



AGENDA

Special Meeting Community Advisory Committee

Tuesday, June 23, 2026
5:30 p.m.

City of San Diego Metropolitan Operations Complex (MOC II)
9192 Topaz Way, San Diego, CA 92123

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 Proposed FY 2026-27 Operating Budget, FY 2026-27 Capital Budget, and FY 2027-31 Capital Investment Plan**

Recommendation: Receive and File proposed FY 2026-27 Operating Budget, FY 2026-27 Capital Budget, and FY 2027-31 Capital Investment Plan.

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.

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.

Maricela Hernandez
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 23, 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 23, 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.

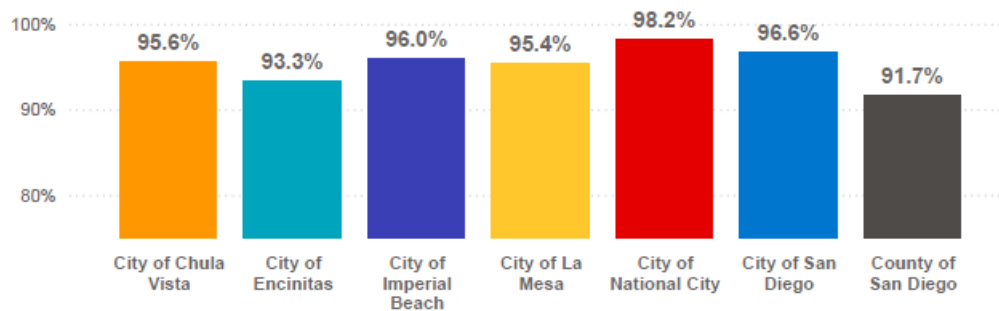
B) Customer Participation Tracking

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.

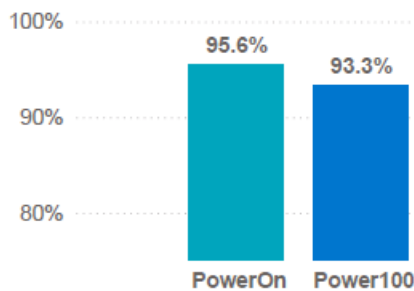
Enrolled Accounts	Participation Rate	Participation
969,794	95.5%	

Participation by Jurisdiction

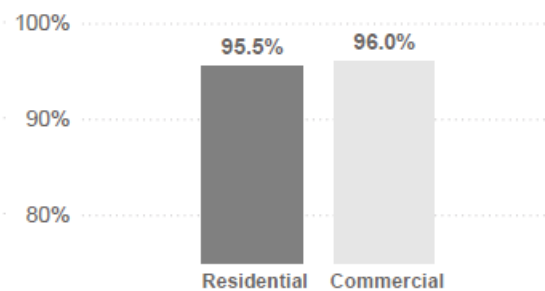


Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	100,404	96,029	95.6%
City of Encinitas	Power100	29,071	27,130	93.3%
City of Imperial Beach	PowerOn	10,826	10,395	96.0%
City of La Mesa	PowerOn	29,620	28,245	95.4%
City of National City	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

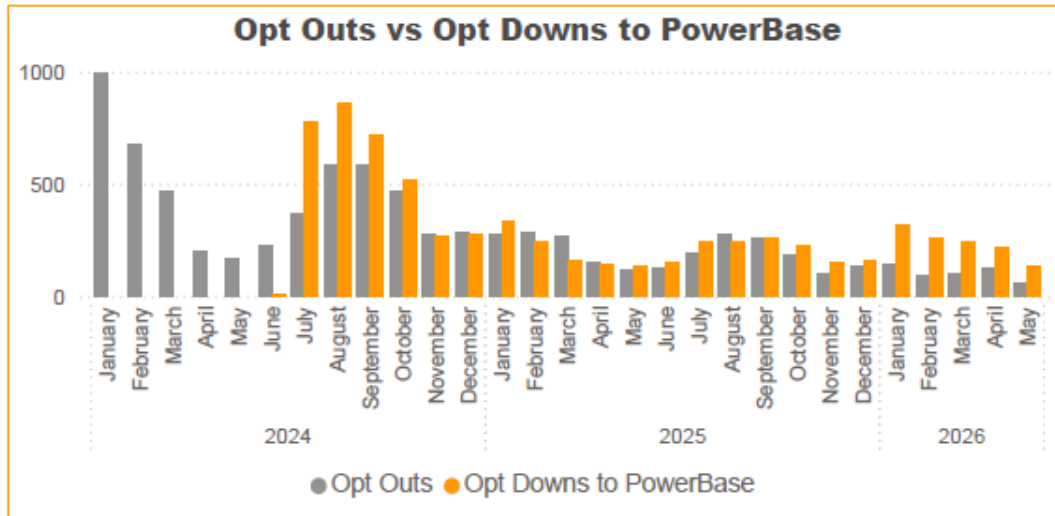


Service Option

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

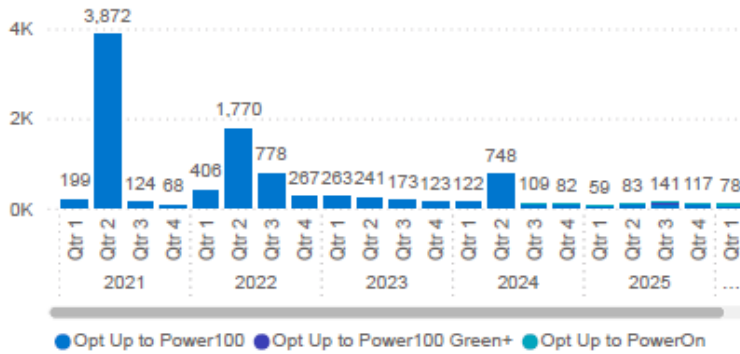
Jurisdiction	Service Option Default	Enrolled Accounts	Power Base Enrolled	Power Base %	PowerOn Enrolled	PowerOn %	Power 100 Enrolled	Power 100%	Power100 Green+ Enrolled	Power100 Green+ %
City of Chula Vista	PowerOn	96,029	523	0.5%	94,597	98.5%	909	0.9%		
City of Encinitas	Power100	27,130	248	0.9%	386	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%



