



AGENDA

Regular Meeting Community Advisory Committee

Thursday, June 11, 2026
5:30 p.m.

Don L. Nay Port Administration Training Room
3165 Pacific Highway, San Diego, CA 92101

Alternate Location:
7354 Eads Avenue, San Diego, CA 92037

The meeting will be held in person at the above date, time and location(s). Community Advisory Committee (CAC) members and members of the public can attend in person. Under certain circumstances, CAC members may attend and participate virtually in the meeting, pursuant to the Brown Act (Gov. Code § 54953). As a convenience, San Diego Community Power provides a Microsoft Teams 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 Teams teleconference option, the meeting will continue unless otherwise required by law (such as when a CAC 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 CAC on any agenda item. When providing comments, it is requested that name and city of residence are provided for the record. Members of the public are requested to address their comments to the CAC as a whole through the chairperson. Comments may be provided in one of the following manners:

1. **Oral comments during meeting.** Anyone attending in person who wishes to address the CAC 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 Teams meeting by electronic device or dial-in number. When participating in a Microsoft Teams meeting by electronic device, use the "Raise Hand" feature. This will notify the moderator that a members of the public wishes to speak during a specific item on the agenda or during the non-agenda public comment period. Members of the public will not be shown on video but will be able to address CAC members when called upon. When participating in the meeting using the Teams dial-in number, press *5 to raise your hand and *6 to unmute microphone. 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. Please indicate a specific agenda item when submitting a comment card. All written comments received prior to the meeting will be provided to the CAC 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 CAC members and become part of the public record.

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

The public may participate using the following remote options:

[Microsoft Teams](#)

Meeting ID: 261 215 241 717 7

Dial in by phone

469-262-1739

Phone conference ID: 565 317 75#

Press *5 to raise hand and *6 to unmute

WELCOME

ROLL CALL

PLEDGE OF ALLEGIANCE

LAND ACKNOWLEDGMENT

SPECIAL PRESENTATIONS AND INTRODUCTIONS

- Introduction of New CAC Member Molly Hintlian (City of Encinitas)
- Introduction of New Community Power Staff

ITEMS TO BE 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 CAC on any items not on the agenda but within the subject jurisdiction of the CAC. Members of the public may provide a comment in either manner described above.

CONSENT CALENDAR

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

1. **Approve April 9, 2026, CAC Regular Meeting Minutes**
2. **Receive and File Update on Marketing, Public Relations, and Local Government Affairs**
3. **Receive and File Update on Customer Operations**
4. **Receive and File Update on Programs**
5. **Receive and File Update on Power Services**
6. **Receive and File Update on Regulatory and Legislative Affairs**
7. **Receive and File Distributed Energy Resources Ad-Hoc Committee Report**

REGULAR AGENDA

The following items call for discussion or action by the CAC.

8. **Election of Chair, Vice-Chair, and Secretary for Fiscal Year 2026-2027**

Recommendation: Elect a Community Advisory Committee (CAC) Chair, Vice-Chair, and Secretary for Fiscal Year 2026-2027.

9. **Presentation of Draft FY 2026-27 Operating Budget, FY 2026-27 Capital Budget, and FY 2027-31 Capital Investment Plan, and Quarterly Risk Oversight Committee Report**

Recommendation: Receive and File the presentation on the preliminary proposed FY 2026-27 Operating Budget, FY 2026-27 Capital Budget, and FY 2027-31 Capital Investment Plan, and Quarterly Risk Oversight Committee Report.

10. Community Power Plan Review Ad-Hoc Committee Report

Recommendation: Receive and File the Community Power Plan (CPP) Review Ad-Hoc Committee Report.

11. Update on the California Energy Commission’s Equitable Building Decarbonization Direct Install Program

Recommendation: Receive and File Informational Update on the California Energy Commission’s (“CEC”) Equitable Building Decarbonization (“EBD”) Direct Install Program (“Program”).

12. Update on 2026 Community Power Rates

Recommendation: Receive and File update on rate adjustments for the PowerOn and PowerBase services that went into effect as of May 1, 2026. The Board of Directors adopted rates that continue to offer San Diego Community Power (Community Power) default PowerOn service electricity generation/commodity rates that are 4% cheaper compared to San Diego Gas and Electric’s (SDG&E) generation rates and PowerBase service electricity generation rates that are 10% cheaper than San Diego Gas and Electric’s generation rates. Power100 and Power100 Green-e Certified (Green-e Plus) maintain premiums of \$0.01/kWh and \$0.02/kWh, respectively, in addition to PowerOn default rates.

13. San Diego Community Power Data Center Load Integration Guidelines

Recommendation: Receive, file and provide feedback on the **Data Center Load Integration Guidelines**, a working framework to guide San Diego Community Power’s (Community Power) engagement with data center electrical loads defined as high-density, non-interruptible, near-constant electric load, typically 20+ megawatts (MW), requiring dedicated long-term capacity planning.

DISCUSSION OF POTENTIAL AGENDA ITEMS FOR BOARD OF DIRECTORS MEETINGS

The CAC may bring items to the attention of the Board for consideration at a Board meeting using either of the following:

1. **Standing CAC Report.** The CAC report may be a standing item on the Board agenda, in which the CAC chairperson, chief executive officer (CEO) or designated staff reports on updates related to a recent CAC meeting. Consistent with the Brown Act, items raised during the standing CAC report may not result in extended discussion or action by the CAC unless agendaized for a future meeting.
2. **Suggesting Board agenda items.** The CAC may suggest agenda items for Board consideration by communicating with the CAC chairperson and the designated Community Power staff

before and/or after a regular CAC meeting. If suggested during a regular meeting, there shall be no discussion or action by the CAC unless the item has been included on the CAC agenda. To be added to a Board meeting agenda, items must have the approval of the Community Power chief executive officer and the chairperson of the Board of Directors. If approval is provided, staff must be given at least five business days before the date of the Board meeting to work with the CAC to draft any memos and materials necessary.

CHIEF OPERATING OFFICER REPORT

COMMITTEE MEMBER ANNOUNCEMENTS

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

ADJOURNMENT

The Community Advisory Committee will adjourn until the next regular meeting scheduled for Thursday, August 13, 2026, at 5:30 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 888-382-0169 or ClerkOfTheBoard@SDCommunityPower.org. Requests for disability-related modifications or accommodations require varying lead times and should be provided at least 72 hours in advance of the public meeting.

Availability of Committee Documents

Agenda-related materials are available at sdcommunitypower.org/resources/meeting-notes. Late-arriving documents related to a CAC meeting item are distributed to the members prior to or during the CAC 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

COMMUNITY ADVISORY COMMITTEE Regular Meeting Minutes April 9, 2026

Don L. Nay Port Administration Training Room
3165 Pacific Highway, San Diego, CA 92101

WELCOME

Vice Chair Montero-Adams called the regular meeting to order at 5:32 p.m.

ROLL CALL

PRESENT: Vice Chair Montero-Adams, City of San Diego; Secretary Pike (arrived at 5:44 p.m.) and Committee Member Andersen, County of San Diego (Unincorporated); Committee Member Gonzalez, City of Chula Vista; Committee Member Vasilakis, City of San Diego; Committee Members Santos and Emerson; City of National City; Committee Member Sumner (arrived at 5:46 p.m.), City of La Mesa; Committee Member Hammond, City of Encinitas (via Teams Teleconference); and Committee Member Hoyt, City of Imperial Beach

ABSENT: Chair Harris, City of La Mesa and Committee Member Sclafani, City of Chula Vista

VACANT: Seat 7, City of Encinitas and Seat 10, City of Imperial Beach

Staff Present: Chief Operating Officer Clark; Assistant General Counsel Laity; Senior Strategic Finance Manager Spengler; Associate Director of Strategic Partnerships Friedman; Senior Local Development Manager Adam; Senior Manager Community Engagement Crespo; and Assistant Clerk of the Board Vences

PLEDGE OF ALLEGIANCE

Vice Chair Montero-Adams led the Pledge of Allegiance.

LAND ACKNOWLEDGMENT

Vice Chair Montero-Adams acknowledged the Kumeyaay Nation and all the original stewards of the land.

SPECIAL PRESENTATIONS AND INTRODUCTIONS

- Introduction of new Community Power Staff

Vice Chair Montero-Adams welcomed new employees Brandon Lewis, Communications Associate and Will Weisman, Associate Director of Finance-Capital Investment Plan (CIP) to introduce themselves.

ITEMS TO BE ADDED, WITHDRAWN OR REORDERED ON THE AGENDA

None.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

There were no public comments.

CONSENT CALENDAR

1. **Approve March 12, 2026, CAC Regular Meeting Minutes**
2. **Receive and File Update on Marketing, Public Relations, and Local Government Affairs**
3. **Receive and File Update on Customer Operations**
5. **Receive and File Update on Power Services**
6. **Receive and File Regulatory and Legislative Affairs Update**

Committee Member Emerson requested Consent Item No. 4 be pulled for separate discussion.

There were no public comments on the Consent Calendar.

Motioned by Committee Member Andersen and seconded by Committee Member Vasilakis to approve Consent Item Nos. 1-3 and 5-6. The motion carried by Roll Call Vote as follows:

AYES: Vice Chair Montero-Adams, Secretary Pike, Committee Members Andersen, Gonzalez, Hammond, Hoyt, Sumner, Emerson, and Vasilakis

NOES: None
ABSTAINED: Committee Member Santos
ABSENT: Chair Harris and Committee Member Sclafani

4. Receive and File Update on Programs

In response to Committee Member Emerson inquiry on the solar and battery storage program, Mr. Santulli reported that the contract is still in process; hence, staff could not report on anything related to that. Mr. Santulli further reported that additional information would be provided at the next CAC meeting scheduled for June 11.

There were no public comments on Consent Item No. 4.

Motioned by Committee Member Emerson and seconded by Committee Member Vasilakis to approve Consent Item No. 4. The motion carried by Roll Call Vote as follows:

AYES: Vice Chair Montero-Adams, Secretary Pike, Committee Members Andersen, Gonzalez, Hammond, Hoyt, Emerson, and Vasilakis
NOES: None
ABSTAINED: Committee Member Santos
ABSENT: Chair Harris and Committee Members Sclafani and Sumner

REGULAR AGENDA

7. Finance Updates

Mr. Spengler provided an overview of Finance Department updates.

There were no public comments on Item No. 7.

After Committee Member questions, discussion and comments, the Finance Updates were received and filed.

8. Review Draft Local Development Strategy

Messrs. Friedman and Adam provided an overview of the Local Development Strategy.

There were no public comments on Item No. 8.

After Committee Member questions, discussion and comments, the Review Draft Local Development Strategy was received and filed.

DISCUSSION OF POTENTIAL AGENDA ITEMS FOR BOARD OF DIRECTORS MEETINGS

None.

CHIEF OPERATING OFFICER REPORT

None.

COMMITTEE MEMBER ANNOUNCEMENTS

Committee Members shared announcements and reported on various events taking place in their member jurisdictions.

ADJOURNMENT

The Community Advisory Committee meeting adjourned at 6:55 p.m. to a regular meeting scheduled for Thursday, June 11, 2026, at 5:30 p.m.

Sandra Vences
Assistant Clerk of the Board



SAN DIEGO COMMUNITY POWER

Staff Report – Item 2

To: Community Advisory Committee

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

Via: Karin Burns, Chief Executive Officer

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

Date: June 11, 2026

Recommendation

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

Background

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

Analysis and Discussion

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

Recent and Upcoming Public Engagement Events

San Diego Regional Economic Development Corporation
South County Economic Development Corporation
Spring Valley Day
City of Chula Vista
City of Imperial Beach
National City Collaborative
Imperial Beach Collaborative

Spirit of the Barrio
Chula Vista Electrification Fair
Day at the Park: Barrio Logan
Cyclovia Encinitas
San Diego Padres
City of Encinitas
Nipaquay Elementary Family STEAM Night
National City District 2 Town Hall
Equality California
City of Imperial Beach Seniors and Veterans Resource Fair
EcoFest Encinitas
Olivewood Gardens Seedling Soiree
Rising Voices: Youth4Climate
Chula Vista Community Collaborative
19th Annual Native American Economic Development Conference
San Diego Regional Climate Collaborative June Network Meeting
Day at the Park: Bayfront Park
San Diego Pride Parade
Day of Play at Olivewood Gardens

Communications, Education, Outreach and Engagement

San Diego Community Power was honored as best brand by the American Marketing Association's San Diego Chapter at the annual "Sandie Awards." The panel of judges commended Community Power's 2025 website redesign and brand overhaul for being customer-driven, grounded in community and providing clarity and accessibility for a complicated subject.

The brand refresh supports Community Power on its other priorities, which include campaigns to help customers save money and electricity before heading into warmer months.

The Public Affairs team has been working diligently behind the scenes to support programmatic efforts, including the launch of the San Diego Regional Energy Network and the Solar Battery Savings Program. The Public Affairs team is working closely with internal and external stakeholders to encourage participation in these programs and leveraging relationships with community partners to amplify our marketing and outreach efforts.

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

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

Local Government Affairs

Community Power continues to meet with and work with local governments and tribal nations throughout the greater San Diego region, with a focus on opportunities for local development, providing education about legislative and regulatory affairs, and sharing information about services and programs.

Fiscal Impact

N/A

Attachments

N/A



SAN DIEGO COMMUNITY POWER

Staff Report – Item 3

TO: Community Advisory Committee

FROM: Jack Clark, Chief Operating Officer
Lucas Utouh, Senior Director of Data Analytics and Customer Operations

VIA: Karin Burns, Chief Executive Officer

SUBJECT: Update on Customer Operations

DATE: June 11, 2026

Recommendation

Receive and file an update on various customer operations initiatives.

Background

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

Analysis and Discussion

A) Enrollment Update

As of May 26, 2026, Community Power is serving a cumulative total count of **969,794** active accounts.

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

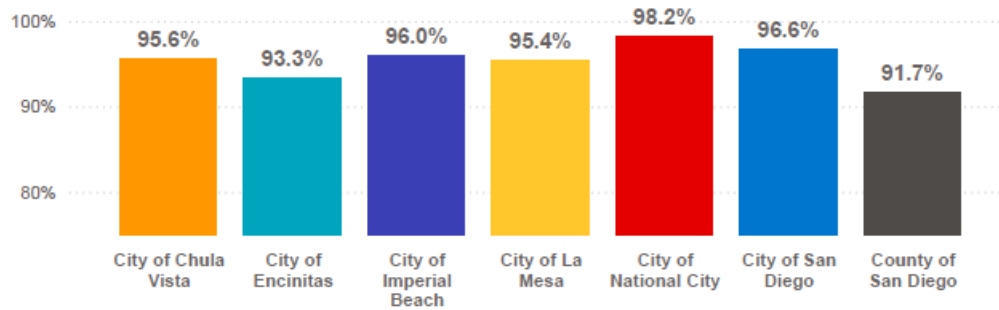
B) Customer Participation Tracking

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

Please note that Re-Enrollment metrics are captured and displayed through April 30, 2026.

