined with a high degree of certainty that the Applicable Project will be able to generate the Assigned Prepay Value in each Month during the proposed Assignment Period.
 - 1.6.2. The Applicable Project (as defined below) has generated the Assigned Prepay Value in each Month since commencing commercial operation.
2. **Proposed Assignment.** Purchaser may propose an assignment of Assigned Rights and Obligations under Article VI of the Clean Energy Purchase Contract by delivering the following items to Issuer and to J. Aron:
 - 2.1. A written notice of the proposed assignment signed by Purchaser.
 - 2.2. A true and complete copy of the Assignable Power Contract under which such Assigned Rights and Obligations would arise.

- 2.3. Evidence reasonably satisfactory to Issuer and J. Aron that all authorizations, consents, approvals, licenses, rulings, permits, exemptions, variances, orders, judgments, decrees, declarations of or regulations by any Government Agency necessary in connection with the transactions contemplated by the Assignable Power Contract and the assignment of the Assignable Power Contract to J. Aron have been obtained and are in full force and effect. Such evidence may be provided by a closing certificate with appropriate back-up materials.
- 2.4. Such additional information as Issuer and J. Aron may reasonably request regarding the Assignable Power Contract and the APC Party.
- 2.5. If the Assignable Power Contract is unit-contingent or for an as-generated Product, then:
- 2.5.1. A description and information of the applicable project to which the Assignable Power Contract applies (the “Applicable Project”), including but not limited to information on the location, interconnection(s), and operating and compliance history of Applicable Project.
- 2.5.2. Either (i) a report from a nationally recognized consultant in the energy industry that is reasonably acceptable to Issuer and J. Aron showing the “P99” forecasted generation (“P99 Generation”) and “P50” forecasted generation (“P50 Generation”) of the Applicable Project for the entire Assignment Period, as the terms P99 and P50 are commonly used in the renewable energy industry or (ii) monthly historical generation and meteorological data of the Applicable Project dating back to the commercial operation date.

Following Issuer’s and J. Aron’s receipt of such information, Purchaser and Issuer will and J. Aron has agreed in the Electricity Sale and Service Agreement to (i) negotiate in good faith with one another and exercise Commercially Reasonable Efforts to agree upon an Assignment Schedule, with the initial draft of such Assignment Schedule to be developed by J. Aron, and (ii) negotiate in good faith with one another and the APC Party regarding an Assignment Agreement, in each case related to the proposed assignment. If such Assignment Schedule and Assignment Agreement are agreed to by the representative parties thereto, the applicable parties will execute such Assignment Agreement and Assignment Schedule to be effective upon the assignment of the Assigned Rights and Obligations from Purchaser to J. Aron pursuant to the Assignment Agreement. J. Aron will act in good faith in considering proposed assignments that meet the criteria set forth in this Exhibit F, in accordance with the provisions set forth in the Electricity Sale and Service Agreement. For the avoidance of doubt, Purchaser acknowledges that J. Aron will not be required to execute any Assignment Agreement or Assignment Schedule, or otherwise accept any Assigned Rights and Obligations unless the APC Party (i) satisfies J. Aron’s internal requirements as they relate to “know your customer” rules, policies and procedures, anti-money laundering rules and regulations, Dodd-Frank Act, Commodity Exchange Act, Patriot Act and similar rules, regulations, requirements and corresponding policies, (ii) is organized in the United States, and (iii) satisfies all other requirements in Section 1 of this Exhibit F.

3. **Assignment Schedule.** In connection with each assignment, an “Assignment Schedule” will be prepared in the form attached hereto as Annex I (with such changes as agreed by the Parties in their sole discretion), must be executed by Purchaser, Issuer and J. Aron, and must include each of the following:
- 3.1. The term of such Assigned Rights and Obligations (an “Assignment Period”) shall have the meaning specified in each applicable Assignment Agreement and shall (i) end not later than (a) the end of the delivery period under the Assignable Power Contract and (b) the end of the Delivery Period under this Agreement, (ii) not commence any earlier than sixty (60) days after Purchaser’s original notice under Section 2.1 above, and (iii) have a primary term that is not less than 18 Months in duration (provided, for the avoidance of doubt, the primary term references the term of the applicable Assignment Period and not the term of the Assignable Power Contract).
 - 3.2. If the Assignable Power Contract is unit-contingent or for an as-generated product, then a description of the Applicable Project.
 - 3.3. The “Monthly Projected Quantity” means, for each Month of an Assignment Period and each Assignment Agreement, a quantity of Energy agreed upon by J. Aron, Issuer and Purchaser, which Monthly Projected Quantity, if the Assignable Power Contract is unit contingent or for an as-generated Product, shall not exceed an amount that J. Aron has determined with a high degree of certainty that the Applicable Project will be able to generate in each Month during the Assignment Period; provided that the Monthly Projected Quantity for each Month may not exceed the limit expressed in the proviso to Section 3.4 below. For the avoidance of doubt, the Assigned Rights and Obligations will include all of Purchaser’s rights to receive Energy under the Assignable Power Contract even if such rights to receive Energy may exceed the Monthly Projected Quantity.
 - 3.4. The reduction in Base Quantity for each Delivery Hour during an Assignment Period after giving effect to an Assignment Agreement (each, a “Base Quantity Reduction”) shall be calculated in accordance with this Section 3.4. The Base Quantity Reduction for each Delivery Hour of an Assignment Period shall equal (i) the Monthly Projected Quantity for each such Delivery Hour (which will be determined by dividing the Monthly Projected Quantity for the applicable Month by the number of Delivery Hours in such Month), multiplied by (ii) the result of (A) Fixed Price for Monthly Projected Quantity divided by (B) the Fixed Price for Base Quantities; provided that if the Base Quantity Reduction for any Delivery Hour would result in a Base Quantity of less than zero, then the Monthly Projected Quantity for such Delivery Hour will be reduced to the closest whole MWh such that the Base Quantity is not reduced below zero.
 - 3.5. The APC Contract Price under the relevant Assignment Agreement shall be the Day-Ahead Average Price, unless Issuer, Purchaser and J. Aron agree to appropriate changes to the relevant documents to accommodate a different price.
 - 3.6. The Assigned Delivery Point for all Assigned Energy.
 - 3.7. The Assigned Product included in the Assigned Rights and Obligations, which Assigned Product may not include any Product other than (a) Energy, (b) associated RECs, and (c) other product included within the sale of Energy and not separately delivered from Energy, provided that the APC Contract Price must be inclusive of any

amounts due in respect of all Assigned Product, provided furthermore that Assigned Product may not in any case include capacity.

ANNEX I
ASSIGNMENT SCHEDULE

Assigned Product: [_____]

Assigned Delivery Point: [_____]

APC Contract Price: \$[_____] /MWh

Assignment Period: [_____]

Monthly Projected Quantity: As set forth in Appendix 2; provided that (i) all Assigned Products shall be delivered pursuant to the Limited Assignment Agreement during the Assignment Period as provided in Appendix 1 and (ii) the Monthly Projected Quantity is defined for the convenience of PPA Buyer and J. Aron and shall have no impact on the obligations of the Parties under the Limited Assignment Agreement.

ANNEX II

FORM OF LIMITED ASSIGNMENT AGREEMENT

NOTE: Purchaser may include the form included in this Annex II as an exhibit to any PPA executed by Purchaser and include the following or similar language in the PPA: “[Seller] agrees that [Buyer] may assign a portion of its rights and obligations under this Agreement to J. Aron & Company LLC (“J. Aron”) at any time upon not less than [] days’ notice by delivering a written request for such assignment, which request must include a proposed assignment agreement in the form attached hereto as [Exhibit ____], with the blanks in such form completed in [Buyer’s] sole discretion. Provided that [Buyer] delivers a proposed assignment agreement complying with the previous sentence, [Seller] agrees to (i) comply with J. Aron’s reasonable requests for know-your-customer and similar account opening information and documentation with respect to [Seller], including but not limited to information related to forecasted generation, credit rating, and compliance with anti-money laundering rules, the Dodd-Frank Act, the Commodity Exchange Act, the Patriot Act and similar rules, regulations, requirements and corresponding policies; and (ii) promptly execute such assignment agreement and implement such assignment as contemplated thereby, subject only to the countersignature of J. Aron and Company, LLC and [Buyer].”

[Agreed form to be attached.]

EXHIBIT G

COMMUNICATIONS PROTOCOL FOR BASE QUANTITIES

This Exhibit G (“Communications Protocol”) addresses the Scheduling of Base Quantities to be delivered and received at the Base Delivery Point. It is intended to be attached to both the Master Power Supply Agreement and the Clean Energy Purchase Contract, each as defined below.

1. ADDITIONAL DEFINED TERMS

In addition to the terms defined in Article I of this Agreement, the following terms used in this Communications Protocol shall have the following meanings:

- 1.1. “Agreement” means (i) when this Communications Protocol is attached to the Master Power Supply Agreement, the Master Power Supply Agreement and (ii) when this Communications Protocol is attached to the Clean Energy Purchase Contract, the Clean Energy Purchase Contract.
- 1.2. “Clean Energy Purchase Contract” means that certain Clean Energy Purchase Contract dated as of [____], 2026 by and between Issuer and Project Participant.
- 1.3. “Delivery Scheduling Entity” means the Delivering Entity or a Person designated by the Delivering Entity, as set forth in Attachment 4 hereto or in a subsequent written notice to Issuer and the Project Participant.
- 1.4. “Issuer” means California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended).
- 1.5. “Master Power Supply Agreement” means that certain Master Power Supply Agreement dated as of [____], 2026 by and between Prepay LLC and Issuer that is specified as relating to the Clean Energy Purchase Contract with Project Participant.
- 1.6. “Operational Nomination” has the meaning specified in Section 4.1.1.
- 1.7. “Prepay LLC” means Aron Energy Prepay [__] LLC, a Delaware limited liability company.
- 1.8. “Project Participant” means San Diego Community Power, a California joint powers authority.
- 1.9. “Receipt Scheduling Entity” for any Delivery Point means the Project Participant, unless the Clean Energy Purchase Contract has been suspended or terminated, in which case the

Receipt Scheduling Entity will be Issuer or a Person designated by Issuer for such Delivery Point in accordance with this Communications Protocol.

- 1.10. “Relevant Contract” means the Master Power Supply Agreement and the Clean Energy Purchase Contract.
- 1.11. “Relevant Party” means Issuer, Prepay LLC or the Project Participant.
- 1.12. “Relevant Third Party” means any Person that is (i) a Transmission Provider that will or is intended to transport Product to be delivered or received under the Agreement, (ii) an independent system operator or control area that coordinates the Scheduling of Product at the Base Delivery Point, (iii) Scheduling receipt of Product by Issuer or for the account of Issuer to the extent such Product has been delivered to Issuer or for the account of Issuer under the Master Power Supply Agreement, and (iv) delivering Product to Issuer or for the account of Issuer to the extent such Product is intended to be re-delivered ultimately to the Project Participant or for the account of the Project Participant under the Clean Energy Purchase Contract.
- 1.13. “Scheduling Entities” means the Receipt Scheduling Entity and the Delivery Scheduling Entity.

2. AGREEMENTS OF RELEVANT PARTIES

Each Relevant Party that is a party to Relevant Contract to which this Communications Protocol is attached acknowledges that this Communications Protocol sets forth certain obligations that may be delegated to other Relevant Parties that are not parties to such Relevant Contracts. In connection therewith:

- 2.1 ***Reliance on Scheduling Entity.*** Each Relevant Party shall be entitled to rely exclusively on any communications or directions given by a Delivery Scheduling Entity or Receipt Scheduling Entity, in each case to the extent such communications are permitted hereunder.
- 2.2 ***Performance of Communications Protocol.*** Each Relevant Party to a Relevant Contract shall cause its counterparty to each other Relevant Contract to comply with the provisions of this Communications Protocol as the provisions apply to such counterparty to the extent required to perform the obligations of the Relevant Party under the Relevant Contract.
- 2.3 ***Third Party Beneficiaries.*** To the extent this Communications Protocol purports to give any Relevant Party (a “Beneficiary”) rights vis-à-vis any other Relevant Party (a “Burdened Party”) with whom such Beneficiary does not have privity under a Relevant Contract, such Beneficiary shall be deemed to be a third party beneficiary of each Relevant Contract to which the Burdened Party is a party to the

extent necessary or convenient to enforce the obligations of the Burdened Party under this Communications Protocol.

- 2.4 ***Amendment of Relevant Contracts.*** No Relevant Party shall amend, waive or otherwise modify any provision of any Relevant Contract to which it is a party without the consent of each other Relevant Party whose rights or obligations would be materially and adversely affected by such amendment, waiver or modification as it relates to this Communications Protocol.
- 2.5 ***Amendment of Communications Protocol.*** No Relevant Party shall amend any provision of this Communications Protocol in a Relevant Contract without the consent of each other Relevant Party.
- 2.6 ***Waiver of Communications Protocol.*** No Relevant Party shall waive any provision of this Communications Protocol in a Relevant Contract without the consent of each other Relevant Party whose rights or obligations would be materially and adversely affected by such waiver.

3 DESIGNATION AND REPLACEMENT OF SCHEDULING ENTITIES

- 3.1 ***Designation of Delivery Scheduling Entity.*** The Delivering Entity may designate a new Delivery Scheduling Entity upon thirty (30) days written notice to Issuer substantially in the form of Attachment 4. Any Scheduling Entity designated in accordance with this Section 3.1 shall commence service at the beginning of a Month, unless mutually agreed in writing between the Delivering Entity and Issuer.
- 3.2 ***Assumption by Receipt Scheduling Entity.*** If any Delivery Scheduling Entity (other than the Delivering Entity) persistently fails to perform its obligations as contemplated under this Communications Protocol, the Receipt Scheduling Entity may, by notice to the Delivering Entity, require that the Delivering Entity deal directly with the Receipt Scheduling Entity until a new Delivery Scheduling Entity is designated in accordance with this Section 3.1.
- 3.3 ***Scheduling Coordinator.*** Project Participant shall designate a scheduling coordinator for the purposes of accepting Base Product delivery at the Base Delivery Point through the scheduling of ISTs.

4 INFORMATION EXCHANGE AND COMMUNICATION BETWEEN ISSUER AND THE DELIVERING ENTITY

- 4.1 ***Communication of Operational Nomination Details.***
 - 4.1.1 Not later than three Days prior to each Day during which Base Product is required to be delivered under the Agreement, the Receipt Scheduling

Entity for such Delivery Point may deliver an operational nomination in writing (the “Operational Nomination”) indicating any inability of a Project Participant to receive all of its Base Quantities during such Day, which Operational Nomination shall be without prejudice to any party’s rights under the Relevant Contracts for failure to receive Base Quantities. If no changes to Base Quantities are so submitted, the Operational Nomination shall be deemed to nominate the full Base Quantities required to be delivered on a Day.

- 4.1.2 Not later than three Days prior to each Day during which Base Product is required to be delivered under the Agreement, the Delivery Scheduling Entity for such Delivery Point may revise the Operational Nomination to indicate any inability of Prepay LLC to deliver all Base Quantities during such Day, which revised Operational Nomination shall be without prejudice to any party’s rights under the Relevant Contracts for failure to deliver Base Quantities.

4.2 Event-specific Communications.

- 4.2.1 Remarketing Notices issued by Issuer under the Master Power Supply Agreement shall be substantially in the form of Attachment 2 hereto. Any such notices to remarket must be delivered directly to Prepay LLC and the Delivery Scheduling Entity.
- 4.2.2 Each Scheduling Entity shall notify Prepay LLC, Issuer and the Project Participant as soon as practicable in the event of: (i) any deficiencies in Scheduling related to such Scheduling Entity; (ii) any deficiencies in Scheduling related to the other such Scheduling Entity; and (iii) any issues with Relevant Third Parties that that would reasonably be expected to create issues related to Product Scheduling under the Relevant Contract.

5 ACCESS AND INFORMATION

In addition to the delivery of and access to the records and data required pursuant to the Agreement, each Relevant Party agrees to provide relevant records from itself and other Relevant Third Parties necessary to document and verify Product Scheduled within and after the Month as needed to facilitate the Relevant Contracts.

6 NOTICES

Any notice, demand, request or other communication required or authorized by this Communications Protocol to be given by one Relevant Party to another Relevant Party shall be in writing, except as otherwise expressly provided herein. It shall either be sent by facsimile (with receipt confirmed by telephone and electronic transmittal receipt), courier, or personally delivered (including overnight delivery service) to the

representative of the other Relevant Party designated in Attachment 1 hereto. Any such notice, demand, or request shall be deemed to be given (i) when sent by facsimile confirmed by telephone and electronic transmittal receipt or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Relevant Party shall have the right, upon written notice to the other Relevant Parties, to change its address at any time, and to designate that copies of all such notices be directed to another Person at another address.

7 NO IMPACT ON CONTRACTUAL OBLIGATIONS

Except as expressly set forth herein or in an applicable Relevant Contract, nothing in this Communications Protocol nor any Relevant Party's actions or inactions hereunder shall have any impact on any Relevant Party's rights or obligations under the Relevant Contracts.

8 ATTACHMENTS

Attachment 1 - Key Personnel

Attachment 2 - Remarketing Notice Form

Attachment 3 - Designation of Alternate Base Delivery Points Form

Attachment 4 - Designation of Scheduling Entities Form

Attachment 1

Key Personnel

Delivering Entity Marketing Personnel:

Timothy Capuano
Sales and Trading
Telephone: (212) 357-2542
gs-prepay-notices@gs.com

Delivering Entity Scheduling Personnel:

Scheduling Team
Email: ficc-jaron-natgasops@ny.email.gs.com
Direct Phone: (212) 902-8148
Fax: 212.493.9847

Carly Norlander
ICE Chat: cnorlander1
Email: ficc-jaron-natgasops@ny.email.gs.com
Direct Phone: (403) 233-9299
Fax: (212) 493-9847

Other Delivering Entity Personnel:

Telephone: (212) 855-0880
ficc-struct-sett@gs.com

Andres E. Aguila
Telephone: (212) 855-6008
Fax: (212) 291-2124
andres.aguila@gs.com

Issuer Personnel:

notices@cccfa.org and invoices@cccfa.org

Project Participant Personnel:

[]

Attachment 2

Remarketing Notice Form

Date: [_____]

To: Delivering Entity Scheduling

From: Project Participant Scheduling

This notice is being delivered pursuant to that certain Master Power Supply Agreement (the “Master Power Supply Agreement”) dated as of [____], 2026 by and between Aron Energy Prepay [___] LLC (“Prepay LLC”) and California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) (“Issuer”) and relates to the Clean Energy Purchase Contract (the “Clean Energy Purchase Contract”) dated as of [____], 2026 by and between Issuer and San Diego Community Power (“Project Participant”). Capitalized terms not defined herein are defined in the Master Power Supply Agreement.

Check the box to indicate type of Remarketing Notice (*The numbers of the Primary (“P”) and Alternate (“A”) Delivery Points below correspond to those same Primary Delivery Points and Alternate Delivery Points set forth in Exhibit A-1 of the Agreement, or as may be designated by the Parties from time to time*):

☐ Monthly Remarketing Notice:

Month(s) for which remarketing is requested: _____, 20__ through _____, 20__.

Pursuant to Section 3(b) of Exhibit C to the Master Power Supply Agreement, Project Participant requests that the Delivering Entity remarket in such Month(s) the following Base Quantities of Product required to be delivered at the following Delivery Points:

Delivery Point (P/A, #)	MWh/ Hour for each Hour in the Month

☐ Daily Remarketing Notice:

Hours for which remarketing is requested: _____, 20__ through
_____, 20__.

Pursuant to Section 3(c) of Exhibit C to the Master Power Supply Agreement, Project Participant requests that the Delivering Entity remarket for such Hours the following Base Quantities of Product required to be delivered at the following Delivery Point:

Delivery Point (P/A, #)	MWh/Hour

Submitted by Project Participant:
SAN DIEGO COMMUNITY POWER

By: _____
Name:
Title:

Attachment 3

Designation of Alternate Base Delivery Points Form

This designation is delivered pursuant to that certain Master Power Supply Agreement (the “Master Power Supply Agreement”) dated as of [____], 2026 by and between Aron Energy Prepay [] LLC (“Prepay LLC”) and California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) (“Issuer”) and the Clean Energy Purchase Contract (the “Clean Energy Purchase Contract”) dated as of [____], 2026 by and between Issuer and San Diego Community Power (“Project Participant”). Capitalized terms not defined herein are defined in the Master Power Supply Agreement and the Clean Energy Purchase Contract. [Project Participant and/or Issuer] hereby proposes the following Alternate Delivery Points for deliveries of Energy that would otherwise be made at the specified Primary Delivery Point:

ALTERNATE DELIVERY POINT	PRIMARY DELIVERY POINT AFFECTED	COMMODITY REFERENCE PRICE PRICING POINT	ADDITIONAL RESTRICTIONS
1			[e.g.
2			Vol. Limit:
3			Time Limit:]
(etc.)			

Unless otherwise agreed among the Delivering Entity, Issuer and Project Participant, an Alternate Delivery Point shall utilize the same Commodity Reference Price as the Primary Delivery Point it replaces or otherwise affects. Project Participant is not required to agree or accept this designation (or any change to the Commodity Reference Price) if it is being submitted by Issuer pursuant to the Master Power Supply Agreement only.

AGREED AND ACCEPTED BY DELIVERING ENTITY:	(if required) AGREED TO AND ACCEPTED BY PROJECT PARTICIPANT:	(if required) AGREED TO AND ACCEPTED BY ISSUER:
By: Name: Title:	By: Name: Title:	By: Name: Title:

Attachment 4

Designation of Scheduling Entities Form

This designation is being delivered pursuant to that certain Master Power Supply Agreement (the “Master Power Supply Agreement”) dated as of [____], 2026 by and between J. Aron Energy Prepay [__] LLC (“Prepay LLC”) and California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) (“Issuer”) and relates to the Clean Energy Purchase Contract (the “Clean Energy Purchase Contract”) dated as of [____], 2026 by and between Issuer and San Diego Community Power (“Project Participant”). Capitalized terms not defined herein are defined in the Master Power Supply Agreement and Clean Energy Purchase Contract.

[If delivered by Project Participant:

Receipt Scheduling Entity:

Delivery Point: _____

Effective Date(s) of Service of Receipt Scheduling Entity (full Months only):
_____, _____ to _____, _____, if applicable

Notice Information for Receipt Scheduling Entity:

Name: _____
Attention: _____
Address: _____

Telephone: _____
Fax: _____]

[If delivered by the Delivering Entity:

Delivery Scheduling Entity:

Delivery Point: _____

Effective Date(s) of Service of Delivery Scheduling Entity (full Months only):
_____, _____ to _____, _____, if applicable

Notice Information for Delivery Scheduling Entity:

Name: _____
Attention: _____
Address: _____

Telephone: _____
Fax: _____]
Submitted by: _____

[Project Participant or Delivering Entity]

By: _____
Name: _____
Title: _____

EXHIBIT H

PRICING AND OTHER TERMS

Administrative Fee	\$0.50 per MWh
Delivery Period:	The period beginning on and including [____] and ending at the end of the Day before [____]; provided that the Delivery Period shall end immediately upon termination of deliveries of Product under the Master Power Supply Agreement pursuant to Article XVII thereof or early termination of the Clean Energy Purchase Contract pursuant to <u>Article XVII</u> hereof.
Initial Reset Period:	The period beginning at the beginning of the Day on [____] and ending at the end of the last Day of the Month preceding the last Month of the Initial Interest Rate Period (as defined in the Trust Indenture).
Minimum Discount Percentage:	An Available Discount Percentage as determined under the Re-Pricing Agreement of [____] %.
Monthly Discount Percentage:	For each Month of the Initial Reset Period, [____] %, and for each Month of any other Reset Period, the percentage determined by the Calculation Agent, exclusive of any Annual Refund.

EXHIBIT I
FORM OF CLOSING CERTIFICATE

CLOSING CERTIFICATE OF PURCHASER

_____, 2026

Re: California Community Choice Financing Authority
[Clean Energy Project Revenue Bonds]

The undersigned _____ of San Diego Community Power (“*Purchaser*”) hereby certifies as follows in connection with the Power Supply Contract dated as of _____, 2026 (the “*Agreement*”) between the Purchaser and California Community Choice Financing Authority (“*Issuer*”) and the issuance and sale by Issuer of the above-referenced bonds (the “*Bonds*”) (capitalized terms used and not defined herein shall have the meanings given to them in the Agreement):

1. Purchaser is a joint powers authority, duly organized and validly existing and in good standing under the laws of the State of California (the “*State*”), and has the corporate power and authority to enter into and perform its obligations under the Agreement.

2. By all necessary official action on its part, Purchaser has duly authorized and approved the execution and delivery of, and the performance by Purchaser of the obligations on its part contained in, the Agreement, and such authorization and approval has not been amended, supplemented, rescinded or modified in any respect since the date thereof.

3. The Agreement constitutes the legal, valid and binding obligation of Purchaser.

4. The authorization, execution and delivery of the Agreement and compliance with the provisions on Purchaser’s part contained therein (a) will not conflict with or constitute a breach of or default under (i) any instrument relating to the organization, existence or operation of Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Purchaser (or any of its officers in their respective capacities as such) is subject, or (iii) any provision of the laws of the State relating to Purchaser and its affairs, and (b) will not result in, or require the creation or imposition of, any lien on any of the properties or revenues of Purchaser pursuant to any of the foregoing.

5. Purchaser is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which Purchaser is a party or to which Purchaser or any of its property or assets are subject, and no event has occurred and is continuing which constitutes, or with the passage of time or the giving of notice, or both, would constitute, a default or event of default by Purchaser under any of the foregoing.

6. Payments to be made by Purchaser under the Agreement shall constitute operating expenses of Purchaser's power supply system payable solely from the revenues and other available funds of Purchaser's power supply system as a cost of purchased electricity.

7. No litigation, proceeding or tax challenge is pending or, to its knowledge, threatened, against Purchaser in any court or administrative body which would (a) contest the right of the officials of Purchaser to hold and exercise their respective positions, (b) contest the due organization and valid existence of Purchaser, (c) contest the validity, due authorization and execution of the Agreement, or (d) attempt to limit, enjoin or otherwise restrict or prevent Purchaser from executing, delivering and performing the Agreement, nor to the knowledge of Purchaser is there any basis therefor.

8. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by Purchaser of its obligations under the Agreement have been duly obtained.

9. The representations and warranties of Purchaser contained in the Agreement were true, complete and correct on and as of the date thereof and are true, complete and correct on and as of the date hereof.

10. The statements and information with respect to Purchaser contained in the Preliminary Official Statement dated [____], 2026 and the Official Statement dated [____], 2026 with respect to the Bonds, including Appendix A thereto (together, the "*Official Statement*"), fairly and accurately describe and summarize the financial and operating position of Purchaser for the periods shown therein, and such statements and information did not as of the respective dates of the Official Statement and do not as of the date hereof contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements and information, in the light of the circumstances under which they were made, not misleading.

11. To Purchaser's knowledge, no event affecting Purchaser has occurred since the date of the Official Statement which should be disclosed therein in order to make the statements and information with respect to Purchaser contained therein, in light of the circumstances under which they were made, not misleading in any material respect.

IN WITNESS WHEREOF the undersigned has executed this Certificate on and as of the date first written above.

SAN DIEGO COMMUNITY POWER

By_____

Name:

Title:

PPA CUSTODIAL AGREEMENT

This PPA Custodial Agreement (this “Agreement”) is made and entered into as of [____], 2025, by and among San Diego Community Power, a California joint powers authority (“SDCP”), J. Aron & Company LLC, a New York limited liability company (“J. Aron”), California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) (defined below) (the “Issuer”) and U.S. Bank Trust Company, National Association (the “Custodian” and together with SDCP, J. Aron and Issuer, the “Parties”).

RECITALS:

WHEREAS, in connection with the issuance of one or more series of bonds by Issuer, J. Aron, Issuer and SDCP will enter into Assignment Agreements (the “Assignment Agreements”, which definition shall include any new Assignment Agreement identified by J. Aron’s delivery of an updated Exhibit A consistent with Section 3(c)) with the sellers under certain power purchase agreements (each, individually, a “PPA Seller” and collectively the “PPA Sellers”, which definitions shall include any new PPA Seller identified by J. Aron’s delivery of an updated Exhibit A consistent with Section 3(c)), pursuant to which SDCP will partially certain of its rights and obligations under certain existing power purchase agreements (“Assigned PPAs”) to J. Aron for redelivery under the Prepay Contract Chains; and

WHEREAS, the Parties propose to enter into this Agreement in order to administer payments to be received by the sellers under the Assigned PPAs (each, individually, a “PPA Seller” and collectively the “PPA Sellers”, and which definitions shall include any new PPA Seller identified by J. Aron’s delivery of an updated Exhibit A consistent with Section 3(c) of this Agreement) for each of the Prepay Contract Chains identified in Exhibit C as updated from time to time in accordance with Section 3(c) of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

Section 1. Defined Terms; Interpretation.

(a) Any capitalized term used herein and not otherwise defined herein (including in the recitals) shall have the meaning assigned to such term in the Clean Energy Purchase Contracts. The following additional terms, when used in this Agreement (including the preamble or recitals to this Agreement) and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

“Affiliate” means, with respect to any person, any entity which is a direct or indirect parent or subsidiary of such person or which directly or indirectly (i) owns or controls such person, (ii) is owned or controlled by such person, or (iii) is under common ownership or control with such person. For purposes of this definition, “control” of an entity means the power, directly or indirectly, either to (a) vote 50% or more of the securities having ordinary voting power for the

election of directors or persons performing similar functions or (b) direct or cause the direction of the management and policies, whether by contract or otherwise.

“Assigned Product Price” has the meaning specified in Exhibit A, as may be updated from time to time consistent with the terms hereof.

“Clean Energy Purchase Contracts” means each of the Clean Energy Purchase Contracts by and between SDCP and Issuer as set forth in Exhibit C to this Agreement, which Exhibit C may be updated from time to time in accordance with Section 3(b).

“Electricity Sale and Service Agreements” means each of the Electricity Purchase, Sale and Service Agreements by and between J. Aron and the buyer thereunder as set forth in Exhibit C to this Agreement, which Exhibit C may be updated from time to time in accordance with Section 3(b).

“Issuer Negative Pricing Payment Amount” means the positive difference, if any, for any Month of an Assignment Period between (a) amounts due from Issuer to SDCP under Section 3.2(a) of a Clean Energy Purchase Contract with respect to negatively priced Assigned Products and (b) amounts due from SDCP to Issuer under Section 3.2(a) of a Clean Energy Purchase Contract with respect to positively priced Assigned Products.

“J. Aron Fixed Payment” means, in respect of each Assigned PPA and each Month in an Assignment Period thereunder, the amount set forth for such Assigned PPA and Month on Exhibit B hereto; provided that there shall be two J. Aron Fixed Payments for each Month of the Assignment Period with respect to any Assigned PPA that includes separate Monthly Projected Quantities for Energy and storage Products. Notwithstanding the foregoing, there shall be no J. Aron Fixed Payment for an Assignment Agreement that provides for payment by J. Aron to the relevant PPA Seller of a floating price for Assigned Products delivered during the Assignment Period.

“J. Aron Prepay Payment” means, in respect of each Monthly PPA Invoice, an amount determined by SDCP as (a) with respect to any Assigned PPA that has a J. Aron Fixed Payment, the J. Aron Fixed Payment for the relevant Month and Assigned PPA and (b) with respect to any Assigned PPA that does not have a J. Aron Fixed Payment, the Monthly Projected Quantity for the relevant Assigned PPA for the relevant Month multiplied by the Assigned Product Price; provided that the J. Aron Prepay Payment shall be reduced by (i) the face amount of any Receivable (as defined in the Electricity Sale and Service Agreement) that is delivered by J. Aron to the Custodian pursuant to Section 4(f) and (ii) any Provisional Payment Fee Amount; provided further that (x) the J. Aron Prepay Payment will be determined without regard to any PPA Seller Payment Obligation and (y) there shall be two J. Aron Prepay Payments for each Month of the Assignment Period with respect to any Assigned PPA that includes separate Monthly Projected Quantities for Energy and storage Products.

“Master Power Supply Agreements” means each of the Master Power Supply Agreements by and between Issuer and the seller thereunder, as set forth in Exhibit C to this Agreement, which Exhibit C may be updated from time to time in accordance with Section 3(b).

“Monthly Excess Quantity” means, with respect to an Assigned PPA for any Month, an amount equal to the positive difference, if any, between (i) the quantity of Assigned Products actually delivered during such Month under such Assigned PPA, and (B) the Monthly Projected Quantities under such Assigned PPA for such Month.

“Monthly PPA Payment” means, in respect of any Monthly PPA Invoice, an amount determined by SDCP as the total amount to be withdrawn from the Assigned PPA Payments Account by the Custodian and paid to the relevant PPA Seller in respect of such Monthly PPA Invoice, which shall equal the total net amount due to such PPA Seller in respect of such Monthly PPA Invoice and shall consist of the following components:

- (a) The J. Aron Prepay Payment(s), which shall be deemed to be paid to the relevant PPA Seller on behalf of J. Aron in respect of Assigned Products; and
- (b) the SDCP Net Payment.

“PPA Seller Payment Obligation” means, in respect of any Monthly PPA Invoice, an amount determined by SDCP as the total amount owed by the relevant PPA Seller as reflected in such Monthly PPA Invoice, including any amounts that have been netted or set-off against amounts owed to such PPA Seller; provided, for clarity, that the PPA Seller Payment Obligation shall be deemed to be paid to SDCP and credited against the SDCP Gross Payment thereby resulting in the SDCP Net Payment required to be made by SDCP hereunder.

“PPA Shortfall Lookback Summary” means, in respect of any Monthly PPA Invoice, a list that sets forth the following:

- (i) which Months, if any, the relevant PPA Seller delivered less than the Monthly Projected Quantity in the preceding 12 Months (any such Month, a “Lookback Shortfall Month”) under the applicable Assigned PPA and whether such under-deliveries were a result of Force Majeure (as defined in the relevant Assigned PPA);
- (ii) the percentage of the Monthly Projected Quantity actually delivered under the applicable Assigned PPA for each such Lookback Shortfall Month; and
- (iii) an indication of whether a Provisional Payment Fee (as defined in the relevant Master Power Supply Agreement) is in effect consistent with the terms of Exhibit C of the relevant Master Power Supply Agreement.

“Prepay Contract Chain” means, with respect to each bond issuance by Issuer detailed in Exhibit C, the Master Power Supply Agreement, Electricity Sale and Service Agreement and Clean Energy Purchase Contract relating thereto. As used herein, Prepay Contract Chains shall be limited to contract chains entered into in connection with bond issuances by Issuer for a prepayment to an Affiliate of J. Aron pursuant to a Master Power Supply Agreement between Issuer and an Affiliate of J. Aron.

“Provisional Payment Fee” has the meaning specified in each of the Master Power Supply Agreements.

“Provisional Payment Fee Amount” means, in respect of any Monthly Projected Quantity remarketed in any Month under the remarketing provisions of the relevant Master Power Supply Agreement, an amount equal to the product of (a) the Monthly Projected Quantity so remarketed in such Month, multiplied by (b) any Provisional Payment Fee applicable under relevant Master Power Supply Agreement.

“SDCP Gross Payment” means, in respect of any Monthly PPA Invoice, an amount determined by SDCP as the positive result, if any, of (a) all amounts owed to the relevant PPA Seller in respect of such Monthly PPA Invoice (determined without respect to the PPA Seller Payment Obligation), less (b) the J. Aron Prepay Payment(s); provided, for clarity, that the SDCP Gross Payment (i) shall be deemed to be paid to the relevant PPA Seller on behalf of J. Aron to the extent it relates to any Monthly Excess Quantities, and (ii) otherwise shall be deemed to be paid to the relevant PPA Seller on behalf of SDCP.

“SDCP Net Payment” means, in respect of any Monthly PPA Invoice, an amount determined by SDCP as the positive result, if any, of (a) the SDCP Gross Payment, less (b) the PPA Seller Payment Obligation.

“SDCP Reimbursement Amount” means, in respect of any Monthly PPA Invoice that reflects that a quantity of Product less than the Monthly Projected Quantity was delivered in such Month under the relevant Assigned PPA, an amount equal to (i) the product of (x) the portion of the Monthly Projected Quantity actually delivered under the relevant Assigned PPA, multiplied by (y) the result of the applicable Assigned Product Price, minus (ii) any Provisional Payment Fee Amount.

(b) Except where expressly provided otherwise, any reference herein to any agreement or document includes all amendments, supplements or restatements to and of such agreement or document as may occur from time to time in accordance with its terms and the terms hereof, and any reference to a party to any such agreement includes all successors and assigns of such party thereunder permitted by the terms hereof and thereof.

Section 2. Appointment of Custodian. SDCP, J. Aron and Issuer hereby appoint U.S. Bank Trust Company, National Association, as the Custodian under this Agreement, with such rights and obligations as are specifically set forth herein. The Custodian hereby accepts such appointment under the terms and conditions set forth herein.

Section 3. Payment Instructions to Custodian; Assigned PPA Exhibits.

(a) Monthly Statements. No later than five Business Days following receipt of an invoice from a PPA Seller in respect of any Month in an Assignment Period (a “Monthly PPA Invoice”), SDCP shall deliver a statement (the “Monthly Statement”) showing each of the following (based on the information provided by the relevant PPA Seller in the Monthly PPA Invoice) to each of the Parties hereto and the seller under the Master Power Supply Agreement for the Prepay Contract Chain to which such Assigned PPA is assigned:

- (i) the J. Aron Prepay Payment(s);
- (ii) the SDCP Reimbursement Amount;

- (iii) the SDCP Gross Payment;
- (iv) the PPA Seller Payment Obligation;
- (v) the SDCP Net Payment;
- (vi) the Monthly PPA Payment;
- (vii) the Provisional Payment Fee Amount;
- (viii) the “Monthly PPA Invoice Payment Date”, which shall be the last Business Day on which payment on such Monthly PPA Invoice may be made before any incremental interest arises thereon or any default or breach arises under the relevant Assigned PPA;
- (ix) the “Custodial Agreement Payment Date,” which shall be one Business Day preceding the Monthly PPA Invoice Payment Date;
- (x) the PPA Shortfall Lookback Summary;
- (xi) the Issuer Negative Payment Amount, if any;

provided furthermore that SDCP shall deliver an updated Monthly Statement within seven days following agreement by SDCP and any PPA Seller to an adjustment to a Monthly PPA Invoice to the extent that such adjustment is agreed upon prior to the date that is 10 days prior to the Monthly PPA Invoice Date. In addition to the foregoing, the Parties acknowledge and agree that any adjustments agreed upon with respect to a Monthly PPA Invoice after the date specified in the foregoing provision shall be resolved solely between SDCP and the relevant PPA Seller as provided in the Assignment Agreements. The Parties agree to exercise commercially reasonable efforts to implement a test billing period for a period of at least two Months prior to the effectiveness of any Assignment Agreement.

(b) Monthly Statement Verification. J. Aron shall notify SDCP and each other Party promptly, but in no event more than three (3) Business Days, following SDCP’s delivery of a Monthly Statement if J. Aron believes any information included on such Monthly Statement is incorrect. Following receipt and verification of the information included in any such notice from J. Aron, SDCP shall, to the extent appropriate and in consultation with J. Aron, issue a corrected Monthly Statement to all Parties. J. Aron and each other Party hereto acknowledges and agrees that (i) SDCP is calculating the Monthly Statement only for convenience of the Parties, (ii) the purpose of this Agreement is solely to determine amounts to be paid by SDCP and J. Aron under separate contracts, and (iii) none of SDCP, J. Aron nor any other Party hereto will have any liability whatsoever with respect to any action taken or omitted by it under this Agreement (but without prejudice to an express payment obligation arising under another contract), including as a result of any failure by SDCP to timely or properly calculate any amount to be included in a Monthly Statement. Without limiting the foregoing, J. Aron acknowledges that it will have an opportunity to review and comment on each calculation and date included in a Monthly Statement (and shall be aware if such Monthly Statement has not been timely delivered) and SDCP will not be responsible in any way for any damages, costs, liabilities, loss of use or any other claims related

to an insufficient or late payment under an Assigned PPA as a result of any deficiencies in any Monthly Statement.

(c) Exhibits.

(i) Exhibit A to this Agreement sets forth certain information regarding the Assigned PPAs as of the date hereof, including the Assignment Periods for each Assigned PPA, the Monthly Projected Quantities, the PPA Sellers thereunder and the payment instructions for payments to the PPA Sellers. Exhibit B to this Agreement sets forth the J. Aron Fixed Payments with respect to each of the Assigned PPAs. J. Aron shall deliver an updated Exhibit A or Exhibit B, as applicable, to each of the other Parties hereto to reflect any changes to the information set forth therein, including in connection with the execution of a new Prepay Contract Chain in connection with a bond issuance by Issuer.

