



Finance and Risk Management Committee

Regular Meeting

May 21, 2026

Welcome and Call to Order

Roll Call

Land Acknowledgement

WELCOME NEW CHIEF FINANCIAL OFFICER



Chief Financial Officer
Jannies Burlingame



Items to be Withdrawn or Reordered on the Agenda

Public Comment on non-Agenda Items

Consent Calendar

1. Approve March 19, 2026, Meeting Minutes



Public Comment on Consent Calendar

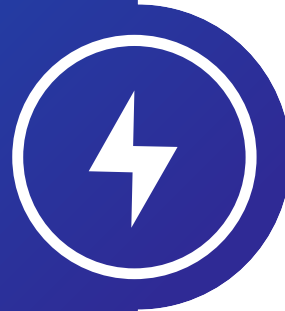
Regular Agenda

2. **Treasurer's Report for Eight-Month Period Ending February 28, 2026**
3. **Presentation of Draft FY 2026-27 Operating Budget, FY 2026-27 Capital Budget, and FY 2027-2031 Capital Investment Plan, and Quarterly Risk Oversight Committee Report**



Item No. 2

**Treasurer's Report for
Eight-Month Period
Ending February 28,
2026**



Recommendation:

**Receive and File Treasurer's Report
for Eight-Month Period Ending
February 28, 2026.**

Presenter:
Jeb Spengler, Associate Director of Strategic
Finance and Procurement/Interim Treasurer

Financial Statement Highlights

Summary of Actual Results vs. Amended Budget

Results for the 8-month period ending February 28, 2026:

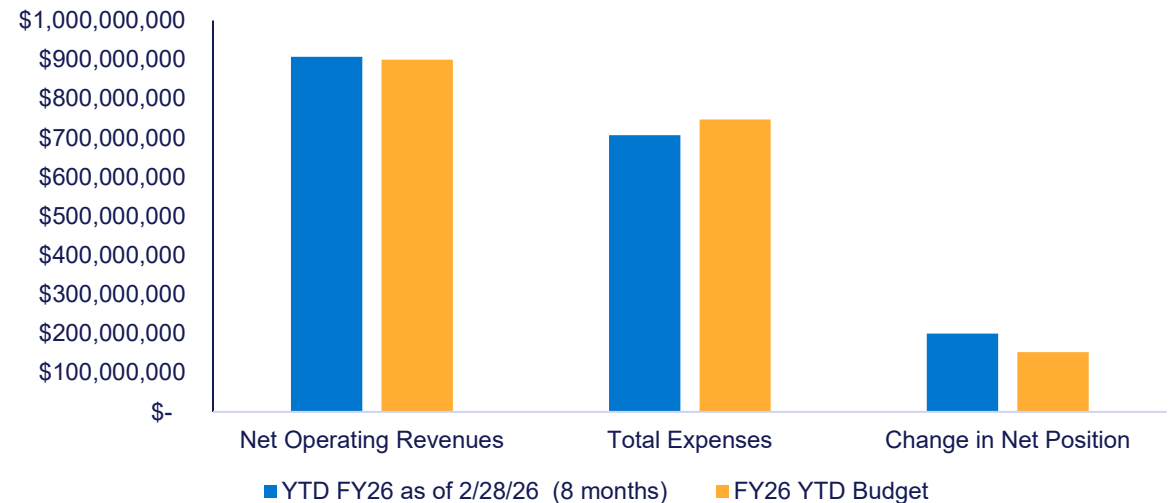
- Operating Revenues = 0.8% above budget
- Operating Expenses = 5.0% below budget

Year-to-Date Totals for FY26:

- \$906.8M in net operating revenues
- \$706.9M in total expenses (including energy costs of \$667.2M)
- \$199.9M change in YTD net position

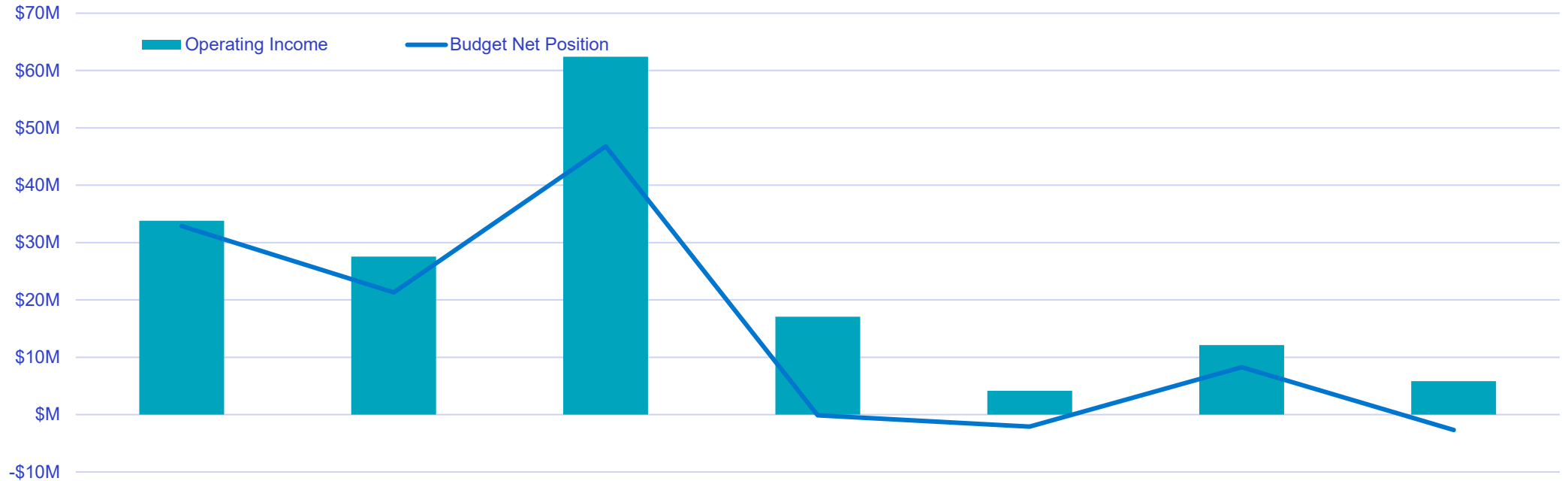
	Budget Comparison				
	YTD FY26 as of 2/28/26 (8 months)		FY26 YTD Budget	Budget Variance (\$)	Budget (%)
Net Operating Revenues	\$	906,805,702	\$ 899,891,000	\$ 6,914,702	100.8%
Total Expenses	\$	706,873,041	\$ 747,180,000	\$ (40,306,959)	95%
Change in Net Position	\$	199,932,661	\$ 152,711,000	\$ 47,221,662	

YTD FY26 Results v. Budget



FY Budget Net Position to Operating Income

FY Budget Net Position to Operating Income

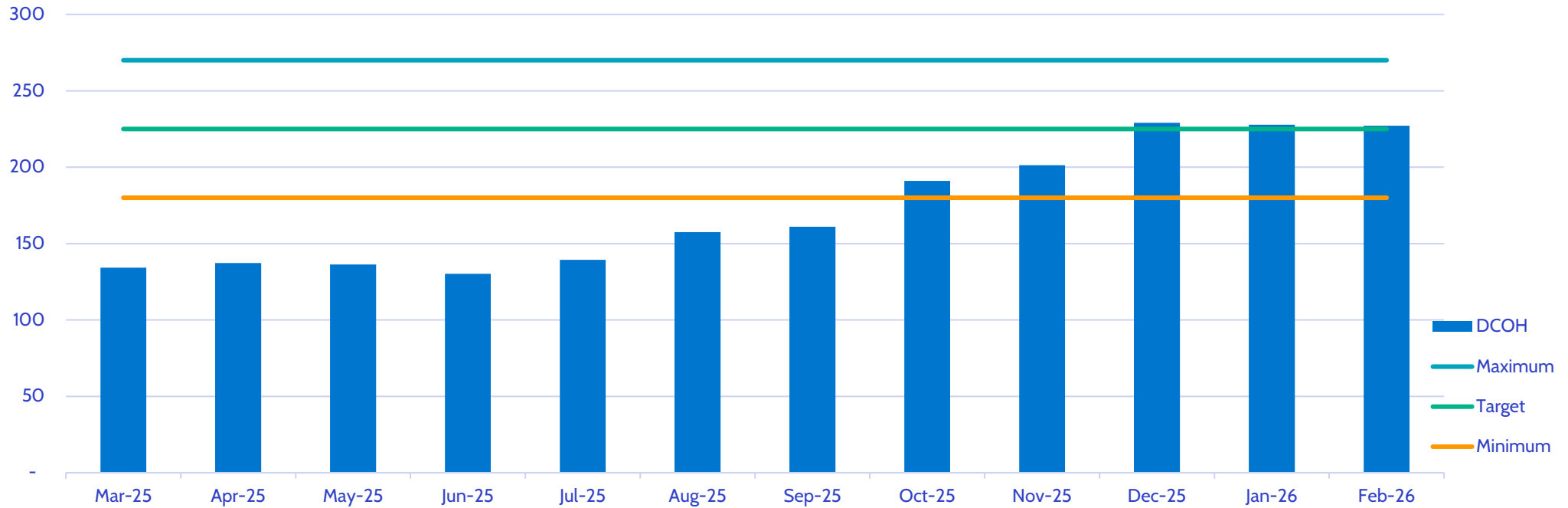


	8/31/2025	9/30/2025	10/31/2025	11/30/2025	12/31/2025	1/31/2026	2/28/2026
Operating Income	\$33.8M	\$27.6M	\$62.4M	\$17.1M	\$4.2M	\$12.1M	\$5.8M
Budget Net Position	\$32.9M	\$21.3M	\$46.8M	-\$0.1M	-\$2.1M	\$8.2M	-\$2.7M