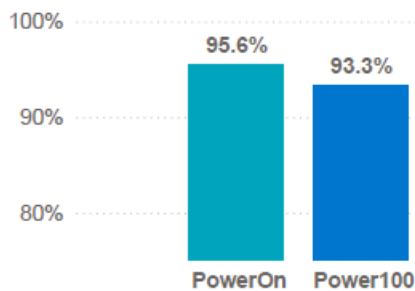
Enrolled Accounts	Participation Rate	Participation
969,794	95.5%	

Participation by Jurisdiction

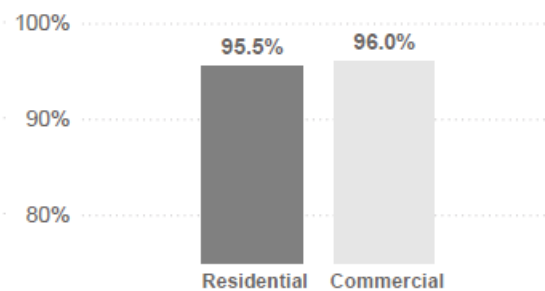


Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	100,404	96,029	95.6%
City of Encinitas	Power100	29,071	27,130	93.3%
City of Imperial Beach	PowerOn	10,826	10,395	96.0%
City of La Mesa	PowerOn	29,620	28,245	95.4%
City of National City	PowerOn	19,681	19,334	98.2%
City of San Diego	PowerOn	634,403	613,139	96.6%
County of San Diego	PowerOn	191,436	175,522	91.7%
Total		1,015,441	969,794	95.5%

Participation by Default Service Option



Residential vs Commercial Participation

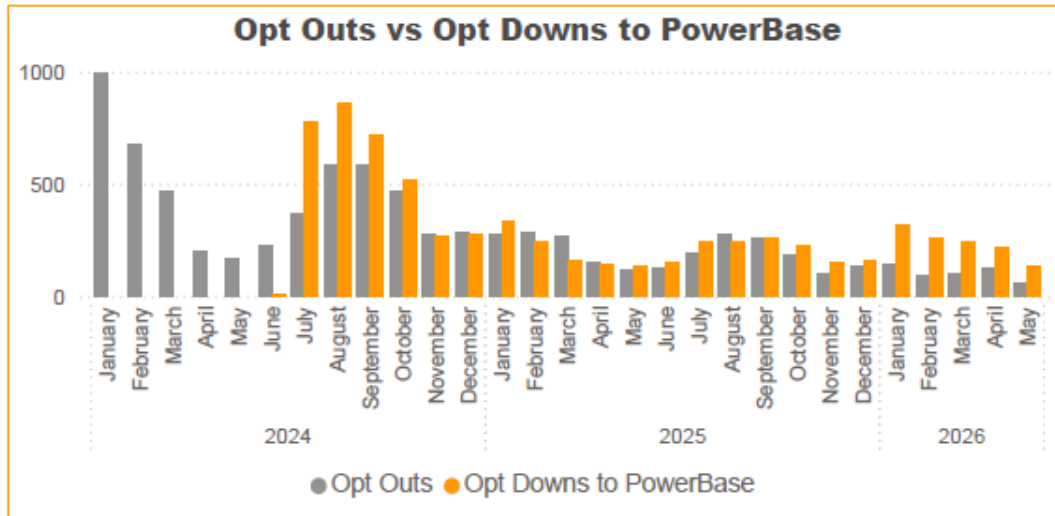


Service Option

PowerBase		PowerOn		Power100		Power100 Green+	
Enrolled	5,962	Enrolled	929,327	Enrolled	34,482	Enrolled	23
Participation	0.6%	Participation	95.8%	Participation	3.6%	Participation	0.0%

Service Option Enrollment Summary

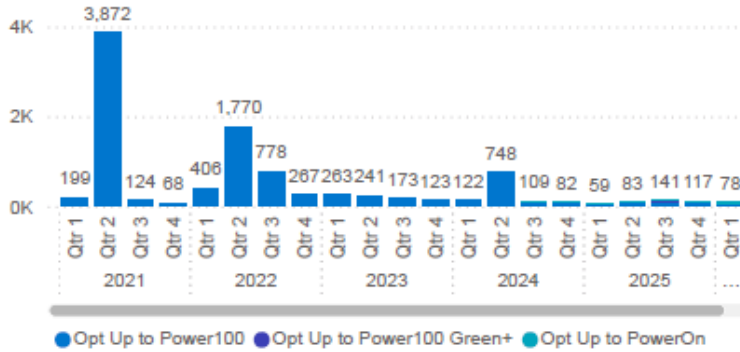
Jurisdiction	Service Option Default	Enrolled Accounts	Power Base Enrolled	Power Base %	PowerOn Enrolled	PowerOn %	Power 100 Enrolled	Power 100%	Power100 Green+ Enrolled	Power100 Green+ %
City of Chula Vista	PowerOn	96,029	523	0.5%	94,597	98.5%	909	0.9%		
City of Encinitas	Power100	27,130	248	0.9%	386	1.4%	26,496	97.7%		
City of Imperial Beach	PowerOn	10,395	41	0.4%	10,273	98.8%	81	0.8%		
City of La Mesa	PowerOn	28,245	157	0.6%	27,824	98.5%	264	0.9%		
City of National City	PowerOn	19,334	72	0.4%	19,232	99.5%	30	0.2%		
City of San Diego	PowerOn	613,139	3,334	0.5%	603,899	98.5%	5,883	1.0%	23	0.0%
County of San Diego	PowerOn	175,522	1,587	0.9%	173,116	98.6%	819	0.5%		
Total		969,794	5,962	0.6%	929,327	95.8%	34,482	3.6%	23	0.0%



Opt Up History

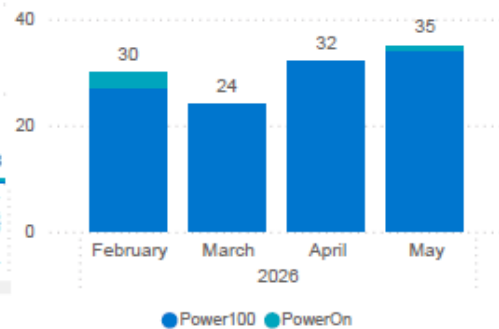
Total Opt Ups 9,890	Opt Ups Current* 8,078
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Opt Ups Quarterly



Opt Ups Monthly

Last 4 Months



Opt Ups by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025	2026 YTD	Total
City of Chula Vista	710	175	61	49	31	5	1,031
City of Encinitas	18	1	1	3	1	2	26
City of Imperial Beach	60	29	11	6	6	21	133
City of La Mesa	155	120	19	12	8	1	315
City of National City			12	24	2	1	39
City of San Diego	3,316	2,896	489	340	309	90	7,440
County of San Diego	4		207	627	43	25	906
Total	4,263	3,221	800	1,061	400	145	9,890

Opt Ups by Customer Class

Customer Class	2021	2022	2023	2024	2025	2026 YTD	Total
Commercial	4,256	296	232	701	160	52	5,697
Residential	7	2,925	568	360	240	93	4,193
Total	4,263	3,221	800	1,061	400	145	9,890

Opt Ups by Method

Opt Method	2021	2022	2023	2024	2025	2026 YTD	Total
CSR	4,232	1,372	301	817	213	72	7,007
IVR	4	85	84	42	29	7	251
Web	27	1,764	415	202	158	66	2,632
Total	4,263	3,221	800	1,061	400	145	9,890

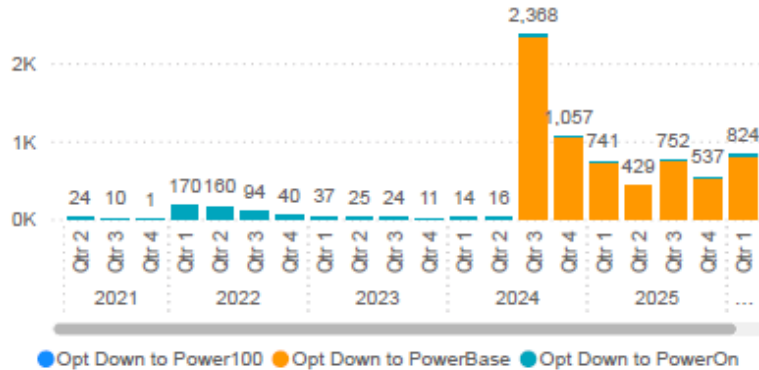
*Current indicates the account is open with SDG&E and this opt action is their latest opt action

2026 YTD as of May 24, 2026

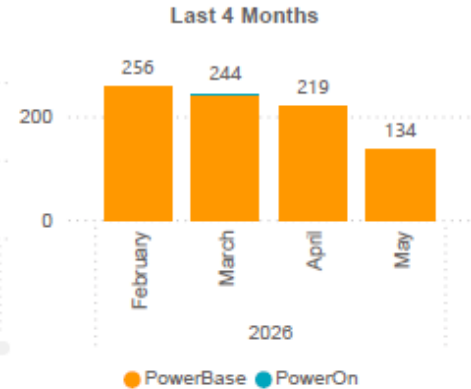
Opt Down History

Total Opt Downs 7,687	Opt Downs Current* 6,389
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Opt Downs Quarterly



Opt Downs Monthly



Opt Downs by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025	2026 YTD	Total
City of Chula Vista		2	4	287	246	86	625
City of Encinitas	35	429	74	150	109	53	850
City of Imperial Beach		1		31	18	6	56
City of La Mesa		4		106	66	29	205
City of National City				36	39	19	94
City of San Diego		28	13	1,793	1,390	780	4,004
County of San Diego			6	1,052	591	204	1,853
Total	35	464	97	3,455	2,459	1,177	7,687

Opt Downs by Customer Class

Customer Class	2021	2022	2023	2024	2025	2026 YTD	Total
Commercial	34	23	9	508	172	63	809
Residential	1	441	88	2,947	2,287	1,114	6,878
Total	35	464	97	3,455	2,459	1,177	7,687

Opt Downs by Method

Opt Method	2021	2022	2023	2024	2025	2026 YTD	Total
CSR	31	311	65	2,562	1,531	574	5,074
IVR	4	26	3	309	274	100	716
Web		127	29	584	654	503	1,897
Total	35	464	97	3,455	2,459	1,177	7,687

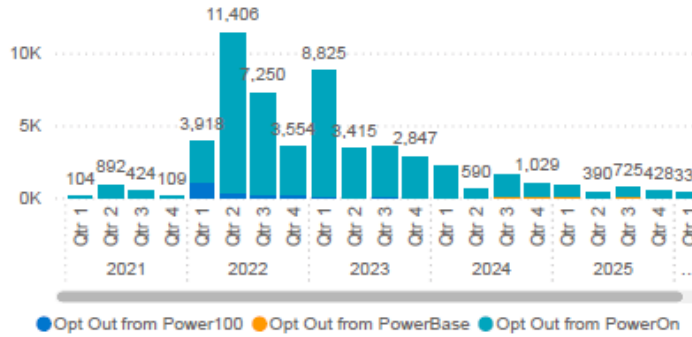
*Current indicates the account is open with SDG&E and this opt action is their latest opt action

2026 YTD as of May 24, 2026

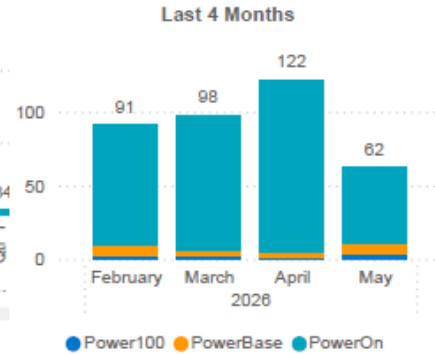
Opt Out History

Total Opt Outs	Opt Outs Current*
54,526	44,317

Opt Outs Quarterly



Opt Outs Monthly



Opt Outs by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025	2026 YTD	Total
City of Chula Vista	267	3,466	747	411	200	58	5,149
City of Encinitas	66	1,869	230	118	56	12	2,351
City of Imperial Beach	32	343	99	60	17	11	562
City of La Mesa	84	1,269	235	128	59	11	1,786
City of National City			285	75	33	9	402
City of San Diego	1,078	19,180	3,185	1,836	1,065	252	26,596
County of San Diego	2	1	13,899	2,669	944	165	17,680
Total	1,529	26,128	18,680	5,297	2,374	518	54,526

Opt Outs by Customer Class

Customer Class	2021	2022	2023	2024	2025	2026 YTD	Total
Residential	37	25,593	16,996	4,953	2,233	491	50,303
Commercial	1,492	535	1,684	344	141	27	4,223
Total	1,529	26,128	18,680	5,297	2,374	518	54,526

Opt Outs by Method

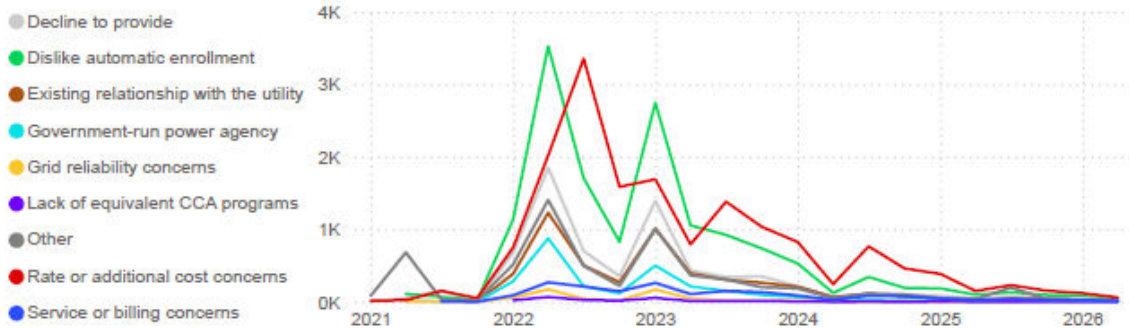
Opt Method	2021	2022	2023	2024	2025	2026 YTD	Total
CSR	1,104	6,963	4,706	1,653	703	186	15,315
IVR	102	4,885	3,788	1,284	445	76	10,580
Web	323	14,280	10,186	2,360	1,226	256	28,631
Total	1,529	26,128	18,680	5,297	2,374	518	54,526

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

2026 YTD as of May 24, 2026

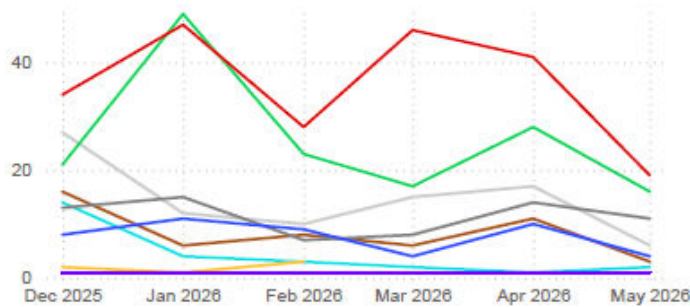
Opt Out Reason Summary

Opt Outs by Reason Quarterly



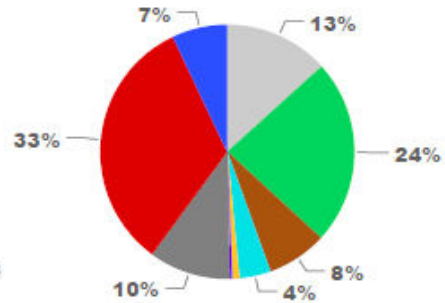
Opt Outs by Reason Monthly

Last 6 Calendar Months



Opt Out Reason Distribution

Last 6 Calendar Months



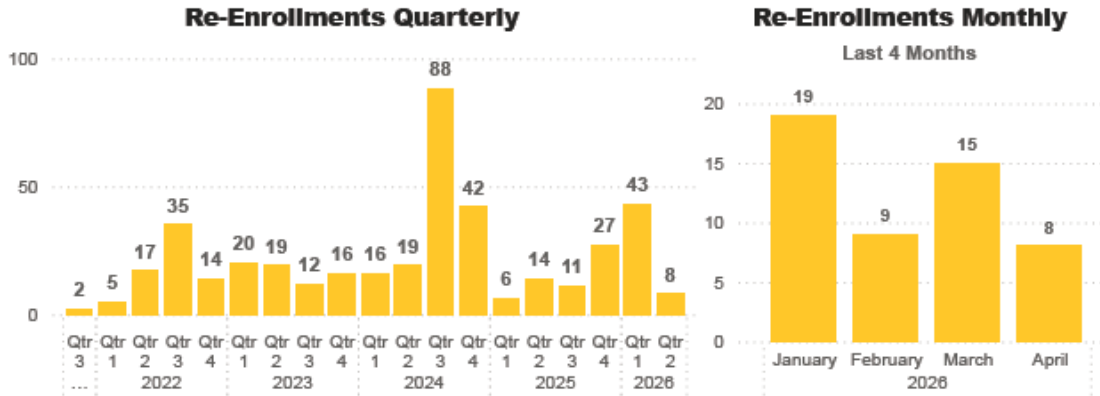
Opt Outs by Reason Table

Opt Out Reason	2021	2022	2023	2024	2025	2026 YTD	Total
Decline to provide	228	3,581	2,518	465	256	60	7,108
Dislike automatic enrollment	203	7,187	5,458	1,188	511	133	14,680
Existing relationship with the utility	2	2,388	1,968	462	153	34	5,007
Government-run power agency	24	1,489	960	129	66	12	2,680
Grid reliability concerns	7	293	252	20	7	4	583
Lack of equivalent CCA programs		131	90	12	6	1	240
Other	819	2,636	1,883	453	325	55	6,171
Rate or additional cost concerns	240	7,705	4,897	2,296	918	181	16,237
Service or billing concerns	6	718	654	272	132	38	1,820
Total	1,529	26,128	18,680	5,297	2,374	518	54,526

