



AGENDA

Regular Meeting Finance and Risk Management Committee

May 21, 2026, 4 p.m.

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

The meeting will be held in person at the above date, time, and location. Finance and Risk Management Committee (FRMC) members and members of the public can attend in person. Under certain circumstances, FRMC members may also attend and participate virtually in the meeting, pursuant to the Brown Act (Gov. Code § 54953). As a convenience, San Diego Community Power provides a Zoom teleconference option for members of the public to virtually observe and provide public comments at its meetings. Additional details on in-person and virtual public participation are below. Please note that in the event of a technical issue causing a disruption in the Zoom teleconference option, the meeting will continue unless otherwise required by law (such as when an FRMC member is virtually attending the meeting), pursuant to certain provisions of the Brown Act.

Note: Any member of the public may provide comments to the FRMC on any agenda item. When providing comments, it is requested that members of the public include their name and city of residence for the record. Members of the public are requested to address their comments to the FRMC as a whole through the chairperson. Comments may be provided in one of the following ways:

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

the meeting will be limited to the first 400 words. Comments received after the start of the meeting will be collected, sent to the FRMC members, and become part of the public record.

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

The public may participate using the following remote options:

Teleconference Meeting Webinar

<https://sdcommunitypower-org.zoom.us/j/95148519712>

Telephone (audio only): 669-900-6833 or 253-215-8782 | Webinar ID: 95148519712

WELCOME

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

LAND ACKNOWLEDGEMENT

SPECIAL PRESENTATIONS AND INTRODUCTIONS

- Introduction of New Community Power Chief Financial Officer, Jannies Burlingame

ITEMS TO BE ADDED, WITHDRAWN OR REORDERED ON THE AGENDA

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

This is an opportunity for members of the public to address the FRMC on any items not on the agenda but within the jurisdiction of the FRMC. Members of the public may provide comments in any manner described above.

CONSENT CALENDAR

1. [Approve March 19, 2026, Meeting Minutes](#)

REGULAR AGENDA

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.

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 preliminary 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

FRMC members may briefly provide information to other members and the public. There is to be no discussion or action taken on comments made by FRMC members unless authorized by law.

ADJOURNMENT

The Finance and Risk Management Committee will adjourn until the next regular meeting scheduled for Thursday, June 18, 2026, at 4 p.m.

COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT

Community Power committee meetings comply with the Americans with Disabilities Act. Individuals with a disability who require a modification or accommodation, including auxiliary aids or services, to participate in a public meeting may contact ClerkOfTheBoard@SDCommunityPower.org. Requests for disability-related modifications or accommodations require varying lead times and should be provided at least 72 hours in advance of the public meeting.

AVAILABILITY OF COMMITTEE DOCUMENTS

Copies of the agenda and related materials are available at <https://sdcommunitypower.org/resources/meeting-notes/>. Late-arriving documents related to an agenda item are distributed to the committee members prior to or during the committee meeting and are available for public review as required by law. Public records, including agenda-related documents, can be requested electronically from ClerkOfTheBoard@SDCommunityPower.org or by mailing San Diego Community Power, Attn: Clerk of the Board, P.O. Box 12716, San Diego, CA 92112. The documents may also be posted on Community Power’s website. Such public records are also available for inspection by contacting ClerkOfTheBoard@SDCommunityPower.org to arrange an appointment.



SAN DIEGO COMMUNITY POWER

FINANCE AND RISK MANAGEMENT COMMITTEE

Regular Meeting Minutes

March 19, 2026

City of Chula Vista

276 Fourth Avenue, Chula Vista, CA 91910

WELCOME

CALL TO ORDER

Chair Yamane called the Finance and Risk Management Committee meeting to order at 4:05 p.m.

ROLL CALL

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

Absent: None

Staff Present: Chief Executive Officer Burns; Director of Finance Manglicmot; Senior Strategic Finance Manager/Interim Treasurer Spengler; Rates and Strategy Manager Lu; General Counsel Tyagi; Clerk of the Board Hernandez; and Assistant Clerk of the Board Vences

PLEDGE OF ALLEGIANCE

Director Inzunza led the Pledge of Allegiance.

LAND ACKNOWLEDGEMENT

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

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

Assistant Clerk of the Board Vences announced that Item No. 6; Announcement of Public Investment Grade Credit Rating from S&P Global Ratings would be reordered to go before Item No. 2.

PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA

Rob provided public comment.

REGULAR AGENDA

Although Item No. 6 was scheduled to follow Item No. 1 on the agenda, the Chair called Item No. 6, and it was heard at this time.

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

Ms. Burns announced Community Power's public investment grade credit rating from S&P Global Ratings.

Rob provided public comment on Item No. 6.

After Committee Member comments, the staff report acknowledging San Diego Community Power's publicly issued "A" Issuer Credit Rating with a Stable Outlook from S&P Global Ratings was received and filed.

CONSENT CALENDAR

1. Approve February 19, 2026, Meeting Minutes

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

Motioned by Director Inzunza and seconded by Vice Chair Suzuki to approve Consent Item No. 1. The motion carried 3/0 by Roll Call Vote as follows:

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

REGULAR AGENDA (continued)

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

Messrs. Spengler and Dan Delaney, Chandler Asset Management representative, presented the Treasurer's Report for Six-Month Period Ending December 31, 2025.

Rob provided public comment on Item No. 2.

After Committee Member comments, the Treasurer’s Report for Six-Month Period Ending December 31, 2025, was received and filed.

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

Messrs. Spengler and Lu provided an overview of the proposed Rate Stabilization Reserve Policy.

Rob provided public comment on Item No. 3.

After Committee Member comments, motioned by Vice Chair Suzuki and seconded by Director Inzunza to recommend Board adoption of resolution, approving the Rate Stabilization Reserve Policy. The motion carried 3/0 by Roll Call Vote as follows:

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

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

Mr. Spengler provided an overview of the proposed recommendation for Community Power to join the California Community Choice Financing Authority as a Founding Member.

Rob provided public comment on Item No. 4.

After Committee Member comments, motioned by Director Inzunza and seconded by Vice Chair Suzuki to 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. The motion carried 3/0 by Roll Call Vote as follows:

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

5. Update on 2026 Projected Community Power Rates

Mr. Lu provided an update of the 2026 Projected Community Power Rates.

Rob provided public comment.

After Committee Member comments, the 2026 Projected Community Power Rates update was received and filed.

COMMITTEE MEMBER ANNOUNCEMENTS

None.

ADJOURNMENT

The Finance and Risk Management Committee adjourned at 5:16 p.m. to the next regular meeting scheduled for Thursday, April 16, 2026, at 4 pm.

Sandra Vences
Assistant Clerk of the Board



SAN DIEGO COMMUNITY POWER

Staff Report – Item 2

To: Finance and Risk Management Committee

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

Via: Karin Burns, Chief Executive Officer

Subject: Treasurer’s Report for Eight-Month Period Ending February 28, 2026

Date: May 21, 2026

Recommendation

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

Background

San Diego Community Power (Community Power) prepares its accounting records on a full accrual basis under Generally Accepted Accounting Principles (GAAP) for governmental enterprise funds. Year-to-date financial statements for the eight-month period ending February 28, 2026, 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 Finance and Risk Management Committee (FRMC) via the Treasurer’s Report. As of February 28, 2026, the investment portfolio was compliant with Community Power’s 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.

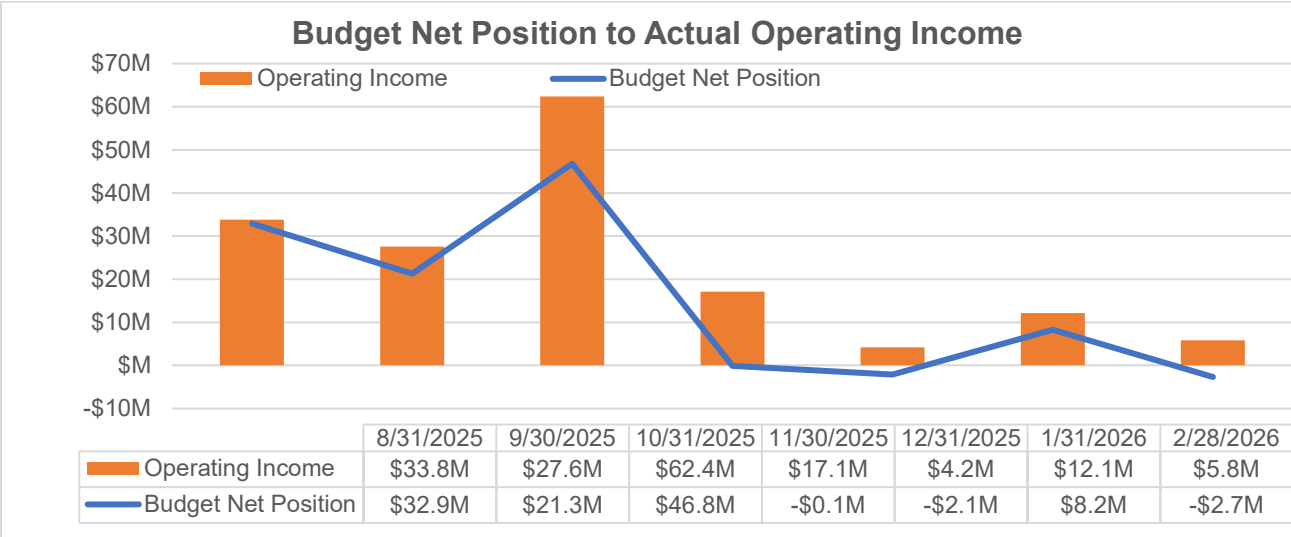
On February 26, 2026, Community Power Board of Directors (Board) approved the Amended Fiscal Year 2025-26 Operating Budget, which serves as the basis for comparison in this report.

Analysis and Discussion

Actual financial results for the period ending February 28, 2026: \$906.8 million in net operating revenues were reported compared to \$899.9 million budgeted for the period. Community Power’s change in net position of \$199.9 million was reported year-to-date for Fiscal Year 2025-26. The following is a summary of the actual results through February 28, 2026, compared to the Fiscal Year 2025-26 Amended Budget:

- Operating revenues are \$6.9 million, or 0.8% above budget assumptions primarily due to higher retail sales resulting from warmer temperatures. Uncollectable customer accounts are lower relative to budget.
- Cost of energy is \$35.9 million, or 5.0% under budget, primarily due to lower energy costs resulting from lower renewable expenses.
- Professional Services and Consultants: \$3.2 million below budget due to lower-than-expected utilization of outside professional services.
- Personnel Costs: \$0.4 million under budget, driven by vacancies and accrued vacation.
- Non-Operating Revenues and Expenses:
 - Total investment income of \$12.9 million vs the budgeted \$12.2 million.
 - \$1.3 million in year-to-date interest and related expenses versus \$1.0 million budgeted, in line with expectations.