(ii) Exhibit C to this Agreement sets forth certain information regarding the Prepay Contract Chains in effect as of the date hereof. J. Aron shall deliver an updated Exhibit C to each of the other Parties hereto to reflect any changes to the information set forth therein, including due to the execution of a new Prepay Contract Chain in connection with a bond issuance by Issuer.

(d) Remediation of Remarketing Proceeds with SDCP's Purchases of Monthly Excess Quantities. The Parties acknowledge and agree that SDCP's purchase of Monthly Excess Quantities shall be applied to the remediation of remarketing proceeds, if any, under the Master Power Supply Agreements in accordance with the terms thereof, provided that for the avoidance of doubt Monthly Excess Quantities may only be applied to remediate remarketing proceeds from a remarketing that that occurred [either in or prior to the Month in which such Monthly Excess Quantities were purchased].

Section 4. Assigned PPA Payments Account.

(a) Payments. With respect to certain payments required to be made by J. Aron and SDCP to the PPA Sellers under the Assigned PPAs, there is hereby established the custodial account detailed below (the "Assigned PPA Payments Account"), and all payments made by J. Aron and SDCP hereunder shall be wired to such Assigned PPA Payments Account:

(b) J. Aron Payments. J. Aron shall pay the J. Aron Prepay Payment(s) into the Assigned PPA Payments Account, in respect of each Monthly Statement on the relevant Custodial Agreement Payment Date set forth in such statement. To the extent that (i) a SDCP Reimbursement Amount is due with respect to an Assigned PPA and (ii) J. Aron pays some portion of the J. Aron Prepay Payment(s) for such Assigned PPA but less than the total amount of the J. Aron Prepay Payment(s) due, J. Aron's partial payment shall be applied first to the J. Aron Prepay Payment(s). In addition, the Custodian agrees to promptly notify SDCP if it does not receive the

J. Aron Prepay Payment from J. Aron on the Custodial Agreement Payment Date, and in such case SDCP may elect in its sole discretion to make the J. Aron Prepay Payment to the Custodian for the purpose of satisfying the Monthly PPA Payment (in which case SDCP will have a reimbursement claim against Issuer under Section 6.4 of the applicable Clean Energy Purchase Contract).

(c) SDCP Payments. SDCP shall pay the SDCP Net Payment into the Assigned PPA Payments Account in respect of each Monthly Statement on the relevant Custodial Agreement Payment Date set forth in such statement. For each Month, if any, of an Assignment Period for which there is an Issuer Negative Pricing Payment Amount, SDCP shall make payment of such amount into the Assigned PPA Payments Account on the Custodial Agreement Payment Date; provided that, notwithstanding the foregoing, SDCP shall have no payment obligation hereunder with respect to an Issuer Negative Pricing Payment Amount to the extent that J. Aron receives such amount from the PPA Seller pursuant to the terms of the applicable Assignment Agreement.

(d) Application of Payments. The Custodian shall withdraw and apply amounts received under this Section 4 as follows:

(i) any J. Aron Prepay Payment received from J. Aron (including any payment by SDCP on J. Aron's behalf pursuant to the last sentence of Section 4(b)) and any SDCP Net Payment received from SDCP shall be applied to the payment of the Monthly PPA Payment to each PPA Seller in respect of each Monthly Statement on the relevant Monthly PPA Invoice Payment Date pursuant to the payment instructions set forth on Exhibit A; provided that if amounts on deposit in the Assigned PPA Payment Account are insufficient to pay the entire Monthly PPA Payment on such date, the Custodian shall (i) withdraw and pay to such PPA Seller the entire remaining balance of the Assigned PPA Payment Accounts, as determined and directed by SDCP, and (ii) notify such PPA Seller of the amounts received for such Month from each of J. Aron and SDCP consistent with such PPA Seller's contact information provided in Exhibit A; provided furthermore that, if the J. Aron Prepay Payment for any Month exceeds the Monthly PPA Payment, then the excess of the J. Aron Prepay Payment over the Monthly PPA Payment shall be remitted to SDCP on the relevant Monthly PPA Invoice Payment Date pursuant to SDCP's payment instructions set forth on Exhibit C;

(ii) any SDCP Reimbursement Amount received from J. Aron shall be remitted to SDCP on the relevant Monthly PPA Invoice Payment Date pursuant to SDCP's payment instructions set forth on Exhibit C; and

(iii) for any Month in an Assignment Period for which an Issuer Negative Pricing Payment Amount is due from SDCP, the Custodian shall, after application of amounts on deposit in the Assigned PPA Payments Account pursuant to clause (i) or (ii) above, as applicable, withdraw amounts on deposit in the Assigned PPA Payments Account to make payment of the Issuer Negative Pricing Payment Amount to J. Aron.

(e) Amounts Held in Trust. Amounts deposited in the Assigned PPA Payments Account shall be held in trust for the benefit of SDCP until applied as set forth in Section 4(d) and Section 12, as applicable, and there is hereby granted to SDCP a lien on and security interest in the Assigned PPA Payments Account pending such application. The Custodian shall not be

required to comply with any orders, demands, or other instructions from SDCP with respect to the Assigned PPA Payments Account, including, without limitation, items presented for payment, or any order or instruction directing the disposition of funds or other assets held in or credited to the Assigned PPA Payments Account, and SDCP agrees that prior to the termination of this Agreement in accordance with the terms hereof, it shall have no right to direct the disposition of funds or other assets held in or credited to the Assigned PPA Payments Account, or to withdraw or otherwise obtain funds or other assets held in or credited to the Assigned PPA Payments Account, whether by order or instruction to the Custodian or otherwise.

(f) Transfer of Receivables. With respect to each Monthly Statement, to the extent J. Aron has purchased Receivables (as defined in the Electricity Sale and Service Agreement) for amounts owed by SDCP for the Month to which such Monthly Statement relates, J. Aron may, at its option, (i) notify the Custodian that it intends to transfer all or any portion of such Receivables to the applicable PPA Seller, and (ii) reduce the J. Aron Prepay Payment by the face amount of such Receivables to be transferred. To the extent J. Aron has notified the Custodian of its intent to transfer any such Receivables, J. Aron shall cause such Receivables to be transferred to the relevant PPA Seller not later than the relevant Custodial Agreement Payment Date.

Section 5. Custodian; Fees.

(a) Limitation on Liability. The Custodian shall have (i) no liability under any agreement other than this Agreement and (ii) no duty to inquire as to the provisions of any agreement other than this Agreement and the Assigned PPAs. The Custodian may rely upon and shall not be liable for acting or refraining from acting upon any written notice, document, instruction or request furnished to it hereunder in accordance with the terms hereof and believed by it to be genuine and to have been signed or presented by the proper Party or Parties. The Custodian shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document, notice, instruction or request. The Custodian shall have no duty to solicit or compel any payments which may be due to it, or to take any action to compel J. Aron or SDCP to make the deposits required under Section 4. The Custodian shall not be liable for any action taken or omitted by it in good faith, or for the application of funds by or other actions or omissions of other persons, except to the extent that a court of competent jurisdiction determines that the Custodian's gross negligence or willful misconduct was the primary cause of any loss to any other Party hereto. In connection with the execution of any of its powers or the performance of any of its duties hereunder, the Custodian may consult with counsel, accountants and other skilled persons selected and retained by it. The Custodian shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons, provided the Custodian exercised due care and good faith in the selection of such person. The permissive rights and powers of the Custodian to take actions enumerated under this Agreement shall not be construed as duties. In the event that the Custodian shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any Party hereto which, in its opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until it shall be directed otherwise in writing by all of the other Parties hereto or by a final order or judgment of a court of competent jurisdiction. The Custodian may interplead all of the assets held hereunder into a court of competent jurisdiction or may seek a declaratory judgment with respect to certain circumstances, and thereafter be fully relieved from any and all

liability or obligation with respect to such interpleaded assets or any action or non-action based on such declaratory judgment. Anything in this Agreement to the contrary notwithstanding, in no event shall the Custodian be liable for special, indirect, incidental, punitive, or consequential damages, losses or penalties of any kind whatsoever (including but not limited to lost profits), regardless of the form of action. The Custodian may engage and act through agents and attorneys and shall not be liable for the misconduct or negligence of any such agent or attorney appointed with due care. The Custodian shall be responsible only for funds actually received by it for deposit into the Assigned PPA Payments Account, and the Custodian shall not be obliged to advance or risk its own funds to make any payments required hereunder. The Custodian shall have only those duties expressly set forth in this Agreement and no implied duties shall be read into this Agreement against the Custodian. The Parties hereto acknowledge and agree that the Custodian is not a fiduciary by virtue of accepting and carrying out its obligations under this Agreement and has not accepted any fiduciary duties, responsibilities or liabilities with respect to its services hereunder. The Custodian shall not be responsible for the perfection of any security interest granted hereunder. The Custodian shall not be obliged to invest or pay interest on funds held hereunder.

(b) Custodian Fee. The Issuer agrees to (i) pay the Custodian reasonable compensation for the services to be rendered hereunder, which compensation shall be \$[] per bond series for each year that this Agreement is in effect, and (ii) pay or reimburse the Custodian upon request for all expenses, disbursements and advances, including reasonable attorney's fees and expenses, incurred or made by it in connection with the preparation, execution, performance, delivery, modification and termination of this Agreement. The parties hereto acknowledge that this provision shall survive the resignation or removal of the Custodian or the termination of this Agreement.

Section 6. Succession. The Custodian may resign and be discharged from its duties or obligations hereunder by giving not less than 45 days' advance notice in writing of such resignation to the other Parties hereto specifying a date when such resignation shall take effect; and such resignation shall take effect upon the day specified in such notice unless a successor shall not have been appointed by the other Parties hereto on such date, in which event such resignation shall not take effect until a successor is appointed. The other Parties hereto shall use their commercially reasonable efforts to make such appointment in a timely fashion, provided that any custodian appointed in succession to the Custodian shall be a bank or trust company organized under the laws of any state or a national banking association and shall have capital stock, surplus and undivided earnings aggregating at least \$50,000,000 and shall be a bank with trust powers or trust company willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Agreement. Any corporation or association into which the Custodian may be merged or converted or with which it may be consolidated, or any corporation or association to which all or substantially all of the Custodian's corporate trust line of business may be transferred, shall be the Custodian under this Agreement without further act. Notwithstanding the foregoing, if no appointment of a successor Custodian shall be made pursuant to the foregoing provisions of this Section 6 within 45 days after the Custodian has given written notice to the other Parties of its resignation as provided in this Section 6, the Custodian may, in its sole discretion, apply to any court of competent jurisdiction to appoint a successor Custodian. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Custodian.

Section 7. Reimbursement. J. Aron and SDCP agree, jointly and severally (subject to the second proviso of this Section 7), to reimburse the Custodian and its directors, officers, agents and employees for any and all loss, liability or expense (including the fees and expenses of in-house or outside counsel and experts and their staffs and all expense of document location, duplication and shipment) arising out of or in connection with (a) its acting as the Custodian under this Agreement, except to the extent that such loss, liability or expense is finally adjudicated to have been caused primarily by the gross negligence or willful misconduct of the Custodian or such director, officer, agent or employee seeking reimbursement, or (b) its following any instructions or other directions from J. Aron or SDCP, except to the extent that its following any such instruction or direction is expressly forbidden by the terms hereof; provided, however, that any amounts due under this Section 7 shall not duplicate any other amounts due under this Agreement, including without limitation amounts due under Section 13 hereof; provided further, however, that, notwithstanding the joint and several nature of the obligations under this Section 7, any amounts due under clause (b) of this sentence resulting from instructions or directions that are not expressly provided for in this Agreement and are given to the Custodian by only one Party shall be the sole obligation of such Party. The Parties hereto acknowledge that this provision shall survive the resignation or removal of the Custodian or the termination of this Agreement.

Section 8. Taxpayer Identification Numbers; Tax Matters. J. Aron and SDCP represent that that their correct taxpayer identification numbers assigned by the Internal Revenue Service or any other taxing authority is set forth on the signature page hereof. Any tax returns or reports required to be prepared and filed in connection with the Assigned PPA Payments Account will be prepared and filed by SDCP, and the Custodian shall have no responsibility for the preparation and/or filing of any tax return with respect to any income earned on the Assigned PPA Payments Account. In addition, any tax or other payments required to be made pursuant to such tax return or filing shall be paid by SDCP. The Custodian shall have no responsibility for making such payment unless directed to do so by the appropriate authorized Party and fully indemnified to the Custodian's satisfaction.

Section 9. Notices. Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another Party shall be in writing and shall either be sent by email transmission or other Electronic Means (defined below), courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses specified in Exhibit C for the receiving Party. Any such notice, demand, or request shall be deemed to be given (i) when delivered by email transmission or other Electronic Means (defined below), or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon 10 days' prior written notice to the other Party, to change its list of notice recipients and addresses in Exhibit C. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods, such as electronic mail. Notwithstanding the foregoing, a Party may at any time notify the others that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during the specified period of time shall be ineffective.

The Custodian shall have the right to accept and act upon directions given pursuant to this Agreement, or any other document reasonably relating to the bonds and delivered using Electronic Means (defined below); *provided, however*, that each party giving directions to the Custodian

hereunder shall provide to the Trustee under the Trust Indenture an incumbency certificate listing persons with the authority to provide such directions (each an “Authorized Officer”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If a party elects to give the Custodian directions using Electronic Means and the Custodian in its discretion elects to act upon such directions, the Custodian’s understanding of such directions shall be deemed controlling. The parties understand and agree that the Custodian cannot determine the identity of the actual sender of such directions and that the Custodian shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided by a party to the Custodian have been sent by such Authorized Officer. Each party shall be responsible for ensuring that only Authorized Officers transmit such directions to the Custodian and that all Authorized Officers treat applicable user and authorization codes, passwords and/or authentication keys issued by the Custodian as confidential and with extreme care. The Custodian shall not be liable for any losses, costs or expenses arising directly or indirectly from the Custodian’s reliance upon and compliance with such directions notwithstanding that such directions conflict or are inconsistent with a subsequent written direction. Each party agrees: (i) to assume all risks arising out of the use of Electronic Means to submit directions to the Custodian, including without limitation the risk of the Custodian acting on unauthorized directions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions to the Custodian and that there may be more secure methods of transmitting directions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Custodian immediately upon learning of any compromise or unauthorized use of the security procedures.

As used herein, “Electronic Means” shall mean e-mail transmission or other similar electronic means of communication providing evidence of transmission, S.W.I.F.T, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, facsimile transmission, including a telephone communication confirmed by any other method set forth in this definition, or another method or system specified by a Responsible Officer of the Custodian as available for use in connection with the Custodian’s services hereunder.

Section 10. Miscellaneous.

(a) Amendments. The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by all of the Parties hereto.

(b) Assignments. Neither this Agreement nor any right or interest hereunder may be assigned in whole or in part by any Party, except as provided in Section 5, without the prior written consent of the other Parties.

(c) Governing Law. This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced, and performed in accordance with the laws of the State of New York, without regard to any conflicts of law principle that would direct the application of the laws another jurisdiction; provided that the authority of each of the Issuer and

SDCP to enter into and perform its obligations under this Agreement shall be determined in accordance with the laws of the State of California.

(d) Jurisdiction. Each Party hereto irrevocably waives any objection on the grounds of venue, forum non-conveniens or any similar grounds and irrevocably consents to service of process by mail or in any other manner permitted by applicable law and consents to the exclusive jurisdiction of (A) the courts of the State of New York located in the Borough of Manhattan, (B) the federal courts of the United States of America for the Southern District of New York or (C) the federal courts of the United States of America in any other state. The Parties further hereby waive any right to a trial by jury with respect to any lawsuit or judicial proceeding arising or relating to this Agreement.

(e) Force Majeure. No Party to this Agreement shall be liable to any other Party hereto for losses due to, or if it is unable to perform its obligations under the terms of this Agreement because of, acts of God, fire, war, terrorism, epidemic, pandemic, floods, strikes, electrical outages, equipment or transmission failure, or other causes reasonably beyond its control; provided that a party affected by any such event shall exercise commercially reasonable efforts to resume performance as quickly as possible.

(f) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. All signatures of the Parties to this Agreement may be transmitted by facsimile or by digital pdf transmission, and such facsimile or pdf will, for all purposes, be deemed to be the original signature of such Party whose signature it reproduces, and will be binding upon such Party. The Parties agree that the electronic signature of a Party to this Agreement, including all acknowledgements, authorizations, directions, waivers and consents thereto (or any amendment or supplement thereto) shall be as valid as an original signature of such Party and shall be effective to bind such Party to this Agreement. The Parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, “electronic signature” means a manually signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the Internet as a pdf (portable document format) or other replicating image attached to an e-mail message; and, “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature. Paper copies or “printouts”, if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the Parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither Party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

(g) No Obligation to Invest. The Custodian shall not be under any obligation to invest or pay interest on amounts held in the Assigned PPA Payments Account from time to time.

(h) Limited Duties. Issuer shall have only such duties under this Agreement as are expressly set forth herein as duties on its part to be performed, and no implied duties shall be read into this Agreement against Issuer.

(i) Allocation of Payments. Nothing in this Agreement is intended to create any liabilities between the Issuer, J. Aron and SDCP. This Agreement is intended solely to allocate payments that are actually made by J. Aron and SDCP in respect of amounts owed for physically settled energy under the Assigned PPAs and the Clean Energy Purchase Contracts.

Section 11. Compliance with Court Orders. In the event that any amount held by the Custodian hereunder shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court affecting the property deposited under this Agreement, the Custodian is hereby expressly authorized, in its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, which it is advised by legal counsel of its own choosing are binding upon it, whether with or without jurisdiction, and in the event that the Custodian obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties hereto or to any other person, firm or corporation, by reason of such compliance notwithstanding that such writ, order or decree may be subsequently reversed, modified, annulled, set aside or vacated.

Section 12. Term; Winding Up. This Agreement will expire concurrently with the receipt of written notice from SDCP, with a copy to the other Parties, that the Clean Energy Purchase Contracts have terminated in accordance with their terms. Following the Custodian's payment of any Monthly PPA Payments due in respect of the final month of commodity deliveries prior to such a termination, any remaining balance in the Assigned PPA Payments Account shall be paid to SDCP.

Section 13. Indemnification. J. Aron and SDCP, jointly and severally, agree to protect, indemnify, defend and hold harmless, the Custodian, and affiliates, and each person who controls the Custodian (and each of their respective directors, officers, agents and employees) from and against all claims, losses, liabilities, actions, suits, costs, judgments and expenses (including court costs and reasonable attorneys' fees) arising from its acting as Custodian hereunder (including, for the avoidance of doubt, any costs, expenses and reasonable attorneys' fees incurred in enforcing any payment obligation of an indemnifying Party), except for any claim, damage or loss resulting from the gross negligence or willful misconduct of the Custodian; provided, however, that any amounts due under this Section 13 shall not duplicate any other amounts due under this Agreement, including without limitation amounts due under Section 7 hereof. The obligations of this Section 13 shall survive any resignation or removal of the Custodian and the termination of this Agreement. In addition, notwithstanding anything herein to the contrary, the Custodian and Issuer shall have all of the rights (including the indemnification rights), benefits, privileges and immunities under this Agreement as are granted to Issuer and the Trustee under the Trust Indenture, all of which are incorporated, mutatis mutandis, into this Agreement.

Section 14. Limitation of Liability. Notwithstanding anything to the contrary herein, all obligations of the Issuer under this Agreement, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of the Issuer, payable solely from the Trust Estate (as such term is defined in the Trust Indenture) as and to the extent

provided in the Trust Indenture, including with respect to Operating Expenses (as such term is defined in the Trust Indenture). The Issuer shall not be required to advance any moneys derived from any source other than the Revenues (as such term is defined in the Trust Indenture) and other assets pledged under the Trust Indenture for any of the purposes in this Agreement mentioned. Neither the faith and credit of the Issuer nor the taxing power of the State of California or any political subdivision thereof is pledged to payments pursuant to this Agreement. The Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent Revenues (as such term is defined in the Trust Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Trust Indenture.

Section 15. Patriot Act. J. Aron and SDCP acknowledge that the Custodian is subject to federal laws, including the Customer Identification Program (“CIP”) requirements under the USA PATRIOT Act and its implementing regulations, pursuant to which the Custodian must obtain, verify and record information that allows the Custodian to identify J. Aron and SDCP. Accordingly, prior to opening the Assigned PPA Payments Account described in Section 3 of this Agreement, the Custodian will ask J. Aron and SDCP to provide certain information including but not limited to name, physical address, tax identification number and other information that will help the Custodian identify and verify J. Aron’s and SDCP’s identities, such as organizational documents, certificate of good standing, license to do business, or other pertinent identifying information. J. Aron and SDCP agree that the Custodian cannot open any account hereunder unless and until the Custodian verifies J. Aron’s and SDCP’s identities in accordance with its CIP.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers as of the date first written above.

SAN DIEGO COMMUNITY POWER

By: _____
Name: _____
Title: _____
Taxpayer ID Number: _____

J. ARON & COMPANY LLC

By: _____
Name: _____
Title: _____
Taxpayer ID Number: _____

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION

By: _____
Name: _____
Title: _____

CALIFORNIA COMMUNITY CHOICE
FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT A
ASSIGNED PPAS

[To come.]

EXHIBIT B

J. ARON FIXED PAYMENTS

[To be attached.]

EXHIBIT C

PREPAY CONTRACT CHAINS AND RELATED NOTICE AND PAYMENT INFORMATION

[To come.]

FORM OF ASSIGNMENT SCHEDULE

Assigned Product: [_____]

Assigned Delivery Point: [_____]

Assigned Prepay Quantity: As set forth in Appendix 2; provided that (i) all Assigned Products shall be delivered pursuant to the Limited Assignment Agreement during the Assignment Period as provided in Appendix 1 and (ii) the Assigned Prepay Quantity is defined for the convenience of PPA Buyer and J. Aron and shall have no impact on the obligations of the Parties under the Limited Assignment Agreement.

APC Contract Price: \$[_____] /MWh

Assignment Period: [_____]

FORM OF LIMITED ASSIGNMENT AGREEMENT

This Limited Assignment Agreement (this “**Assignment Agreement**” or “**Agreement**”) is entered into as of [____], by and among [____], a [____] (“**PPA Seller**”), San Diego Community Power, a California joint powers authority (“**PPA Buyer**”), and J. Aron & Company LLC, a New York limited liability company (“**J. Aron**”), and relates to that certain power purchase agreement (the “**PPA**”) between PPA Buyer and PPA Seller as described on Appendix 1. Unless the context otherwise specifies or requires, capitalized terms used but not defined in this Agreement have the meanings set forth in the PPA.

In consideration of the premises above and the mutual covenants and agreements herein set forth, PPA Seller, PPA Buyer and J. Aron (the “**Parties**” hereto; each is a “**Party**”) agree as follows:

1. Limited Assignment and Delegation.

- (a) PPA Buyer hereby assigns, transfers and conveys to J. Aron all right, title and interest in and to the rights of PPA Buyer under the PPA to receive delivery of the products described on Appendix 1 (the “**Assigned Products**”) during the Assignment Period (as defined in Appendix 1), as such rights may be limited or further described in the “Further Information” section on Appendix 1 (the “**Assigned Product Rights**”). All Assigned Products shall be delivered pursuant to the terms and conditions of this Agreement during the Assignment Period as provided in Appendix 1. All other rights of PPA Buyer under the PPA are expressly reserved for PPA Buyer.
- (b) PPA Buyer hereby delegates to J. Aron the obligation to pay the APC Contract Price for all Assigned Products that are actually delivered to J. Aron pursuant to the Assigned Product Rights during the Assignment Period (the “**Delivered Product Payment Obligation**” and together with the Assigned Product Rights, collectively the “**Assigned Rights and Obligations**”); provided that (i) all other obligations of PPA Buyer under the PPA are expressly retained by PPA Buyer and PPA Buyer shall be solely responsible for any amounts due to PPA Seller that are not directly related to Assigned Products; and (ii) the Parties acknowledge and agree that PPA Seller will only be obligated to deliver a single consolidated invoice during the Assignment Period (with a copy to J. Aron consistent with Section 1(d) hereof). To the extent J. Aron fails to pay the Delivered Product Payment Obligation by the due date for payment set forth in the PPA, notwithstanding anything in this Agreement to the contrary, PPA Buyer agrees that it will remain responsible for such payment within five (5) Business Days (as defined in the PPA) of receiving notice of such non-payment from PPA Seller.
- (c) J. Aron hereby accepts and PPA Seller hereby consents and agrees to the assignment, transfer, conveyance and delegation described in clauses (a) and (b) above.
- (d) All scheduling of Assigned Products and other communications related to the PPA shall take place pursuant to the terms of the PPA; provided that (i) title to Assigned Product will pass from PPA Seller to J. Aron upon delivery by PPA Seller of Assigned Product in accordance with the PPA; (ii) PPA Buyer will provide copies to J. Aron of any Notice of a Force Majeure Event or Event of Default or default, breach or other occurrence that, if not cured within the applicable grace period, could result in an Event of Default contemporaneously upon delivery thereof to PPA Seller and promptly after receipt thereof from PPA Seller; (iii) PPA Seller will provide copies to J. Aron of annual forecasts of Energy and monthly forecasts of available capacity and Energy provided pursuant to Section [____] of the PPA; (iv) PPA Seller will provide copies to J. Aron of

all invoices and supporting data provided to PPA Buyer pursuant to Section [], provided that any payment adjustments or subsequent reconciliations occurring after the date that is 10 days prior to the payment due date for a monthly invoice, including pursuant to Section [], will be resolved solely between PPA Buyer and PPA Seller and therefore PPA Seller will not be obligated to deliver copies of any communications relating thereto to J. Aron; and (v) PPA Buyer and PPA Seller, as applicable, will provide copies to J. Aron of any other information reasonably requested by J. Aron relating to Assigned Products.

- (e) PPA Seller acknowledges that (i) J. Aron intends to immediately transfer title to any Assigned Products received from PPA Seller through one or more intermediaries such that all Assigned Products will be re-delivered to PPA Buyer; and (ii) in the event that PPA Buyer fails to pay the relevant intermediary entity for any such Assigned Products, the receivables owed by PPA Buyer for such Assigned Products (“PPA Buyer Receivables”) may be transferred to J. Aron. To the extent any such PPA Buyer Receivables are transferred to J. Aron, J. Aron may transfer such PPA Buyer Receivables to PPA Seller and apply the face amount thereof as a reduction to any Delivered Product Payment Obligation. Thereafter, PPA Seller shall be entitled to pursue collection on such PPA Buyer Receivables directly against PPA Buyer.
- (f) The Assigned Prepay Quantity set forth in Appendix 2 relates to obligations by and between J. Aron and PPA Buyer and has no impact on PPA Seller’s rights and obligations under the PPA.

2. Assignment Early Termination.

- (a) The Assignment Period may be terminated early upon the occurrence of any of the following:
 - (1) delivery of a written notice of termination specifying a termination date by either J. Aron or PPA Buyer to each of the other Parties;
 - (2) delivery of a written notice of termination specifying a termination date by PPA Seller to each of J. Aron and PPA Buyer following J. Aron’s failure to pay when due any amounts owed to PPA Seller in respect of any Delivered Product Payment Obligation and such payment is not made by J. Aron within five (5) business days following receipt by J. Aron and PPA Buyer of written notice;
 - (3) delivery of a written notice by PPA Seller if any of the events described in the definition of Bankrupt in the PPA occurs with respect to J. Aron; or
 - (4) delivery of a written notice by J. Aron if any of the events described in in the definition of Bankrupt in the PPA occurs with respect to PPA Seller.
- (b) The Assignment Period will end at the end of last delivery hour on the date specified in the termination notice provided pursuant to Section 2(a), which date shall not be earlier than the end of the last day of the calendar month in which such notice is delivered if termination is pursuant to clause 2(a)(1) or 2(a)(2) above. All Assigned Rights and Obligations shall revert from J. Aron to PPA Buyer upon the early termination of the Assignment Period, provided that (i) J. Aron shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to J. Aron prior to the end of the Assignment Period, and (ii) any legal restrictions on the

effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the expiration or early termination of the Assignment Period

- (c) The Assignment Period will automatically terminate upon the expiration or early termination of the PPA. All Assigned Rights and Obligations shall revert from J. Aron to PPA Buyer upon the expiration of or early termination of the PPA, provided that (i) J. Aron shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to J. Aron prior to the end of the Assignment Period, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the expiration or early termination of the Assignment Period.

3. Representations and Warranties. The PPA Seller and the PPA Buyer represent and warrant to J. Aron that (a) the PPA is in full force and effect; (b) no event or circumstance exists (or would exist with the passage of time or the giving of notice) that would give either of them the right to terminate the PPA or suspend performance thereunder; and (c) all of its obligations under the PPA required to be performed on or before the Assignment Period Start Date have been fulfilled.

4. Notices. Any notice, demand, or request required or authorized by this Assignment Agreement to be given by one Party to another Party shall be delivered in accordance with Article [] of the PPA and to the addresses of each of PPA Seller and PPA Buyer specified in the PPA. PPA Buyer agrees to notify J. Aron of any updates to such notice information, including any updates provided by PPA Seller to PPA Buyer. Notices to J. Aron shall be provided to the following address, as such address may be updated by J. Aron from time to time by notice to the other Parties:

J. Aron & Company LLC
200 West Street
New York, New York 10282-2198
Email: gs-prepay-notices@gs.com

5. Miscellaneous. Section [] (Buyer's Representations and Warranties), Article [] (Confidential Information), Sections [] (Severability), [] (No Consequential Damages), [] (Counterparts), [] (Amendments), [] (No Agency, Partnership, Joint Venture or Lease), [] (Mobile-Sierra), [] (Electronic Delivery), Section [] (Binding Effect) and [] (No Recourse to Members of Buyer) of the PPA are incorporated by reference into this Agreement, *mutatis mutandis*, as if fully set forth herein.

6. U.S. Resolution Stay Provisions.

(a) Recognition of the U.S. Special Resolution Regimes.

- (i) In the event that J. Aron becomes subject to a proceeding under (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder or (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder (a "U.S. Special Resolution Regime"), the transfer from J. Aron of this Agreement, and any interest and obligation in or under, and any property securing, this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any interest and obligation in or under, and any property securing, this Agreement were governed by the laws of the United States or a state of the United States.

(ii) In the event that J. Aron or an Affiliate becomes subject to a proceeding under a U.S. Special Resolution Regime, any Default Rights (as defined in 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable (“**Default Right**”)) under this Agreement that may be exercised against J. Aron are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(b) Limitation on Exercise of Certain Default Rights Related to an Affiliate’s Entry Into Insolvency Proceedings. Notwithstanding anything to the contrary in this Agreement, the Parties expressly acknowledge and agree that:

(i) PPA Buyer and PPA Seller shall not be permitted to exercise any Default Right with respect to this Agreement or any Affiliate Credit Enhancement that is related, directly or indirectly, to an Affiliate of J. Aron becoming subject to receivership, insolvency, liquidation, resolution, or similar proceeding (an “**Insolvency Proceeding**”), except to the extent that the exercise of such Default Right would be permitted under the provisions of 12 C.F.R. 252.84, 12 C.F.R. 47.5 or 12 C.F.R. 382.4, as applicable; and

(ii) Nothing in this Agreement shall prohibit the transfer of any Affiliate Credit Enhancement, any interest or obligation in or under such Affiliate Credit Enhancement, or any property securing such Affiliate Credit Enhancement, to a transferee upon or following an Affiliate of J. Aron becoming subject to an Insolvency Proceeding, unless the transfer would result in PPA Buyer or PPA Seller being the beneficiary of such Affiliate Credit Enhancement in violation of any law applicable to PPA Buyer or PPA Seller, respectively.

(c) U.S. Protocol. To the extent that PPA Buyer and PPA Seller each adhere to the ISDA 2018 U.S. Resolution Stay Protocol, as published by the International Swaps and Derivatives Association, Inc. as of July 31, 2018 (the “**ISDA U.S. Protocol**”), the terms of the ISDA U.S. Protocol will supersede and replace the terms of this Section 6.

(d) Definitions. For purposes of this Section 6:

“**Affiliate**” is defined in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

“**Credit Enhancement**” means any credit enhancement or credit support arrangement in support of the obligations of J. Aron under or with respect to this Agreement, including any guarantee, collateral arrangement (including any pledge, charge, mortgage or other security interest in collateral or title transfer arrangement), trust or similar arrangement, letter of credit, transfer of margin or any similar arrangement.

7. Governing Law, Jurisdiction, Waiver of Jury Trial.

(a) **Governing Law.** This Assignment Agreement and the rights and duties of the parties under this Assignment Agreement will be governed by and construed, enforced and performed in accordance with the laws of the State of California, without reference to

any conflicts of laws provisions that would direct the application of another jurisdiction's laws.

- (b) **Jurisdiction.** Each party submits to the exclusive jurisdiction of the federal courts of the United States of America for the Northern District of California sitting in the city and county of San Francisco.
- (c) **Waiver of Right to Trial by Jury.** Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this assignment agreement.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the Parties have executed this Assignment Agreement effective as of the date first set forth above.

[PPA SELLER]

By: _____

Name: _____

Title: _____

SAN DIEGO COMMUNITY POWER

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

J. ARON & COMPANY LLC

By: _____

Name:

Title:

Execution and delivery of the foregoing Assignment Agreement is hereby approved.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____

Name:

Title:

Appendix 1

Assigned Rights and Obligations

PPA: “PPA” means that certain Power Purchase and Sale Agreement dated [____], by and between San Diego Community Power and [____], as amended from time to time.

“Assignment Period” means the period beginning on [_____] and extending until [_____] provided that in no event shall the Assignment Period extend past the earlier of (i) the termination of the Assignment Period pursuant to Section 2 of the Assignment Agreement and (ii) the end of the Delivery Term under the PPA; provided that applicable provisions of this Agreement shall continue in effect after termination of the Assignment Period to the extent necessary to enforce or complete, duties, obligations or responsibilities of the Parties arising prior to the termination.

Assigned Product: “Assigned Products” include [____].

Further Information: PPA Seller shall continue to transfer the WREGIS Certificates associated with all Renewable Energy Credits corresponding to all Facility Energy under the PPA pursuant to Section [____] of the PPA, provided that the transferee of such WREGIS Certificates may be changed from time to time in accordance with the written instructions of both J. Aron and San Diego Community Power upon twenty (20) Business Days’ notice, which change shall be effective as of the first day of the next calendar month, unless otherwise agreed. All Assigned Product delivered by PPA Seller to J. Aron shall be a sale made at wholesale, with J. Aron reselling all such Assigned Product.

Appendix 2

Assigned Prepay Quantity

[NOTE: To be set forth in a monthly volume schedule.]

LETTER AGREEMENT

[____], 2026

San Diego Community Power
815 E Street, Suite 12716
San Diego, CA 92112

Re: Prepay Limited Assignment Agreements

Ladies and Gentlemen:

This Letter Agreement (this “Letter Agreement”) confirms our mutual agreement with respect to the matters set forth below and relates to those certain Limited Assignment Agreements listed on Exhibit A (the “Assignment Agreements”, which definitions shall include any new Assignment Agreements identified by J. Aron’s delivery of an updated Exhibit A consistent with Section 2), with each of the PPA Sellers identified in Exhibit A (each, individually, a “PPA Seller” and collectively the “PPA Sellers”, and which definitions shall include any new PPA Seller identified by J. Aron’s delivery of an updated Exhibit A consistent with Section 2). Any capitalized term used in this Letter Agreement and not otherwise defined herein shall have the meaning assigned to such term in the Clean Energy Purchase Contract. In consideration of each party’s execution of the Assignment Agreements, as well as the premises above and the mutual covenants and agreements set forth herein, J. Aron & Company LLC (“J. Aron”) and San Diego Community Power (“SDCP” and together with J. Aron, collectively the “Parties”) agree as follows:

1. **Assignment Early Termination.** Each of the Parties agrees that it shall only exercise its right to deliver a written notice of termination of an Assignment Period under an Assignment Agreement consistent with the following:

(a) Either Party may deliver a notice of termination in the event of (i) the suspension, expiration, or termination of performance of a PPA by either SDGP or the applicable PPA Seller; or (ii) the termination or suspension of deliveries for any reason other than force majeure under (A) that certain Clean Energy Purchase Contract (No. 2) (the “Clean Energy Purchase Contract”), dated as of [____], 2026 by and between SDGP and California Community Choice Financing Authority (including, for the avoidance of doubt, due to a “Remarketing Election” by SDGP under the Clean Energy Purchase Contract) or (B) that certain Electricity Purchase, Sale and Service Agreement (No. 2), dated as of [____], 2026 by and between J. Aron and Aron Energy Prepay [____] LLC (the “Electricity Sale and Service Agreement”);

(b) SDGP shall deliver a notice of termination contemporaneous with any assignment by SDGP of its interest in the Clean Energy Purchase Contract, provided that J. Aron in any event shall be entitled to deliver a notice of termination to the extent SDGP fails to do so in connection with the assignment of SDGP’s interest under the Clean Energy Purchase Contract;

(c) J. Aron may deliver a notice of termination if (i) PPA Seller delivers less than the Assigned Prepay Quantity for any five months in the aggregate during a twelve month period, (ii) any event or circumstance occurs that would give either SDGP or a PPA Seller the right to

terminate or suspend performance under a PPA (regardless of whether SDCP or the applicable PPA Seller exercises such right) or (iii) SDCP requests remarketing of the Assigned Quantities under an Assigned PPA pursuant to the terms [Section 7.3(c)] of the Clean Energy Purchase Contract;

(d) either Party may deliver a notice of termination to the extent that the Parties have mutually agreed upon an assignment of Replacement Assigned Rights and Obligations (as defined in the Clean Energy Purchase Contract) that will replace the Assigned Rights and Obligations under the applicable Assignment Agreement immediately following the termination thereof; and

(e) either Party may deliver a notice of termination under the applicable Assignment Agreement to the extent that:

(i) any of the representations and warranties set forth in [Sections 5.4] of the Electricity Sale and Service Agreement and the Clean Energy Purchase Contract, respectively, ceases to be true with respect to an Assigned PPA;

(ii) the Assigned Energy being delivered pursuant to an Assignment Agreement ceases to be EPS Compliant Energy; or

(iii) any Assigned Product that constituted PCC1 Product or Long-Term PCC1 Product while being delivered directly to SDCP under an Assigned PPA ceases to qualify as PCC1 Product or Long-Term PCC1 Product when being redelivered through the Electricity Sale and Service Agreement, Master Power Supply Agreement and Clean Energy Purchase Contract.

For the avoidance of doubt, each of the Parties agrees that it shall not terminate an Assignment Agreement pursuant to the at will termination provision thereof except in the circumstances set forth immediately above. The at will termination provision referenced in the immediately preceding sentence (x) is set forth in Section 2(a)(1) of the form of Assignment Agreement attached to the Clean Energy Purchase Contract (y) shall refer to any such provision forth in an Assignment Agreement entered into by the Parties consistent with the terms of the Clean Energy Purchase Contract and the Electricity Sale and Service Agreement.

2. **Exhibit A.** Promptly following execution of the Assignment Agreements with respect to the Initial Assigned Rights and Obligations, J. Aron shall deliver an Exhibit A that lists such Assignment Agreements. J. Aron shall deliver an updated Exhibit A to this Agreement to reflect any changes to the information set forth therein in connection with the termination, expiration or replacement of an Assignment Agreement consistent with the terms of the Clean Energy Purchase Contract.

3. **Representations, Warranties and Covenants.**

(a) SDCP agrees that it shall provide a true, complete, and correct copy to J. Aron of any PPA to be assigned pursuant to an Assignment Agreement.