2026 YTD as of May 23, 2026

Re-Enrollment Requests

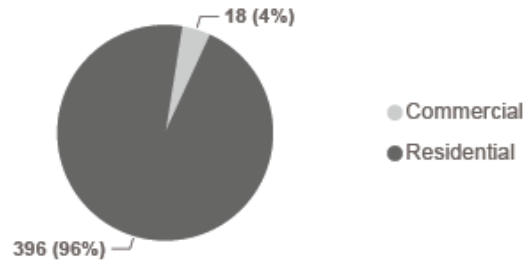
Excludes closed accounts



Re-Enrollments by Jurisdiction

Jurisdiction	Accounts
City of Chula Vista	28
City of Encinitas	35
City of Imperial Beach	5
City of La Mesa	8
City of National City	1
City of San Diego	252
County of San Diego	85
Total	414

Re-Enrollments Residential vs Commercial



2026 YTD through the end of April, 2026

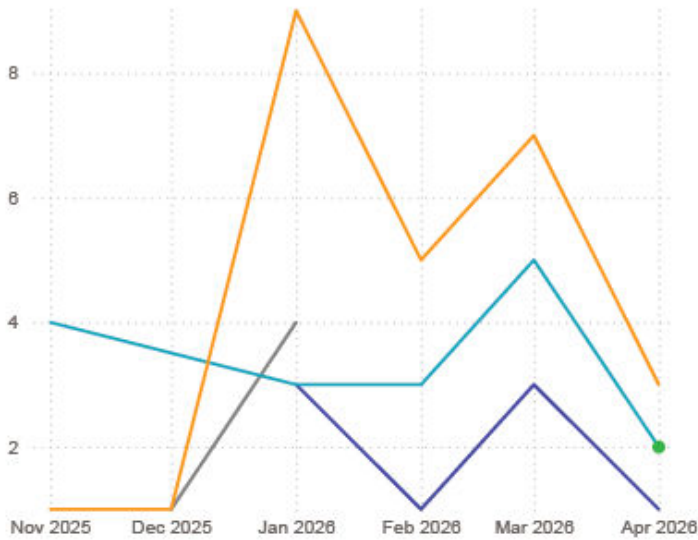
Re-Enrollment Reason Summary*

Re-Enrollments by Reason Quarterly



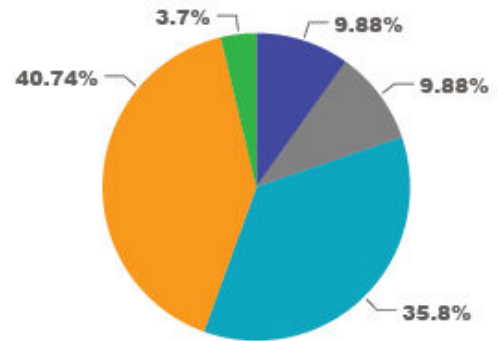
Re-Enrollments by Reason Monthly

Last 6 Calendar Months



Re-Enrollments Reason Distribution

Last 6 Calendar Months



Re-Enrollment by Reason Table

ReEnrollmentReason	2025	2026 YTD	Total
Alternative to SDG&E		8	8
Other	4	4	8
Participate in Community Power program	16	13	29
Receive lower rates	9	24	33
Receive more renewable energy	1	2	3
Total	30	51	81

Re-Enrollment Reason Functionality Implemented 09/01/2025

C) Contact Center Metrics

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

The chart below summarizes contact made by customers into the Contact Center broken down by month. Contact Center Metrics are captured and displayed through April 30, 2026.



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

	2021	2022	2023	2024	2025	2026 YTD	Total
Total Calls to IVR	2,289	47,118	52,977	48,073	36,829	10,574	197,860
Total Calls Connected to Agents	1,401	30,174	34,173	29,332	21,556	6,611	123,247
Avg Seconds to Answer	20.00	11.50	6.75	18.08	9.33	8.00	12.46
Avg Call Duration (Minutes)	8.5	9.8	9.6	9.6	9.0	8.8	9.3
Calls Answered Within 60 Seconds (75% SLA)	96.23%	95.50%	97.57%	91.74%	95.85%	97.09%	95.45%
Abandon Rate	0.57%	0.36%	0.19%	0.72%	0.43%	0.25%	0.43%



Customer Service Emails

	2021	2022	2023	2024	2025	2026 YTD	Total
Emails Received	272	2,894	2,116	1,271	1,170	366	8,089
Emails Answered or Escalated Within 24 Hours	257	2,821	2,107	1,270	1,170	364	7,989
Completion%	94%	96%	100%	100%	100%	100%	98%

2026 YTD through the end of April, 2026

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

As of this latest reporting month, Community Power has nine (9) Dedicated Customer Service Representatives staffed at the Contact Center and one (1) Supervisor. Robust Quality Assurance (QA) procedures are firmly in place to ensure that customers are getting world-class customer experience when they contact Community Power.

Fiscal Impact

N/A

Attachments

N/A



SAN DIEGO COMMUNITY POWER

Staff Report – Item 4

To: Community Advisory Committee

From: Jack Clark, Chief Operating Officer
Colin Santulli, Senior Director of Programs

Via: Karin Burns, Chief Executive Officer

Subject: Update on Programs

Date: June 11, 2026

Recommendation

Receive and file updates on customer energy programs.

Background

Staff will provide regular updates to the Community Advisory Committee (“CAC”) regarding the following Community Power customer energy programs: Residential Programs, Flexible Load Programs, Solar and Energy Storage Programs, and the San Diego Regional Energy Network.

Analysis and Discussion

Updates on customer energy programs are detailed below.

Residential Programs

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

Status: Staff executed eight out of ten contracts with community-based organizations (CBOs), which will conduct marketing, education, and outreach activities for the Equitable Building Decarbonization Program. The two remaining CBO contracts are expected to be executed once CEC approves the contract budgets. A detailed program update is included as an agenda item in the June 2026 CAC meeting.

Next Steps: Initiate marketing, education, and outreach activities in the community in collaboration with CBO partners.

Flexible Load Programs

Smart Home Flex Pilot Project

Status: Staff are extending the pilot to support data collection for pilot evaluation. The extended pilot enrollment goal is 5,000 smart thermostats; incentive levels for enrollment and seasonal participation will remain unchanged.

Additional data is required to complete the pilot evaluation, due to low air conditioning loads during summer of 2025 and uncertainty about customer equipment among the initial 2,000 enrollees. Staff anticipate that expected warmer temperatures projected in summer 2026, combined with enhanced applicant screening will allow for a more robust impact assessment of the pilot, and a subsequent assessment of potential expansion into a full program in Fiscal Year 2027-2028.

Next Steps: Staff will continue working with Virtual Peaker to relaunch an extended pilot for summer 2026. Staff will leverage the manufacturers apps to send notifications promoting enrollment in the pilot. The Community Power webpage will be updated with more information and a link to the enrollment form.

EV Flex Connect Pilot Project

Status: Staff are working with their V1G pilot implementer, Optiwatt to implement updates to the EV Flex Connect pilot that will expand customer eligibility. On March 11, the eligible vehicle list was revised to include additional vehicle models from a variety of auto manufacturers. Customers are also now able to enroll in more than one eligible vehicle per household, with an enrollment incentive of \$50 and monthly participation incentive of \$5 for each eligible vehicle.

Staff continue to collaborate with their partners on the research project funded by California Energy Commission grant agreement EPC-25-015. This project will analyze and quantify the value of managed charging/V1G using data from the EV Flex Connect pilot.

Next Steps: Staff will continue to implement the EV Flex Connect pilot changes, promote the changes to existing and potential participants, and monitor the impact on enrollment. Staff will also continue working with their partners on the EPC-25-015 research project.

Solar and Energy Storage Programs

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

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

Solar Battery Savings (“SBS”) Program

Status: The SBS program began accepting applications on September 30, 2025. To date, the program has received over 1,086 applications, 388 have been approved, 370 of which have been installed and activated. Of the 54 contractors approved to participate in the program, 49 have submitted applications. Sixty-five percent of applicants are from market rate customers. Seventy-two percent of projects are for new solar and storage systems (as compared to storage being added to existing solar systems).

Staff will be holding Contractor Sales and Engagement Trainings over the months of June and July for approved contractors and their customer-facing staff. These sessions are designed to help sales teams confidently explain the program and set customer expectations.

Next Steps: Community Power expects to start SBS customer workshops in Q3 2026.

Solar Advantage Program (previously DAC-GT)

Status: Staff have continued engagement with SDG&E and the California Public Utilities Commission (“CPUC”) Energy Division regarding the Supervisory Control and Data Acquisition (“SCADA”) requirements and associated interconnection costs under the Wholesale Distribution Access Tariff (“WDAT”), that are challenging the feasibility of Solar Advantage projects. Under CPUC program rules, Solar Advantage Program power procurement is subject to a “cost containment cap” that limits the maximum price Community Power can pay for project output; as a result, the significant interconnection and SCADA costs currently required under WDAT may challenge project eligibility, as the pricing required to recover these costs may exceed the allowable cap.

Next Steps: Staff will continue engagement with SDG&E and the CPUC Energy Division to pursue alternative solutions that reduce interconnection equipment costs and/or clarify interconnection requirements under WDAT to improve project viability. For shortlisted projects from the Solar Advantage Program’s Second RFO, staff will not file an executed Power Purchase Agreement (“PPA”) Advice Letter for CPUC approval. Instead, developers that bid into the Solar Advantage Program’s Second RFO will be asked to resubmit under RFO #3, set to release Q3 2026. Concurrently, staff are incorporating lessons learned into RFO #3 solicitation materials, including updates intended to convey WDAT requirements to prospective bidders and to reference SDG&E’s Rule 21 “Unit Cost Guide” for improved cost transparency.

San Diego Regional Energy Network (“SDREN”)

Status: All SDREN contracts from the phased solicitations for third-party implementers have now been executed. The final contract from Phase 3 has been executed with the selected vendor:

- Market Access Program
 - Vendor: Alternative Energy Systems Consulting, Inc.
 - Contract Total: \$3,991,587 (direct implementation), \$9,006,228 (incentives)

As programs begin enrollment, the SDREN Advisory Committee will be key in providing advisement on program implementation activities (i.e., effective outreach and engagement strategies to connect with underserved and hard-to-reach communities across the region), serving as an advocate for SDREN (i.e., providing letters of support if/when necessary) and spreading awareness of program benefits through community and regional networks. The SDREN Advisory Committee shall represent a diverse range of expertise and experience and be composed of up to 19 members from local and regional governments, non-profit organizations, public organizations, trade organizations and community-based organizations. The committee shall reflect a broad cross-section of the region and include representation of community interests in each of the five County of San Diego Supervisorial Districts. The first SDREN Advisory Committee meeting took place on April 13, 2026.

In compliance with the CPUC Rolling Portfolio process for reviewing and approving portfolio administrators' programs, SDREN submitted its 2028-2035 Strategic Business Plan and 2028-2031 Portfolio Plan Application on March 16, 2026, following approved CPUC templates and guidance. SDREN Application Materials can be found at sdren.org/regulatory-documents.

Next Steps: For all programs, staff continue to focus on pre-launch deliverables to begin participant enrollment. Future program launch updates will be published on the SDREN website at sdren.org, which went live on March 16, 2026.

SDREN funds are authorized by the CPUC and are disbursed to San Diego Community Power in accordance with the *San Diego Regional Energy Network Energy Efficiency Programs and Budget Agreement for Years 2024-2027* executed between Community Power and SDG&E (under Resolution No. 2025-01). Staff report program expenditures monthly to the CPUC and these amounts are publicly available on the California Energy Data and Reporting System (CEDARS) website at <https://cedars.cpuc.ca.gov/>.

Fiscal Impact

N/A

Attachments

N/A



SAN DIEGO COMMUNITY POWER

Staff Report - Item 5

To: Community Advisory Committee

From: Gordon Samuel, Chief Commercial Officer

Via: Karin Burns, Chief Executive Officer

Subject: Update on Power Services

Date: June 11, 2026

Recommendation

Recommendation to receive and file update on Power Services.

Background

Staff provided the updates below to the Community Advisory Committee regarding Community Power's energy procurement activities.

Analysis and Discussion

Commercial Operations

On May 22, 2026, Sunzia North and Sunzia South reached commercial operations and began deliveries for Community Power. Combined, these projects total 150 MW of wind capacity added to Community Power's portfolio, enough to power over 70,000 homes annually.

Administrative Amendments

In March 2026, Community Power executed an administrative amendment to update the Power Purchase Agreements for Sunzia North and Sunzia South. These amendments corrected some settlement calculations, removed credit requirements for Community Power, and added a form of limited assignment agreement.

Long-term Renewable Energy Solicitations

As Community Power strives to meet its environmental, financial, and regulatory compliance goals and requirements, long-term power purchase agreements (PPAs) provide developers with a certain revenue stream against which they can finance up-front capital requirements, so each long-term PPA that Community Power signs with a developing facility will underpin a

new, incremental renewable energy and/or storage project. In addition, long-term PPAs lock in renewable energy supply around which Community Power can build its power supply portfolio while also hedging power supply costs. Moreover, the California Renewable Portfolio Standard (RPS), as modified in 2015 by Senate Bill 350, requires that Community Power provide 65% of its RPS-required renewable energy from contracts of at least ten years in length. Finally, in California Public Utilities Commission (CPUC) Decision (D.) 21-06-025, the CPUC required each Load Serving Entity (LSE) in California to make significant long-term purchase commitments for resource adequacy from new, incremental generation facilities that will achieve commercial operation during 2023 through 2026 for purposes of “Mid Term Reliability” (MTR). These requirements have been augmented and extended into 2028 via CPUC D.23-02-040, where the CPUC additionally ordered procurement of long lead time resources by 2028, with the potential for extension through 2031. D.25-06-019 again ordered annual procurement of new resources from 2029-2032, with a quarter coming from long lead time resources.

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

Going forward, staff expect to prioritize projects that increase the portfolio’s diversity in terms of technology and innovative contract structures to achieve a pathway to 100% clean energy. Staff will also increasingly prioritize local distributed energy resources (DER) projects as described below.

Local Development

Local RFI

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

include continued collaboration with member agency staff and other local agencies to identify strategic opportunities to further infill development.

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

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

Solar Advantage Program (previously DAC-GT)

Solar Advantage Program (previously DAC-GT)

Status: Staff have continued engagement with SDG&E and the California Public Utilities Commission ("CPUC") Energy Division regarding the Supervisory Control and Data Acquisition ("SCADA") requirements and associated interconnection costs under the Wholesale Distribution Access Tariff ("WDAT"), that are challenging the feasibility of Solar Advantage projects. Under CPUC program rules, Solar Advantage Program power procurement is subject to a "cost containment cap" that limits the maximum price Community Power can pay for project output; as a result, the significant interconnection and SCADA costs currently required under WDAT may challenge project eligibility, as the pricing required to recover these costs may exceed the allowable cap.