The chart below shows the Budgeted Net Position as compared to actual operating income through the first eight months of FY26:

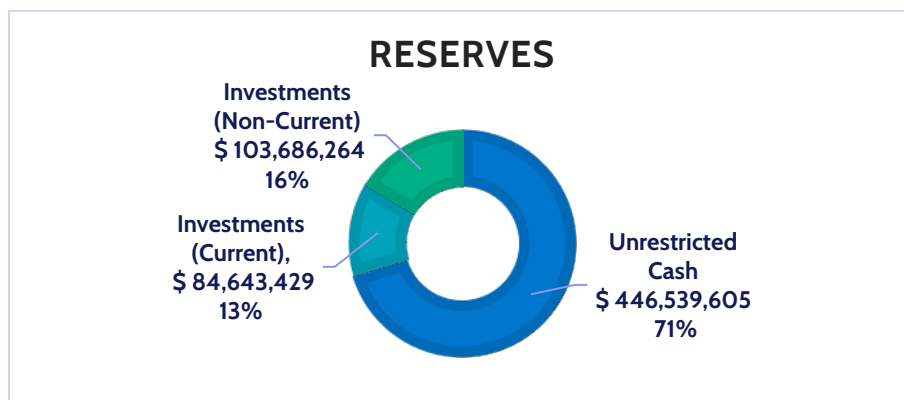
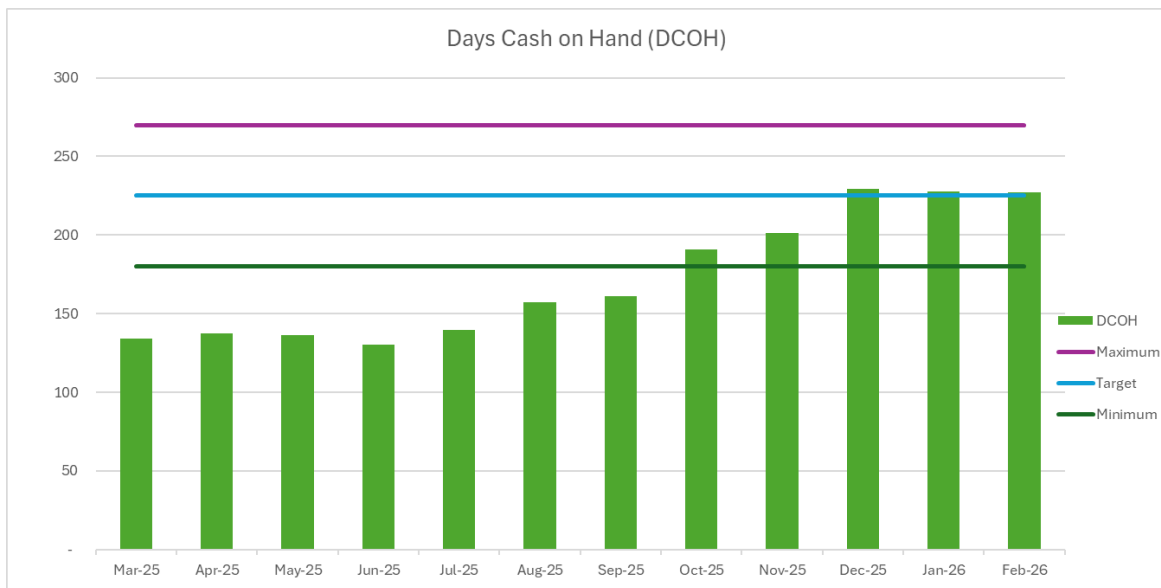


Financial Reserves:

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 \$634.9 million- or 227-days cash on hand, including \$446.5 million in unrestricted cash and \$188.3 million in investment holdings. Total available liquidity (including unrestricted cash, investment holdings, and available lines of credit) was \$857.9 million.

Presented below are charts showing Community Power’s rolling 12-month financial reserves relative to Reserve Policy thresholds, along with the composition of reserves between unrestricted cash and investments.



Presented below are the Budget to Actual results for the eight months ending February 28, 2026.

**SAN DIEGO COMMUNITY POWER
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Eight Months Ended February 28, 2026**

	<u>Year-to-Date</u>				<u>Annual</u>	
	<u>Amended Budget</u>	<u>Actual</u>	<u>Amended Budget Variance (Under) Over</u>	<u>Actual/ Amended Budget %</u>	<u>Amended Budget</u>	<u>Amended Budget Remaining</u>
REVENUES AND OTHER SOURCES						
Gross Ratepayer Revenues	914,709,000	\$ 918,186,189	3,477,189	100%	1,194,789,000	\$ 276,602,811
Less: Uncollectible Customer Accounts	(14,818,000)	(13,772,793)	1,045,207	93%	(19,370,000)	(5,597,207)
Other Income	-	2,392,306	2,392,306	na	-	(2,392,306)
Total Revenues and Other Sources	<u>899,891,000</u>	<u>906,805,702</u>	<u>6,914,702</u>		<u>1,175,419,000</u>	<u>268,613,298</u>
OPERATING EXPENSES						
Cost of Energy	703,159,000	667,189,615	(35,969,385)	95%	969,917,000	302,727,385
Professional Services and Consultants	15,609,000	12,443,317	(3,165,683)	80%	23,414,000	10,970,683
Personnel Costs	13,075,000	12,617,802	(457,198)	97%	19,612,000	6,994,198
Marketing and Outreach	1,545,000	1,555,062	10,062	101%	2,317,000	761,938
General & Administrative	3,098,000	2,825,196	(272,804)	91%	4,648,000	1,822,804
Total Operating Expenses	<u>736,486,000</u>	<u>696,630,992</u>	<u>(39,855,008)</u>		<u>1,019,908,000</u>	<u>323,277,008</u>
Operating Income (Loss)	<u>163,405,000</u>	<u>210,174,709</u>	<u>46,769,709</u>		<u>155,511,000</u>	<u>(54,663,709)</u>
NON-OPERATING REVENUES (EXPENSES)						
Investment Income	12,197,000	12,911,528	714,528	106%	18,295,000	5,383,472
Interest and Related Expenses	(1,010,000)	(1,272,577)	(262,577)	126%	(1,515,000)	(242,423)
Transfer to Capital Investment Program	(21,881,000)	(21,881,000)	-	100%	(21,881,000)	-
Total Non-Operating Revenues (Expenses)	<u>(10,694,000)</u>	<u>(10,242,049)</u>	<u>451,951</u>		<u>(5,101,000)</u>	<u>5,141,049</u>
NET CHANGE	<u>\$ 152,711,000</u>	<u>\$ 199,932,661</u>	<u>\$ 47,221,661</u>		<u>\$ 150,410,000</u>	<u>\$ (49,522,661)</u>

Investment Portfolio Report

Chandler Asset Management manages Community Power’s investment portfolio. As of February 28, 2026, the market value of the portfolio was \$115.7M and in compliance with Community Power’s Investment Policy. Presented below is a summary of the investment portfolio’s overall characteristics.

PORTFOLIO SUMMARY



San Diego Community Power | Account #11293 | As of February 28, 2026

Portfolio Characteristics

Average Modified Duration	2.55
Average Coupon	3.80%
Average Purchase YTM	4.12%
Average Market YTM	3.65%
Average Credit Quality*	AA+
Average Final Maturity	2.99
Average Life	2.77

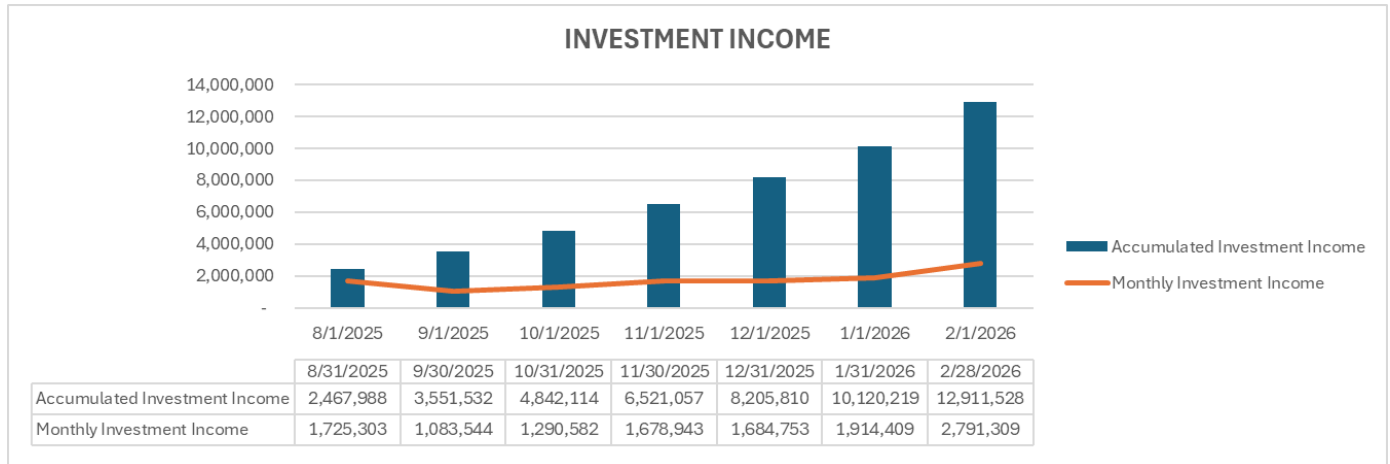
Account Summary

	End Values as of 01/31/2026	End Values as of 02/28/2026
Market Value	114,039,035.26	114,940,764.41
Accrued Interest	808,639.60	815,633.69
Total Market Value	114,847,674.86	115,756,398.11
Income Earned	208,576.02	393,048.06
Cont/W/D	10,000,000.00	0.00
Par	114,291,918.65	114,625,903.53
Book Value	113,266,660.22	113,626,309.95
Cost Value	113,091,760.49	113,427,822.78

Top Issuers

United States	52.00%
Federal Home Loan Mortgage Corp	11.45%
Chase Issuance Trust	1.52%
Guardian Life Global Funding	1.31%
The Home Depot, Inc.	1.27%
Toyota Motor Corporation	1.22%
Caterpillar Inc.	1.15%
WF Card Issuance Trust	1.10%

The chart below presents monthly and year-to-date investment income for the first eight months of FY26.



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 April.

- San Diego350 for EBD Program Outreach - \$78k
- Groundwork San Diego – Chollas Creek for EBD Program Outreach - \$85k
- Good For Others Foundation Funding Agreement - \$50k

- Planet Bids - \$59k
- San Diego Football Club - \$115k

Capital Investment Program Fund

The FY 2026-30 Capital Investment Plan contains 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 shown in the Budgetary Comparison Schedule. 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.

