



Finance and Risk Management Committee

Regular Meeting

March 19, 2026

Welcome and Call to Order

Roll Call



Land Acknowledgement

Items to be Withdrawn or Reordered on the Agenda

Public Comment on non-Agenda Items

Consent Calendar

- 1. Approve February 19, 2026, Meeting Minutes**



Public Comment on Consent Calendar

Regular Agenda

2. **Treasurer's Report for Six-Month Period Ending December 31, 2025**
3. **Recommend Board Adoption of Resolution, Approving the Rate Stabilization Reserve Policy**
4. **Recommend Board Adoption of Resolution, Authorizing San Diego Community Power to Join the California Community Choice Financing Authority as a Founding Member**
5. **Update on 2026 Projected Community Power Rates**
6. **Announcement of Public Investment Grade Credit Rating from S&P Global Ratings**



Item No. 2

Treasurer's Report for Six-Month Period Ending December 31, 2025



Recommendation:

Receive and File Treasurer's Report for Six-Month Period Ending December 31, 2025

Presenters:
Jeb Spengler, Senior Strategic Finance
Manager/Interim Treasurer
Dan Delaney, Chandler Asset Management

Financial Statement Highlights

Summary of Actual Results vs. Amended Budget

Results for the 6-month period ending December 31, 2025:

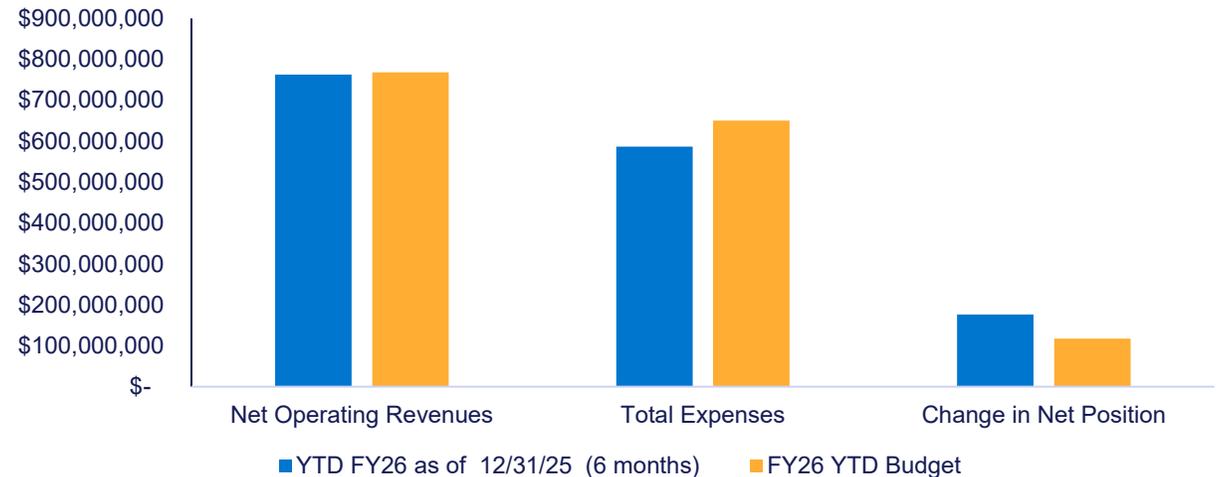
- Operating Revenues = 0.7% below budget
- Operating Expenses = 10% below budget

Year-to-Date Totals for FY26:

- \$762.9M in net operating revenues
- \$586.5M in total expenses (including energy costs of \$550.9M)
- \$176.5M change in YTD net position

Budget Comparison				
	YTD FY26 as of 12/31/25 (6 months)	FY26 YTD Budget	Budget Variance (\$)	Budget (%)
Net Operating Revenues	\$ 762,964,670	\$ 767,986,000	\$ (5,021,330)	99.3%
Total Expenses	\$ 586,467,012	\$ 650,569,000	\$ (64,101,988)	90%
Change in Net Position	\$ 176,497,659	\$ 117,417,000	\$ 59,080,659	

YTD FY26 Results v. Budget



FY Budget Net Position to Operating Income

FY Budget Net Position to Operating Income

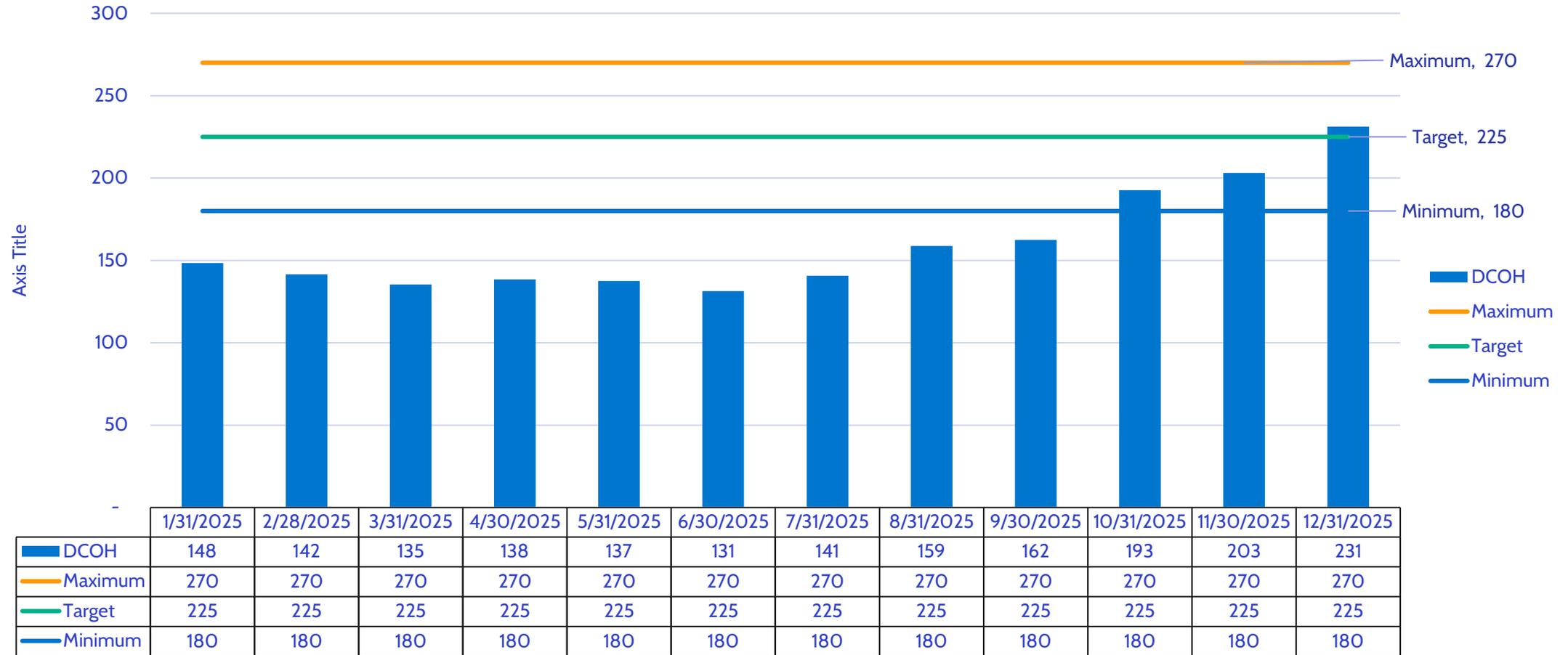


	7/31/2025	8/31/2025	9/30/2025	10/31/2025	11/30/2025	12/31/2025
Operating Income	\$42.8M	\$33.8M	\$27.6M	\$62.4M	\$17.1M	\$4.2M
Budget Net Position	\$40.9M	\$32.9M	\$21.3M	\$46.8M	-\$0.1M	-\$2.1M

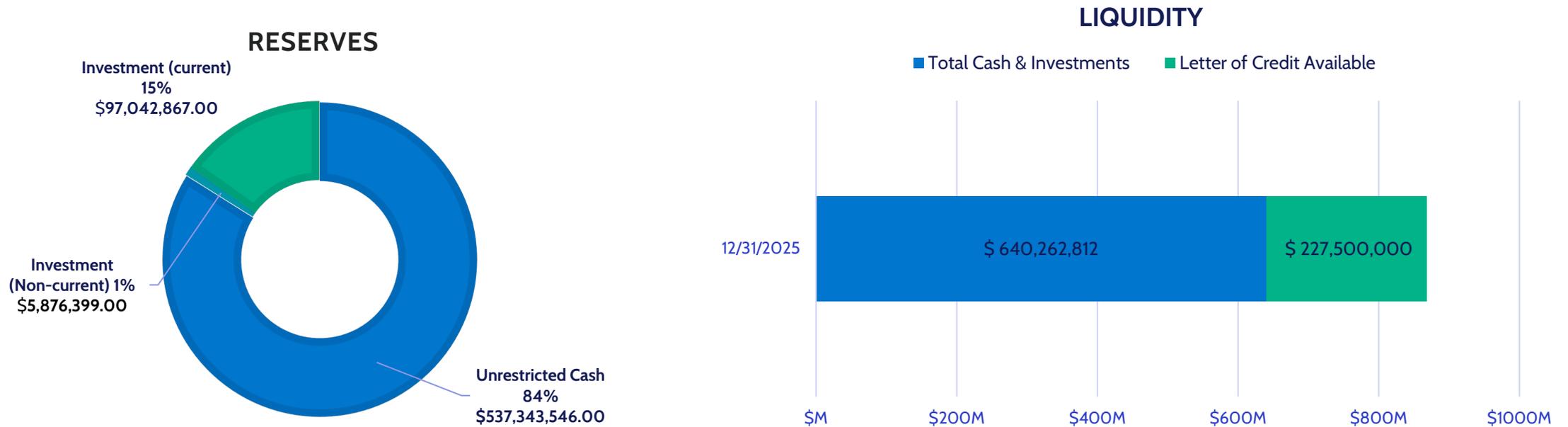


Reserves

Rolling 12-Months Days Cash on Hand (DCOH)