Next Steps: Staff will continue engagement with SDG&E and the CPUC Energy Division to pursue alternative solutions that reduce interconnection equipment costs and/or clarify interconnection requirements under WDAT to improve project viability. For shortlisted projects from the Solar Advantage Program's Second RFO, Staff will not file executed Power Purchase Agreement ("PPA") Advice Letter for CPUC approval due to key interconnection-related challenged with the proposed projects. Instead, developers that bid into the Solar Advantage Program's Second RFO are invited to resubmit under RFO #3, set to release Q3 2026. Concurrently, Staff are incorporating lessons learned into RFO #3 solicitation materials, including updates intended to convey WDAT requirements to prospective bidders and to reference SDG&E's Rule 21 "Unit Cost Guide" for improved cost transparency.

Short-Term RPS Procurement

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

Market Update

Due to resource availability in the broader Western Interconnection, lingering supply chain impacts and interconnection queues that have delayed development of new-build energy

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

Near-term California energy market prices have been on a decline due to seasonal weather changes and increasing solar generation in the West. Markets are watching weather changes closely as a record-hot March initiated snowmelt weeks ahead of schedule and statewide snowpack is 18% of average for April 1st. With La Nina weather patterns impacting California, there is potential for a highly variable year as markets remain sensitive to extreme weather events and unexpected supply shortages. At the same time, the increasing penetration of utility-scale storage resources connected to the grid is influencing daily load patterns and pushing down peak prices. 2026 summer load and resource assessments are underway, and results of the annual analysis will give insight into the state's energy supply moving into summer and peak demand electric season.

California's electric market achieved a milestone on May 1, 2026, as the California Independent System Operator (CAISO) launched the Extended Day-Ahead Market (EDAM), where Western utilities can join to coordinate utility-scale energy resource scheduling in the day-ahead timeframe for the first time. The increased West-wide coordination strengthens reliability and lowers costs by expanding regional coordination into the day-ahead timeframe, when most electricity deliveries are planned and scheduled, to leverage the West's diverse energy resource mix and connected transmission system and to better prepare the system to meet real-time demand. Larger scale energy resource planning allows for more optimized resource commitments and transmission usage across major supply and load centers. Wider electric coordination reduces solar curtailments and reduces price volatility. Additionally, the new Day-Ahead Market Enhancements introduced a new energy product "Imbalance Reserves", which pays dispatchable resources, like batteries, to be ready for dispatch for fluctuating renewable production or changes in demand.

Power Services Staffing

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

Fiscal Impact

N/A

Attachments

N/A





SAN DIEGO COMMUNITY POWER

Staff Report – Item 6

To: Community Advisory Committee

From: Jack Clark, Chief Operating Officer
Patrick Welch, Associate Director of Legislative Affairs

Via: Karin Burns, Chief Executive Officer

Subject: Update on Regulatory and Legislative Affairs

Date: June 11, 2026

Recommendation

Receive and file the update on regulatory and legislative affairs.

Background

Staff provide regular updates to the Community Advisory Committee regarding Community Power’s regulatory and legislative engagement.

Analysis and Discussion

A) Regulatory Updates

San Diego Gas & Electric (SDG&E) Energy Resource Recovery Account (ERRA) proceedings

Energy Resource Recovery Account (ERRA) proceedings are used to determine investor-owned utilities’ (IOU) fuel and purchased power costs which can be recovered in rates. The annual forecast proceeding is to review the forecasted costs that SDG&E will incur to procure energy resources in the coming year. Based on these forecasts, the California Public Utilities Commission (CPUC) approves rates that allow utilities to recover costs from customers. An annual ERRA compliance proceeding reviews SDG&E’s compliance in the preceding year regarding energy resource contract administration, least-cost dispatch, fuel procurement, and the ERRA balancing account.

SDG&E 2023 ERRA Compliance Case

On May 5, 2026, the CPUC issued a [Final Decision](#) in SDG&E's 2023 ERRA Compliance Case. Notably, the Final Decision was revised from the Proposed Decision ([see the March 26 staff report to the Board of Directors on page 102](#)) finding that there is insufficient record to determine the party or parties that should be responsible for the stranded costs from SDG&E's Green Tariff Shared Renewables programs. While this does not address the issue and delays a resolution to a future decision, Community Power and Clean Energy Alliance (CEA) had advocated against the Proposed Decision's finding that those stranded costs be collected from all customers, including Community Power's. Therefore, this revision avoids that unfavorable outcome, at least for the time being.

SDG&E 2024 ERRA Compliance Case

On May 8, 2026, Community Power and CEA jointly filed opening briefs on SDG&E's 2024 ERRA Compliance Case, making the following recommendations to the CPUC:

- The Commission should order SDG&E to correct its accounting for resource adequacy (RA) it retained as a buffer during its 2024 solicitations and did not subsequently make available to the market.
- The Commission should expeditiously take up the issue of Bundled Procurement Plan revisions to ensure that there are prescriptive standards by which it can evaluate SDG&E's Excess RA sales activities.
- The Commission should find that SDG&E's plan to correct the Power Charge Indifference Adjustment (PCIA) vintage assignment for remaining impacted New Premises is reasonable.

Reply briefs were submitted on May 29, 2026.

Power Charge Indifference Adjustment (PCIA)

Track 2: Opening Testimony on Energy Division Staff Report

On May 12, 2026, parties filed opening testimony on the CPUC Energy Division's [staff report](#) in Track 2 of the *Rulemaking to Update and Reform Energy Resource Recovery Account (ERRA) and Power Charge Indifference Adjustment (PCIA) Policies and Processes* (R.25-02-005). Track 2 addresses the valuation of banked pre-2019 renewable energy credits (RECs) and how that valuation is applied to investor-owned utility (IOU) bundled customers and departed load customers, like those of community choice aggregators (CCAs), such as Community Power.

On May 12, 2026, Brian Dickman of NewGen Strategies prepared direct testimony on behalf of Community Power's trade association, the California Community Choice Association (CalCCA), making the following recommendations:

- The Commission should adopt CalCCA’s proposal to value Pre-2019 Banked RECs at the current-year Renewables Portfolio Standard (RPS) Market Price Benchmark (MPB) when used for Current Bundled Customer RPS compliance, with the resulting value credited to the PCIA vintage subaccount corresponding to the year the RECs were generated.
- None of staff’s four options should be adopted.
- If the Commission determines that Pre-2019 Banked RECs should not be valued at the current year RPS MPB, and should not be allocated to load serving entities, any alternative methodology adopted should reflect the compliance value of those RECs, i.e., the value staff itself identifies as the appropriate basis for valuation. CalCCA proposes that if its RPS MPB or allocation proposals are not adopted, the Commission consider valuing Pre-2019 Banked RECs using a weighted formula.
- The Commission’s decision on how to value Pre-2019 Banked RECs has no bearing on the Joint IOUs’ ability to use those RECs for RPS compliance.

Opening testimony was also filed by the Joint IOUs and CalCCA filed rebuttal testimony in response on May 22, 2026.

Track 3: Procedural Update

On May 5, 2026, the Administrative Law Judge of the *Rulemaking to Update and Reform Energy Resource Recovery Account (ERRA) and Power Charge Indifference Adjustment (PCIA) Policies and Processes* (R.25-02-005) sent a procedural update via email about anticipated upcoming events in Track 3 of the proceeding, including issuing a ruling setting the dates and times for a Track 3 Planning Workshop. The workshop will be split over three days: June 8, morning of June 9, and June 15, and will cover high level principles regarding customer indifference, scope of Track 3, and data access and confidentiality issues, respectively.

Green Access Programs Application

On April 7, 2026, the CPUC issued a [Proposed Decision](#) addressing implementation issues for the California Renewables Portfolio which includes a new Community Renewable Energy (CRE) Tariff, the modified Green Tariff, the Disadvantaged Communities Green Tariff (DAC-GT), and program reporting.

Community Power jointly filed [opening comments](#) with five other community choice aggregators (the Joint CCAs) regarding the proposed design of the CRE program and tariff. The Joint CCAs argued that the Proposed Decision must be revised to:

- Explain how the customer bill discount under the CRE program is expected to be calculated and recovered considering that the state and federal funding earmarked for providing customer bill credits have been revoked.

- Address how the Renewable Market Adjusting Tariff (ReMAT) framework will be updated to accommodate technology types and pricing for all CRE-eligible resources.
- Clarify the discussion regarding CCA participation to (1) specify that CCAs may file implementation plans within 180 days and (2) acknowledge that CCAs may start and end their participation in the program at any time.
- Commit to identifying and quantifying the full value of community renewable resources in future proceedings.
- Include references to the Community Solar Green Tariff (CSGT) program, as one CCA continues to administer its CSGT program in accordance with D.24-05-065.

Several other parties questioned the viability of the CRE program given its reliance on ReMAT without additional funding or value streams for community scale projects. The Proposed Decision was initially scheduled to be heard at the CPUC's May 14 voting meeting but has been held by President Reynolds until the June 11 voting meeting for further review.

Rulemaking to Improve California Climate Credit

On May 1, 2026, the CPUC issued the [Decision](#) ordering immediate improvements to the California Climate Credit to Lower Electric and Gas Bills. The Decision adopts immediate, interim changes to the California Climate Credit to improve near-term customer bill affordability, particularly during high-bill months, while longer-term reforms are considered in later phases of the proceeding. Residential electric Climate Credits will now be issued in August and September, beginning in 2026 (instead of April and October). The Decision also requires the IOUs to submit “visual examples of updated communications, including mockups of email messages, sample bills, and/or any other utility communications that include or refer to the Climate Credit by name” as part of its outreach plan compliance report. The Commission held a workshop on May 18 to discuss scheduling and planning in the next phase of the proceeding to consider broader changes to the residential Climate Credit.

Rulemaking to Update Distribution Level Interconnection Rules and Regulations

On April 30, 2026, parties filed opening [comments](#) on the [Scoping Memo and Ruling](#) requesting input on advancing consideration of modifications to Rule 21 screens and timelines. Across utilities, Community Choice Aggregators (CCAs), distributed energy resources (DER) developers, clean energy trade associations, and consumer advocates, there is broad consensus that Rule 21 interconnection delays are constraining DER deployment, particularly for storage, non-export systems, electric vehicle (EV) bidirectional charging, and mid-sized projects. CalCCA [recommends](#) modifying the Screen Q to reduce unnecessary transmission-level study delays and supports financial penalties for investor-owned utilities that miss interconnection timelines. Reply comments were due on May 29, 2026. The CPUC Energy Division will also hold workshops, as needed, to discuss priority of the remaining issues.

Consolidated Energy Efficiency Business Plan Applications Proceeding

On March 16, 2026, all Energy Efficiency Portfolio Administrators - including Community Power for the San Diego Regional Energy Network (SDREN) - filed Business Plan Portfolio Applications (BPAs) with the CPUC, consisting of a 4-year Portfolio Plan (budget request) and 8-year strategic Business Plan.

On April 15, the CPUC consolidated all 13 BPAs (including [SDREN's](#)) into one proceeding and set deadlines of May 1 (protests/responses to BPAs) and May 18 (replies to protests/responses) to define the proceeding's scope. Protests formally object to applications; responses provide input without objection.

Community Power, on behalf of SDREN, filed a [May 1st protest](#) requesting the CPUC to:

- Exclude SoCalGas' proposed equity definition changes
- Broaden fuel-switching scope beyond PG&E's propane-only proposal
- Include and modify integrated demand-side management (IDSM) to avoid excluding non-IOU Portfolio Administrators
- Defer PG&E/SCE proposals on increased reporting and reduced REN funding

SDREN also supported including in scope:

- Updates to REN criteria, equity definitions, and performance metrics
- Electrification/decarbonization strategies
- Process streamlining
- Evaluation of statewide programs and REN contributions to codes & standards
- Stakeholder engagement reforms

On May 18, Community Power, on behalf of SDREN, filed [a reply](#) to the protests and responses filed by other parties. The reply reiterated and further justified the key points raised in the May 1 protest.

SDG&E's Application to Withdraw from Regional Energy Efficiency Administration

On May 1, 2026, SDG&E and the Public Advocates Office (PAO) filed the [Joint Motion of SDG&E and PAO for Adoption of Settlement Agreement](#) (Motion). The purpose of settlement is to seek to resolve disputes voluntarily, saving parties and the CPUC significant legal and administrative costs. SDG&E and PAO provided an opportunity for other parties to join the settlement agreement one week prior to its filing; however, no additional parties joined. The terms of the settlement are as follows:

- Term 1: Those who join the settlement agree that SDG&E's Application is reasonable in light of the whole record, consistent with law, in the public interest and should be approved.
- Term 2: SDG&E shall also withdraw from its administration of its regional codes and standards program.

- Term 3: New, expanded, or incremental energy efficiency programs and associated budgets authorized after adoption of the settlement agreement with SDG&E's territory shall meet IOU-specific performance requirements.
- Term 4: Settling parties shall submit a joint filing outside the withdrawal proceedings to propose that the Commission expedite consideration of applying IOU-specific performance requirements to all energy efficiency Portfolio Administrators throughout the state.

Comments on the Motion were due June 1, 2026, and have not been drafted as of the writing of this staff report. Next month's staff report will provide a summary of Community Power's comments.

Order Instituting Rulemaking on California Advanced Electric Rate Design

The CPUC issued an [Order Instituting Rulemaking on California Advanced Electric Rate Design](#) on April 10, 2026. The Rulemaking will establish advanced rate design policies to update residential and non-residential rate structures so that rates more accurately reflect cost causation, send efficient price signals, address affordability concerns, and support reliability, electrification, and environmental justice. The proceeding builds on and aims to close gaps from the Demand Flexibility Rulemaking (R.22-07-005) and responds to new statutory directives related to data centers (Senate Bill 57) and industrial electrification/process heat recovery (Assembly Bill 2109). [Comments](#) on the Rulemaking were filed on May 11 and reply comments were filed on May 21. Parties broadly support the Commission's initiation of the rulemaking and generally recommend structuring the proceeding into phased tracks to prioritize near-term issues, such as large load and data center rate design, demand flexibility, and Time-of-use reforms, while deferring more complex issues such as fixed charges and income-based rates. CalCCA's [comments](#) focus on preserving customer choice while ensuring rate design frameworks do not undermine local procurement and ensuring that CCAs are default generation providers. CalCCA also recommends first determining whether data centers need distinct tariff treatment separate from other large loads before developing broader large-load tariff structures.

B) State Legislative Activities Update

Update on Legislation Community Power is Supporting or Opposing

Community Power is monitoring 147 bills that impact energy policy or local government operations. Under the Board approved [Policy Platform](#), Community Power is currently supporting eight bills that are advancing in the legislative process. Each of the bills has received enough votes to pass out of either the Senate or the Assembly.