**CAPITAL INVESTMENT PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
Eight Months Ended February 28, 2026**

	Annual Amended Budget	YTD Actual	Amended Budget Remaining
REVENUES AND OTHER SOURCES			
Transfer in from Operating Fund	\$ 21,881,000	\$ 21,881,000	\$ -
Grant Revenue - SDREN	31,868,547	3,290,520	(28,578,027)
Grant Revenue - CDFIA Efficient Refrigeration	-	621,363	621,363
Grant Revenue - DAC	589,822	-	(589,822)
Total Revenue and Other Sources	54,339,369	25,171,520	(29,167,849)
EXPENDITURES AND OTHER USES			
Program Expenditures	54,628,369	7,262,008	\$(47,366,361)
Net increase (decrease) in fund balance	<u>\$ (289,000)</u>	17,909,512	
Fund balance at beginning of period		10,340,567	
Fund balance at end of period		<u>\$ 28,250,079</u>	

Customer Participation Rates

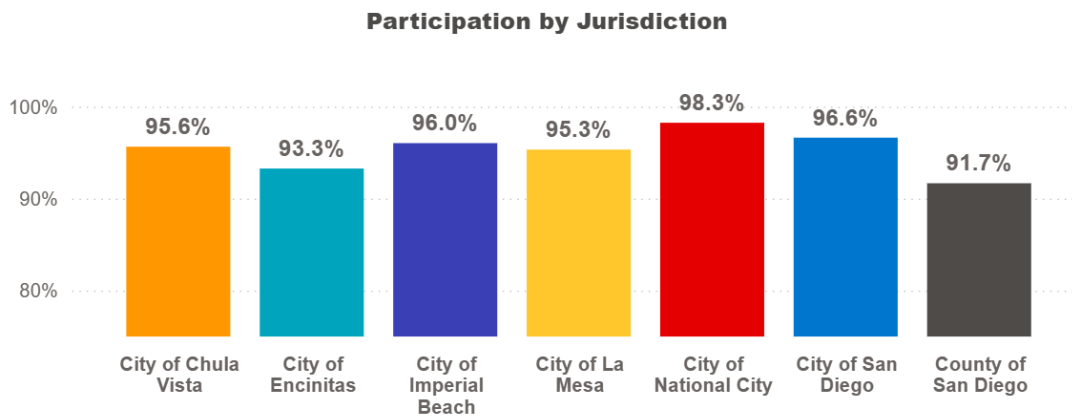
The participation rate for Community Power reflects full enrollment of current member agencies. We are reporting on the opt outs and eligible accounts associated with the phase based on those accounts that we have noticed for enrollment on a rolling basis as of the reporting month.

Presented below are the customer participation rates by jurisdiction as of April 1, 2026.

**Enrolled
Accounts**
969,072

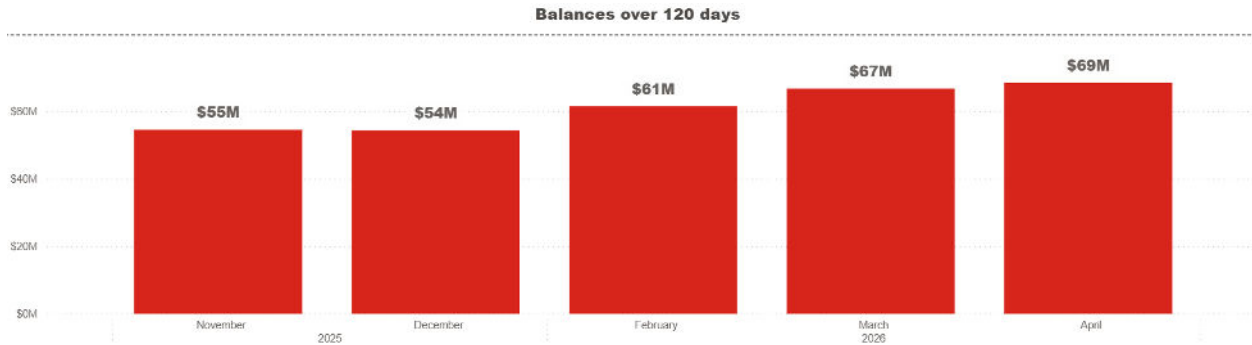
**Participation
Rate**
95.5%

Participation

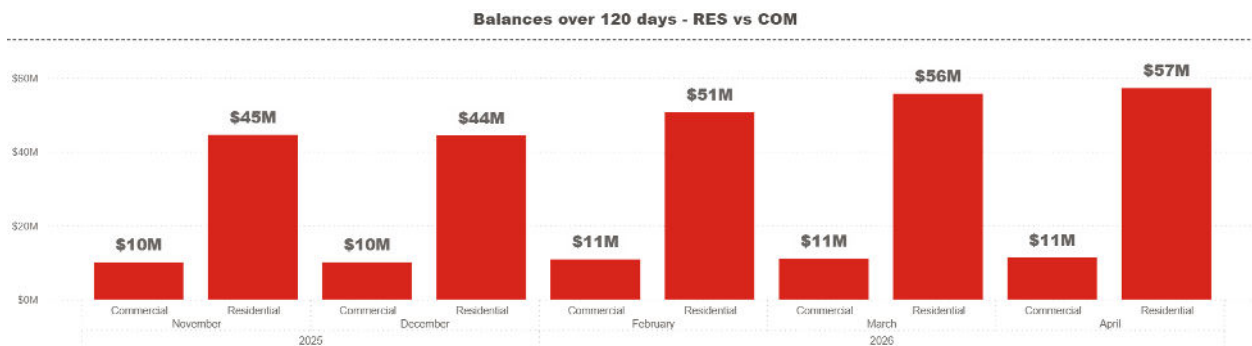


Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	100,332	95,963	95.6%
City of Encinitas	Power100	28,984	27,034	93.3%
City of Imperial Beach	PowerOn	10,818	10,389	96.0%
City of La Mesa	PowerOn	29,639	28,256	95.3%
City of National City	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%

Presented below is the state of Community Power arrears. The arrearage data below includes Community Power's receivables aged 120+ days as of April 1, 2026.



Presented below is a breakout of Community Power's arrears data by residential and commercial customer class as of April 1, 2026.



Fiscal Impact

N/A

Strategic Plan

Consistent with the Strategic Plan objective of implementing prudent fiscal strategies to support long-term organizational sustainability.

Attachments

A: FY 2026 Year-to-Date Period Ended February 28, 2026, Financial Statements.

ITEM 2
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 February 28, 2026, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the eight 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
April 7, 2026

SAN DIEGO COMMUNITY POWER
STATEMENT OF NET POSITION
As of February 28, 2026

ASSETS

Current assets	
Cash and cash equivalents - unrestricted	\$ 446,539,605
Cash and cash equivalents - restricted	33,257,761
Accounts receivable, net of allowance	96,865,860
Accrued revenue	46,178,107
Prepaid expenses	2,945,281
Other receivables	9,360,653
Deposits	8,806,441
Investments	84,643,429
Total current assets	728,597,137
Noncurrent assets	
Cash and cash equivalents - restricted	11,856,402
Investments	103,686,264
Capital assets, net of depreciation and amortization	1,251,296
Total noncurrent assets	116,793,962
Total assets	845,391,099

LIABILITIES

Current liabilities	
Accrued cost of electricity	92,503,469
Accounts payable	5,072,042
Other accrued liabilities	3,151,005
State surcharges payable	385,156
Deposits - energy suppliers	383,731
Lease liability	893,837
Advances from grantors	44,467,163
Total current liabilities	146,856,403
Noncurrent liabilities	
Deposits - energy suppliers	3,867,810
Total noncurrent liabilities	3,867,810
Total liabilities	150,724,213

NET POSITION

Net investment in capital assets	357,459
Restricted for security collateral	647,000
Unrestricted	693,662,427
Total net position	\$ 694,666,886

**SAN DIEGO COMMUNITY POWER
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Eight Months Ended February 28, 2026**

OPERATING REVENUES	
Electricity sales, net	\$ 904,413,396
Grant revenue	3,911,883
Liquidated damages revenue	2,348,023
Other income	44,283
Total operating revenues	<u>910,717,585</u>
OPERATING EXPENSES	
Cost of electricity	667,189,615
Contract services	15,557,152
Staff compensation	13,565,564
Other operating expenses	8,107,460
Depreciation and amortization	619,786
Total operating expenses	<u>705,039,577</u>
Operating income	<u>205,678,008</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment income	12,911,528
Interest expense	(154,814)
Nonoperating revenues (expenses), net	<u>12,756,714</u>
CHANGE IN NET POSITION	
Net position at beginning of year	476,232,164
Net position at end of year	<u>\$ 694,666,886</u>

**SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS
Eight Months Ended February 28, 2026**

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 951,779,572
Receipts from grantors	22,902,513
Receipts of supplier security deposits	21,855,240
Receipts from wholesale sales and other operating activities	7,292,280
Payments to suppliers for electricity	(682,027,289)
Payments for other goods and services	(21,981,211)
Payments for deposits and collateral	(5,330,351)
Payments for staff compensation	(13,601,686)
Payments of state surcharges	(1,790,551)
Net cash provided by operating activities	<u>279,098,517</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from bank note	19,000,000
Principal payments - bank note	(19,000,000)
Interest payments	(89,170)
Net cash provided (used) by noncapital financing activities	<u>(89,170)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Lease payments	(623,856)
Purchases of capital assets	(553,540)
Net cash used by capital and related financing activities	<u>(1,177,396)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income received	10,890,195
Proceeds from investment sales and maturities of investments	4,591,012
Purchase of investments	(120,833,636)
Net cash provided (used) by investing activities	<u>(105,352,429)</u>
Net change in cash and cash equivalent	172,479,522
Cash and cash equivalents at beginning of year	319,174,246
Cash and cash equivalents at end of year	<u>\$ 491,653,768</u>
Reconciliation to the Statement of Net Position:	
Unrestricted cash and cash equivalents - current	\$ 446,539,605
Restricted cash and cash equivalents - current	33,257,761
Restricted cash and cash equivalents - noncurrent	11,856,402
Cash and cash equivalents	<u>\$ 491,653,768</u>
NONCASH INVESTING ACTIVITIES	
Change in fair value of investments	\$ 1,024,429
Change in interest income receivable	\$ 996,904

See accountants' ²⁰ compilation report.