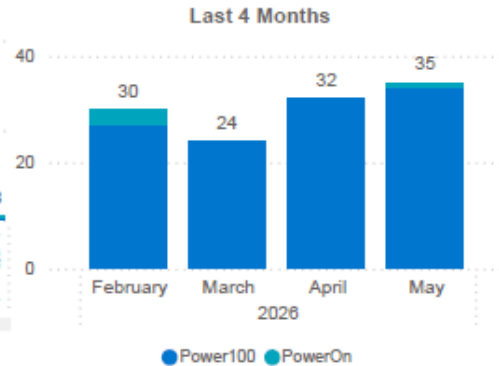
Opt Up History

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



Opt Ups Monthly



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

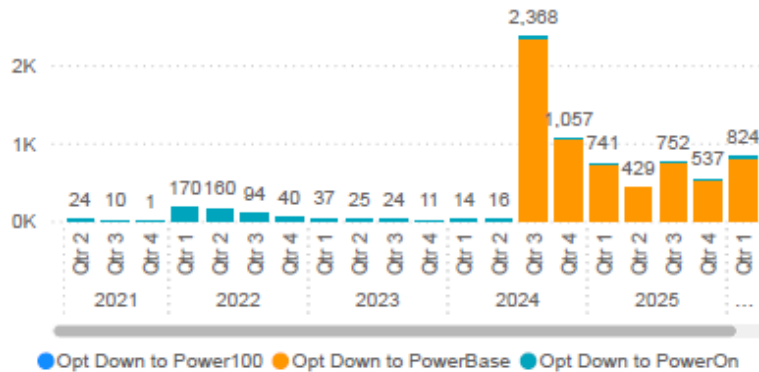
*Current indicates the account is open with SDG&E and this opt action is their latest opt action

2026 YTD as of May 24, 2026

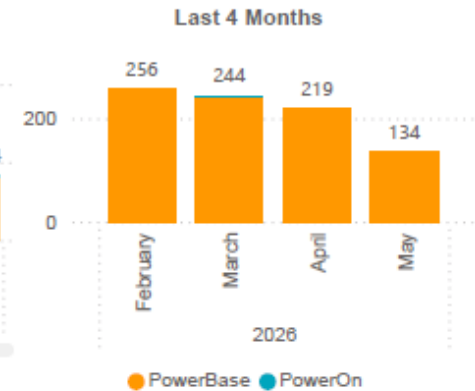
Opt Down History

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

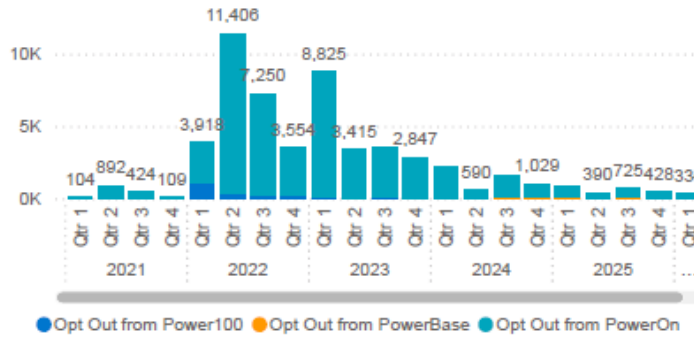
*Current indicates the account is open with SDG&E and this opt action is their latest opt action

2026 YTD as of May 24, 2026

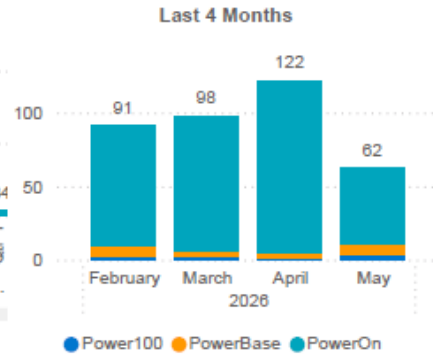
Opt Out History

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

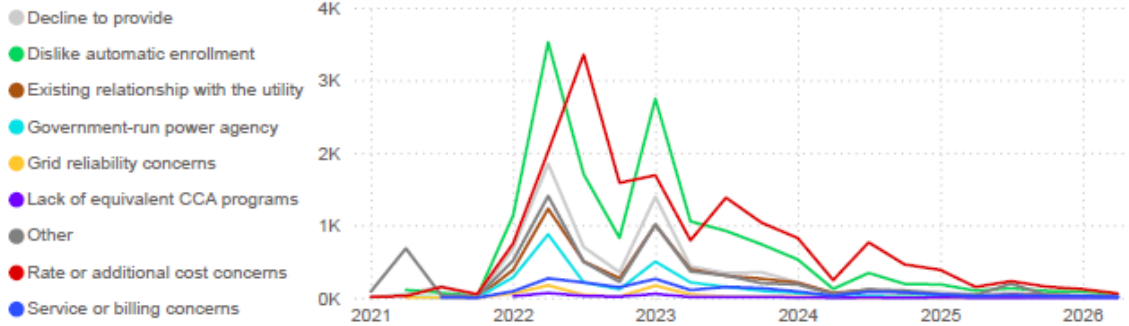
Opt Method	2021	2022	2023	2024	2025	2026 YTD	Total
CSR	1,104	6,963	4,706	1,653	703	186	15,315
IVR	102	4,885	3,788	1,284	445	76	10,580
Web	323	14,280	10,186	2,360	1,226	256	28,631
Total	1,529	26,128	18,680	5,297	2,374	518	54,526