- [AB 1761 \(Rogers\)](#): Sponsored by the California Community Choice Association (CalCCA), this bill supports customer affordability by requiring IOUs to automatically provide underlying power charge indifference adjustment (PCIA) data to Community Power’s reviewing representative – to maintain protections of market sensitive data – with each PCIA filing. This improved process and transparency will allow Community Power to better forecast costs, protect ratepayers from sudden rate changes, and increase confidence that ratepayers are paying their fair share—not more. The bill is coauthored by Assembly Member Chris Ward and the chair of the Assembly Committee on Utilities & Energy, and is supported by many other entities, including California State Association of Counties, Supervisor and Community Power Board Chair Lawson-Remer, and the City of National City. It is opposed by SDG&E and Southern California Edison.
- [SB 1138 \(Padilla\)](#): Also sponsored by CalCCA, this is a common-sense, affordability-focused reform that corrects an oversight from the implementation of the newly implemented slice of day (SOD) resource adequacy (RA) program at the CPUC. The bill directs the CPUC to allow Community Power to trade its load obligations on an hourly basis, helping to optimize its portfolio while continuing to meet SOD’s rigorous RA standards. Had hourly trading been in effect in 2025, it could have saved Community Power customers an estimated \$10.8 million, equivalent to roughly a 1% rate decrease. The bill is coauthored by Assembly Member Ward and does not have any opponents, but the CPUC recently estimated that the bill would cost \$8.6 million annually to implement, a steep state fiscal impact.
- [AB 1813 \(Ward\)](#): This bill modifies the CPUC’s Community Renewable Energy program to require paired battery storage to help shift generation to higher-value hours and contribute to peak load reduction and ensures that projects are compensated at avoided cost values so the projects can be developed and operated economically while protecting ratepayers. Importantly, the bill will help Community Power access additional local renewable energy projects.
- [AB 2111 \(Papan\)](#): Sponsored by Sonoma Clean Power, this bill will update CPUC resource modelling efforts to ensure the right amount of transmission is built in the right places, to promote resource diversity, and to prevent against unnecessary ratepayer costs based on fixed assumptions. By updating the CPUC’s resource inputs, the bill will inform the CAISO’s annual transmission planning process and help ensure that new transmission lines are built in a manner so entities like Community Power have opportunities to access diverse renewable energy and storage projects that can be delivered through the California Independent System Operator’s (CAISO) transmission system.
- [AB 2369 \(Rogers\)](#): Also sponsored by Sonoma Clean Power, this bill originally would have implemented a solution to a regulatory structure that prevents certain generating

resources – like solar – from being counted as a viable charging resource for batteries. This would have reduced ratepayer costs. Recent amendments to the bill narrowed it considerably and the bill now focuses on ensuring that the CPUC’s transmission modelling accounts for the reliability contribution of energy only generating resources. This is important to management of Community Power’s energy portfolio.

- [AB 2313 \(Berman\)](#): This bill creates a Gas Distribution Service Line Replacement Alternatives Program to offer monetary incentives to adopt alternatives that do not require connection to the gas system, such as switching to electric appliances, thereby promoting deep decarbonization. Under a prior version of the bill supported by Community Power, funding would have come from costs approved for gas line replacement. The bill was amended on April 27, however, in a manner that narrows the cost-recovery mechanism and creates potential for non-participating customers in a gas replacement pilot program to shoulder some costs. While Community Power continues to support the bill, the support reflects an encouragement to ensure that non-participating customers are not subject to unreasonable or disproportionate cost impacts.
- [AB 2493 \(Petrie-Norris\)](#): This bill helps ensure timely transmission project delivery, guard against unnecessary ratepayer costs and will help optimize California’s resource market by ensuring there is sufficient transmission capacity in a timely manner. This bill addresses a key barrier to timely project interconnection and cost-effectiveness by empowering the CPUC to order remedial actions when transmission projects are delayed.
- [SB 868 \(Wiener\)](#): This bill will help accelerate deep decarbonization, promote local development, and strengthen community resilience, while keeping affordability and equity at the center of the clean energy transition by clarifying how customers can use portable solar generation devices (i.e. balcony solar).

Community Power was also in support of one bill that was held under submission by the Assembly Committee on Appropriations. [AB 2389 \(Irwin\)](#) would have extended an existing property tax exclusion for solar and storage up to 10 kilowatts (kW) for non-public sector entities and of any size for public agencies. The bill would extend it through January 1, 2031. A prior version of the bill allowed for system sizes of up to 2 megawatts (MW). Extending the property tax exclusion for behind the meter solar and storage, albeit in a limited scope, supports Community Power’s continued work with its customers and member public agencies to meet both programmatic and distributed wholesale procurement goals by avoiding new project costs. This is especially important considering the federal solar and tax credit ended on December 31, 2025, under H.R. 1, the One Big Beautiful Bill Act. The bill is no longer moving forward this legislative session.

Community Power has also adopted one oppose and one opposition unless amended position:

- [AB 2508 \(Hoover\)](#): This bill, which was held under submission by the Assembly Committee on Appropriations, would have eliminated collection of public purpose program charges that support the San Diego Regional Energy Network (and other energy efficiency portfolios) and would appropriate non-existent state funds for the same purposes. Community Power joined a coalition of twelve other organizations to oppose the bill. In its opposition, the coalition makes the following points:
 - Energy efficiency programs are crucial for reliability and affordability. The cheapest electron is the one we never have to buy at all.
 - Energy efficiency programs provide direct bill savings to individual customers. A CPUC report from 2025 found that energy efficiency programs reduce “retail rates through lower energy prices and avoided capacity, transmission, and distribution costs.”
 - Stable funding is needed to continue to realize the benefits of energy efficiency.
- [AB 2383 \(Zbur\)](#): This bill will assert CPUC oversight over CCA contracts with data centers. It was approved by the Assembly. Consistent with the position of CalCCA, Community Power’s opposition unless amended letter argues that Community Power’s governing board is best positioned to work with the community and customers to design rates, contract terms, and programs that fit their needs. A CPUC regulated contract structure, as envisioned by the bill on the other hand, will reduce flexibility, add administrative complexity and costs, and impair Community Power’s ability to deliver customer value and meet local community commitments. Community Power respectfully urges the author of the bill to consider amendments that 1) remove the CPUC from the process for CCA’s, and 2) affirm the ability of CCA governing boards to establish contract terms for large load facilities consistent with their long-standing governance model under California law.

Community Power’s bill position letters can be found on the Legislative Priorities webpage: <https://sdcommunitypower.org/legislative-priorities/>

C) Federal Activities Update

Community Power attended a Washington DC advocacy event organized by the Community Choice Energy Alliance (CCEA), the re-branded national trade association of CCAs

Community Power was joined by other CCAs from California, Ohio, Massachusetts, and New Hampshire during the advocacy event from April 20-22. The focus of the fly-in was to meet with leaders on Capitol Hill to introduce and educate them about the CCA model and to highlight very high-level policy priorities. CCAs have not historically had a broad presence at

the federal level, and the trip was a beneficial opportunity to educate policy makers. Community Power staff participated in the following meetings:

- Advisors to Commissioners of the Federal Energy Regulatory Commission
- The Office of Electricity in the U.S. Department of Energy
- Staff to the Senate Energy & Natural Resources Committee, the House Ways & Means Committee, and the House Energy & Commerce Committee
- The energy advisor to the House Minority Leader
- The offices of Representatives Scott Peters and Mike Levin
- Other CCA staff also met with the Office of the Senate Minority Leader, as well as various other congressional offices

Main topics covered in the meetings included:

- **CCAs as a resource.** CCAs serve nearly 12 million residential, commercial, and industrial electricity customers in California, Illinois, Massachusetts, New Hampshire, New Jersey, New York, Ohio, and Rhode Island. CCAs allow municipalities and counties to act on behalf of their residents to purchase power as a single large customer, offering an alternative to the incumbent utility's resource mix. CCAs are available to provide information, resources, and market expertise, as well as provide input on how legislation and regulatory policies can protect energy affordability, drive progress in the clean energy transition, and empower local communities.
- **Ensure permitting certainty.** Lack of permit certainty, bureaucratic delays, overlapping agency jurisdictions, and inconsistent review standards add years and hundreds of millions of dollars in costs to energy projects. CCAs urged Congress to pass legislation that provides a predictable federal permitting framework that enables timely investment in critical energy infrastructure.
- **Preventing cost shifts and keeping rates low for existing customers when accommodating new data center loads.** CCAs are finding novel ways to prevent cost shifting and keep rates low for existing customers even as they expand to accommodate large loads like data centers. CCAs urged FERC and Congress to promote fair and competitive market rules where supply-side and demand-side resources are valued fairly, enabling CCAs to deploy diversified portfolios, including renewables, storage, demand flexibility, and virtual power plants—to meet reliability requirements at the lowest reasonable cost to customers.
- **Energy reliability, affordability, and innovation. CCAs are deeply committed to energy affordability.** One of the reasons communities choose to establish a CCA program is to achieve competitive rates – in fact, CCA rates are an average of 2-25% lower than the incumbent utility baseline. CCAs urged the adoption of funding for low-income programs and support for deployment of programs that transition to a flexible, reliable

and affordable energy system. CCAs also urged the preservation of energy tax credits and tax-exempt municipal financing, both of which make energy more affordable.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER

Staff Report – Item 7

To: Community Advisory Committee

From: Jack Clark, Chief Operating Officer
Jen Lebron, Senior Director of Public Affairs
Xiomalys Crespo, Senior Community Engagement Manager

Via: Karin Burns, Chief Executive Officer

Subject: Distributed Energy Resources Ad-Hoc Committee Report

Date: June 11, 2026

Recommendation

Receive and file the Distributed Energy Resources (DER) Ad-Hoc Committee Report.

Background

San Diego Community Power's (Community Power) Community Advisory Committee's (CAC) ad-hoc committees are temporary committees formed for a specific purpose to conduct a focused scope of work. Unlike the CAC, which is a permanent, standing committee with defined responsibilities, ad-hoc committees have been created so that CAC members with the appropriate expertise and/or experience may voluntarily provide feedback to Community Power staff on key programs, community concerns, and equity issues and policies.

Ad-hoc committees have no continuing subject matter jurisdiction and no meeting schedule fixed by motion or other formal action of the CAC. Such temporary ad-hoc committees are not subject to Brown Act noticing and meeting requirements.

This ad-hoc committee was formed to provide input to staff on the development and implementation of local development strategies that include partnerships, programs, and procurement. The committee sought to gain insights on procurement tactics and provide recommendations that help identify and meet strategic goals that help reach Community Power's mission.

The following members were appointed by the CAC chair in December 2025:

- Anthony Sclafani (City of Chula Vista)
- Shaun Sumner (City of La Mesa)

- David Harris (City of La Mesa)

Analysis and Discussion

The DER Ad-Hoc Committee of the CAC held four (4) virtual meetings, over which members and staff addressed the following objectives:

- Provide feedback from the community's perspective on priorities and concerns related to local development.
- Provide feedback and recommendations on the Local Development Strategic Plan and its equitable implementation.
- Receive updates on the Feed-In Tariff and DAC-GT programs, when available, and make recommendations to staff and CAC.
- Explore how the CAC can support related outreach; this may include program participation, education and advocacy, project siting and partnerships.
- Serve as ambassadors/advocates for local renewables projects at community meetings and public hearings, as appropriate.

Charter Development and Committee Role Discussion

In January, the ad-hoc committee convened to begin discussions on the draft charter and establish expectations for meeting cadence and the group's role in supporting Community Power's local development efforts. Staff emphasized two primary objectives for the committee: creating a more direct avenue for CAC members to engage with staff on DER development and implementation and ensuring equitable consideration of local development opportunities across all member agencies, including community projects, microgrids, and future local energy programs.

Staff also briefly discussed the organization's broader DER strategy goals, including the 350 MW local development target, while members stressed the importance of balancing ambition with practical implementation considerations. Committee Member Sumner emphasized the need to realistically assess available resources, technologies, and the regulatory environment to ensure long-term goals remain achievable within established timelines. He also highlighted the importance of aligning local development objectives with long-range land use and planning efforts occurring within member jurisdictions and encouraged proactive tracking of projects that may encounter implementation barriers.

Committee members requested greater clarity regarding Community Power's specific role in advancing local development projects, including the degree to which the organization functions as an advocate, facilitator or direct implementation partner. Committee members also expressed interest in understanding historical project timelines, including anticipated versus actual delivery schedules, to better inform future planning and expectations around project feasibility.

Workforce Development Language Review and DER Education

In February, the ad-hoc committee focused on reviewing workforce development policy language and providing committee members with foundational education regarding DER terminology, project structures, and Community Power program involvement. Staff facilitated a “Local Development 101” discussion to establish a common understanding of key concepts and implementation processes associated with local energy development.

Discussion centered heavily on project financing, development feasibility, and market readiness for smaller-scale DER projects. Committee Member Harris raised questions regarding the availability of financing mechanisms for distributed and community-scale projects compared to traditional utility-scale developments, noting that DER projects appear to rely on a different set of financing tools and incentives. Committee Members also discussed the importance of clearly defining the geographic scope of “local” development, including whether the term should be limited to San Diego County or expanded beyond county boundaries.

The committee also reviewed elements of the Inclusive and Sustainable Workforce Policy, which at the time was being considered for Board approval, and discussed whether workforce requirements and labor considerations would apply uniformly across all project categories. Committee members raised questions regarding potential policy bifurcation and anticipated stakeholder perspectives regarding workforce standards and labor expectations.

Local Development Strategy Review

In April, staff presented the draft Local Development Strategy to the ad-hoc committee for review and feedback. Staff clarified that the document is intended to function as a public-facing umbrella strategy that will guide future local development initiatives and supporting implementation plans. Staff also clarified that the strategy defines “local” as inclusive of both San Diego County, including tribal communities, and Imperial County.

Staff presented the strategy’s core principles, including capacity building, project feasibility, ratepayer protection, equity and community benefit, and support for community-scale development opportunities. Committee members generally expressed support for the framework and noted alignment with the broader Community Power Plan vision and organizational principles.

Discussion also included the strategy’s relationship to Community Power’s Energy Proposal Evaluation Criteria and the organization’s efforts to incorporate more holistic project evaluation metrics beyond traditional procurement considerations. Committee member Sclafani noted potential opportunities to align Community Power goals with existing state funding mechanisms for school modernization and energy infrastructure upgrades, particularly where schools may already possess favorable interconnection capacity and electrical load profiles.

Staff also reviewed stakeholder identification and engagement considerations intended to support effective communications, impact analysis, and community outreach efforts. Additional discussion focused on definitions and implementation pathways for Behind-the-Meter, Front-of-the-Meter, and Feed-in Tariff (FIT) programs, including the limited traction experienced by FIT opportunities to date. Staff also discussed Solar Advantage and public-private partnership models as potential pathways for future local development.

Committee members raised implementation concerns on the practical challenges associated with securing publicly owned sites for development. Committee Member Sumner noted that, while public-private partnerships may appear promising conceptually, public agencies often hesitate to commit land assets without clear policy direction and formalized frameworks. Staff acknowledged the lengthy timelines frequently associated with public agency decision-making processes but expressed optimism regarding future progress as relationships and processes mature. Overall, committee members expressed strong support for the strategic framework and recommended continued discussion at future CAC meetings.

Local Development Strategy Implementation and Policy Development Discussions

The final meeting in May focused on implementation considerations related to the Local Development Strategy, procurement planning, and emerging policy issues, including data center development and Behind-the-Meter procurement opportunities.

Discussion included how budget considerations intersect with procurement planning and program implementation. Committee members also requested additional updates regarding projects already built or approved under the DAC-GT program pipeline to better understand implementation progress and future development opportunities.

Staff also introduced draft principles related to prospective data center development within the region. The discussion focused on balancing community benefit, clean energy supply responsibilities, ratepayer protection, and financial risk management considerations associated with potential data center load growth. Committee members characterized the policy discussion as timely given growing statewide and national attention on data center energy demand and emphasized the importance of establishing a clear policy framework early in the process.

The committee additionally revisited Behind-the-Meter development initiatives and procurement pathways. Committee members discussed the types of developers Community Power seeks to attract through future Requests for Qualifications (RFQs), with staff clarifying an emphasis on small- to medium-scale project developers. Committee members also explored opportunities for partnerships across sectors, including schools, municipalities, and other public-serving institutions.

Throughout the discussion, committee members expressed appreciation for staff presentations and indicated that the ad-hoc process has been productive in improving understanding of Community Power's local development efforts, implementation challenges, and strategic opportunities moving forward. This report concludes the work of the DER Ad-Hoc Committee.