(b) Each Party represents to the other:

- (i) **Status.** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.
- (ii) **Powers.** It has the power to execute, deliver and perform its obligations under this Letter Agreement and any other documentation to which it is a party relating to this Letter Agreement, and it has taken all necessary action to authorize such execution, delivery and performance.
- (iii) **No Violation or Conflict.** Such execution, delivery and performance of this Letter Agreement and the consummation of the transactions contemplated hereby and thereby, including the incurrence by such Party of its obligations under this Letter Agreement, will not result in any violation of, or conflict with; (i) any term of any material contract or agreement applicable to it; (ii) any of its charter, bylaws, or other constitutional documents; (iii) any determination or award of any arbitrator applicable to it or (iv) any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, law, ordinance, rule or regulation of any government agency, applicable to it or any of its assets or properties or to any obligations incurred by it or by which it or any of its assets or properties or obligations are bound or affected, and shall not cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets.
- (iv) **Consents.** All consents, approvals, orders or authorizations of; registrations, declarations, filings or giving of notice to; obtaining of any licenses or permits from; or taking of any other action with respect to, any Person or Government Agency, that are required to have been obtained or made by such Party with respect to this Letter Agreement and the transactions contemplated hereby, including the due authorization of such Party and its governing body and any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.
- (v) **Obligations Binding.** Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).
- (vi) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication

(written or oral) of the other Parties as investment advice or as a recommendation to enter into this Agreement; it being understood that information and explanations related to the terms and conditions of this Agreement shall not be considered investment advice or a recommendation to enter into this Agreement. It is entering into this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by the applicable parties, considers this Agreement to be legally enforceable contracts. No communication (written or oral) received from any of the other Parties shall be deemed to be an assurance or guarantee as to the expected results of this Agreement.

(vii) ***Assessment and Understanding.*** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Agreement and the Assignment Agreement. It is also capable of assuming, and assumes, the risks of this Agreement.

(viii) ***Status of Parties.*** Neither of Parties is acting as a fiduciary for or an adviser to the other in respect of this Agreement.

4. **Governing Law, Jurisdiction, Waiver of Jury Trial**

(a) **Governing Law.** This Letter Agreement and the rights and duties of the parties under this Letter Agreement will be governed by and construed, enforced and performed in accordance with the laws of the State of New York, without reference to any conflicts of laws provisions that would direct the application of another jurisdiction's laws; provided, however, that the authority of SDGP to enter into and perform its obligations under this Letter Agreement shall be determined in accordance with the laws of the State of California.

(b) **Jurisdiction.** Each party submits to the exclusive jurisdiction of the federal courts of the United States of America for the Northern District of California sitting in the city and county of San Francisco.

(c) **Waiver of Right to Trial by Jury.** Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Letter Agreement.

[Signature Pages to Follow]

Very truly yours,

J. ARON

J. ARON & COMPANY LLC

By: _____
Name: _____
Title: _____

ACKNOWLEDGED, ACCEPTED AND AGREED TO as of the date first set forth above:

SDCP

SAN DIEGO COMMUNITY POWER

By: _____
Name: _____
Title: _____

Exhibit A

Assignment Agreements

[To come.]

CLEAN ENERGY PROJECT OPERATIONAL SERVICES AGREEMENT

This Clean Energy Project Operational Services Agreement (this “Agreement”) is made and entered into as of [_____] , 2026, by and between California Community Choice Financing Authority (“CCCFA”) and San Diego Community Power Authority (“SDCP”) with respect to the Clean Energy Project (defined below). CCCFA and SDCP may be referred to individually herein as a “Party” and collectively as the “Parties”.

W I T N E S S E T H:

WHEREAS, SDCP is a “community choice aggregator” under the Public Utilities Code of the State of California, as amended; and

WHEREAS, SDCP and certain other community choice aggregators have created CCCFA as a joint exercise of powers authority under and pursuant to the Joint Exercise of Powers Act, constituted as Chapter 5 of Division 7 of Title 1 of the California Government Code, being Section 6500 and following, as amended, and a Joint Powers Agreement by and among the Members of CCCFA named therein, including SDCP (as the same may be amended or supplemented from time to time in accordance with its terms, the “Joint Powers Agreement”); and

WHEREAS, CCCFA’s purpose is to assist its Members, including SDCP, by undertaking the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds and other obligations on behalf of one or more of the Members by, among other things, issuing or incurring bonds and entering into related contracts with Members; and

WHEREAS, CCCFA and SDCP are entering into the Clean Energy Purchase Contract (No. 1) (“Clean Energy Purchase Contract No. 1”) and the Clean Energy Purchase Contract (No. 2) (“Clean Energy Purchase Contract No. 2”), each dated [_____] , 2026 (as amended, restated, supplemented or otherwise modified from time to time, together, the “Clean Energy Purchase Contracts”), pursuant to which CCCFA has agreed to supply Energy to SDCP under the terms set forth therein; and

WHEREAS, in order to provide such Energy to SDCP under the Clean Energy Purchase Contracts, CCCFA is entering into the Master Power Supply Agreement (No. 1) (“Master Power Supply Agreement No. 1”) and the Master Power Supply Agreement (No. 2) (“Master Power Supply Agreement No. 2”), each dated [_____] , 2026 (as amended, restated, supplemented or otherwise modified from time to time, together, the “Master Power Supply Agreements”), between CCCFA, as buyer, and Aron Energy Prepay 60 LLC, a Delaware limited liability company, as seller (the “Prepaid Seller”), under which it will make a prepayment to the Prepaid Seller for the purchase and delivery of such Energy; and

WHEREAS, in order to meet its obligations under the Master Power Supply Agreements, Prepaid Seller will enter into the Electricity Purchase, Sale and Service Agreement No. 1 (“EPSSA No. 1”) and the Electricity Purchase, Sale and Service Agreement No. 2 (“EPSSA No. 2”), each dated as of [_____] , 2026 (as amended, restated, supplemented or otherwise modified from time to time) with J. Aron & Company LLC, a New York limited liability company (“J. Aron”); and

WHEREAS, the Issuer will finance the prepayments under the Master Power Supply Agreements and related costs by issuing its Clean Energy Project Revenue Bonds, Series 2026[] (Term Rate) (the “Bonds”) pursuant to a Trust Indenture, dated as of [] 1, 2026 (as amended, restated, supplemented or otherwise modified from time to time, the “Indenture”), between CCCFA and U.S. Bank Trust Company, National Association, as trustee (together with any successor or replacement trustee under the Indenture, the “Trustee”); and

WHEREAS, the issuance of the Bonds by CCCFA and related undertakings of CCCFA under the Indenture, the acquisition and sale of Energy and related undertakings of CCCFA under the Master Power Supply Agreements and the Clean Energy Purchase Contracts, and the sale to SDCP of such Energy and related undertakings of SDCP under the Clean Energy Purchase Contracts are referred to herein as the “Clean Energy Project”; and

WHEREAS, the Parties are entering into this Agreement in order to provide for the administration of certain operational matters relating to the Clean Energy Project;

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture, the Clean Energy Purchase Contracts or the Master Power Supply Agreements, as applicable.

Section 2. Assignment Agreements. As contemplated by the EPSSA No. 2, the Master Power Supply Agreement No. 2 and the Clean Energy Purchase Contract No. 2, SDCP may from time to time enter into Assignment Agreements to provide for the assignment of Assigned Product for delivery to CCCFA under the Master Power Supply Agreement No. 2 and to SDCP under the Clean Energy Purchase Contract No. 2. With respect to any Assignment Agreement, the Parties acknowledge and agree as follows:

(a) subject to the terms of the applicable Assignment Letter Agreement, SDCP may from time to time enter into Assignment Agreements with respect to all or a portion of its Contract Quantity under the Clean Energy Purchase Contract No. 2; and

(b) SDCP shall determine in its sole discretion when and if any Assignment Agreement is entered into (subject to the consent requirements under the Clean Energy Purchase Contract No. 2) or terminated (subject to the terms of the Assignment Letter Agreement) and the underlying power purchase agreement and portion of its Contract Quantity under the Clean Energy Purchase Contract No. 2 to which such Assignment Agreement relates.

Section 3. Scheduling and Delivery of Assigned Energy. Assigned Energy and any other Assigned Product delivered to CCCFA under the Master Power Supply Agreements shall be Scheduled by SDCP for delivery to CCCFA under the Master Power Supply Agreements and for delivery to SDCP under the Clean Energy Purchase Contracts, and CCCFA shall have no responsibility for (a) any Scheduling or other operational requirements necessary for the delivery of Assigned Energy to SDCP’s Assigned Delivery Point and the transfer of other Assigned Product to SDCP, or (b) any accounting for under-deliveries or over-deliveries or other record-

keeping requirements with respect to any Assigned Energy and other Assigned Product, all of which shall be the sole responsibility of SDCP.

Section 4. Qualified Use; Remarketing of Market Quantities. Any Base Quantities under the Master Power Supply Agreement No. 2 are required to be remarketed by the Prepaid Seller pursuant to the Master Power Supply Agreement No. 2. SDCP shall be responsible for any notices or other communications required from CCCFA in connection with such remarketing, as well communications required for the Scheduling and delivery of Base Quantities under the communications protocol set forth in Exhibit G to the Master Power Supply Agreement No. 1 and any other operational requirements related to the delivery and remarketing of Base Quantities under the Master Power Supply Agreements. SDCP will account for any Base Quantities and subsequently remarketed, including accounting for any remediation of any such remarketing sales as may be required pursuant to the Qualifying Use Requirements and the terms of the Clean Energy Purchase Contracts. SDCP agrees to provide to CCCFA any information reasonably requested by it in order to comply with any reporting or record-keeping requirements related to such delivery and remarketing of Base Quantities, including such information relating to compliance with the Qualifying Use Requirements, as may be required pursuant to the Master Power Supply Agreements or the Indenture.

Section 5. Directions, Consents and Waivers. CCCFA may be requested or required from time to time to provide certain directions, consents, or waivers under the terms of the applicable Master Power Supply Agreement, the Indenture and the Re-pricing Agreement. Provided no event of default has occurred and is continuing with respect to SDCP under the applicable Clean Energy Purchase Contract, such direction, consent or waiver shall only be provided by CCCFA in accordance with written instructions provided by SDCP.

Section 6. Re-pricing Information. CCCFA shall provide, or cause Prepaid Seller to provide, to SDCP such information as is required to be provided by Prepaid Seller to CCCFA in accordance with the Re-pricing Agreement at such times as are required under the Re-pricing Agreement. Provided no event of default has occurred and is continuing with respect to SDCP under the applicable Clean Energy Purchase Contract, any direction, consent or waiver requested or required to be provided by CCCFA under the Re-pricing Agreement shall only be provided by CCCFA in accordance with written instructions provided by SDCP.

Section 7. Administrative Fee; Reimbursement and Refund of Operating Expenses.

(a) Under the Indenture, Operating Expenses relating to the Clean Energy Project are to be paid from amounts deposited annually into the Administrative Fee Fund, which amount shall be equal to \$[] in the aggregate for each annual period ending on [] 1 of each year, commencing [] 1, 202[] (the "Administrative Fee"). If at any time the amount on deposit in the Administrative Fee Fund is not sufficient to pay all such Operating Expenses as the same become due, SDCP agrees to pay to the Trustee for deposit into the Administrative Fee Fund such amounts as are necessary to pay such Operating Expenses upon receipt of notice of the amount due from the Trustee or CCCFA.

(b) As soon as practicable following the end of each annual period referred to in paragraph (a), CCCFA agrees that the amounts received in respect of the Administrative Fee for such annual period shall be reconciled with the Operating Expenses paid or accrued for such period. In the event that, following each such reconciliation, it is determined that the amounts received in respect of the Administrative Fee during the applicable annual period exceed

Operating Expenses paid or accrued for such period, SDCP will be provided written notice thereof and the amount of such excess will be included in its Annual Refund under the applicable Clean Energy Purchase Contract.

Section 8. Notices. Notices and other information to be provided by a Party to the other Party under this Agreement shall be provided in accordance with Article XVI of the applicable Clean Energy Purchase Contract.

Section 9. Governing Law. This Agreement and the obligations of the Parties hereunder shall be governed by and determined in accordance with the laws of the State of California.

Section 10. Counterparts. This Agreement may be executed and acknowledged in multiple counterparts and by the Parties in separate counterparts, each of which shall be an original and all of which shall be and constitute one and the same instrument.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

CALIFORNIA COMMUNITY CHOICE
FINANCING AUTHORITY

By: _____
Name: Garth Salisbury
Title: Treasurer/Controller

SAN DIEGO COMMUNITY POWER

By: _____
Name: _____
Title: _____

[Clean Energy Project Operational Services Agreement]

MEMORANDUM OF UNDERSTANDING (“MOU”)

Date: January 29, 2026

To: Garth Salisbury
Treasurer/Controller
California Community Choice Financing Authority
gsalisbury@cccfa.org
(707) 535-9779

From: San Diego Community Power

Re: California Community Choice Financing Authority Energy Prepayment Financing on behalf of San Diego Community Power

Overview

The California Community Choice Financing Authority (“CCCFA” or the “Issuer”) seeks to procure a 30-year supply of energy, through the issuance of Clean Energy Project Revenue Bonds (the “Bonds”) to be issued by CCCFA. CCCFA will sell all the Prepaid Energy acquired from this transaction to San Diego Community Power (“SDCP”), the “Project Participant.”

Rating Agency Fee and Green Bond Second Party Opinion Fee

The rating agency fee and expenses (“Rating Agency Fee”) is paid from the proceeds of the Bonds. However, unlike most of the other fees associated with the issuance of the Bonds, payment of the Rating Agency Fee is not contingent upon the issuance of the Bonds.

In the event the Bonds are not issued, and there remains a Rating Agency Fee payable to Moody’s Investors Service (the “Rating Agency”), the Project Participant agrees that it will be liable for the cost such Rating Agency Fee and make direct payment to the Rating Agency for such fee.

In the event a Green Bond Second Party Opinion (“SPO”) is obtained, and the Bonds are not issued, the fee payable to the SPO provider (the “SPO Fee”) shall be incurred by the Project Participant and in such event, to the extent the SPO Fee was already paid by CCCFA, the Project Participant agrees to reimburse CCCFA.

Sincerely,

SAN DIEGO COMMUNITY POWER


Karin Burns
Chief Executive Officer
Date: Jan 29, 2026

ACCEPTED AND AGREED

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: Garth Salisbury, Treasurer/Controller
Date: _____

ITEM 18

EXHIBIT B

APPENDIX A

SAN DIEGO COMMUNITY POWER

Introduction

San Diego Community Power (“SDCP”) is a joint powers authority organized and existing under the Joint Exercise of Powers Act (constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500), as amended or supplemented from time to time) (the “*Joint Powers Act*”), as a “community choice aggregator” (“CCA”) as defined in Section 331.1 of the Public Utilities Code of the State of California, as amended (the “*Public Utilities Code*”). For a general description of “community choice aggregators” in California, see the section “COMMUNITY CHOICE AGGREGATORS” in this Official Statement.

Formation, History, and Purpose of SDCP

General. SDCP was created on October 1, 2019, under the name “San Diego Regional Community Choice Energy Authority” as a CCA in California under a Joint Powers Agreement, as amended, by and among the cities participating in SDCP and named therein (the “JPA”).

SDCP was established to provide electricity services at competitive rates to residents and businesses within the municipal boundaries of its member public agencies. Pursuant to its JPA, SDCP focuses on delivering a cleaner energy portfolio and achieving energy consumption reduction goals and the following key priorities:

- **Promotion of Renewable and Distributed Energy Resources:** SDCP prioritizes the use and development of local, cost-effective, renewable, and distributed energy sources, supporting local power generation and storage initiatives. Currently, SDCP procures clean energy from solar, wind, geothermal, large-hydro, and biomass sources.
- **Exclusion of Coal and Avoidance of Nuclear Contracts:** SDCP seeks to exclude coal and avoid entering into nuclear contracts as part of its overall procurement strategy.
- **Economic and Workforce Development:** SDCP aims to benefit the region economically by supporting workforce programs and development initiatives, such as working closely and collaboratively with local and regional developers and unions. This helps promote long-term electric rate stability and energy reliability for residents and businesses, by, for example, prioritizing local long-term power purchase agreements that lock in renewable energy supply, allowing SDCP to build its power supply portfolio while also providing power supply cost certainty.
- **Community Ownership and Energy Reliability:** SDCP promotes personal and community ownership of renewable generation and energy storage resources, in order to foster a sustainable and energy-independent future.

The parties to SDCP’s JPA consist of local governments whose governing bodies elect to join SDCP. Under the Public Utilities Code, when new parties join SDCP, all electricity customers

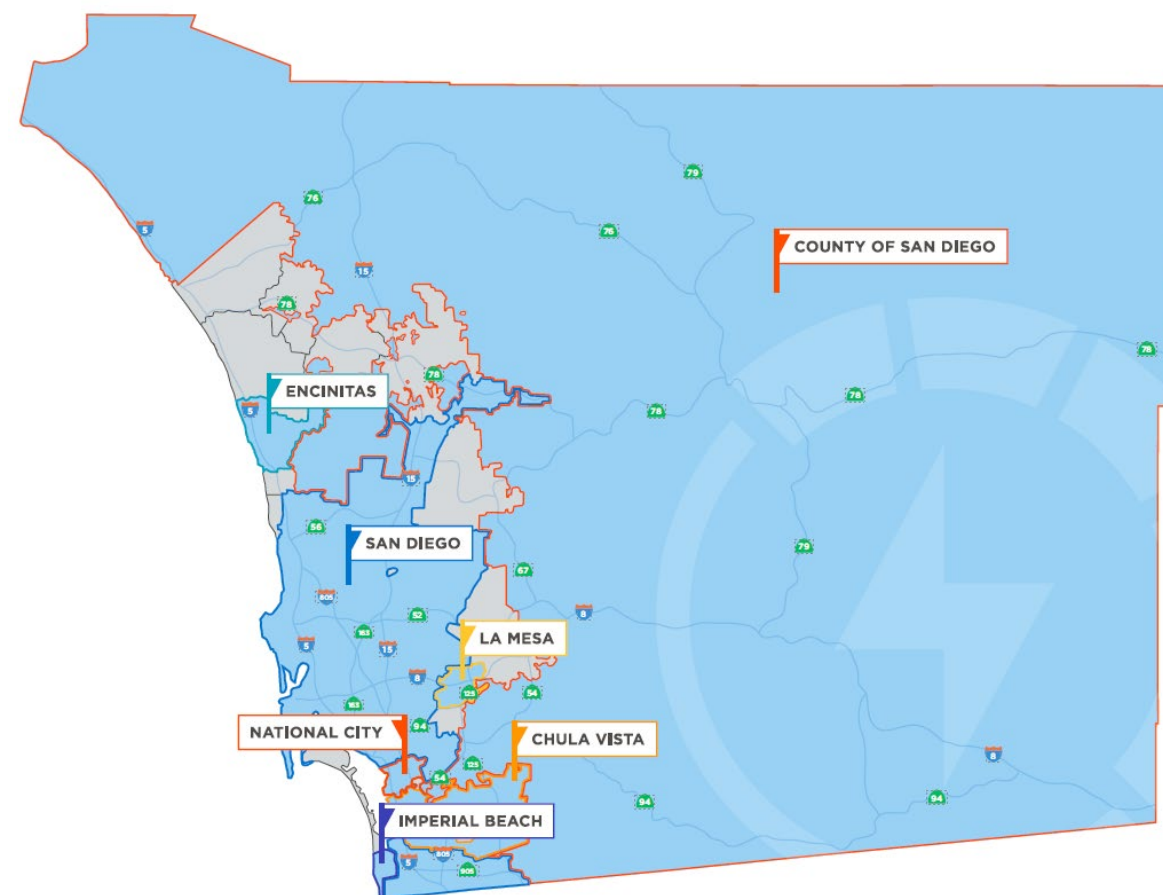
in their jurisdiction, except those served under California’s Direct Access Program, automatically become SDCP’s customers for electric generation, provided customers are allowed to “opt-out.”

Commencement of Service and Expansion. SDCP began operations in March 2021 by serving approximately 600 municipal accounts. SDCP enrolled approximately 72,000 municipal and business customers in June 2021, and an additional approximately 700,000 residential customer accounts throughout 2022 across the city limits of San Diego, Chula Vista, La Mesa, Encinitas, and Imperial Beach. SDCP enrolled approximately 180,000 residential and non-residential customer accounts in National City and Unincorporated areas of San Diego County in 2023. As of January 1, 2026, SDCP was serving 965,833 active accounts with approximately 7,600,000 MWh of annual retail sales.

Service Area

SDCP currently serves seven jurisdictions in the County of San Diego. These jurisdictions include six cities (San Diego, Chula Vista, Encinitas, La Mesa, Imperial Beach, and National City) and the unincorporated communities of the County of San Diego. SDCP is responsible for acquiring electric power for its service area.

Service Area Map. The service area of SDCP is shown in blue on the map below:



Governance and Management

Board of Directors. SDCP is governed by a seven-member board of directors (the “*Board of Directors*”), with a board member from each of the seven jurisdictions in the County of San Diego. SDCP’s Board of Directors has the rights and powers to set rates for the services SDCP furnishes, incur indebtedness, and issue bonds or other obligations. SDCP’s local government structure ensures public transparency. The Board of Directors meets monthly to discuss matters related to the operation of SDCP. All meetings are open to the public, and public comments are encouraged.

Management.

Karin Burns, Chief Executive Officer. As Chief Executive Officer of SDCP, Karin Burns leads the second largest community choice aggregator in California with a team of mission-driven professionals providing affordable, clean electricity to approximately 965,000 customer accounts in San Diego County. In this capacity, she oversees a budget in excess of \$1.0 billion, ensures sufficient and reliable clean power procurement, and develops and executes the organization’s strategic plan in collaboration with the Board and staff.

Before becoming CEO, Karin most recently served as Vice President of Corporate Development and Regional Vice President of the Pacific Region at Franklin Energy, a national provider of energy efficiency, demand response, electrification, and grid optimization solutions. Before Franklin Energy acquired its assets, Karin served as Chief Executive Officer of Build It Green, where she oversaw a team of 40+ personnel, managed a diverse set of programs across energy efficiency, workforce development, low-income solar and energy efficiency direct installation, healthy homes and reach codes for utilities and local governments.

Previously, Karin served as Executive Director of the nonprofit Code REDD, an environmental company she built into a globally recognized brand. She spearheaded strategic planning and operations, sourced funding from USAID and the McArthur Foundation, and built the successful Stand for Trees campaign.

Before leading high-growth organizations, Karin was a Managing Director at Ambata Capital, where she managed investment and advisory projects in electric vehicles, sustainable agriculture, green buildings, and clean energy. She was previously a Vice President at Gulf Capital, where she sourced, conducted due diligence, and invested in alternative energy, new media, and energy services companies across the Gulf Cooperation Council. She has served on several boards and advisory boards of non-profits, early-stage companies and investment funds from the U.S. to Asia. She began her M&A and corporate finance career at JPMorgan Chase in Hong Kong. Karin earned a Fulbright Scholarship to India, speaks multiple languages, and spent several years overseas in emerging markets from Brazil to China. She has earned Certificates in Energy Innovation and Innovation & Entrepreneurship from Stanford School of Engineering, an M.P.A. in international development from Harvard University, an M.B.A. in finance with distinction from Edinburgh Business School, and a B.A. with Honors from Duke University.

Dr. Eric Washington, Chief Financial Officer. Dr. Eric Washington manages SDCP's annual operating budget, capital investment plan, investment portfolio, and risk management functions. He helps SDCP balance decarbonization goals with the mandate of affordable clean energy at competitive rates. Eric led the development of strategies for SDCP that strengthened the organization's net asset position and cash flow. He was also critical in growing SDCP's net revenue from \$15 million to over \$1 billion in two years. Among his many contributions to SDCP, Eric spearheaded credit facility negotiations, which increased SDCP's credit access from \$35 million to \$250 million.

At various points in his career, Eric has managed the administration and compliance of a \$350 million nonprofit finance program, managed a \$158 million real estate loan portfolio, including construction finance to developers and acquisition finance to real estate investors, and built and managed a diverse team of professionals who provided corporate fiscal analyses, compliance monitoring, and finance reporting in support of several loan officers at various production offices.

Before his role at SDCP, Eric served as a military leader in the U.S. Navy for 26 years, fostering collaboration among diverse teams to meet organizational objectives. Eric also has 25 years of experience in corporate banking and finance. He has served as a vice president, senior credit manager, senior portfolio manager, and senior relationship manager at several regional banking institutions (including California Bank & Trust and Torrey Pines Bank). Eric received his Doctor of Education (Ed.D.) from San Diego State University, M.B.A. from Webster University, and a Bachelor of Science from Southern Illinois University, Carbondale.

Jack Clark, Chief Operating Officer. Jack Clark oversees the day-to-day financial and operational management of SDCP. He works closely with the CEO and CFO to operationalize and execute the strategy and vision for SDCP. Jack has over 20 years of experience overseeing energy, environmental, and cultural programming directed at developing solutions to climate change. Jack has overseen large-scale clean energy market transformation initiatives that help stabilize the relationship between people and the environment.

Before his role at SDCP, Jack was Vice President of Partnerships for commercial vehicle electrification infrastructure at Ideanomics. He was also Senior Director of Customer Programs at Clean Power Alliance of Southern California, California's largest community choice aggregator. Before his time at Clean Power Alliance, Jack was Vice President of Sustainable Energy Use at DNV GL.

Before that, Jack was the Deputy Director of the Energy & Sustainability Division at the City of San Diego, where he was responsible for implementing the City's comprehensive energy strategy, working with staff, other City departments, and community members to incorporate a broad range of energy efficiency, clean, renewable generation, and environmental quality issues into City operations and community programming. He oversaw the city operations of energy use of over 3,500 accounts, billing, rates, Municipal Energy Plan, community energy and sustainability programs, compliance with the City Climate Action Plan, and Community Choice Aggregation feasibility analysis on San Diego's goal of reaching 100% renewable electricity by 2035.

Prior to his role with the City of San Diego, Jack was the Director of Programs at the Center for Sustainable Energy, where he led the organization's growth from a regional to a national non-profit focusing on strategy, development, and execution of renewable energy, energy efficiency, clean transportation, distributed generation, and advanced clean energy market transformation initiatives. Jack received a Master of Administration in Sustainable Planning and a Bachelor of Science in Anthropology and Environmental Sciences, both from Northern Arizona University.

Veera Tyagi, General Counsel. Veera Tyagi serves as the General Counsel for SDCP. In this capacity, Veera is responsible for ensuring compliance with general governance laws, regulatory requirements, and overseeing all contracting. Veera brings nearly twenty years of legal experience, primarily as in-house counsel for regulatory agencies, to SDCP. In that capacity, Veera handled various matters, including advising and ensuring compliance with the California Environmental Quality Act, the Federal and State Clean Air Acts, and other environmental laws, and in litigating actions in both federal and state courts that are brought under those laws. Veera also has extensive experience advising on general governmental law issues, including the Public Records Act, the Brown Act, and contract laws. Veera's background is a Bachelor's in Environmental Earth Systems Science from Queen's University, and a Juris Doctorate, Cum Laude from the University of La Verne College of Law. Veera is a member of the State Bar of California.

Gordon Samuel, Chief Commercial Officer. Gordon joined SDCP in August 2025 after spending the previous six years with Valley Clean Energy ("VCE") as their Chief Operating Officer. There he was responsible for acquiring a diverse supply of clean renewable resources. With over 25 years' experience leading resource planning and acquisition, marketing and trading, and regulatory compliance, Gordon brings a wealth of experience to the SDCP team. Prior to his time with VCE, Gordon was with Marin Clean Energy ("MCE") and also spent two years with a startup battery storage integrator company (Doosan GridTech) developing key relationships with investor-owned and public utilities, independent power producers, and electric cooperatives. The bulk of Gordon's career was with Arizona Public Service Company where he had several roles including the procurement of numerous large-scale natural gas, geothermal, wind, photovoltaic and solar thermal projects.

Customers

General. SDCP currently provides energy to approximately 965,000 municipal, residential, commercial, and industrial accounts in its service area. SDCP's current customer load mix is approximately 42% residential, 37% medium and large commercial/industrial, 18% small commercial, and 3% agricultural and lighting-based.

Customer Energy Choices. As part of its ongoing efforts to provide clean energy at the greatest value for its customers, SDCP offers four service plans: PowerBase, PowerOn, Power100, and Power100 Green+. PowerBase is SDCP's most affordable service plan and is currently 45% renewable and priced with an approximately 10% discount under San Diego Gas & Electric ("SDG&E") rates. PowerOn is 53% renewable and currently priced approximately 4% below SDG&E rates. Power100 and Power100 Green+ are 100% renewable, carbon-free, and the latter is Green-e® certified. PowerOn is SDCP's default electricity service offering. Most customers within SDCP's service territory are automatically enrolled in PowerOn, with the exception of the

City of Encinitas, whereby per City Council decision, customers within its city limits are automatically enrolled in SDCP's Power100 service, which costs \$0.01/kWh more than PowerOn.

Customers can choose to opt-up to the Power100 and Power100 Green+ options and purchase 100% renewable and carbon-free electricity at a slight premium. These options enable SDCP's customers to take a more significant step towards reducing their carbon footprint. Power100 Green+ provides 100% renewable, carbon-free, and Green-e® certified energy for businesses seeking LEED certification or requiring Green-e® certification to meet their corporate social responsibility goals. Power100 Green+ costs \$0.02 per kWh more than the standard PowerOn service level. Power100 Green+ allows customers to meet their organization's reliability standards. Residents and businesses that do not require specific certification can still obtain 100% renewable and carbon-free power through Power100.

Based on the average SDCP residential customer usage of 383 kWh per month in 2025, PowerOn will on average cost \$1 per month more than PowerBase. Compared to SDG&E's rates, PowerOn is expected to cost approximately \$1.50 per month less for a typical residential customer. Compared to SDG&E's rates, Power100 is expected to cost about \$2 per month extra for a typical residential customer.

New Customers. FY 2023-24 was SDCP's first full year of operations serving the seven currently enrolled jurisdictions. There are no near-term plans for expansion.

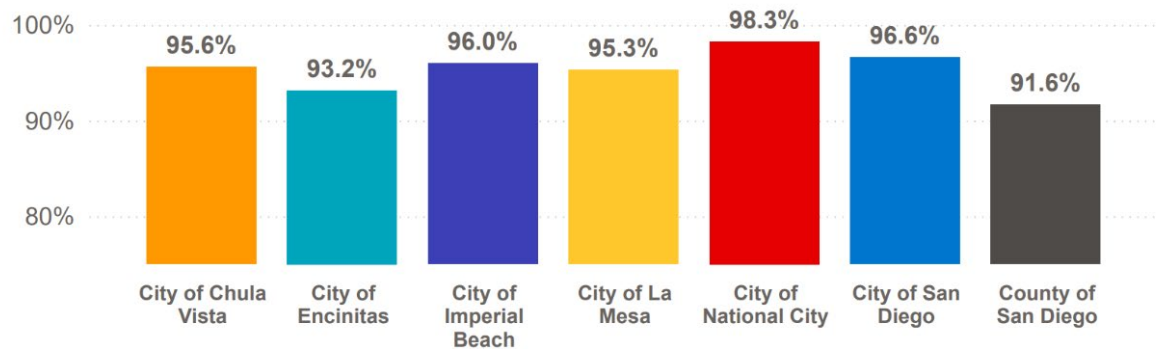
Customer Election to Opt-out of Service. Customers have the right to opt out of SDCP service at any time and will not be charged any fees by SDCP if they opt out or cancel electric service. Customers who opt out before starting SDCP service or within the first 60 days of SDCP service may return to SDCP service at any time. Customers who opt out after the first 60 days of service with SDCP will be prohibited by SDG&E from returning to SDCP for one year and will be charged a one-time customer re-entry fee by SDG&E and will also be required to choose one of two options: an immediate return to SDG&E service, or a 6-month return to SDG&E service.

Cumulative Opt-Out Rate and Customer Retention. As of January 1, 2026, SDCP is serving a cumulative total count of 965,833 active accounts for a total participation rate of 95.5%. Customers with newly established accounts or who have moved into a new service address within any of SDCP's member jurisdictions receive two post-enrollment notices through the mail at their mailing address on file within 60 days of their account start date to notify them that they have defaulted to SDCP electric generation service.

The following graphic illustrates SDCP's opt-out rate and customer retention data through January 1, 2026, reflected as a percentage of participation rates by jurisdiction.

Enrolled Accounts	Participation Rate	Participation
965,833	95.5%	

Participation by Jurisdiction



Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	99,938	95,562	95.6%
City of Encinitas	Power100	28,918	26,940	93.2%
City of Imperial Beach	PowerOn	10,811	10,378	96.0%
City of La Mesa	PowerOn	29,613	28,217	95.3%
City of National City	PowerOn	19,688	19,346	98.3%
City of San Diego	PowerOn	631,729	610,276	96.6%
County of San Diego	PowerOn	191,074	175,114	91.6%
Total		1,011,771	965,833	95.5%

Service Rates

General. SDCP electric generation rates are managed to provide cleaner electricity than investor-owned and public utilities at competitive rates. SDCP’s Board of Directors determines rates and SDCP’s rates are not regulated by the California Public Utilities Commission (the “CPUC”). Any rate changes will be adopted at duly noticed public meetings of the SDCP Board of Directors. Under the terms of the Clean Energy Purchase Contract with CCCFA, SDCP covenants that it will establish, maintain, and set rates and charges to provide revenues sufficient to enable it to pay all amounts payable from the revenues of its operations and to keep any reserves as required by SDCP’s reserve policies. SDCP further covenants pursuant to the terms of the Clean Energy Purchase Contract that it will not grant any lien or security interest in, or otherwise pledge or encumber revenues if the effect of such lien, pledge or other encumbrance would result in such lien, pledge or encumbrance having priority over the obligations of SDCP under the Clean Energy Purchase Contracts.

Determination of Rates for Energy. A customer’s cost of electric service is determined by SDCP’s charges for energy and SDG&E charges for transmission, distribution, and other non-bypassable charges. Changes to SDG&E or SDCP rates will impact cost comparisons between SDCP and SDG&E. SDG&E charges SDCP customers a monthly Power Charge Indifference Adjustment, which can vary annually based upon several market factors, including benchmarks for regional energy costs, resource adequacy, the year in which the community joined SDCP and other considerations, as well as a Franchise Fee Surcharge. SDCP has already accounted for these additional charges when calculating its commodity rates. Financial assistance programs like CARE (California Alternative Rates for Energy), FERA (Federal Electric Rate Assistance), and Medical Baseline Allowance remain the same for SDCP and SDG&E customers.

Current and Historical Rate Information. SDCP rates are designed to cover the costs of energy, resource adequacy, and operating, fund customer programs, and meet SDCP’s reserve and liquidity goals, as described in its Reserve Policy.

Effective January 1, 2026, SDCP implemented rate changes resulting in the following comparisons for most SDCP customers, though exact comparisons may vary by rate schedule and customer usage:

- SDCP PowerOn is set at a ~4% discount to SDG&E’s rates on a total bill basis.
- SDCP PowerBase is set at a ~10% discount to SDG&E’s rates on a total bill basis.

SDCP’s Power100 and Power100 Green-e Certified services will maintain premiums to PowerOn of \$0.01/kWh and \$0.02/kWh, respectively.

California Renewable Portfolio Standards and Other Regulations

General. Community choice aggregators such as SDCP are “load-serving entities” (“LSEs”) and, as such, are required to comply with California’s Renewable Portfolio Standard, Resource Adequacy requirements, and Power Source Disclosure requirements described below.

Renewable Portfolio Standard. California’s Renewable Portfolio Standard (“RPS”) requires LSEs to supply their retail sales with certain minimum quantities of eligible renewable energy. Senate Bill 100 directs all LSEs to procure 60% of their portfolios from RPS-eligible resources by 2030 and 100% of their retail sales from zero-carbon resources (or eligible renewable resources) by 2045. Based on the most recent Power Content Label filed with the California Energy Commission, in 2024, SDCP met 60.88% of its total retail sales with eligible RPS resources, which was above the 2024 RPS percentage target of 44%. SDCP has exceeded the annual RPS regulatory minimum requirements each year since its inception.

Resource Adequacy. Resource Adequacy (“RA”), a California program jointly administered by the CPUC, the California Energy Commission (“CEC”) and the California Independent System Operator (“CAISO”), directs LSEs to secure forward capacity and offer it into the CAISO’s Day-Ahead and Real-Time markets to ensure that there will be enough supply at suitable locations and with sufficient ramping capability to meet load. The RA program is comprised of three products: System RA, Local RA, and Flexible RA. Local RA obligations have been assigned to a Central Procurement Entity as of 2023.

Integrated Resource Planning. Integrated Resource Planning (“*IRP*”) requires LSEs to forecast their customer load and develop a plan to serve such load in alignment with their own vision and values and in accordance with regulatory requirements. In October 2015, California codified this LSE responsibility with the passage of SB 350, which requires the CPUC to establish and oversee an IRP process to assist with meeting the state’s aggressive greenhouse gas (“*GHG*”) targets (40% below 1990 levels by 2030). The IRP process, which is used in many states across the US, generally produces 10- to 20-year plans that map out both the supply-side and demand-side resources required for meeting customer load. Given the complexity of the grid and the time required to plan and build generating facilities, IRPs are critical for ensuring safe, reliable and clean power in a cost-effective manner. In addition to addressing the long-term planning horizon typical of an IRP process, the IRP process has been used in recent years to direct procurement of new capacity to meet near- and mid-term reliability and clean energy needs per CPUC Decision (“*D.*”) 19-11-016, D. 21-06-035 and D. 23-02-040. Pursuant to the procurement orders in these CPUC Decisions, LSEs are required to procure “Incremental System Capacity,” which is RA capacity from non-emitting, storage, and/or renewable resources that are in addition to the resources identified on a baseline list of existing, on-line and operating resources. SDCP has a strong track record of meeting its RA obligations, falling short only during periods of extreme resource scarcity. SDCP expects to meet its future RA obligations through its Energy Risk Management Policy to the extent that supply is available in the bilateral markets.

Power Source Disclosure. California law requires LSEs to disclose the types of power resources used to supply retail sales. This mandate, known as the Power Source Disclosure Program (“*PSDP*”), is a consumer information program managed by the CEC. A key output of the PSDP is the Power Content Label (“*PCL*”). The PCL is an LSE-specific document that shows the breakdown of power resource types for each of the LSE’s energy products used to serve retail load and a breakdown of resource types for the overall California grid. The PCL is distributed to customers each year.

SDCP’s most recent IRP and PCL are available on its website: www.sdcommunitypower.org.

Energy Demand

Long-Term Load Forecast. SDCP’s long-term load forecast is a projection of the electricity that SDCP’s customers will consume. SDCP’s long-term load forecast considers the number and types of customers that SDCP expects to serve, historical electricity use patterns, temperature, and other weather conditions, as well as trends in energy efficiency, behind-the-meter, rooftop solar and electric vehicle adoption, appliance electrification, and other factors.

The table below shows SDCP’s long-term load forecast for 2025-2034 based on SDCP’s 2024 RPS Compliance Report filed with the CPUC in August 2025.

Table 1: SDCP's 2025-2034 Load Forecast (MWh)

Year	Load Forecast
2025	7,723,800
2026	7,879,305
2027	8,022,167
2028	8,062,278
2029	8,102,589
2030	8,143,102
2031	8,183,818
2032	8,224,737
2033	8,265,861
2034	8,307,190

Sources of Energy

General. In its procurement of energy supplies, SDCP prioritizes using and developing local renewable resources, stimulating local job creation through various programs and development, promoting personal and community ownership of distributed renewable resources, and promoting long-term electric rate stability and energy reliability for residents and businesses.

Energy Purchases. During the ordinary course of business, SDCP purchases electrical power from numerous suppliers. Electricity costs include the cost of energy and capacity arising from bilateral contracts with energy suppliers, generation credits, load, and other charges stemming from SDCP's participation in the CAISO's centralized market.

As SDCP strives to meet its environmental, financial, and regulatory compliance goals and requirements, long-term power purchase agreements ("PPAs") are becoming integral components of its energy supply portfolio. Long-term PPAs provide renewable generation facility developers with a specific revenue stream against which they can finance upfront capital requirements, such that each long-term PPA that SDCP signs with a developing facility will underpin a new, incremental renewable energy project. In addition, long-term PPAs lock in renewable energy supply around which SDCP can build its power supply portfolio while providing cost certainty so that SDCP can develop its pro forma financial model. Moreover, the California RPS, modified in 2015 by Senate Bill 350, requires that SDCP provide 65% of its RPS-required renewable energy from contracts of at least 10 years. Finally, in D.21-06-025, the CPUC required each 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". These requirements have been augmented and extended into 2026 and 2027 via CPUC's D.23-02-040.

Over the past three years, SDCP staff released four requests for offers ("RFOs") for eligible renewable energy resources, including an RFO for stand-alone storage projects in pursuit of long-term contracts for renewable energy. SDCP has also engaged bilaterally for additional contracting opportunities to meet SDCP's procurement goals, particularly for resources that provide 24/7

renewable energy. The SDCP Board, through November 2025, has approved contracts for over 1,669 MW of renewable generation and over 1,913 MW of storage capacity. SDCP staff continues to negotiate with several other developers for additional renewable energy resources expected to be online between 2027 and 2032. Under CAISO's revisions to their cluster study process for interconnecting future projects, SDCP staff issued an RFP in August 2024 for CAISO Cluster 15 projects, which will serve select renewable energy and storage projects that SDCP is most interested in getting studied by the CAISO. SDCP staff and the Energy Contracts Working Group (the “ECWG”) evaluate all RFO submissions before entering into negotiations with selected participants. Assuming that SDCP staff and shortlisted developer(s) can agree to mutually agreeable contracts consistent with terms authorized by the ECWG, SDCP staff then review the draft terms with the SDCP Board for approval and authorization for the CEO to execute the relevant documents.