Reserves and Total Liquidity

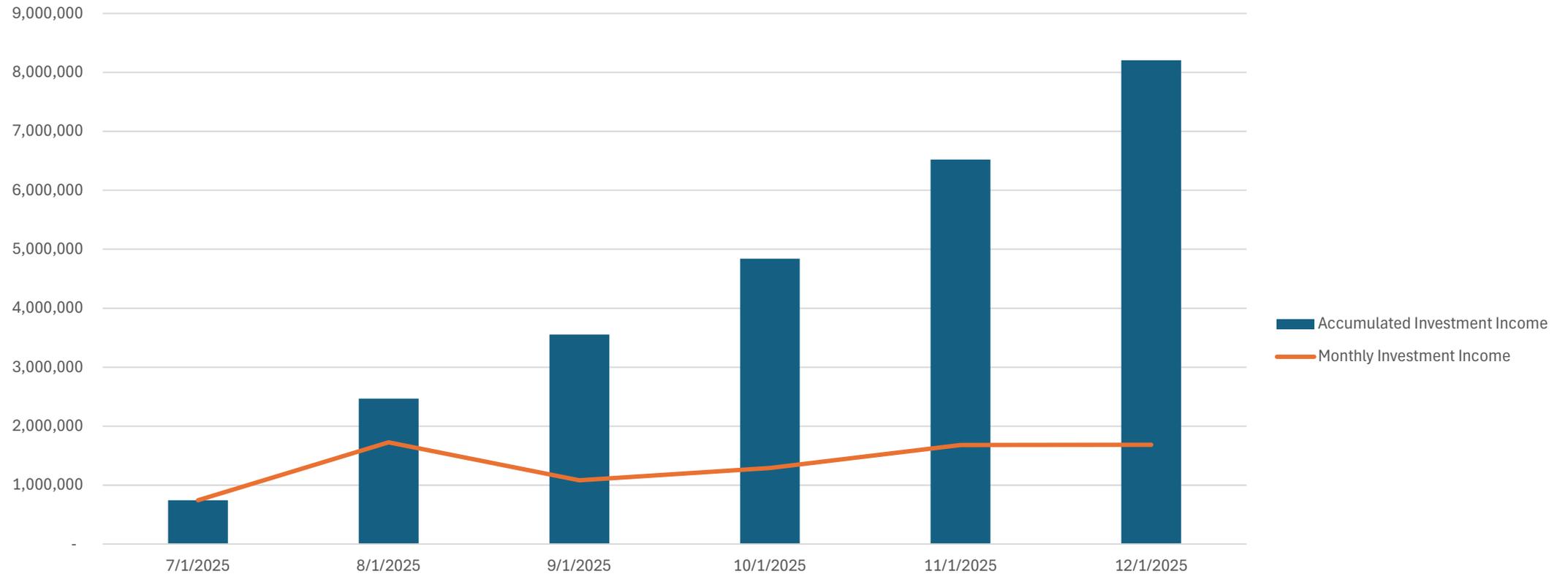


Reserves are defined as unrestricted cash, cash equivalents, and investments unencumbered by legal agreements and not earmarked for specific purposes.



FY26 Year-To-Date Investment Income

INVESTMENT INCOME

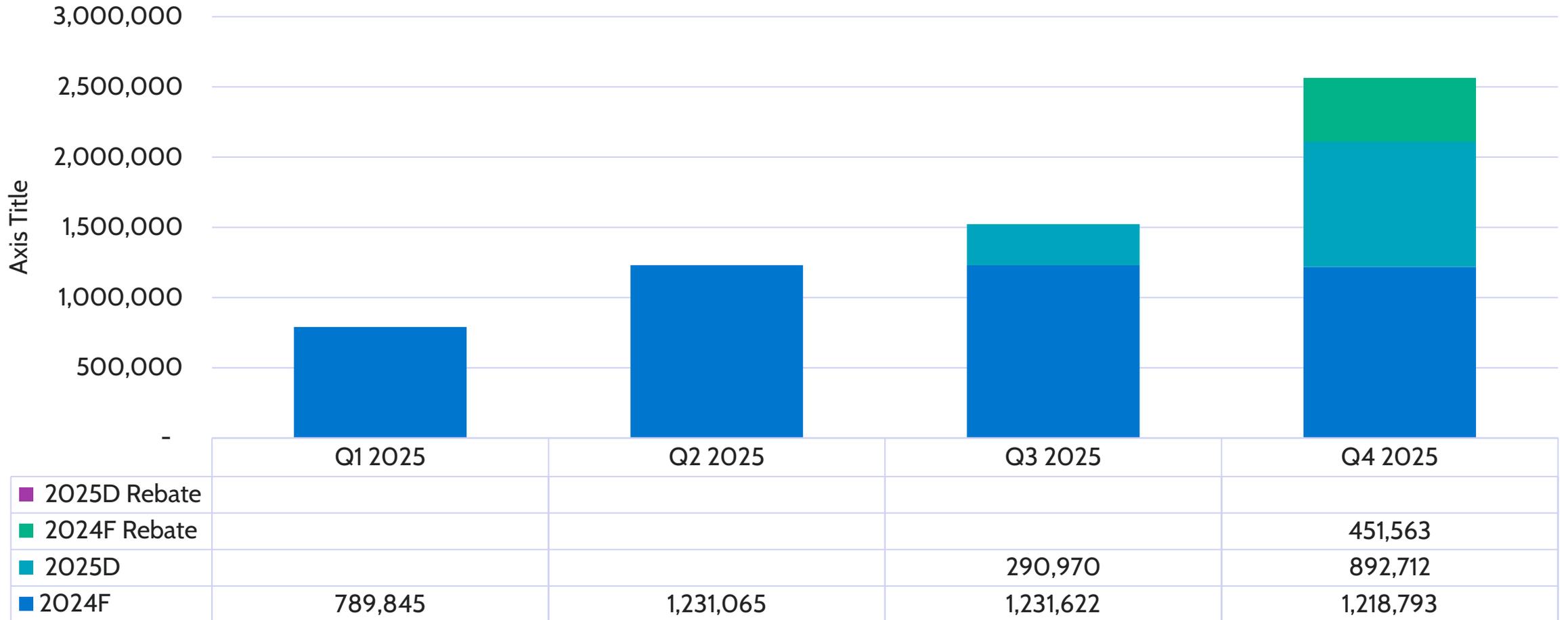


	7/31/2025	8/31/2025	9/30/2025	10/31/2025	11/30/2025	12/31/2025
Accumulated Investment Income	742,685	2,467,988	3,551,532	4,842,114	6,521,057	8,205,810
Monthly Investment Income	742,685	1,725,303	1,083,544	1,290,582	1,678,943	1,684,753



Quarterly Clean Energy Prepayment Bond Program Savings

Prepay Bond Program Savings



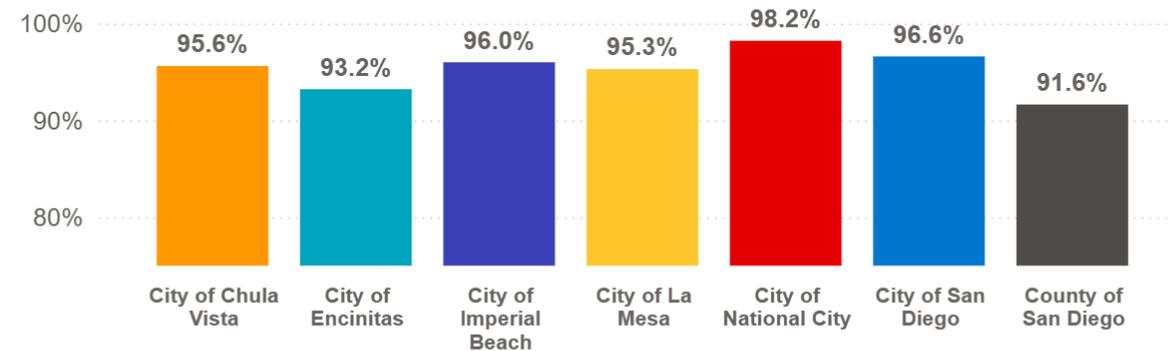
Participation by Jurisdiction

**Enrolled
Accounts**
967,927

**Participation
Rate**
95.5%

Participation

Participation by Jurisdiction



Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	100,202	95,817	95.6%
City of Encinitas	Power100	28,945	26,985	93.2%
City of Imperial Beach	PowerOn	10,821	10,389	96.0%
City of La Mesa	PowerOn	29,630	28,238	95.3%
City of National City	PowerOn	19,681	19,333	98.2%
City of San Diego	PowerOn	633,315	611,854	96.6%
County of San Diego	PowerOn	191,287	175,311	91.6%
Total		1,013,881	967,927	95.5%



INVESTMENT REPORT

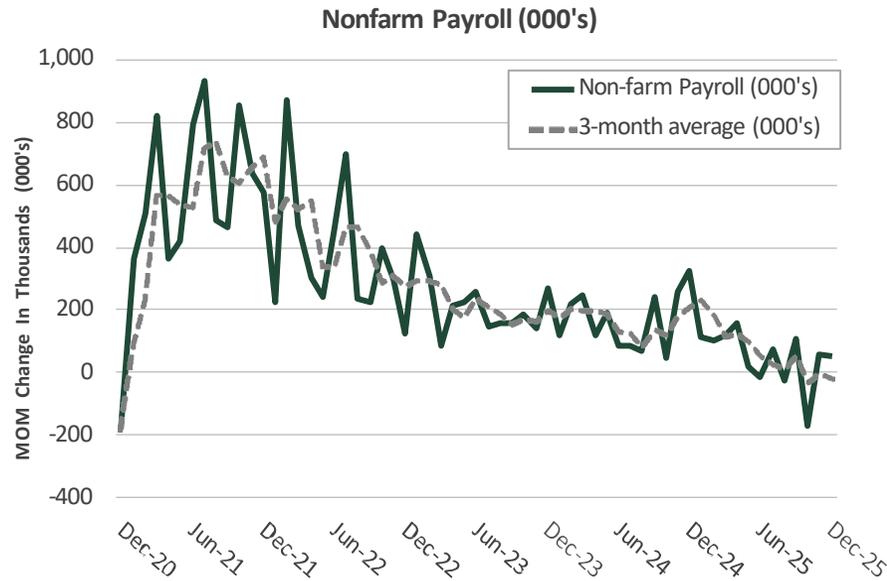
San Diego Community Power | As of December 31, 2025

CHANDLER ASSET MANAGEMENT | chandlerasset.com

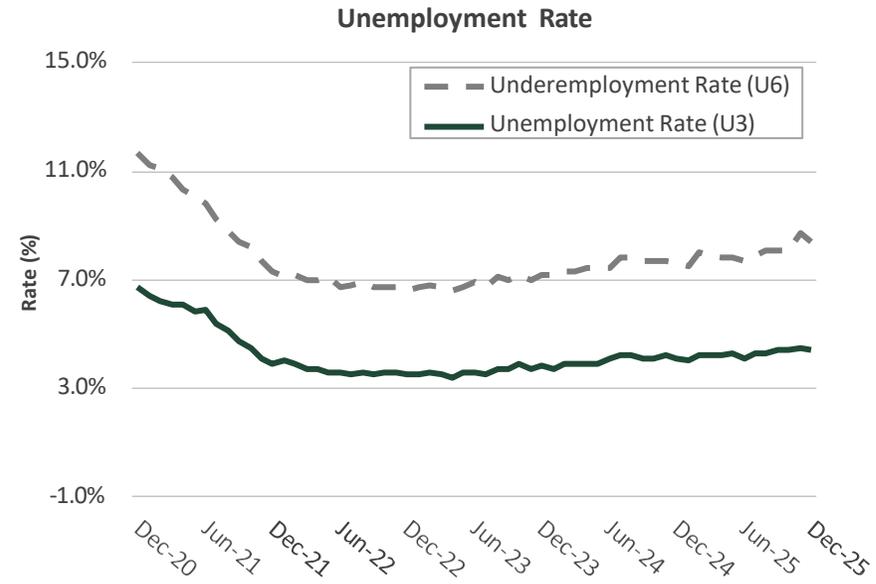
Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact clientservice@chandlerasset.com