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS (continued)
Eight Months Ended February 28, 2026

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 205,678,008
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization expense	619,786
(Increase) decrease in:	
Accounts receivable, net	19,161,363
Accrued revenue	26,564,252
Prepaid expenses	20,856,854
Other receivables	(4,263,758)
Deposits	2,287,770
Increase (decrease) in:	
Accrued cost of electricity	(9,698,697)
Accounts payable	1,261,070
Advances from grantors	19,211,449
Other accrued liabilities	991,050
State surcharges payable	(149,990)
Deposits - energy suppliers	(3,420,640)
Net cash provided by operating activities	<u>\$ 279,098,517</u>



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
San Diego Community Power

Management is responsible for the accompanying operating fund and capital investment program fund budgetary comparison schedules of San Diego Community Power (SDCP), a California Joint Powers Authority, for the eight months ended February 28, 2026 and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

These special purpose statements are prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of SDCP.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. SDCP's annual audited financial statements will include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to SDCP because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
April 7, 2026

**SAN DIEGO COMMUNITY POWER
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Eight Months Ended February 28, 2026**

	<u>Year-to-Date</u>			<u>Annual</u>		
	<u>Amended Budget</u>	<u>Actual</u>	<u>Amended Budget Variance (Under) Over</u>	<u>Actual/ Amended Budget %</u>	<u>Amended Budget</u>	<u>Amended Budget Remaining</u>
REVENUES AND OTHER SOURCES						
Gross Ratepayer Revenues	914,709,000	\$ 918,186,189	3,477,189	100%	1,194,789,000	\$ 276,602,811
Less: Uncollectible Customer Accounts	(14,818,000)	(13,772,793)	1,045,207	93%	(19,370,000)	(5,597,207)
Other Income	-	2,392,306	2,392,306	na	-	(2,392,306)
Total Revenues and Other Sources	<u>899,891,000</u>	<u>906,805,702</u>	<u>6,914,702</u>		<u>1,175,419,000</u>	<u>268,613,298</u>
OPERATING EXPENSES						
Cost of Energy	703,159,000	667,189,615	(35,969,385)	95%	969,917,000	302,727,385
Professional Services and Consultants	15,609,000	12,443,317	(3,165,683)	80%	23,414,000	10,970,683
Personnel Costs	13,075,000	12,617,802	(457,198)	97%	19,612,000	6,994,198
Marketing and Outreach	1,545,000	1,555,062	10,062	101%	2,317,000	761,938
General & Administrative	3,098,000	2,825,196	(272,804)	91%	4,648,000	1,822,804
Total Operating Expenses	<u>736,486,000</u>	<u>696,630,992</u>	<u>(39,855,008)</u>		<u>1,019,908,000</u>	<u>323,277,008</u>
Operating Income (Loss)	<u>163,405,000</u>	<u>210,174,709</u>	<u>46,769,709</u>		<u>155,511,000</u>	<u>(54,663,709)</u>
NON-OPERATING REVENUES (EXPENSES)						
Investment Income	12,197,000	12,911,528	714,528	106%	18,295,000	5,383,472
Interest and Related Expenses	(1,010,000)	(1,272,577)	(262,577)	126%	(1,515,000)	(242,423)
Transfer to Capital Investment Program	(21,881,000)	(21,881,000)	-	100%	(21,881,000)	-
Total Non-Operating Revenues (Expenses)	<u>(10,694,000)</u>	<u>(10,242,049)</u>	<u>451,951</u>		<u>(5,101,000)</u>	<u>5,141,049</u>
NET CHANGE	<u>\$ 152,711,000</u>	<u>\$ 199,932,661</u>	<u>\$ 47,221,661</u>		<u>\$ 150,410,000</u>	<u>\$ (49,522,661)</u>

**CAPITAL INVESTMENT PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
Eight Months Ended February 28, 2026**

	<u>Annual Amended Budget</u>	<u>YTD Actual</u>	<u>Amended Budget Remaining</u>
REVENUES AND OTHER SOURCES			
Transfer in from Operating Fund	\$ 21,881,000	\$ 21,881,000	\$ -
Grant Revenue - SDREN	31,868,547	3,290,520	(28,578,027)
Grant Revenue - CDFA Efficient Refrigeration Pi	-	621,363	621,363
Grant Revenue - DAC	589,822	-	(589,822)
Total Revenue and Other Sources	<u>54,339,369</u>	<u>25,171,520</u>	<u>(29,167,849)</u>
EXPENDITURES AND OTHER USES			
Program Expenditures	<u>54,628,369</u>	<u>7,262,008</u>	<u>\$ (47,366,361)</u>
Net increase (decrease) in fund balance	<u>\$ (289,000)</u>	17,909,512	
Fund balance at beginning of period		<u>10,340,567</u>	
Fund balance at end of period		<u>\$ 28,250,079</u>	



SAN DIEGO COMMUNITY POWER

Staff Report – Item 3

To: Finance and Risk Management Committee

From: Timothy Manglicmot, Senior Director of Finance and Risk
Will Weisman, Associate Director of Finance
Mark Alfaro, Finance Manager
Chris Do, Senior Financial Analyst
Kevin Bateman, Financial Analyst
Julissa Mercedes, Financial Analyst

Via: Karin Burns, Chief Executive Officer

Subject: 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

Date: May 21, 2026

Recommendation

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

Background

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

Section 7.3.1 of the JPA requires that Community Power budgets be prepared and approved by the Board in accordance with its fiscal management policies that should include a deadline for approval.

On July 28, 2022, the Board adopted a budget development schedule as part of the Community Power Budget Policy consistent with Table 1. This development schedule includes an annual budget review in May by the Finance and Risk Management Committee (FRMC), which occurs prior to the Community Power Board of Directors (Board) previewing the budget in May and prior to the Board potentially adopting the budget in June.

Table 1. Current Budget Development Schedule


February	March-April	May	June	
Develop Operating Revenue Estimate	Staff develop operating budgets	Strategic planning sessions with SDCP Board	Financial and Risk Management Committee Review	July 1 st Budget Implemented
Develop Operating Expense Estimate	Baseline budget is developed	SDCP Board Preview (Information Item)	SDCP Board Approval	Mid-year budget review (February)
Develop financial plan for credit rating in 3-years				Budget amendments as necessary

Table 2 illustrates the Draft FY 2026-2027 budget in comparison to Community Power’s budgets from prior years.

Table 2. Community Power Budget History

Operating Budget	Net Revenues	Total Expenses	Net Position
FY 2020-21 Amendment	\$26,286,909	\$34,135,000	(\$7,848,091)
FY 2021-22 Amendment	\$378,053,506	\$342,177,063	\$35,876,443
FY 2022-23 Amendment	\$929,791,929	\$772,078,709	\$157,713,220
FY 2023-24 Amendment	\$1,304,274,067	\$1,070,891,284	\$233,382,783
FY 2024-25 Amendment	\$1,221,258,172	\$1,187,090,169	\$34,168,003
FY 2025-26 Amendment	\$1,175,418,913	\$1,025,004,360	\$150,414,553
FY 2026-27 Proposed	\$918,820,685	\$915,734,166	\$3,086,519

Additionally, Community Power traditionally adopts an annual 5-year Capital Investment Plan (CIP). Community Power’s first CIP was approved on June 22, 2023, under Resolution No. 2023-24. The CIP contains 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. Further, the first year of the CIP represents the capital budget appropriation for the upcoming fiscal year.

On January 15, 2021, the Community Power Board approved the most recent revision to the agency’s Energy Risk Management Policy. Pursuant to Section 7.3 of the policy, the Chief Executive Officer is required to establish a Risk Oversight Committee (ROC), which is charged with overseeing compliance with the policy and reporting, at least quarterly, to the Finance and Risk Management Committee (FRMC) regarding its activities, deliberations, and any identified areas of concern. Given the ROC’s role in enforcing the Energy Risk Management

Policy and its direct connection to the active management of energy costs and net revenue—the largest component of Community Power’s operating expenditures—the presentation of the Draft FY 2026–27 Operating Budget, FY 2026–27 Capital Budget, and FY 2027–2031 Capital Investment Plan includes the Quarterly Risk Oversight Committee Report.

Analysis and Discussion

The draft FY 2026–2027 operating budget includes net operating revenue of \$918,820,685 and total expenses of \$915,734,166, resulting in net position of \$3,086,519.

The draft FY 2026–2027 capital budget includes \$71,417,654 from a combination of internal and external sources to fund six projects. Including existing appropriations, a total of 19 active projects are proposed to be funded during the fiscal year.

The draft FY 2027–2031 capital investment plan includes 19 projects that are planned to receive funding during the five-year period, totaling \$310,756,105 in investment. The first year of the FY 2027–2031 CIP reflects the draft FY 2026–2027 capital budget. Additionally, \$21,418,314 in unspent continuing funds were appropriated by the Board in prior fiscal years and is represented as carryforward budget. Separately, the Board authorized the full appropriation of \$124,000,000 for the San Diego Regional Energy network in 2025, of which \$63,417,654 is included in the FY 2026–2027 capital budget.

The draft budget includes the key assumptions outlined below.

Operating Revenue

Community Power’s net operating revenue consists primarily of revenues from sales of electricity. Assumptions regarding net operating revenue include:

- Enrollment of customers is complete from member jurisdictions in Phases 1, 2, 3 and 4.
- 95% participation rate across all jurisdictions.
- An uncollectible rate of 1.5%, as compared to 1.75% in the prior fiscal year.
- Rates that were set and approved by the Board on April 23, 2026, for the period from July 1, 2026, to December 31, 2026.
- Power Charge Indifference Adjustment (PCIA) is consistent with SDG&E Partial Supplemental Advice Letter 4791-E-A filed on March 30, 2026, for the period from July 1, 2026, to December 31, 2026.
- Generation rates are projected to decrease between 15% to 20% between calendar years 2026 and 2027 and, within the FY27 Draft Budget, for the period from January 1, 2027, to June 30, 2027.
- PCIA is expected to increase between 25% to 55% between calendar year 2026 and 2027 and, within the FY27 Draft Budget, for the period from January 1, 2027, to June 30, 2027.

- Rates and PCIA for the period from January 1, 2027, to June 30, 2027, are forecasted based on Community Power's latest forecasted energy, resource adequacy, and renewable energy prices through April 30, 2026.
- Power100 and Power100 Green-e Certified (Green-e Plus) will maintain premiums of \$0.01/kWh and \$0.02/kWh, respectively, compared to PowerOn.
- Any further rate changes, including mid-year changes, are subject to Board discretion and approval.

Cost of Energy includes all the various services purchased from the power market through our counterparties to supply energy to Community Power's customers. Assumptions regarding cost of energy include:

- Forecasts are based on contracts, long-term load, and energy forward prices through April 30, 2026.
- Open positions not yet under contract for energy are generally assumed to be closed based on the forecasted energy forward price for the period.
- The Voluntary Allocation and Market Offer (VAMO) and Modified Cost Allocation Mechanism (MCAM) contracts with San Diego Gas & Electric (SDG&E) are based on Community Power's latest forecasted energy, resource adequacy, and renewable energy prices through April 30, 2026.