Reserves

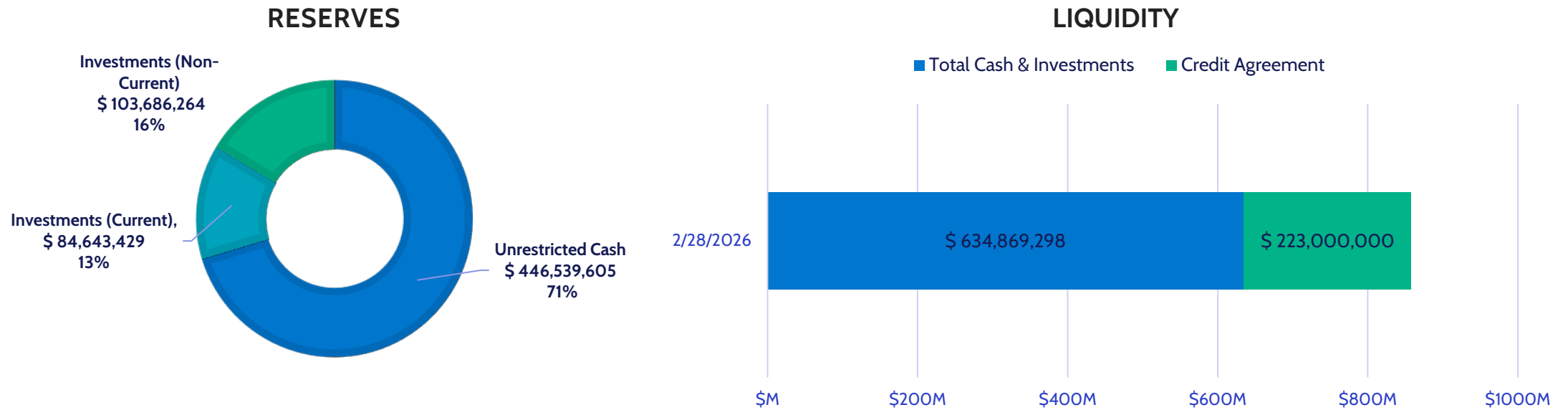
Days Cash on Hand (DCOH)



	3/31/2025	4/30/2025	5/31/2025	6/30/2025	7/31/2025	8/31/2025	9/30/2025	10/31/2025	11/30/2025	12/31/2025	1/31/2026	2/28/2026
DCOH	134	137	136	130	139	157	161	191	201	229	228	227
Maximum	270	270	270	270	270	270	270	270	270	270	270	270
Target	225	225	225	225	225	225	225	225	225	225	225	225
Minimum	180	180	180	180	180	180	180	180	180	180	180	180



Reserves and Total Liquidity

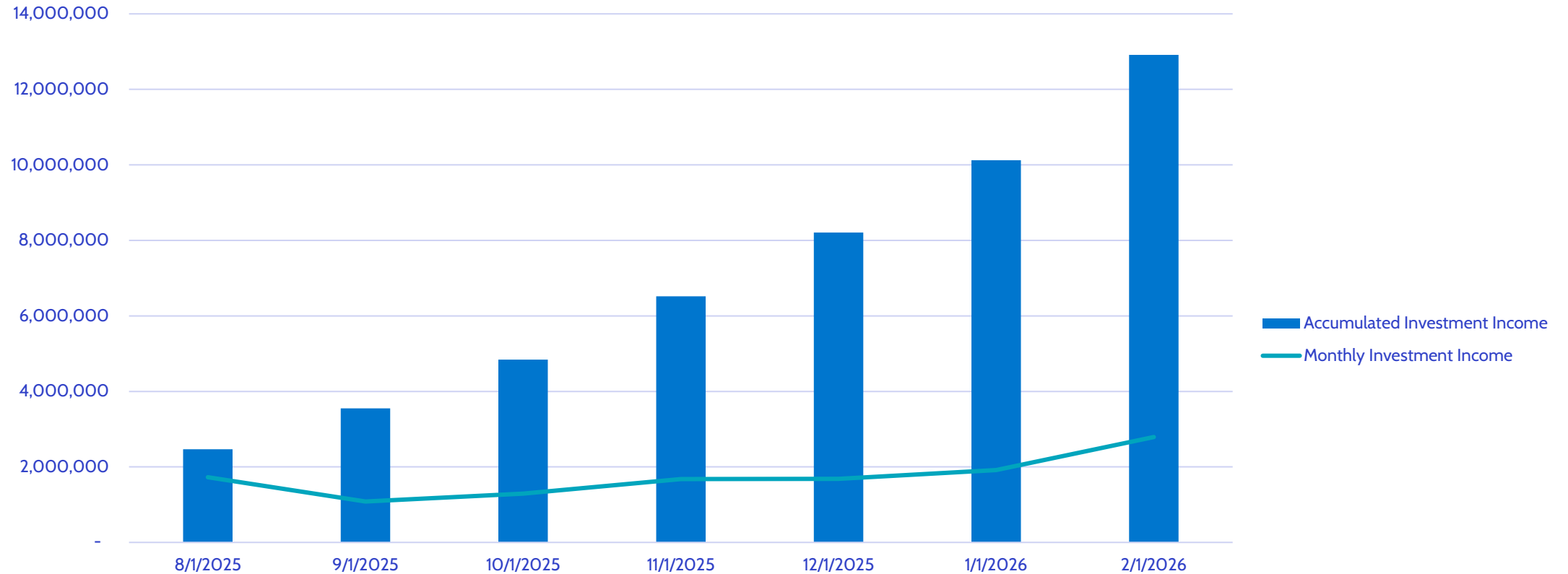


Reserves are defined as unrestricted cash, cash equivalents, and investments unencumbered by legal agreements and not earmarked for specific purposes.



FY26 Year-To-Date Investment Income

INVESTMENT INCOME



	8/31/2025	9/30/2025	10/31/2025	11/30/2025	12/31/2025	1/31/2026	2/28/2026
Accumulated Investment Income	2,467,988	3,551,532	4,842,114	6,521,057	8,205,810	10,120,219	12,911,528
Monthly Investment Income	1,725,303	1,083,544	1,290,582	1,678,943	1,684,753	1,914,409	2,791,309



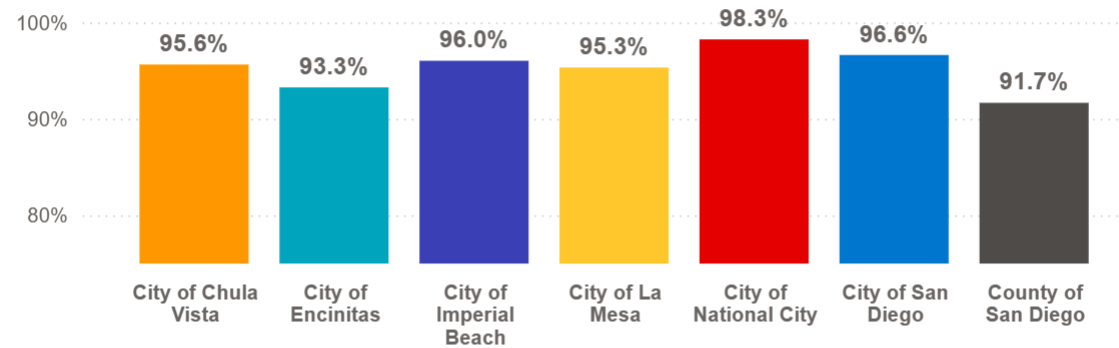
Participation by Jurisdiction

**Enrolled
Accounts**
969,072

**Participation
Rate**
95.5%

Participation

Participation by Jurisdiction



Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	100,332	95,963	95.6%
City of Encinitas	Power100	28,984	27,034	93.3%
City of Imperial Beach	PowerOn	10,818	10,389	96.0%
City of La Mesa	PowerOn	29,639	28,256	95.3%
City of National City	PowerOn	19,681	19,337	98.3%
City of San Diego	PowerOn	634,093	612,723	96.6%
County of San Diego	PowerOn	191,304	175,370	91.7%
Total		1,014,851	969,072	95.5%

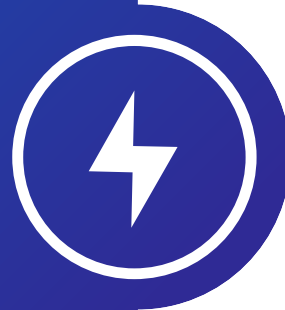


Public Comment on Item No. 2

Item No. 2

Committee Members Comments or Questions

Treasurer's Report for Eight-
Month Period Ending February
28, 2026

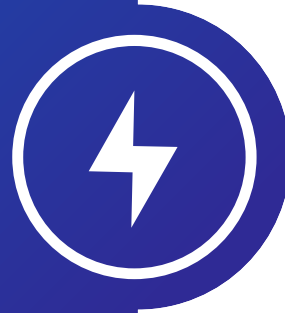


Recommendation:

Receive and File Treasurer's Report for
Eight-Month Period Ending February 28,
2026.

Item No. 3

Presentation of Draft FY 2026-27 Operating Budget, FY 2026-27 Capital Budget, and FY 2027-2031 Capital Investment Plan, and Quarterly Risk Oversight Committee Report



Recommendation:

Receive and File Draft FY 2026-27 Operating Budget, FY 2026-27 Capital Budget, and FY 2027-2031 Capital Investment Plan, and Quarterly Risk Oversight Committee Report.

Presenters:

Karin Burns, Chief Executive Officer

Gordon Samuel, Chief Commercial Officer

Lucas Utouh, Senior Director of Data Analytics and Customer Operations

Tim Manglicmot, Senior Director of Finance and Risk

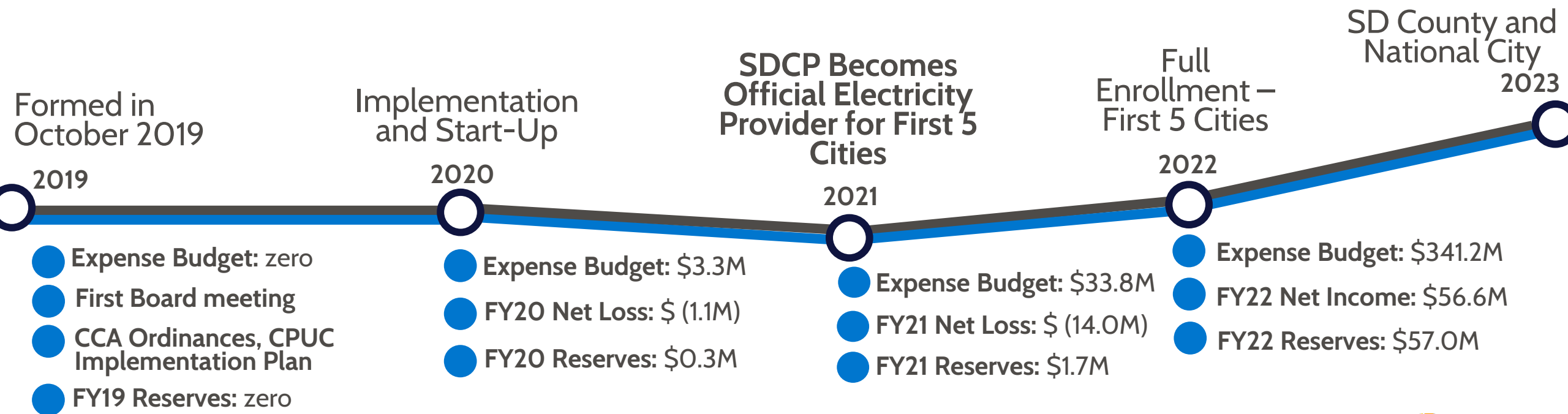
Colin Santulli, Senior Director of Programs