*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

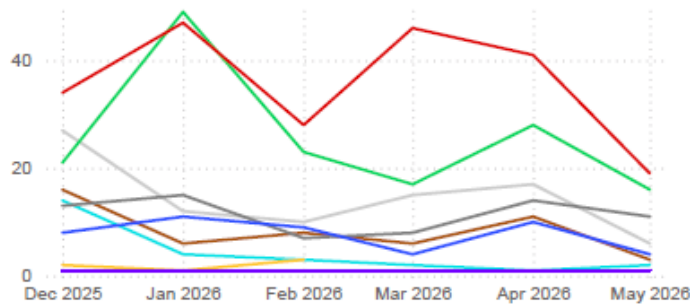
Opt Out Reason Summary

Opt Outs by Reason Quarterly



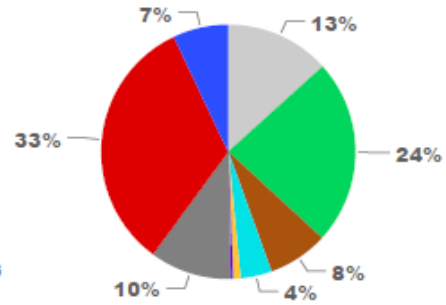
Opt Outs by Reason Monthly

Last 6 Calendar Months



Opt Out Reason Distribution

Last 6 Calendar Months



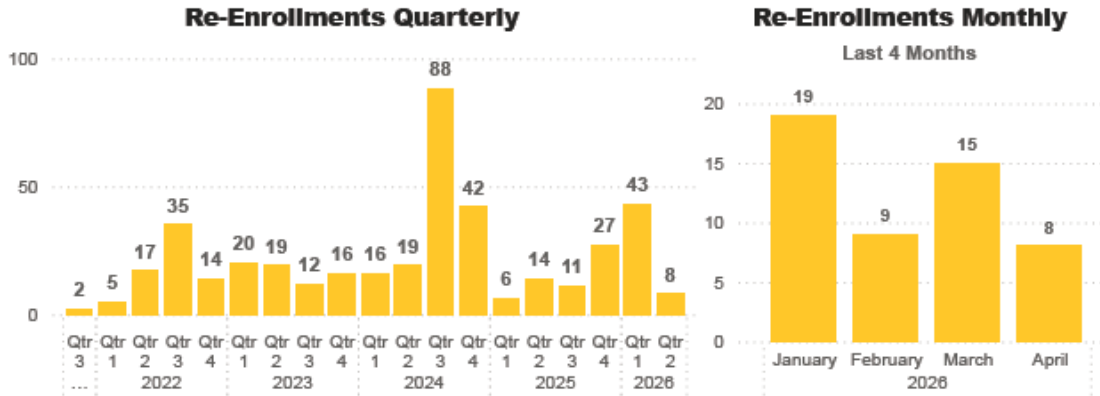
Opt Outs by Reason Table

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

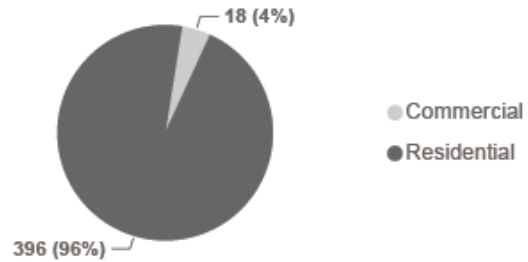
Excludes closed accounts



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

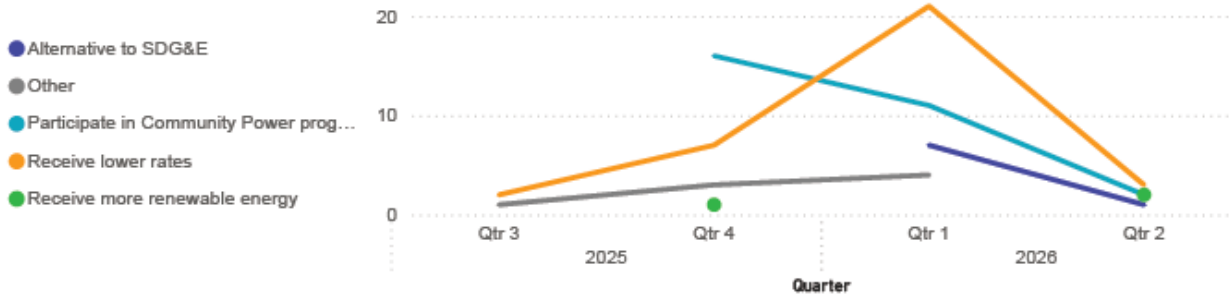
Re-Enrollments Residential vs Commercial



2026 YTD through the end of April, 2026

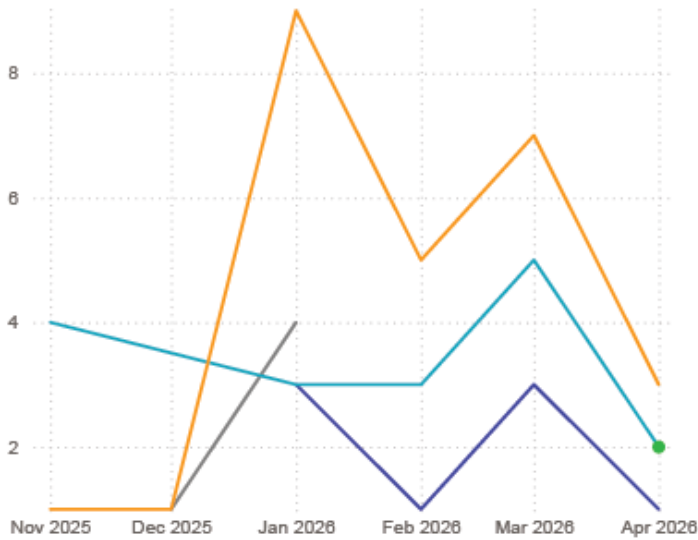
Re-Enrollment Reason Summary*

Re-Enrollments by Reason Quarterly



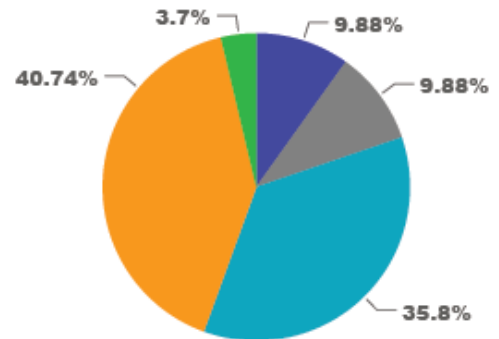
Re-Enrollments by Reason Monthly

Last 6 Calendar Months



Re-Enrollments Reason Distribution

Last 6 Calendar Months



Re-Enrollment by Reason Table

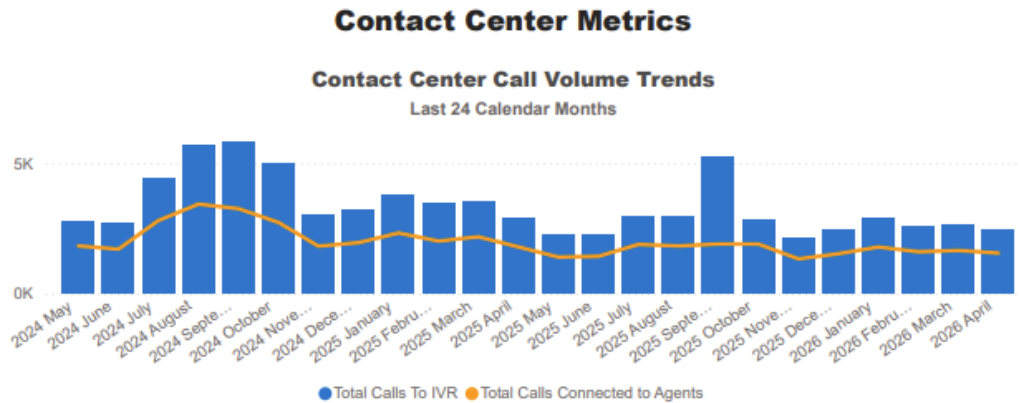
ReEnrollmentReason	2025	2026 YTD	Total
Alternative to SDG&E		8	8
Other	4	4	8
Participate in Community Power program	16	13	29
Receive lower rates	9	24	33
Receive more renewable energy	1	2	3
Total	30	51	81

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 23, 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 23, 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 23, 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 23, 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 23, 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 Proposed FY 2026-2027 Operating Budget, FY 2026-2027 Capital Budget, and FY 2027-2031 Capital Investment Plan

Date: June 23, 2026

Recommendation

Receive and File proposed FY 2026-2027 Operating Budget, FY 2026-2027 Capital Budget, and FY 2027-2031 Capital Investment Plan.