ECONOMIC UPDATE

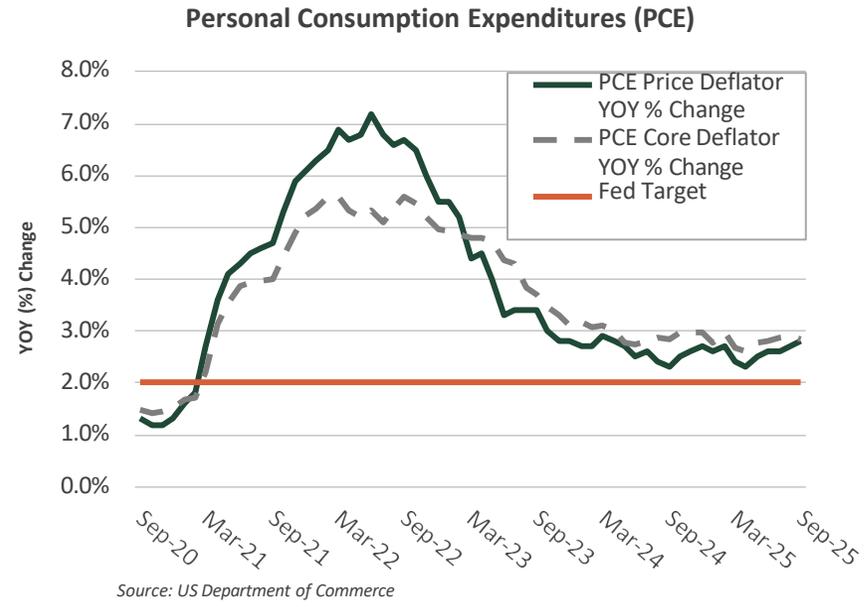
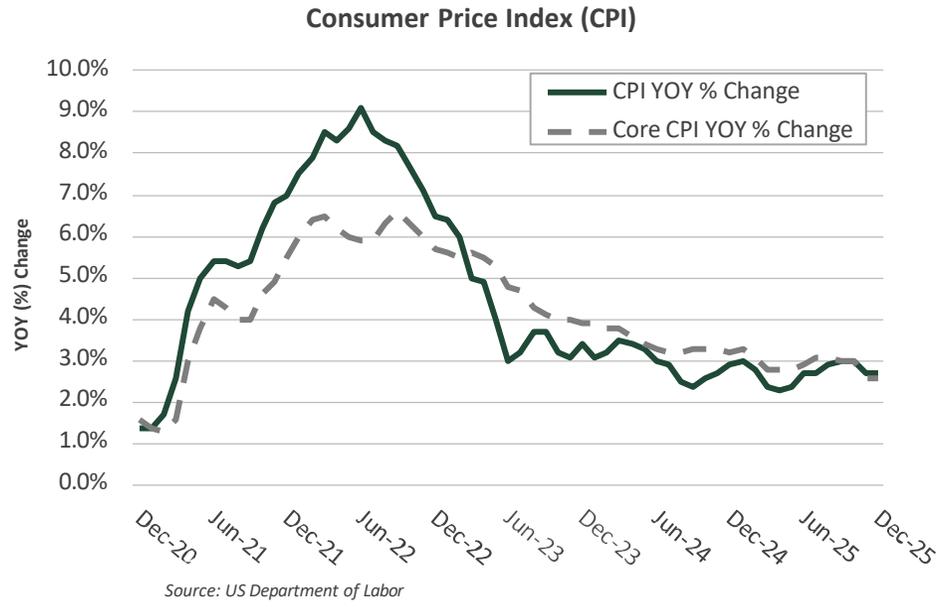


Source: US Department of Labor

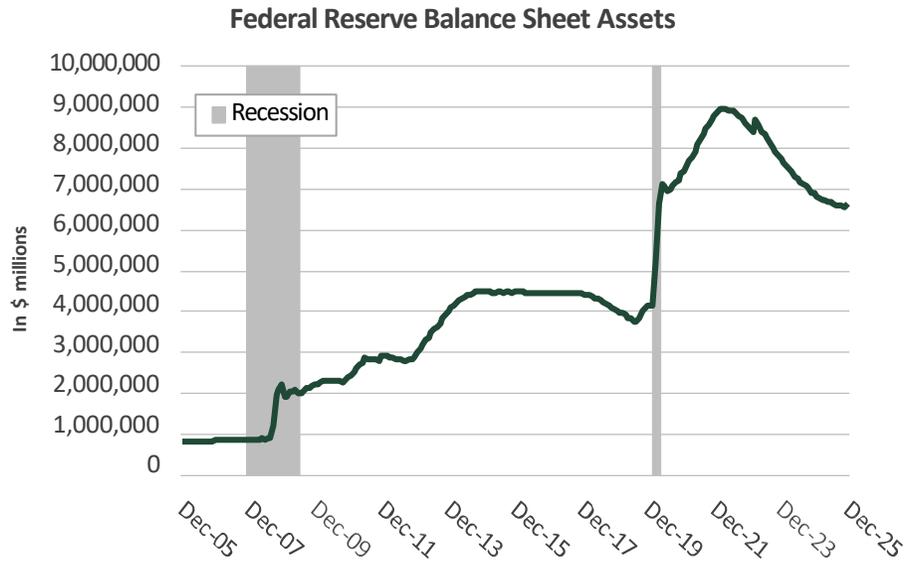


Source: US Department of Labor

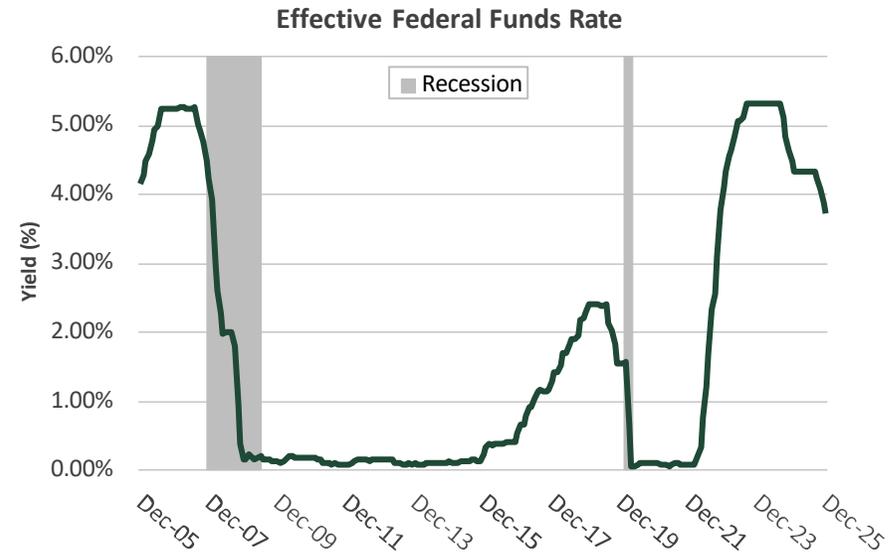
The December Nonfarm Payrolls report showed weaker-than-expected job growth, with payrolls rising by 50,000 compared with the consensus estimate of 70,000. This follows a downwardly revised gain of 56,000 in November. Employment declines were most pronounced in retail trade and construction, while leisure and hospitality posted the strongest gains. Notably, the unemployment rate edged down to 4.4% after increasing to 4.6% in November.



The Consumer Price Index (CPI) showed that inflation remained relatively subdued in December, with headline CPI and core CPI holding at 2.7% and 2.6% respectively year-over-year. Shelter has continued to play a central but gradually moderating role in services inflation. December data keeps inflation close to the prior month’s pace and consistent with a trend of easing price pressures. The Personal Consumption Expenditures (PCE) Index for September, released on December 5, showed headline inflation up 0.3% from August and 2.8% year over year. Core PCE rose 0.2% on the month and 2.8% on an annual basis.

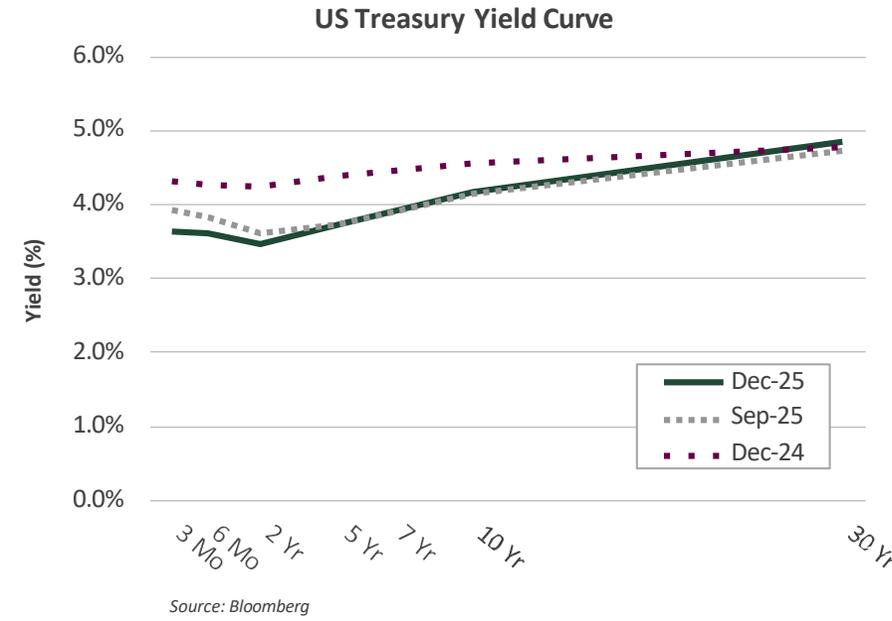
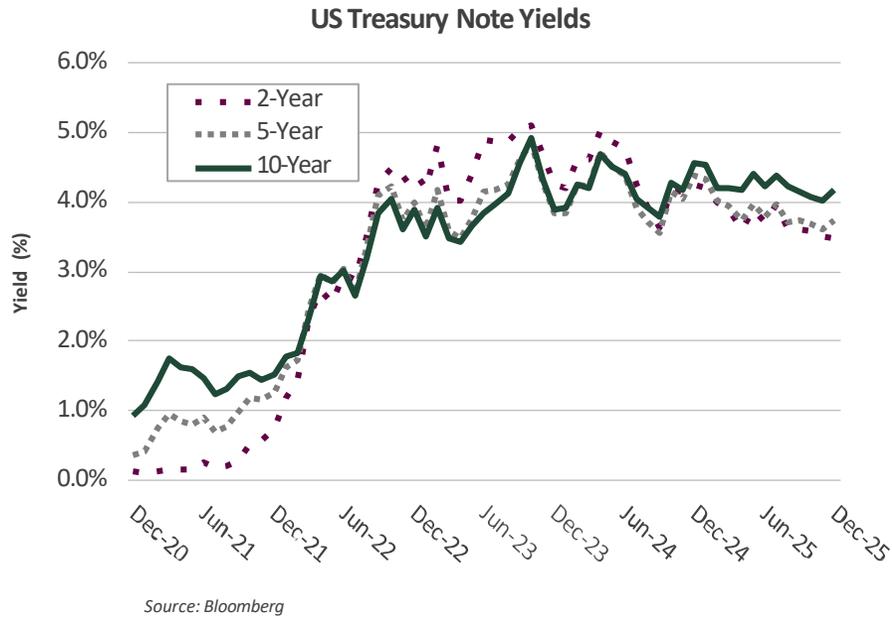


Source: Federal Reserve



Source: Bloomberg

The Federal Reserve lowered its benchmark interest rate by a quarter point to a target range of 3.50% to 3.75% at its December meeting, citing concerns about emerging weakness in the labor market. A few policymakers dissented, arguing that tighter monetary policy may still be warranted to ensure progress on price stability. Beginning December 1, the Fed also halted its balance sheet runoff, announcing that principal and interest payments from its holdings will be reinvested in Treasury securities to maintain ample reserves and support market stability.