Jen Lebron, Senior Director of Public Affairs

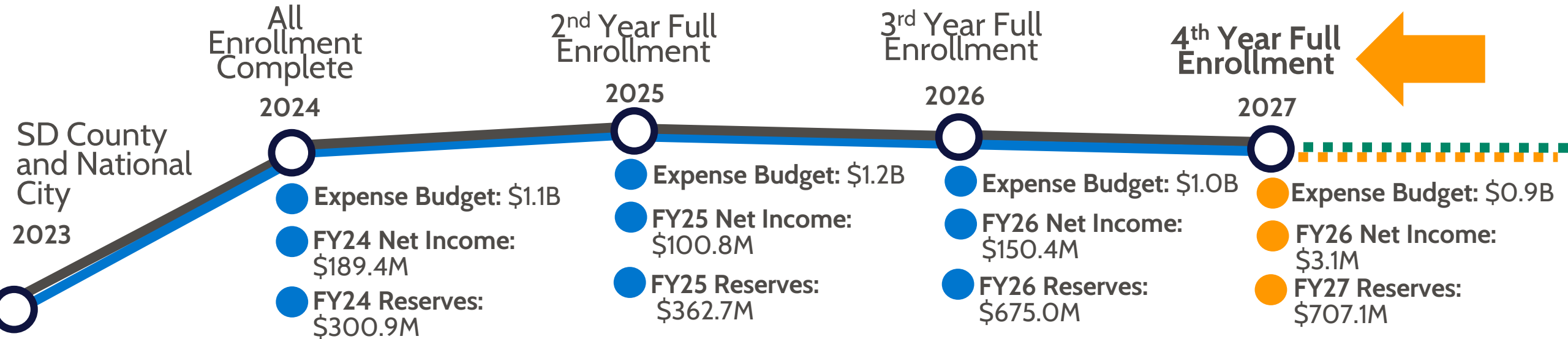
Patrick Welch, Associate Director of Legislative Affairs

Budget Overview

Community Power's first four years were defined by **stable enrollment** and **scaling effectively** within the agency's startup phase.



Budget Overview



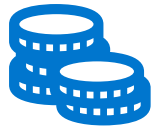





Community Power's last four years are defined by **budget stability, managing volatility, and maintaining affordability for customers.**



Budget Cycle Timeline



Budget Priorities

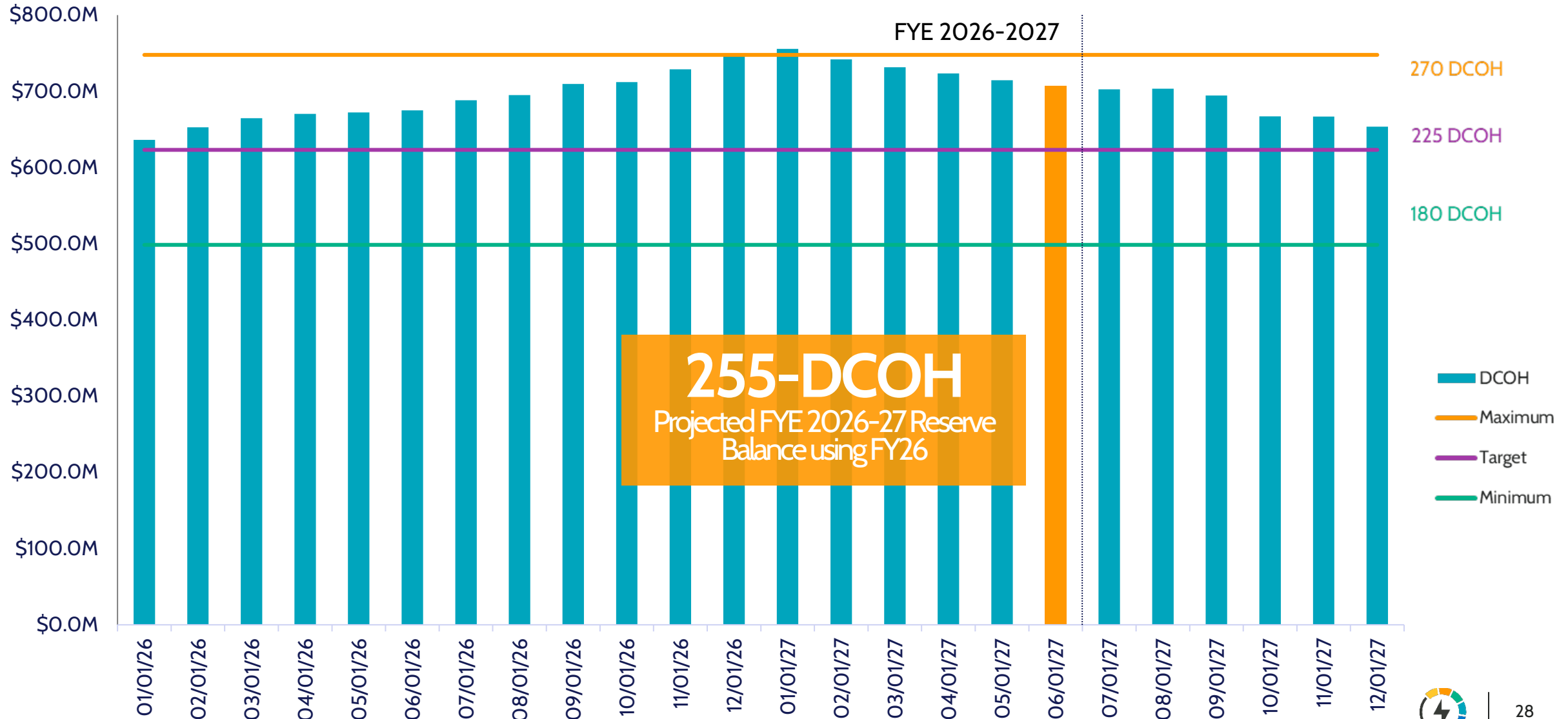
-  **Fiscal Responsibility.** Maintain a **fiscally responsible** budget in accordance with Community Power Budget Policy.
-  **Sufficient Funding.** Ensure **sufficient funding** to meet procurement needs, sustain operational needs and support sustained growth while delivering clean energy to the communities we serve.
-  **Building Community Power Reserves** and develop policies that **consider future economic conditions.**
-  **Understandable and Transparent.** Provide an **understandable and transparent** operating budget for internal and external users.
-  **People and Community.** Develop a budget that will ultimately prioritize people and our communities.
-  **Informed.** Keep the Community Power Board of Directors and staff informed of Community Power's fiscal condition.

FY 2026-2027 Operating Budget

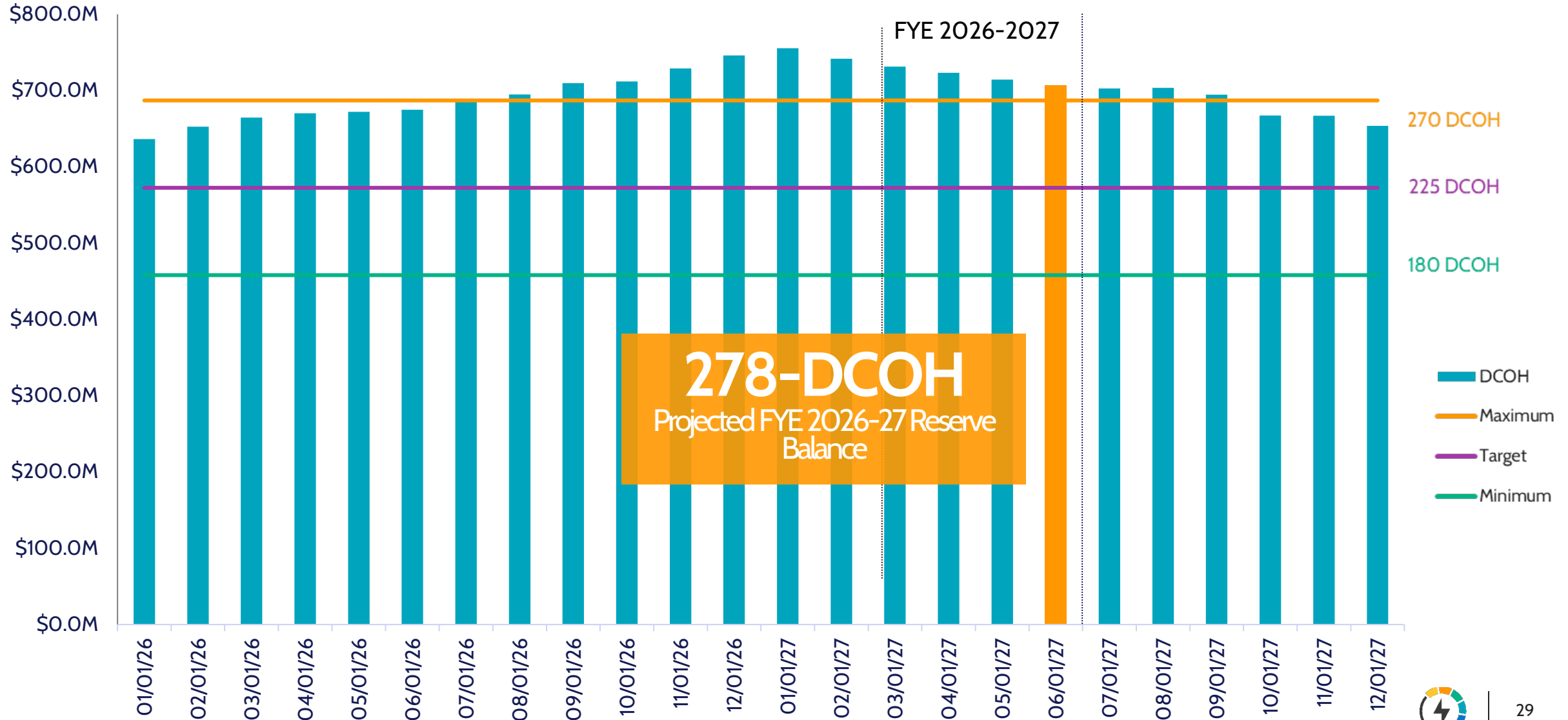
Item	FY 2025-2026 Amended Budget, \$M	FY 2026-2027 Proposed Budget, \$M		
Gross Revenue	1,194.8	932.8	← (4.0%) PowerOn Discount Jul to Dec 2026	Parity PowerOn Jan to Jun 2027
Less Uncollectible Accounts	(19.4)	(14.0)		
Net Revenue	1,175.4	918.8		
Cost of Energy	969.9	872.3	← (\$97.6M) Cost of Energy Decrease	+\$6.5M Non-Energy Increase
Non-Energy Costs	50.0	56.5		
Subtotal Operating Expense	1,019.9	928.9		
Interest Income	(18.3)	(23.1)		
Debt Service	1.5	1.9		
Capital Investment Plan	21.9	8.0	← +\$8.0M CIP Contribution	+\$3.1M Net Position
Total Expense	1,025.0	915.7		
Net Position	150.4	3.1		