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 Proposed 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	\$914,910,136	\$3,910,549

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 May 21, 2026, the FRMC received a presentation and provided feedback on the draft FY 2026-2027 Operating Budget, FY 2026-2027 Capital Budget, and FY 2027-2031 Capital Investment Plan. The presentation additionally included a Quarterly Risk Oversight Committee Report, pursuant to Section 7.3 of the agency’s Energy Risk Management Policy,

which reviewed the significant financial risks facing the agency most notably from the Power Charge Indifference Adjustment (PCIA).

Subsequently, on May 28, 2026, the Board received a similar presentation and provided feedback on the draft FY 2026-2027 Operating Budget, FY 2026-2027 Capital Budget, and FY 2027-2031 Capital Investment Plan, and the Quarterly Risk Oversight Committee Report.

Analysis and Discussion

The proposed FY 2026-2027 operating budget includes net operating revenue of \$918,820,685 and total expenses of \$914,910,136, resulting in net position of \$3,910,549.

The proposed 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 proposed FY 2027-2031 capital investment plan includes 19 projects that are planned to receive funding during the five-year period, totaling \$310,265,290 in investment. The first year of the FY 2027-2031 CIP reflects the proposed FY 2026-2027 capital budget. Additionally, \$20,727,469 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 \$124,274,206 for the San Diego Regional Energy network in 2025, of which \$63,417,654 is included in the FY 2026-2027 capital budget.

Under the proposed FY 2026-2027 operating budget, Community Power is projected to have an ending reserve balance of \$711.6 million- or 280-days cash on hand based on the operating expenses projected in FY 2026-2027.

The proposed 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 May 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 May 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 Proposed 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 Proposed 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 106 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.

- **Strategic Communications and Outreach** includes expenses for mandatory notices and mailers, printing and outreach materials, communication consultants, and events and partnerships to increase awareness, drive customer enrollment, and build positive relationships.
- **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 proposed 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 proposed 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.

- **EV Load Growth Study:** \$0.3 million will evaluate how increasing EV adoption will affect electricity demand across Community Power’s service territory, including impacts from different charging behaviors on load shape, peak demand, and system risk.
- **IT Projects:** \$0.2 million will fund the optimization and expanded rollout of the agency’s central Enterprise Resource Planning (ERP) platform. While Phase 1 successfully established core budgeting functionalities, Phase 2 is being considered for strategic rescoping to prioritize immediate agency-wide operational controls and financial efficiencies. Once deployed, this phase will streamline cross-departmental workflows, enhance internal financial controls, and automate routine processes. This targeted optimization ensures the finance, non-energy procurement team and broader agency possess the scalable infrastructure required to support expanding community programs and minimize administrative overhead.

Net Income

The proposed FY 2026-2027 budget results in a net position of \$3,910,549.

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 proposed FY 2026-2027 operating budget, Community Power is projected to have an ending reserve balance of \$711.6 million- or 280-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 only 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 280-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 in May 2026. Total projected ending liquidity (including unrestricted cash, investment holdings, and available lines of credit) for FY 2026-2027 is 370 days liquidity on hand. The following table illustrates Community Power’s proposed FY 2026-2027 operating budget compared to the amended budgets for FY 2024-2025 and FY 2025-2026. Staff note

certain figures presented in the associated attachments to the staff report may vary slightly due solely to rounding.

Table 3. Proposed FY 2026-2027 Budget compared to FY 2024-2025 and FY 2025-2026 Amended Budgets.

	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
Cost of Energy	1,116.8	969.9	872.3
Non-Energy Costs	50.8	50.0	55.7
Subtotal Operating Expense	1,167.6	1,019.9	928.1
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	914.9
Net Position	34.2	150.4	3.9

Amounts displayed in millions, \$

The next table illustrates Community Power’s proposed 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

	Carryforward	FY27 Proposed	FY28	FY29	FY30	FY31	Total
External Funding							
Regional Energy Network	-	63.1	51.4	42	43.7	45.5	245.7
DAC-GT	0.3	0.3	-	-	-	-	0.6
Equitable Building Decarbonization	1.4	-	-	-	-	-	1.4
Planning and Studies	0.7	-					0.7
Total External Funding	2.4	63.4	51.4	42	43.7	45.5	248.4
Internal Funding							
Solar Battery Savings	10.8	3.5	10.4	8.3	8.5	7.6	49.1
Pilot Programs	2.0	2.5		-	-	-	4.5
Grants	1.3	-	-	-	-	-	1.3
Flexible Load	0.5	1.5	-	-	-	-	2.0
IT Projects	3.2	0.2	-	-	-	-	3.4
Planning and Studies	0.3	0.3	-	-	-	-	0.6
Application Assistance	0.3	-	0.3	-	-	0.3	0.9
Total Internal Funding	18.4	8.0	10.7	8.3	8.5	7.9	61.8
Total CIP Expenses	20.8	71.4	62.1	50.3	52.2	53.4	310.2

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.

Since the Board meeting on May 28, 2026, staff further reviewed Community Power’s non-energy budget and are proposing to further reduce the non-energy budget by \$0.8 million. The majority of the reductions were from decreasing total proposed staffing from 108 full-time employees to 106 full-time employees by removing positions within the Programs and IT and Data Analytics departments.

Table 5. Community Power FY 2026-2027 Budget Draft vs Proposed

	FY27 Draft May 28, 2026	FY27 Proposed June 18, 2026	FY27 Difference
Gross Revenue	932.8	932.8	-
Less Uncollectible Accounts	-14.0	-14.0	-
Net Operating Revenues	918.8	918.8	-
Cost of Energy	872.3	872.3	-
Non-Energy Costs	56.5	55.7	-0.8
Subtotal Operating Expense	928.9	928.1	-0.8
Investment Income	-23.1	-23.1	-
Debt Service	1.9	1.9	-
Capital Investment Plan (Transfer Out)	8.0	8.0	-
Total Expenses	915.7	914.9	-0.8
Net Position	3.1	3.9	+0.8

Amounts displayed in millions, \$

Fiscal Impact

The proposed FY 2026-2027 budget is expected to result in a net position of \$3.9 million, with an ending reserve balance of \$711.6 million or 280-days cash on hand based on the operating expenses projected in FY 2026-2027.