SDCP also has an open request for information (“RFI”) regarding local projects. The RFI has yielded 11 board-approved contracts for local generation and storage facilities in the last 12 months. SDCP also released an RFO for distributed renewable energy resources (“DERs”), which focuses on a broad range of distribution-level renewable projects within San Diego County. The RFO has yielded two board approved contracts for ~25 MW of storage and renewable energy resources.

Energy Load and Supply Risk Management. Through SDCP’s Energy Risk Management Policy, SDCP measures and updates its risks using various tools that model programmatic financial projections, market exposure, risk metrics, and short-term budget updates. The following items are measured, monitored, and reported:

- Mark-to-Market Valuation – marking to market determines the current value of contracted energy supply.
- Exposure Reporting – calculates the notional dollar risk exposure and value at risk of open portfolio positions at current market prices.
- Open Position Monitoring – calculates/monitors open positions for all energy and capacity products monthly. If energy open positions for the month following the then current month (prompt month) exceed 10% of the load, SDCP will solicit market energy to close open positions and make a commercial decision to close the position.
- Counterparty Credit Exposure – calculates the notional and mark-to-market exposure to each SDCP counterparty by deal and in the aggregate. Counterparty exposure reporting includes contingent collateral posting risks arising from changes in market prices and other factors.
- Reserve Requirement Targets – no less than once per year, SDCP staff monitors SDCP’s financial reserves to ensure that they meet the targeted thresholds.

SDCP manages market price risk using its planning models, which define forecasted load, energy under contract, and SDCP’s open positions across various energy product types, including renewable energy (Portfolio Content Category I, II, and III), carbon-free energy, and system power relative to SDCP’s procurement targets.

Generally, SDCP manages its exposure to energy suppliers by exhibiting a preference for counterparties with investment-grade credit ratings as determined by Moody's or S&P Global Ratings and using security requirements in the form of cash or letters of credit. SDCP measures its mark-to-market counterparty credit exposure in a way consistent with industry best practices.

SDCP manages energy delivery risks by ensuring that contracts include appropriate contractual penalties for non-delivery and acquiring energy from a geographically and technologically diverse portfolio of generating assets (with a range of generation profiles generally complementary to how SDCP's customers use electric power). Due to known production variability and supply uncertainty related to renewable and other carbon-free energy products, SDCP includes planning margins in procuring such products to ensure that related targets/mandates are achieved.

SDCP manages load forecasting and related weather risks by contracting with qualified data management and scheduling coordinators. These coordinators independently or jointly provide the systems and data necessary to forecast and schedule load using good utility practice. Load variability is also considered when establishing appropriate planning margins for renewable and carbon-free energy sources.

SDCP manages its regulatory and legislative risk through active participation in working groups and advocacy coalitions, such as the California Community Choice Association. SDCP also regularly participates in regulatory rulemaking proceedings and legislative affairs to protect its interests.

Procurement. All contracting for energy and energy-related products for SDCP, including but not limited to electricity, capacity, energy efficiency, distributed energy resources, demand response, and storage, are overseen by SDCP's Power Services department. All contracts are further reviewed and approved by SDCP's CEO and General Counsel. SDCP procures energy and RA in a way that is consistent with its Energy Risk Management Policy. Procurement is conducted through market-based transactions for products, including Fixed Price Energy, Portfolio Content Category 1 Renewable Energy, Portfolio Content Category 2 Renewable Energy, Carbon-Free Energy, and RA Capacity, as well as through longer-term PPAs entered into pursuant to statutory requirements or voluntary long-term resource acquisition decisions made independently by SDCP under its Integrated Resource Plan or other Board or Director-approved strategies.

Short-term procurement is conducted through participation in the CAISO and bilateral markets. SDCP may use various methods to procure long-term contracts, including competitive solicitations, bilaterally negotiated agreements, or regulatory proceedings, with oversight, including shortlist approvals or procurement recommendations, provided by the ECWG of the Board. Specific long-term procurement (e.g., contract terms longer than three years) is subject to Board approval.

Long-term Contracts. To date, SDCP has contracted for ~1,670 MW of nameplate capacity for renewable energy generation and 2,010 MW of nameplate capacity for energy storage projects, identified in the table below, with future expected commercial operation dates between 2026 and 2029.

Long Term Contracts

Developer/ Project	Guaranteed Commercial Operation Date	Nameplate	Type
Ormat / Pomona 2	Online	20 MW	Storage (2-hour)
Arevon / Vikings Energy Farm	Online	136.8 MW-AC Generating Facility and 145.5 MW-AC / 582 MWh Storage Facility	Solar + Storage
Pattern / Duran Mesa	Online	50 MW	Wind
Intersect / Oberon II	Online	75 MW	Solar
Ormat / Arrowleaf Solar and Storage	Online	42 MW-AC Generating Facility and 35 MW-AC / 140 MWh Storage Facility	Solar + Storage
NextEra / Yellow Pine	Solar: 2028 Storage: 2028	35 MW-AC Generating Facility and 35 MW-AC / 140 MWh Storage Facility	Solar + Storage
SBE / Athos	1/1/27	200 MW	Storage (4-hour)
Aypa / Vidal	12/1/26	160 MW (solar) 160 MW (storage)	Solar + Storage
Arevon / Avocet	7/1/27	200 MW	Storage (4-hour)
MRP / Border	1/1/26	52 MW	Storage (1-hour)
MRP / Enterprise	6/1/27	52 MW	Storage (1-hour)
Wellhead / CVEC2	6/1/26	49.7 MW	Storage (4-hour)
Baywa / JVR Energy Park	10/31/26	90 MW-AC solar photovoltaic Generation Facility combined with a 70 MW-AC / 280 MWh-AC DC-coupled battery energy storage facility	Solar + Storage
Pattern / SunZia	3/31/27	150 MW	Wind
NextEra / Desert Sands	6/1/27	60 MW	Long Duration Storage
SBE / Pelicans Jaw	9/1/26	440 MW (solar) 238.5 MW (storage)	Solar + Storage
Nobel Solar / Purple Sage	6/1/28	400 MW (solar) 400 MW (storage)	Solar + Storage
Aypa / Euismod	6/1/28	200 MW	Long Duration Storage (8-hour)

Wellhead/NJEC	6/1/26	50 MW	Storage (4-hour)
Intersect / Darden	6/1/28	91.48 MW-AC Generating Facility and 91.48 MW-AC / 365.92 MWh Storage Facility	Solar + Storage

Information Technology, Data Analytics, and Cyber Security

SDCP's Information Technology ("IT") and Data Analytics department comprises professionals responsible for enterprise data, IT management, cloud infrastructure, and cybersecurity. The team is building a secure Enterprise Data Platform ("EDP") to enable in-house data management, data engineering, data science, and analytics capabilities across the organization.

The IT and Data Analytics team develops core operational capabilities, and works on integrations including an Energy Trading & Risk Management ("ETRM") application and a Distributed Energy Resource Management ("DERM") platform, to drive efficiency, simplify processes, and deliver cost savings for SDCP's customers.

The department also leads the development of IT policies and standards, including Responsible AI and cybersecurity, identifies risk areas, and supports staff compliance. All SDCP personnel are required to report suspected noncompliance to management. Access to SDCP information technology is limited to authorized employees and approved vendors, and only for legitimate agency purposes.

SDCP is implementing a holistic cybersecurity program aligned with the NIST Cybersecurity Framework ("CSF") 2.0 and informed by ISO/IEC 27001 standards. These controls are designed to minimize threats and reduce exposure to SDCP assets and information. SDCP also maintains cybersecurity insurance coverage.

Financial Information

Revenues from Energy Sales and Operating Expenses. SDCP's operating revenues are from selling electricity to commercial and residential customers throughout its territory. SDCP reports its revenue net of uncollectible accounts. In alignment with SDCP's reserve policy and strategic goals, SDCP sets rates sufficient to grow revenue and net income to reach its 225-day cash-on-hand target.

Other Sources of Revenue. In 2023, SDCP began receiving grant revenue from the California Public Utilities Commission Disadvantaged Communities-Green Tariff and Community Solar Green Tariff programs, which enable residential customers in disadvantaged communities who may be unable to install solar on their roof to benefit from a local solar project and receive a 20% bill discount. This funding originates from California Greenhouse Gas Auction Proceeds and Public Purpose Program funds.

In 2024, SDCP was also awarded \$710,000 in grant funding from the California Department of Food and Agriculture to support its provision of technical assistance and refrigeration units to stock healthy food at stores in low income or low food-access areas throughout its service territory.

In January 2025, SDCP accepted, appropriated and developed plans to expend \$124.27 million of funds from the CPUC to administer and implement energy efficiency programs focused on underserved and hard-to-reach residents, businesses, and public agencies in the region. Funds will be expended through the FY2025-29 capital investment plan.

SDCP additionally derives revenue from investment income. As SDCP's operating reserves have grown, its investment income has also grown in lockstep as SDCP invests its reserves in interest-bearing accounts consistent with SDCP's Investment Policy as revised and approved by the SDCP Board on August 28, 2025.

Financial Statements. For financial information related to SDCP, see the annual audited financial statements of SDCP for the fiscal years that ended June 30, 2025 and June 30, 2024, which have been posted on the Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board in connection with the California Community Choice Financing Authority Clean Energy Project Revenue Bonds, Series 2024F and Series 2025D.

Financial Reserves. SDCP maintains financial reserves, pursuant to the Financial Reserve Policy adopted by the Board of Directors, to be able to (a) meet SDCP's strategic objectives; (b) secure, maintain, and improve a standalone investment grade credit rating; (c) secure favorable terms with vendors, including power producers; (d) satisfy working capital requirements; (e) adhere to contractual covenants; (f) provide funds to cover unanticipated expenditures; and (g) support rate stability.

SDCP's most recent update to its Financial Reserves Policy, adopted by the Board on December 11, 2025, sets a minimum reserve level of 180 days cash on hand, establishes a target of 225 days, and retains a maximum of 270 days, with reserves defined as unrestricted cash, cash equivalents, and investments rather than accounting net position. It also allows the Board to designate amounts between the target and maximum as a rate-stabilization reserve, giving flexibility to manage rate impacts.

Operating Reserve. SDCP maintains a reserve goal to secure 225 days of cash-on-hand held as unrestricted cash. Unrestricted cash equals total cash less cash held in accounts that are restricted from use (e.g., as collateral or by covenant). The contribution to operating reserves is determined through SDCP's annual budget process as defined in the agency's Budget Policy and SDCP's rate-setting process as defined in the agency's Rate Development Policy. To the extent that SDCP can meet operational expenses and maintain competitive rates, it will establish rates and adopt budgets to build and maintain its operating reserves at or above the 225-day cash-on-hand target level. As of November 1, 2025, SDCP's unrestricted cash and investments totaled \$533.6 million, equivalent to 190 days' cash-on-hand.

SDCP maintains a \$250 million revolving credit agreement through JPMorgan Chase Bank, N.A. with an expiration of February 28, 2028. As of January 1, 2026, available capacity on the agreement was \$227 million.

Risk Management. SDCP maintains a comprehensive risk management framework to identify and mitigate credit, liquidity, market, operational, regulatory, and other risks associated with participation in the California energy market. The framework employs credit risk strategies, including a preference for transacting with investment-grade counterparties, establishing credit limits, and securing collateral when necessary. SDCP utilizes hedging strategies, netting arrangements, and liquidity monitoring to address market risks. Internal controls and compliance mechanisms are in place to manage operational and regulatory risks, ensuring adherence to legal and market regulations. Risk monitoring and oversight are continuously performed through frequent reporting, with critical risks communicated promptly to stakeholders. This integrated approach enables SDCP to maintain a balanced risk profile while adapting to evolving market conditions.



SAN DIEGO COMMUNITY POWER

Staff Report – Item 19

To: Board of Directors

From: Chandra Pugh, Senior Director of People Operations and Administrative Services

Via: Karin Burns, Chief Executive Officer

Subject: Adopt Resolution No. 2026-04, Authorizing Execution of the Application and Agreement for Social Security Coverage

Date: February 26, 2026

Recommendation

Adopt Resolution No. 2026-04, authorizing execution of the Application and Agreement for Social Security coverage for employees of San Diego Community Power who are members of San Diego Community Power Money Purchase Plan.

Background

Community Power and employees have been contributing to Social Security since the agency's inception. In 2021, a 401(a) plan was established to which Community Power contributes an amount equal to 10% of the employee's salary for the employee's benefit.

Community Power needs a Section 218 Agreement with the Social Security Administration (SSA) in order to cover former, present, and future employees. In California, the Section 218 Agreement is administered through CalPERS. Initial Board approval was provided on August 28, 2025, to hold the election which was held on February 6, 2026. Approval of a Final Board Resolution is required to establish the Section 218 Agreement.

Analysis and Discussion

Community Power employees held a division vote in which current employees could opt in or opt out of Social Security at that time.

- "Opt in" means the employee stays in Social Security – status quo
- "Opt out" means the employee will no longer participate in Social Security

The results of the vote affirm that former and future employees will be opted into Social Security based upon Board adoption of Resolution No. 2025-04 and successful approval by the Social Security Administration.

Fiscal Impact

One-time fee: There is a one-time fee of \$650 to establish the Section 218 Agreement.

Annual Fee: An annual fee will also apply, which may vary each fiscal year based on the number of employees reported to CALPERS but is expected to be approximately \$200 per year.

Attachments

- A: Application and Agreement for Social Security Coverage
- B: Resolution No. 2026-04, A Resolution of the Board of Directors of San Diego Community Power Authorizing Execution of the Application and Agreement for Social Security Coverage.

ITEM 19

ATTACHMENT A

APPLICATION AND AGREEMENT

For the purposes of this application and agreement, any reference made herein to any State or Federal statute or statutes, or regulations, or part thereof, applies to all amendments thereto now or hereafter made.

For the purposes of this application and agreement, "Federal System" means Old-Age, Survivors, and Disability and Health Insurance system established by the Federal Social Security Act, "Federal agency" means the Commissioner of Social Security, or successor in function to such officer, "Board" means the Board of Administration of the Public Employees' Retirement System, acting on behalf of the State of California.

San Diego Community Power, a public agency as defined in Section 22009 of the Government Code* hereinafter called Applicant, hereby makes application to the Board to execute a modification to the California State Social Security Agreement extending thereunder the Federal System to all services performed by individuals as employees of the Applicant in a coverage group (as defined in Section 218(d)(4) of the Social Security Act*) of the Group B of San Diego Community Power Money Purchase Plan, a deemed retirement system established by division of a retirement system pursuant to Section 218(d)(6) of the Social Security Act, composed of positions of members desiring coverage under said insurance system, except the following:

1. Those services mandatorily excluded from said agreement by Section 218 of the Social Security Act. *

2. The following services excluded by option of the Applicant pursuant to Resolution No. 2025-10, adopted on August 28, 2025:

None

*See Attachment

In order to carry into effect the common governmental duties under such statutes and in consideration of the mutual promises hereinafter made, the Applicant and the Board agree as follows:

1. The Board will execute a modification to the California State Social Security Agreement to extend thereunder the Federal System to the services of employees of Applicant as hereinbefore applied for.
2. Applicant will comply promptly and completely, throughout the term of this application and agreement, with the letter and intent of all statutes of the State of California, and Section 218 of the Federal Social Security Act, and applicable Federal and State regulations adopted pursuant thereto.
3. Applicant shall pay to the Federal Government amounts equivalent to the sum of taxes (employer-employee contributions) imposed under the Federal Insurance Contributions Act if the services of employees covered by the application and agreement constituted employment as defined in such Act. Applicant shall keep or cause to be kept accurate records of all remuneration for such services, said records to be maintained as required by Federal or State regulations, and said records shall be available for inspection or audit by the Board or its designated representative.
4. Applicant will prepare and submit such wage reports as may be required.

5. Applicant shall pay and reimburse the State at such times as may be determined by the State:
 - (a) Any sums of money that the State may be obligated to pay or forfeit to the Federal Government by reason of any failure of the Applicant, for any cause or reason, to pay the contributions, penalties, or interest required by the agreement between the Federal agency and the State at such time or in such amounts as required by the said agreement and any State or Federal regulations adopted pursuant thereto.
 - (b) In such amounts as may be determined by the State, its proportionate share of any and all costs incurred by the State in the administration of the Federal System as it affects the Applicant and its employees.
 - (c) In such amounts as may be determined by the State, the cost of any and all work and services relating to any division for the purposes of coverage under the Federal System held with respect to the coverage group for which coverage under the Federal System is requested herein.
 - (d) In such amounts as may be determined by the State, the costs of any audits of the books and records of the Applicant made by the State or its designated representatives pursuant to Section 22559 of the Government Code.
6. The coverage herein provided for shall be effective January 1, 2021.
7. That, subject to the aforesaid provisions and applicable law, this application and agreement may be amended by the mutual consent of the parties in writing.

8. After the filing of this application and agreement, its acceptance and execution by the State shall constitute it a binding agreement between the Applicant and the State of California with respect to the matters herein set forth.

San Diego Community Power

Signed by:

Authorized Agent

And by:

Witness

Title

Date

ACCEPTED: _____
STATE OF CALIFORNIA

BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
Liza Lopez
State Social Security Administrator
State Social Security Administrator Program

ATTACHMENT

Section 22009, Government Code:

"Public Agency" means the State, any city, county, city and county, district, municipal or public corporation or any instrumentality thereof, or boards and committees established under Chapter 10 of Division 6 of the Agricultural Code, Chapter 754 of Statutes of 1933, as amended, or Chapter 307 of the Statutes of 1935, as amended, the employees of which constitute one or more coverage groups or retirement system coverage groups.

Section 218(d)(4):

For the purposes of subsection (c) of this section, the following employees shall be deemed to be a separate coverage group:

- (A) all employees in positions which were covered by the same retirement system on the date the agreement was made applicable to such system (other than employees to whose services the agreement already applied on such date);
- (B) all employees in positions which became covered by such system at any time after such date; and
- (C) all employees in positions which were covered by such system at any time before such date and to whose services the insurance system established by this title has not been extended before such date because the positions were covered by such retirement system - including employees to whose services the agreement was not applicable on such date because such services were excluded pursuant to subsection (c)(3)(B).

The following services are mandatorily excluded:

- (a) service performed in a policeman's or fireman's position, covered by a retirement system at the time coverage is extended to the Public Agency;
- (b) service performed by an individual who is employed to relieve him from unemployment;
- (c) service performed in a hospital, home, or other institution by a patient or inmate thereof;
- (d) covered transportation service (as defined in Section 210(k) of the Social Security Act, as amended);
- (e) service (other than agricultural labor or service performed by a student) which is excluded from employment by any provision of Section 210(a) of the Social Security Act, other than paragraph 7 of such section, or service the remuneration for which is excluded from wages by paragraph (2) of Section 209(h);

- (f) service performed by an individual as an employee on a temporary basis in case of fire, storm, snow, earthquake, or similar emergency;
- (g) services performed by election officials or election workers for each calendar year in which the remuneration paid for such service is less than the threshold amount mandated by law.

ITEM 19

ATTACHMENT B

RESOLUTION NO. 2026-04

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF SAN DIEGO COMMUNITY POWER
AUTHORIZING EXECUTION OF THE
APPLICATION AND AGREEMENT FOR SOCIAL
SECURITY COVERAGE.**

WHEREAS, a division of San Diego Community Power Money Purchase Plan with respect to eligible employees of San Diego Community Power, hereinafter referred to as "Public Agency", who are members of and in positions covered by said retirement system, has been conducted in accordance with Federal and State Laws and State regulations for the purposes of coverage under the insurance system established by the Federal Social Security Act and a deemed retirement system, hereinafter referred to as Group B of San Diego Community Power Money Purchase Plan has been established thereby as provided in Section 218(d)(6) of the Federal Social Security Act, composed of positions of members of such retirement system who desire coverage under the said insurance system; and

WHEREAS, the Public Agency desires to file an application with the State and to enter into an agreement with the State to extend coverage under the said insurance system on behalf of the Public Agency to services performed by individuals as employees of the Public Agency as members of a coverage group, as defined in Section 218(d)(4) of the Federal Social Security Act, of the said Group B of San Diego Community Power Money Purchase Plan; and

WHEREAS, official form "Application and Agreement" containing the terms and conditions under which the State will affect such inclusion has been examined by this body.

NOW, THEREFORE, BE IT RESOLVED, that said Application and Agreement on said official form be executed on behalf of the Public Agency and submitted to the State to provide coverage under the California State Social Security Agreement of March 9, 1951, of all services performed by individuals as employees of the Public Agency as members of a coverage group (as defined in Section 218(d)(4) of the Social Security Act) of said Group B San Diego Community Power Money Purchase Plan, except the following:

1. All services excluded from coverage under the agreement by Section 218 of the Social Security Act; and
2. Services excluded by option of the Applicant as indicated in Resolution No. 2025-10 adopted at a meeting of San Diego Community Power Board of Directors on August 28, 2025:

None

Effective date of coverage of services under said agreement to be January 1, 2021; and

BE IT FURTHER RESOLVED, that Karin Burns, Chief Executive Officer, 815 E Street, Suite 12716, San Diego, CA 92112, is hereby authorized and directed to execute said Application and Agreement on behalf of and as Authorized Agent of the Public Agency and to forward same to the State for acceptance and further action; and

BE IT FURTHER RESOLVED, that authority hereafter to act as Authorized Agent, and so to conduct all negotiations, conclude all arrangements, submit all reports, and sign all agreements and instruments which may be necessary to carry out the letter and intent of the aforesaid application and agreement, in conformity with all applicable Federal and State laws, rules and regulations, is vested in the position of Chief Executive Officer.

San Diego Community Power

Terra Lawson-Remer, Chair/Presiding Officer

Karin Burns
Chief Executive Officer

Date

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on February 26, 2026, with the following vote.

AYES:

NOES:

ABSTAIN:

ABSENT:

Terra Lawson-Remer, Chair
San Diego Community Power

ATTEST:

APPROVED AS TO FORM:

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

Veera Tyagi, General Counsel
San Diego Community Power

CERTIFICATION

I, Maricela Hernandez, Secretary of San Diego Community Power, State of California, do hereby certify the foregoing to be a full, true, and correct copy of Resolution No. 2026-04 adopted by San Diego Community Power Board of Directors of San Diego Community Power at the regular meeting held on the 26th day of February, 2026, as the same appears of record in my office.

Signature

Secretary, San Diego Community Power Board of Directors
Title

Date

SAN DIEGO COMMUNITY POWER

Staff Report – Item 20

To: Board of Directors

From: Gordon Samuel, Chief Commercial Officer
Andrea Torres, Director of Origination

Via: Karin Burns, Chief Executive Officer

Subject: Adopt Resolution No. 2026-05, Amending Inclusive and Sustainable Workforce Policy, and also Updating Energy Proposal Evaluation Criteria

Date: February 26, 2026

Recommendation

Adopt Resolution No. 2026-05, amending the Inclusive and Sustainable Workforce Policy to update workforce commitments for procurement from new-build renewable energy and storage project solicitations and also updating workforce standards for project evaluation in the Energy Proposal Evaluation Criteria.

Background

On November 19, 2020, the Community Power Board of Directors (“Board”) first adopted an Inclusive and Sustainable Workforce Policy (“ISWP”) with the expectation this Policy would be updated as the organization grows and becomes more established. The purpose of the ISWP is to “(1) demonstrate quantifiable economic benefits to the region, including prevailing wage jobs and local workforce development; (2) support a stable, skilled, and trained workforce; and (3) promote supplier and workforce diversity including returning veterans” as well as from communities of concern.

The ISWP is an organization-wide document that includes policies that apply to promoting inclusion in hiring practices, outreach, business practices, non-energy procurement supply chains for goods and services, and energy procurement. It encouraged the inclusion of workforce commitments and worker protections from developers who bid into solicitations for Power Purchase Agreements (“PPAs”). These commitments could include local hire, apprenticeship positions/program support, and prevailing wages.

On January 8, 2021, the ISWP was amended to incorporate a Feed-In Tariff section to encourage hiring of local businesses, local apprenticeship programs, payment of prevailing wages, and fair compensation practices.

Community Power staff utilizes an Energy Proposal Evaluation Criteria (EPEC) matrix to evaluate and select proposals from open solicitations and measure against the standards in the ISWP. The EPEC includes six categories of evaluation: 1) Quantitative Value; 2) Project Location; 3) Project Development; 4) Community Benefits, 5) Workforce Development, and 6) Environmental Stewardship.

Updates were made to the EPEC and approved by the board in November 2023, including the following Workforce Development criterion: a. Adjust the high (A) rating to only include projects that have executed, or have committed to executing, a Project Labor Agreement (PLA). b. Adjust the medium+ (B) rating to include projects without a PLA, but that have local hire commitments and commitments to 50% or more union labor. c. Adjust the medium- (C) rating to include projects that can demonstrate they meet the requirements of the Inflation Reduction Act (“IRA”) d. Adjust the low (F) rating to include projects that do not meet one or all of prevailing wage, skilled and trained workforce, and local hire commitments instead of demonstrating they will not meet all three.

On November 20, 2025, the Board, upon the recommendation of Board Chair, Terra Lawson-Remer and Board Director, Sean Elo-Rivera, directed staff to revisit and enhance Community Power’s policies and evaluation of long-term contracts for new build resources to further incentivize and codify higher workforce standards.

Staff were directed to evaluate the inclusion or adoption of:

1. A quantitative scoring system for workforce commitments.
2. Prevailing wage or the federal Davis-Bacon wage in states without a prevailing wage law.
3. Use of a skilled and trained workforce under California law, or joint labor-management partnerships or joint apprenticeship and training committees in states without skilled and trained workforce legislation.
4. Local hire for projects based in San Diego County.
5. Use of union maintenance agreements in operations.
6. Additional or modified Project Labor Agreements (PLA) standards, including a PLA requirement on all utility-scale developments that are contracted by Community Power.
7. Staff will negotiate a PLA for all projects developed directly by Community Power to be returned to the Board for review and final approval.
8. The use of best value procurement where appropriate.

Staff recommendations should consider market feasibility, ratepayer affordability, and the attainment of renewable energy goals.

Staff conducted research and consulted with stakeholders to inform and align these updates with best practices, as well as legislative, regulatory, and programmatic requirements. These included peer community choice aggregators, regional public agencies and municipalities, developers in both traditional renewables and in emerging sectors, the Community Advisory Committee ad-hoc DER committee, Climate Action Campaign, the San Diego Building and Construction Trades Council, the California Unions for Reliable Energy, and IBEW 569.

Analysis and Discussion

After assessing the market landscape and analyzing feedback from external stakeholders, staff have prepared modifications to the ISWP and EPEC.

Recommendations for updates to the Inclusive and Sustainable Workforce Policy:

- General revisions for accuracy/clarity with a focus on updates to workforce policies for energy procurement.
- Increase emphasis on workforce standards in solicitations and the enhanced collection of workforce commitments when collecting proposal details.
- Codify utilization of Energy Proposal Evaluation Criteria tool to evaluate project prioritization for new-build long-term energy procurement contracts. In addition to requirements for prevailing wages or the federal Davis-Bacon wage in states without a prevailing wage law; higher scores are given to proposals that meet or exceed targeted workforce standards including:
 - Utilize a skilled and trained workforce or joint labor-management partnership/apprenticeship/and training committees in states without skilled and trained workforce legislation as well as local apprentices, and graduates of San Diego and Imperial County pre-apprenticeship programs;
 - Utilize union maintenance agreements in operations;
 - Provide workers compensation coverage to on-site workers; and
 - Feed-In-Tariff and Program RFO's to also encourage local hire and apprenticeships.
- A PLA requirement for all Utility-Scale (10MW+) solar photovoltaic, wind and battery storage project construction.
- Commit to engaging San Diego Building and Construction Trades Council, California Unions for Reliable Energy, and other stakeholders, to develop workforce standards, including standards for PLA commitments prior to contracting owned and/or operated assets.

Notwithstanding the foregoing, staff propose that the Board retains the discretion to approve a contract that does not meet any or all of the Workforce Standards, where the Community Power Board determines that approval is warranted based on the particular facts and circumstances.

Recommendations for updates to the Energy Proposal Evaluation Criteria:

- Under this board directive, staff reviewed workforce commitments within the existing portfolio, standards in place by regulatory and other state agencies, as well as sector peers to determine an appropriate threshold to define “Utility-Scale”. Projects that are sized 10 MW and greater, are deemed “Utility-scale,” and projects that are sized under 10 MW, are “Community-Scale”. For the purposes of long-term procurement, scale is defined by capacity at the point of interconnection (to account for co-located renewable and storage facilities).
- Both the Utility-Scale and Community-Scale workforce criteria include more specificity on what thresholds must be met to earn each score, with higher scores awarded to proposals that meet or exceed standards outlined in the ISWP.
- Staff recommend applying a PLA requirement for Utility-Scale projects in mature sectors in the renewable and storage market, which includes solar photovoltaic, wind, and battery storage. Proposals receive the highest score if they commit to executing a Project Labor Agreement (PLA) and the use of union maintenance agreements. These technologies represent the bulk of renewables currently offered in the market.
- Community-scale projects are smaller in scope with shorter construction timelines. As such, they create opportunities for local small business contractors who may not be unionized. Staff want to boost this sector’s participation in our pursuit of a robust Community-Scale portfolio that achieves local procurement goals while boosting the economy. Therefore, Community-Scale proposals receive an “A” score through a commitment to a PLA or by committing to paying prevailing wages and hiring a skilled and trained workforce AND at least two of the following: i) hiring at least 80% local labor, ii) hiring at least 50% union labor, and iii) use of union maintenance agreements during operation. These additional pathways keep the door open for small business while maintaining our commitments to skilled and trained labor and local hire.

Fiscal Impact

N/A

Strategic Plan

This activity supports the strategic plan section on “Energy Portfolio Development” a goal to provide sufficient, reasonably priced, clean electricity to our customers. Tactics to achieve this goal include:

- Develop a clean and renewable energy portfolio of 100% no later than 2035
- Support development of 1 Gigawatt of local renewable and clean energy capacity by 2035
- Prudently manage the power portfolio to minimize risk and customer costs

- Create high quality local jobs in renewable energy that support healthy families and vibrant communities

Attachments

A: Resolution No. 2026-05, Amending Inclusive and Sustainable Workforce Policy

Exhibit A: Inclusive and Sustainable Workforce Policy (clean version)

Exhibit B: Inclusive and Sustainable Workforce Policy (redlined version)

B: Energy Proposal Evaluation Criteria Workforce Update

ITEM 20

ATTACHMENT A

RESOLUTION NO. 2026-05

A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER, AMENDING THE INCLUSIVE AND SUSTAINABLE WORKFORCE POLICY.

A. San Diego Community Power (Community Power) is a joint powers agency 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 and restated December 16, 2021 (JPA Agreement).

B. The Community Power Board of Directors first adopted an Inclusive and Sustainable Workforce on November 19, 2020, and later amended it on January 28, 2021.

C. The Community Power Board of Directors desires to amend the Inclusive and Sustainable Workforce Policy.

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

Section 1. The Board of Directors hereby amends the Inclusive and Sustainable Workforce, 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 AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on February 26, 2026.

AYES:

NOES:

ABSENT:

ABSTAIN:

Terra Lawson-Remer, Chair
San Diego Community Power

ATTEST:

APPROVED AS TO FORM:

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

Veera Tyagi, General Counsel
San Diego Community Power

ITEM 20

EXHIBIT A

POLICY	INCLUSIVE AND SUSTAINABLE WORKFORCE	ORIGINAL ADOPTION DATE	NOVEMBER 19, 2020
APPROVAL DATE	FEBRUARY 26, 2026	RESOLUTION NO.	2026-05

PURPOSE AND SCOPE

The purpose of this Policy is to further the purposes of San Diego Community Power (“Community Power”) Joint Powers Agreement, including: (1) demonstrating quantifiable economic benefits to the region, including prevailing wage jobs and local workforce development; (2) supporting a stable, skilled, and trained workforce; and (3) promoting supplier and workforce diversity including returning veterans and those from communities of concern. Community Power intends that this Policy will be updated as Community Power grows and becomes more established.

POLICY STATEMENT

1. Inclusive Workforce
 - a. Community Power Staff – To help enable a diverse and inclusive staff, SDCP will:
 - i. Engage in broad outreach in communities of concern, while adhering to Community Power’s Non-Discrimination Pledge, to ensure a diverse pool of candidates for open positions;
 - ii. Provide fair compensation and benefits that align with regional market indicators for compensation levels for each position;
 - iii. Be transparent about these practices and lessons learned; and
 - iv. Provide contact information for staff who can answer questions about this Policy.
 - b. Supply Chain (Goods and Services) – Community Power’s commitment to inclusion also extends to its supply chain. Where and from whom Community Power purchase goods and services have important consequences for businesses, customers, and their communities. Where appropriate, an inclusive supply chain is an important driver for successful delivery of Community Power’s services to its customers, and of fair and equitable economic development generally. Where appropriate, and consistent with applicable law and other Community Power policies, including but not limited to its Procurement Policy, to support a diverse and inclusive supply chain, Community Power will strive to:
 - i. Use local businesses and provide fair compensation in the purchases of services and supplies;

- ii. Proactively seek services from local businesses and from businesses that are taking steps to protect the environment;
 - iii. Engage in efforts to reach communities of concern, to ensure an inclusive pool of potential suppliers;
 - iv. Collect information from vendors and project developers on their status as a women, minority, disabled veteran, and/or LGBT business enterprise (see Section 3 below; Cal. Pub. Util. Code § 366.2(m));
 - v. Encourage reporting from project developers and vendors on inclusivity in business staff (see Section 3 below);
 - vi. Be transparent about these practices and lessons learned; and
 - vii. Provide contact information for staff who can answer questions about this Policy.
- c. Inclusive Business Practices – In representing the communities that make up San Diego Community Power, Community Power will endeavor to ensure that its services and information are accessible to everyone. Therefore, Community Power will strive to:
 - i. Provide information on Community Power’s services in multiple languages commonly spoken in Community Power’s service area (including mailers, tabling materials, customer service, call center, workshops and outreach events, advertisements, and other means of customer engagement);
 - ii. Conduct marketing and outreach in diverse communities to increase awareness of Community Power’s services and programs;
 - iii. Attend multi-cultural community events with multi-lingual materials and speakers; and
 - iv. Share information about activities and initiatives that promote
 - v. inclusion, access, and diverse engagement in the community.
 - vi. Non-Discrimination Pledge – Community Power will not discriminate, and will require its contractors to not discriminate on the basis of race, gender, gender expression, gender identity, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring, or treatment of subcontractors, vendors, or suppliers. Contractor shall provide equal opportunity for subcontractors to participate in subcontracting opportunities.

2. Sustainable Workforce

- a. Power Purchase Agreements and other offtake contracts–
 - i. Community Power will utilize an Energy Proposal Evaluation Criteria (EPEC) evaluation tool to assess and prioritize Workforce Standards among other criteria in all solicitations for all new-build long-term energy procurement contracts.

- ii. Community Power will require the submission of information from solicitation respondents to assess the proposal's level of commitment to the Workforce Standards identified in that procurement.
 - iii. Community Power will grant higher scores to proposals that meet or exceed the targeted EPEC Workforce Standards criteria. In particular, Community Power seeks proposals for projects that:
 - 1. Employ workers and use businesses from San Diego and Imperial County;
 - 2. Utilize a skilled and trained workforce under California law, or joint labor-management partnerships or joint apprenticeship and training committees in states without skilled and trained workforce legislation.
 - 3. Utilize local apprentices, particularly graduates of San Diego and Imperial County pre-apprenticeship programs;
 - 4. Pay workers the prevailing wage rates for each craft, classification and type of work performed, or the federal Davis-Bacon wage in states without a prevailing wage law, displaying a poster at jobsites informing workers of prevailing wage requirements;
 - 5. Utilize union maintenance agreements in operations; and
 - 6. Provide workers compensation coverage to on-site workers.
 - iv. Community Power will require a Project Labor Agreement (PLA) for the construction of all Utility-Scale solar photovoltaic, wind and battery storage projects. For the purposes of this provision, "Utility-Scale" means a proposal for a renewable generating and/or storage project that has a capacity of at least 10 MW at the point of interconnection.
 - v. If a High (A) Level Workforce Standard is not feasible for emerging technologies (e.g. geothermal, pumped storage), Community Power will strive to secure the highest workforce commitments for the project, as outlined in the EPEC.
 - vi. Notwithstanding the foregoing, Community Power Board retains the discretion to approve a contract that does not meet any or all of the Workforce Standards, where the Community Power Board determines that approval is warranted based on the particular facts and circumstances.
- b. Owned Photovoltaic and Storage Assets – Community Power will include Workforce Standards for facilities owned by Community Power and constructed in San Diego or Imperial County. Community Power will include Workforce Standards in any solicitation. Prior to contracting for the construction of any Community Power owned generation projects, Community Power commits to engaging with the San Diego Building and Construction Trades Council, California Unions for Reliable Energy, and other

stakeholders, to seek input on Workforce Standards, including PLA commitments that may apply to the project.

- c. Feed-in-Tariffs – SDCP will encourage construction contractors or subcontractors to its Feed-In Tariff program to utilize local businesses, local apprenticeship programs and fair compensation practices including proper assignment of work to crafts that traditionally perform the work. Moreover, SDCP will further encourage contractors and subcontractors performing work on any SDCP Feed-In Tariff project to pay at least the prevailing rate of wages and use a skilled and trained workforce. To the extent these items are required by applicable law, SDCP shall include such requirements in its applications, agreements, and other applicable documents.
 - d. Energy Efficiency/Programs – *[Reserved – section will be updated to support the purposes described in this Policy once programs are further developed. This will include similar components as 2.a above including prevailing wage and inclusion of a licensed and trained workforce.]*
 - e. Union Neutrality – SDCP will remain neutral regarding whether its employees choose to join or support labor unions and will not interfere with decisions by its contractors' and suppliers' employees about whether to join or support labor unions.
3. Reporting on Diverse Business Enterprises and Inclusive and Sustainable Workforces – Pursuant to California Public Utilities Code section 366.2(m), vendors and project developers under contract with SDCP shall be required to report on their status as women, minority, disabled veteran, and/or LGBT business enterprises, as defined in Public Utilities Code section 8282. Reporting shall occur within one (1) month of contract execution and every January during the term of the contract, or as otherwise required by the California Public Utilities Commission. In addition, vendors and project developers shall report on the number of women, minority, disabled veteran employees performing work for SDCP and the workforce level of these groups which may include administrative assistants, technicians, and executive staff.
4. Legal Compliance – In the event that the application of this Policy to a specific SDCP project or program is limited or proscribed pursuant to applicable state or federal law, or as a condition of the receipt of state or federal funds, such law or funding condition shall control. In addition, any information collected or received under this Policy shall be used only in a manner consistent with applicable law and SDCP policies.

PRIOR VERSIONS

DATE	ACTION	RESOLUTION NO.	POLICY NO.
NOVEMBER 19, 2020	ADOPTION	N/A	2020-06
JANUARY 28, 2021	AMENDMENT	N/A	2021-02

ITEM 20

EXHIBIT B

<u>POLICY</u>	<u>INCLUSIVE AND SUSTAINABLE WORKFORCE</u>	<u>ORIGINAL ADOPTION DATE</u>	<u>NOVEMBER 19, 2020</u>
<u>APPROVAL DATE</u>	<u>FEBRUARY 26, 2026</u>	<u>RESOLUTION NO.</u>	<u>2026-05</u>

Inclusive and Sustainable Workforce Policy

PURPOSE AND SCOPE

Purpose

The purpose of this Policy is to further the purposes of San Diego Community Power (“SDCPCommunity Power”) Joint Powers Agreement, including: (1) demonstrating quantifiable economic

benefits to the region, including prevailing wage jobs and local workforce development;

(2) supporting a stable, skilled, and trained workforce; and (3) promoting supplier and

workforce diversity including returning veterans and those from communities of concern.

SDCP Community Power intends that this Policy will be updated as SDCPCommunity Power grows and becomes more

established.