Reserve Projections using FY 2025-2026 Operating Expenses



Reserve Projections using FY 2026-2027 Operating Expenses



Risks to Community Power Stability

Bottom-Up Risk Analysis

1. Revenue (Load, Participation)
2. Expense (Energy, Operations, Litigation)
3. Other (Cybersecurity, Force Majeure)

Category	Risk	Estimate of Adverse Outcome
Market Price Benchmark Volatility*	PCIA & Generation Rate "SNAPBACK"	\$420 million
Energy Costs*	Wholesale, Load and Open Position Volatility	\$245 million
Load*	Participation Rate Drops to 86%	\$51 million
Uncollectibles*	Increase in uncollectibles to 5%	\$36 million
Prepay Savings Loss	Prepay savings loss to unforeseen event	\$12 million
Operations	Legal Loss	\$5 million
Operations	Force Majeure or Cybersecurity Event	\$2 million
	Total	\$771 million (Approx. 278 DCOH)



Risks to Community Power Stability

Bottom-Up Risk Analysis

1. Revenue (Load, Participation)
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Load*	Participation Rates and to 6%	\$2 million
Uncollectibles*	Increase in uncollectibles to 5%	\$36 million
Prepay Services	Prepay services and deferral credit	\$1 million
Operations	Legal Loss	\$5 million
Operations	Rate raise	\$2 million
	Total	\$771 million (Approx. 278 DCOH)

**PCIA and Generation Rates
comprise Community Power's
biggest risk**



* Risk categories may fluctuate marginally due to changes in market conditions

PCIA Deep Dive – Renewables Example

2024

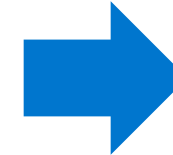
2025

2026

1

SDG&E 2026 PCC1 Price: \$70.00/MWh
 CPUC 2026 Forecast MPB: \$62.45/MWh

$\$70.00 - \$62.45 = \$7.55/\text{MWh}$



$\$70.00 - \$62.45 = \$7.55/\text{MWh}$

ERRA forecast

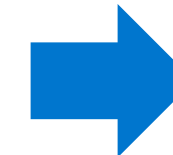
2

SDG&E 2025 PCC1 Price: \$70.00/MWh
 CPUC 2025 Forecast MPB: \$71.24/MWh

$\$70.00 - \$71.24 = (\$1.24)$

SDG&E 2025 PCC1 Price: \$70.00/MWh
 CPUC 2025 Actual MPB: \$63.86/MWh

$\$71.24 - \$63.86 = \$7.38/\text{MWh}$



$\$71.24 - \$63.86 = \$7.38/\text{MWh}$

PABA true-up



PCIA Deep Dive – Example

2024

2025

2026

Forecast

(Energy Resource Recovery Account)

+

=

PCIA

True-Up

(Portfolio Allocation Balancing Account)



Predicting Market Volatility

1 PCIA Snapback

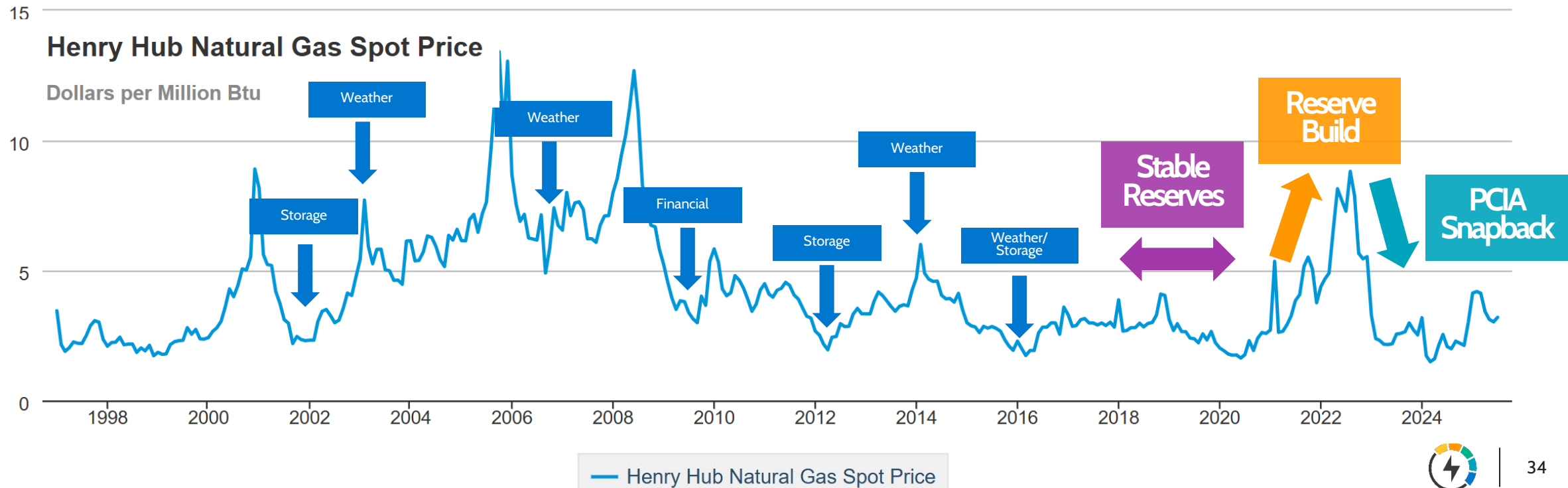
Period of high energy prices falling to low energy prices