Community Power proposes a one-time investment of \$8.0 million in the agency’s Capital Investment Plan, which is reflected in the operating budget.

Strategic Plan

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

Attachments

- A: Proposed FY 2026-2027 Operating Budget, FY 2026-2027 Capital Budget, and FY 2027-2031 Capital Investment Plan (June 18 redlined).
- B: Proposed FY 2026-2027 Operating Budget, FY 2026-2027 Capital Budget, and FY 2027-2031 Capital Investment Plan (Clean)
- C: Proposed FY 2026-2027 Operating Budget Book
- D: Proposed FY 2027-2031 Capital Investment Plan
- E: A Resolution of the Board of Directors of San Diego Community Power Adopting the Fiscal Year 2026-2027 Operating Budget, the Fiscal Year 2026-2027 Capital Budget (Exhibit A), and the Fiscal Year 2027-2031 Capital Investment Plan (Exhibit B)

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: PROPOSED FY2026-2027 BUDGET

San Diego Community Power
Draft Proposed FY2026-27 Budget
 Supplemental Details

	FY2024-25	FY2025-26	FY2026-27	% 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 \$ 1,501,200	
Other Services	\$ 2,104,999	\$ 2,268,835	\$ 2,915,831 \$ 2,912,081	
Total Prof. Svcs. Costs	\$ 24,346,342	\$ 23,414,378	\$ 23,875,861 \$ 23,797,111	2.6%
Personnel Costs				
Salaries	\$ 14,988,227	\$ 15,298,873	\$ 19,284,224 \$ 18,676,333	
Benefits (retirement/health)	\$ 2,549,522	\$ 3,811,399	\$ 4,210,527 \$ 4,114,909	
Payroll Taxes	\$ 1,030,146	\$ 498,938	\$ 640,131 \$ 621,460	
Total Personnel Costs	\$ 18,567,895	\$ 19,609,209	\$ 24,134,882 \$ 23,412,702	2.6%
Strategic Communications and Community Outreach				
Printing	\$ 1,107,143	\$ 693,263	\$ 640,865 \$ 640,015	
Memberships	\$ 1,201,450	\$ 1,000,700	\$ 214,790 \$ 197,790	
Strategic Communications and Community Outreach	\$ 670,000	\$ 622,500	\$ 1,577,500	
Total Strat Comm and Outreach Costs	\$ 2,978,593	\$ 2,316,463	\$ 2,433,155 \$ 2,415,305	0.3%
General and Administration				
Other G & A	\$ 3,637,905	\$ 2,824,997	\$ 4,223,983 \$ 4,218,733	
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 \$ 6,093,678	0.7%
Net Operating Expenses	\$ 50,802,591	\$ 49,987,246	\$ 56,542,826 \$ 55,718,796	6.2%
Total Operating Expenses	\$ 1,167,639,140	\$ 1,019,903,874	\$ 928,885,852 \$ 928,061,822	+0.1%
Operating Income (Loss)	\$ 53,619,033	\$ 155,515,040	\$ (10,065,167) \$ (9,241,136)	+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 \$ 3,910,549	0.3%

Proposed Budget Overview

Budget-in Brief

The Proposed 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 Proposed 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 Proposed 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 3 staff to grow from 103 to 106 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-Proposed Budget

The Community Power **Draft-Proposed** 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-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
Cost of Energy	1,116.8	969.9	872.3
Non-Energy Costs	50.8	50.0	56.6-55.7
Subtotal Operating Expense	1,167.6	1,019.9	928.9 928.1
Interest Income	0.0	-18.3	-23.1
Debt Service	1.3	1.5	1.9
CIP	18.5 18.2	21.9	8.0
Total Expenses	1,197.4 1,187.1	1,025.0	915.7 914.9
Net Position	33.9 34.2	150.4	3.1 3.9

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.
 - a. Rates that were set and approved by the Board on April 23, 2026, for the period from July-May 1, 2026, to December 31, 2026.
 - b. 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-May 1, 2026, to December 31, 2026.
 - c. Generation rates are projected to decrease between 15% to 20% between calendar years 2026 and 2027 and, within the FY2027 Draft-Proposed Budget, for the period from January 1, 2027, to June 30, 2027.
 - d. PCIA is expected to increase between 25% to 55% between calendar year 2026 and 2027 and, within the FY2027 Draft-Proposed 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.
 - e. 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-Proposed 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 outside legal counsel to assist with the complex aspects of the regulatory, compliance, power supply contract negotiations and its general legal needs. This line item will also allow for the retention of both a state and federal lobbyist to support Community Power’s legislative and regulatory efforts.
 - Technical Support – Community Power engages consultants to assist with rate setting, policies, joint-rate comparisons with SDG&E, load analysis, and a scheduling coordinator. After electric power is scheduled for delivery to customers and consumed by those customers, the actual electric consumption must be trued up against the forecasted and scheduled energy. This true-up occurs through the settlement process. Settlements also entail addressing several other market and regulatory requirements. As Community Power grows its internal staff, it will look to continue to in-house portions of this service.
 - Other Services – Community Power contracts or plans to contract for Audit services (data and financial), Accounting services, and other services as needed. Community Power continues to examine if these services are more cost effective or efficient to bring in-house. As Community Power expands its in-house functions, Community Power expects a reduction in the related professional services support areas.
 - SDG&E Service Fees – Service fees paid to SDG&E consist of a charge of a fixed fee per account per month. The fees cover SDG&E’s costs associated with meter reading, additional data processing, and bill coordination as mandated and regulated by the CPUC. There are also numerous small fees associated with data requests.

- Data Management – Broad scope of services that includes all “back office” billing data validation, bill coordination with SDG&E, call center services and billing technical support, customer enrollment database management, move- in/move-out services, customer research for enrollment support, and many support functions related to data reporting.

- f. **Strategic Communications and Outreach** – Strategic Communications and Outreach involves promoting Community Power services and engaging with the community through campaigns, public relations, events, and educational programs to increase awareness, drive customer enrollment, and build positive relationships. It also includes outreach to underserved communities to ensure equitable access to Community Power’s clean, renewable energy services.

- **General and Administration** – General and Administration costs include leasing office space, industry fees, or memberships (e.g., CalCCA dues), equipment and software, as well as other general operational costs including Board and Committee expenses, Board stipends, staff travel or professional development, team building, etc.

The table below summarizes the expenses for the FY2027 **Draft-Proposed** Budget compared to the FY2025 and FY2026 Amended Budgets.