Fiscal Impact

N/A

Strategic Plan

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

Attachments

N/A



SAN DIEGO COMMUNITY POWER

Staff Report – Item 8

To: Community Advisory Committee

From: Jack Clark, Chief Operating Officer
Jen Lebron, Senior Director of Public Affairs
Xiomalys Crespo, Senior Community Engagement Manager

Via: Karin Burns, Chief Executive Officer

Subject: Election of Chair, Vice-Chair, and Secretary for Fiscal Year 2026-2027

Date: June 11, 2026

Recommendation

Elect a Community Advisory Committee (CAC) Chair, Vice-Chair, and Secretary for Fiscal Year 2026-2027.

Background

Per the Board-approved CAC's Policies and Procedures: "Officers may be nominated or self-nominated and elected at every July meeting by a simple majority vote of the CAC. Each nomination requires a second. If there is only one nominee for a position, the CAC members will vote "yes" or "no" to elect the nominee. If there is more than one nominee for a position, the CAC will cast their votes by name until a nominee receives a majority vote. The terms will be for one (1) year or until a successor is elected, with the option for officers to be re-elected for up to three (3) terms. Representatives required for a singular function or service may be elected using the same procedures described above when the need arises, for a term defined by the singular function or service." The election of CAC officers is being held in June, as the CAC will be dark in July.

The roles and responsibilities of each officer are outlined below.

Chair

The Chair of the CAC will:

- a) serve as the primary liaison and spokesperson for the CAC with Community Power staff and the Board of Directors;

- b) support Community Power staff with setting the CAC agenda;
- c) guide the CAC in developing an annual Work Plan consistent with the CAC Scope of Work and approved by the Board of Directors;
- d) determine if meetings are required or if a meeting should be canceled;
- e) lead and manage CAC meetings to ensure all CAC members and community members are heard, work to keep meetings to the allotted time, and manage public comments;
- f) work with staff to determine a suitable meeting location and a recurring date and time;
- g) represent the CAC at the Board of Directors to provide updates, submit information, or respond to Board requests; and
- h) represent the CAC within Community Power processes, to other organizations, or at events, as appropriate.

Vice-Chair

The Vice-Chair of the CAC will assume CAC Chair responsibilities if the Chair is absent from a meeting or otherwise unable to perform their duties.

Secretary

The Secretary of the CAC will take attendance and meeting notes and work with Community Power staff to distribute relevant information to members.

Fiscal Impact

N/A

Strategic Plan

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

Attachments

N/A



SAN DIEGO COMMUNITY POWER

Staff Report – Item 9

To: Community Advisory 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 2026-2027 Operating Budget, FY 2026-2027 Capital Budget, and FY 2027-2031 Capital Investment Plan, and Quarterly Risk Oversight Committee Report

Date: June 11, 2026

Recommendation

Receive and File preliminary draft FY 2026-2027 Operating Budget, FY 2026-2027 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 2020-2021 Amendment	\$26,286,909	\$34,135,000	(\$7,848,091)
FY 2021-2022 Amendment	\$378,053,506	\$342,177,063	\$35,876,443
FY 2022-2023 Amendment	\$929,791,929	\$772,078,709	\$157,713,220
FY 2023-2024 Amendment	\$1,304,274,067	\$1,070,891,284	\$233,382,783
FY 2024-2025 Amendment	\$1,221,258,172	\$1,187,090,169	\$34,168,003
FY 2025-2026 Amendment	\$1,175,418,913	\$1,025,004,360	\$150,414,553
FY 2026-2027 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 (ERMP). Pursuant to Section 7.3 of the ERMP, 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 ERMP 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 2026–2027 Operating Budget, FY 2026–2027 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 2026-2027 operating budget compared to the amended budgets for FY 2024-2025 and FY 2025-2026.

Table 3. Draft FY 2026-2027 Budget compared to FY 2024-2025 and FY 2025-2026 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 2026-2027. Staff note that based on operating expenses projected in FY 2025-2026, 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 2026-2027 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 Portfolio Allocation Balancing Account

(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 2026-2027 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 2026-2027 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 2026, 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 2026-2027.

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

Committee Review

This item was presented and received and filed at the Finance and Risk Management Committee meeting of May 21, 2026, and at the Board of Directors meeting on May 28, 2026.

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 2026-2027 Capital Budget, and FY 2027-2031 Capital Investment Plan

ITEM 9

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, policies, 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.
 - b. **\$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.
 - c. 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.
 - d. 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

- e. 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
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TABLE 10: EXECUTIVE POSITIONS

Operations

Budget Highlights

- f. 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

- g. Bank service fees within Other G&A increased by approximately \$1.4M, reflecting an updated utilization factor, higher transaction volume and program scale.
- h. 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.
 - i. 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.
 - j. 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.
 - k. 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

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

- n. Budget remains the same as FY2026 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

SAN DIEGO COMMUNITY POWER

Staff Report – Item 9

To: Community Advisory Committee

From: Jack Clark, Chief Operating Officer
Jen Lebron, Senior Director of Public Affairs
Xiomalys Crespo, Senior Community Engagement Manager

Via: Karin Burns, Chief Executive Officer

Subject: Distributed Energy Resources Ad-Hoc Committee Report

Date: June 11, 2026

Recommendation

Receive and file the Distributed Energy Resources (DER) Ad-Hoc Committee Report.

Background

San Diego Community Power's (Community Power) Community Advisory Committee's (CAC) ad-hoc committees are temporary committees formed for a specific purpose to conduct a focused scope of work. Unlike the CAC, which is a permanent, standing committee with defined responsibilities, ad-hoc committees have been created so that CAC members with the appropriate expertise and/or experience may voluntarily provide feedback to Community Power staff on key programs, community concerns, and equity issues and policies.

Ad-hoc committees have no continuing subject matter jurisdiction and no meeting schedule fixed by motion or other formal action of the CAC. Such temporary ad-hoc committees are not subject to Brown Act noticing and meeting requirements.

This ad-hoc committee was formed to provide input to staff on the development and implementation of local development strategies that include partnerships, programs, and procurement. The committee sought to gain insights on procurement tactics and provide recommendations that help identify and meet strategic goals that help reach Community Power's mission.

The following members were appointed by the CAC chair in December 2025:

- Anthony Sclafani (City of Chula Vista)
- Shaun Sumner (City of La Mesa)

- David Harris (City of La Mesa)

Analysis and Discussion

The DER Ad-Hoc Committee of the CAC held four (4) virtual meetings, over which members and staff addressed the following objectives:

- Provide feedback from the community's perspective on priorities and concerns related to local development.
- Provide feedback and recommendations on the Local Development Strategic Plan and its equitable implementation.
- Receive updates on the Feed-In Tariff and DAC-GT programs, when available, and make recommendations to staff and CAC.
- Explore how the CAC can support related outreach; this may include program participation, education and advocacy, project siting and partnerships.
- Serve as ambassadors/advocates for local renewables projects at community meetings and public hearings, as appropriate.

Charter Development and Committee Role Discussion

In January, the ad-hoc committee convened to begin discussions on the draft charter and establish expectations for meeting cadence and the group's role in supporting Community Power's local development efforts. Staff emphasized two primary objectives for the committee: creating a more direct avenue for CAC members to engage with staff on DER development and implementation and ensuring equitable consideration of local development opportunities across all member agencies, including community projects, microgrids, and future local energy programs.

Staff also briefly discussed the organization's broader DER strategy goals, including the 350 MW local development target, while members stressed the importance of balancing ambition with practical implementation considerations. Committee Member Sumner emphasized the need to realistically assess available resources, technologies, and the regulatory environment to ensure long-term goals remain achievable within established timelines. He also highlighted the importance of aligning local development objectives with long-range land use and planning efforts occurring within member jurisdictions and encouraged proactive tracking of projects that may encounter implementation barriers.

Committee members requested greater clarity regarding Community Power's specific role in advancing local development projects, including the degree to which the organization functions as an advocate, facilitator or direct implementation partner. Committee members also expressed interest in understanding historical project timelines, including anticipated versus actual delivery schedules, to better inform future planning and expectations around project feasibility.

Workforce Development Language Review and DER Education

In February, the ad-hoc committee focused on reviewing workforce development policy language and providing committee members with foundational education regarding DER terminology, project structures, and Community Power program involvement. Staff facilitated a “Local Development 101” discussion to establish a common understanding of key concepts and implementation processes associated with local energy development.

Discussion centered heavily on project financing, development feasibility, and market readiness for smaller-scale DER projects. Committee Member Harris raised questions regarding the availability of financing mechanisms for distributed and community-scale projects compared to traditional utility-scale developments, noting that DER projects appear to rely on a different set of financing tools and incentives. Committee Members also discussed the importance of clearly defining the geographic scope of “local” development, including whether the term should be limited to San Diego County or expanded beyond county boundaries.

The committee also reviewed elements of the Inclusive and Sustainable Workforce Policy, which at the time was being considered for Board approval, and discussed whether workforce requirements and labor considerations would apply uniformly across all project categories. Committee members raised questions regarding potential policy bifurcation and anticipated stakeholder perspectives regarding workforce standards and labor expectations.

Local Development Strategy Review

In April, staff presented the draft Local Development Strategy to the ad-hoc committee for review and feedback. Staff clarified that the document is intended to function as a public-facing umbrella strategy that will guide future local development initiatives and supporting implementation plans. Staff also clarified that the strategy defines “local” as inclusive of both San Diego County, including tribal communities, and Imperial County.

Staff presented the strategy’s core principles, including capacity building, project feasibility, ratepayer protection, equity and community benefit, and support for community-scale development opportunities. Committee members generally expressed support for the framework and noted alignment with the broader Community Power Plan vision and organizational principles.

Discussion also included the strategy’s relationship to Community Power’s Energy Proposal Evaluation Criteria and the organization’s efforts to incorporate more holistic project evaluation metrics beyond traditional procurement considerations. Committee member Sclafani noted potential opportunities to align Community Power goals with existing state funding mechanisms for school modernization and energy infrastructure upgrades, particularly where schools may already possess favorable interconnection capacity and electrical load profiles.

Staff also reviewed stakeholder identification and engagement considerations intended to support effective communications, impact analysis, and community outreach efforts. Additional discussion focused on definitions and implementation pathways for Behind-the-Meter, Front-of-the-Meter, and Feed-in Tariff (FIT) programs, including the limited traction experienced by FIT opportunities to date. Staff also discussed Solar Advantage and public-private partnership models as potential pathways for future local development.

Committee members raised implementation concerns on the practical challenges associated with securing publicly owned sites for development. Committee Member Sumner noted that, while public-private partnerships may appear promising conceptually, public agencies often hesitate to commit land assets without clear policy direction and formalized frameworks. Staff acknowledged the lengthy timelines frequently associated with public agency decision-making processes but expressed optimism regarding future progress as relationships and processes mature. Overall, committee members expressed strong support for the strategic framework and recommended continued discussion at future CAC meetings.

Local Development Strategy Implementation and Policy Development Discussions

The final meeting in May focused on implementation considerations related to the Local Development Strategy, procurement planning, and emerging policy issues, including data center development and Behind-the-Meter procurement opportunities.

Discussion included how budget considerations intersect with procurement planning and program implementation. Committee members also requested additional updates regarding projects already built or approved under the DAC-GT program pipeline to better understand implementation progress and future development opportunities.

Staff also introduced draft principles related to prospective data center development within the region. The discussion focused on balancing community benefit, clean energy supply responsibilities, ratepayer protection, and financial risk management considerations associated with potential data center load growth. Committee members characterized the policy discussion as timely given growing statewide and national attention on data center energy demand and emphasized the importance of establishing a clear policy framework early in the process.

The committee additionally revisited Behind-the-Meter development initiatives and procurement pathways. Committee members discussed the types of developers Community Power seeks to attract through future Requests for Qualifications (RFQs), with staff clarifying an emphasis on small- to medium-scale project developers. Committee members also explored opportunities for partnerships across sectors, including schools, municipalities, and other public-serving institutions.

Throughout the discussion, committee members expressed appreciation for staff presentations and indicated that the ad-hoc process has been productive in improving understanding of Community Power's local development efforts, implementation challenges, and strategic opportunities moving forward. This report concludes the work of the DER Ad-Hoc Committee.

Fiscal Impact

N/A

Strategic Plan

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

Attachments

N/A



SAN DIEGO COMMUNITY POWER

Staff Report – Item 9

To: Community Advisory 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 2026-2027 Operating Budget, FY 2026-2027 Capital Budget, and FY 2027-2031 Capital Investment Plan, and Quarterly Risk Oversight Committee Report

Date: June 11, 2026

Recommendation

Receive and File preliminary draft FY 2026-2027 Operating Budget, FY 2026-2027 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 2020-2021 Amendment	\$26,286,909	\$34,135,000	(\$7,848,091)
FY 2021-2022 Amendment	\$378,053,506	\$342,177,063	\$35,876,443
FY 2022-2023 Amendment	\$929,791,929	\$772,078,709	\$157,713,220
FY 2023-2024 Amendment	\$1,304,274,067	\$1,070,891,284	\$233,382,783
FY 2024-2025 Amendment	\$1,221,258,172	\$1,187,090,169	\$34,168,003
FY 2025-2026 Amendment	\$1,175,418,913	\$1,025,004,360	\$150,414,553
FY 2026-2027 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 (ERMP). Pursuant to Section 7.3 of the ERMP, 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 ERMP 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 2026–2027 Operating Budget, FY 2026–2027 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 2026-2027 operating budget compared to the amended budgets for FY 2024-2025 and FY 2025-2026.

Table 3. Draft FY 2026-2027 Budget compared to FY 2024-2025 and FY 2025-2026 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 2026-2027. Staff note that based on operating expenses projected in FY 2025-2026, 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 2026-2027 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 Portfolio Allocation Balancing Account

(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 2026-2027 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 2026-2027 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 2026, 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 2026-2027.

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

Committee Review

This item was presented and received and filed at the Finance and Risk Management Committee meeting of May 21, 2026, and at the Board of Directors meeting on May 28, 2026.

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 2026-2027 Capital Budget, and FY 2027-2031 Capital Investment Plan



SAN DIEGO COMMUNITY POWER

Staff Report – Item 10

To: Community Advisory Committee

From: Jack Clark, Chief Operating Officer
Jen Lebron, Senior Director of Public Affairs
Xiomalys Crespo, Senior Community Engagement Manager

Via: Karin Burns, Chief Executive Officer

Subject: Community Power Plan Review Ad-Hoc Committee Report

Date: June 11, 2026

Recommendation

Receive and file the Community Power Plan (CPP) Review Ad-Hoc Committee Report.

Background

San Diego Community Power's (Community Power) Community Advisory Committee's (CAC) ad-hoc committees are temporary committees formed for a specific purpose to conduct a focused scope of work. Unlike the CAC, which is a permanent, standing committee with defined responsibilities, ad-hoc committees have been created so that CAC members with the appropriate expertise and/or experience may voluntarily provide feedback to Community Power staff on key programs, community concerns, and equity issues and policies.

Ad-hoc committees have no continuing subject matter jurisdiction and no meeting schedule fixed by motion or other formal action of the CAC. Such temporary ad-hoc committees are not subject to Brown Act noticing and meeting requirements.

This ad-hoc committee was formed by CAC members to leverage publicly available documents and data to better understand Community Power's programming impact and engagement. The ad-hoc committee committed to developing actionable recommendations to support staff in strengthening the effectiveness in advancing the plan's objectives.

The following members were appointed by the CAC chair in December 2025:

- Alonzo Gonzalez (City of Chula Vista)

- Lawrence Emerson (City of National City)
- Ross Pike (County of San Diego)
- David Harris (City of La Mesa)

Analysis and Discussion

The CPP Review Ad-Hoc Committee of the CAC held three (3) virtual meetings, with the intent for members to address the following objectives:

- To review all the goals, objectives, and activities outlined in the CPP, with an emphasis on priority programs that are currently funded or that will be funded from internal and/or external funding sources through the end of the 2025-2026 Fiscal Year.
- To develop a report that summarizes the progress to date, evaluates the level of implementation, and makes recommendations.
- To evaluate implementation from an equity perspective, utilizing pertinent commitments within the CPP or other Community Power documents. Identify benefits and investment in Communities of Concern as well as the inclusion of smaller member agencies in program activities.