2 Reserve Build

Period of low energy prices building to high energy prices

3 Stable Reserves

Period of stable energy prices



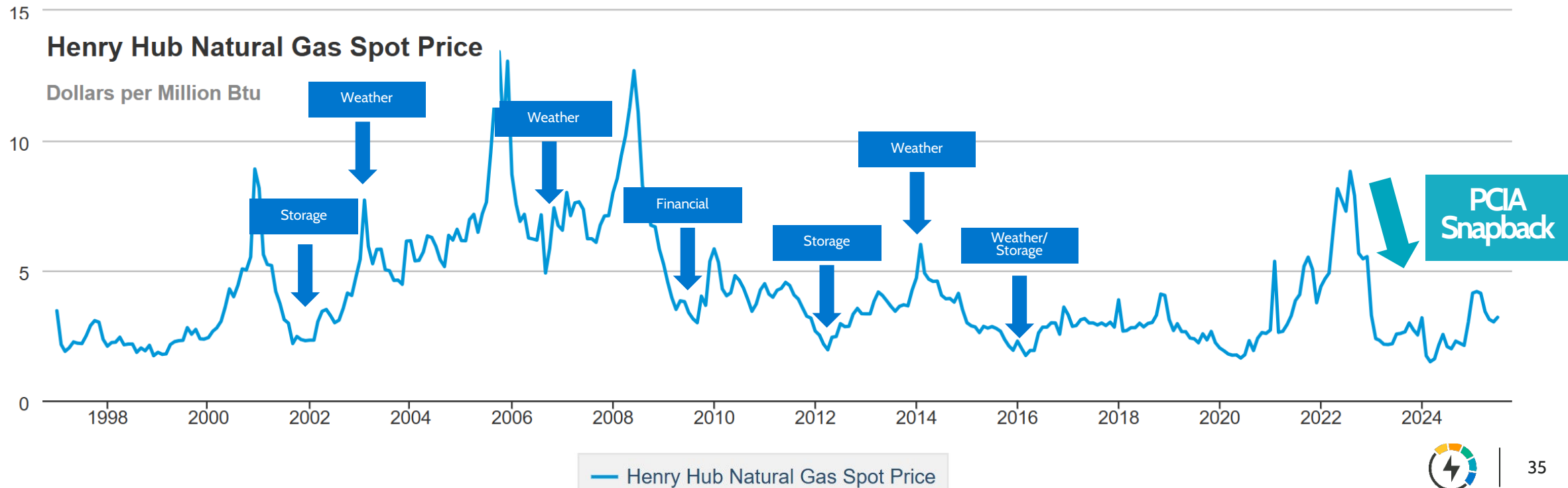
Predicting Market Volatility

1

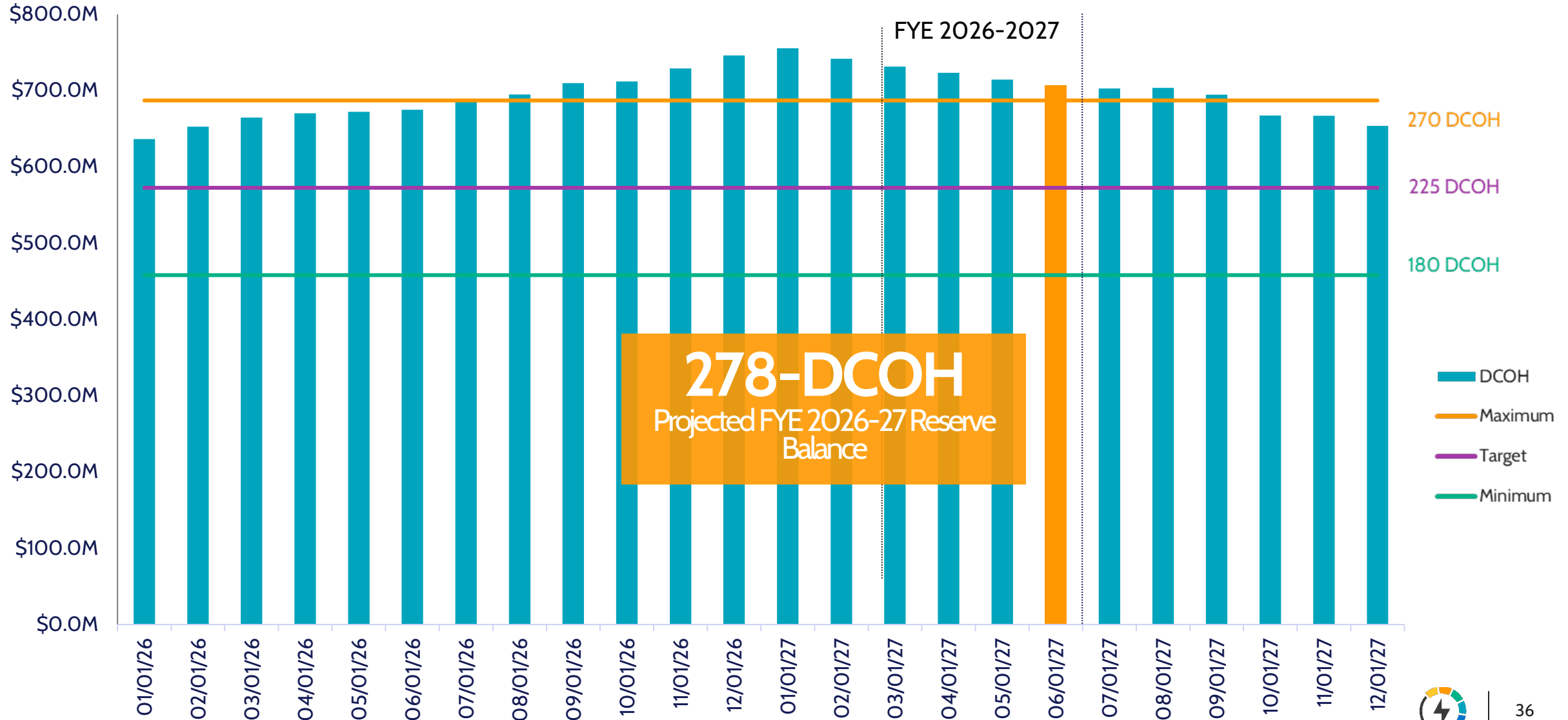
PCIA Snapback

Period of high energy prices falling to low energy prices

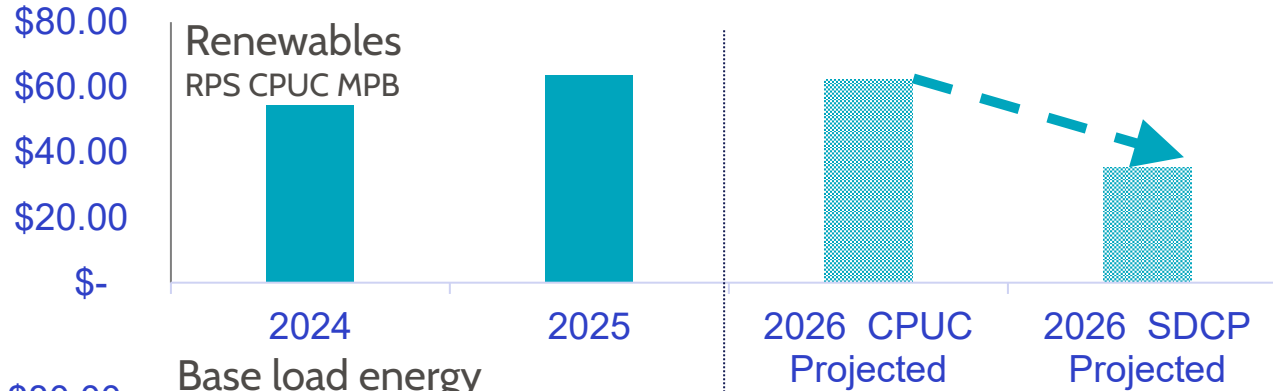
Last year, CPUC projected high Energy, RA, and RPS prices in 2026. These energy prices have **decreased down significantly.**



Reserve Projections

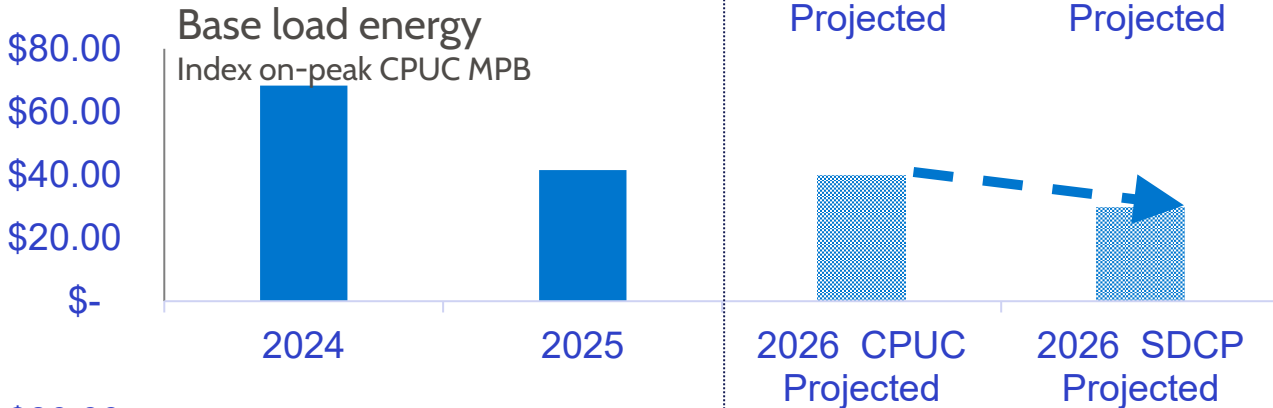


Forward Energy Curve Projections



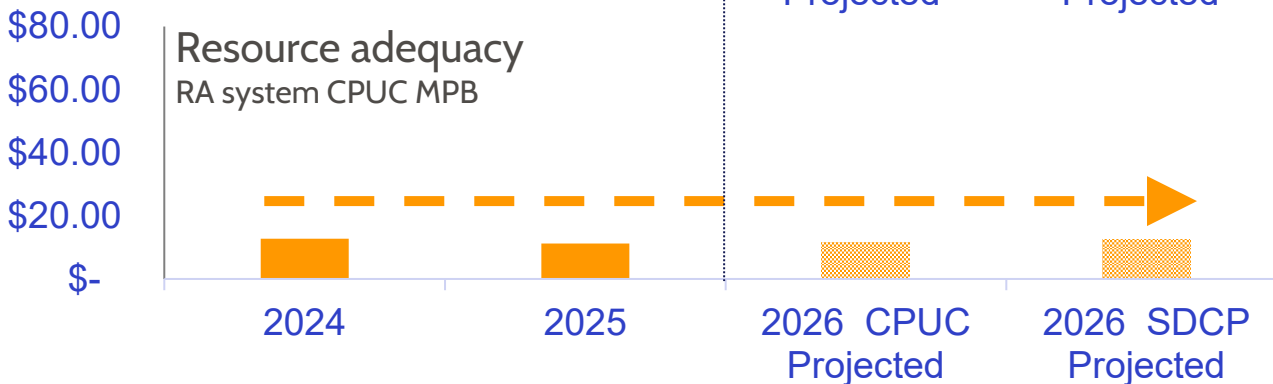
Renewables
Down in 2026

Lower revenue due to high PCIA and low rates.



Base Load
Down in 2026

Lower revenue due to high PCIA and low rates.

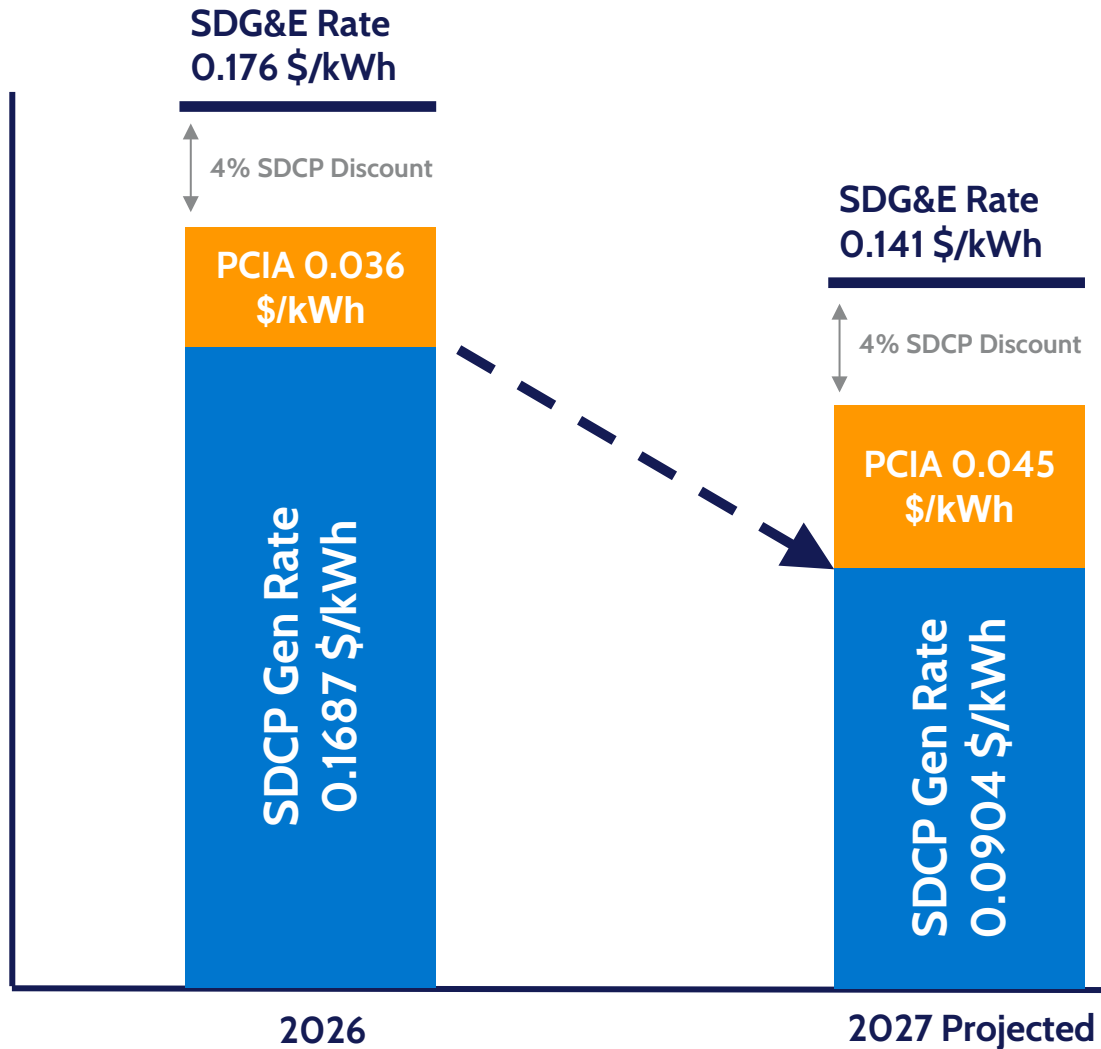


Resource Adequacy
Flat in 2026

Resource adequacy forward prices remain relatively flat from CPUC projections.