POLICY STATEMENT

Policy

1. ~~1.~~ Inclusive Workforce

a. ~~a.~~ SDCPCommunity Power Staff – To help enable a diverse and inclusive staff, SDCP will:

i. ~~i.~~ Engage in broad outreach in communities of concern, while

adhering to SDCP’sCommunity Power’s Non-Discrimination Pledge, to ensure a diverse

i. ~~i.~~ pool of candidates for open positions;

- ~~ii.~~ ii. Provide fair compensation and benefits that aligns with regional market indicators for compensation levels for each position;
market indicators for compensation levels for each position;
- ~~iii.~~ iii. Be transparent about these practices and lessons learned; and
- ~~iv.~~ Provide contact information for staff who can answer questions
- iv. about this Policy.
- ~~b.~~ Supply Chain (Goods and Services) – SDCP's Community Power's commitment to inclusion
- also extends to its supply chain. Where and from whom SDCP purchases
Community Power purchase goods and services have important consequences for businesses,
customers, and their communities. Where appropriate, an inclusive supply
chain is an important driver for successful delivery of SDCP's Community Power's services to
its customers, and of fair and equitable economic development generally.
- Where appropriate, and consistent with applicable law and other SDCP
Community Power policies, including but not limited to its Procurement Policy, to support a
- b. diverse and inclusive supply chain, SDCP Community Power will strive to:
- ~~i.~~ Use local businesses and provide fair compensation in the
- i. purchases of services and supplies;
- ~~ii.~~ Proactively seek services from local businesses and from
- ii. businesses that are taking steps to protect the environment;
- ~~iii.~~ Engage in efforts to reach communities of concern, to ensure an
- iii. inclusive pool of potential suppliers;
- ~~iv.~~ Collect information from vendors and project developers on their
- status as a women, minority, disabled veteran, and/or LGBT

~~business enterprise~~ (see Section 3 below; Cal. Pub. Util. Code §

~~iv.~~ iv. 366.2(m));

~~v.~~ Encourage reporting from project developers and vendors on

~~v.~~ v. inclusivity in business staff (see Section 3 below);

~~vi.~~ vi. Be transparent about these practices and lessons learned; and

~~vii.~~ Provide contact information for staff who can answer questions

~~vii.~~ vii. about this Policy.

~~c.~~ Inclusive Business Practices – In representing the communities that make

up San Diego Community Power, SDCPCommunity Power will endeavor to ensure that its services and information are accessible to everyone. Therefore, SDCPCommunity Power will

~~c.~~ c. strive to:

~~i.~~ Provide information on SDCP'sCommunity Power's services in multiple languages

~~i.~~ commonly spoken in SDCP'sCommunity Power's service area (including mailers,

~~i.~~ tabling materials, customer service, call center, workshops and

~~i.~~ outreach events, advertisements, and other means of customer

~~i.~~ i. engagement);

~~ii.~~ Conduct marketing and outreach in diverse communities to

~~ii.~~ ii. increase awareness of SDCP'sCommunity Power's services and programs;

~~iii.~~ Attend multi-cultural community events with multi-lingual materials

~~iii.~~ iii. and speakers; and

~~iv.~~ iv. Share information about activities and initiatives that promote

~~v.~~ v. inclusion, access, and diverse engagement in the community.

~~d.~~ Non-Discrimination Pledge – SDCPCommunity Power will not discriminate, and will require

~~d.~~ its contractors to not discriminate on the basis of race, gender, gender

expression, gender identity, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring, or treatment of subcontractors, vendors, or suppliers. Contractor shall provide equal opportunity for subcontractors to participate in

vi. subcontracting opportunities.

2.

2. Sustainable Workforce

a. ~~a. PPAs—San Diego Community Power will encourage Power Purchase Agreements and other offtake contracts—~~

i. Community Power will utilize an Energy Proposal Evaluation Criteria (EPEC) evaluation tool to assess and prioritize Workforce Standards among other criteria in all solicitations for all new-build long-term energy procurement contracts.

Community Power will require the submission of

ii. information from solicitation respondents to ~~any bidding and/or RFP/RFQ process~~ assess the proposal's level of commitment to the Workforce Standards identified in that procurement.

~~regarding planned efforts by project developers and their contractors to:~~

iii. ~~i-~~ Community Power will grant higher scores to proposals that meet or exceed the targeted EPEC Workforce Standards criteria. In particular, Community Power seeks proposals for projects that:

Employ workers and use businesses from San Diego and Imperial

1. County;

~~ii. Employ properly licensed contractors and California certified electricians;~~

2. ~~iii-~~ Utilize a skilled and trained workforce under California law, or joint labor-management partnerships or joint apprenticeship and training committees in states without skilled and trained workforce legislation.

Utilize local apprentices, particularly graduates of San Diego and

3. Imperial County pre-apprenticeship programs;

~~3~~

~~iv.~~ Pay workers the prevailing wage rates for each craft, classification and type of work performed;

~~v.~~ Display, or the federal Davis-Bacon wage in states without a prevailing wage law, displaying a poster at jobsites informing workers of prevailing wage

4. requirements;

5. ~~vi.~~ Utilize union maintenance agreements in operations; and

6. Provide workers compensation coverage to on-site workers; and.

~~vii.~~ Support and use of State of California approved apprenticeship programs.

~~To the extent the above items are required by applicable law, SDCP shall include such requirements in its bid invitations, RFPs/RFQs, agreements, and other applicable documents.~~

~~b. Owned Generation – [Reserved – section will be updated to support the purposes described in this Policy once programs are further developed.~~

~~This will include similar components as 2.a above including prevailing wage and inclusion of a licensed and trained workforce.]~~

~~c.~~

- ~~iv.~~ Community Power will require a Project Labor Agreement (PLA) for the construction of all Utility-Scale solar photovoltaic, wind and battery storage projects. For the purposes of this provision, “Utility-Scale” means a proposal for a renewable generating and/or storage project that has a capacity of at least 10 MW at the point of interconnection.
- ~~v.~~ If a High (A) Level Workforce Standard is not feasible for emerging technologies (e.g. geothermal, pumped storage), Community Power

will strive to secure the highest workforce commitments for the project, as outlined in the EPEC.

- vi. Notwithstanding the foregoing, Community Power Board retains the discretion to approve a contract that does not meet any or all of the Workforce Standards, where the Community Power Board determines

that approval is warranted based on the particular facts and circumstances.

- b. Owned Photovoltaic and Storage Assets – Community Power will include Workforce
- c. Standards for facilities owned by Community Power and constructed in San Diego or Imperial County. Community Power will include Workforce Standards in any solicitation. Prior to contracting for the construction of any Community Power owned generation projects, Community Power commits to engaging with the San Diego Building and Construction Trades Council, California Unions for Reliable Energy, and other stakeholders, to seek input on Workforce Standards, including PLA commitments that may apply to the project.

Feed-in-Tariffs – SDCP will encourage construction contractors or subcontractors to its Feed-In Tariff program to utilize local businesses, local apprenticeship programs and fair compensation practices including proper assignment of work to crafts that traditionally perform the work. Moreover, SDCP will further encourage contractors and subcontractors performing work on any SDCP Feed-In Tariff project to pay at least the prevailing rate of wages and use a skilled and trained workforce. To the extent these items are required by applicable law, SDCP shall include

- d. such requirements in its applications, agreements, and other applicable documents.

documents.

d. Energy Efficiency/Programs – [Reserved – section will be updated to

support the purposes described in this Policy once programs are further developed. This will include similar components as 2.a above including

e. prevailing wage and inclusion of a licensed and trained workforce.]

~~e.~~ Union Neutrality - SDCP will remain neutral regarding whether its employees choose to join or support labor unions and will not interfere with decisions by its contractors' and suppliers' employees about whether f. to join or support labor unions.

~~3.~~

3. Reporting on Diverse Business Enterprises and Inclusive and Sustainable Workforces – Pursuant to California Public Utilities Code section 366.2(m), vendors and project developers under contract with SDCP shall be required to report on their status as women, minority, disabled veteran, and/or LGBT business enterprises, as defined in Public Utilities Code section 8282. Reporting shall occur within one (1) month of contract execution and every January during the term of the contract, or as otherwise required by the California Public Utilities Commission. In addition, vendors and project developers shall report on the number of women, minority, disabled veteran employees performing work for SDCP and the workforce level of these groups which may include administrative assistants, technicians, and executive staff.

~~Commission. In addition, vendors and project developers shall report on the number of women, minority, disabled veteran employees performing work for SDCP and the workforce level of these groups which may include administrative assistants, technicians, and executive staff.~~

~~4.~~

4. Legal Compliance – In the event that the application of this Policy to a specific SDCP project or program is limited or proscribed pursuant to applicable state or federal law, or as a condition of the receipt of state or federal funds, such law or funding condition shall control. In addition, any information collected or received under this Policy shall be used only in a manner consistent with applicable law and SDCP policies.

PRIOR VERSIONS

<u>DATE</u>	<u>ACTION</u>	<u>RESOLUTION NO.</u>	<u>POLICY NO.</u>
<u>NOVEMBER 19, 2020</u>	<u>ADOPTION</u>	<u>N/A</u>	<u>2020-06</u>
<u>JANUARY 28, 2021</u>	<u>AMENDMENT</u>	<u>N/A</u>	<u>2021-02</u>

ITEM 20

ATTACHMENT B



Energy Proposal Evaluation Criteria

Workforce Development

February 2026



Workforce Development¹

LEVEL	CURRENT	PROPOSED: UTILITY-SCALE (10MW +)	PROPOSED: COMMUNITY-SCALE (<10 MW)
HIGH (A)	The project will meet all objectives of SDCP's Inclusive and Sustainable Workforce Policy with respect to PPAs and commits to executing a Project Labor Agreement (PLA).	The proposal will meet the objectives of SDCP's Inclusive and Sustainable Workforce Policy with respect to PPAs and commit to executing a Project Labor Agreement (PLA). Proposals that additionally commit to the use of union maintenance agreements during operations will rank highest. Note: a PLA is a requirement for Utility-Scale solar, wind and battery storage facilities. ²	The proposal will meet the objectives of SDCP's Inclusive and Sustainable Workforce Policy with respect to PPAs and commits to either a) executing a PLA or b) prevailing wages and hiring a skilled and trained workforce ³ and at least 2 of the following: i) hiring at least 80% local labor, ii) hiring at least 50% union labor, and iii) use of union maintenance agreements during operations.
MEDIUM + (B)	The project will meet most objectives of SDCP's Inclusive and Sustainable Workforce Policy with respect to PPAs, but will not have a PLA. Project commits to local hire commitments near the site of the project and 50% or more union labor.	The proposal does not commit to a PLA, but will meet most objectives of SDCP's Inclusive and Sustainable Workforce Policy, including, prevailing wages, hiring a skilled and trained workforce ³ and at least 2 of the following: i) hiring at least 80% local labor and ii) hiring at least 50% union labor, and iii) use of union maintenance agreements during operations.	The proposal does not meet the criteria for A, but will meet other objectives of SDCP's Inclusive and Sustainable Workforce Policy including commitments to prevailing wage, hiring a skilled and trained workforce and at least 1 of the following: i) hiring at least 80% local labor, ii) hiring at least 50% union labor, and iii) use of union maintenance agreements during operations.
MEDIUM- (C)	The project does not meet all objectives of SDCP's ISWF Policy but can demonstrate prevailing wage, skilled and trained workforce, and local hire commitments or demonstrates it meets the requirements of the Inflation Reduction Act ("IRA")	The proposal does not meet the criteria for A or B above, but the proposal will meet most objectives of SDCP's Inclusive and Sustainable Workforce Policy, including prevailing wages, hiring a skilled and trained workforce and at least 1 of the following: i) hiring at least 80% local labor and ii) hiring at least 50% union labor, and iii) use of union maintenance agreements during operations.	The proposal does not meet the criteria for A or B, but will meet other objectives of SDCP's Inclusive and Sustainable Workforce Policy including commitments to prevailing wage and apprenticeship programs.
NEUTRAL (D)	The project has not yet determined its plan for workforce development	The proposal does not meet the criteria for A, B or C above, but will meet many objectives of SDCP's Inclusive and Sustainable Workforce Policy including commitments to prevailing wage and apprenticeship programs.	The proposal does not make any of the above commitments, however the offeror is a company with an office sited in San Diego County.
LOW (F)	The project is not pursuing one or all of the following: prevailing wage, skilled and trained workforce, and local hire commitments	The proposal does not make any of the above commitments.	The proposal does not make any of the above commitments, and the offeror is a company with no staff presence in San Diego County.

*Footnotes on following page

Workforce Development Footnotes

¹ This EPEC is for non-Community Power-owned projects.

² For the purposes of this provision, “Utility-Scale” means a facility having a maximum nameplate output at the point of interconnection of no less than 10 MWac.

³ Prevailing wage commitments means paying workers the prevailing wage rates for each craft, classification and type of work performed, or the federal Davis-Bacon wage in states without a prevailing wage law. A skilled and trained workforce means a skilled and trained workforce under California Law, specifically California Public Contract Code Section 2601(d).

⁴ Subject to Community Power’s Inclusive and Sustainable Workforce Policy

SAN DIEGO COMMUNITY POWER

Staff Report – Item 21

To: Board of Directors

From: Jack Clark, Chief Operating Officer
Laura Fernandez, Senior Director of Regulatory and Legislative Affairs
Patrick Welch, Associate Director of Legislative Affairs
Aisha Cervantes-Cissna, Senior Policy Manager
Dean Kinports, Senior Strategic Policy Manager
Stephen Gunther, Regulatory Manager

Via: Karin Burns, Chief Executive Officer

Subject: Update on Regulatory and Legislative Affairs

Date: February 26, 2026

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

Integrated Resource Planning

On January 14, 2026, the California Public Utilities Commission (CPUC) issued a [Proposed Decision](#) requiring 2029-2032 electric resource procurements and transmitting portfolios for the 2026-2027 Transmission Planning Process (TPP).

The Proposed Decision requires load-serving entities (LSEs) to undertake additional reliability procurement between 2029 and 2032 to pursue any viable projects that can still qualify for Federal tax credits or other incentives and continue the momentum of annual procurements under the Mid-Term Reliability (MTR) and supplemental MTR requirements in D.21-06-035 and D.23-02-040. The new procurement requirement is 2,000 megawatts (MW) of net qualifying capacity (NQC) by June 1, 2030, and an additional 4,000 MW of NQC by June 1, 2032. Eligible resources must be new resources online after January 1, 2020, and zero-

emitting or renewables portfolio standard (RPS)-eligible with no more than half of the total NQC per tranche eligible to come from storage resources. Community Power is responsible for procuring 84 MW by 2030 and 168 MW by 2032 for a total of 252 MW.

The recommended base case portfolio for the 2026-2027 TPP extends the offline dates for certain offshore wind resources by up to six years and recommends a two-year extension to the in-service dates for transmission to support North Coast offshore wind. The Commission also outlined the recommended transmission deliverability reservations by year in MW for biomass, geothermal, long-duration energy storage (LDES), in-state and out-of-state wind, and off-shore wind for the 2026-2027 TPP. There were no changes to the load forecast assumptions to the base case and the 25 million metric ton (MMT) target in 2035 and the 8 MMT target by 2045 will remain. The recommended sensitivity portfolio tests a low-wind development scenario and provides an opportunity to identify other transmission developments that may be needed in a worst-case scenario slowdown in wind development. This year, California Independent System Operator (CAISO) will study the Limited Wind Sensitivity portfolio, based on recent federal policy changes.

On February 6, CalCCA filed [opening comments](#) on the Proposed Decision, making the following recommendations:

- Include a reassessment of tranche two needs to account for load forecast uncertainty and other potential changes to the need assessment inputs;
- Remove the 50 percent restriction on storage procurement;
- Extend the “good faith effort” standard used in assessing mid-term reliability (MTR) compliance;
- Increase compliance pathways that provide LSEs more ways to cost-effectively comply with compliance requirements without compromising reliability;
- Provide indicative Effective Load Carrying Capabilities (ELCC) sufficiently in advance to inform LSE procurement;
- Clarify how energy only (EO) co-located and hybrid resources can count for compliance; and
- Clarify how the procurement order impacts the magnitude of procurement considered by the Department of Water Resources (DWR).

Reply comments were filed on February 11, and the Proposed Decision may be voted on as early as the February 26 CPUC business meeting.

Ruling Setting Requirements for Individual Integrated Resource Plans Due June 1, 2026

On January 16, 2026, the CPUC issued a [Ruling](#) setting the IRP filing requirements for load serving entities (LSEs), including Community Power. The deadline for filing individual LSE IRPs is June 1, 2026, and comments on IRP filings are due July 15.

The greenhouse gas (GHG) emissions constraints for the IRP portfolios are aligned with the statewide trajectory included in the California Air Resources Board's 2022 Scoping Plan for Achieving Carbon Neutrality, with a 25 MMT limit in 2035 and a limit of 8 MMT by 2045. LSEs are required to submit at least one conforming portfolio for the model years 2026, 2028, 2030, 2035, 2040, and 2045 that meets its proportional share of the GHG targets, and LSEs may also submit an additional "preferred" portfolio that may go beyond the assigned GHG targets.

CalCCA, along with several other Parties, will be seeking an extension for LSEs to submit their IRPs pursuant to the Ruling from June 1, 2026, to six months following the issuance of the final inputs and assumptions documents, which are necessary for IRP modeling.

Power Charge Indifference Adjustment (PCIA)

On February 3, 2026, the CPUC issued an [Amended Scoping Memo and Ruling](#) for the *Rulemaking to Update and Reform Energy Resource Recovery Account (ERRA) and Power Charge Indifference Adjustment (PCIA) Policies and Processes*. Initially, Track 2 had a broad list of scoped issues, which will now be addressed in a Track 3 later in 2026.

The new Track 2 is focused on the emergent issue in the recent ERRA forecast proceedings of valuation of pre-2019 renewable energy credits (RECs) and how that valuation is applied to investor-owned utility (IOU) bundled customers and departed load customers, like those of community choice aggregators (CCAs), such as Community Power. The Commission is scheduled to issue a final Decision on Track 2 issues no later than September 3, 2026.

SDG&E Energy Resource Recovery Account (ERRA) Forecast

On January 5, 2026, Community Power, jointly with Clean Energy Alliance (CEA), filed an [Application for Rehearing \(AfR\)](#) at the CPUC of the [Decision](#) approving SDG&E's 2026 ERRA Forecast.

The AfR is closely related to [CalCCA's Petition for Writ of Review](#) with the California Court of Appeal, Third District, challenging a recent CPUC Decision that retroactively changes the methodology used to calculate the PCIA. As such, the AfR argues that by setting PCIA rates in the ERRA Forecast based on a 2025 PCIA revenue requirement that incorporated the new methodology to calculate the 2025 Final RA MPB, the Decision violates the statutory prohibition against retroactive ratemaking.

On January 20, 2026, SDG&E filed a [response](#) arguing that the AfR constitutes an improper collateral attack and should be denied. The CPUC has until March 6 to issue a decision, otherwise the AfR will be deemed denied.

Provider of Last Resort (POLR)

On January 16, 2026, the CPUC issued a final [Decision](#) setting a procedural pathway and guidelines for non-IOUs to apply to serve as the provider of last resort (POLR), which is the entity responsible for providing uninterrupted electric service in the event that a LSE fails.

The Decision adopts a streamlined approach for a non-IOU and relevant IOU to jointly file an application to transfer POLR responsibilities for the entire service territory of the IOU or for a portion of that service territory. The Decision outlines specific questions to be addressed in the application regarding the applicant's proposed service, capabilities, and proposed CPUC regulation and oversight.

Prior to the final Decision, CalCCA filed [opening comments](#) and [reply comments](#) on the Proposed Decision. In general, CalCCA supported the CPUC's approach but recommended the Decision guarantee the pathway for an applicant to seek guidance on threshold questions, and the CalCCA reply comments pushed back on SDG&E's recommendation to define POLR services in this Decision, rather than through the application process. CalCCA's recommendation was accepted by the CPUC. This Decision closed the POLR proceeding (R.21-03-011).

SDG&E's Palomar Decarbonization Demonstration Project Application

On February 5, 2026, Community Power and the Clean Energy Alliance (CEA) jointly filed a Protest of [SDG&E's Application for Approval of Palomar Decarbonization Demonstration Project](#) and associated cost recovery. The Palomar Project is SDG&E's integrated hydrogen system at the Palomar Energy Center, a 588 MW combined-cycle natural gas plant, which consists of onsite hydrogen production, storage, blending into turbines, and fueling of hydrogen vehicles. The identified use cases include generator cooling, power generation, fleet vehicle fueling, and additional research, demonstration, and deployment. SDG&E is seeking approval and cost recovery of \$20 million in investments, through distribution rates, that cover actual and forecasted expenses between 2021 and 2036.

Community Power and CEA's Protest is focused on ensuring fair cost recovery of this demonstration project and identified the following issues for the Commission to consider:

- Whether SDG&E proposes to recover the costs associated with the project through electric generation or electric delivery rates, or both, and whether SDG&E's proposal is reasonable.

- If SDG&E intends to recover the costs associated with the project through generation rates, whether SDG&E should provide additional information necessary to determine the appropriate vintaging treatment of the Project [for the purposes of the PCIA].
- Whether the project constitutes a significant overhaul that would necessitate revintaging of the Palomar Energy Center.
- Whether the project constitutes a major upgrade that would necessitate partial revintaging through separate vintaging treatment for all or part of the project.
- Whether SDG&E's proposals with regard to the recovery of research and development costs are just and reasonable and how they will be recovered.

SDG&E's Advanced Metering Infrastructure 2.0 Application

SDG&E filed an [application and supporting testimony](#) requesting approval to spend \$825 million to replace its existing smart meters with next generation smart meters, technology and an updated platform designed to meet current operational challenges, support future advancements, and maintain customer affordability. SDG&E proposes deployment would begin in 2027 with a full transition by 2030. The utility's stated rationale for replacing the existing Smart Meter assets, which were deployed largely in 2009–2011, is that these assets are reaching end-of-life; the CPUC previously declined to approve fleetwide replacement in SDG&E's General Rate Case and directed the utility to bring this separate application with a clearer record.

[San Diego CCAs \(SDCP & CEA\)](#), [Utility Consumer Action Network \(UCAN\)](#), [The Utility Reform Network \(TURN\)](#), [Mission:Data](#), and [CalAdvocates](#) filed protests to the application on January 21. The San Diego CCAs' joint protest asserts that SDG&E's application does not adequately ensure real-time data access for customers and LSEs and therefore requires clear, enforceable conditions tied to any approval. The protest's key requests are: guaranteed near real-time usage data access for CCAs and customer-authorized third parties on parity with SDG&E's internal uses; explicit competitive neutrality and data-parity provisions across all interfaces and tools; formal CCA engagement in technical design, testing, deployment sequencing, and customer communications. Other protesting parties generally protest the application, arguing the filing is not ready for approval on an expedited track. Collectively, the protests emphasize the absence of a comprehensive cost benefit analysis, the need to address Smart Meter 1.0 transition/stranded costs and protect against double recovery, as well as stronger ratepayer protections and vendor accountability.

SDG&E's [response to protests](#) was filed on February 2. In their response, SDG&E acknowledges that SD CCAs and Mission:Data want the Commission to consider whether SDG&E's solution complies with existing directives on real-time (or near real-time) customer

meter data access. SDG&E says it does not object to including that issue, but asks the Commission to treat as out of scope any proposal that would “expand or otherwise modify” existing statewide customer data access rules, arguing statewide policy changes should be handled in a statewide proceeding rather than an IOU-specific application.

The next step in the proceeding will be for the CPUC to issue a draft scoping memo and set a date for a prehearing conference to determine the final scope and schedule of the proceeding.

SDG&E’s Application to Withdraw from Regional Energy Efficiency Administration (Application 25-04-014, Application of San Diego Gas & Electric Company to Revise its 2024-2031 Energy Efficiency Rolling Portfolio Business Plan.)

On January 15, four parties filed opening testimony in SDG&E’s application to withdraw from regional energy efficiency administration: SDG&E, the Public Advocates Office (PAO), San Diego Community Power and Clean Energy Alliance, and Bay Area REN (BayREN) with Tri-County REN (3CREN). See Attachment A for the joint filing Community Power filed. The filings reflect two clearly defined positions. San Diego Regional Energy Network (SDREN) and other Regional Energy Networks argue that San Diego’s regional energy efficiency programs deliver demonstrable value to ratepayers and are an important affordability measure, while SDG&E and PAO contend that such programs do not and that associated funding should be eliminated if programs fail the Commission’s cost-effectiveness tests.

A central objective for SDREN in this proceeding is to preserve the approximately \$300 million in regional funding that SDG&E proposes to eliminate, in order to ensure that SDREN and/or other Portfolio Administrators have sufficient resources to expand programs and address service gaps resulting from SDG&E’s withdrawal, if the CPUC finds withdrawal is permissible. Rebuttal testimony is due February 18, 2026.

The arguments raised in this withdrawal proceeding are also expected to foreshadow issues that may arise in opposition to SDREN’s forthcoming 2028-2035 Strategic Business Plan and 2028-2031 Portfolio Plan Application, which is scheduled to be filed in March 2026. More details on SDREN’s programs are described in the SDREN Update staff report included in the agenda packet.

General Energy Efficiency Oversight (Rulemaking 25-04-010, Order Instituting Rulemaking for Oversight of Energy Efficiency Portfolios, Policies, Programs, and Evaluation)

Opening Comments on Commission Viable Electric Alternatives Staff Proposal

On January 13, Community Power, on behalf of the SDREN, filed joint [opening comments](#) with BayREN, 3CREN, and Southern California Regional Energy Network (SoCalREN) in response to the CPUC’s Energy Efficiency Natural Gas Incentive Phase-Out [Staff Proposal](#) issued pursuant to the December 1, 2025 ruling in R.25-04-010. The Staff Proposal outlines a

framework to phase out natural gas energy efficiency incentives where a Viable Electric Alternative (VEA) exists, defined as an electric measure that provides the same end-use service and is cost-effective to the customer under the Participant Cost Test. Where a VEA is identified, Staff recommend eliminating ratepayer-funded gas incentives across new construction, retrofit, and equity programs, with certain gas measures (such as building envelope measures) remaining exempt based on prior CPUC decisions.

The Joint REN comments raise concerns that the proposed VEA framework may have unintended equity and implementation impacts. Specifically, the Joint RENs argue that reliance on customer-level cost-effectiveness tests fails to account for non-energy benefits and local conditions in disadvantaged and Hard-to-Reach communities, that one-time electrification upgrades should not be counted against measure viability, and that cost-effectiveness analyses should reflect below-code conditions and projected increases in natural gas rates. The comments also emphasize the role of RENs in advancing neighborhood-scale decarbonization and piloting refrigerant management programs, and urge alignment of the VEA methodology with the equity-focused objectives of SB 1221.

Reply Comments on Commission Viable Electric Alternatives Staff Proposal

On January 23, the SDREN, joined by Inland Regional Energy Network (I-REN), BayREN, 3CREN, Northern Rural Energy Network (NREN), and SoCalREN, filed reply comments on the CPUC's Viable Electric Alternatives (VEA) Staff Proposal. See Attachment B for the reply comments filed by Community Power. These comments respond to issues raised in opening comments and are intended to inform how the Commission approaches the phased discontinuation of natural gas energy efficiency incentives and the transition to electrification over the coming decade.

In reply comments, the Joint RENs reiterate support for the Commission's electrification objectives while identifying key refinements needed to address equity and implementation concerns. The Joint RENs emphasize that existing cost-effectiveness tests do not fully capture non-energy benefits or the lived realities of equity and Hard-to-Reach customers, and recommend interim adjustments until more comprehensive methodologies are adopted. The comments further argue that one-time electrification-enabling infrastructure costs should not be counted against VEA viability for equity customers, that Program Administrators are best positioned to lead refrigerant management initiatives, and that bill impact analyses should incorporate California Energy Commission rate forecasts and be improved before being applied at a granular level.

B) State Legislative Activities Update

The Legislature convened the 2026 legislative year on January 5. New bills must be introduced by February 20. Staff reviews the bills to determine alignment with the Board approved [Policy Platform](#) once they are introduced. Adopted bill positions will be regularly reported to the CAC

through monthly staff reports and during quarterly presentations. Community Power's bill positions are also publicly posted on the [legislative priorities webpage](#).

CalCCA Sponsored Legislation Introduced to Improve Access to Power Charge Indifference Adjustment Data and to Make the State's Resource Adequacy Program More Affordable

On February 9, Assembly Member Chris Rogers introduced [AB 1761 \(Rogers\)](#), legislation sponsored by the California Community Choice Association (CalCCA). The bill is intended to bring improved transparency to the way the Power Charge Indifference Adjustment (PCIA) is calculated. The PCIA is designed to ensure customers who leave utility generation service pay their fair share of legacy power costs. But over the years of implementing the PCIA, there has been no consistent standard for what data must be made available to the CCAs in California Public Utilities Commission (CPUC) rate proceedings where the PCIA is set. This inconsistency creates disputes, inefficiencies, and unexpected rate impacts.

AB 1761 (Rogers) seeks to do the following:

- Require the CPUC to ensure that all data in any decision or proposal provided by an IOU, or the Commission, is made public. This applies to the PCIA, as well as the Financial Security Requirements (FSR).
- The data must be provided in its native format and via a non-disclosure agreement to a CCA's reviewing representative concurrently with the relevant filing.

The legislation now must make its way through the legislative process, which concludes on August 31. If the bill is successful, the practical impact would be to ensure that each time an IOU makes an Energy Resource Recovery Account (ERRA) filing on PCIA calculations – typically around four times per year – that they must automatically provide the underlying data to a CCA's reviewing representative. This would avoid going through an official, time-consuming discovery process to obtain the data multiple times a year.

Greater transparency allows CCAs to better forecast costs and shield customers from sudden rate swings. It reduces repeated fights over information, improves regulatory efficiency, and encourages utilities to verify calculations since the underlying data would be open to review. The bill would strengthen confidence that customers pay their fair share – and not more. The bill will be heard in the Assembly Utilities & Commerce Committee in March or April.

Additionally, on February 18, State Senator Steve Padilla – who previously served as Vice Chair of the Community Power Board of Directors – introduced [SB 1138 \(Padilla\)](#), also sponsored CalCCA. The bill makes an important affordability improvement to the CPUC's resource adequacy (RA) program, which ensures LSEs like Community Power have enough capacity under contract to meet peak system and local needs. The CPUC recently changed the RA paradigm from being based on monthly compliance to hourly compliance. The program is now known as slice of day (SOD).

While the CPUC's reformed program requires hourly compliance, it does not permit hourly trading. This is misaligned with commercial realities; commercial RA transactions are based on blocks of time, often 24 hour or monthly blocks. Therefore, under SOD, if Community Power is short in a particular hour on our obligation, we have to purchase an entire commercial block, overpaying for capacity that is not needed. This adds unnecessary costs to ratepayers.

SB 1138 (Padilla) fixes this and would allow LSEs to trade hourly SOD obligations. This means that Community Power would be able to trade with another LSE for the one hour we were hypothetically short on. An [analysis](#) by CalCCA found that savings from hourly trading could have reached \$179 million statewide in 2025. Estimated savings for Community Power in 2025 could have been as much as \$10.8 million. The bill will be heard in the Senate Energy, Utilities & Communications Committee in March or April.

Community Power in Sacramento: California Community Choice Association Lobby Day

On February 4, Community Power staff attended CalCCA's annual lobby day. The event is an opportunity for CCAs around the state to partake in collective action on matters of mutual importance. In particular, Community Power, in collaboration with CalCCA, educated legislators and their staff on the following issues:

- How the PCIA works and challenges with its variability.
- How allowing hourly transactions within the CPUC's resource adequacy slice of day program could save ratepayers up to \$179 million per year.
- The importance of funding for locally developed community-driven energy efficiency and electrification programs like those that will be offered by SDREN.

Community Power staff was able to participate in meetings with the offices of Assembly Members Robert Rivas, Tasha Boerner, David Alvarez, Chris Ward, and Assembly Member Patel, along with the offices of Senators Catherine Blakespear, Brian Jones, Steve Padilla, and Akilah Weber Pierson. Community Power also participated in meetings with representatives from the Governor's office, the Senate Committee on Energy, Utilities, and Communications, and the Assembly Committee on Utilities & Energy. Attached to this report are handouts that Community Power staff used to support our meetings (please note, only two of nine versions of the legislative district-based handouts are included as examples).

Summary of Several New Energy Related Bills

It is early in the legislative process, and many bills are yet to be introduced. Therefore, Community Power has not yet adopted any bill positions. Here are brief summaries of relevant energy-related legislation that has been introduced so far:

- [AB 710 \(Irwin\)](#): would direct the CPUC to require the state's IOUs to develop optional real-time rate tariffs in alignment with the California Energy Commission's (CEC) load management standards. It would also require each IOU to analyze the feasibility of

deploying advanced metering infrastructure (AMI) and to develop a plan to complete such deployment by January 1, 2029, where feasible. As noted in the regulatory portion of this staff report, SDG&E has already deployed AMI and is in the process of seeking approval to roll out next generation AMI.

- [SB 868 \(Wiener\)](#): would eliminate interconnection requirements for portable solar devices for tenants and homeowners who wish to install small-scale solar systems on balconies (i.e. balcony solar). A portable solar device is defined as a system with a maximum aggregated alternating current (AC) output of 1,200 watts and can be plugged into a standard outlet. In addition to removing interconnection requirements, electrical corporations would be prevented from requiring notification for installation of a balcony solar system.
- [SB 978 \(Perez\)](#): would require the CPUC to establish a special rate structure for large-scale energy users (75 MW or more in electricity requirements) that prevents cost shifts to other customers and requires the customers to pay upfront costs for transmission and distribution infrastructure upgrades. The bill would also limit backup generation for large-scale energy users to only solar, wind, and storage resources. Large-scale energy user projects would be considered public works and subject to prevailing wage requirements.
- [AB 1677 \(Boerner\)](#): states the intent of the Legislature to enact future legislation to require electric corporations to reduce ratepayer bills by 25%.
- [AB 1577 \(Bauer-Kahan\)](#): would require the CEC to establish rules for owners of data centers to submit certain information on a monthly basis, such as the total electric capacity and the total electricity generated onsite. The information would inform future load trends from data centers and to get better insights into data center energy use and water consumption.
- [SB 886 \(Padilla\)](#): would create the California Technology Innovation and Ratepayer Protection Act to establish new requirements for the interconnection of large load customers, which are defined as customers seeking interconnection at the transmission level with a peak demand of at least 75 megawatts. Specifically, the CPUC would be directed to establish or modify the tariffs of electrical corporations to govern the provision of transmission, distribution, and generation services to customers. The tariffs would have to meet certain standards such as assigning cost responsibility for transmission facility upgrades to the customer and requiring the installation of onsite zero-carbon energy storage with a capacity of not less than 50% of forecasted peak demand. The bill only applies to electrical corporations (i.e. IOUs) and does not apply to CCAs like Community Power.
- [SB 887 \(Padilla\)](#) would clarify that data centers are not ministerial projects exempt from the California Environmental Quality Act (CEQA), but that data centers *may* qualify as an environmental leadership development project and enjoy specific judicial streamlining if the data center meets 10 different standards, such as paying the full cost

of interconnection to prevent cost shifts to other ratepayers and will rely on 100% zero-carbon electricity to serve hourly needs within five years of initial operation.

Governor's Proposed 2026 Budget

The Department of Finance unveiled the [Governor's 2026-27 Budget](#) on January 9. The Budget proposal has a structural deficit of \$20.9 billion, and deficits are projected to persist through 2029-30. The Budget proposal is built around a significant upgrade in the revenue forecast, primarily attributable to personal income tax and the stock market. The Budget does not address long-term structural deficits that are expected due to growing gaps between expenditures and revenues, including the impacts of H.R. 1 (the One Big Beautiful Bill Act).

The Governor's Budget proposal includes several energy items:

- **Public Financing of Clean Energy Transmission Projects:** \$322.5 million in Proposition 4 (Climate Bond) funds to support the California Transmission Accelerator Revolving Fund established pursuant to SB 254 (Becker) from 2025.
- **Supporting Affordability through Expanded Power Markets:** \$1.9 million is proposed to support oversight of voluntary participation in expanded regional power markets pursuant to AB 825 (Petrie-Norris) from 2025, legislation Community Power supported.
- **Implementing California Ratepayer Protection Act:** Nearly \$1 million would be allocated to the CPUC to strengthen enforcement and oversight of political and promotional advertising to protect ratepayers from unreasonable utility costs pursuant to AB 1167 (Berman) from 2025.
- **Funding to Study Data Center Ratepayer Impacts.** The Governor proposes \$668,000 for the CPUC to assess and report on the ratepayer impacts of data centers pursuant to SB 57 (Padilla).
- **New Light-Duty Electric Vehicle (EV) Incentive Program.** Under the Governor's proposal, the California Air Resources Board would get \$200 million in one-time funds to accelerate the deployment of EVs in light of the federal EV tax credit being eliminated by H.R. 1.

C) Federal Activities Update

Congress returned from the holiday recess during the week of January 5 with a full legislative agenda. The primary focus has been on passing government funding measures, including both stand-alone and omnibus appropriation bills. These efforts aim to ensure government operations continue through September 30 and to prevent another shutdown on January 30.

Permitting Reform Discussions

In addition to funding legislation, lawmakers have been actively engaged in discussions regarding permitting reform. The potential outcomes of these talks could lead to new legislation affecting the development of energy projects located on federal lands or those that cross federal lands. At the end of 2025, the House successfully passed H.R. 4776, known as the “SPEED Act,” along with several smaller bills focused on permitting. Meanwhile, bipartisan negotiations were underway in the Senate’s Environment and Public Works Committee, highlighting continued interest in permitting reform.

Progress on permitting reform has encountered obstacles following the President’s decision on December 22 to pause the development of five offshore wind projects along the East Coast. This executive action has led some legislators to withdraw from ongoing talks, creating uncertainty about the future of permitting reform legislation in 2026.

Fiscal Impact

N/A

Attachments

- A: Prepared Direct Testimony on Behalf of San Diego Community Power and Clean Energy Alliance in San Diego Gas and Electric Company’s Application to Revise Its 2024-2031 Energy Efficiency Rolling Portfolio Business Plan
- B: Bay Area Regional Energy Network, Inland Regional Energy Network, Northern Rural Energy Network, San Diego Regional Energy Network, Southern California Regional Energy Network and Tri-county Regional Energy Network Reply Comments on Staff Proposal
- C: CalCCA Affordability Legislative Issue Brief
- D: CalCCA Statistics Handout
- E: Community Power SDREN Handout
- F: Community Power Legislative Collateral SD 18
- G: Community Power Legislative Collateral SD 38

ITEM 21

ATTACHMENT A

Docket No.: A.25-04-014

Exhibit No.: _____

Date: January 15, 2026

Witness: Various

**PREPARED DIRECT TESTIMONY
ON BEHALF OF
SAN DIEGO COMMUNITY POWER AND CLEAN ENERGY ALLIANCE
IN SAN DIEGO GAS AND ELECTRIC COMPANY'S
APPLICATION TO REVISE ITS 2024-2031 ENERGY EFFICIENCY ROLLING
PORTFOLIO BUSINESS PLAN**

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Attachment A: Witness Qualifications

1 **I. INTRODUCTION AND SUMMARY OF TESTIMONY**

2 San Diego Community Power (“SDCP”), on behalf of the San Diego Regional
3 Energy Network (“SDREN”), and Clean Energy Alliance (“CEA”) present this direct
4 testimony in the *Application of San Diego Gas & Electric Company* (“SDG&E”) (*U 902*
5 *M) to Revise its 2024-2031 Energy Efficiency Rolling Portfolio Business Plan*
6 (“Application”).¹ This testimony was prepared on behalf of SDREN and CEA by Craig
7 Perkins, President and Executive Director, Laurel Rothschild, Vice President of Energy
8 Programs, and Marc Costa, Director of Policy and Planning, The Energy Coalition
9 (“TEC”). The witnesses’ qualifications are set forth in Attachment A.

10 The California Public Utilities Commission’s (“Commission”) energy efficiency
11 (“EE”) framework includes investor-owned utility (“IOU”), community choice aggregator
12 (“CCA”), and regional energy network (“REN”) portfolio administrators (“PAs”). SDG&E
13 is an IOU currently administering a portfolio of EE programs. SDG&E’s Application
14 requests Commission approval to discontinue its regional EE portfolio, with the exception
15 of its regional Codes and Standards (“C&S”) programs. SDREN, SDCP, and CEA have a
16 particular interest in this Application as the impacted REN and CCAs operating in
17 SDG&E’s service area.

18 SDCP is a CCA serving nearly one million customers across the cities of Chula
19 Vista, Encinitas, Imperial Beach, La Mesa, National City, and San Diego, as well as
20 unincorporated areas of San Diego County.² SDCP serves as the lead PA for SDREN.³ The

¹ Application (“A.”) 25-04-014 (filed Apr. 25, 2025).