TABLE 4: OPERATING EXPENSES BY BUDGET LEVEL 2

	FY25 Amended	FY26 Amended	FY27 Draft Proposed
Cost of Energy	1,116.8	969.9	872.3
Professional Services and Consultants	24.3	23.4	23.9 23.8
Personnel Costs	18.6	19.6	24.1 23.4
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	928.9 928.1
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	915.7 914.9

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-Plan~~ (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-Proposed~~ FY 2026-2027 Capital Budget totals \$71.4 million, and the ~~Draft-Proposed~~ 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-Proposed~~ 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-Proposed~~ 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 proposed~~ 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.
- g. **\$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 and a variety of technologies or activities, including managed charging for electric vehicles and energy efficiency.

- h. **\$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.
- i. **\$0.3 million, EV Load Growth Study:** The Regional EV Load Analysis will forecast how growing EV adoption can impact electricity demand across Community Power's service territory, including hourly load profiles, adoption scenarios and geographic variation. It will evaluate how different charging behaviors — especially unmanaged vs. managed charging — affect load shape, peak demand and system risks, with a focus on strategies (for example, time-of-use rates or managed charging) that can shift or mitigate EV-related peaks. Overall, the study aims to provide insights that support long-term planning, helping Community Power understand both the risks and opportunities of transportation electrification for load forecasting, Resource Adequacy and program design.
- j. **\$0.2 million, IT Projects:** Focus on Community Power's commitment to fiscal stewardship and operational scaling, this project funds the optimization and expanded rollout of the agency's central Enterprise Resource Planning (ERP) platform. While Phase 1 successfully established core budgeting functionalities, Phase 2 is being considered for strategic rescoping to prioritize immediate agency-wide operational controls and financial efficiencies. Once deployed, this phase will streamline cross-departmental workflows, enhance internal financial controls, and automate routine processes. This targeted optimization ensures the finance, non-energy procurement team and broader agency possess the scalable infrastructure required to support expanding community programs and minimize administrative overhead.

TABLE 5: DRAFT PROPOSED FY 2026-2027 CAPITAL BUDGET

	Carryforward	FY27 Authorized Budget	FY27 Draft Proposed Appropriation
Operating Transfer In	18.2-18.4	-	8.0
Regional Energy Network	-	63.1	-
DAC-GT	0.3	0.3	-
CDFA	0.7	-	-

Equitable Building Decarbonization	1.4	-	-
Other Planning and Studies	0.7	-	-
Total	21.3 20.8	63.4	8.0

Amounts displayed in millions, \$

TABLE 6: DRAFT PROPOSED 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 Planning and Studies	0.7	-	-	-	-	-	0.7
Subtotal	3.1 2.4	63.4	51.4	42.0	43.7	45.5	249.1 248.4
Internal Funding							
Solar Battery Savings	10.8	3.5	10.4	8.3	8.5	7.6	49.1
Pilot Programs	1.8 2.0	2.5	-	-	-	-	4.3 4.5
Grants	1.3	-	-	-	-	-	1.3
Flexible Load	0.5	1.5	-	-	-	-	2.0
IT Projects	3.2	0.2	-	-	-	-	3.4
Programs Evaluation Planning and Studies	0.3	0.3	-	-	-	-	0.6
Application Assistance	0.3	-	0.3	-	-	0.3	0.9
Subtotal	18.2 18.4	8.0	10.7	8.3	8.5	7.9	61.6 61.8
Total CIP Expenses	21.3 20.8	71.4	62.1	50.3	52.2	53.4	310.7 310.2

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~~ Proposed 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 Proposed
Power Services	1,118.9	972.0	875.3
Executive	0.2	0.1	0.4
Operations	20.7	20.9	24.3 23.6
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 1.3
Total Operating Expenses	1,167.6	1,019.9	928.9 928.1

Amounts displayed in millions, \$

Personnel by Department

The table below summarizes the projected personnel for the **Draft-Proposed** 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 5.0
Finance	9.0	13.0	13.0
Customer Operations	8.0	6.0	7.0 8.0
IT and Data Analytics	9.0	16.0	16.0 13.0
Public Affairs	12.0	11.0	13.0 14.0
Programs	12.0	16.0	17.0 16.0
Regulatory and Legislative Affairs	5.0	5.0	5.0
Human Resources and Administration	4.0	7.0	7.0 8.0
Legal	2.0	3.0	3.0
Total FTEs	87.0	103.0	108.0 106.0

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.
 - k. 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.
 - l. 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 Proposed
Power Services	16.0	15.0	16.0

TABLE 9: POWER SERVICES POSITIONS

Executive

Budget Highlights

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

Department Positions

	FY25 Amended	FY26 Amended	FY27 Draft Proposed
Executive	5.0	5.0	5.0

TABLE 10: EXECUTIVE POSITIONS

Operations

Budget Highlights

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

Department Positions

	FY25 Amended	FY26 Amended	FY27 Draft Proposed
Operations	5.0	6.0	6.0 5.0

TABLE 11: OPERATIONS POSITIONS

Finance

Budget Highlights

- Bank service fees within Other G&A increased by approximately \$1.4M, reflecting an updated utilization factor, higher transaction volume and program scale.
 - m. 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 Proposed
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.
 - n. 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 Proposed
Customer Operations	8.0	6.0	7.0 8.0

TABLE 13: CUSTOMER OPERATIONS POSITIONS

IT and Data Analytics

Budget Highlights

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

Department Positions

	FY25 Amended	FY26 Amended	FY27 Draft Proposed
IT and Data Analytics	9.0	16.0	16.0 13.0

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.
 - o. 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 Proposed
Public Affairs	12.0	11.0	13.0 14.0

TABLE 15: PUBLIC AFFAIRS POSITIONS

Programs

Budget Highlights

- p. 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.
- q. 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 Proposed
Programs	12.0	16.0	17.0 16.0

TABLE 16: PROGRAMS POSITIONS

Regulatory and Legislative Affairs

Budget Highlights

- r. 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 Proposed
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 **which is not included in department positions.**

Department Positions

	FY25 Amended	FY26 Amended	FY27 Draft Proposed
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Human Resources	4.0	7.0	7.0 8.0
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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 Proposed
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 Proposed** 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	Customer Operations	–	(\$104,560)	–

	electronic delivery channels by reducing paper mail volumes.				
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 +214,396	-
FICA Increase	FICA payroll taxes have increased as additional staff are	Operations	-	+\$149,000 +122,522	-

	hired and in alignment with Community Power's Section 218 election.				
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 +\$132,500	-
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 +\$98,842	-
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	Programs	-	+\$600,000	-

	incentives, seasonal performance incentives and device fees.				
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

ITEM 9

ATTACHMENT B



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: PROPOSED FY2026-2027 BUDGET