At the end of December, the 2-year yield was 77 basis points lower, and the 10-year yield was 40 basis points lower, year-over-year. The spread between the 2-year and 10-year Treasury yield points on the curve increased to +69 basis points at December month-end versus +52 basis points at November month-end. The prior 2-year/10-year yield curve inversion, which spanned from July 2022 to August 2024, was historically long. The average historical spread (since 2005) is about +95 basis points. The spread between the 3-month and 10-year Treasury yield points on the curve was +54 basis points in December versus +21 basis points in November.

ACCOUNT PROFILE

OBJECTIVES

Investment Objectives

The investment objectives of the San Diego Community Power are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide sufficient liquidity to meet all disbursement requirements; and third, to earn an acceptable rate of return after first considering safety of principal and liquidity.

Chandler Asset Management Performance Objective

The performance objective for the portfolio is to earn a total rate of return through a market cycle that is equal to or above the return on the benchmark index.

Strategy

In order to achieve this objective, the portfolio invests in high-quality fixed income securities that comply with the investment policy and all regulations governing the funds.

PORTFOLIO CHARACTERISTICS

San Diego Community Power ConsAgg | Account #11452 | As of December 31, 2025

	12/31/2025 Portfolio	9/30/2025 Portfolio
Average Maturity (yrs)	0.48	0.66
Average Modified Duration	0.41	0.56
Average Purchase Yield	3.60%	3.16%
Average Market Yield	3.54%	3.09%
Average Quality**	AA	AA
Total Market Value	651,186,199	450,252,239

*Benchmark: NO BENCHMARK REQUIRED

**The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

STATEMENT OF COMPLIANCE

San Diego Community Power ConsAgg | Account #11452 | As of December 31, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
AGENCY MORTGAGE SECURITIES				
Max % (MV)	100.0	1.6	Compliant	
Max % Issuer (MV)	30.0	1.6	Compliant	
Max Maturity (Years)	5.0	4.8	Compliant	
Min Rating (A-1 by 1, A- by 1)	0.0	0.0	Compliant	
ASSET-BACKED SECURITIES (ABS)				
Max % (MV; ABS & MBS)	20.0	3.1	Compliant	
Max % Issuer (MV)	5.0	0.3	Compliant	
Max Maturity (Years)	5.0	4.5	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
BANKERS' ACCEPTANCES				
Max % (MV)	40.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	180.0	0.0	Compliant	
Min Rating (A-1 by 1)	0.0	0.0	Compliant	
CERTIFICATE OF DEPOSIT PLACEMENT SERVICE				
Max % (MV)	50.0	26.9	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
Min Rating (A-1 by 1, A- by 1)	0.0	0.0	Compliant	
COLLATERALIZED BANK DEPOSITS				
Max % (MV)	100.0	40.3	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
Min Rating (A-1 by 1)	0.0	0.0	Compliant	
COMMERCIAL PAPER				
Max % (MV)	25.0	0.0	Compliant	

STATEMENT OF COMPLIANCE

San Diego Community Power ConsAgg | Account #11452 | As of December 31, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	270.0	0.0	Compliant	
Min Rating (A-1 by 1, A- by 1)	0.0	0.0	Compliant	
CORPORATE MEDIUM TERM NOTES				
Max % (MV)	30.0	4.3	Compliant	
Max % Issuer (MV)	5.0	0.2	Compliant	
Max Maturity (Years)	5.0	4.9	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
FDIC INSURED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
Min Rating (A-1 by 1, A- by 1)	0.0	0.0	Compliant	
FEDERAL AGENCIES				
Max % (MV)	100.0	0.1	Compliant	
Max % Issuer (MV)	30.0	0.1	Compliant	
Max Callables (MV)	20.0	0.0	Compliant	
Max Maturity (Years)	5.0	1.6	Compliant	
Min Rating (A-1 by 1, A- by 1)	0.0	0.0	Compliant	
JOINT POWERS AUTHORITY (JPA) / LOCAL GOVERNMENT INVESTMENT POOL (LGIP)				
Max % (MV)	100.0	0.0	Compliant	
LOCAL AGENCY INVESTMENT FUND (LAIF)				
Max % (MV)	100.0	0.0	Compliant	
MONEY MARKET MUTUAL FUNDS				
Max % (MV)	20.0	0.1	Compliant	
Max % Issuer (MV)	20.0	0.1	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
MORTGAGE-BACKED SECURITIES (NON-AGENCY)				

STATEMENT OF COMPLIANCE

San Diego Community Power ConsAgg | Account #11452 | As of December 31, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
Max % (MV; ABS & MBS)	20.0	3.1	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES				
Max % (MV)	30.0	0.1	Compliant	
Max % Issuer (MV)	5.0	0.1	Compliant	
Max Maturity (Years)	5.0	3.8	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
Min Rating (A-1 or A- by 1)	0.0	0.0	Compliant	
SRI PROHIBITED INVESTMENTS				
Prohibited Investment - Fossil Fuels	0.0	0.0	Compliant	
SUPRANATIONAL OBLIGATIONS				
Max % (MV)	30.0	0.2	Compliant	
Max % Issuer (MV)	10.0	0.2	Compliant	
Max Maturity (Years)	5.0	4.8	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
U.S. TREASURIES				
Max % (MV)	100.0	8.1	Compliant	
Max Maturity (Years)	5.0	4.8	Compliant	
Min Rating (A-1 by 1, A- by 1)	0.0	0.0	Compliant	

PORTFOLIO CHARACTERISTICS

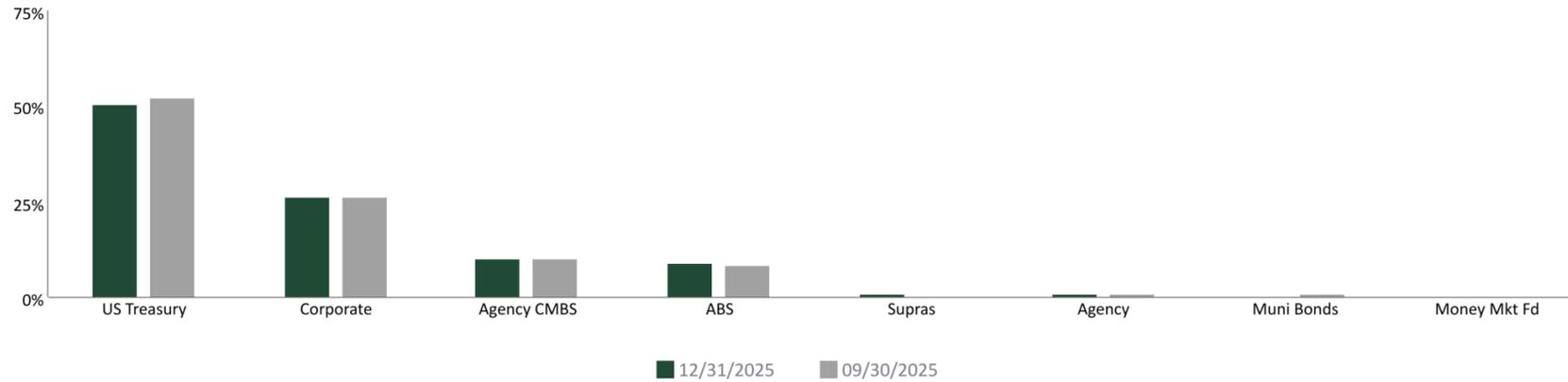
San Diego Community Power | Account #11293 | As of December 31, 2025

	Benchmark*	12/31/2025 Portfolio	9/30/2025 Portfolio
Average Maturity (yrs)	2.64	3.03	3.18
Average Modified Duration	2.47	2.55	2.69
Average Purchase Yield		4.16%	4.20%
Average Market Yield	3.55%	3.77%	3.86%
Average Quality**	AA+	AA	AA
Total Market Value		104,590,213	93,445,189

*Benchmark: ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index
 **The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

SECTOR DISTRIBUTION

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



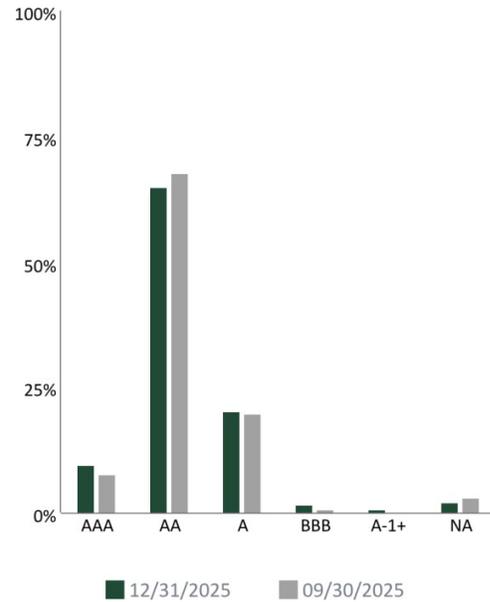
Sector as a Percentage of Market Value

Sector	12/31/2025	09/30/2025
US Treasury	50.72%	52.31%
Corporate	26.66%	26.37%
Agency CMBS	10.19%	10.32%
ABS	9.38%	8.81%
Supras	0.95%	--
Agency	0.87%	0.97%
Muni Bonds	0.86%	0.95%
Money Mkt Fd	0.38%	0.26%