² See San Diego Community Power, *About San Diego Community Power*, accessible at:
<https://sdcommunitypower.org/about/>.

³ See R.13-11-005, *Motion of San Diego Community Power on Behalf of the San Diego Regional Energy Network for Approval of Energy Efficiency Portfolio Application*, Exhibit 1: 2024-2031 Strategic Business Plan, p. 3 (Jan. 5, 2024).

1 Commission authorized SDREN in Decision (“D.”) 24-08-003 to fill gaps in the San Diego
2 region in serving historically underserved communities that face climate change and equity
3 challenges.⁴ SDREN and the Commission identified these gaps based on an analysis of
4 SDG&E’s then-current portfolio. SDG&E serves as the fiscal agent for SDREN, and the
5 two PAs exercise a high degree of coordination to mitigate overlap.⁵

6 CEA is a CCA serving over 250,000 customers across the cities of Carlsbad, Del
7 Mar, Solana Beach, Escondido, San Marcos, Oceanside, and Vista.⁶ CEA does not
8 currently administer EE programs, and its customers are currently able to utilize the
9 offerings within SDG&E’s regional EE portfolio, as well as SDREN’s portfolio. CEA has
10 an interest in exploring opportunities to administer EE programs under the Elect-to-
11 Administer (“ETA”) framework set forth in Cal. Pub. Util. Code § 381.1(e)-(f), but has
12 determined that under the Commission’s current ETA guidance, there is insufficient
13 funding available to administer meaningful EE programs. Available ETA funding is highly
14 dependent on the relevant IOU’s EE collections from customers, meaning that SDG&E’s
15 potential withdrawal from regional portfolio administration and commensurate reduction
16 in collections will directly impact the amount of funding available to CEA for ETA EE
17 programs.

18 In this testimony, SDREN and CEA do not offer a recommendation as to the overall
19 question of whether the Commission should, as a matter of policy, permit SDG&E to
20 withdraw from regional portfolio administration.⁷ Instead, SDREN and CEA urge the

⁴ D.24-08-003, Findings of Fact (“FOFs”) 1, 2 (Aug. 7, 2024).

⁵ See *id.* at Ordering Paragraphs (“OPs”) 2, 3 (requiring SDREN and SDG&E to submit a Joint Cooperation Memorandum following SDREN’s initial authorization).

⁶ See “Clean Energy Alliance Adopts Strategic Plan” (May 23, 2025). Accessible at: <https://thecleanenergyalliance.org/clean-energy-alliance-adopts-2025-2027-strategic-plan/>.

⁷ See A.25-04-014, *Assigned Commissioner’s Scoping Memo and Ruling*, p. 4 (Aug. 8, 2025).

Commission to thoroughly evaluate the full range of impacts that SDG&E's potential withdrawal will have in the San Diego region. This careful examination is necessary to ensure that the Commission is prepared to determine and swiftly act upon the next steps needed to serve the region in the event of SDG&E's withdrawal. SDREN and CEA's specific recommendations are summarized as follows:

- The Commission should carefully evaluate the affordability claims set forth in SDG&E's Application, and should not apply any findings as to SDG&E's portfolio performance as a foregone conclusion with respect to remaining opportunities for cost-effective and beneficial EE in, or beyond, the region.
- In evaluating any claimed cost savings, the Commission should also consider all relevant lost benefits from reduced regional EE programming.
- Should the Commission permit SDG&E to withdraw from regional EE portfolio administration, it should be ready to authorize EE funding up to at least the current level as other PAs step in to serve the region.
- The Commission should pursue policy pathways to better enable other PAs to step in and fill the gaps left by SDG&E's withdrawal. In particular, the Commission should be ready to consider proposals for the commensurate expansion of San Diego regional PAs, and should consider SDG&E's potential withdrawal when re-evaluating the ETA funding calculation in its current EE Rulemaking, ("R.") 25-04-010 ("EE OIR").

- The Commission should not extend or apply any findings from its ultimate decision on this Application beyond SDG&E’s territory.⁸

This testimony is structured based on discussion topics related to multiple questions in the Commission’s August 8, 2025, *Assigned Commissioner’s Scoping Memo and Ruling* (“Scoping Ruling”). SDREN and CEA have notated the specific Scoping Questions each section of this testimony addresses throughout.

II. THE COMMISSION SHOULD CAREFULLY SCRUTINIZE THE REPRESENTATIONS SET FORTH IN SDG&E’S APPLICATION AND SHOULD NOT APPLY SDG&E’S CONCLUSIONS MORE BROADLY IN OR BEYOND THE REGION.

Much of SDG&E’s Application rests on the following high-level assumptions: 1) that SDG&E’s regional EE portfolio is not cost-effective and therefore provides little benefit to customers;⁹ 2) that there is little opportunity for cost-effective EE remaining in the region;¹⁰ and 3) that discontinuing SDG&E’s regional programs will result in a cost savings of \$300 million over the next six years.¹¹ SDG&E further positions its Application as a means by which the Commission can address ongoing affordability concerns.¹² But these conclusory assertions ignore the key role EE continues to play in affordability, decarbonization, reliability, and equity goals,¹³ fails to provide the full picture of impacts

⁸ Note that this recommendation is consistent with the Commission’s findings in determining the appropriate scope of R.25-04-010, where it concluded that “[t]he issues raised in that application are not consolidated with this proceeding and I do not expect that we will undertake any general policymaking in this proceeding with respect to the authority or the policy implications of allowing a utility or any other portfolio administrator to withdraw from its role administering energy efficiency portfolios or programs. The issues associated with SDG&E’s application will be addressed solely within A.25-04-014.” See R.25-04-010, *Assigned Commissioner’s Scoping Memo and Ruling*, p. 9 (Jul. 23, 2025).

⁹ See, e.g., A.25-04-014, *Prepared Direct Testimony of Hollie Bierman*, p. HB-2:11-13 (Apr. 2025).

¹⁰ See *id.* at HB-4:15-26.

¹¹ See *id.* at HB-2:13-15, HB-5:12-13.

¹² See, e.g., Application at 6-7.

¹³ For a discussion of several relevant statewide and Commission goals, see Section II.A.1.

1 to customers, and relies upon insufficient data to conclude that regional EE is not cost-
2 effective.

3 It is imperative that the Commission consider the shortcomings in SDG&E's
4 analysis for several reasons. First, the Commission must weigh the actual cost savings that
5 discontinuance of regional EE will have against the value of lost benefits. This analysis is
6 necessary to determine remaining needs and appropriate next steps for the region in
7 meeting the Commission's affordability, decarbonization, reliability, and equity goals.
8 When evaluating all data available, it is clear that total discontinuation of regional EE is
9 neither a just and reasonable nor effective solution for addressing affordability challenges.

10 Rather, the information available indicates there is significant remaining
11 opportunity and need for cost-effective and beneficial regional EE programs within
12 SDG&E's territory, particularly when integrating innovative solutions. Regardless of
13 SDG&E's status as a regional PA, the Commission should continue to foster these
14 opportunities. Thus, should the Commission permit SDG&E to withdraw from regional EE
15 portfolio administration, it should be ready to authorize funding up to at least the current
16 level as other PAs step in to fill SDG&E's role. The following discussion in Section II of
17 this testimony addresses Scoping Questions 7, 17, 18, 19, 20, 21, and 23.

18 **A. Total Discontinuation of Regional EE is Not an Appropriate or Effective**
19 **Solution to Address Affordability Challenges.**

20 **1. Energy Efficiency Remains a Key Aspect of Achieving the**
21 **Commission's Affordability, Equity, Reliability, and Climate Goals.**

22 At the outset, it is important to properly contextualize the role of EE as it relates to
23 ongoing affordability concerns. When evaluating the last ten years of data for the region,
24 it is apparent that EE is not a key driver of rate increases. Between 2014 and 2024,
25 SDG&E's revenue requirements specific to EE **decreased** by **117%**, as compared to its

1 revenue requirements associated with other customer programs, which increased by 204%,
2 as well as its distribution revenue requirements, which increased by 115%.¹⁴

3 Irrespective of whether SDG&E continues to administer a regional portfolio, it is
4 also important to recognize the key role that EE continues to play in delivering
5 affordability, reliability, and equity benefits to the region, as well as in meeting the state's
6 aggressive decarbonization goals. EE has been the state's priority resource since 2003,
7 when the Commission, the California Energy Commission ("CEC"), and the Consumer
8 Power and Conservation Financing Authority came together to develop the first Energy
9 Action Plan ("EAP I").¹⁵ EAP I established a "loading order" related to electric resource
10 procurement.¹⁶ The loading order, which was reiterated in subsequent EAP updates,
11 provides that "...the state, in meeting its energy needs, would invest first in energy
12 efficiency and demand-side resources, followed by renewable resources and only then in

¹⁴ See California Public Utilities Commission, *Assembly Bill 67 Reports for Years 2014-2024*, Demand-Side Management and Customer Programs (comparing IOUs' EE revenue requirements with those of other programs, such as the Self-Generation Incentive Program ("SGIP"), Electric Program Investment Charge ("EPIC"), California Alternative Rates for Energy ("CARE"), Energy Savings Assistance ("ESA"), and other Public Purpose Program ("PPP") programs). Accessible at: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/reports-on-utility-costs>. The Commission has recently reaffirmed the value of EE in the July 2025 Report to the Legislature on Demand-Side Management ("DSM") Programs, which stated "**DSM-related expenditures constitute less than 5 percent of utility revenue requirements, demonstrating a highly effective return on investment through lowered overall system energy costs.**"

¹⁵ See California Public Utilities Commission and California Energy Commission, *Energy Action Plan 2008 Update*, p. 1 (Feb. 2008) (explaining the history of the Energy Action Plan and noting that the Consumer Power and Conservation Financing Authority is now defunct). Accessible at: https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpuc_public_website/content/utilities_and_industries/energy_-_electricity_and_natural_gas/2008-energy-action-plan-update.pdf.

¹⁶ California Public Utilities Commission, California Energy Commission, and California Power Authority, *Energy Action Plan I*, p. 4 (May 8, 2003). Accessible at: https://www.cpuc.ca.gov/-/media/cpucwebsite/files/uploadedfiles/cpuc_public_website/content/utilities_and_industries/energy_-_electricity_and_natural_gas/2003-energy-action-plan.pdf.

1 clean conventional electricity supply.”¹⁷ In 2005, the California Legislature amended
2 Section 454.5 of the Public Utilities Code to codify the “first in the loading order” status
3 for EE and demand reduction resources.¹⁸

4 The EAP was developed within the context of growing energy consumption and
5 peak load demand.¹⁹ The broad policy goal behind the EAP (and the loading order) was to
6 ensure “that adequate, reliable, and reasonably priced electrical power and natural gas
7 supplies are achieved and provided through policies, strategies, and actions that are cost-
8 effective and environmentally sound for California’s consumers and taxpayers.”²⁰ In
9 prioritizing EE as the “first-in-the-loading order” resource, these agencies reasoned that,
10 “[b]y definition, energy efficiency is a zero-emissions strategy, and also a least-cost
11 strategy.”²¹ This is consistent with the widely accepted principle that the least expensive
12 kWh is the one that is never used. These agencies further concluded that EE is the most
13 important tool in achieving greenhouse gas (“GHG”) emissions reductions, and that
14 aggressive and innovative EE strategies are necessary to achieve statewide decarbonization
15 goals.²² The Commission has recently reaffirmed the value of EE in the July 2025 Report
16 (to legislature) on Demand-Side Management (“DSM”) Programs, which stated “DSM-
17 related expenditures constitute less than 5 percent of utility revenue requirements,

¹⁷ See California Public Utilities Commission and California Energy Commission, *Energy Action Plan II*, p. 1 (Oct. 2005). Accessible at: <https://docs.cpuc.ca.gov/published/Report/51604.htm>; see also EAP 2008 Update at 1 (emphasis added).

¹⁸ 2005 Cal. Senate Bill (“SB”) 1037 (enacted Sept. 29, 2005).

¹⁹ EAP I at 4.

²⁰ California Public Utilities Commission, *Energy Action Plan Legislative Report*, p. 1. Accessible at: https://docs.cpuc.ca.gov/word_pdf/REPORT/33091.pdf.

²¹ EAP 2008 Update at 6.

²² *Id.*

1 demonstrating a highly effective return on investment through lowered overall system
2 energy costs.”²³

3 While much has changed within the California energy sector since the EAP was
4 last updated in 2008, the core principles and policy rationales for prioritizing EE continue
5 to apply. The state is currently facing large increases in projected energy demand, driven,
6 in part, by electrification efforts and emerging, energy-intensive industries.²⁴ A Lawrence
7 Berkeley National Laboratory (“LBNL”) Report published in 2024 concluded that when
8 compared to electricity generation, EE programs still stand out as a least-cost resource.²⁵
9 Based on findings from a national survey, the LBNL Report demonstrated that
10 approximately 80% of energy savings and demand reductions cost less than \$0.035/kWh
11 and \$150/kW, which is less than the lowest levelized generation costs.²⁶ In other words,
12 EE is still a least-cost strategy to meet growing demand, as EE resources remain less
13 expensive than building additional generation to serve demand.

14 Moreover, EE remains a key strategy in reaching the state’s aggressive
15 decarbonization goals. For example, Senate Bill (“SB”) 100 (2018) calls for statewide
16 carbon neutrality by 2045. The California Air Resources Board (“CARB”) 2022 Scoping
17 Plan identified building decarbonization, defined as “energy efficiency, use of low- and

²³ California Public Utilities Commission, *Report on Demand-Side Management Programs Pursuant to PUC Section 913.5: 2021-2023 Results*, p. 4 (Jul. 2025). Accessible at: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/office-of-governmental-affairs-division/reports/2025/report-on-demandside-management-programs-pursuant-to-puc-section-9135.pdf>.

²⁴ See, e.g., California Energy Commission, *Adopted 2024 Integrated Energy Policy Report Update*, pp. 19-23 (Oct. 9, 2025). Accessible at: <https://www.energy.ca.gov/publications/2024/2024-integrated-energy-policy-report-update>.

²⁵ Lawrence Berkeley National Laboratory, *Consumer Benefits of Clean Energy: Energy Efficiency*, pp. 4-5 (Dec. 2024). Accessible at: https://eta-publications.lbl.gov/sites/default/files/2024-12/ee_consumer_benefit_final.docx.pdf.

²⁶ *Id.* at 5, Figures 3 and 4.

1 zero-carbon electricity, demand flexibility, energy storage, use of very low- or no-GWP
2 refrigerants and refrigerant emission leak reduction, and eliminating fuel combustion by
3 electrifying appliances and equipment, among other actions,” as a key means by which the
4 state can achieve SB 100 goals.²⁷ The 2022 Scoping Plan makes clear that much more work
5 is needed to achieve carbon neutrality by 2045, emphasizing the need for “[m]arket-
6 enabling actions such as incentives, affordable energy rates, education, and flexible
7 demand programs lay the foundation to prepare consumers, building developers, appliance
8 manufacturers, and contractors for an equitable transition to building decarbonization.”²⁸
9 Recent CEC analysis similarly highlighted the ongoing importance of EE in meeting the
10 SB 350 (2016) target of doubling statewide energy efficiency savings in electricity and
11 natural gas end uses by 2030.²⁹ In particular, the CEC noted that “[a]chieving energy
12 efficiency doubling by 2030 while reducing GHG emissions from buildings requires the
13 continued success of traditional efficiency programs, as well as new efforts to electrify end
14 uses.”³⁰

15 Beyond its critical role in facilitating aggressive decarbonization, EE continues to
16 more broadly support system reliability. A 2021 LBNL Technical Brief analyzed the
17 specific grid reliability and resiliency benefits associated with EE, ultimately concluding

²⁷ California Air Resources Board 2022 Scoping Plan, Appendix F, p. 1 (Nov. 2022). Accessible at: <https://ww2.arb.ca.gov/our-work/programs/ab-32-climate-change-scoping-plan/2022-scoping-plan-documents>.

²⁸ *Id.* at Appendix F, p. 49.

²⁹ See California Energy Commission, *Draft California Building Energy Action Plan*, p. 137 (Dec. 19, 2025).

³⁰ *Id.*

1 that EE delivers these benefits to the bulk power system and the distribution system, while
2 simultaneously enhancing demand-side management strategies.³¹

3 Finally, the clean and least-cost nature of EE reinforces its position as a key
4 resource in carrying out the Commission’s affordability, equity, and decarbonization goals.
5 In particular, the Commission’s Environmental and Social Justice Action (“ESJ”) Plan
6 emphasizes the need to increase investment in clean energy resources to benefit ESJ
7 communities, especially to improve local air quality and public health.³² Moreover, failure
8 to prioritize available and cost-effective EE as a key resource may lead to more costly
9 generation investments, only exacerbating affordability challenges.

10 In sum, EE remains the key, least-cost, zero-emissions resource to help mitigate the
11 need for more costly generation investments and to simultaneously bolster the state’s
12 progress towards decarbonization goals. Regardless of any conclusions the Commission
13 reaches as to the performance of SDG&E’s portfolio in serving these important purposes,
14 it should continue to contextualize EE as the priority resource in the San Diego region and
15 to ensure that if SDG&E is relieved of its responsibility to administer regional EE
16 programming, there are other pathways to acquire EE resources.

³¹ Frick, N.M., Carvallo, J.P., and Schwartz, L., *Quantifying grid reliability and resilience impacts of energy efficiency: Examples and Opportunities*, Lawrence Berkeley National Laboratory Technical Brief, p. 2 (December 2021) (“LBNL Technical Brief”). Accessible at: <https://emp.lbl.gov/publications/quantifying-grid-reliability-and>.

³² California Public Utilities Commission, *Environmental and Social Justice Action Plan, Version 2.0*, p. 5 (Apr. 7, 2022).

1 **2. When Evaluated with Proper Context, the Benefits of Regional EE Still**
2 **Outweigh the Costs.**

3 ***i. SDG&E's calculation of cost savings to customers is artificially***
4 ***inflated.***

5 SDG&E's Application represents its withdrawal from regional portfolio
6 administration as a simple and direct \$300 million in savings to customers over a six-year
7 period.³³ However, this characterization is fundamentally flawed due to three key factors:
8 1) the Application's savings calculations assume another PA will not step in to provide
9 continuity of service in the event of SDG&E's exit; 2) the Application assumes that absent
10 withdrawal, SDG&E would spend its full \$300 million portfolio budget; and 3) the
11 Application assumes ratepayers receive no value for the programs that would be closed.
12 Put more simply, it is incorrect to accept SDG&E's implicit assumption that the reduction
13 of its regional portfolio budget will translate into a dollar-for-dollar ratepayer savings.

14 First, SDG&E's savings calculation assumes that the entirety of its \$300 million
15 budget would no longer be collected from customers. However, this assumption fails to
16 account for commensurate PA expansion in the San Diego region. As discussed below, the
17 programmatic gaps left by SDG&E's withdrawal would necessitate new or existing PA
18 expansion to continue to deliver total system benefit ("TSB") and ensure equitable access
19 to EE is preserved in the region. Alternative PA expansion (and related budgets) would
20 necessarily reduce the dollar amount to be removed from Public Purpose Program ("PPP")
21 collections.

22 Second, SDG&E's estimated \$300 million in savings is based on SDG&E's
23 approved 2026-2031 Business Plan budgets from D.23-06-055.³⁴ This calculation does not

³³ Application at 2.

³⁴ *Id.* at 5, Table 2; SDG&E's budget is derived from SDG&E's Advice Letter 4203-E for years 2026-2027. For 2028-2031, SDG&E utilized the budget approved in D.23-06-055.

1 recognize the fact that SDGE’s actual EE expenditures are less than originally forecasted,
2 and its 2024-2027 portfolio forecast has been revised as reflected in its recently filed Mid
3 Cycle True Up Advice Letter (“MCAL”).³⁵ In fact, SDG&E’s recent MCAL indicates 23%
4 lower spend in 2024 than estimated in its last True Up Advice Letter (“TUAL”) and
5 includes 2026 and 2027 budgets that are 8% less than what was included in SDG&E’s
6 Application and over 10% less than their 4-year approved budget cap.³⁶ This historical
7 trend indicates that SDG&E’s future EE expenditures may very well continue to be less
8 than its full authorized budget, and that calculating hypothetical ratepayer savings based
9 on the full portfolio budget overinflates the actual dollar impact that SDG&E’s withdrawal
10 would have on customers.

11 Finally, SDG&E’s estimate of total savings erroneously assumes that none of its
12 current regional EE programs deliver any economic benefit to ratepayers. This is
13 inconsistent with the findings set forth in the Commission’s recent DSM Report to
14 Legislature,³⁷ and cannot be accepted as a factual claim. To contextualize SDG&E’s
15 omission of these benefits, it is helpful to evaluate SDG&E’s Total Resource Cost (“TRC”)
16 data for its Resource Acquisition (“RA”) segment. The TRC is the Commission’s primary
17 metric of EE cost effectiveness.³⁸ The TRC nets total program costs to the utility and

³⁵ See San Diego Gas & Electric Company Advice Letter (“AL”) 4747-E, *Energy Efficiency Mid Cycle True Up Advice Letter Pursuant to D.21-05-031* (Nov. 4, 2025).

³⁶ See *id.* at 6, Table 2.3a, line 11; San Diego Gas & Electric Company AL 4302-E, *Energy Efficiency True Up Advice Letter Pursuant to D.21-05-031*, Appendix 3, Table 2.3, line 11 (Oct. 16, 2023); D.23-06-055 at OP 5 (approving SDG&E’s 4-year budget cap).

³⁷ See generally, Report to the Legislature on DSM Programs: 2021-2023 Results.

³⁸ See Energy Efficiency Policy Manual (Version 6), Section IV: Cost-Effectiveness (Apr. 2020). Accessible at: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/energy-efficiency/eepolicymanualrevised-march-20-2020-b.pdf>.

1 participants against benefits in the form of avoided supply-side investments.³⁹ Generally,
2 a TRC ratio of 1.0 or greater indicates that the benefits, as defined in the TRC test, outweigh
3 the costs and the program is therefore cost-effective.⁴⁰

4 The majority of SDG&E's regional EE portfolio falls under the RA segment.⁴¹
5 SDG&E's prior reporting indicates that its RA segment meets or almost meets a 1.0 TRC
6 ratio,⁴² with its most recent MCAL forecasting an RA segment TRC ratio of 1.12 for 2024-
7 2027.⁴³ Based on these TRC values, SDG&E's regional EE programs have a demonstrable
8 economic benefit for customers.

9 Because these quantifiable benefits exist, it is misleading to characterize savings to
10 customers based solely on the dollar reduction in SDG&E's EE expenditures. A more
11 accurate depiction of savings in the event of SDG&E withdrawal would be the pro rata
12 portion of the budgets between the actual TRC performance and the 1.0 TRC goal. For
13 example, SDG&E spent \$38,332,496 on regional programs (not including C&S) in 2024,
14 which achieved an overall 0.80 TRC ratio.⁴⁴ Thus, no more than two-tenths of SDG&E's
15 budget (\$7,687,438) should be construed as potential ratepayer "savings" if these programs

³⁹ *Id.*; see also California Standard Practice Manual, p. 18 (Oct. 2001). Accessible at: https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpuc_public_website/content/utilities_and_industries/energy_-_electricity_and_natural_gas/cpuc-standard-practice-manual.pdf.

⁴⁰ See, e.g., D.21-05-031, pp. 21-22 (May 26, 2021); see also California Standard Practice Manual at 18 (stating that "[t]he benefits calculated in the Total Resource Cost Test are the avoided supply costs, the reduction in transmission, distribution, generation, and capacity costs valued at marginal cost for the periods when there is a load reduction").

⁴¹ AL 4747-E at 6.

⁴² R.25-04-010, *San Diego Gas & Electric Company (U 902 M) Energy Efficiency Programs Annual Report 2024 Results*, Supporting Document "SDGE_2024_Annual_Report_Narratives_and_Spreadsheets_2024_SDGE_EE_Annual_Report_Tables_Final.xlsx," Tab 'T-4 Segment Summary' (Jun. 30, 2025).

⁴³ AL 4747-E at 7.

⁴⁴ Note that this example assumes that there are no other ratepayer benefits or value (including non-energy or equity benefits) that the program delivers, other than those included within TRC.

1 were discontinued. This is because these programs delivered 80% of the quantifiable
2 benefits when netted against costs. Despite achieving a TRC below 1.0, customers received
3 significant value from these programs that would be lost if the programs were closed.

4 *ii. SDG&E's Application fails to account for lost Total System*
5 *Benefit.*

6 SDG&E's Application further does not adequately discuss the parallel loss of TSB
7 that will occur if it withdraws, which is important context alongside the potential ratepayer
8 savings in the form of budget reductions. TSB is the metric by which the Commission sets
9 EE goals, and is "an expression, in dollar terms, of the lifecycle energy, capacity, and GHG
10 benefits, expressed on an annual basis."⁴⁵ Whereas failure to consider lost TRC benefits
11 understates lost value to customers, failure to consider lost TSB understates general lost
12 benefits to the system.

13 In its most recent EE Business Plan Application, SDG&E forecasted approximately
14 \$300 million in TSB over the 2024-2027 period.⁴⁶ SDG&E's recent MCAL confirmed,
15 based on actual 2024 data, updated 2025 goals, and updated 2026-2027 projections, a
16 forecasted TSB value of nearly \$280 million.⁴⁷ The Commission's updated 2025 Potential
17 and Goals further indicated opportunity for growth in SDG&E's delivered TSB, adopting
18 a goal of approximately \$365 million for the 2032-2035 period.⁴⁸ In sum, there is
19 substantial system value associated with SDG&E's EE portfolio. If SDG&E withdraws

⁴⁵ D.21-05-031 at 9. Note that TSB is essentially equivalent to the numerator of the TRC ratio.

⁴⁶ See D.23-06-055, p. 96, Table 10 (Jul. 3, 2023).

⁴⁷ AL 4747-E at 7.

⁴⁸ D.25-08-034, p. 21, Table 5 (Sept. 5, 2025).

and its regional programs are not replaced, then these forecasted TSB values and adopted goals represent the lost opportunity cost associated with abandonment of regional EE.⁴⁹

It is important to consider the reduction in TSB that would occur as a result of SDG&E's withdrawal as compared to the dollar reduction in SDG&E's EE budget to more fully contextualize the dollar savings-to-lost benefit scenario. With its request for a budget reduction of approximately \$300 million, SDG&E simultaneously projects a reduction in TSB of \$286 million.⁵⁰ SDG&E's updated TSB forecast, based on the request set forth in its Application, is reflected in the table below.

Graphic 1: Snapshot of SDG&E's Updated TSB Forecast⁵¹

**Table HB-3
Energy Efficiency TSB Comparison for 2026-2031³¹**

Year	Old TSB Forecast ³²	(A) New TSB Forecast	(B) San Diego Regional Energy Network TSB	(A) + (B) Total SDG&E Regional TSB Forecast	Potential & Goals Targets
2026	\$102,615,958	\$59,082,067	\$6,168,332	\$65,250,399	\$45,878,572
2027	\$110,881,516	\$57,409,939	\$7,160,300	\$64,570,239	\$47,996,979
2028	\$86,093,559	\$38,774,272	\$7,370,803	\$46,145,075	\$53,596,931
2029	\$86,093,559	\$38,770,714	\$7,479,904	\$46,250,618	\$54,624,969
2030	\$86,093,559	\$38,755,871	\$7,620,566	\$46,376,437	\$47,447,704
2031	\$86,093,559	\$38,836,440	\$7,852,869	\$46,689,309	\$50,003,487

Without consideration of this substantial lost TSB value, SDG&E's estimated ratepayer savings fail to capture the complete picture of impacts to the region.

⁴⁹ See, e.g., AL 4747-E at 7 (explaining that SDG&E is forecasting to achieve 112% of its TSB goal for 2024-2027).

⁵⁰ Bierman Direct at HB-10, Table 3 (compare the sum of SDG&E's old TSB forecast, \$557,871,710, minus the sum of SDG&E's new TSB forecast, \$271,629,303).

⁵¹ *Id.* at HB-10.

1 **iii. *SDG&E’s Application does not account for lost non-energy***
2 ***benefits.***

3 Beyond the more straightforward TRC and TSB benefits, SDG&E’s savings
4 estimate also omits any analysis of lost non-energy benefits (“NEBs”). NEBs may include
5 benefits such as cleaner air and a healthier workforce, which are harder to quantify but
6 nonetheless provide substantial value to customers.⁵² Along similar lines, SDG&E’s
7 representation of savings does not account for lost ratepayer value associated with Market
8 Support and Equity programs, which are not evaluated on a TRC basis.⁵³ Equity and
9 Market Support programs are instead evaluated based on specific metrics and indicators,
10 for which IOUs, and all PAs, must quantify and calculate benefits based on Commission-
11 approved methodologies.⁵⁴

12 Finally, SDG&E argues that its request to withdraw will result in bill reductions, as
13 it will be collecting approximately \$300 million less through PPP rates to support its
14 portfolio.⁵⁵ However, this representation may not be accurate for *program participants*.
15 For example, a project may achieve a lifetime impact of \$1,000 in TSB, but the customer
16 achieves \$2,500 in lifetime bill savings. These customer bill savings are not captured in
17 TSB. In other words, program beneficiaries realize far greater bill savings and system

⁵² California State Auditor, *The California Public Utilities Commission: Without Improving its Oversight, the Benefits of Energy Efficiency Programs May Not be Worth Their Cost to Ratepayers*, p. 3 (Mar. 2025). Accessible at: <https://www.auditor.ca.gov/wp-content/uploads/2025/03/2023-127-Report.pdf>. Note that efforts are currently underway to develop a methodology for quantifying and valuing 11 NEB categories: the benefit of bill savings, increased comfort, better health at the participant level, increased job access, economic development, better health at the societal level, increased jobs, reduced shut-offs, increased property value, increased productivity, and enhanced community resilience and adaptation to climate change. See Illume Advising, LLC & Industrial Economics, Inc., Market Rate Equity Segment Non-Energy Benefits Research Plan (Prepared for SoCalGas), p. 2, Table 1 (Jul. 1, 2025). Accessible at: https://pda.energydataweb.com/api/view/4183/CA%20Market%20Rate%20Equity%20Segment%20NEBs%20Study%20Research%20Plan%20v20250701_clean.pdf.

⁵³ See D.21-05-031 at 22-24.

⁵⁴ Resolution E-5351, pp. 9-10, Appendix B (Jun. 12, 2025).

⁵⁵ Application at 4-6.

benefits than the potential bill reductions as a result of decreased PPP rates. SDREN and CEA have neither the detailed and comprehensive participation data by customer class nor the participant bill savings data to offer a technical analysis of SDG&E's purported bill savings, but nonetheless offer SDG&E's lack of consideration for participant bill impacts to participating customers as another factor for the Commission's evaluation.

To accurately portray the savings associated with SDG&E's withdrawal, SDG&E would need to quantify the total TRC, TSB, NEBs (to the extent possible), and Market Support and Equity benefits that its regional portfolio currently provides. Those benefits would then be applied as an offset to the straight dollar reduction figure associated with discontinuing SDG&E's portfolio.

Without providing a comprehensive analysis of cost savings netted against lost benefits, it is important to note that the lost benefits not currently considered in SDG&E's analysis are substantial. For example, SDG&E's 2024 Annual Report projected a total estimated first-year bill savings for 2024 amount to \$95.5 million across all customer segments, and estimated lifecycle bill savings of \$1.2 billion. These bill savings projections are reflected in Graphic 2 below.

Graphic 2: Snapshot of Net Savings Presented in SDG&E's 2024 Annual Report⁵⁶

5-2: Estimated Bill Savings

2024 ¹	Electric Average Rate ² \$/kWh	Gas Average Rate \$/therm	Estimated First Year Bill Savings Electric (\$)	Estimated Lifecycle Bill Savings Electric (\$)	Estimated First Year Bill Savings Gas (\$)	Estimated Lifecycle Bill Savings Gas (\$)	Estimated First Year Bill Savings (\$)	Estimated Lifecycle Bill Savings (\$)
Estimated Rate Agriculture ³	\$0.2495	\$0.0593	\$493	\$7,401	\$5,585	\$27,926	\$6,079	\$35,327
Estimated Rate Commercial ⁴	\$0.3450	\$0.7056	-\$1,466,546	-\$12,077,528	\$1,122,502	\$15,898,097	-\$344,044	\$3,820,569
Estimated Rate Industrial ⁵	\$0.3202	\$0.0593	\$1,336,257	\$6,681,287	\$22,450	\$121,423	\$1,358,708	\$6,802,709
Estimated Rate Public ⁶	\$0.3202	\$0.0593	\$146,738	\$1,136,116	\$4,538	\$23,512	\$151,276	\$1,159,628
Estimated Rate Residential ⁶	\$0.3438	\$0.5636	\$9,478,749	\$9,217,372	\$1,340,451	\$5,563,607	\$10,819,200	\$14,780,979
Estimated Cross-Cutting ⁷	\$0.3289	\$0.4428	\$82,430,920	\$1,108,827,128	\$1,123,805	\$16,432,308	\$83,554,726	\$1,125,259,436
Total			\$91,926,612	\$1,113,791,776	\$3,619,332	\$38,066,873	\$95,545,945	\$1,151,858,648

⁵⁶ SDG&E 2024 Annual Report Tables and Spreadsheets at Tab T-5, Bill Impacts.

In a similar vein, SDG&E provided estimated bill savings associated with its portfolio in its 2024-2031 Business Plan Portfolio Application Excel Sheets. Specifically, SDG&E estimated a total of \$893 million in total average annual bill savings between 2026-2031 and \$11.2 billion in total average lifecycle bill savings. SDG&E's estimated bill savings as presented in its previous Business Plan Application are reflected in Graphic 3 below.

Graphic 3: Snapshot of Average Annual Bill Savings in SDG&E's Business Plan Application⁵⁷

Table 1 -Bill Payer Impacts (based on program savings forecasted for the year)					
	Electric Average Rate (Res and Non-Res) \$/kwh [1]	Gas Average Rate (Residential) \$/therm [2]	Total Average Annual Bill Savings by Year (\$)	Total Average Lifecycle Bill Savings (\$)	
Present Rates - System Average *					
2021	\$ 0.2804	\$ 1.9378	\$ 161,557,120	\$ 2,046,455,396	
2022	\$ 0.2816	\$ 2.0596	\$ 163,033,963	\$ 2,064,301,546	
2023	\$ 0.2820	\$ 2.0609	\$ 173,990,364	\$ 2,268,172,298	
2024	\$ 0.3095	\$ 2.0995	\$ 180,200,284	\$ 2,324,837,546	
2025	\$ 0.3097	\$ 2.1008	\$ 170,346,061	\$ 2,130,455,923	
2026	\$ 0.3096	\$ 2.1004	\$ 157,534,364	\$ 1,973,233,816	
2027	\$ 0.3097	\$ 2.1013	\$ 147,219,053	\$ 1,855,284,029	
2028	\$ 0.3097	\$ 2.1013	\$ 147,219,053	\$ 1,855,284,029	
2029	\$ 0.3097	\$ 2.1013	\$ 147,219,053	\$ 1,855,284,029	
2030	\$ 0.3097	\$ 2.1013	\$ 147,219,053	\$ 1,855,284,029	
2031	\$ 0.3097	\$ 2.1013	\$ 147,219,053	\$ 1,855,284,029	

B. There are Remaining Opportunities for Cost-Effective and Innovative EE in the San Diego Region.

1. Known Limitations in the TRC Evaluation Methodology Misrepresent Program Benefits.

The Commission's recently adopted Potential and Goals Study, finds *growing* economic and market adoption scenarios for cost-effective EE in the San Diego service area through 2037.⁵⁸ Beyond this assessment, there exists even further opportunity for

⁵⁷ A.22-03-005, *Application of San Diego Gas & Electric Company (U 902-M_ to Adopt 2024-2031 Energy Efficiency Rolling Portfolio Business Plan Pursuant to D.21-05-031*, Attachment A (Revised), Tab 1, Bill Payer Impacts - IOU Only (Mar. 4, 2022). Accessible at: <https://www.sdge.com/node/22336>.

⁵⁸ See generally, Guidehouse, 2025 PG Study Viewer. Accessible at: <https://public.tableau.com/app/profile/cpuc.pg.study.2025/viz/2025CPUCPGResultsViewer06-09Release/LandingPage>.

1 innovative EE. In considering the feasibility of cost-effective EE in SDG&E’s service
2 territory, it is important to note that known limitations in the TRC as the primary cost-
3 effectiveness metric bias current cost-effectiveness analyses towards portfolio
4 underperformance.

5 As mentioned above, the TRC nets total program costs to the utility and participants
6 against benefits in the form of avoided supply-side investments. The Avoided Cost
7 Calculator (“ACC”) utilizes a Commission-approved modeling scenario to determine the
8 values used to calculate TRC benefits.⁵⁹ The current ACC considers avoided generation
9 capacity, energy, ancillary services, GHG emissions, high global warming potential gases,
10 transmission and distribution capacity, and natural gas infrastructure.⁶⁰ The ACC (and
11 resulting TRC cost-benefit analysis) does not include NEBs and other harder-to-quantify
12 participant or system benefits.⁶¹

13 In its 2024 Report, the California State Auditor specifically noted this shortcoming
14 in the Commission’s cost-effectiveness framework, finding that inclusion of all costs, but
15 only a portion of the benefits, associated with EE programs skews the TRC analysis
16 towards lower values. The State Auditor concluded that “[t]he absence of participant
17 benefits in the CPUC’s TRC calculation also produces lower TRC values for certain
18 programs that provide efficiency benefits directly to program participants, such as
19 programs that install equipment in ratepayer homes.”⁶² The State Auditor noted examples

⁵⁹ See, e.g., Resolution E-4942, p. 2 (Jul. 12, 2018) (describing the adoption and use of the ACC in EE cost-effectiveness analyses).

⁶⁰ See Resolution E-5328 (Nov. 7, 2024) (adopting the most recent iteration of the ACC); see also California Public Utilities Commission, *2024 Distributed Energy Resources Avoided Cost Calculator Documentation*, p. 1 (Oct. 2, 2024).

⁶¹ See 2024 California State Auditor Report at 3.

⁶² *Id.*

1 of other states adding up to a 15% adder to the calculated benefits of EE programs to
2 account for NEBs.⁶³ This finding is consistent with LBNL analysis, which determined that
3 existing cost-benefit analyses, such as the TRC, do not adequately capture the grid
4 reliability and resilience benefits of EE.⁶⁴ The LBNL Brief provided several technical
5 approaches by which regulators could quantify these benefits for inclusion within cost-
6 effectiveness analyses.

7 Finally, the Equity and Market Support segments capture broader ratepayer benefits
8 through different indicators and metrics that are not reflected within the TRC calculation.⁶⁵
9 It is therefore important to consider which customer segments benefit from EE programs,
10 as benefits that accrue to hard-to-reach or underserved customers and communities deliver
11 high-value, equitable outcomes that cannot be ascertained from program TRC alone.

12 The Commission is slated to consider revisions to its current cost-effectiveness
13 policy in the EE OIR,⁶⁶ and any modifications to current policy that account for these
14 benefits are likely to result in significant improvements to EE cost-effectiveness more
15 generally. These identified shortcomings, as well as planned re-evaluation, mean that
16 regional EE cost-effectiveness is currently understated and likely to improve when cost-
17 effectiveness policy and calculation methodologies are reformed to fully capture benefits.
18 Absent reform, the systemic issues associated with the current cost-effectiveness
19 framework will materially affect any PA that serves the region. The Commission should
20 exercise caution in reaching any conclusions about the feasibility of cost-effective regional

⁶³ *Id.*

⁶⁴ *See generally*, LBNL Technical Brief: Quantifying Grid Reliability and Resilience Impacts of Energy Efficiency.

⁶⁵ *See generally*, Resolution E-5351.

⁶⁶ R.25-04-010, *Order Instituting Rulemaking*, p. 6 (Apr. 29, 2025); R.25-04-010, *Scoping Ruling* at 4, 5.

1 EE based on SDG&E’s cost-effectiveness assertions, as they are based on a flawed
2 framework that is currently under review.