Operating Expenses

Community Power's non-energy operating expenses fall into four categories: "personnel costs", "professional services and consultants", "marketing and outreach", and "general and administration." Expense assumptions include the following:

- **Personnel** include salaries, payroll taxes, benefits, and excused absence and paid time off for staff. The recruitment strategy includes the addition of approximately five new staff members during the FY 2026-27 budget cycle, growing the agency to 108 total staff.
- **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 mandatory notices, communication consultants, mailers, printing, sponsorships, and partnerships to inform the community of Community Power.
- **General and Administration** budget covers the cost of office space, equipment, membership dues, and other general operational costs.

Non-Operating Expenses

Community Power's budget also includes non-operating expenses related to interest and related expenses used to finance its operations. These costs are comprised of associated interest costs as well as potential renewal fees on debt or letters of credit.

Capital Investment Plan (CIP)

In FY 2026-2027 Community Power is continuing its Capital Investment Plan (CIP) which contains all the individual capital projects, equipment purchases, and major programs for the agency that are intended to span multiple years. The draft FY 2026-2027 operating budget proposes a one-time transfer to the CIP as a continuing fund in which any unspent funds are kept within that fund and carried forward to the subsequent fiscal year to support internally funded programs. Operating budget contributions are funded through a combination of net operating revenues and non-operating investment income as appropriate based on program restrictions. The first year of the CIP is the draft FY 2026-2027 capital budget.

For FY 2026-2027, Community Power proposes a one-time investment of \$8.0 million into the agency's Capital Investment Plan to support internally funded programs. This proposed contribution is primarily supporting the following programs:

- **Solar Battery Savings:** \$3.5 million will continue investment in Solar Battery Savings, which offers upfront and performance-based incentives for home battery systems that boost resilience and reduce grid demand.
- **Customer Pilot Programs:** \$2.5 million will 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:** \$1.5 million will support the Distributed Energy Resources Management Systems Software Platform to support the organization's Flexible Load Strategy

Net Income

The draft FY 2026-2027 budget results in a net position of \$3,086,519.

The following table illustrates Community Power's draft FY 2026-27 operating budget compared to the amended budgets for FY 2024-25 and FY 2025-26.

Table 3. Draft FY 2026-2027 Budget compared to FY 2024-25 and FY 2025-26 Amended Budgets.

	FY25 Amended	FY26 Amended	FY27 Draft
Gross Revenue	1,243.0	1,194.8	932.8
Less Uncollectible Accounts	-21.8	-19.4	-14.0
Net Operating Revenues	1,221.3	1,175.4	918.8
Cost of Energy	1,116.8	969.9	872.3
Non-Energy Costs	50.8	50.0	56.5
Subtotal Operating Expense	1,167.6	1,019.9	928.9
Investment Income	0.0	18.3	23.1
Debt Service	-1.3	-1.5	-1.9
Capital Investment Plan (Transfer Out)	-18.2	-21.9	-8.0
Total Expenses	1,187.1	1,025.0	915.7
Net Position	34.2	150.4	3.1

Amounts displayed in millions, \$

The next table illustrates Community Power's draft FY 2027-2031 Capital Investment Plan. The first year of the FY 2027-2031 Capital Investment Plan represents Community Power's FY 2026-2027 Capital Budget.

Table 4. Community Power FY 2027-2031 Capital Investment Plan

	Carry-forward	FY27 Draft	FY28	FY29	FY30	FY31	Total
External Funding							
Regional Energy Network	-	63.1	51.4	42	43.7	45.5	245.70
DAC-GT	0.3	0.3	-	-	-	-	0.60
CDFA	0.7	-	-	-	-	-	0.70
Equitable Building Decarbonization	1.4	-	-	-	-	-	1.40
Programs Evaluation	0.7	-					0.70
Total External Funding	3.1	63.4	51.4	42	43.7	45.5	249.10
Internal Funding							
Solar Battery Savings	10.8	3.5	10.4	8.3	8.5	7.6	49.10
Pilot Programs	1.8	2.5		-	-	-	4.30
Grants	1.3	-	-	-	-	-	1.30
Flexible Load	0.5	1.5	-	-	-	-	2.00
IT Projects	3.2	0.2	-	-	-	-	3.40
Program Evaluation	0.3	0.3	-	-	-	-	0.60
Application Assistance	0.3	-	0.3	-	-	0.3	0.90
Total Internal Funding	17.8	8.0	10.7	8.3	8.5	7.9	60.9
Total CIP Expenses	21.3	71.40	62.10	50.30	52.20	53.40	310.70

Amounts displayed in millions, \$

Carryforward amounts reflect a point in time estimate during the budget development process. These amounts are subject to change over the remainder of the fiscal year and will be updated for the adopted budget.

Reserves

Under Resolution No. 2025-23, Community Power's revised Financial Reserves Policy established a minimum reserve requirement of 180 days cash on hand, a reserve target of 225 days cash on hand, and a maximum reserve of 270 days cash on hand.

Additionally, pursuant to Resolution No. 2026-07, Community Power established a Rate Stabilization Reserve (RSR). Under the resolution, the Target RSR Balance may be an amount up to or equivalent to 45 Days Cash on Hand, representing the Reserves between the Target

Reserve Balance and Maximum Reserve Balance of Community Power's Financial Reserves, as defined in the Financial Reserves Policy.

Under the draft FY 2026-2027 operating budget, Community Power is projected to have an ending reserve balance of \$707.1 million- or 278-days cash on hand based on the operating expenses projected in FY 2026-27. Staff note that based on operating expenses projected in FY 2025-26, the ending reserve balance would have been 255 days cash on hand. Pursuant to Community Power's Reserve Policy, should fiscal year-end reserves exceed the maximum reserve balance of 270 days cash on hand, the Board may authorize excess reserve distributions at their discretion, including for Strategic Uses for a Programmatic Reserve. Staff recommend building reserves to 278-days cash on hand given the significant downside risk that staff project in calendar year 2027 and as discussed in the Risk Oversight Committee (ROC) Report discussed in the next section of the staff report.

Total projected ending liquidity (including unrestricted cash, investment holdings, and available lines of credit) for FY 2026-27 is 368 days liquidity on hand.

Risk Oversight Committee (ROC) Report

As discussed at Community Power's Board meeting on December 11, 2025, the most significant financial risk facing the agency is volatility in Market Price Benchmarks (MPBs) as they flow through the Power Charge Indifference Adjustment (PCIA) and SDG&E bundled rates.

The PCIA is intended to ensure that departing load customers pay their proportionate share of above-market costs associated with investor-owned utility legacy resources, including SDG&E contracts, so that remaining bundled utility customers are not left bearing those costs. The PCIA is recalculated annually based on the difference between an Investment Owned Utility (IOU's) actual portfolio costs and the estimated current market value of that portfolio. As a result, the PCIA materially influences Community Power's rate competitiveness and budget planning and is highly sensitive to fluctuations in market prices. Each year, the California Public Utilities Commission (CPUC) establishes a Market Price Benchmark to estimate the market value of an IOU's energy portfolio, which serves as the reference point for determining above-market costs embedded in the PCIA.

On October 1, 2025, the CPUC published SDG&E's projected MPB values for 2026, including \$39.90 per megawatt-hour for on-peak energy, \$48.48 per megawatt-hour for off-peak energy, \$11.53 per kilowatt-month for resource adequacy, and \$62.45 per megawatt-hour for renewable portfolio standard attributes. As of April 30, 2026, Community Power's projected market prices for on-peak energy, off-peak energy, and renewable resources for calendar years 2026 and 2027 are materially lower than those published benchmark values.

Declining market price benchmarks have a compounded financial impact on Community Power due to the timing mechanics of the PCIA and the Power Asset Benchmark Adjustment

(PABA). Lower MPB values increase calculated above-market costs and are reflected through the PABA true-up in 2026, which results in a higher PCIA applied to Community Power customers in 2027. At the same time, those same market conditions contribute to lower SDG&E bundled generation rates in 2027. Together, these effects place downward pressure on Community Power's relative rate position by increasing PCIA charges while reducing the competing utility rate benchmark.

Community Power's latest projections, which are incorporated into the Draft FY 2026-27 Operating Budget, therefore reflect significant downside risk to net revenue in calendar year 2027 attributable to Market Price Benchmark volatility, the single largest financial risk factor facing the agency. This downside risk is partially mitigated within the cost of energy through (1) open energy positions that can be closed at lower projected market prices and (2) lower projected renewable prices under the VAMO contract with SDG&E. These factors are the primary drivers of the reduction in overall operating expenses reflected in the FY 2026-27 Operating Budget.

However, energy forward price projections are still very preliminary with Community Power's projections only being through April 30, 2026. The CPUC is expected to publish updated MPBs in late September, at which time staff expect to have a much better projection for the latter half of the fiscal year. Staff also, therefore, expect to have a recommendation to fund the RSR during this time period as well, once we have better information and data.

Fiscal Impact

The draft FY 2026-2027 budget is expected to result in a net position of \$3.1 million, with a resulting ending reserve balance of \$707.1 million- or 278-days cash on hand based on the operating expenses projected in FY 2026-27.

Community Power proposes a one-time investment of \$8 million into the agency's Capital Investment Plan, which is reflected in the operating 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.