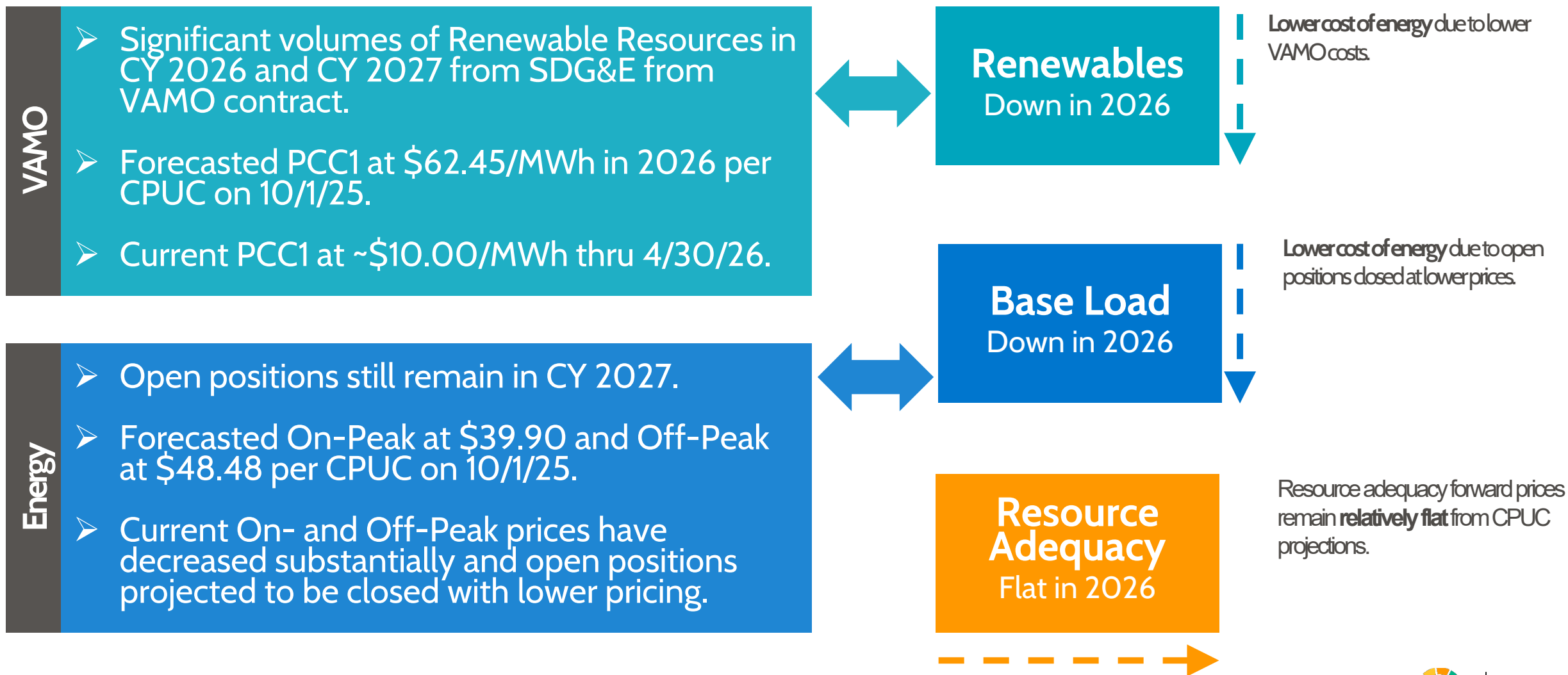
Projected Generation and PCIA Rates



Current projections show **higher PCIA** and **lower rates** in calendar year 2027, significantly shrinking SDCP net revenue.



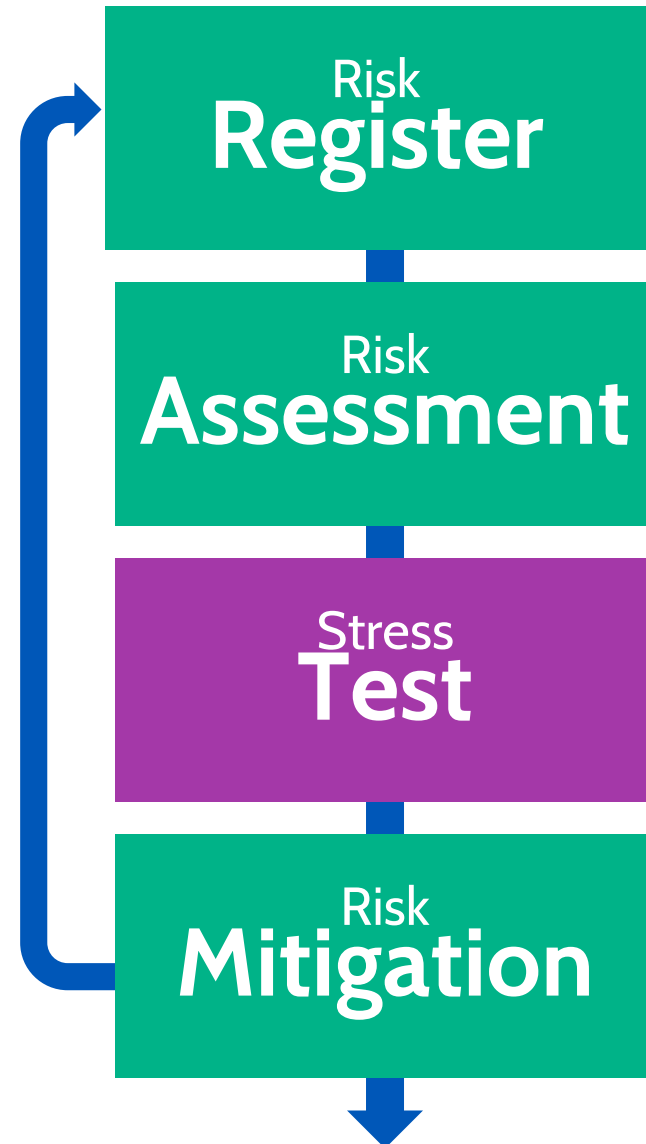
Cost of Energy Projections – Key Drivers



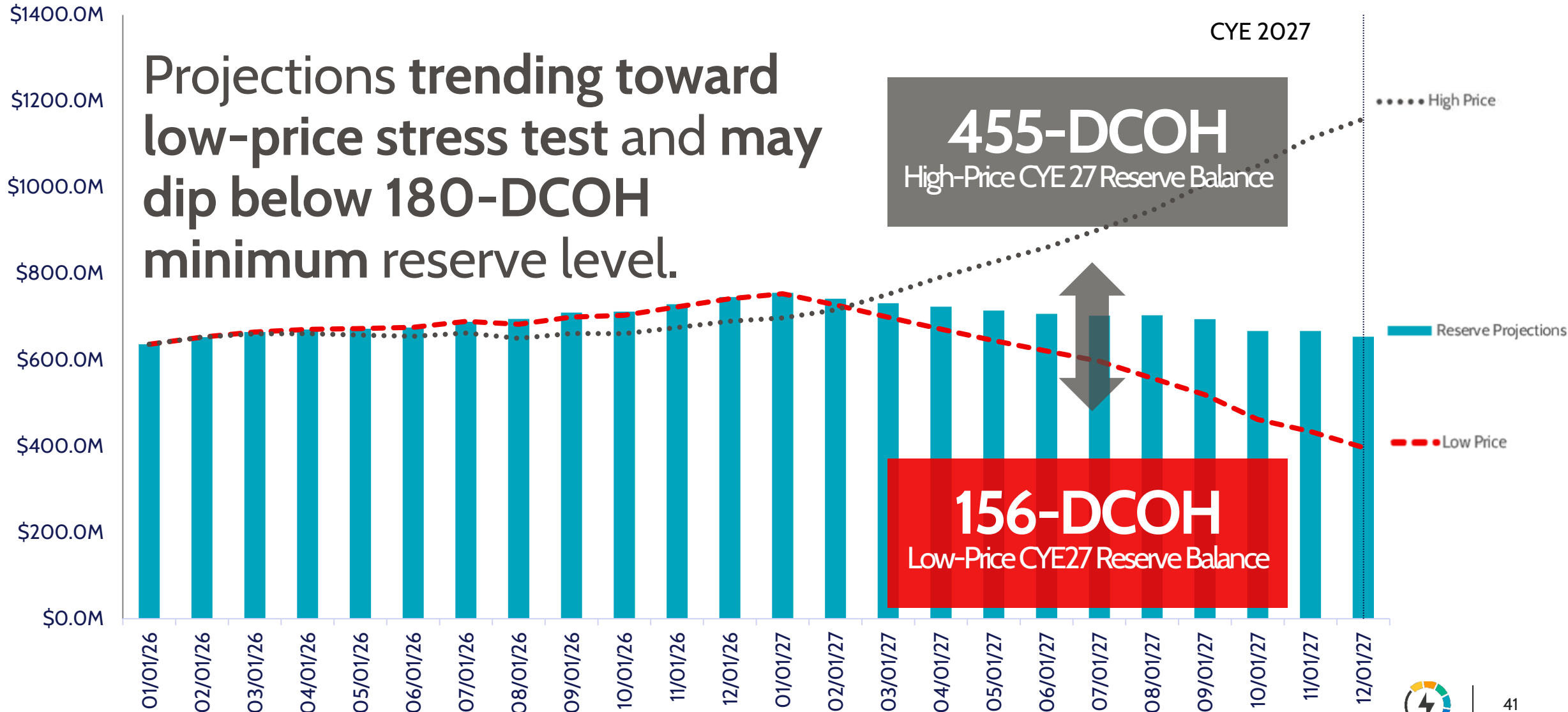
What might happen in 2027?