3 **2. Even Utilizing the Current TRC as the Metric for Cost-Effectiveness,**
4 **Historical Data Indicates Positive Regional EE Program Performance.**

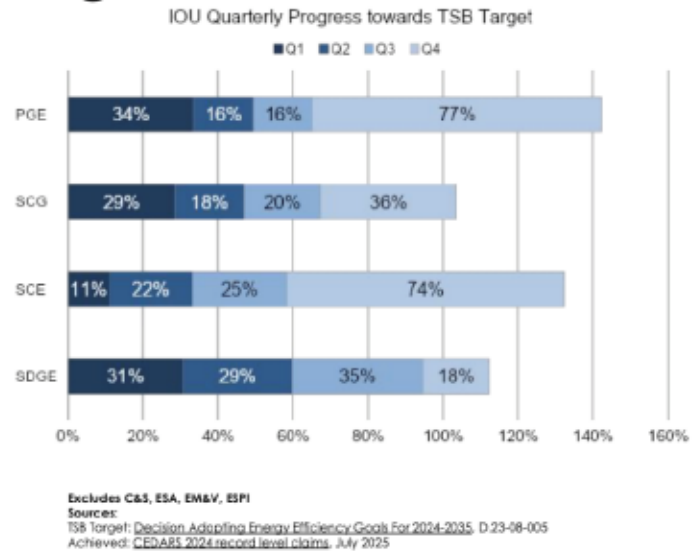
5 When evaluating the feasibility of SDG&E’s (or any PA’s) regional EE portfolio,
6 it is important to specify the period over which performance is analyzed (*i.e.*, year-to-year
7 versus by program cycle). Comparative data shows SDG&E’s 2024 performance aligns
8 with that of Southern California Edison Company (“SCE”), and that its 2023 actual TSB
9 delivered as compared to its Potential and Goals target exceeded that of other electric IOUs.
10 Graphics 5 and 6 below, which are derived from the California Energy Efficiency
11 Coordinating Committee (“CAEECC”) 2024 Annual Performance Report Review,
12 illustrate these data points.

1

Graphic 5: CAEECC Analysis of 2024 TSB Progress⁶⁷

IOU	TSB (Million \$)			
	PGS Target*	Achieved	2024%	2023%
PGE	\$212	\$302	142%	60%
SCE	\$113	\$149	132%	42%
SCG	\$164	\$170	104%	138%
SDGE	\$45	\$51	112%	80%

- All IOUs surpassed TSB targets in 2024.
- All IOUs, except for SDGE, achieved a significant portion of their TSB targets in Q4.
- Significant increase in achieved TSB compared to 2023 (Note: TSB was not a goal metric for 2023, and changes in avoided costs and measure package parameters such as EUL and measure cost can significantly impact TSB and/or C-E).



California Public Utilities Commission

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Graphic 6: CAEECC Analysis of 2024 EE Portfolio Cost-Effectiveness⁶⁸

Cost Effectiveness

Excludes C&S, ESA, EM&V, ESPI

TRC Ratio by PA*			
PA		TRC (Forecast)	TRC (Claimed)
IOUs & CCA	PGE	1.81	1.90
	SCE	1.04	1.05
	SCG	1.95	1.76
	SDGE	1.15	0.98
	AVA	0.91	0.25
	MCE	1.01	0.35
	PCE	0.31	0.09
	SCP	0.73	Not Available
	SJCE	1.27	0.46
RENS*	BAY	0.23	0.36
	SCR	0.44	0.57

*Only for Resource Acquisition Program Segment

** Excludes RENS with no TRC targets (IREN, 3CREN, SDRN, CCR)

⁶⁷ California Energy Efficiency Coordinating Committee ("CAEECC"), *Annual 2024 Portfolio Performance Report Review: Portfolio Performance Overview Presented by Energy Division*, p. 21 (Jul. 30, 2025) (all data pulled from CEDARS in Jul. 2025). Accessible at: https://www.caeccc.org/_files/ugd/849f65_ac7c5608475b47a888ddb601848bd7b7.pdf.

⁶⁸ *Id.* at 23.

1 The historical performance of SDG&E’s regional portfolio weighs heavily against
2 any assertion that opportunities for beneficial EE in the San Diego region are infeasible.⁶⁹
3 Moreover, SDG&E’s Application provides no insights as to its efforts to implement
4 corrective actions beyond seeking termination of programs to remediate more recent
5 portfolio underperformance. Accordingly, the Commission should not consider the limited
6 analysis of program performance set forth in SDG&E’s Application as necessarily
7 indicative of larger trends in the region.

8 **3. Innovative Statewide and Regional Programs are Essential to Serve the**
9 **Region in a Cost-Effective Manner.**

10 SDG&E opines throughout its Application that much of its reported portfolio
11 underperformance is due to emerging difficulty in developing cost-effective EE
12 measures.⁷⁰ The Commission has previously acknowledged these challenges, stating:
13 “[d]ue to the success of energy efficiency programs and advancing building
14 codes/appliance standards, cost-effectiveness is becoming much more difficult to
15 achieve...” and, “there is less cost-effective energy efficiency available, at least by the
16 current and long-term definitions of cost-effectiveness, than has been historically
17 available.”⁷¹ These challenges are not an absolute bar to cost-effective and beneficial EE
18 in the region; rather, they present the need to innovate as new opportunities arise.

19 Regional EE will be a necessary factor in addressing emerging opportunities for
20 energy savings, such as local efficiency needs resulting from electrification of vehicles and
21 the transportation sector, commercial and residential building electrification, accelerated

⁶⁹ Note that SDG&E also launched several Commercial Sector programs in 2025, which are likely to deliver significant benefits in future years once reaching steady state. *See* AL 4747-E at 11-12.

⁷⁰ Bierman Direct at HB-4 – HB-5.

⁷¹ D.21-05-031 at 20-21.

1 adoption of heat-pump technologies, and advancements in appliance efficiency.⁷² With a
2 15% projected load growth in the SDG&E service area by 2031,⁷³ it is imperative to
3 maintain a dependable portfolio of programs specifically authorized within the SDG&E
4 service area. Regional EE is a key component of the statewide EE portfolio, as it provides
5 increased flexibility and opportunities to leverage local relationships and networks that
6 statewide programs may not.⁷⁴ Broadly speaking, statewide programs are more conducive
7 to generic, one-size-fits-all approaches that are not tailored to the specific needs and
8 efficiency opportunities of the region. Statewide programs also serve an important role, but
9 are most effective when complemented with regional programming.

10 Moreover, the flexibility provided by regional programs may present more feasible
11 opportunities to achieve the harder-to-reach energy savings remaining now that the “low-
12 hanging fruit,” or more traditional and conventional avenues for savings, have been
13 captured.⁷⁵ In particular, efforts are underway across the state to develop innovative
14 Integrated Demand-Side Management (“IDSM”) strategies capable of achieving savings
15 that have not yet been tapped. Regional programs are effective in removing or reducing
16 barriers to integrate IDSM with EE for more load flexibility opportunities to better manage
17 load growth. With the acceleration of electrification, each intervention is an opportunity to
18 manage and control new electric load in ways that are beneficial to both customers and the

⁷² See, e.g., A.24-12-009, *Application of Pacific Gas and Electric Company (U 39 M) on Behalf of the California Market Transformation Administrator (U-1339-E) for the Approval of the Initial Tranche of Statewide Energy Efficiency Market Transformation Initiatives* (Dec. 20, 2024).

⁷³ California Energy Commission Docket No. 25-IEPR-03, *SDG&E CED 2025 Baseline Load Forecast*, Form 1.2 (Jan. 2026). Accessible at: <https://efiling.energy.ca.gov/GetDocument.aspx?tn=268179-7&DocumentContentId=105224>.

⁷⁴ See D.01-11-066, pp. 15-16 (Dec. 3, 2001) (describing the benefits of local programs as compared to their statewide counterparts).

⁷⁵ See D.21-05-031 at 20 (explaining that the success of energy efficiency programs and building codes and standards has made cost-effective energy efficiency more difficult to achieve).

1 grid. Local customers and the local distribution grid require regional knowledge, data, and
2 interventions that specifically address San Diego's locational energy management needs.

3 **C. Key Takeaways**

4 To ground this discussion, SDREN and CEA reiterate that they do not offer these
5 critiques of the representations and conclusions in SDG&E's Application as opposition to
6 the Application itself. Rather, SDREN and CEA offer these insights to make clear that EE
7 serves an important role in the San Diego region, and that the Commission should not write
8 off the feasibility of regional EE as a wholesale conclusion based on SDG&E's
9 Application. Instead, the Commission should continue to foster EE at (or above) the level
10 currently maintained, and should pursue policy pathways that enable non-IOU PAs to fill
11 any gaps that are left in the event the Commission authorizes SDG&E to withdraw.

12 **III. THE COMMISSION SHOULD FACILITATE OPPORTUNITIES FOR** 13 **EXISTING AND FUTURE PAS TO HELP SERVE THE REGION.**

14 As the Commission considers SDG&E's request to withdraw from regional
15 portfolio administration, it is simultaneously important to consider the impacts SDG&E's
16 withdrawal will have on customers and other PAs in the region. An evaluation of regional
17 implications ensures the Commission has a holistic view of the remaining needs post-
18 SDG&E withdrawal, and is positioned to quickly implement policy changes necessary to
19 allow other PAs to step in. The following discussion in Section III of this testimony
20 addresses Scoping Questions 8, 9, 10, 11, 12, 15, 16, and 24.

21 **A. If Permitted, SDG&E's Withdrawal Would Leave Significant Programmatic** 22 **Gaps in the Region.**

23 If SDG&E discontinues its regional portfolio and SDREN does not equivalently
24 expand, the entirety of SDG&E's discontinued portfolio would constitute a programmatic
25 gap. It would also create regional disparities in equitable access to DSM services across

1 the state as well as energy planning areas. This is because SDREN was designed to fill
2 gaps that were identified based on SDG&E's existing portfolio, and further because
3 SDREN and SDG&E have coordinated extensively to prevent overlap in programming.
4 Put another way, SDREN does not currently fulfill any part of the role occupied by
5 SDG&E.

6 SDREN's coordination with SDG&E began early in the development of its 2024-
7 2031 Business Plan Application. Through regular meetings, SDREN sought information
8 necessary to intentionally design offerings that would complement, and not duplicate or
9 overlap, SDG&E's portfolio.⁷⁶ These efforts included "sector-level meetings with the
10 appropriate SDG&E EE team members to walk through each program and discuss any
11 comparable offerings and initial coordination strategies."⁷⁷ SDG&E reviewed SDREN's
12 proposals to prevent duplication and overlap, and the Commission acknowledged these
13 efforts in its authorization of SDREN.⁷⁸ Specifically, the Commission found that SDREN's
14 proposed portfolio would "provide *unique* value and contribute meaningfully to efforts to
15 achieve the state's energy, climate and equity goals."⁷⁹

16 Pursuant to the Commission's guidance,⁸⁰ SDREN and SDG&E subsequently
17 submitted a Joint Cooperation Memorandum ("JCM") in late 2024, which provided a
18 detailed description of the ongoing processes SDREN and SDG&E jointly employ to

⁷⁶ See R.13-11-005, Motion for Approval of SDREN at Exhibit 1, p. 17 (describing SDREN's engagement and coordination with SDG&E). Note that SDREN, now entering its launch stage, has regular sector coordination meetings with SDG&E to ensure complementary offerings.

⁷⁷ *Id.*

⁷⁸ See D.24-08-003 at 10. Note that the Commission permits overlap in narrow instances where programs will seek to ensure that hard-to-reach customers are not left behind (*see id.* at 11).

⁷⁹ *Id.* at 12, Conclusion of Law ("COL") 1.

⁸⁰ See D.18-05-041, p. 97 (Jun. 5, 2018); *see also*, D.24-08-003 at OP 3.

1 prevent overlapping or duplicative programs.⁸¹ Together, these initial and ongoing efforts
2 have effectively mitigated overlap in services. SDG&E has further not specifically
3 identified any areas of alleged overlap in its Application. Accordingly, absent concurrent
4 non-IOU PA expansion, SDG&E's withdrawal would necessarily leave significant gaps in
5 regional accessibility to EE programming.

6 **B. The Commission Should Facilitate Other PAs' Efforts to Fill Gaps in**
7 **SDG&E's Absence.**

8 **1. SDG&E Withdrawal Will Necessitate Commensurate PA Expansion.**

9 Given the gaps described above, SDREN would feel a moral duty to examine
10 portfolio expansion in the event of SDG&E's withdrawal. SDREN's priority is ensuring
11 that customers in the San Diego region are not left without valuable regional EE
12 programming, and that the region more broadly is not negatively impacted by a significant
13 decrease in available EE programming should the Commission approve SDG&E's
14 Application.

15 SDREN may be well positioned to help meet programming gaps in the event of
16 SDG&E's withdrawal, as the REN criteria includes areas that the IOUs cannot or do not
17 intend to undertake.⁸² Notwithstanding, the Commission cannot and should not *require*
18 SDREN to take on responsibility for achieving SDG&E's EE goals⁸³ which cannot be
19 disassociated with the Commission's statutory obligations related to energy efficiency.
20 Further, relying solely upon SDREN to fill SDG&E's role may not be the only solution;

⁸¹ See generally, SDREN and SDG&E 2024 Joint Cooperation Memo. Accessible at: <https://sdcommunitypower.org/wp-content/uploads/2025/02/2024-SDREN-and-SDGE-Joint-Cooperation-Memo.pdf>.

⁸² D.11-12-015, p. 17 (Nov. 15, 2012).

⁸³ See A.25-04-014, *Initial Brief of San Diego Community Power on Behalf of the San Diego Regional Energy Network, Clean Energy Alliance, the Bay Area Regional Energy Network, the Tri-County Regional Energy Network, and the Inland Regional Energy Network*, pp. 16-19 (Sept. 5, 2025).

1 there may be a shared role among multiple non-IOU PAs in sustaining the region’s EE
2 efforts and ensuring continuity of service.⁸⁴

3 SDREN and CEA encourage the Commission to explore all potential pathways for
4 filling the gaps if SDG&E is allowed to withdraw. In doing so, the Commission should be
5 prepared to authorize regional EE funding at least up to the current level to support
6 expansion of the PA or PAs that step in to fill this role. Maintaining continuity in the level
7 of funding available ensures, to the greatest degree possible, that PAs are able to effectively
8 take over the entirety of SDG&E’s regional obligations.

9 **2. The Commission Should Implement Policy Changes to Enable Other**
10 **Potential PAs to Step in and Serve the Region.**

11 As mission-driven local government entities, CCAs are particularly well-suited to
12 administer EE programming. This is because CCAs share customer bases and data with
13 IOUs, are governed by boards of elected officials who are directly accountable to the
14 members of their community, and have overlapping affordability, sustainability, and equity
15 objectives as those associated with EE programs.⁸⁵ Beyond formation of a REN, CCAs
16 may implement EE programs through the ETA framework set forth in Section 381(e)-(f),
17 or the Apply to Administer (“ATA”) framework set forth in Section 381.1(a).

⁸⁴ Note that SDREN’s service territory does not include around 8% of SDG&E’s electric customers who reside in South Orange County, however those customers have access to EE programming through statewide programs, and, as applicable, as customers of Southern California Gas Company.

⁸⁵ See, e.g., Clean Energy Alliance: *Background and Mission Statement*, accessible at: <https://thecleanenergyalliance.org/background/> (CEA’s mission is to “empower local communities with the choice of sustainable and affordable energy for all customers, accelerating the transition to clean energy and fostering local economic growth, environmental responsibility, inclusivity and community well-being”); San Diego Community Power: *Who We Are*, accessible at: <https://sdcommunitypower.org/about/> (SDCP’s mission is “[t]o provide affordable clean energy and invest in the community to create an equitable and sustainable future for the San Diego region”).

1 The ETA framework is intended to provide CCAs with a simpler route to administer
2 EE programs than the alternative ATA pathway.⁸⁶ However, the Commission and
3 stakeholders have recently highlighted specific funding challenges associated with the
4 ETA pathway that effectively form a barrier for CCAs seeking to implement ETA
5 programs. CEA recently began exploring the development of a portfolio of EE programs
6 under the ETA framework, but encountered obstacles in obtaining the level of funding
7 required to implement EE programming.

8 The funding for ETA programs is derived from a portion of the IOUs' collections
9 of EE revenues from the CCA's customers.⁸⁷ In D.24-04-007, the Commission refined its
10 initial ETA maximum funding calculation as follows:⁸⁸

11 CCA maximum funding = Total electricity energy efficiency nonbypassable
12 charge collections from the CCA's customers – (total electricity energy
13 efficiency nonbypassable charge collections from the CCA's customers *
14 % of the applicable IOU portfolio budget that was dedicated to statewide
15 and regional programs in the most recently authorized program cycle). If
16 the percentage of the applicable IOU portfolio budget dedicated to statewide
17 and regional programs in the most recently authorized program cycle
18 exceeds 96 percent, then the percentage shall be fixed at that 96 percent
19 level and will not be allowed to exceed it, for purposes of this formula only.

20 As reflected in the calculation methodology described above, a key input in
21 determining the maximum funding CCAs may request for ETA energy efficiency programs
22 is the "total electricity energy efficiency nonbypassable charge collections from the CCA's

⁸⁶ D.14-01-033, p. 21 (Jan. 16, 2014) (explaining that the recently enacted ETA statutory framework "underscores the two distinct options available to a CCA seeking to administer EE funds and highlights the Legislature's desire to greatly simplify the process by which CCAs can administer EE programs for their own customers").

⁸⁷ See Cal. Pub. Util. Code § 381.1(e); see also D.14-01-033 at 22-24 (describing funding collections from CCA customers).

⁸⁸ D.20-04-007, OP 2 (Apr. 18, 2024).

1 customers.”⁸⁹ SDG&E collects the relevant energy efficiency charges from CEA’s
2 customers through the PPP nonbypassable charge (“NBC”).⁹⁰

3 In evaluating the feasibility of an ETA portfolio, CEA utilized the calculation
4 methodology set forth in D.14-01-033, as well as SDG&E’s current EE PPP collections
5 from CEA customers, to determine the maximum possible ETA funding available under
6 the status quo (*i.e.*, with SDG&E continuing to serve as a regional PA). CEA’s calculations
7 revealed that under the Commission’s current ETA funding guidance and SDG&E’s
8 current EE PPP collections, CEA’s maximum ETA funding for the entire three-year
9 program period was \$588,230. This figure is based on the 4% budgetary “floor” established
10 in D.20-04-007.

11 This existing challenge will be further exacerbated should SDG&E withdraw from
12 regional EE portfolio administration. Specifically, SDG&E’s Application requests an
13 approximately \$300 million reduction in the PPP rates to support its energy efficiency
14 portfolio.⁹¹ Under the current ETA framework and funding calculation, such a reduction
15 would leave CEA (or any CCA in the San Diego region) with a miniscule fraction of
16 funding from an already small pool of available ETA funds. It is further important to note
17 that the substitution of a non-IOU PA to serve as the primary regional PA will not solve
18 for this problem, as the ETA funding calculation is currently based on the IOUs’ EE
19 portfolio budgets.

20 The Commission recently acknowledged that it is “aware that the budget formula
21 for CCAs that elect to administer energy efficiency programs may need to be modified or

⁸⁹ *See id.*

⁹⁰ *See A.25-04-014, Prepared Direct Testimony of Alton Kwok*, pp. AK-20 – AK-21 (Apr. 25, 2025).

⁹¹ Application at 4.

1 refined,”⁹² and is slated to consider such changes in early 2026.⁹³ As the Commission plans
2 to consider modifications to the ETA funding calculation in the EE OIR, SDREN and CEA
3 do not offer specific recommendations as to the appropriate changes in this proceeding.
4 However, when the Commission considers changes to the ETA funding calculation, it
5 should consider the unique circumstances presented by SDG&E’s requested withdrawal.
6 In particular, the Commission may need to develop a San Diego-specific approach to ETA
7 funding, or to tie ETA funding to a factor other than IOU portfolio budgets. Developing a
8 solution that solves for the current ETA funding challenges and also SDG&E’s potential
9 withdrawal will better position CCAs in the San Diego region to step in and serve the
10 region’s EE needs.

11 This concludes our testimony.

⁹² R.25-04-010 at 4; *see also*, R.25-04-010, Scoping Ruling at 3.

⁹³ *See* R.25-04-010, Scoping Ruling at 11-12.

ATTACHMENT A

CRAIG PERKINS

President and Executive Director

Education

Cal State University Dominguez Hills, 1983
Master of Public Administration

University of California Los Angeles, 1980
Master of Arts, Latin American Studies;
Master of Arts, Political Science

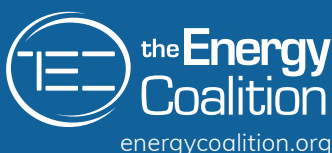
University of California Berkeley, 1975
Bachelor of Arts, Sociology

Publications

Author and co-author of articles on solar electric projects, alternative fuel vehicles, water and energy efficiency, and urban runoff management practices.

Awards

- J. Robert Fluor Award, 2002
- Heal the Bay Super-Healer Award, 2004
- American Public Works Association Achievement Award, 2006



Professional Experience

The Energy Coalition

Irvine, CA

President and Executive Director 2008 - Present

The Energy Coalition has been developing sustainable energy solutions for public agencies, communities, and utilities for over fifty years. Our mission is to change the way that people think about and use energy through the design and implementation of innovative programs and initiatives to reduce energy use and decrease greenhouse gas emissions.

City of Santa Monica

Santa Monica, CA

Director of Environment &
Public Works Department

1993 - 2008

Directed operations, maintenance, and capital improvement programs for the City's water, wastewater, stormwater, and solid waste utilities; managed the design, engineering, construction, and maintenance of City buildings and infrastructure; managed environmental protection, resource efficiency, alternative fuels, and renewable energy programs; directed development and implementation of the Sustainable City and Climate Action Plans.

Environmental Programs Manager 1991 - 1993

Developed and managed programs for water and energy efficiency, pollution prevention, hazardous materials management, recycling, and stormwater/watershed management. Proposed and implemented new utility rate structures to increase customer equity, improve service levels, and fund environmental initiatives. Led the creation of the Santa Monica Sustainable City Plan.

Budget Director;

1983 - 1991

Senior Management Analyst

Oversaw development of the City's operating and capital improvement budgets, performed fiscal and policy analyses for the City Manager and City Council, managed organization development processes, and led efforts to improve the efficiency and cost-effectiveness of City operations.

UCLA Latin American Center Los Angeles, CA

Research Associate

1981 - 1983

Conducted research on Latin American policy issues and edited specialized publications for the Latin American Center at the University of California, Los Angeles.

Voluntary & Civic Service

- Mayor's Appointee, City of Los Angeles Stormwater Bond Oversight Committee
- SCAG Global Land Use and Economics (GLUE) Advisory Council member
- Board & Executive Committee member, Heal the Bay
- Board & Executive Committee member, The Bay Foundation
- Leadership Council member, Los Angeles Regional Climate Collaborative (LARC)
- Board member & Treasurer, Microgrid Resources Coalition
- Advisory Board member, Bay Area RAPID: Regional Climate Accelerator

LAUREL ROTHSCHILD

Vice President

Education

University of California Santa Barbara, 2003
Bachelor of Arts, Business Economics

Certifications

- LEED Accredited Professional in Existing Buildings: Operations + Maintenance, GBCI, 2009
- Certified Energy Auditor, Association of Energy Engineers, 2010
- ENERGY STAR Portfolio Manager Trainer

Affiliations

- California Energy Efficiency Coordinating Committee (CAEECC) - 2025 co-chair and active participant in the following working groups and trainings:
 - Evolving CAEECC Working Group
 - CAEECC Diversity, Equity, and Inclusion (DEI) Training
 - Equity Metrics Working Group
 - EE Portfolio Filing Process Working Group
 - Underserved Working Group
- California Efficiency + Demand Management Council (CEDMC) - Board Member
- Association of Women Water Energy & Environment - Board Member & Membership Committee Chair
- Switch is On Ambassador
- San Clemente Green Ribbon Panel - Energy Conservation Chair

Professional Experience

The Energy Coalition

Irvine, CA

Vice President

Jan. 2019 - Present

- Oversees program operations and implementation for over twenty contracts, totaling over \$20 million annually
- Supports business development, partnership and client management, and program management organization-wide
- Effectively leads teams to deliver on all contracts while striving for continued innovations and streamlining of operations for cost-effective delivery
- Facilitate stakeholder conversations and partnerships to advance local engagement
- Initiated initial coordination discussions that led to the formation of SoCalREN Regional Partners efforts and CalREN, a collaboration of statewide RENs; Continues to support facilitation and coordination activities for CalREN
- Lead advisor to support the development of the San Diego Regional Energy Network 2024 - 2031 Portfolio Application and Orange County Power Authority's Elect to Administer application; both applications engaged in community and stakeholder engagement and robust local support that contributed to program design

Director of Energy Programs

Dec. 2016 - Dec. 2018

- Oversaw implementation and management of the Southern California Regional Energy Network Public Agency Program (SoCalREN)
- Led SoCalREN program to deliver over 30 million kWh in annual savings in 2017
- Oversaw implementation of eleven contracts totaling approximately \$10 million annually

Director of Engagement and Education, Program Manager

Nov. 2010 - Nov. 2016

- Designed and supervised engagement activities for the SoCalREN Public Agency program
- Maintained a 100% realization rate for enrollment
- Organized Advisory Committee activities for the SoCalREN program on behalf of the client
- Established successful coordination of program offerings with the IOUs and other stakeholders for the SoCalREN program
- Managed ongoing coordination and communication among stakeholders
- Provided oversight of TEC's local government partnerships (LGP) and Education portfolios
- Directed the completion and closeout of the Palm Desert Demonstration Project
- Successfully designed, marketed, and co-delivered hands-on ENERGY STAR Portfolio Manager Workshops in partnership with local and federal agencies
- Assisted municipalities with energy management planning for municipal facilities, including benchmarking and climate action planning
- Initiated Peer to Peer LGP Implementers group

Project Analyst, Manager, Coordinator

Jan. 2007 - Oct. 2010

- Implemented municipal project tracking system recognized as a best practice among LGPs
- Managed implementation of PEAK Plus Demand Response pilot and supported program evaluation
- Coordinated program activities, including community outreach events, promotion of in-house Direct Install program to residential and small businesses

Publications

- Beyond the Audit: Making Energy Efficiency Easy and Enticing by Addressing Project Procurement
- Driving Energy Efficiency in the Public Sector - A Model for Success

MARC COSTA,
LEED AP BD+C, CGBP, BOC II,
CPHC, CPHT

Director of Policy & Planning

Education

California State University, Long Beach
Bachelor of Science in Construction Engineering
Management

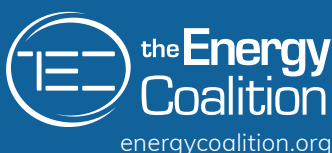
University of California, San Diego
Bachelor of Science in Management Science

Publications, Presentations & Awards

- UNEP - Outstanding Service to the Buildings Action Coalition
- ACEEE - From Loading Order to Loading Lanes: Rethinking the Energy Transition and Unlocking Smart Local Energy Markets for Communities of Concern (2024)
- Sustainable Cities and Nature - Net GHG emissions and air quality outcomes from different residential building electrification pathways within a California disadvantaged community - 2022
- ACEEE - Using Big Data to Assess Energy System Transitions in Under-resourced Communities - 2022 Summer Study
- ACEEE - Next Generation Benchmarking: Leveraging Benchmarking Ordinances for Decarbonization Planning, 2020 Summer Study
- ACEEE - A National Framework for Energy Audit Ordinances, 2016 Summer Study
- ACEEE - Unlocking the Power of Energy Consumption and Asset Data for Program and Policy Design, 2014 Summer Study

**Accreditations, Credentials,
and Memberships**

- LGSEC - Board of Directors - Board Chair
- IEA - Global Observatory on Peer to Peer Markets
- United Nations - Building Action Coalition Member
- CalTF - Policy Advisory Committee
- Building Decarbonization Coalition - Advisory Board
- Passive House Network - Member
- CAEECC - Member; Market Transformation Working Group
- CEC - Benchmarking Data Alignment Work Group
- Linux Foundation Energy - Founding Member
- LBNL - SEED/BEDES Development TF
- NREL - URBANopt Technical Advisory Member
- ASHRAE TC7.6 Subcommittee on Data Exchange
- DOE Asset Score - Data Intake Work Group
- CABEC - Member



Professional Experience

Open Studio Coalition

Co-Founder

Apr. 2020 - Present

Irvine, CA

- Co-founded a DBA under The Energy Coalition with partners in Vermont, New York and France to commercialize the DOE's flagship energy modeling software user interface, OpenStudio
- Conducted strategic planning and business plan development to enhance the user interface, expand product features, rebrand, implement language localization and expand the international user base of 70,000 users in 70 countries

The Energy Coalition

Director of Policy and Planning

Jul. 2017 - Present

Irvine, CA

- Develops regulatory and policy guidance for California-specific matters related to decarbonization, energy efficiency, demand flexibility, renewables, storage, electric vehicles, solar water heating, GHG reductions, and integrated grid resource planning
- Leads the California Energy Commission Statewide Building Energy Benchmarking Program contract and serves as a technical strategist on data-driven outreach and compliance monitoring
- Serves as a subject matter expert to the Department of Energy, Building Technologies Office, Solar Energy Technology Office, and various national labs on strategic roadmap development, grant funding selection, and commercialization of software and standards related to building energy modeling (BEM), Grid-Interconnected Efficient Buildings (GEBs), Model Predictive Controls (MPCs), and Automated Fault Detection and Diagnosis (AFDD).
- Creates and implements data analysis techniques across the company related to data acquisition, cleansing, analysis, spatial statistics, visualization, and forecasting for energy programs
- Leads the implementation of CEC EPIC grants related to energy master planning and renewable energy system sizing and program design for Disadvantaged Communities and Indoor Air Quality contracts
- Represents TEC on various industry groups for policy development and regulatory representation, including CAEECC, NMEC, LGSEC, CalTF, CEDMC, and ASHRAE
- Leads local government projects related to benchmarking and audit ordinance development and implementation, currently for Brisbane, California
- Authors peer-reviewed papers, conference proceedings, and presentations on energy master planning
- Founder of the Linux Foundation Energy group on energy education and open-source energy modeling software

Program Manager

Irvine, CA

- Policy Team: Generated, commented, submitted, and filed regulatory and legislative comments in CPUC and CEC Proceedings.
- CEEPMS: Managed overall design and implementation of software that matches building permits and rebates
- CAP: Managed budget and technical input on Energy Atlas Tool, database fields, and metrics for analysis
- Project Delivery Team: Assigned Project Manager to San Bernardino to develop streetlighting and mechanical retrofits
- LGSEC To Code Committee: Contributed comments to regulatory proceedings on data, C&S, and Regulatory Matters
- Benchmarking and Ordinances: Served as a subject matter expert to REN cities on Federal resources on policy and tools
- DOE Grant: OpenEfficiency Initiative: With PSD, NREL, Cadmus, Xcel Energy, and SoCalREN to create and deploy data infrastructure for energy management resources

Expertise

An internationally recognized subject matter expert on energy policy, federal energy analysis tools, and data standards. Serves as an in-house and industry-wide resource on how data informs decarbonization policy and on-the-ground market transformation.

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking for Oversight of
Energy Efficiency Portfolios, Policies,
Programs, and Evaluation.

Rulemaking 25-04-010
(Filed April 24, 2025)

**BAY AREA REGIONAL ENERGY NETWORK, INLAND REGIONAL ENERGY
NETWORK, NORTHERN RURAL ENERGY NETWORK, SAN DIEGO REGIONAL
ENERGY NETWORK, SOUTHERN CALIFORNIA REGIONAL ENERGY NETWORK
AND TRI-COUNTY REGIONAL ENERGY NETWORK
REPLY COMMENTS ON STAFF PROPOSAL**

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For the Bay Area Regional Energy Network
("BayREN")

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Director of Energy & Environmental
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For the Inland Regional Energy Network ("I-
REN")

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For the San Diego Regional Energy Network
("SDREN")

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Eureka, CA 95501
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Email: pterry@redwoodenergy.org

For Northern Rural Energy Network
("NREN")

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Environmental Initiatives Division Manager
County of Los Angeles Office of Energy &
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For the Southern California Regional Energy
Network ("SoCalREN")

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County Executive Office, County of Ventura
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For the Tri-County Regional Energy Network
("3C-REN")

January 23, 2026

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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking for Oversight of
Energy Efficiency Portfolios, Policies,
Programs, and Evaluation.

Rulemaking 25-04-010
(Filed April 24, 2025)

**BAY AREA REGIONAL ENERGY NETWORK, INLAND REGIONAL ENERGY
NETWORK, NORTHERN RURAL ENERGY NETWORK, SAN DIEGO REGIONAL
ENERGY NETWORK, SOUTHERN CALIFORNIA REGIONAL ENERGY NETWORK
AND TRI-COUNTY REGIONAL ENERGY NETWORK
REPLY COMMENTS ON STAFF PROPOSAL**

Pursuant to the December 1, 2025 Administrative Law Judge’s Ruling Providing Notice and Opportunity to Comment on Staff Proposal for Policy on Natural Gas Energy Efficiency Incentives (“Ruling”) and the December 19, 2025 Email Ruling Granting Extension of Time to File Comments to December 1, 2025 Ruling, the Bay Area Regional Energy Network (“BayREN”),¹ Inland Regional Energy Network (“I-REN”),² Northern Rural Energy Network (“NREN”),³ San Diego Regional Energy Network (“SDREN”),⁴ Southern California Regional

¹ BayREN serves customers in the nine-county Bay Area region, a region that serves over 7.5 million residents and incorporates urban, suburban and rural populations. BayREN delivers its regional programs solely within Pacific Gas and Electric Company’s (“PG&E”) service area. BayREN administers regional, equity-based and equity focused programs within the resource acquisition and market support segments as well as one statewide program. BayREN’s programs cover the residential, commercial and public sectors as well as codes and standards.

² I-REN is a coalition of three councils of government – Western Riverside Council of Governments, the Coachella Valley Association of Governments, and the San Bernardino Council of Governments - encompassing Riverside and San Bernardino Counties, and all their respective jurisdictions within the region. These organizations have joined to establish locally administered, designed, and delivered energy efficiency programs in alignment with the Commission’s goals and objectives.

³ The Northern California Rural Regional Energy Network (also known as Northern Rural Energy Network or NREN) is a partnership between the Lake Area Planning Council, the Mendocino Council of Governments, the Redwood Coast Energy Authority, and Sierra Business Council and provides energy efficiency and electrification programs to 17 counties in Northern California and the Sierra Nevada. NREN’s programs are designed to serve hard-to-reach and underserved rural customers using local resources within the region to achieve California’s energy efficiency and decarbonization goals.

⁴ SDREN is a program of San Diego Community Power, a Community Choice Aggregator (“CCA”) and the County of San Diego and operates solely within San Diego Gas & Electric’s (“SDG&E”) service area.

Energy Network (“SoCalREN”)⁵ and Tri-County Regional Energy Network (“3C-REN”⁶ and, together, the “Joint RENs”) respectfully submit the following reply comments on the draft Energy Efficiency Natural Gas Incentive Phase-Out Staff Proposal, attached as Attachment 1 to the Ruling (the “Staff Proposal”).

I. EXECUTIVE SUMMARY

As stated in opening comments, the Joint RENs support the policy goal animating the draft Viable Electric Alternative (“VEA”) Staff Proposal to shift ratepayer funding away from gas efficiency measures and focus incentives on California’s electrification goals. The intention behind the proposal is aligned with state law requiring greenhouse gas emission reduction and the state’s recognition of the significant public health benefits of electrification.⁷ Yet, the Joint RENs share in the concerns raised by numerous parties regarding the challenges of applying the VEA framework set forth in the Staff Proposal in the context of the Equity segment, equity customers and Hard-to-Reach (“HTR”) customers and sites. Further refinement is needed in this regard.

Along with the Joint RENs, numerous parties raised concerns in their opening comments regarding Staff’s proposed adoption of the Participant Cost Test (“PCT”), and, in the alternative,

⁵ SoCalREN is a CPUC authorized energy efficiency Program Administrator which serves 13 counties across central and southern California. As a regional energy network, SoCalREN provides a wide variety of energy efficiency services to support energy savings for residential, businesses, agriculture, and public agency customers.

⁶ 3C-REN serves customers in the Counties of San Luis Obispo, Santa Barbara, and Ventura; 3C-REN’s customers receive utility service from PG&E, Southern California Edison Company (“SCE”), and Southern California Gas Company (“SoCalGas”). 3C-REN serves regional needs that were previously not met given the overlapping service territories of the investor-owned utilities (“IOUs”) in its region.

⁷ Staff Proposal at 3 (citing Assembly Bill 3232 (Stats. 2018, Ch. 373)); Senate Bill 1279 (Muratsuchi, 2022); Sierra Club Opening Comments on Administrative Law Judge’s Ruling Providing Notice and Opportunity to Comment on Staff Proposal for Policy on Natural Gas Energy Efficiency Incentives (Jan. 13, 2026) at 5 (“Sierra Club Opening Comments”) (citing California Public Utilities Commission (“Commission” or “CPUC”), California Air Resources Board (“CARB”) and California Energy Commission (“CEC”) 2024 Joint Agency Report at 17; CARB Resolution 20-32 (Nov. 19, 2020) at 1-3, *available at* <https://ww2.arb.ca.gov/sites/default/files/barcu/board/res/2020/res20-32.pdf>).

the utilization of the Total Resource Cost (“TRC”) test, as the means of determining cost-effectiveness when identifying whether a Viable Electric Alternative (“VEA”) exists for a gas energy efficiency (“EE”) measure. Many parties advocated for improved incorporation of non-energy benefits (“NEB”) and social costs, and the broader term known as non-energy impacts (“NEI”), into the cost-effectiveness tests.⁸ SoCalGas stood alone in its opposition to the inclusion of the adverse impacts of indoor air pollution from gas appliances in the VEA cost-effectiveness determination.

Several parties proposed means of addressing the one-time infrastructure and installation costs of electrification enabling or readiness measures that support several future fuel substitution measures within a building, such as service upgrades, panel upgrades, electrical rewiring costs and additional permitting costs. As stated in their opening comments, the Joint RENs strongly recommend excluding these costs from the VEA cost-effectiveness test altogether for the Equity segment and equity customers.

With respect to the refrigerant leakage detection, reclamation and recycling pilots proposed in the Staff Proposal, numerous parties’ opening comments supported the Joint RENs’ position that EE Program Administrators (“PA”) are well-positioned as implementers of such refrigerant

⁸ Sierra Club Opening Comments at 11-16, 26-30; Opening Comments of Peninsula Clean Energy Authority on Staff Proposal for Policy on Natural Gas Energy Efficiency Incentives (Jan. 13, 2026) (“PCE Opening Comments”) at 4; Central California Rural Regional Energy Network Opening Comments on Staff Proposal for Policy on Natural Gas Energy Efficiency Incentives (Jan. 13, 2026) (“CCR REN Opening Comments”) at 3-4; Opening Comments of Cohen Ventures, Inc. Dba Energy Solutions on Administrative Law Judge’s Ruling Providing Notice and Opportunity to Comment on Staff Proposal for Policy on Natural Gas Energy Efficiency Incentives (Jan. 13, 2026) on behalf of the TECH Initiative Team (“TECH Initiative Team Opening Comments”) at 7-8.

programs.⁹ The Joint RENs disagree with and respond to SoCalGas and SDG&E’s opposition to the role of PAs in implementing such pilots, below. Several parties noted that there may not be a need for new refrigerant management pilots in light of existing programs in California. In response, the Joint RENs suggest that a pilot phase may not be needed within some PAs, as existing refrigerant programs are already carrying out refrigerant leakage reduction, recovery, training, responsible disposal. At the same time, some PAs may determine to pilot aspects of refrigerant management based on the status of such programs in their service areas. A refrigerant management pilot phase should not be required, but neither should it be precluded, as determined by the applicable PA.

The Joint RENs replies to other parties’ opening comments are set forth in Section II below, organized in response to the specific questions posed in Section 4 of the Staff Proposal.