San Diego Community Power
Proposed FY2026-27 Budget
Supplemental Details

	FY2024-25	FY2025-26	FY2026-27	% 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	<u>\$ 1,221,258,172</u>	<u>\$ 1,175,418,914</u>	<u>\$ 918,820,685</u>	100.0%
COST OF ENERGY				
Cost of Energy	\$ 1,116,836,549	\$ 969,916,628	\$ 872,343,026	
Total Cost of Energy	<u>\$ 1,116,836,549</u>	<u>\$ 969,916,628</u>	<u>\$ 872,343,026</u>	94.9%
Gross Net Position	<u>\$ 104,421,623</u>	<u>\$ 205,502,285</u>	<u>\$ 46,477,659</u>	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	\$ 1,501,200	
Other Services	\$ 2,104,999	\$ 2,268,835	\$ 2,912,081	
Total Prof. Svcs. Costs	<u>\$ 24,346,342</u>	<u>\$ 23,414,378</u>	<u>\$ 23,797,111</u>	2.6%
Personnel Costs				
Salaries	\$ 14,988,227	\$ 15,298,873	\$ 18,676,333	
Benefits (retirement/health)	\$ 2,549,522	\$ 3,811,399	\$ 4,114,909	
Payroll Taxes	\$ 1,030,146	\$ 498,938	\$ 621,460	
Total Personnel Costs	<u>\$ 18,567,895</u>	<u>\$ 19,609,209</u>	<u>\$ 23,412,702</u>	2.5%
Strategic Communications and Outreach				
Printing	\$ 1,107,143	\$ 693,263	\$ 640,015	
Memberships	\$ 1,201,450	\$ 1,000,700	\$ 197,790	
Strategic Communications and Outreach	\$ 670,000	\$ 622,500	\$ 1,577,500	
Total Strat Comm and Outreach Costs	<u>\$ 2,978,593</u>	<u>\$ 2,316,463</u>	<u>\$ 2,415,305</u>	0.3%
General and Administration				
Other G & A	\$ 3,637,905	\$ 2,824,997	\$ 4,218,733	
Cal CCADues	\$ 460,000	\$ 555,000	\$ 555,000	
Rent	\$ 744,264	\$ 935,784	\$ 935,784	
Insurance	\$ 67,592	\$ 331,414	\$ 384,161	
Total G & A Costs	<u>\$ 4,909,761</u>	<u>\$ 4,647,195</u>	<u>\$ 6,093,678</u>	0.7%
Net Operating Expenses	<u>\$ 50,802,591</u>	<u>\$ 49,987,246</u>	<u>\$ 55,718,796</u>	6.1%
Total Operating Expenses	<u>\$ 1,167,639,140</u>	<u>\$ 1,019,903,874</u>	<u>\$ 928,061,822</u>	101.0%
Operating Income (Loss)	<u>\$ 53,619,033</u>	<u>\$ 155,515,040</u>	<u>\$ (9,241,136)</u>	-1.0%
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)	<u>\$ (19,476,000)</u>	<u>\$ (5,100,487)</u>	<u>\$ 13,151,686</u>	1.4%
CHANGE IN NET POSITION	<u>\$ 34,143,033</u>	<u>\$ 150,414,553</u>	<u>\$ 3,910,549</u>	0.4%

Proposed Budget Overview

Budget-in Brief

The Proposed 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 Proposed 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 Proposed 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 3 staff to grow from 103 to 106 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.

Proposed Budget

The Community Power Proposed 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 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
Cost of Energy	1,116.8	969.9	872.3
Non-Energy Costs	50.8	50.0	55.7
Subtotal Operating Expense	1,167.6	1,019.9	928.1
Interest Income	0.0	-18.3	-23.1
Debt Service	1.3	1.5	1.9
CIP	18.2	21.9	8.0
Total Expenses	1,187.1	1,025.0	914.9
Net Position	34.2	150.4	3.9

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 May 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 May 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 Proposed 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 Proposed 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 Proposed Budget compared to the FY2025 and FY2026 Amended Budgets. Note that Gross Revenue and Less Uncollectible Accounts are based on projected numbers from rate setting that was approved by the Board on January 15, 2026.

TABLE 3: OPERATING REVENUE BY BUDGET LEVEL 2

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

Amounts displayed in millions, \$

Operating Expenses

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

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

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

The table below summarizes the expenses for the FY2027 Proposed Budget compared to the FY2025 and FY2026 Amended Budgets.

TABLE 4: OPERATING EXPENSES BY BUDGET LEVEL 2

	FY25 Amended	FY26 Amended	FY27 Proposed
Cost of Energy	1,116.8	969.9	872.3
Professional Services and Consultants	24.3	23.4	23.8
Personnel Costs	18.6	19.6	23.4
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	928.1
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	914.9

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 Plan (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 Proposed FY 2026-2027 Capital Budget totals \$71.4 million, and the Proposed 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 Proposed 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 Proposed 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 proposed operating contribution primarily supports the following programs:

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

- c. **\$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.

- d. **\$0.3 million, EV Load Growth Study:** The Regional EV Load Analysis will forecast how growing EV adoption can impact electricity demand across Community Power's service territory, including hourly load profiles, adoption scenarios and geographic variation. It will evaluate how different charging behaviors — especially unmanaged vs. managed charging — affect load shape, peak demand and system risks, with a focus on strategies (for example, time-of-use rates or managed charging) that can shift or mitigate EV-related peaks. Overall, the study aims to provide insights that support long-term planning, helping Community Power understand both the risks and opportunities of transportation electrification for load forecasting, Resource Adequacy and program design.

- e. **\$0.2 million, IT Projects:** Focus on Community Power's commitment to fiscal stewardship and operational scaling, this project funds the optimization and expanded rollout of the agency's central Enterprise Resource Planning (ERP) platform. While Phase 1 successfully established core budgeting functionalities, Phase 2 is being considered for strategic rescoping to prioritize immediate agency-wide operational controls and financial efficiencies. Once deployed, this phase will streamline cross-departmental workflows, enhance internal financial controls, and automate routine processes. This targeted optimization ensures the finance, non-energy procurement team and broader agency possess the scalable infrastructure required to support expanding community programs and minimize administrative overhead.