Stress Test Scenario

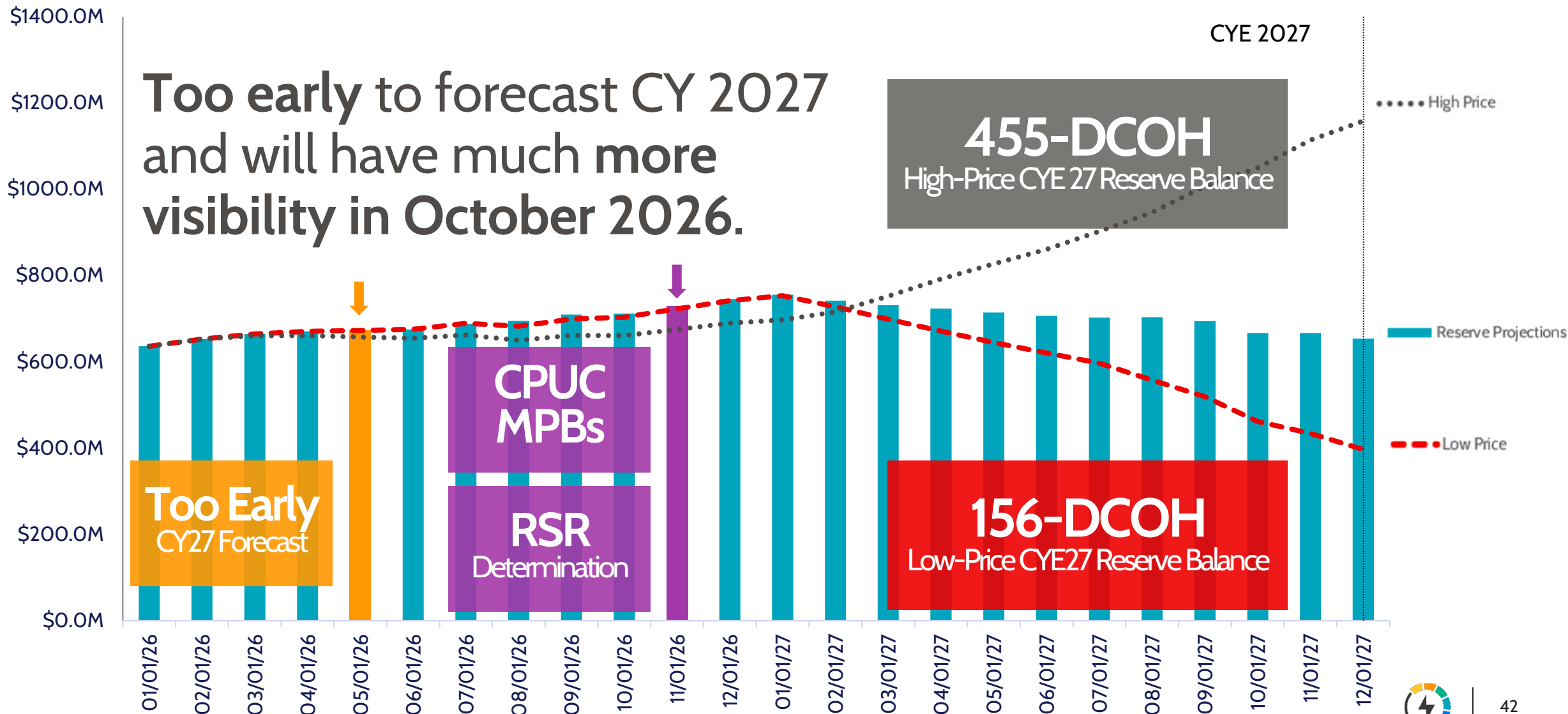
1. Energy prices drop to SDCP estimated low-energy price projections, or
2. Energy prices increase to SDCP estimated high-energy price projections



Reserve Projections








Reserve Projections



Budget – Non-Energy Costs

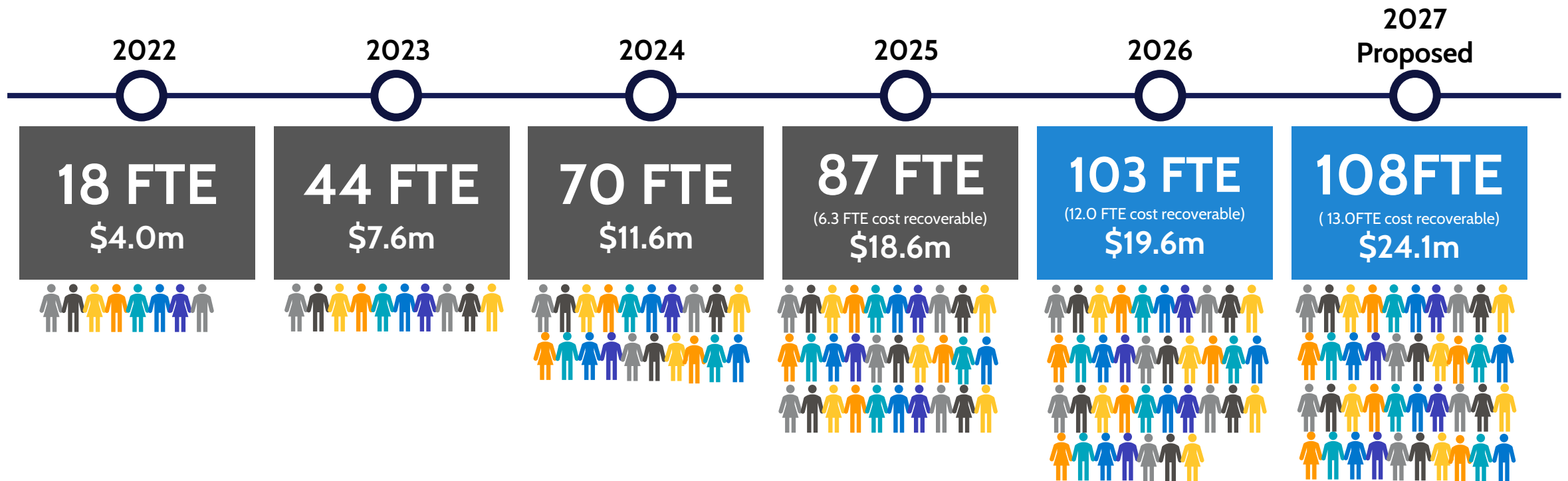
Budget Changes by Category

	Professional Services	Professional Services remains relatively even.	FY2026 \$23.4m	FY2027 \$23.9m
	Personnel	Recruitment strategy of 5 new staff. Current staffing: previously authorized. (103)	FY2026 \$19.6m	FY2027 \$24.1m
	Marketing and Outreach	Marketing and Outreach budget slightly increased.	FY2026 \$2.3m	FY2027 \$2.4m
	General and Administrative	Increase as Community Power has scaled in staffing.	FY2026 \$4.6m	FY2027 \$6.1m
	Capital Transfer	Continued Solar Battery Savings proposed funding of \$8.0 million.	FY2026 \$21.9m	FY2027 \$8.0m



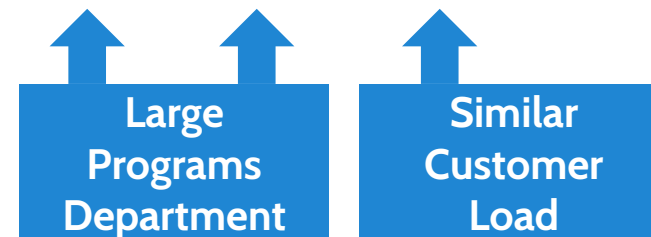
Personnel

- Community Power is proposing **5 additional FTEs**, 1 is cost recoverable.
- Personnel increase of **\$4.5M** for staff asks and hiring annualized from last year.
- Budget includes **\$1.2 million in overhead recovery** from external funding.



Personnel - CCA Comparison

Department	SDCP Current	SDCP Proposed	MCE	AVA	CPA	3CE
Power Services	16	17	15	26	15	10
Data Analytics, IT & Customer Ops.	21	22	32	20	17	11
Public Affairs	12	14	18	11	16	3
Programs	16	17	21	15	10	6
Finance	13	13	4	9	14	7
Legal/Regulatory and Legislative	8	8	14	12	9	8
Executive Team	5	5	4	4	5	5
Operations	8	8	11	2	5	4
Human Resources	4	4	7	4	4	2
Total	103	108	126	103	95	56



Capital Budget – Overhead Support

Category	SDCP Current	SDCP Proposed	MCE	AVA	CPA	3CE
Core Staff Operations	80	84	96	82	81	48
Programs Staff	16	17	21	15	10	6
Overhead Staff Support	7	7	9	6	4	2
Total FTE Positions	103	108	126	103	95	56

- Community Power has **similar staffing levels** to most other large CCAs for core operations.
- However, **Community Power has more Programs** staff given the agency has more outside funding most notably for the SDREN.
- Assumes a **44.9%** overhead rate for Programs.

Budget – CCA Comparison

Community Choice Aggregator	Years Est. (JPA eff. Date)	Customer Accounts*	Cost of Energy, \$M**	Non-Energy Costs, \$M	Net Ratepayer Revenue, \$M
Clean Power Alliance	Jun 2017	1,069,327	1,207.4	62.7	1,324.3
San Diego Community Power	Oct 2019	969,072	872.3	56.5	918.8
Ava Community Energy	Dec 2016	748,600	837.0	62.4	895.8
Marin Clean Energy	Dec 2008	601,163	765.5	50.3	826.7
Central Coast Community Energy	Mar 2018	514,937	534.8	53.6	578.0
Peninsula Clean Energy	Feb 2016	314,174	337.6	54.3	381.1
Clean Energy Alliance	Nov 2019	255,627	333.5	13.4	383.1

*Source: CalCCA as of December 2025. CEA includes recent Oceanside and Vista participation through 6/12/2024.

**CPA from 6/5/25 Board FY26 approved budget and excludes Customer Programs. SDCP from proposed FY26 budget amendment. Ava from 6/18/25 Board FY26 approved budget. MCE from 3/20/25 Board FY26 approved budget. PCE from FY26 adopted budget. 3CE from FY26 adopted budget. CEA from 6/26/2025 Board approved budget.



CIP Highlights



SD Regional Energy Network. In partnership with the County of San Diego, SDREN generates nearly \$125 million in energy efficiency resources for the region through 2027 and marks the final major population area in California to establish a Regional Energy Network.



Solar Battery Savings. \$3.5M investment to fund Upfront and performance-based incentives for home battery systems that boost resilience and reduce grid demand during peak hours.