II. REPLIES TO RESPONSES TO QUESTIONS FOR STAKEHOLDERS

A. Equity

1. What other actions should this staff proposal take to encourage electrification among equity customers?

The Joint RENs concur with many of the opening comments recognizing the challenges to electrification in the Equity segment and for equity customers, as well as the additional benefits of electrification that particularly flow to disadvantaged communities (“DAC”) that are inadequately quantified in the current cost effectiveness tests. For example, MCE discussed the disproportionate

⁹ Comments of Southern California Edison Company (U 338-E) on Administrative Law Judge’s Ruling Providing Notice and Opportunity to Comment on Staff Proposal for Policy on Natural Gas Energy Efficiency Incentives (Jan. 13, 2026) (“SCE Opening Comments”) at 17-18; Opening Comments of Small Business Utility Advocates on Staff Proposal for Policy on Natural Gas Energy Efficiency Incentives (Jan. 13, 2026) (“SBUA Opening Comments”) at 6-7; Opening Comments of Marin Clean Energy on Administrative Law Judge’s Ruling Providing Notice and Opportunity to Comment on Staff Proposal for Policy on Natural Gas Energy Efficiency Incentives (Jan. 13, 2026) (“MCE Opening Comments”) at 7-9; CCR REN Opening Comments at 5-6.

health impacts from natural gas appliances, significantly higher energy burdens, greater barriers to electrification and historic underservice in EE programs faced by equity customers.¹⁰ Aligned with and in response to these comments, the Joint RENs reiterate that the Commission should refine both the PCT and the TRC to account for such benefits, exclude the one-time costs of electrification enabling infrastructure from VEA cost effectiveness tests and authorize new incentives to address the specific needs and challenges for the Equity segment and equity and HTR customers. This adjustment is consistent with Section 2.1.4.2 of the Order Instituting Rulemaking in this proceeding, which addresses a “continual improvement” process for cost-effectiveness policies and the application of such policies to energy efficiency portfolios.¹¹

a. The Commission Should Refine the PCT and TRC Tests to Account for Non-Energy Benefits and Needs of Equity and HTR Customers.

As the Joint RENs argued in opening comments, barriers to electrification in equity communities should be taken into account for VEA measure screening, and neither the PCT nor the TRC do so adequately.¹² The TECH Initiative Team described several of the co-benefits of electrification and fuel substitution for equity customers, such as extreme heat resilience offered by heat pumps and indoor air quality impacts, that are not fully valued in the PCT.¹³ The CEC’s Order Instituting Informational Proceeding on Non-energy Benefits and Social Costs (Docket No. 24-OIIP-03) is seeking to more comprehensively assess costs and benefits of distributed energy

¹⁰ MCE Opening Comments at 3 (citations omitted).

¹¹ Order Instituting Rulemaking (Apr. 29, 2025) at 6 (“As part of a process of continual improvement of energy efficiency programs, adjustments may be needed to cost-effectiveness policies and their application within energy efficiency portfolios and programs.”).

¹² Joint RENs Opening Comments at 4-11, 15-16, 26-32.

¹³ TECH Initiative Team Opening Comments at 4.

resources and EE, with a focus on equity.¹⁴ The CEC’s NEI study in that proceeding will eventually enable the quantification of NEIs in Commission EE cost-effectiveness determinations. In the meantime, the Sierra Club’s recommendation for adders to the PCT or TRC to address NEBs¹⁵ would be an administratively-efficient stop-gap measure, which the Joint RENs support. Any such NEB adders should be compatible with PA reporting mechanisms, so that they can be accounted for in the TSB test as well.

b. The Commission Should Exclude One-Time Costs of Electrification Enabling Infrastructure from VEA Cost-Effectiveness Tests for the Equity Segment and Equity Customers.

Numerous parties addressed the issue of electrification-enabling infrastructure upgrade costs in opening comments. The Joint RENs’ opening comments provided examples of such “one-time” costs of electrification, such as service upgrades, panel upgrades, electrical rewiring costs, and additional permitting costs at the building-level that enable numerous present and future electric load.¹⁶ The Joint RENs agree with TURN that the Commission should establish additional policies to reduce barriers to electrification for low-income Californians, including up-front costs,¹⁷ and also concur in MCE’s comment on the need to support “electrification readiness” measures across portfolios.¹⁸

SoCalGas criticized the Staff Proposal’s proposed use of weighted averages to address panel upgrades and electrification-enabling infrastructure costs, arguing that customers with older

¹⁴ Joint RENs Opening Comments at 9.

¹⁵ Sierra Club Opening Comments at 29; *see also* CCR REN Opening Comments at 7-8 (recommending an NEB adder to the TRC and TSB).

¹⁶ Joint RENs Opening Comments at 10.

¹⁷ TURN Opening Comments at 15.

¹⁸ MCE Opening Comments at 3-7; 6-7.

homes and low-income customers would be disproportionately impacted.¹⁹ Instead, to better address the particular needs of equity customers with respect to electrification readiness, the Joint RENs reiterate our point in opening comments that the one-time electrification enabling infrastructure upgrade costs should be *excluded* from VEA cost-effectiveness tests for the Equity segment and equity customers.²⁰ CCR REN similarly asserted that “Electric Ready Infrastructure” should be “exempted from accruing to the TRC.”²¹ The Joint RENs also agree with SDG&E that EE programs should assist customers in *avoiding* panel upgrades and service upsizing through power-efficient appliances, smart panels and circuit splitters and pausers, but strongly *disagree* that the costs of such measures should be included in cost-effectiveness calculations for individual measures for VEA screening purposes.²²

B. Fuel Substitution Infrastructure Costs

1. What existing data sources should the CPUC use to assess the avoided capital and operating costs of not using a gas measure for the purpose of assessing the Participant Cost for gas and possible VEA measure permutations?

The Joint RENs agree with the Sierra Club that the Commission should incorporate the CEC’s electric and gas end-use rate forecasts to assess avoided costs of not using a gas measure into VEA assessment.²³ The Joint RENs strongly agree that the significant future increases in gas

¹⁹ Southern California Gas Company’s (U 904 G) Comments to Administrative Law Judge’s Ruling Providing Notice and Opportunity to Comment on Staff Proposal for Policy on Natural Gas Energy Efficiency Incentives (Jan. 13, 2026) (“SoCalGas Opening Comments”) at 8 (citing Section 3.3 of the Staff Proposal).

²⁰ Joint RENs Opening Comments at 9-11, 15-16.

²¹ CCR REN Opening Comments at 3.

²² See Opening Comments of San Diego Gas & Electric Company (U 902 M) on Staff Proposal (Jan. 13, 2026) (“SDG&E Opening Comments”) at 4. The Joint RENs are not opposed to including the costs of meter socket adapters in individual measure VEA cost-effectiveness calculations, however.

²³ Sierra Club Opening Comments at 24.

(and electric) rates must be considered in these determinations.²⁴ As the Joint RENs pointed out in their opening comments, such steep increases are particularly significant in the context of equity customers facing systematically higher energy burdens and greater exposure to future rate volatility.²⁵

C. Fuel Substitution Potential Estimated Bill Impacts

1. What level of granularity should the CPUC use for including potential bill impacts related to fuel substitution in assessing cost effectiveness for those measures?

The Joint RENs also agree with Sierra Club that the analysis of potential bill impacts relating to fuel substitution should incorporate CEC gas (and electric) rate forecasts.²⁶ In addition, the Joint RENs reiterate their point in opening comments that before the Commission can begin to consider the level of granularity of data to analyze bill impacts of fuel substitution measures, an accurate mechanism for the calculation of such bill impacts is first required.²⁷ RENs currently lack access to the data necessary to such bill impacts, and any data that is provided by IOUs is not done in a timely manner.²⁸ Once all PAs have the capability to estimate bill impacts in the California Energy Data and Reporting System (“CEDARS”) the Commission should then tackle questions of the proper granularity of such data.

²⁴ Joint RENs Opening Comments at 11, Figure 1 (CEC Fossil Gas End-Use Rate Forecast through 2049) and 12, Figure 2 (PG&E Program Year 2024 ESA Annual Report – Energy Price Forecasts through 2048).

²⁵ *Id.* at 13-14.

²⁶ Sierra Club Opening Comments at 26; *see also* Opening Comments of Pacific Gas and Electric Company (U 39 M) on Administrative Law Judge’s Ruling Providing Notice and Opportunity to Comment on Staff Proposal for Policy on Natural Gas Energy Efficiency Incentives (Jan. 13, 2026) (“PG&E Opening Comments”) at 9 (arguing that Energy Division Staff should provide the underlying analyses and assumptions, including gas rate forecast details, for the PCT).

²⁷ Joint RENs Opening Comments at 17.

²⁸ *Id.* at 17-18.

D. Refrigerant Leakage Detection and Mitigation, and Low-GWP Refrigerant Programs

1. Are PAs the appropriate implementors of refrigerant leakage detection, reclamation/recycling programs? If not, who is?

a. PAs are the Appropriate Implementers of Refrigerant Programs Proposed the Staff Proposal.

Numerous parties agree with the Joint RENs that PAs are the appropriate implementers of refrigerant leakage detection, reclamation and recycling programs in California. As SCE aptly pointed out, “PAs are well-positioned to implement these efforts given synergies with existing programs that already facilitate equipment exchanges.”²⁹ MCE observed that “PAs of EE programs with low-[Global Warming Potential (“GWP”)] and refrigerant related measures are well positioned to document refrigerant leaks, reclamation and recycling.”³⁰ The Joint RENs disagree with points raised by SDG&E and SoCalGas opposing the role of PAs as implementers of such programs.³¹

As described in the Joint RENs’ opening comments, several PAs are already implementing refrigerant management programs that are highly relevant to the Staff Proposal’s proposed pilots, and already have significant expertise.³² The Joint RENs described in detail the BayREN Refrigerant Replacement (“BRRR”) Program’s innovative and equity-focused work providing financial and technical assistance to small and HTR businesses, including incentives for

²⁹ SCE Opening Comments at 17; *see also* SBUA Opening Comments at 6; CCR REN Opening Comments at 5.

³⁰ MCE Opening Comments at 8.

³¹ *See* SDG&E Opening Comments at 6-8; SoCalGas Opening Comments at 11.

³² *See* PG&E Opening Comments at 7-8 (arguing that PAs should implement such pilots if relevant to EE PA programs and PAs can ensure that implementers have the appropriate expertise); Joint RENs Opening Comments at 19-26; MCE Opening Comments at 7-8.

identification and repair of refrigerant leaks, high GWP replacement, gas exchanges and tune-ups.³³ BRRR also provides financial support for transportation and recycling/reclamation of refrigerants.³⁴ As the Joint RENs argued:

With BRRR’s experience and existing implementation infrastructure in place, expanding refrigerant management efforts to include enhanced leak detection and increased awareness of the importance of refrigerant recycling is both practical and efficient. This integrated approach would increase public benefits, streamline program deployment, and maximize the overall impact of proactive refrigerant management.³⁵

In fact, SBUA pointed to BayREN’s existing BRRR program for high-GWP refrigerant replacement as helpful and useful.³⁶ Similarly, MCE described how it is incorporating low-GWP refrigerants in its EE portfolio, and its interest in incorporating refrigerant leak, reclamation and recycling measures in its 2028 EE Business Plan application.³⁷

In response to SDG&E’s rationale for opposing this role for PAs, the Joint RENs assert that, for PAs already running refrigerant programs, there would not be “a significant amount of prework”³⁸ and these existing programs could readily be leveraged. SDG&E’s comment that PAs should not administer these pilots because it would be a challenge for the Commission to leverage the Commission’s Refrigerant Avoided Cost Calculator (“RACC”)³⁹ is also inapt: BayREN’s BRRR program is already utilizing the RACC to estimate first-year and lifecycle greenhouse gas (“GHG”) emissions avoided (metric tons of carbon dioxide equivalent or MTCO₂e) as a result of

³³ Joint RENs Opening Comments at 19-20.

³⁴ *Id.* at 20.

³⁵ *Id.* at 22.

³⁶ SBUA Opening Comments at 6.

³⁷ MCE Opening Comments at 7, 8 (citing MCE’s 2024 EE Business Plan and Portfolio Plan Application, Exhibit 2, p. 1-16).

³⁸ *Cf.* SDG&E Opening Comments at 8.

³⁹ *Id.*

refrigerant leak repair and components replacement. For modeling purposes, the latest RACC assumes an annual refrigerant leakage rate of approximately 5.3%. BayREN's BRRR uses this default assumption to estimate annual refrigerant losses from leaks, which are then multiplied by the system's refrigerant charge and its GWP to calculate lifecycle emissions and associated costs.

As SoCalGas correctly conceded, PAs may be suitable implementors because they "have existing relationships with contractors and installers."⁴⁰ The Joint RENs described BayREN BRRR's relationships with licensed refrigeration contractors, which it leverages to assist small businesses such as corner stores and community kitchens.⁴¹ The Joint RENs opening comments also described BayREN BRRR's assignment of an environmental specialist to each participating business to provide a hands-on approach, its relationships with community organizations, and the ways in which BRRR staff provide education to participating businesses to promote long-term refrigerant management practices.⁴²

In short, PAs, particularly those with existing refrigerant programs, are ideally suited to administer the refrigerant pilots proposed in the Staff Proposal.

b. The Need for a Pilot Phase for Refrigerant Management Programs Should Be Determined by the Applicable PA.

A number of parties' opening comments on the Staff Proposal questioned whether new refrigerant management pilots are needed, in light of such existing REN refrigerant programs. PAO argued that doing so would be duplicative of existing programs and that, instead, the

⁴⁰ SoCalGas Opening Comments at 11.

⁴¹ Joint RENs Opening Comments at 21.

⁴² *Id.*

Commission should incorporate refrigerant training in existing programs that implement EE measures with refrigerants.⁴³

The Joint RENs generally agree with SBUA that each PA has the option to determine whether it would be efficient and effective for it to implement a pilot or carry out the refrigerant management activities in the Staff Proposal through a program.⁴⁴ The Joint RENs note that, as a general rule, PAs already have the choice as to which programs or pilots to offer. A pilot phase may not be needed within some PAs, as existing refrigerant programs, such as BayREN's BRRR Program, are already carrying out refrigerant leakage reduction, recovery, training, responsible disposal. At the same time, other PAs may determine to pilot aspects of refrigerant management. A pilot phase should not be required, but neither should it be precluded, as determined by the applicable PA and their communities' needs.

2. How should pilot programs use EE incentives to encourage refrigerant recycling and the use of low-GWP refrigerants be set up?

The Joint RENs are aligned with SCE's support for "leveraging synergies between existing EE programs and refrigerant recycling initiatives."⁴⁵ For example, SCE suggests that EE incentives for commercial grocery refrigeration could be increased when reclamation is also implemented.⁴⁶ In fact, BayREN's existing BRRR Program already requires at least one EE measure alongside refrigerant management projects (e.g., improved door gaskets and closers, high-efficiency fan

⁴³ Comments of the Public Advocates Office on Administrative Law Judge's Ruling Providing Notice and Opportunity to Comment on Staff Proposal for Policy on Natural Gas Energy Efficiency Incentives (Jan. 13, 2026) ("PAO Opening Comments") at 9.

⁴⁴ See SBUA Opening Comments at 6.

⁴⁵ SCE Opening Comments at 18.

⁴⁶ *Id.*

motors and demand response capabilities).⁴⁷ BRRR encourages refrigerant recycling by allowing reclamation as an incentive-eligible measure.⁴⁸ From its experience working directly with businesses, the BRRR Program has observed how incentivizing low- and no-GWP refrigerants has secondary benefits that can “unlock broader efficiency opportunities and maximize the overall value of public investments.”⁴⁹

But, the Joint RENs disagree with SDG&E and SoCalGas that the Staff Proposal’s proposed refrigerant management pilots should not be ratepayer funded. In response to SoCalGas’s argument that, because contractors are required by law to collect and recycle refrigerants, enforcement, rather than incentives, should be emphasized by the Staff Proposal,⁵⁰ the Joint RENs highlight that compliance with the law should not be assumed. As an analogue, regional Codes and Standards programs are offered by PAs throughout the state (including SDREN and BayREN). These regional programs play an important role in closing the compliance gap. As the Joint RENs noted in opening comments, code compliance rates are as low as 10-30%.⁵¹ The Joint RENs are not aware of a gap analysis that pertains specifically to contractor compliance with refrigerant recycling; however, it would be prudent for the Commission to conduct a study to determine compliance prior to precluding incentives.

In opening comments, PCE explained its support for additional incentives for deployment of low-GWP measures:

⁴⁷ Joint RENs Opening Comments at 25.

⁴⁸ *Id.* at 23.

⁴⁹ *Id.* at 25.

⁵⁰ SoCalGas Opening Comments at 11.

⁵¹ Joint RENs Opening Comments at 27 (citing CEC Docket 24-BDST-05, 2025 Energy Code Compliance Initiatives Staff Workshop 1 Slides (Jan. 27, 2025) at slide 13, *available at*: <https://efiling.energy.ca.gov/GetDocument.aspx?tn=261312&DocumentContentId=97689>).

Many low-GWP refrigerant measures deliver significant greenhouse gas reduction benefits but may not produce incremental energy or peak demand savings and therefore face structural barriers under existing cost-effectiveness requirements. Allowing incentives for low-GWP refrigerant measures independent of energy savings, for instance, would complement the refrigerant pilots conceived in the Staff Proposal by addressing refrigerant emissions across the full equipment lifecycle.⁵²

The Joint RENs also discussed compliance barriers faced by small and HTR businesses, such as lack of awareness on the part of decision-makers, costs, engineering requirements and lack of capital.⁵³ “Without generous incentives, typically covering over 70% of project costs, small and hard-to-reach businesses will continue to face knowledge, space, and cost barriers that limit adoption of environmentally friendly refrigerants, even if regulations require them to.”⁵⁴ In sum, incentives can be a critical component of effective refrigerant management policy to reduce GHG emissions.

3. Should contractors be offered incentives for documenting refrigerant reclamation, how much should be offered or how should a documentation incentive be determined?

In opening comments, parties disagreed with respect to whether incentives should be provided specifically for the documentation of refrigerant reclamations. In reply, the Joint RENs propose that each PA should retain flexibility with respect to pilot or program structure, as it deems appropriate for its specific customer base and program.

⁵² PCE Opening Comments at 10.

⁵³ Joint RENs Opening Comments at 24-25.

⁵⁴ *Id.* at 24.

E. VEA Cost Effectiveness

1. Should VEA measures use TRC or PCT for evaluating cost effectiveness?

Numerous parties' opening comments, including those of the Joint RENs, critiqued both the PCT and TRC for their failure to adequately capture the NEBs of electrification measures, such as reducing indoor air pollution, and supported the inclusion of such benefits in the VEA cost-effectiveness analysis. PCE noted that the TRC imposes structural biases against electrification by imbedding all costs, but not including NEBs.⁵⁵ The TECH Initiative team described co-benefits such as additional cooling for DAC customers disproportionately residing in hot/dry climates and indoor air quality which are not incorporated into the PCT.⁵⁶ The Sierra Club also discussed "meaningful" participant benefits not currently accounted for in the PCT, such as indoor air quality and safety benefits associated with fuel substitution.⁵⁷ SoCalGas alone opposed the inclusion of indoor air quality as part of cost effectiveness assessment.⁵⁸ The Joint RENs disagree with SDG&E, PG&E and PAO that either the PCT or the TRC should be used without significant further refinement with respect to the Equity segment and HTR customers.⁵⁹ This further refinement provides an opportunity to test and inform strategies in the scope of this proceeding

⁵⁵ PCE Opening Comments at 3-4.

⁵⁶ TECH Initiative Team Comments at 4, 14.

⁵⁷ Sierra Club Opening Comments at 29.

⁵⁸ SoCalGas Opening Comments at 22-26.

⁵⁹ See SDG&E Opening Comments at 5, 10 (supporting TRC); PG&E Opening Comments at 9 (supporting PCT in this context); PAO Opening Comments at 2-3.

with respect to the application of cost-effectiveness to the EE portfolio, and the ability to increase benefits and investment in equity and HTR populations where VEAs can advance affordability.

As some parties noted, the Staff Proposal recommends that the Commission “consider the health benefits for participants of reduced indoor air pollution due to electrifying gas stoves as a part of assessing ratepayer benefit comparison for VEA (Section 3.7) for gas and induction stoves.”⁶⁰ But the proposal is incomplete and doesn’t sufficiently address such benefits, given the limitations of the PCT (and the TRC).

In response to PG&E’s argument that, while it supports PCT for the VEA determination context, the TRC is the primary test for the Resource Acquisition segment, inclusive of fuel substitution measures, and R.22-11-013 is the primary forum for discussions of cost effectiveness tests for EE portfolios overall,⁶¹ the Joint RENs wish to clarify that Total System Benefit (“TSB”) is actually the “North Star” applicable to REN authorizations and evaluation of the Potential and Goals Study. RENs are not subject to the TRC.⁶²

2. Should other cost-effectiveness criteria be considered?

Relevant to these equity-related critiques of the Staff Proposal’s use of the PCT (or TRC) to determine cost effectiveness for VEA determination, parties proposed several other criteria to be considered. SBUA suggested the Societal Cost Test (“SCT”), including a social discount rate, be considered for informational purposes to supplement the PCT.⁶³ The Joint RENs agree that the

⁶⁰ Staff Proposal at 19.

⁶¹ PG&E Opening Comments at 9 (citing D.21-05-031 Ordering Paragraph (“OP”) 3).

⁶² D.21-05-031, Assessment of Energy Efficiency Potential and Goals and Modification of Portfolio Approval and Oversight Process (May 20, 2021) at 21, Conclusion of Law 8, OPs 1, 2; *see also* R.22-11-013, Association of Bay Area Governments and County of Ventura Comments on ALJ Ruling (May 12, 2025) at 8-9.

⁶³ SBUA Opening Comments at 7-8.

SCT has value for informational purposes because it is more comprehensive, equitable and inclusive. But, as pointed out in the Joint RENS' opening comments, the SCT also is still in need of refinements.⁶⁴

As noted above, the Sierra Club recommended an adder to the PCT to better address NEBs. The Joint RENS support this approach as an interim step before a more comprehensive means of addressing such benefits and social costs of gas and electrification emerges through the work of the CEC's Order Instituting Informational Proceeding on Non-energy Benefits and Social Costs (Docket No. 24-OIIP-03).⁶⁵ It is critical for the Commission to develop an equity-appropriate refinement or companion metric that adequately adjusts for known code-compliance gaps, non-energy barriers, and structural inequities that materially influence customer costs and benefits for the Equity segment, equity customers and HTR customers. By acknowledging the barriers and increased PA effort needed to provide EE programs to equity and HTR customers, and then creating prohibitive policies that reduce access to VEAs would be counterproductive to the objective of serving such populations.

Finally, the Joint RENS agree that, at a very bare minimum, NEIs should be tracked in eTRM.⁶⁶ Fuel substitution measure packages should be enabled to track such costs and benefits by working with CalTF to create a field in the eTRM for tracking equity and HTR VEAs. The Joint RENS recommend the addition of placeholder fields in the eTRM and CEDARS as outlined in Section 3.4 of the Staff Proposal, and an update to Section 3.8 of the Staff Proposal to direct the eTRM to include a measure permutation field for non-energy impacts.⁶⁷

⁶⁴ Joint RENS Opening Comments at 30.

⁶⁵ *Id.*

⁶⁶ *See* Staff Proposal at 32.

⁶⁷ Joint RENS Opening Comments at 29.

III. CONCLUSION

The Joint RENs thank the Commission for the opportunity to reply to opening comments on the Staff Proposal. The Joint RENs urge the Commission to revise the Staff Proposal to align with California law and policy supporting and prioritizing decarbonization in disadvantaged communities, and taking into the account the costs and needs of such action in an equitable and inclusive manner. The Joint RENs also strongly support the implementation of refrigerant management by PAs, including RENs.

Respectfully submitted,

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January 23, 2026

ITEM 21

ATTACHMENT C

Affordability Solutions

Electricity bills in California have been rising due to challenging market conditions, outdated policies, and limited flexibility in how energy and capacity are traded. Families and businesses are feeling the impact. Lawmakers and regulators need practical, consumer-focused solutions that bring down costs while maintaining reliability. These two proposals by CalCCA are vehicles for achieving those aims.

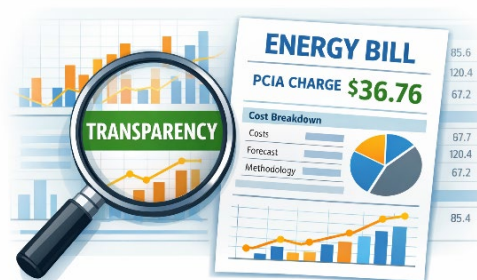
1. Improving PCIA Transparency

The Power Charge Indifference Adjustment (PCIA) is a fee designed to ensure customers who leave utility generation service (like a Community Choice Aggregator) pay their fair share of legacy power costs. But over the years of implementing the PCIA, there has been no consistent standard for what data must be made available to the CCAs in California Public Utilities Commission (CPUC) rate proceedings where the PCIA is set.

CalCCA's Proposal

CalCCA is proposing to bring transparency to the way the PCIA is calculated. Today, CCAs and their customers must pay this charge but often lack access to the data, assumptions, and methods used to set it. This inconsistency creates disputes, inefficiencies, and unexpected rate impacts. More specifically:

- Disclosures vary by utility and by Commission proceeding, resulting in repeated fights between CCAs and the IOUs over data access and increased administrative inefficiencies as the CPUC resolves the issue on a case-by-case basis.
- Utilities make mistakes. For example, PG&E recently identified an accounting error that would have cost CCA customers \$217 million.
- In an ongoing PCIA rulemaking the Commission withheld information on the rate impacts of the proposed change and continues to withhold information even after multiple Public Records Act requests.



Without adequate transparency, CCAs are unable to verify the accuracy of the PCIA charges that their customers must pay and cannot confidently forecast rates – both of which are needed to protect customers from unexpected rate increases. CalCCA proposes amending the Public Utilities Code to require the CPUC and Investor-Owned Utilities (IOUs) to disclose all data used to calculate PCIA costs, including cost inputs, forecasting assumptions, and methodologies. Sensitive information would remain protected through Commission-approved nondisclosure agreements.

Why This Matters

Greater transparency allows CCAs to better forecast costs and shield customers from sudden rate swings. It reduces repeated fights over information, improves regulatory efficiency, and encourages utilities to verify calculations since the underlying data would be open to review. Most of this information already exists, so costs are minimal, while the benefits for rate stability, accountability, and consumer confidence are substantial. This proposal strengthens confidence that customers pay their fair share — and not more. For more on the PCIA go to: <https://cal-cca.org/pcia/>.

2. Improving RA Transactability

California's Resource Adequacy (RA) program ensures there is enough electricity supply to meet customer demand. With the recent transition to the Slice-of-Day (SOD) framework, load-serving entities (LSEs), including CCAs, must show resources sufficient to meet load obligations in each hour rather than monthly. While this aligns resources more precisely with load, under current rules LSEs are restricted to buying or selling RA products for the whole month even though obligations are unique to each hour.

This mismatch means LSEs must purchase more RA than they need to meet their obligations, creating artificial market scarcity and unnecessarily driving up RA demand (and prices). It's akin to having to buy a crate of oranges when you only need a few slices. These unnecessary costs fall directly on California ratepayers, totaling **tens of millions of dollars annually**.



CalCCA's Proposal

CalCCA is proposing reforms that would improve California's RA trading program by allowing LSEs to transact RA load obligations on an hourly basis to align with the new slice-of-day RA program. Benefits of CalCCA's RA trading proposal include:

- LSEs with excess resources in one hour could trade with LSEs that are short, reducing the need to purchase additional RA.
- In 2025, hourly trading could have lowered RA costs for consumers by **avoiding \$105 million in excess RA purchases for summer 2025** and potentially saving **an additional \$77 million annually**.
- Trades can be executed bilaterally with existing RA tracking tools, making the system administratively simple while maintaining each LSE's full responsibility to meet obligations.

These changes make RA more flexible and efficient without requiring new generation infrastructure.

Why This Matters

At a time with rapidly rising costs in the electricity sector, policy makers should provide LSEs maximum flexibility in how they contribute their fair share to keep the overall system reliable. Enabling hourly load obligation trading:

- promotes affordability by reducing artificial RA scarcity
- is administratively simple in that LSEs can document bilateral trades using existing RA showing tools with the CPUC
- maintains LSE responsibility by creating a new procurement product rather than offering relief from meeting existing requirements

Today's RA rules make it difficult for CCAs to allocate resources efficiently, resulting in unnecessary costs and administrative hurdles. By allowing hourly transactions, CCAs can better match supply to local demand, reduce over-procurement, and protect customers from inflated electricity costs. The system becomes more transparent, predictable, and fair. These reforms could save tens of millions of dollars each year while maintaining reliability and supporting California's clean energy goals. For more on CalCCA's proposal go to: cal-cca.org/ra-transactability/.

ITEM 21

ATTACHMENT D

What is CCA?

Through Community Choice Aggregation (CCA), communities can join together to pool (or aggregate) their electricity load in order to purchase clean energy and develop local projects and programs on behalf of their residents and businesses. Aggregators work in partnership with the region's existing Investor-Owned Utility (IOU), which continues to deliver power and maintain the grid. Some 'choice' stats about CCA in California:

**200+**

Cities & counties throughout California that have made the choice to implement a community choice energy program in their communities

**21,000+**

Megawatts of new-build solar, wind, energy storage, geothermal, and demand response power purchase contracts signed by CCAs

**15 million+**

Electricity customers in California served by a CCA program. That's more than one-third of the state's population

**48,000**

Construction jobs supported by CCA clean energy power purchase agreements

**25**

Operational CCA programs successfully serving customers in California

**\$48 Billion+**

Committed by CCAs to build and operate clean energy resources

**27%**

Percent of California retail load served by community choice energy providers

**\$23 Billion**

In green bond prepayment transactions equating to savings of around \$150 million per year for CCA customers



Your CalCCA Contact:

Sean MacNeil
Director of Legislative Affairs
sean@cal-cca.org

The California Community Choice Association's mission is to support the development and long-term sustainability of locally-run CCA electricity providers throughout California.

Areas of Service:



* Not all towns/cities within a county are served by the local CCA program. Please visit individual agency websites for more detailed service area information. To learn more about CalCCA please visit our website at cal-cca.org.

ITEM 21

ATTACHMENT E

Supporting an Equitable and Affordable Clean Energy Transition

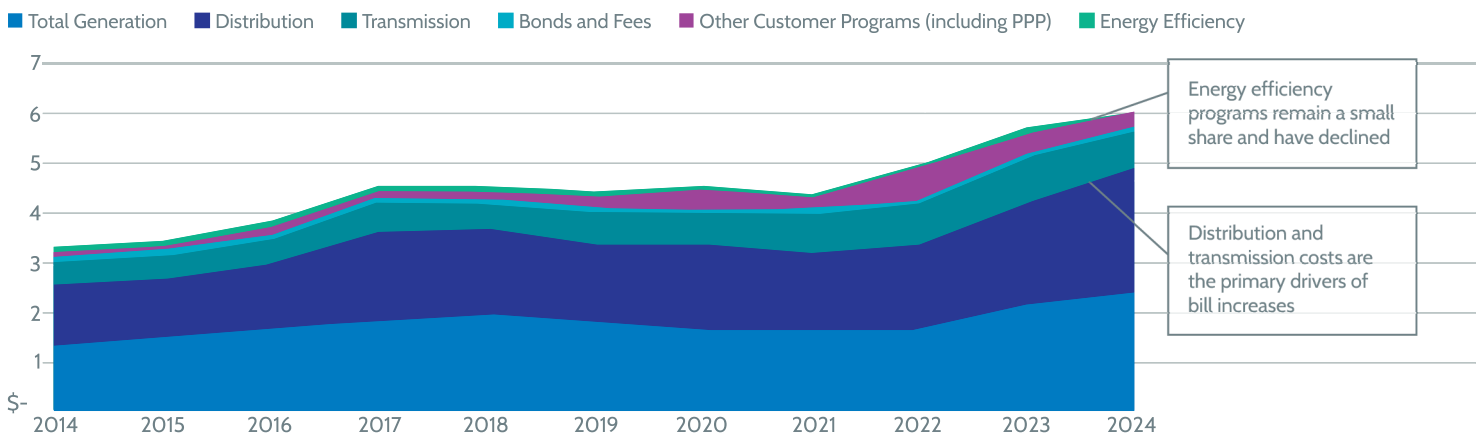
Making Better Use of Utility Funds to Deliver Efficiency and Electrification Programs

The San Diego Regional Energy Network (SDREN) makes it simpler for everyone in San Diego County to save energy and realize the benefits of a clean energy economy. Led by San Diego Community Power in partnership with the County of San Diego, SDREN leverages a long-standing funding mechanism already collected from ratepayers statewide for energy efficiency and low-income programs.

How are these programs funded?

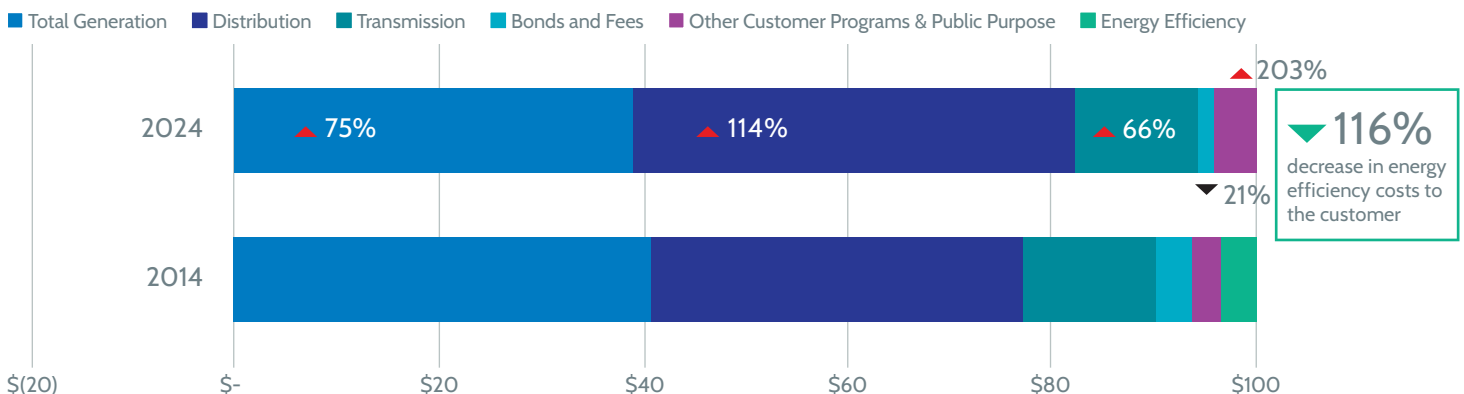
SDREN is funded through the existing Public Purpose Program Surcharge, enabling broader local access to an existing surcharge on customer bills.

San Diego Total Cost to Serve 2014-2024 (in Billions)



Ratepayer Cost Trends as a Percentage of a Customer Bill 2014 vs. 2024*

The comparison below illustrates the conceptual components of a ratepayer's electricity expenditure, assuming a rounded \$100 spend, and analyzes the structural changes between the 2014 and 2024 billing models.



*Some cost categories may have increased in aggregate, but decreased as a percent of a customer's total bill.

ITEM 21

ATTACHMENT F

100% Renewable Energy by 2035

Our mission is to provide affordable, 100% renewable energy by 2035 and invest in the community to create an equitable and sustainable future for the San Diego region.

Affordability: Community-Driven Clean Energy



Four competitively priced rate options designed to meet customer needs



2,000 low-income residents planned for enrollment in the Solar Advantage community solar program by 2027, receiving a 20% bill discount



14 distributed, locally sited stand-alone and paired solar and storage projects, keeping energy dollars in the region



Two prepayment transactions are saving customers up to \$13 million annually, with a goal to pursue additional savings of up to \$50 million per year — more than 5% savings for ratepayers

Community Impact

3.4 Gigawatts

of renewable energy and energy storage capacity procured

2,800+

union construction jobs created, supporting the clean energy economy

\$30M+

allocated to the Solar Battery Savings program for home battery systems

\$2M+

awarded through Community Clean Energy Grants

10

San Diego Regional Energy Network (SDREN) energy efficiency programs launching this year provide incentives and workforce development — focused on equity, community-led solutions and cost reduction

Governance: Local Oversight and Accountability

San Diego Community Power rates, energy procurement and programs are overseen and approved by a Board of Directors consisting of one elected official from each of the seven communities that we serve. The Board is advised by a **14-member Community Advisory Committee**, ensuring that the voices of our local communities are represented in the Board's decision-making process.



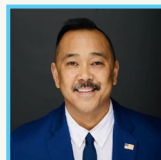
Terra Lawson-Remer, Chair
San Diego County Supervisor



Ditas Yamane, Vice Chair
City of National City Councilmember



Michael Inzunza
City of Chula Vista Councilmember



Marco San Antonio
City of Encinitas Councilmember



Jack Fisher
City of Imperial Beach Councilmember



Genevieve Suzuki
City of La Mesa Councilmember



Sean Elo-Rivera
City of San Diego Councilmember



California Senate District 18

Renewable Energy Projects



Utility-Scale

Community Power purchases energy from utility-scale renewable energy projects. We prioritize projects in or near the San Diego region that will result in lower transmission and delivery costs, as well as support local job creation.

Arrowleaf Solar and Storage | Border Hybrid Energy Center | Chula Vista Energy Center 2 | Jacumba Valley Ranch Energy Park | Vikings Energy Farm



Community Solar

Community solar projects, typically under 6 MW, are part of Community Power's Solar Advantage program, a critical component to our local development goals. The projects are expected to provide bill discounts to over 1,250 low-income residents in the district.

1st Light Chula Vista | Chula Vista Center



Community Battery Projects

These projects, typically 3–6 megawatts, help improve local grid reliability and reduce energy costs.

Airway | Brittania | Faivre | Panasonic

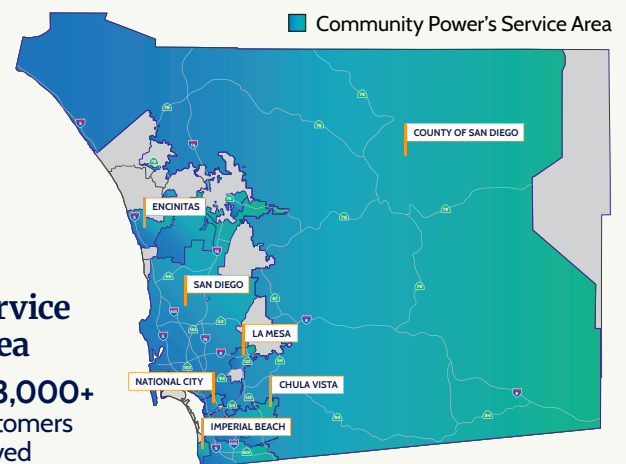
At a Glance

130,000+
customers served

178+
Solar Battery Savings
incentives awarded

11+
projects built or
under contract

**Service
Area**
963,000+
customers
served



Want to learn about
Community Power's
legislative priorities?
Scan this QR code:



ITEM 21

ATTACHMENT G

100% Renewable Energy by 2035

Our mission is to provide affordable, 100% renewable energy by 2035 and invest in the community to create an equitable and sustainable future for the San Diego region.

Affordability: Community-Driven Clean Energy



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San Diego Regional Energy Network (SDREN) energy efficiency programs launching this year provide incentives and workforce development — focused on equity, community-led solutions and cost reduction

Governance: Local Oversight and Accountability

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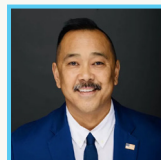
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Marco San Antonio
City of Encinitas Councilmember



Jack Fisher
City of Imperial Beach Councilmember



Genevieve Suzuki
City of La Mesa Councilmember



Sean Elo-Rivera
City of San Diego Councilmember



California Senate District 38

Community Advisory Committee (CAC)

San Diego Community Power's CAC includes two community representatives from each of the seven communities that we serve. The committee's role is to advise our Board of Directors, ensuring that the voices of our local communities are represented in the Board's decision-making process. The CAC meets monthly, and all meetings are open to the public, in person or virtually.

2026 Leadership Positions



David Harris,
Chair
City of La Mesa



Luis Montero-Adams,
Vice-Chair
City of San Diego



Ross Pike,
Secretary
County of San Diego,
Unincorporated

At a Glance

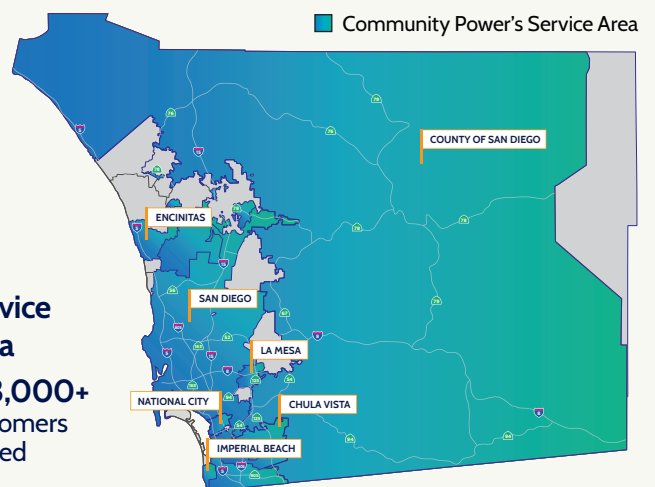
78,200+
customers served

206+
Solar Battery Savings
incentives awarded

Want to learn about
Community Power's
legislative priorities?
Scan this QR code:



**Service
Area**
963,000+
customers served



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.