The 5-year CPP was developed by Community Power staff and the CAC and adopted in June 2023. The plan outlines strategies to reinvest in member agency communities, making renewable energy and storage affordable and accessible to both residential and commercial customers.

The CPP Review Ad-Hoc Committee evaluated the progress made toward the implementation of the goals and actions outlined in the 5-year [Community Power Plan](#). Specifically, the committee assessed program and project outcomes, measure successes, and identify areas for improvement (if any) within Communities of Concern. Ad-hoc committee members will present their findings as part of this item. With the presentation of their findings, this will conclude the work of the CPP Review Ad-Hoc Committee.

Fiscal Impact

N/A

Strategic Plan

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

Attachments

N/A



SAN DIEGO COMMUNITY POWER

Staff Report – Item 11

To: Community Advisory Committee

From: Jack Clark, Chief Operating Officer
Colin Santulli, Senior Director of Programs
Nelson Lomeli, Senior Program Manager
Megan Phelps, Program Associate

Via: Karin Burns, Chief Executive Officer

Subject: Update on the California Energy Commission’s Equitable Building Decarbonization Direct Install Program

Date: June 11, 2026

Recommendation

Receive and File Informational Update on the California Energy Commission’s (“CEC”) Equitable Building Decarbonization (“EBD”) Direct Install Program (“Program”).

Background

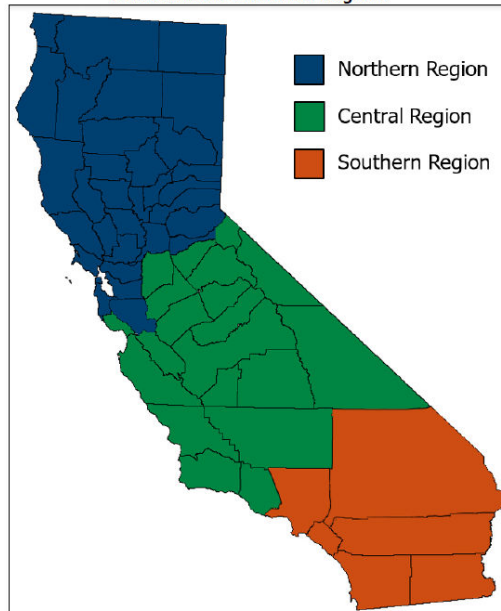
The EBD Program is a Statewide initiative to decarbonize buildings in a just and equitable transition. In the EBD Program Guidelines, the CEC acknowledges that “building decarbonization must prioritize low-income, disadvantaged, and tribal communities, who bear the highest energy burden and have suffered the most from historical environmental injustices, economic disparities, and the current climate crisis. The participation of all California communities will be needed for the state to achieve its climate and energy goals.”

The EBD Program is available to single-family homes, multifamily homes (including apartments and condos) and mobile/manufactured homes located in under-resourced communities identified by the CEC as disadvantaged communities as designated by CalEnviroScreen 4.0 and/or designated as low-income (where median household incomes are at or below 80 percent of the statewide median income or at/or below the threshold designated as low-income by the Department of Housing and Community Development). The EBD Program is open to low-income homeowners and renters and includes tenant protection mechanisms for participating homes. The Program will provide direct installation of measures and equipment that:

- Electrify homes by replacing existing gas-fired space heating and cooling equipment, water heaters, and ranges or cooktops.
- Increase the homes' energy efficiency through insulation, air sealing, lighting, and/or solar window film.
- Upgrade electric panels to support the new electric equipment.
- Conduct basic remediation and safety upgrades, such as remediation of galvanized pipe, lead paint, asbestos, or mold, and energy efficiency work like air sealing and insulation.

The CEC divided the Statewide EBD Program into three regions – Northern, Central, and Southern, and allocated funding based on the relative population of under-resourced communities in each region. The Southern California region received \$328.9 million in funding over five years, which includes \$89 million of Federal Home Efficiency Rebates (“HOMES”) funding.

Figure 1: Map of Northern, Central, and Southern California Regions



Source: CEC staff

Staff worked with a coalition of Southern California agencies, led by Los Angeles County (“LA County”) in its role as the Southern California Regional Energy Network (“SoCalREN”), to serve as the Program Administrator for the southern region of the EBD Program. In August 2024, the CEC selected LA County as the Program Administrator for the southern region, and in December 2025, the CEC formalized the agreement with LA County to administer the EBD Program.

In April 2025, Community Power’s Board of Directors approved a memorandum of understanding (MOU) with LA County accepting \$1.4 million for marketing, education, and outreach (ME&O), allocating \$737,000 to community-based organizations (CBOs) to

implement ME&O activities. With the MOU approved and executed, Community Power became a “Community Partner” with LA County and their program implementation team.

Analysis and Discussion

Program Launch

The EBD Program is now open for enrollment for eligible residents in eligible communities. Although the EBD program was initially expected to launch in the summer 2025, it was delayed to the end of Q1 2026. Interested residents can complete an Interest Form at socalebd.org and a coalition member will follow up with next steps. We have begun following up with residents that have submitted an Interest Form. Community Power will work with CBOs to initiate targeted MEO activities in eligible communities to inform eligible residents about the program and recruit participants.

Initial Community Focus Areas

In September 2025, the CEC announced the communities eligible for the program's first phase, known as the Initial Community Focus Areas (ICFAs). The areas were selected by the Program Administrator and approved by the CEC based on criteria established in the guidelines, including communities that are:

- Vulnerable to extreme heat, high fire risk, high levels of ambient air pollution or other climate risks,
- Underserved by existing programs that fund building decarbonization, weatherization, and related measures.
- Likely to experience higher than average energy burdens
- More likely to experience utility bill savings as a result of decarbonization

Staff suggested that the Program Administrator consider our Communities of Concerns for the Initial Community Focus Areas. The list of Initial Community Focus Areas includes communities in incorporated and unincorporated areas of Chula Vista, El Cajon, Escondido, Oceanside, Ramona, San Marcos, Vista, and communities affected by January 2024 rainstorm and flooding (Figure 2). A full list of the ICFA can be found on the CEC’s [EBD Statewide Direct Install Program](#) webpage.

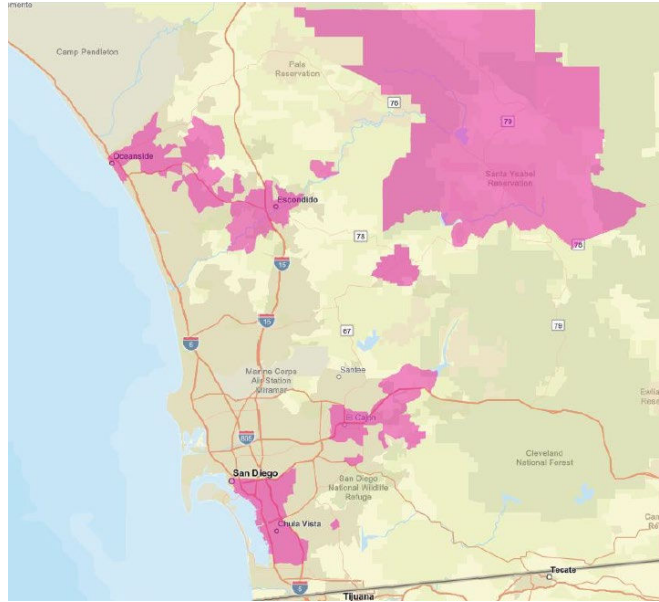


Figure 2

The CEC has indicated that additional communities will be eligible to participate in future phases of the program. An application process is being developed; however, no additional details have been provided on the process or timing for adding additional communities. Staff will provide updates to the Community Advisory Committee and Board of Directors when more guidance has been provided by the CEC on the timing and mechanism for adding communities to be eligible for the EBD Program.

Marketing, Outreach, and Education

Staff worked with Community Power’s Public Affairs and outreach teams to activate the Power Network and contract with CBOs to inform and enroll eligible residents. The outreach team issued a request for quotes to CBOs within the Power Network seeking support for ME&O activities. Staff proposed three levels of support, Lite, Core, and Advanced, to accommodate varying levels of a CBO’s organizational capacity. Each level of support corresponded with a range of potential, but not guaranteed, funding. Lite focused on lower-resource activities such as social media, digital campaigns, and newsletters, with a budget range of \$10,000 to \$30,000 per year. Core included everything in Lite plus more resource-intensive efforts such as tabling at events and co-hosting workshops, with a budget range of \$30,000 to \$40,000 per year. Advanced included in Lite and Core activities plus more resource intensive activities such as door-to-door canvassing, co-hosting contractor trainings, and providing direct resident support, with a budget range of \$50,000 to \$60,000 per year.

Sixteen Power Network CBOs responded to the request for quotes. Staff evaluated the proposals for reach and experience, including serving communities considered ICFA, and selected level of support and alignment of proposed activities and budget requested. Staff executed agreements with eight CBOs:

- Groundwork San Diego
- Good for Others Foundation

- Center for Community Energy
- SanDiego350
- I Am Green
- I Love a Clean San Diego
- Urban Collaborative Project
- United Women of East Africa

Staff are waiting for budget approval by the CEC for two additional CBOs.

A kick-off meeting with Power Network CBOs is scheduled for mid-June to educate partners on the program, begin coordination on ME&O strategies and materials, and provide administrative training. The goal of the meeting is to prepare CBOs to begin ME&O activities that encourage eligible residents in ICFA to complete an enrollment form.

On the participant experience side, once an enrollment form is submitted, an EBD Program Advisor will assist residents through the program by completing eligibility checks, scheduling home assessments, selecting measures and equipment, coordinating installers, and conducting quality assurance checks. San Diego County will have two assigned Program Advisors, hired by Clean Energy Alliance and the San Diego Urban Sustainability Coalition; however, they will serve all eligible residents in eligible ICFA regardless of utility service territory.

Staff are coordinating with other Community Partners in San Diego, including GRID Alternatives, Clean Energy Alliance and Urban Sustainability Coalition, on ME&O efforts to share lessons learned and support successful implementation of the EBD program.

Retrofit Targets

The EBD program is targeting to retrofit nearly 10,500 units across the Southern California Region. In San Diego County, the program is targeting to retrofit more than 1,700 units. For the portion of San Diego represented by Community Power, the program is targeting to retrofit just under 1,400 units. The tables below show the total targets by year and building type:

YEAR	UNIT GOAL	Single Family (SF)	Mobile Home (MH)	Multifamily (MF)
2026	139	63	0	76
2027	500	139	0	361
2028	500	139	0	361
2029	250	69	0	181
Total	1,389	410	0	979

The EBD Program implementation team has indicated that an EBD Program budget reduction in FY 2027–2028 will affect unit targets. Additional information is expected in Q3 2026.

Rapid Start Project

As part of the EBD solicitation, the CEC strongly encouraged program administrators to identify “Rapid Start” projects that could begin EBD-funded retrofits while the broader program infrastructure (e.g., enrollment forms, application tracking systems, ME&O) was developed. This would allow the program to generate valuable insights and lessons learned into the retrofit process (e.g., permitting, installation) and deliver benefits to low-income households.

The southern region EBD Program Administrator selected McKinney Manor in San Diego as a Rapid Start project. This low-income, affordable housing development for seniors is located in an eligible ICFA. The McKinney Manor Rapid Start project successfully retrofitted 50 units with new heat pump water heaters, induction ranges and wiring. Total project costs were approximately \$1.3 million (avg. \$25,800 per unit). Although Community Power was not involved in selecting the Rapid Start project, we attended the ribbon-cutting and it is encouraging to see a successful project in our communities.

Fiscal Impact

N/A

Strategic Plan

The EBD Program supports the Community Power strategic goal of increasing program funding opportunities from external sources.

Attachments

N/A



SAN DIEGO COMMUNITY POWER

Staff Report - Item 12

To: Community Advisory Board

From: Jack Clark, Chief Operating Officer
Lucas Utouh, Senior Director of Data Analytics & Customer Operations
Aaron Lu, Rates and Strategy Manager
Pete Polonsky, Senior Rates Analyst

Via: Karin Burns, Chief Executive Officer

Subject: Update on 2026 Community Power Rates

Date: June 11, 2026

Recommendation

Receive and file update on rate adjustments for the PowerOn and PowerBase services that went into effect as of May 1, 2026. The Board of Directors adopted rates that continue to offer San Diego Community Power (Community Power) default PowerOn service electricity generation/commodity rates that are 4% cheaper compared to San Diego Gas and Electric's (SDG&E) generation rates and PowerBase service electricity generation rates that are 10% cheaper than San Diego Gas and Electric's generation rates. Power100 and Power100 Green-e Certified (Green-e Plus) maintain premiums of \$0.01/kWh and \$0.02/kWh, respectively, in addition to PowerOn default rates.

Background

On January 15th, 2026, the Board of Directors of San Diego Community Power (Community Power) reviewed and approved 2026 Community Power rates effective retroactively as of January 1st, 2026. The aforementioned 2026 Community Power rates included San Diego Community Power (Community Power) default PowerOn service electricity generation/commodity rates that were 4% cheaper compared to San Diego Gas and Electric's (SDG&E) generation rates and PowerBase service electricity generation rates that were 10% cheaper than San Diego Gas and Electric's generation rates effective as of January 1st, 2026; with Power100 and Power100 Green-e Certified (Green-e Plus) maintaining premiums of \$0.01/kWh and \$0.02/kWh, respectively, in addition to PowerOn default rates.

On March 2nd, 2026, SDG&E filed Advice Letter 4791-E for the implementation of their 2024 General Rate Case (GRC) Phase 2 and Track 2 Wildfire Mitigation Costs for electric rates

effective as of April 1, 2026. This Advice Letter contained updates to SDG&E's bundled commodity/generation and the Power Charge Indifference Adjustment (PCIA) rates. Both SDG&E bundled generation and PCIA rates play a role in the Community Power rate setting process, particularly as it relates to Community Power's competitiveness.

Community Power staff, along with regulatory and technical consultants, identified errors in how SDG&E calculated their PCIA rates and filed a joint Protest with Clean Energy Alliance staff to SDG&E's Advice Letter 4791-E on March 23, 2026. SDG&E acknowledged the error and provided corrected rate information through a Partial Supplemental Advice Letter 4791-E-A on March 30, 2026, and implemented new rates on April 1. As a result, Community Power's Board of Directors adopted a staff recommended rates' adjustment on April 23, 2026, that continues to offer Community Power's deepest value proposition for its customers.

Consistent with its Board-approved Rate Development Policy, Community Power's rate setting strategy uses a hybrid approach based on cost of service and the Investor-Owned Utility (IOU) discount-focused rate-setting models. First, Community Power determines the cost recovery required to meet expected procurement and operational expenses and sets rates to at least meet that amount. Next, Community Power adds ranges that target goals for financial stability, such as reserves contributions, and discretionary spending, such as programs or operational growth opportunities. Finally, Community Power targets a competitiveness metric with SDG&E to determine where rates should be within that range and modify the discretionary spending, accordingly, aiming for a discount when possible. For the adopted rates adjustment effective as of May 1, 2026, Community Power prioritized continuing to provide the deep discount to customers that was adopted by the Board in January 2026.

Analysis and Discussion

May 1, 2026, Rates Adjustment

Community Power rates for its PowerOn and PowerBase services mirror SDG&E's rates in terms of rate schedules, Time-Of-Use (TOU) periods, as well as demand charges. This rate design approach is typical for Community Choice Aggregation programs ensuring ease of comparison for customers with SDG&E's rates and allows for a seamless competitive environment. Therefore, Community Power's Board of Directors adopted an adjustment to the agency's rates in response to SDG&E's Advice Letters 4791-E and 4791-E-A for the implementation of their 2024 GRC Phase 2 and Track 2 Wildfire Mitigation Costs for electric rates effective as of April 1, 2026. The adopted rates' design and adjustment by Community Power is necessary to allow the agency to continue to provide world-class customer experience to our customers and to ensure affordability concerns continue to be addressed as well as maintaining equity among all customers.