Pilot Programs. \$2.5 million to support Customer Pilot Programs which represent small-scale, short-duration projects that can provide Community Power and stakeholders data on program design, technology acceptance and other information helpful for broader program delivery.



Distributed Energy Resources Management Systems Software Platform (DERMS). \$1.5 million will support the Distributed Energy Resources Management Systems Software Platform to support the organization's Flexible Load Strategy



Capital Budget and CIP

	Carryforward	FY27	FY28	FY29	FY30	FY31	Total
External Funding							
Regional Energy Network	-	63.1	51.4	42.0	43.7	45.5	245.7
DAC-GT	0.3	0.3	-	-	-	-	0.6
CDFA	0.7	-	-	-	-	-	0.7
Equitable Building Decarbonization Programs Evaluation	1.4	-	-	-	-	-	1.4
	0.7	-					0.7
Total External Funding	3.1	63.4	51.4	42.0	43.7	45.5	249.1
Internal Funding							
Solar Battery Savings	10.8	3.5	10.4	8.3	8.5	7.6	49.1
Pilot Programs	1.8	2.5	-	-	-	-	4.3
Grants	1.3	-	-	-	-	-	1.3
Flexible Load	0.5	1.5	-	-	-	-	2.0
IT Projects	3.2	0.2	-	-	-	-	3.4
Program Evaluation	0.3	0.3	-	-	-	-	0.6
Application Assistance	0.3	-	0.3	-	-	0.3	0.9
Total Internal Funding	18.2	8.0	10.7	8.3	8.5	7.9	61.6
Total CIP Expenses	21.30	71.40	62.10	50.30	52.20	53.40	310.70

Appropriated in prior fiscal years

Proposed Capital Budget

Proposed Capital Investment Plan



Capital Budget Appropriations

	Carryforward	FY27 Authorized Budget	FY27 Proposed Appropriation
Operating Transfer In	18.2		8.0
Regional Energy Network	-	63.1	-
DAC-GT	0.3	0.3	-
CDFA	0.7	-	-
Equitable Building Decarbonization	1.4	-	-
Other	0.7	-	-
Total	21.3	63.4	8.0

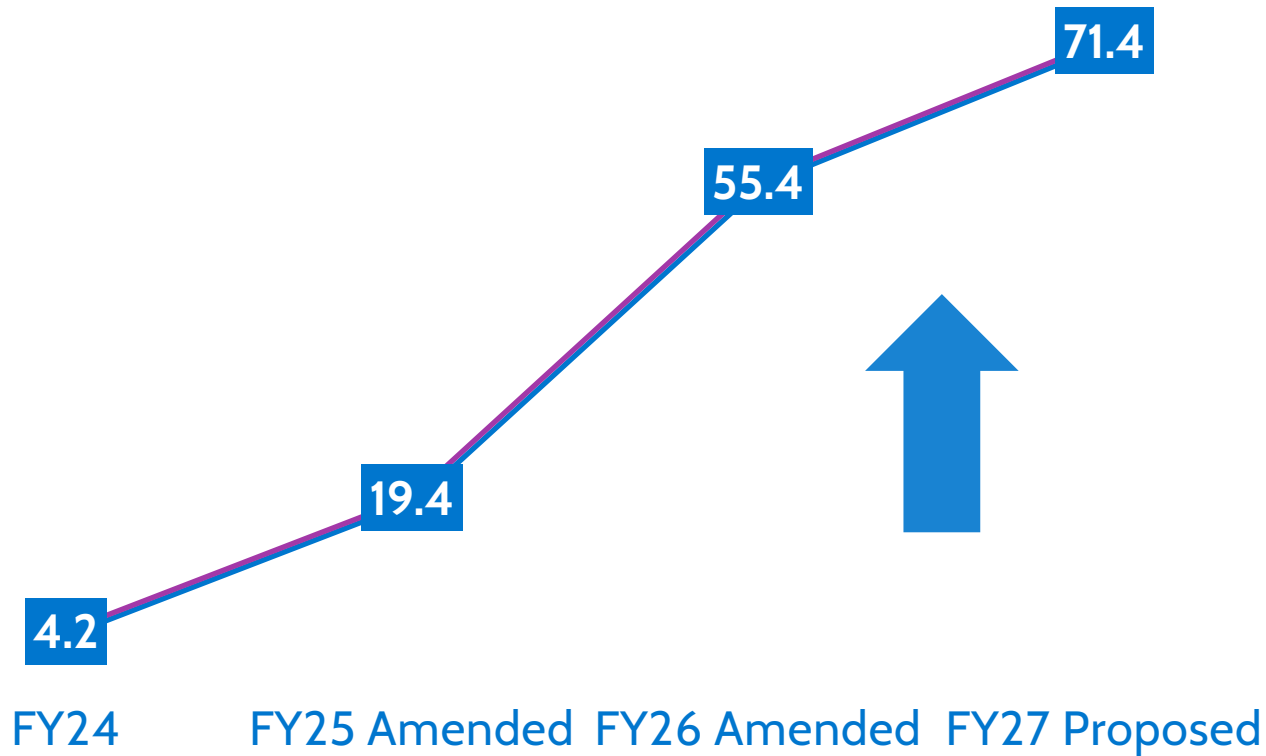
Funded through the operating budget

Authorized through previous Board action



Capital Budget Growth

Capital Budget



FY2026-27 continues a trend of steady growth in the Capital Budget, driven largely by revenue derived by external sources such as the San Diego Regional Energy Network.

Capital Budget – Overhead Support

Category	SDCP Current	SDCP Proposed	MCE	AVA	CPA	3CE
Core Operations	80	84	96	82	81	48
Programs	16	17	21	15	10	6
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- Assumes a **44.9%** overhead rate for Programs.



Power Services

- Purchasing power on behalf of our customers has the largest budget impact
- We strive to provide cleaner, reliable, competitively-priced electricity
- Budget priorities remain consistent:
 - Managing risk through diversified procurement strategies
 - Maintaining compliance at the lowest feasible cost
 - Using improved forecasting and analytics

Reductions

- Scheduling coordinator (↓ \$131K)

Investments

- Storage optimization (↑ \$695K)
- Load Forecasting (↑ \$25K)
- Load Forecast Manager (+1 FTE)





Operations

- Ensures Community Power functions effectively and efficiently across all departments
- Drives implementation of strategic objectives through coordination and operational excellence
- Oversees governance, administrative systems and policy development
- Leads engagement with customers and stakeholders

Personnel-Related Adjustments

- Healthcare (↑ \$577K)
- Accrued PTO (↑ \$520K)
- Retirement contributions (↑ \$294K)

Externally Funded

- Cost-recoverable salaries (↓ \$1.18M)





IT, Data Analytics and Customer Operations

- Serves two distinct but functions: IT and Data Analytics and Customer Operations
- Provides reliable, data-driven tools for internal staff and customers
- Focuses on billing accuracy, customer communication, operational efficiency, and secure and resilient systems.

Reductions

- Data management (↓ \$906K)
- SDG&E service fees (↓ \$379K)
- Printing (↓ \$104K)

Investments

- AI managed services (↑ \$200K)
- Direct access managed services (↑ \$160K)
- Rates Analyst (+1 FTE)





Regulatory & Legislative Affairs

- Monitors and influences policy impacting operations and customers
- Supports regulatory compliance and agency-wide understanding
- Works with CalCCA and statewide partners
- Protects affordability, reliability and local control

Reductions

- Federal lobbyist contract not renewed (↓ \$90K)

Investments

- Regulatory counsel (↑ \$80K)





Programs

- Designs initiatives to reduce customer bills, increase resilience and expand access to clean energy
- Second-largest investment area after Power Services
- Focus on equity, scalability and customer impact
- Program design guided by the Community Power Plan, member agency Climate Action Plans, and state and federal policy



Programs — Budget Changes

Externally Funded

- San Diego Regional Energy Network (\$63M, cost-recoverable)

Investments

- Solar + storage incentives (↑ \$3.53M)
- DERMS platform ↑ \$1.5M
- Pilot programs (↑ \$1.9M)
- Bring Your Own Device pilot (↑ \$600K)
- EV load study (↑ \$250K)
- Senior Program Associate (+1 FTE)





Public Affairs

- Connects Community Power with the communities it serves
- Supports all departments across the organizations
- Strategic communications, marketing and community engagement drive outreach and transparency
- Renamed budget item to “Strategic Communications and Outreach” to better reflect priorities and day-to-day focus

Investments

- Strategic Communications & Outreach (↑ \$116K)
- Community Engagement Manager (+1 FTE)

Externally Funded

- SDREN Outreach Associate (+1 FTE, cost-recoverable)



Proposed Actions

Proposed Board Action

Operating Budget

Net Revenue:	\$918.8M
Total Expense:	915.7M
Net Position	\$3.1M

Operating Budget

Receive and file the FY2026-27 Operating Budget, which includes net revenues of \$918.8M and total expenses of \$915.7M for a total increase in net position of \$3.1M

Capital Budget

Operating Transfer	\$8M
Authorized Budget	63.4M
FY27 Capital Budget	\$71.4M

Capital Budget

Approve, as part of the operating budget, an \$8M transfer from operations to support the FY2026-27 capital budget. This supplements \$63.4 M in authorized external funding for a capital budget of \$71.4M

Capital Investment Plan (FY27-FY31)

External Funding	\$249.1M
Internal Funding	61.6M
CIP	\$310.7M

Capital Investment Plan

Approve and file the FY2026-2031 Capital Investment Plan which projects a total investment of \$310.7M over the 5-year outlook period.

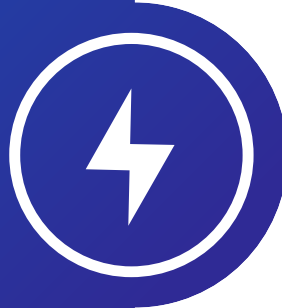


Public Comment on Item No. 3

Item No. 3

Committee Members Comments or Questions

Presentation of Draft FY 2026-27 Operating Budget, FY 2026-27 Capital Budget, and FY 2027-2031 Capital Investment Plan, and Quarterly Risk Oversight Committee Report



Recommendation:

Receive and File Draft FY 2026-27 Operating Budget, FY 2026-27 Capital Budget, and FY 2027-2031 Capital Investment Plan, and Quarterly Risk Oversight Committee Report

Committee Member Announcements

Adjournment



Next Regular Finance and Risk Management Committee Meeting June 18, 2026

CustomerService@SDCommunityPower.org