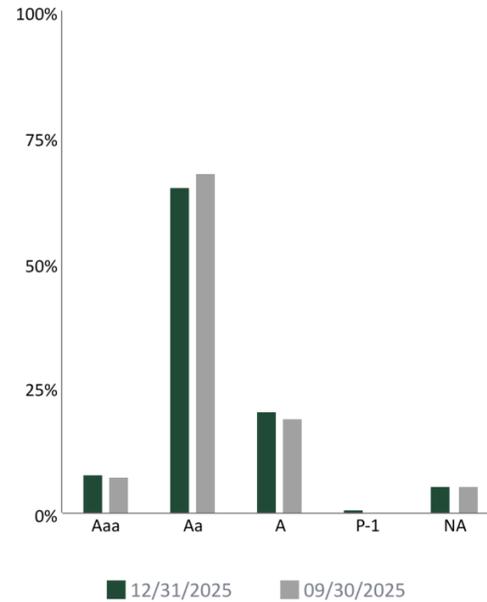
QUALITY DISTRIBUTION

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

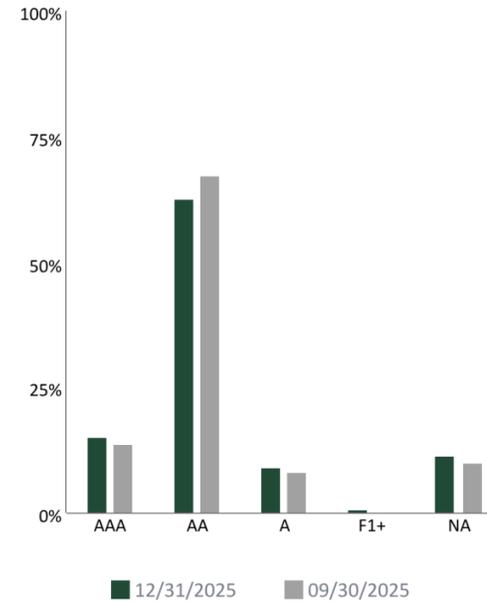
S&P Rating



Moody's Rating



Fitch Rating



Rating	12/31/2025	09/30/2025
AAA	9.64%	7.95%
AA	65.07%	67.86%
A	20.29%	19.93%
BBB	1.83%	0.99%
A-1+	0.95%	--
NA	2.21%	3.28%

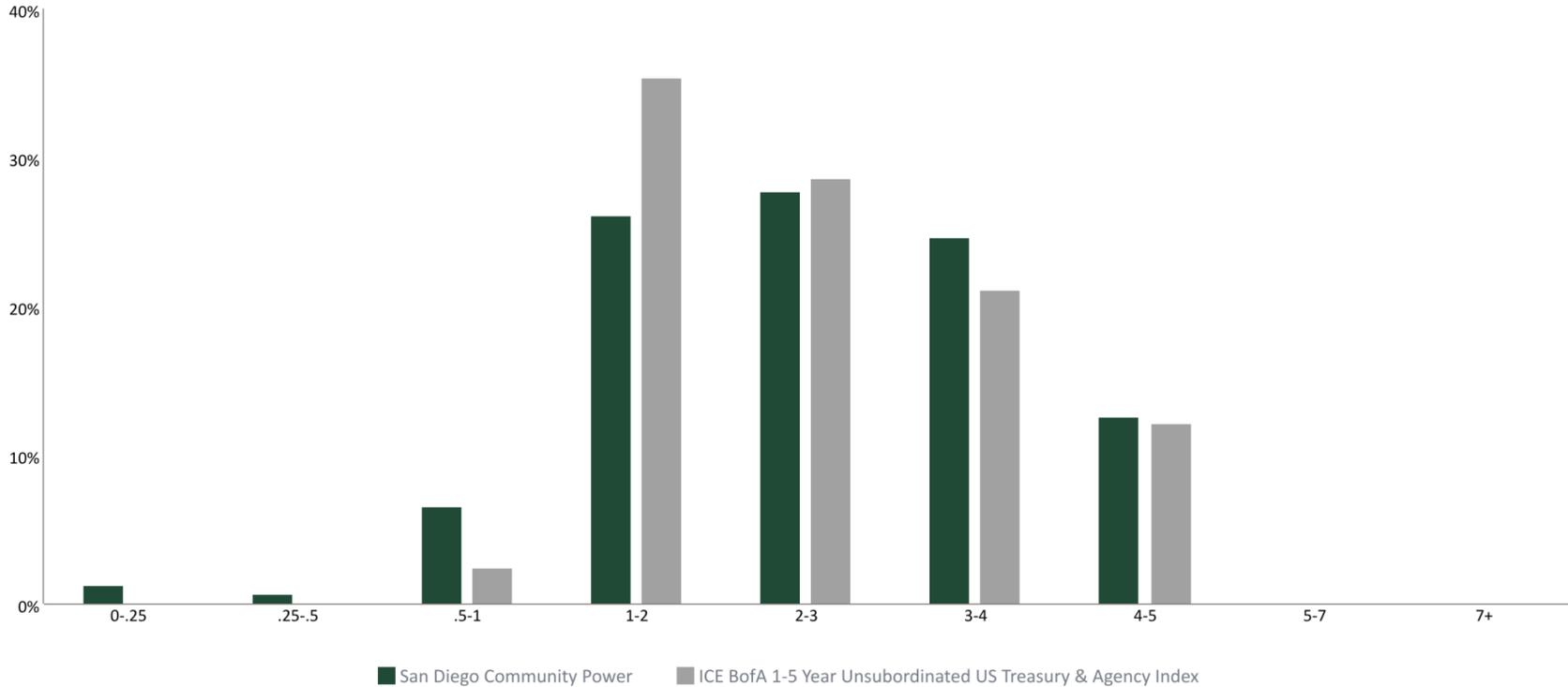
Rating	12/31/2025	09/30/2025
Aaa	7.74%	7.51%
Aa	65.28%	68.09%
A	20.42%	19.03%
P-1	0.95%	--
NA	5.61%	5.37%

Rating	12/31/2025	09/30/2025
AAA	15.19%	14.08%
AA	62.72%	67.51%
A	9.31%	8.25%
F1+	0.95%	--
NA	11.82%	10.16%

DURATION DISTRIBUTION

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

Portfolio Compared to the Benchmark



	0-0.25	0.25-0.5	0.5-1	1-2	2-3	3-4	4-5	5-7	7+
Portfolio	1.3%	0.8%	6.6%	26.2%	27.9%	24.7%	12.6%	0.0%	0.0%
ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index	0.0%	0.0%	2.5%	35.4%	28.7%	21.2%	12.3%	0.0%	0.0%

INVESTMENT PERFORMANCE

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

Total Rate of Return : Inception | 10/01/2024



TOTAL RATE OF RETURN*	3 Months	12 Months	2 Years	3 Years	5 Years	10 Years	Since Inception
San Diego Community Power	1.19%	6.17%					4.34%
Benchmark	1.11%	5.73%					3.92%

*Periods over 1 year are annualized.

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending market value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

Benchmark: ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index

PORTFOLIO CHARACTERISTICS

San Diego Community Power Reporting | Account #11451 | As of December 31, 2025

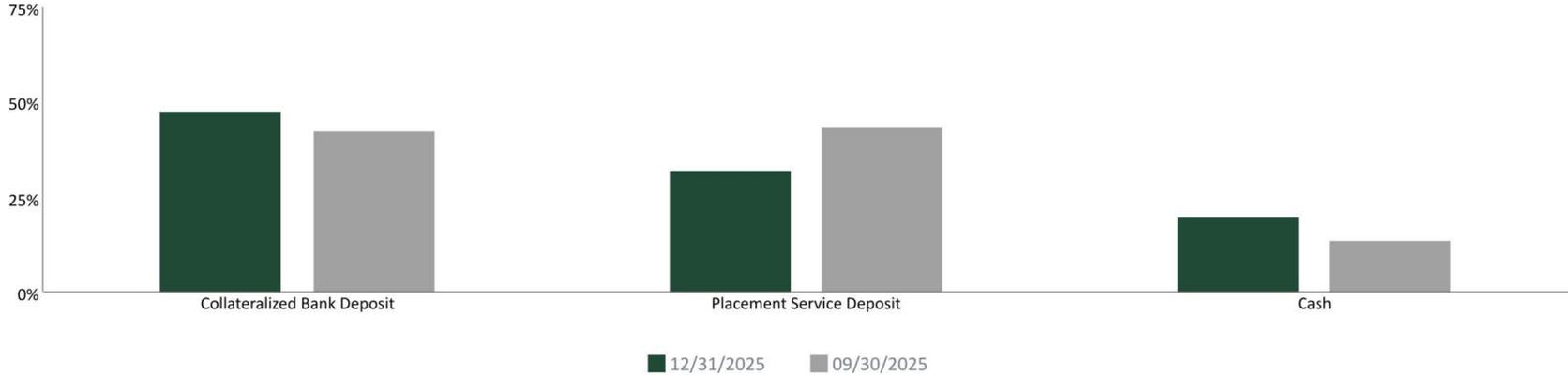
	12/31/2025 Portfolio	9/30/2025 Portfolio
Average Maturity (yrs)	0.00	0.00
Average Modified Duration	0.00	0.00
Average Purchase Yield	3.50%	2.89%
Average Market Yield	3.50%	2.89%
Average Quality**	NA	NA
Total Market Value	546,595,985	356,807,050

*Benchmark: NO BENCHMARK REQUIRED

**The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

SECTOR DISTRIBUTION

San Diego Community Power Reporting | Account #11451 | As of December 31, 2025



Sector as a Percentage of Market Value

Sector	12/31/2025	09/30/2025
Collateralized Bank Deposit	48.01%	42.51%
Placement Service Deposit	32.06%	43.57%
Cash	19.92%	13.92%
LAIF	0.02%	--

Public Comment on Item No. 2

Item No. 2

Committee Members Comments or Questions

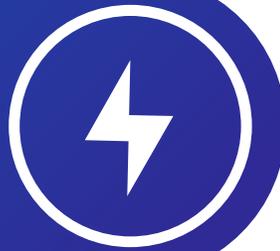


Recommendation:

Receive and File Treasurer's Report for
Six-Month Period Ending December
31,2025

Item No. 3

**Recommend Board
Adoption of Resolution,
Approving the Rate
Stabilization
Reserve Policy**

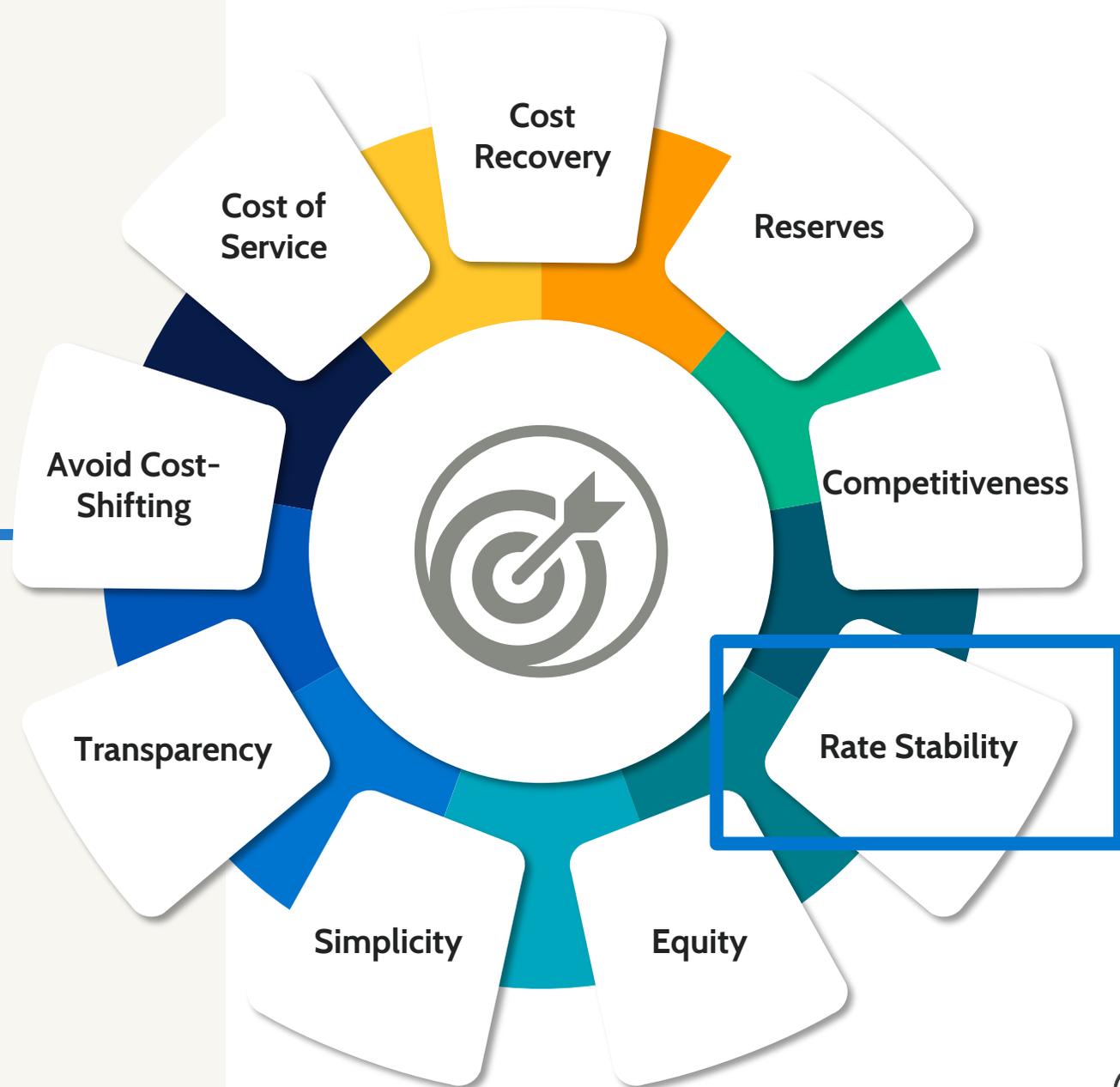


Recommendation:

Recommend Board Adoption of Resolution,
Approving the Rate Stabilization Reserve
Policy

Presenters:
Jeb Spengler, Senior Strategic Finance
Manager/Interim Treasurer
Aaron Lu, Rates and Strategy Manager

Community Power Rate Development Policy Objectives



Rate Stabilization Reserve (RSR) Background

Community Power's Financial Reserves Policy provides for the funding of a **Rate Stabilization Reserve** with the use of excess reserves.

- **Core Purpose:** Allows an entity to defer the recognition of revenues in good financial years and applying those revenues to periods where they are actually needed for stabilizing customer rates or other regulatory or financial metric objectives.
- **Accounting Treatment:** Government Accounting Standards Board Statement No. 62 (GASB 62) allows for deferring the accrual of surplus revenues to be realized in a later year. Deferred revenues reduce net position by an equal amount in the period deferred and increases net position by an equal amount in the period it is realized.
- **Treatment within Reserve Calculation:** Reserves held as unrestricted cash and investments for rate stabilization purposes will continue to be included as a source of liquidity for reserve calculation purposes.
- **Board Approval and Policy:** Establishing a Rate Stabilization Reserve under GASB 62 typically requires Board approval and a formal policy. The policy outlines when and how funds can be deferred or drawn down, often with specific targets.



How a Rate Stabilization Reserve Works

- Allows deferral of revenue recognition in a strong financial year for use in a weaker or stressed year.
- Deferred revenue reduces Net Position in the deferral year; recognition increases Net Position in the year recognized.

Strong year
(consider deferral)

RSR balance
(tracked & reported)

Weak year / rate-setting
(consider recognition)

MARIN CLEAN ENERGY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED MARCH 31, 2024 AND 2023

	2024	2023
OPERATING REVENUES		
Electricity sales, net	\$ 770,344,682	\$ 633,836,160
Rate stabilization	(40,000,000)	(15,000,000)
Grant revenue	11,360,450	10,532,421
Liquidated damages	26,074,259	7,219,945
Total operating revenues	767,779,391	636,588,526
OPERATING EXPENSES		
Cost of electricity	571,404,901	559,107,368
Contract services	21,157,869	19,389,252
Staff compensation	20,936,409	17,193,096
Other operating expenses	9,002,600	6,935,136
Depreciation and amortization	955,278	996,241
Total operating expenses	623,457,057	603,621,093
Operating income	144,322,334	32,967,433
NONOPERATING REVENUES (EXPENSES)		
Grant revenue	-	4,226,302
Interest and investment returns	15,420,160	4,007,603
Finance costs	(228,825)	(236,468)
Nonoperating revenues (expenses), net	15,191,335	7,997,437
CHANGE IN NET POSITION	159,513,669	40,964,870
Net position at beginning of year	244,171,846	203,206,976
Net position at end of year	\$ 403,685,515	\$ 244,171,846

MARIN CLEAN ENERGY
STATEMENTS OF NET POSITION
MARCH 31, 2024 AND 2023

	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents - unrestricted	\$ 101,027,404	\$ 73,348,263
Accounts receivable, net of allowance	61,447,640	66,401,473
Accrued revenue	31,912,468	31,180,447
Other receivables	5,822,709	1,985,508
Prepaid expenses	972,203	651,310
Restricted cash	40,322,101	33,782,947
Investments	115,763,550	68,841,532
Deposits	14,108,352	10,924,834
Total current assets	371,376,427	287,116,314
Noncurrent assets		
Cash and cash equivalents - unrestricted	70,000,000	30,000,000
Investments	149,588,819	45,538,694
Capital assets, net of depreciation and amortization	863,432	1,818,709
Deposits	203,498	203,499
Total noncurrent assets	220,655,749	77,560,902
Total assets	592,032,176	364,677,216
LIABILITIES		
Current liabilities		
Accrued cost of electricity	67,950,289	45,803,423
Accounts payable	4,552,442	4,071,832
Other accrued liabilities	2,713,413	1,845,922
User taxes and energy surcharges due to other governments	1,288,372	3,112,581
Security deposits - energy suppliers	983,400	578,400
Lease liabilities	536,644	773,620
Advances from grantors	40,322,101	33,782,947
Total current liabilities	118,346,661	89,968,725
Noncurrent liabilities		
Lease liabilities	-	536,645
Total liabilities	118,346,661	90,505,370
DEFERRED INFLOWS OF RESOURCES		
Operating Reserve Fund	70,000,000	30,000,000
NET POSITION		
Net position		
Net investment in capital assets	326,788	508,444
Unrestricted	403,358,727	243,663,402
Total net position	\$ 403,685,515	\$ 244,171,846



Rate Development and Financial Reserves Policies

- **Rate Development Policy** (Nov. 17, 2022): rate stability is a core objective; rate changes should be minimized with a preference for annual adjustments; references the creation of a Rate Stabilization Reserve as a potential to mitigate rate volatility.
- **Financial Reserves Policy** (Dec. 11, 2025): Board may designate Reserves between the Target and Maximum thresholds as Rate Stabilization Reserves (up to 45 days cash on hand, or approx. \$125 million).
- **Strategic Plan FY 2026–2028**: includes developing a Rate Stabilization Reserve (target referenced as \$70 million) to mitigate power cost fluctuations and economic downturns.
- **2026 Rate-Setting**: Board-approved rates noted a path toward maintaining reserves and establishing the Rate Stabilization Reserve.



Rate Stabilization Reserves at Community Choice Aggregators

	Ava Community Energy	Clean Power Alliance	Marin Clean Energy	Orange County Power Authority	Peninsula Clean Energy	Sonoma Clean Power
Deposits	Amount from any surplus determined as appropriate, based on Board-approved Budget	When net position exceeds 4% of revenues, the amount above 4% can be transferred	When projected addition to Net Position is greater than 5% of total revenues, or after reserve policy targets are met, from excess net revenues	Deferrals in years w/ strong financial results	When addition to Net Position is in excess of 3% of revenues	Any excess revenues above the Target Reserve Balance (365 days of expenses).
Target	20% of operating expenses	Balance is capped at 10% of annual revenues	Up to 10% of total revenues for current fiscal year	None Specified	15% of annual revenues	None Specified
Withdrawal	Amounts determined necessary to stabilize rates, satisfy covenants, etc.	When increases in net position fall below 4% of revenues in the absences of a transfer	When net revenues are projected negative of needed for covenants	Used to minimize near-term impact on rates and net revenues	When projected change in Net Position is negative, or needed to meet covenants	Use of reserve funds requires a vote of the Board.
Replenishment	None Specified	None Specified	None Specified	None Specified	None Specified	During periods when the Minimum Reserve (180 days) is not met, SCP shall set rates in a manner to reach the required balance within 2 years



Sampling of CCA Rate Stabilization Sizes

	Size of Rate Stabilization Fund
AVA Community Energy	\$57.6 million (as of 3.31.2025)
Clean Power Alliance	\$135 million (as of 6.30.2025)
Marin Clean Energy	\$70 million (as of 3.31.2025)
Orange County Power Authority	\$30 million (as of 6.30.2025)
Peninsula Clean Energy	\$68 million (as of 3.31.2025)
Sonoma Clean Power	\$56 million (as of 7.31.2025)



Rate Stabilization Reserve Parameters

- 1 Use Case(s)
- 2 Target Balance
- 3 Trigger and Approval Mechanisms
- 4 Replenishment
- 5 Accounting Treatment
- 6 Proposed Timeline



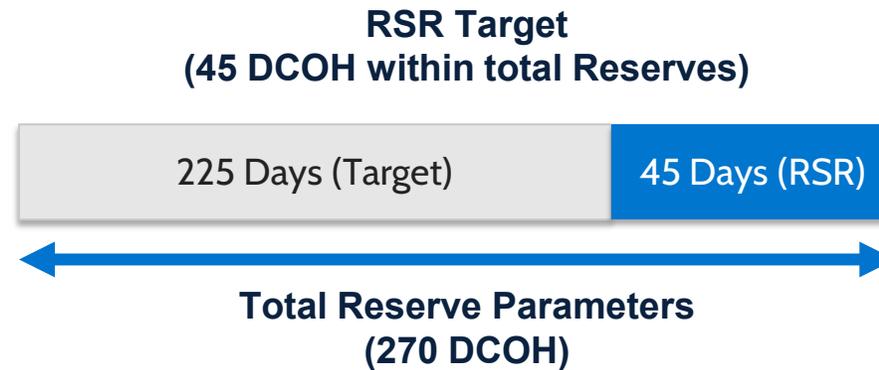
Rate Stabilization Use Cases

- Stabilize Customer Rates when certain triggers occur:
 - To mitigate rate volatility caused by Market Price Benchmark (MPB) and Power Charge Indifference Adjustment (PCIA) rate fluctuations, and/or
 - To reduce year-over-year rate changes and/or maintain Community Power's rate competitiveness between rate-setting cycles.
- Meet required financial covenants to maintain good standing with financial institutions, counterparties and credit rating agencies



Target RSR Balance:

- Policy allows designation up to **45 days cash on hand** as the RSR (~ \$125 million)
- Coverage provides for:
 - ~30% of modeled Market Price Benchmark volatility risk
 - ~10% of Operating Revenues
 - ~12% of Operating Expenses



Decision Points, Triggers, and Approvals

Two key decisions each year govern transfers into and recognition from the RSR:

1) Fiscal year-end transfer (by June)

CEO may authorize transferring revenue into the RSR before fiscal year close; reported to the Board at the next regularly scheduled meeting.