SDG&E's April 1, 2026, rates adjustment implemented changes adopted from SDG&E's most recent GRC Phase 2. The most impactful changes included the creation of a new Medium

Commercial customer class from the existing Small and Large Commercial and Industrial customer classes, updating the revenue that needs to be collected from each customer class, and expanding the TOU mid-day super off-peak period to the full year.

Other changes included aligning how the expanded low-income discount (i.e., E-LI) is applied to commercial customers with the same methodology for residential customers, aligning the medical baseline discount adjustment methodology, increasing commercial monthly service fees, and making various updates to delivery rates consistent with the GRC Phase 2 directives. Lastly, SDG&E also increased delivery rates to collect \$589 million in wildfire-related costs, approximately \$50 million of which is included in SDG&E's revenue requirement for 2026.

Based on SDG&E's March 2 Advice Letter 4791-E and 4791-E-A filings to implement April 1, 2026 rates, the projected bundled system average generation rates remained relatively unchanged. However, the customer class specific average commodity rate and PCIA changes were driven by the creation of the new Medium Commercial customer class and the updated revenue allocation between customer classes per SDG&E's GRC Phase 2 settlement.

Community Power saw a minor increase in PCIA rates for all vintages relevant to its Large Commercial and Industrial customers, including Vintage Year 2020 (Phase 1 & 2 customers), Vintage Year 2021 (Phase 3 customers), and Vintage Year 2022 (Phase 4 customers), based on SDG&E's March Advice Letters. PCIA rates for Community Power's Small Commercial and Agricultural customers decreased for all applicable vintages.

Community Power Rates Adjustment Mechanics

Community Power utilized its latest financial projections for rate-adjustment analysis purposes, meaning that the approach for developing the adopted rates is reasonable and appropriate to cover operational expenses and recover revenues consistent with estimated Fiscal Year (FY) 2025-2026 and FY 2026-2027 sales and expenditures. Consistent with its Board-approved Rate Development Policy, Community Power's rate setting strategy uses a hybrid approach based on cost of service and the IOU discount-focused rate setting models. First, Community Power determines the cost recovery required to meet expected procurement and operational expenses and sets rates to at least meet that amount. Next, Community Power adds ranges that target goals for financial stability, such as reserves contributions, and discretionary spending, such as programs or operational growth opportunities. Finally, Community Power targets a competitiveness metric with SDG&E to determine where rates should be within that range and modify the discretionary spending, accordingly, aiming for a discount when possible.

For this rates adjustment, Community Power prioritized continuing to provide the deep discount to customers that was adopted in the January 1, 2026, effective rates, wherein the agency's default PowerOn service electricity generation rates were 4% cheaper compared to

SDG&E generation rates and PowerBase service electricity generation rates were 10% cheaper compared to SDG&E's generation rates.

The adopted rates adjustment effective as of May 1, 2026, was carefully designed to continue to meet customer affordability, while still yielding revenues sufficient to collect Community Power's projected annual power supply costs and pay for other operating costs, debt service costs, community investments, a nominal planned reserve margin contribution and have a balanced budget. Additionally, the approved rate adjustment allows Community Power to balance customer affordability while maintaining its reserves and progress towards its 225- to 270-days cash on hand reserve goal and Rate Stabilization Reserve strategic goal.

Furthermore, the adopted rates adjustment and reserve targets ensure that Community Power continues to meet certain key metrics that are required for and to maintain an investment-grade credit rating, which is important for rate competitiveness because it facilitates better terms for power procurement and other credit-related activities. Finally, the adopted rates adjustment allows Community Power to be in compliance with its financial covenants outlined in its Revolving Credit Agreement with JP Morgan Chase Bank, its covenants and distribution requirements outlined in its Security Agreement with River City Bank, and covenants with certain power-purchase agreements.

Adopted Rate Adjustments

The Board adopted rates adjustment maintains reserves at a level consistent with the amendment of the FY 2025-26 operating budget approved by the Board on February 26, 2026. Specifically, the amendment projected Community Power would end FY 2025-26 with 229-days cash on hand, while the rate adjustment projects Community Power would end FY 2025-26 with 238-days cash on hand. Given the nominal change, this rate adjustment remains consistent with the reserve targets established in the Financial Reserves Policy amended by the Board on December 11, 2025, particularly by maintaining reserves above the 225-days cash on hand reserve target.

The adopted rates are reasonable and appropriate and consider projected operating costs based on contracts Community Power has executed to date and the projected costs of procuring energy and other wholesale services needed to supply Community Power's customers with a default resource mix of 53% renewable and 2% carbon-free energy in our PowerOn service, as well as our 100% renewable energy in our Power100 and Power100 Green-e Certified services.

A material difference between PCIA rates, associated with when customers transitioned from SDG&E's bundled service and into Community Power's service, continues to exist. The PCIA rate is the above-market cost of power associated with SDG&E's portfolio that both SDG&E's

bundled customers as well as Community Power customers who have departed SDG&E generation/commodity service pay. A customer is assigned a PCIA “vintage” based on the year they depart service from SDG&E. The adopted rates will be trifurcated across our Phase 1 and 2 customers enrolled in 2021, Phase 3 customers enrolled in 2022, and Phase 4 customers in National City and Unincorporated areas of County of San Diego enrolled in 2023. Consistent with our Board-approved Rate Development Policy, trifurcation of rates will ensure a fair, equitable, and balanced rate structure across our customers with differing vintage years that maintains the intended cost savings for all customers.

Summary

Overall, the Board adopted rates adjustment provides the following benefits to Community Power customers and the organization:

- Continue to offer Community Power default PowerOn service electricity generation rates that are 4% cheaper compared to SDG&E rates, effective as of May 1, 2026.
- Continue to offer Community Power PowerBase service electricity generation rates that are 10% cheaper than SDG&E rates, effective as of May 1, 2026.
- Power100 and Power100 Green-e Certified maintain premiums of \$0.01/kWh and \$0.02/kWh, respectively, on top of PowerOn.
- Higher renewable content (PowerOn product at 53% renewable and 2% carbon-free with Community Power, compared to the default SDG&E product at 41% renewable content as of the most recent 2024 Power Content Label, published in November 2025).
- Allows Community Power to maintain its current reserve levels and work towards a 225- to 270-days cash on hand reserve target which will provide financial stability.
- Meets liquidity and FCC metrics that support and maintain an investment-grade credit rating.
- Satisfies credit obligations with lenders and power purchase agreements.
- Prepares Community Power for future energy market fluctuations and regulatory uncertainty.

Fiscal Impact

The Board adopted rates adjustment was carefully designed to continue to meet customer affordability concerns while yielding revenues sufficient to collect Community Power’s projected annual power supply costs and pay for other operating costs and debt service costs, to make community investments, to contribute a projected nominal planned reserve margin of 238-days cash on hand at the end of FY 2025-26, and to have a balanced budget.

Strategic Plan

This activity supports the strategic plan goals of (1) evolving rate strategy to ensure competitiveness, affordability, and fiscal sustainability, (2) developing customer strategies to increase retention and engagement and (3) building reserves by \$150M to maintain a reserve target of at least 180-days cash on hand by December 2027.

Attachments

N/A.



SAN DIEGO COMMUNITY POWER

Staff Report – Item 13

To: Community Advisory Committee

From: Jack Clark, Chief Operating Officer
Gordon Samuel, Chief Commercial Officer

Via: Karin Burns, Chief Executive Officer

Subject: San Diego Community Power Data Center Load Integration Guidelines

Date: June 11, 2026

Recommendation

Receive file and provide feedback on the **Data Center Load Integration Guidelines**, a working framework to guide San Diego Community Power’s (Community Power) engagement with data center electrical loads defined as high-density, non-interruptible, near-constant electric load, typically 20+ megawatts (MW), requiring dedicated long-term capacity planning.

Background

The California Energy Commission Planning Forecast identifies Data Centers as one of the potentially significant drivers of future electric load growth in California. As artificial intelligence (AI) and related digital infrastructure expand, the potential scope, scale, and pace of Data Center development raise important considerations for grid reliability, clean energy goals, and ratepayer costs. These guidelines are intended to provide a framework to evaluate those potential impacts and guide decision making.

Analysis and Discussion

The **Data Center Load Integration Guidelines** establish a structured framework for reviewing, evaluating and negotiating data center service while protecting existing Community Power customers, advancing Community Power’s Renewable Energy goals by 2035, and ensuring community benefit. The guidelines are organized around five core themes:

1. Ratepayer Protection
2. Community Benefit and Opportunity
3. Clean Energy and Supply Responsibility

4. Financial Assurance and Risk Management
5. Transparency and Governance

Large electrical loads, defined by Community Power as new or incremental material loads with demand of **20 MW or greater**, are increasingly associated with data centers. Serving this category of load requires long-term procurement commitments (e.g., Master Supply Agreements), new resource adequacy planning, and close coordination with transmission and distribution providers.

At the same time, large loads can materially affect communities, infrastructure investment patterns, and exposure to stranded cost risk. Absent a clear and robust framework, these data center developments could shift costs or risks onto existing Community Power customers or disproportionately impact disadvantaged communities.

The Data Center Load Integration Guidelines were developed to establish guardrails and guide early engagement with potential data center developers and could be refined as market and/or regulatory conditions evolve.

Additionally, it should be noted that Community Power understands that several components of these guidelines are either under the direct authority of (i) the land-use and permitting agencies where the data center developers would be submitting permit applications, or (ii) SDG&E for issues of transmission, distribution or interconnection. Through the establishment of these guidelines, Community Power advocates for and supports efforts by the entities ultimately empowered with enforcement to hold data centers and their developers/operators responsible to Community Power ratepayers and the broader San Diego region.

Fiscal Impact

This item does not endorse nor approve a specific transaction and therefore has **no immediate fiscal impact**. The guidelines are designed to ensure that any future data center load arrangements are structured to avoid cost or risk impacts to existing Community Power customers.

Strategic Plan

This item advances the Community Power strategic plan in the following ways:

1. Continue to enhance and implement financial controls and policies to meet or exceed best practices - including contracting, risk management, and procurement.
2. Develop a clean energy portfolio with renewable content of 100% no later than 2035, with interim targets of 75% by 2027 and 85% by 2030.
3. Prudently manage the power portfolio to minimize risk and customer costs.

4. Create high quality local jobs in renewable energy that support healthy families and vibrant communities.
5. Establish Community Power as a trusted public agency that collaborates and engages with other local governments and stakeholders.

Attachments

A: San Diego Community Power Data Center Load Integration Guidelines

ITEM 13
ATTACHMENT A

San Diego Community Power Data Center Load Integration Guidelines

Working Framework | June 2026 (Draft)

Intent and Purpose

The California Energy Commission Planning Forecast identifies Data Centers as a potentially significant driver of future electric load growth in California. As artificial intelligence and related digital infrastructure expand, the potential scope, scale, and pace of Data Center development raise important considerations for grid reliability, clean energy goals, and ratepayer costs. These guidelines are intended to provide a framework to evaluate those potential impacts and guide decision making in three key areas.

1. Guide interactions with prospective Data Center developers and members of the community to ensure service aligns with San Diego Community Power's (Community Power) mission and vision to become a global leader and inspire innovative solutions to climate change by powering our communities with 100% clean and renewable energy while prioritizing equity and sustainability.
2. Inform Community Power's policy positions, in conjunction with the Board of Directors (Board) approved Policy Platform, on state and federal legislation and proposed regulatory frameworks.
3. Identify areas of importance for establishing potential commercial terms, where applicable, and as part of Community Power's role as a community choice aggregator, with prospective Data Center customers in the San Diego region.

1: Ratepayer Protection

No Data Center load arrangement shall increase costs or risks for existing Community Power customers.

1.1 Full Cost Responsibility

Data Center load customers bear their own procurement costs, integration costs, resource adequacy obligations, and administrative overhead. No cross-subsidization.

1.2 Financial Assurance and Stress-Tested Economics to ensure, at minimum, Customer Indifference

Various scenarios will evaluate reasonably foreseeable risks—including lower-than-forecast load, delayed start, and early termination—and confirm recovery of all incremental procurement, hedging, capacity, and infrastructure costs.

1.3 Transmission & Delivery Cost Protection

Community Power shall work with the Investor Owned Utility for assurance that the transmission & delivery infrastructure costs for Data Center service will be directly assigned to the customers driving the load, not socialized across all distribution ratepayers.

2: Community Benefit & Opportunity

Data Center load development should deliver net positive outcomes for Community Power's communities, with particular attention to environmental justice and economic development.

2.1 Economic Development

Data Center load customers shall contribute to local economic growth: jobs, tax revenue, infrastructure investment, and workforce development tied to the San Diego region.

2.2 Environmental Justice

Data Center customers should mitigate to the extent feasible environmental impacts including water consumption, noise and air quality impacts, and it should not impose a disproportionate impact on disadvantaged communities.

2.3 Community Engagement

Siting and development processes should include transparent, meaningful engagement with affected communities before commitments are made.

2.4 Net Benefit Test

Quantifiable benefits must demonstrably exceed commodity costs. This is a threshold requirement, not an aspiration.

3: Clean Energy & Supply Responsibility

Data Center load service must be consistent with Community Power's 100% Renewable Energy goal climate commitments by 2035 and support grid reliability in the San Diego Region.

3.1 Dedicated Supply Portfolio

Community Power will assemble a dedicated supply portfolio for Data Center load service which may include contracted generation, storage, system power, and restructured portfolio resources.

3.2 Clean Energy Options

Community Power shall offer Data Center customers options ranging from standard clean energy supply to enhanced procurement that may include new renewable resources.

3.3 Grid Reliability Coordination

Data Center load service should not degrade reliability or resilience for existing customers. Coordination with the transmission and distribution provider is required to understand the impacts.

3.4 Load Flexibility

Community Power should explore whether Data Center customers can provide demand response or load flexibility that supports grid stability.

4: Financial Assurance & Risk Management

Data Center customers must provide creditworthy security commensurate with the obligations Community Power assumes on their behalf.

4.1 Credit Support Calibrated to Project Phase

Security requirements should scale with project maturity and are commensurate with the risk to Community Power.

4.2 Menu of Credit Instruments

A defined set of acceptable credit tools allowing flexibility while maintaining rigor: collateral, parent guarantees, performance bonds, milestone-based deposits, and minimum demand charges.

4.3 Minimum Contract Terms

Data Center load service agreements should have a term floor when relying on long-duration procurement commitments Community Power makes on their behalf.

4.4 Exit and Off-Ramp Provisions

Defined consequences when a Data Center underperforms, fails to meet commitments, or ceases operations. Includes early termination fees and take-or-pay provisions.

5: Transparency & Governance

Community Power staff will maintain transparency with its stakeholders and will proactively engage in regulatory proceedings that shape the framework for Community Choice Aggregation (CCA) Data Center service.

5.1 Board Reporting

Regular, structured reporting to Community Power's Board on the Data Center pipeline, portfolio exposure, performance against principles, and risk metrics.

5.2 Guidelines Evolution and Review

These guidelines are expected to evolve. Community Power staff will evaluate the need for ongoing adjustments and will return to the Board to update the framework based on market developments, regulatory changes, and lessons from initial deals as needed.

5.3 Regulatory Engagement

Active participation in California Public Utilities Commission (CPUC), California Independent System Operator (CAISO), and legislative proceedings that affect CCA Data Center service.

5.4 Community Choice Aggregation Jurisdictional Protection

Monitor and defend CCA's role as the commodity provider for new Data Centers in CCA service territory.

5.5 Stakeholder Communication

Maintain clear guidelines on Data Centers that developers, community members, and regulators can reference.

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.