Attachments

A: Draft FY 2026-27 Operating Budget, FY 2026-27 Capital Budget, and FY 2027-2031
Capital Investment Plan

ITEM 3
ATTACHMENT A



FY 2026-2027 Operating Budget
FY 2026-2027 Capital Budget
FY 2027-2031 Capital Investment Plan

for the period

July 1, 2026

through

June 30, 2027

TABLE 1: DRAFT FY2026-2027 BUDGET

**San Diego Community Power
Draft FY 2026-27 Budget
Supplemental Details**

	FY 2024-25	FY 2025-26	FY 2026-27	% of Net
	Amended Budget	Amended Budget	Proposed Budget	Revenues
OPERATING REVENUES				
Gross Ratepayer Revenues	\$ 1,243,010,863	\$ 1,194,789,046	\$ 932,812,878	
(Less Uncollectible Customer Accounts)	\$ (21,752,690)	\$ (19,370,133)	\$ (13,992,193)	
Net Operating Revenues	\$ 1,221,258,172	\$ 1,175,418,914	\$ 918,820,685	100.0%
COST OF ENERGY				
Cost of Energy	\$ 1,116,836,549	\$ 969,916,628	\$ 872,343,026	
Total Cost of Energy	\$ 1,116,836,549	\$ 969,916,628	\$ 872,343,026	94.9%
Gross Net Position	\$ 104,421,623	\$ 205,502,285	\$ 46,477,659	5.1%
OPERATING EXPENSES				
Professional Services and Consultants				
Data Management	\$ 14,569,264	\$ 13,819,264	\$ 12,912,595	
SDG&E Fees	\$ 3,435,746	\$ 3,835,746	\$ 3,456,000	
Technical Support	\$ 2,098,333	\$ 2,264,333	\$ 3,015,235	
Legal/Regulatory	\$ 2,138,000	\$ 1,226,200	\$ 1,576,200	
Other Services	\$ 2,104,999	\$ 2,268,835	\$ 2,915,831	
Total Prof. Svcs. Costs	\$ 24,346,342	\$ 23,414,378	\$ 23,875,861	2.6%
Personnel Costs				
Salaries	\$ 14,988,227	\$ 15,298,873	\$ 19,284,224	
Benefits (retirement/health)	\$ 2,549,522	\$ 3,811,399	\$ 4,210,527	
Payroll Taxes	\$ 1,030,146	\$ 498,938	\$ 640,131	
Total Personnel Costs	\$ 18,567,895	\$ 19,609,209	\$ 24,134,882	2.6%
Strategic Communications and Community Outreach				
Printing	\$ 1,107,143	\$ 693,263	\$ 640,865	
Memberships	\$ 1,201,450	\$ 1,000,700	\$ 214,790	
Strategic Communications and Community Outreach	\$ 670,000	\$ 622,500	\$ 1,577,500	
Total Mrktg and Outreach Costs	\$ 2,978,593	\$ 2,316,463	\$ 2,433,155	0.3%
General and Administration				
Other G & A	\$ 3,637,905	\$ 2,824,997	\$ 4,223,983	
Cal CCA Dues	\$ 460,000	\$ 555,000	\$ 555,000	
Rent	\$ 744,264	\$ 935,784	\$ 935,784	
Insurance	\$ 67,592	\$ 331,414	\$ 384,161	
Total G & A Costs	\$ 4,909,761	\$ 4,647,195	\$ 6,098,928	0.7%
Net Operating Expenses	\$ 50,802,591	\$ 49,987,246	\$ 56,542,826	6.2%
Total Operating Expenses	\$ 1,167,639,140	\$ 1,019,903,874	\$ 928,885,852	101.1%
Operating Income (Loss)	\$ 53,619,033	\$ 155,515,040	\$ (10,065,167)	-1.1%
NON-OPERATING REVENUES (EXPENSES)				
Investment income	\$ -	\$ 18,294,938	\$ 23,101,021	
Interest and Related Expenses	\$ (1,276,000)	\$ (1,514,825)	\$ (1,949,335)	
Transfer to Capital Investment Program	\$ (18,200,000)	\$ (21,880,600)	\$ (8,000,000)	
Total Non-Operating Revenues (Expenses)	\$ (19,476,000)	\$ (5,100,487)	\$ 13,151,686	1.4%
CHANGE IN NET POSITION	\$ 34,143,033	\$ 150,414,553	\$ 3,086,519	0.3%

Proposed Budget Overview

Budget-in Brief

The Draft FY 2026-2027 Operating Budget 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 representing 8.3 million MWH of retail load in the fiscal year.

Energy costs represent the largest component of Community Power's budget. Current projections reflect a year-over-year decline in energy costs driven by lower market price assumptions associated with Market Price Benchmark (MPB) volatility. The Draft FY 2026-2027 Operating Budget therefore reflects lower cost of energy assumptions due to the ability to close open energy positions at reduced prices and lower projected renewable prices under the VAMO contract with SDG&E.

At the same time, lower forward market prices are driving a more significant reduction in projected ratepayer revenue. As reflected through the Power Charge Indifference Adjustment (PCIA) and SDG&E bundled rates, MPB volatility remains the most significant financial risk to Community Power. Recent declines in market prices are expected to reduce revenues year-over-year as higher PCIA charges coincide with lower competing utility rates. As a result, both revenues and energy costs are projected to decline year-over-year, with energy cost reductions only partially offsetting anticipated revenue pressure.

Because current market price projections are based on data available through April 30, 2026, and remain preliminary, updated Market Price Benchmarks from the California Public Utilities Commission (CPUC) later in the year are expected to provide greater clarity on second-half fiscal year impacts and inform future reserve funding recommendations.

The Draft FY 2026-2027 Operating Budget additionally contains prudently-managed and modest growth in non-energy operating budget categories. As Community Power has scaled to full enrollment, the agency is thoughtfully and prudently managing staffing levels by adding 5 staff to grow from 103 to 108 total staff. In FY 2026-2027, Community Power is expected to have a generally comparable operating budget and staffing levels compared to its peer Community Choice Aggregators (CCA) of similar customer and load size, while supporting a broader portfolio of customer programs and strategic initiatives.

By the end of FY 2026-2027, Community Power's reserves are expected to grow to its maximum reserve level of 270 days cash on hand, mostly as a function of a lower operating expense base in FY 2026-2027. Based on operating expenses projected in FY 2025-2026, the ending reserve balance would have been 255 days cash on hand. Actual cash reserves are projected to remain at a consistent level with the prior fiscal year, which should allow Community Power to navigate the volatile energy market and maintain its investment-grade credit rating.

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 investments from the operating budget to the CIP. The first year of the FY 2027-2031 CIP comprises the FY 2026-2027 capital budget, which proposes an investment of \$8 million from the operating budget to support the CIP. This bolsters an overall project portfolio, including external funding sources, of \$71.4 million for the fiscal year.

Draft Budget

The Community Power Draft FY 2026-2027 (FY2027) Budget is presented in further detail in the following pages. The table below summarizes the revenue and expense budgets proposed for FY2027 in comparison to the FY2025 and FY2026 Amended Budgets.

TABLE 2: OPERATING BUDGET OVERVIEW

	FY25 Amended	FY26 Amended	FY27 Draft
Gross Revenue	1,243.0	1,194.8	932.8
Less Uncollectible Accounts	-21.8	-19.4	-14.0
Net Operating Revenues	1,221.3	1,175.4	918.8
Cost of Energy	1,116.8	969.9	872.3
Non-Energy Costs	50.8	50.0	56.6
Subtotal Operating Expense	1,167.6	1,019.9	928.9
Interest Income	0.0	-18.3	-23.1
Debt Service	1.3	1.5	1.9
CIP	18.5	21.9	8.0
Total Expenses	1,187.4	1,025.0	915.7
Net Position	33.9	150.4	3.1

Amounts displayed in millions, \$

Operating Revenue

Community Power’s main source of revenue is from the retail sale of electricity to its customers. Revenue budgeted for FY 2026-2027 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:

- Enrollment of customers is complete from member jurisdictions in Phases 1, 2, 3 and 4.
- 95% participation rate across all jurisdictions.
- An uncollectible rate of 1.5%, as compared to 1.75% in the prior fiscal year.
- Rates that were set and approved by the Board on April 23, 2026, for the period from July 1, 2026, to December 31, 2026.
- Power Charge Indifference Adjustment (PCIA) is consistent with SDG&E Partial Supplemental Advice Letter 4791-E-A filed on March 30, 2026, for the period from July 1, 2026, to December 31, 2026.
- Generation rates are projected to decrease between 15% to 20% between calendar years 2026 and 2027 and, within the FY2027 Draft Budget, for the period from January 1, 2027, to June 30, 2027.
- PCIA is expected to increase between 25% to 55% between calendar year 2026 and 2027 and, within the FY2027 Draft Budget, for the period from January 1, 2027, to June 30, 2027.
- Rates and PCIA for the period from January 1, 2027, to June 30, 2027, are forecasted based on Community Power’s latest forecasted energy, resource adequacy, and renewable energy prices through April 30, 2026.
 - a. Power100 and Power100Green+ (Green-e® certified) service plans will maintain premiums of \$0.01/kWh and \$0.02/kWh, respectively, compared to PowerOn.
- Any further rate changes, including mid-year changes, are subject to Board discretion and approval.

The following table summarizes the revenues for FY2027 Draft Budget compared to the FY2025 and FY2026 Amended Budgets. 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

	FY25 Amended	FY26 Amended	FY27 Proposed
Gross Revenue	1,243.0	1,194.8	932.8
Less Uncollectible Accounts	-21.8	-19.4	-14.0
Net Operating Revenues	1,221.3	1,175.4	918.8

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 (Resource Adequacy), renewables, 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 increases.
- **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 SDG&E, 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 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.
- **Strategic Communications and Community Outreach** – Strategic Communications and Community 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 FY2027 Draft Budget compared to the FY2025 and FY2026 Amended Budgets.

TABLE 4: OPERATING EXPENSES BY BUDGET LEVEL 2

	FY25 Amended	FY26 Amended	FY27 Draft
Cost of Energy	1,116.8	969.9	872.3
Professional Services and Consultants	24.3	23.4	23.9
Personnel Costs	18.6	19.6	24.1
Strategic Communications and Community Outreach	3.0	2.3	2.4
General and Administration	4.9	4.7	6.1
Subtotal Operating Expenses	1,167.6	1,019.9	928.9
Interest Income	0.0	-18.3	-23.1
Debt Service	1.3	1.5	1.9
Capital Investment Program (Transfer Out)	18.2	21.9	8.0
Subtotal Non-Operating Expenses	19.5	5.1	13.2
Total Expenses	1,187.1	1,025.0	915.7

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)

The CIP for FY 2027-2031 outlines the individual capital projects, major equipment purchases, and major programs for the agency that are intended to span multiple years. Contributions are considered one-time in nature and do not reflect future funding commitments. The first year of the FY 2027-2031 CIP is Community Power's proposed capital budget for the upcoming fiscal year.

The Draft FY 2026-2027 Capital Budget totals \$71.4 million, and the Draft FY 2027-2031 CIP totals \$310.7 million over the outlook period. The total CIP includes \$21.3 million in unspent continuing funds which were appropriated by the Board in prior fiscal years and is reflected as carryforward budget. Carryforward amounts are point-in-time estimates during the budget development process and will be updated for the adopted budget. In addition to carryforward funds, the Draft FY 2026-2027 Capital Budget includes \$63.1 million for the San Diego Regional Energy Network, recoverable through the California Public Utilities Commission, which was authorized by the Board in January 2025. Specifically, in January 2025, the Board approved, accepted and appropriated \$124.3 million in funds for the San Diego Regional Energy Network, and \$63.1 million of those previously authorized funds are expected to be expended in FY 2026-2027.