2) Rate-setting recognition (typically January)

CEO recommends recognition from the RSR to the Board for approval—typically alongside annual rate recommendations; other recognition requests may occur with Board approval.

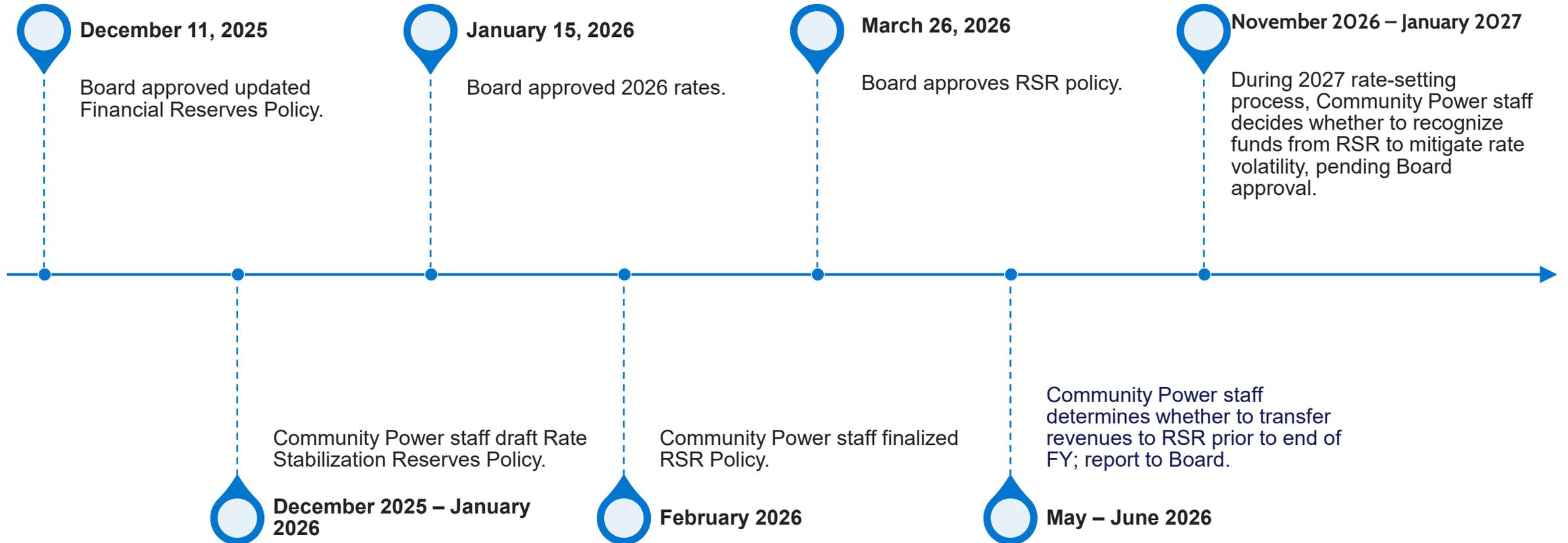


Replenishment Requirement and Guardrails

- Replenishment: when recognition from the RSR is approved, staff will present a plan to replenish the RSR within 2–4 years, if feasible.
- Triggers to consider: projected Net Position, days cash and liquidity on hand, financial/bank covenants, and debt coverage; staff may also consider rate projections and year-over-year increases.
- Transfers and recognitions may occur within the same fiscal year, provided criteria are met.
- **Goal: provide a tool to support rate stability while protecting Community Power’s financial standing.**



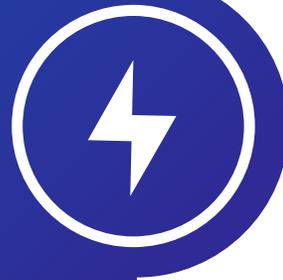
Proposed Timeline



Public Comment on Item No. 3

Item No. 3

Committee Members Comments or Questions



Recommendation:

Recommend Board Adoption of Resolution, Approving the Rate Stabilization Reserve Policy

Item No. 4

Recommend Board Adoption of Resolution, Authorizing San Diego Community Power to Join the California Community Choice Financing Authority as a Founding Member



Recommendation:

Recommend Board adoption of Resolution, authorizing San Diego Community Power (Community Power) to participate as a founding member of the California Community Choice Financing Authority (CCCFA) and approving execution of the CCCFA Joint Powers Agreement

Presenter:
Jeb Spengler, Senior Strategic Finance
Manager/Interim Treasurer

California Community Choice Financing Authority (“CCCFA”) Background

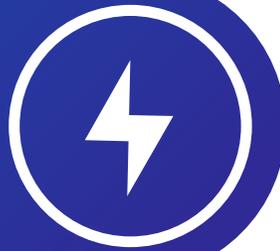
- Recommend authorization for Community Power to convert membership in the California Community Choice Financing Authority (CCCFA) to becoming a Founding Member
- Founding Members receive direct Board governance; Associate Members do not
- Community Power has completed three CCCFA clean energy prepay transactions totaling nearly \$2.7 billion
 - \$7.05M actual energy cost savings realized to date
- Community Power meets all eligibility criteria and expects frequent, long-term use of CCCFA financings
- No incremental cost vs. Associate Membership



Public Comment on Item No. 4

Item No. 4

Committee Members Comments or Questions

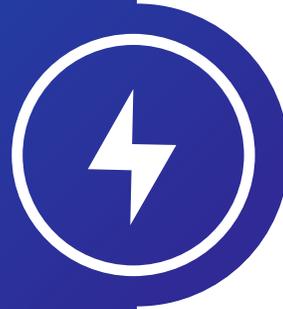


Recommendation:

Recommend Board adoption of Resolution, authorizing San Diego Community Power (Community Power) to participate as a founding member of the California Community Choice Financing Authority (CCCFA) and approving execution of the CCCFA Joint Powers Agreement

Item No. 5

Update on 2026 Projected Community Power Rates

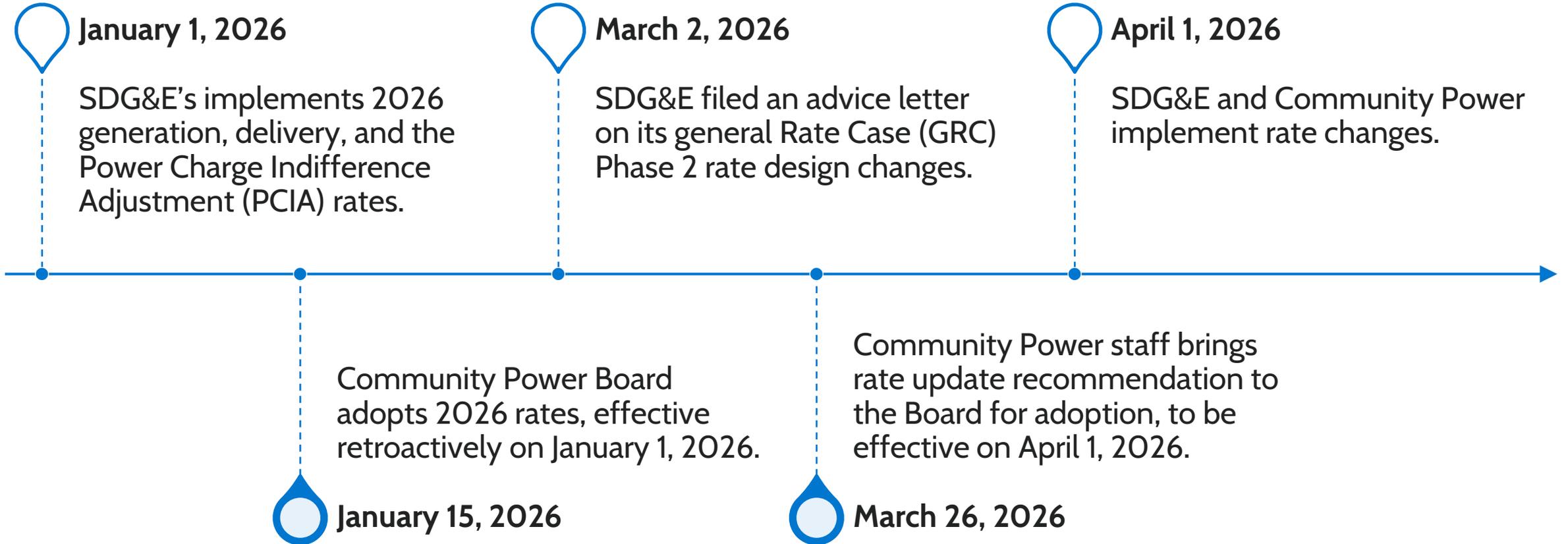


Recommendation:

Receive and File Update on 2026
Projected Community Power Rates

Presenter:
Aaron Lu, Rates and Strategy Manager

Rate Update Timeline



Rate Development Policy Objectives



Community Power Rate Components

- Generation: Community Power charges for purchasing or generating electricity.
- SDG&E Delivery: SDG&E charges for the delivery of electricity to the home or business.
- Power Charge Indifference Adjustment (PCIA): above-market costs related to power supply commitments that the utilities made many years ago.
- Franchise fees: a surcharge applied to electricity transported over SDG&E systems that are constructed in public streets and highways.