The Draft FY 2026-2027 operating budget proposes an \$8.0 million transfer from operations into the CIP. This transfer is funded by a combination of net-operating revenue and non-operating investment income based on the nature of the project or program being funded. In contrast to the operating budget, these contributions are carried forward to subsequent fiscal years within the CIP, where they remain until expended or reappropriated through subsequent action. The draft operating contribution primarily supports the following programs:

- **\$3.5 million, Solar Battery Savings:** Community Power's Residential Solar Battery Savings Program is designed to help single-family homeowners in Community Power's service territory invest in clean energy and support the grid by installing solar and battery storage in their homes or complement an existing solar system with a new battery system. The program provides two financial incentives for participating customers: an upfront incentive to minimize the initial cost of the battery system and a performance incentive for a daily discharge of the battery (during a specified dispatch window during on-peak periods) to maximize benefits for the customer and the grid.
- **\$2.5 million, Customer Pilot Programs:** Pilot programs are small-scale, short-duration projects (6–18 months) that can provide Community Power and stakeholders data on program design, technology acceptance and other information helpful for broader program delivery. Pilot programs support Community Power staff's ability to properly and efficiently design and implement programs. Additionally, pilot programs can cover all customer segments (e.g., commercial residential) and a variety of technologies or activities (e.g., managed charging for electric vehicles, energy efficiency).

- \$1.5 million, Distributed Energy Resources Management Systems Software Platform:** Central to Community Power's Flexible Load Strategy is the selection and implementation of a Distributed Energy Resource Management System (DERMS). A DERMS is a software platform that incorporates various data points, such as weather, market/price data and customer preferences, to optimize the operation of distributed energy resources (DERs) in support of various grid services. Once operational, this system will allow Community Power to help customers reduce usage during high-cost on-peak periods, while managing portfolio-wide power procurement and resource adequacy costs and risk.

TABLE 5: DRAFT FY 2026-2027 CAPITAL BUDGET

	Carryforward	FY27 Authorized Budget	FY27 Draft 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

Amounts displayed in millions, \$

TABLE 6: DRAFT FY 2026-2027 CAPITAL INVESTMENT PLAN

	Carryforward ^[1]	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	1.4	-	-	-	-	-	1.4
Programs Evaluation	0.7	-	-	-	-	-	0.7
Subtotal	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
Subtotal	18.2	8.0	10.7	8.3	8.5	7.9	61.6
Total CIP Expenses	21.3	71.4	62.1	50.3	52.2	53.4	310.7

Amounts displayed in millions, \$

^[1] The carryforward amount reflects actual financial data through January 31, 2026.

Carryforward amounts will be updated for the adopted budget and will be reconciled until the close of fiscal year 2025-2026

Operating Expenses by Department

The table below summarizes the Draft FY2027 Operating Budget expenses by department. All personnel costs including fringe benefits are included in the Operations department. The Power Services department includes Cost of Energy in their Expenses.

TABLE 7: OPERATING EXPENSES BY DEPARTMENT

	FY25 Amended	FY26 Amended	FY27 Draft
Power Services	1,118.9	972.0	875.3
Executive	0.2	0.1	0.4
Operations	20.7	20.9	24.3
Finance	2.1	2.8	5.0
Customer Operations	19.3	18.5	17.2
IT and Data Analytics	1.4	1.5	2.0
Public Affairs	1.8	1.7	1.8
Programs	0.0	0.0	0.0
Regulatory and Legislative Affairs	0.7	0.5	0.5
Human Resources and Administration	0.7	0.9	1.0
Legal	1.8	1.0	1.4
Total Operating Expenses	1,167.6	1,019.9	928.9

Amounts displayed in millions, \$

Personnel by Department

The table below summarizes the projected personnel for the Draft FY2027 Operating Budget and the full-time equivalent (FTE) personnel in the FY2025 and FY2026 Amended Operating Budgets. 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. The personnel budget is included within the Operations department.

TABLE 8: PERSONNEL BY DEPARTMENT

	FY25 Amended	FY26 Amended	FY27 Proposed
Power Services	16.0	15.0	16.0
Executive	5.0	5.0	5.0
Operations	5.0	6.0	6.0
Finance	9.0	13.0	13.0
Customer Operations	8.0	6.0	7.0
IT and Data Analytics	9.0	16.0	16.0
Public Affairs	12.0	11.0	13.0
Programs	12.0	16.0	17.0
Regulatory and Legislative Affairs	5.0	5.0	5.0
Human Resources and Administration	4.0	7.0	7.0
Legal	2.0	3.0	3.0
Total FTEs	87.0	103.0	108.0

Budget by Department

Power Services

Budget Highlights

- The cost of energy, the largest cost in Community Power’s budget, has decreased from \$969.9 million to \$872.3 million.
- The largest drivers reducing energy costs are market decreases to forward prices for energy which allows Community Power to close open energy positions at a lower cost. Additionally, lower forward prices for renewables drove down projected costs from Community Power’s Voluntary Allocation Market Offer (VAMO) contract with SDG&E.
 - b. Open positions for energy, resource adequacy, and renewable energy for FY 2026-2027 are priced at the forward energy curves as of April 30, 2026.
 - c. The FY 2026-2027 figures include long-term power-purchase agreements that are online or expected to be online during the fiscal year.
- The SDG&E VAMO contract is priced at Community Power’s latest CPUC Market Price Benchmark (MPB) projections as of April 30, 2026, which is markedly lower than the CPUC MPB from September 2026.
- The SDG&E Modified Cost Allocation Mechanism contract is similarly priced at Community Power’s latest CPUC MPB projection which has increased slightly since September 2026.
- Power Services proposes adding one position for a Load Forecast Manager.

Department Positions

	FY25 Amended	FY26 Amended	FY27 Draft
Power Services	16.0	15.0	16.0

TABLE 9: POWER SERVICES POSITIONS

Executive

Budget Highlights

- Executive budget has increased by \$280,000 to support leadership and manager development, research projects, strategic planning and affordability efforts.

Department Positions

	FY25 Amended	FY26 Amended	FY27 Draft
Executive	5.0	5.0	5.0

TABLE 10: EXECUTIVE POSITIONS

Operations

Budget Highlights

- The Operations department includes the Chief Executive Officer, Chief Operating Officer, Clerk of the Board, Office of Strategic Initiatives, and Project Management Office.
- Decreased funding for travel costs across the agency.
- Operations budget increases are largely due to personnel costs for proposed positions and for positions from last fiscal year being actualized over an entire fiscal year.
- Healthcare costs increased as rates have increased since last year in addition to increased healthcare costs to support newly hired positions.
- Accrued PTO has increased as additional staff has been hired and as staff tenure has increased annual PTO earnings.
- Payroll taxes have increased as Community Power has completed Section 218 enrollment and has adjusted the resulting Federal Insurance Contributions Act (FICA) federal payroll tax.
- Utilities for office space have increased consistent with recent burn rates and as Community Power has hired additional staff.

Department Positions

	FY25 Amended	FY26 Amended	FY27 Draft
Operations	5.0	6.0	6.0

TABLE 11: OPERATIONS POSITIONS

Finance

Budget Highlights

- Bank service fees within Other G&A increased by approximately \$1.4M, reflecting an updated utilization factor, higher transaction volume and program scale.
 - d. Accounting services increased consistent with the annual escalation clause in the contract with Maher Accountancy, with additional pass-through costs as SDCP utilizes

more software resources, and with anticipated use of the contingency given usage in FY 2025-2026.

- Finance proposes to contribute an additional \$217,500 into the Enterprise Resource Planning project and an additional \$60,000 for ongoing operating costs to maintain the software.
- Licenses for Microsoft Dynamics 365 were included as Community Power’s Enterprise Resource Planning project reaches substantial completion and ongoing licensing fees are included.

Department Positions

	FY25 Amended	FY26 Amended	FY27 Draft
Finance	9.0	13.0	13.0

TABLE 12: FINANCE POSITIONS

Customer Operations

Budget Highlights

- Customer Operations manages contact center operations, supports key accounts and provides analytical insights to guide rate setting, forecasting and customer service enhancements.
- Calpine Energy Solutions budget saw a \$0.9 million reduction to reflect per-account billing agreement consistent with the agreement approved by the Board on March 26, 2026.
- The Calpine Energy Solutions professional services agreement remains Community Power’s largest non-energy contract and provides significant data management separate from the IT and Data Analytics department.
 - e. San Diego Gas and Electric Service Fees had nominal reduction consistent with burn rates from FY 2025-2026.
- The Neyenesch Printers contract was reduced as Community Power is pursuing more electronic delivery channels reducing paper mail volumes.
- The Financial Credit Network budget had a small increase assuming a modest recovery for expected collections.
- Customer Operations proposes adding one position, Rates Analyst, to provide additional support needed for the shift to dynamic rates pursuant to SDG&E’s 2026 Demand Flex Rate Application proceeding and Community Power’s California Energy Commission Load Management Standards plan, large load rate design, and other improvements and innovations in rate design to better serve our various customer classes. Positions between the FY2025 Amended budget and FY2026 Amended budget also included a reclassification of positions to the IT and Data Analytics department.

Department Positions

	FY25 Amended	FY26 Amended	FY27 Draft
Customer Operations	8.0	6.0	7.0

TABLE 13: CUSTOMER OPERATIONS POSITIONS

IT and Data Analytics

Budget Highlights

- Budget has increased largely due to expenses associated with maintaining ongoing costs for the Enterprise Data Platform, Customer Relationship Management system and artificial intelligence exploration.
- AI Managed Services for AI enablement and implementation is included as an ask for this fiscal year.

Department Positions

	FY25 Amended	FY26 Amended	FY27 Draft
IT and Data Analytics	9.0	16.0	16.0

TABLE 14: IT AND DATA ANALYTICS

Public Affairs

Budget Highlights

- Continued outreach to educate the community of the benefits of community choice and to encourage awareness of our mission, our programs, our rates, and our community activities.
 - f. Public Affairs proposes adding two positions, Outreach Manager and SDREN Outreach Associate, the latter which would be supported by the SDREN budget.

Department Positions

	FY25 Amended	FY26 Amended	FY27 Draft
Public Affairs	12.0	11.0	13.0

TABLE 15: PUBLIC AFFAIRS POSITIONS

Programs

Budget Highlights

- An additional \$8 million has been allocated to CIP projects including Solar Battery Savings, Distributed Energy Resource Management System, various pilot programs, Enterprise Resource Planning, and the EV Load Growth study.
- Programs proposes to add one position, a Senior Program Associate, to support the Distributed Energy Resource Management Systems (DERMS) as the technical lead.

Department Positions

	FY25 Amended	FY26 Amended	FY27 Draft
Programs	12.0	16.0	17.0

TABLE 16: PROGRAMS POSITIONS

Regulatory and Legislative Affairs

Budget Highlights

- Budget remains the same as FY26 with a transition of Federal Lobbyist services to the Public Affairs budget as a part of the LEAN Membership.

Department Positions

	FY25 Amended	FY26 Amended	FY27 Draft
Regulatory Affairs	5.0	5.0	5.0

TABLE 17: REGULATORY AND LEGISLATIVE AFFAIRS POSITIONS

Human Resources and Administration

Budget Highlights

- The budget had very nominal increases to account for talent acquisition and supporting employee professional development.
- Increased budget for a Human Resources Intern.

Department Positions

	FY25 Amended	FY26 Amended	FY27 Draft
Human Resources	4.0	7.0	7.0

TABLE 18: HUMAN RESOURCES POSITIONS

Legal

Budget Highlights

- Budget increases to support necessary external counsel to bolster regulatory counsel and other outside counsel to support strategic initiatives and other internal goals.
- Additional support for Legal staff to attend mandatory training and conferences.

Department Positions

	FY25 Amended	FY26 Amended	FY27 Draft
Legal	2.0	3.0	3.0

TABLE 19: LEGAL POSITIONS

Significant Budget Adjustments

The following section summarizes the most significant changes between the FY 2025-2026 Amended Budget and the FY 2026- 2027 Draft Budget across the operating budget, capital budget, and Capital Investment Plan (CIP). These adjustments reflect the combined impact of evolving market conditions, including lower energy price assumptions and associated revenue changes, as well as targeted investments in staffing, programs, and strategic initiatives. The table below highlights key year-over-year changes in major revenue, expense, and capital categories to provide a consolidated view of the primary drivers shaping Community Power’s financial outlook for FY 2026-27.

Adjustment	Description	Department	FTE Increases	Expenses	Revenues
Operating Revenues					
Gross Ratepayer Revenues Decrease	Generation rates are projected to decrease between 15% to 20% and PCIA is expected to increase between 25% and 55% between calendar years 2026 and 2027, driving down operating revenue and resulting from lower projected forward market prices.	Finance	–	–	(\$256,598,228)
Uncollectible Adjustment	Reduced uncollectible allowance assumptions from 1.75% to 1.5% in alignment with uncollectible data through April 30, 2026.	Finance	–	–	+5,377,940
Operating Expenses					
Professional Services and Consultants					
Data Management Decrease	Calpine Energy Solutions budget saw a \$0.9 million reduction to reflect per-account billing agreement consistent with the agreement approved by the Board on March 26, 2026.	Customer Operations	–	(\$906,669)	–
SDG&E Fees Decrease	San Diego Gas and Electric Service Fees had nominal reduction consistent with burn rates from FY 2025-26 and pursuant to the SDG&E fee schedule outlined in SDG&E Electric Rule 27 and Schedule CCA.	Customer Operations	–	(\$379,746)	–
Scheduling Coordinator Decrease	Lower usage anticipated with Tenaska Power Services as Community Power unbundled services and added new vendors for short-term load forecasting and asset optimization.	Power Services	–	(\$131,000)	–
Printing Decrease	Reduction in expected printing costs under the professional services agreement with Neyenesch Printers due to the optimization of electronic delivery channels by reducing paper mail volumes.	Customer Operations	–	(\$104,560)	–

Incremental Load Forecast Services Decrease	Moved budget from Tenaska to Yes Energy.	Power Services	-	(\$100,000)	-
Renewable Energy Storage Optimization Increase	Pursuant to the master-services agreement with Ascend Analytics approved by the Board in December 2025, to deploy advanced battery optimization software, ensuring clean energy grid reliability during peak demand. This cost is based on the number of online projects, which increased by 8 (~1GW of capacity) in 2026.	Power Services	-	+\$695,000	-
Regulatory Counsel Increase	Increase in legal support for regulatory proceedings before the CPUC consistent with the contract approved by the Board in April 2026.	Legal	-	+\$250,000	-
AI Managed Services Increase	AI Managed Services for AI enablement and implementation to expand functionality and potential productivity within the agency.	IT and Data Analytics	-	+\$200,000	-
Accounting Services Increase	Accounting services increased consistent with the annual escalation clause in the contract with Maher Accountancy, approved by the Board in January 2025, with additional pass-through costs as SDCP utilizes more software resources, and with anticipated use of the contingency given prior usage in FY 2025-2026.	Finance	-	+\$175,842	-
Direct Access Managed Service Increase	Remaining not-to-exceed expected to be spent in FY2027, pursuant to contract with Aspen Environmental Group approved by the Board in October 2025.	IT and Data Analytics	-	+\$160,00	-
Long-Term Load Forecasting Increase	Remaining not-to-exceed expected to be spent in FY2027, pursuant to contract with Aspen Environmental Group approved by the Board in October 2025.	Power Services	-	+\$125,000	-
Personnel Costs					
Healthcare Increase	Updated with the most current premiums and factors in inflation for the upcoming renewal cycle. Also factors in additional hires.	Operations	-	+\$557,478	-
Accrued PTO Increase	PTO accrual has increased as staff tenure increases and as PTO balances increase.	Operations	-	+\$520,648	-
Retirement Payout Increase	Retirement contributions have increased pursuant to Community Power retirement benefits as additional staff are hired.	Operations	-	+\$294,406	-
FICA Increase	FICA payroll taxes have increased as additional staff are hired and in alignment with Community Power's Section 218 election.	Operations	-	+\$149,000	-

Cost-Recoverable Salary and Benefits	Updated salary budget for cost-recoverable positions from mid-year review.	Operations	–	(\$1,186,612)	–
Lodging	Reduced agency-wide staff travel in the upcoming fiscal year.	Operations	–	(\$111,552)	–
Community Engagement Manager	Supports expansion of community partnerships and engagement strategy.	Public Affairs	1	+\$159,000	–
Load Forecast Manager	Improves forecasting accuracy for procurement and planning decisions.	Power Services	1	+\$159,000	–
Senior Program Associate (DERMS Technical Lead)	Provides technical leadership for DERMS implementation and grid integration.	Programs	1	+\$110,400	–
SDREN Outreach Associate (Cost Recoverable)	Expands outreach capacity tied to externally funded SDREN programs.	Public Affairs	1	+\$110,400	–
Rates Analyst	Strengthens rate design and financial sustainability analysis.	Customer Operations	1	+\$110,400	–
Strategic Communications and Community Outreach					
Strategic Communications and Community Outreach Increase	Consolidates previously separate communications, marketing, outreach and engagement functions into a single category to better reflect how work is executed through targeted activities that include customer education campaigns, community events, partnerships with community-based organizations, media relations, digital communications (e.g. website, social media, newsletters), and multilingual outreach. The increased year-over-year budget supplements current budget activities and contracts to improve customer awareness and participation in Community Power's expanding portfolio of programs, including new pilots.	Public Affairs	–	+116,692	–
General Administration					
Bank Service Fees Increase	Increase reflects an updated utilization factor for unused credit, higher transaction volume and program scale.	Finance	–	+\$1,353,852	–
Non-Operating Revenues (Expenses)					
Investment Income					
Investment Income Increase	Additional investment income is anticipated as Community Power has grown its reserve balance consistent with the reserve policy adopted by the Board in December 2025.	Finance	–	(\$4,806,083)	–
Interest and Related Expenses					

Interest and Related Expenses Increase	Forecasted additional interest based on latest projections for interest rates and assuming \$30.0 million usage of the Community Power line-of-credit.	Finance	-	+\$434,510	-
Capital Investment Plan (CIP)					
CIP – DERMS Platform	Central to Community Power's Flexible Load Strategy is the Distributed Energy Resource Management System (DERMS) platform. The DERMS platform allows Community Power to help customers reduce usage during high-cost on-peak periods, while managing portfolio-wide power procurement and resource adequacy costs and risk. Funding supports annual platform fees and service for the remainder of the Board-approved contract, including a 20% contingency.	Programs	-	+\$1,500,000	-
CIP – Solar + Storage Incentives	Community Power's Residential Solar Battery Savings Program is designed to help our single-family homeowners and support the grid by installing solar and battery storage and offset high-cost on-peak consumption. Funding will support incentives for an additional ~675 program participants.	Programs	-	+\$3,532,500	-
CIP – Customer Pilot Programs	Provides dedicated funding for customer-facing pilot initiatives that test new program concepts. These pilots will primarily support customer segments and technologies not targeted in the initial tranche of Pilot Program funds allocated in FY 2023-2024 (e.g., Commercial, Non-Residential, Multi-Family, Renters, Commercial Fleets) and continue to focus on peak load shifting.	Programs	-	+\$1,900,000	-
CIP – ERP System	The Enterprise Resource Planning (ERP) project aims to implement an ERP system for Community Power to streamline budgeting, enhance reporting, manage procurement and contracts and improve overall operational efficiency. Additional funding is an enhancement to the original ERP contract with PS Hummingbird approved by the Board in January 2026, and would allow Finance to add a priority module for procurement and contracts in the upcoming fiscal year.	Finance	-	+\$217,500	-
CIP – BYOD Pilot	Funds the continuation of the Smart Home Flex Pilot Project for an additional year. The continuation of the pilot is expected to allow an additional 5,000 participants. Funding is primarily for participation incentives, seasonal performance incentives and device fees.	Programs	-	+\$600,000	-

CIP – EV Load Study	Funds a study to assess electric vehicle (EV) load growth potential and better understand how increasing EV adoption may impact system demand. This analysis will inform future infrastructure planning and program design by identifying expected load impacts and helping the organization plan for evolving customer energy needs.	Programs	-	+\$250,000	-
CIP – Regional Energy Network (External Funding)	The SDREN includes the rollout and execution of 10 programs during FY2027 and will deliver a portfolio of energy efficiency programs across residential, commercial, and public sectors, providing direct customer benefits through technical assistance, incentives, and equipment installations to reduce energy use, lower customer bills, and improve building performance. The program includes offerings such as single-family and multifamily energy upgrades, small-business support (including efficient refrigeration and energy coaching), and targeted outreach to underserved and Tribal communities, alongside broader strategies that support electrification, demand response, and distributed energy resource deployment. All activities will be cost-recoverable through CPUC funds and include funding for nine staff and overhead support.	Programs	-	-	+\$63,117,653.66
CIP – DAC-GT (External Funding)	The Disadvantaged Communities Green Tariff (DAC-GT) program enables income-qualified residential customers in DACs who may be unable to install solar panels on their roof to benefit from utility-scale clean energy and receive a 20% bill discount. Funding is external, originates from state Greenhouse Gas (GHG) Auction Proceeds and Public Purpose Program funds, and funds program administration for program year 2026.	Programs	-	-	+\$300,000

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.

IDSMD – 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.

LTTP – 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.