TOU-DR-1	SDG&E (41% RPS)	Community Power Service Options		
Residential		PowerBase (45% RPS)	PowerOn (53% RPS + 2% Carbon Free)	Power100 (100% RPS)
Generation (\$)	\$41.80	\$41.09	\$44.55	\$47.96
PCIA (\$)	\$16.97	\$12.13	\$12.13	\$12.13
Franchise Fees (\$)	\$1.20	\$1.20	\$1.20	\$1.20
Total Generation (\$)	\$59.97	\$54.42	\$57.88	\$61.29
Delivery (\$)	\$104.72	\$104.71	\$104.71	\$104.71
Average Monthly Bill (\$)	\$164.69	\$159.13	\$162.59	\$166.00

Assumptions:

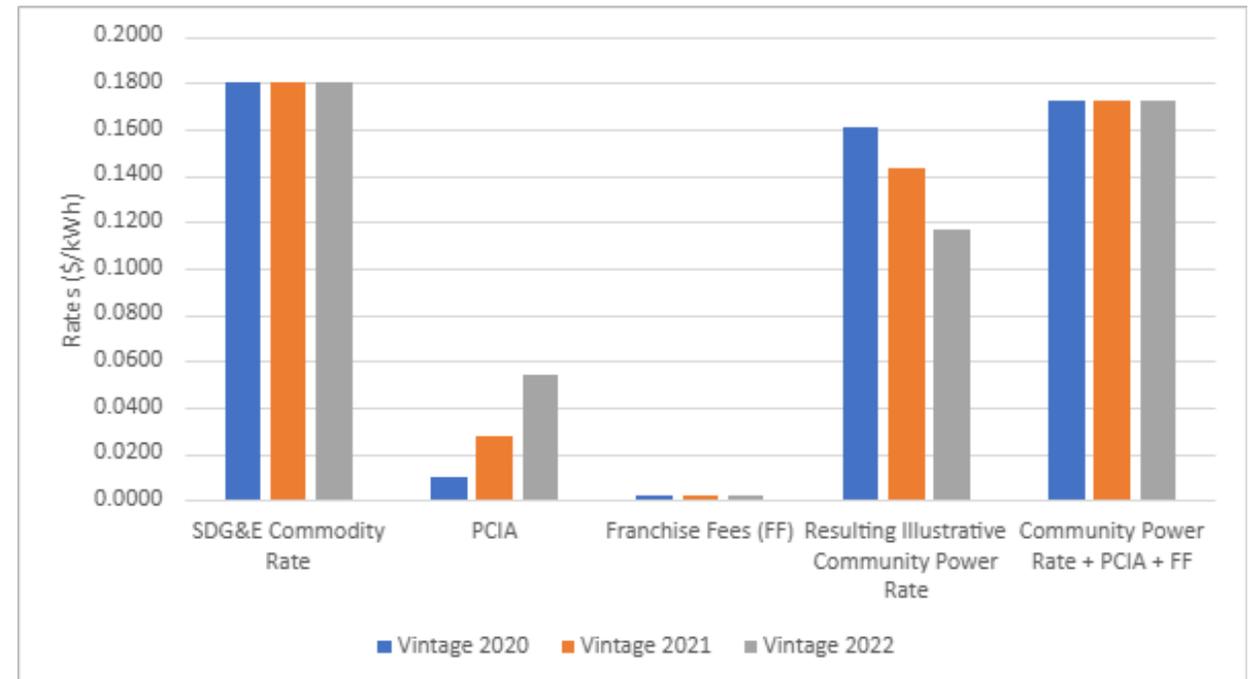
- Rates as of January 1, 2026.
- Average monthly usage of 341 kWh.
- 2021 PCIA vintage.
- Renewable Portfolio Standards (RPS) content based on most recent 2024 Power Content Label.



Rate Trifurcation to Achieve Equity

- Community Power's Phase 1 and 2 customers (vintage 2020), Phase 3 customers (vintage 2021), and Phase 4 customers (vintage 2022) are all charged a different PCIA by SDG&E because they are assigned different vintage years.
- Due to the substantial deltas expected between PCIA vintages 2020, 2021, and 2022, staff continues to recommend trifurcation of three sets of rates to the Board to ensure customer equity.
- This trifurcation of Community Power rates by vintage maintains a fair, equitable and balanced rate structure for all customers.

Illustrative Trifurcation Example			
Competitive Factor (Discount)	4%	4%	4%
Rates (\$/kWh)	Vintage 2020	Vintage 2021	Vintage 2022
SDG&E Commodity Rate	0.1800	0.1800	0.1800
PCIA	0.0100	0.0280	0.0540
Franchise Fees (FF)	0.0020	0.0020	0.0020
Resulting Illustrative Community Power Rate	0.1590	0.1410	0.1150
Community Power Rate + PCIA + FF	0.1710	0.1710	0.1710



SDG&E General Rate Case (GRC) Phase 2

- SDG&E filed its 2024 GRC Phase 2 Application on January 17, 2023, and the Commission adopted a decision on September 18, 2025.
 - SDG&E is required to present the PCIA as a separate line item on bundled customers' bills to ensure consistent comparison between bundled and CCA customers, expected in April 2026.
 - The Commission granted approval of proposals for revenue allocation to customer classes and rate design changes, including three notable changes that Community Power will mirror.

Seasonality Adjustment for Residential Tiered Rates

- Moves the seasonal (winter / summer) adjustment from the delivery rate component to the commodity / generation rate component.
- Reduces seasonal volatility in commodity rates.
- Effective January 1, 2026.

Time-of-Use (TOU) Super Off-Peak Extension

- Extends existing weekday mid-day Super Off-Peak (10 a.m. - 2 p.m.), currently applied to March and April, to the full year.
- Reduces mid-day prices to encourage load-shifting to the mid-day period.
- Effective April 1, 2026.

New Medium Commercial Customer Class

- Creates a new Medium Commercial customer class for customers with demand between 20-200 kW.
- Reclassifies several schedules as Medium Commercial.
- Effective April 1, 2026.



SDG&E General Rate Case (GRC) Phase 2

- Additional changes include:
 - Revenue allocation for each customer class update;
 - Align low-income discount methodology for commercial customers with that for residential customers;
 - Medical baseline discount adjustment;
 - Annual increase to commercial monthly service fees;
 - Distribution rates updated for various tariffs.



SDG&E Bundled Commodity/Generation Rate Change

- SDG&E’s system avg. commodity rates are projected to remain relatively unchanged.
- Customer class specific changes are driven by the creation of a new medium commercial customer class and updating the revenue allocation between customer classes per SDG&E’s GRC Phase 2 settlement.

Customer Class	SDG&E Commodity Rate (\$/kWh)		SDG&E Avg. Commodity Rate Change (%)
	1/1/2026	4/1/2026	1/1/2026 - 4/1/2026
Residential	0.17532	0.17549	0.10%
Small Commercial	0.15391	0.15665	1.78%
Medium Commercial	N/A	0.18251	N/A
Large Commercial & Industrial	0.19278	0.19193	-0.44%
Agricultural	0.13041	0.12009	-7.91%
Lighting	0.11994	0.11981	-0.11%
System Total	0.17676	0.17657	-0.11%



PCIA Rate Change

- SDG&E's PCIA rates are projected to increase for Large Commercial and Industrial.
- PCIA rates for Small Commercial and Agricultural customers are expected to decrease.
- These changes are also driven by the creation of a new medium commercial customer class and updating the revenue allocation between customer classes per SDG&E's GRC Phase 2 settlement.

	2021 Vintage PCIA Rate (\$/kWh)		PCIA Change (%)
Customer Class	1/1/2026	4/1/2026	1/1/2026 - 4/1/2026
Residential	0.03557	0.03564	0.20%
Small Commercial	0.02787	0.01857	-33.37%
Medium Commercial	N/A	0.03615	N/A
Large Commercial & Industrial	0.03245	0.03615	11.40%
Agricultural	0.03291	0.03032	-7.87%
Lighting	0.02646	0.02646	0.00%



SDG&E Delivery Rate Change

- SDG&E's system avg. delivery rates are projected to increase by ~1.4%.
- SDG&E's delivery rate increases are driven by \$589 million in wildfire-related cost recovery.

Customer Class	SDG&E UDC Rate (\$/kWh)		SDG&E Total UDC Rate Change (%)
	1/1/2026	4/1/2026	1/1/2026 - 4/1/2026
Residential	0.25650	0.26302	2.54%
Small Commercial	0.23885	0.24665	3.27%
Medium Commercial	N/A	0.20358	N/A
Large Commercial & Industrial	0.18903	0.18904	0.01%
Agricultural	0.14350	0.14288	-0.43%
Lighting	0.22940	0.14545	-36.60%
System Total	0.21647	0.21948	1.39%



Next Steps

- Staff continues to conduct rates analysis and will bring to the Board a rate update(s) recommendation on *March 26, 2026*.
- Due to variation in PCIA for vintage years, staff will continue to recommend trifurcated rates.



Public Comment on Item No. 5

Item No. 5

Committee Members Comments or Questions



Recommendation:

Receive and File Update on 2026
Projected Community Power Rates

Item No. 6

Announcement of Public Investment Grade Credit Rating from S&P Global Ratings



Recommendation:

Receive and file staff report acknowledging San Diego Community Power's publicly issued "A" Issuer Credit Rating with a Stable Outlook from S&P Global Ratings.

Community Power Achieves Public ‘A’ (Stable Outlook) Credit Rating from S&P Global Ratings

Financial Milestone and Strategic Objective Achieved

- On March 9, Community Power was assigned an “A” Issuer Credit Rating with a Stable Outlook from S&P Global Ratings.

Reputation and Stability

- The Stable Outlook signals confidence in Community Power’s prudent management and ongoing operational stability.

Industry Leadership

- The credit rating places Community Power among the highest rated community choice aggregators.



Noted Credit Strengths

Diverse Customer Base

- Community Power serves about 950,000 accounts with no significant customer concentration, ensuring revenue stability.

Strong Governance & Management

- Robust governance with autonomous rate-setting and experienced leadership supports stability.

Sound Financial Profile

- Strong liquidity and prudent forecasting bolster credit-supportive financial health.

Low Operational & Climate Risk

- Community Power's carbon-free power portfolio and no ownership of transmission assets reduce operational risks.

Strategic Renewable Vision

- Plan for 100% renewable energy by 2035 enhances resilience and market alignment.



Fiscal and Strategic Benefits of Public Investment Grade Rating

Financial Negotiation Advantages

- The rating improves Community Power's negotiating power with suppliers and banks, enabling better contract terms and less credit support.

Cost Savings from Credit Rating

- Potential reduction or removal of standby letters of credit leads to significant ongoing cost savings and fee elimination.

Strategic Market Access

- The rating broadens access to capital markets and financial partners, supporting future financing and lower customer energy costs.

Enhanced Transparency and Credibility

- Public rating fosters trust with customers, regulators, and stakeholders through regular financial reviews and transparency.



Public Comment on Item No. 6

Item No. 6

Committee Members Comments or Questions



Recommendation:

Receive and file staff report acknowledging San Diego Community Power's publicly issued "A" Issuer Credit Rating with a Stable Outlook from S&P Global Ratings.

Committee Member Announcements

Adjournment



Next Regular Finance and Risk Management Committee Meeting April 16, 2026

CustomerService@SDCommunityPower.org