TABLE 5: PROPOSED FY 2026-2027 CAPITAL BUDGET

	Carryforward	FY27 Authorized Budget	FY27 Proposed Appropriation
Operating Transfer In	18.4	-	8.0
Regional Energy Network	-	63.1	-
DAC-GT	0.3	0.3	-
Equitable Building Decarbonization	1.4	-	-

Planning and Studies	0.7	-	-
Total	20.8	63.4	8.0

Amounts displayed in millions, \$

TABLE 6: PROPOSED 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
Equitable Building Decarbonization	1.4	-	-	-	-	-	1.4
Planning and Studies	0.7	-	-	-	-	-	0.7
Subtotal	2.4	63.4	51.4	42.0	43.7	45.5	248.4
Internal Funding							
Solar Battery Savings	10.8	3.5	10.4	8.3	8.5	7.6	49.1
Pilot Programs	2.0	2.5	-	-	-	-	4.5
Grants	1.3	-	-	-	-	-	1.3
Flexible Load	0.5	1.5	-	-	-	-	2.0
IT Projects	3.2	0.2	-	-	-	-	3.4
Planning and Studies	0.3	0.3	-	-	-	-	0.6
Application Assistance	0.3	-	0.3	-	-	0.3	0.9
Subtotal	18.4	8.0	10.7	8.3	8.5	7.9	61.8
Total CIP Expenses	20.8	71.4	62.1	50.3	52.2	53.4	310.2

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 Proposed 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 Proposed
Power Services	1,118.9	972.0	875.3
Executive	0.2	0.1	0.4
Operations	20.7	20.9	23.6
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	1.3
Total Operating Expenses	1,167.6	1,019.9	928.1

Amounts displayed in millions, \$

Personnel by Department

The table below summarizes the projected personnel for the Proposed 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	5.0
Finance	9.0	13.0	13.0
Customer Operations	8.0	6.0	8.0
IT and Data Analytics	9.0	16.0	13.0
Public Affairs	12.0	11.0	14.0
Programs	12.0	16.0	16.0
Regulatory and Legislative Affairs	5.0	5.0	5.0
Human Resources and Administration	4.0	7.0	8.0
Legal	2.0	3.0	3.0
Total FTEs	87.0	103.0	106.0

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.
 - f. 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.
 - g. 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 Proposed
Power Services	16.0	15.0	16.0

TABLE 9: POWER SERVICES POSITIONS

Executive

Budget Highlights

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

Department Positions

	FY25 Amended	FY26 Amended	FY27 Proposed
Executive	5.0	5.0	5.0

TABLE 10: EXECUTIVE POSITIONS

Operations

Budget Highlights

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

Department Positions

	FY25 Amended	FY26 Amended	FY27 Proposed
Operations	5.0	6.0	5.0

TABLE 11: OPERATIONS POSITIONS

Finance

Budget Highlights

- Bank service fees within Other G&A increased by approximately \$1.4M, reflecting an updated utilization factor, higher transaction volume and program scale.
 - 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 Proposed
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 Proposed
Customer Operations	8.0	6.0	8.0

TABLE 13: CUSTOMER OPERATIONS POSITIONS

IT and Data Analytics

Budget Highlights

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

Department Positions

	FY25 Amended	FY26 Amended	FY27 Proposed
IT and Data Analytics	9.0	16.0	13.0

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.
 - j. 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 Proposed
Public Affairs	12.0	11.0	14.0

TABLE 15: PUBLIC AFFAIRS POSITIONS

Programs

Budget Highlights

- k. 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.
- l. 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 Proposed
Programs	12.0	16.0	16.0

TABLE 16: PROGRAMS POSITIONS

Regulatory and Legislative Affairs

Budget Highlights

- m. 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 Proposed
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 which is not included in department positions.

Department Positions

	FY25 Amended	FY26 Amended	FY27 Proposed
Human Resources	4.0	7.0	8.0

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 Proposed
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 Proposed 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	Customer Operations	–	(\$104,560)	–

	electronic delivery channels by reducing paper mail volumes.				
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	-	+\$214,396	-
FICA Increase	FICA payroll taxes have increased as additional staff are	Operations	-	+\$122,522	-

	hired and in alignment with Community Power's Section 218 election.				
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	+\$132,500	-
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 Outreach					
Strategic Communications and 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	-	+98,842	-
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	Programs	-	+\$600,000	-

	incentives, seasonal performance incentives and device fees.				
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

ITEM 9

ATTACHMENT C



SAN DIEGO COMMUNITY POWER

Operating Budget

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How to Use This Book

The San Diego Community Power (Community Power) Fiscal Year (FY) 2026–2027 operating budget contains agency budgetary and fiscal policy information as well as detailed operating budgets for agency divisions. The operating budget is organized into the following sections:

Executive Summary

Includes the Chief Executive Officer's Letter and the Executive Summary of the adopted operating budget and provides a high-level overview of the agency's budget, the changes from the prior year and other high-level details on specific highlights and changes in the adopted operating budget.

Overview

Provides a high-level overview of Community Power's governance, structure and agency values and priorities.

Budget Process

Describes the various financial planning and budgeting processes and reports that inform the budget process.

Budget Overview

Describes the budget in brief, financial data summarizing Community Power's adopted budget, the Capital Investment Plan and the agency's five-year financial plan.

Budget Information and Summary Figures

Provides technical information on the structure, policies and processes that govern Community Power's budget development and implementation as well as high-level financial data summarizing Community Power's proposed budget. The figures detail changes over a two-year period: the FY 2025–2026 Amended Budget and the proposed FY 2026–2027 Operational Budget. The variance column measures the dollar and position differences between fiscal years.

Operational Budgets

Provides budgetary information and operational priorities for each of Community Power's departments. Department information includes the following information:

- Mission and Services
- Department Highlights
- Professional Services Agreement
- Objective Key Results
- Department Positions
- Organizational Chart — depicts the department's organizational structure
- Budget Data Summary — shows a summary of total expenditures and funded positions

Additional Resources

Provides additional information, including applicable Community Power policies as well as a glossary of commonly used terms.



A Letter from the Chief Executive Officer

This year, San Diego Community Power proudly delivered the most competitive electricity generation rates in our history, helping our neighbors save money while expanding access to cleaner energy.

As a community choice energy provider and not-for-profit public agency, every decision we make is centered on delivering the best long-term value for our customers and supporting the communities we serve to advance a more equitable and sustainable future.

Despite uncertainty in the world around us, we remain focused on maintaining long-term stability. We continue to be disciplined about how we invest our resources and plan carefully for an uncertain future. We stay focused on keeping energy costs as low as possible while we advance toward 100% renewable energy by 2035.

Affordability is at the forefront of all we do. In January 2026, we offered the largest discount — compared with San Diego Gas & Electric's generation rates — in our agency's history. PowerBase, our lowest-cost service plan, now provides a 10% discount over the competition while still meeting California's clean energy standards. Meanwhile, we continue to deliver choice for customers who want 100% renewable energy today through our Power100 service plan, for only a few dollars more per month for the average residential customer.

Our strong financial footing allows us to offer such competitive prices. We achieved a significant agency milestone in March 2026 when we earned our first investment-grade issuer credit rating: an "A" with a stable outlook from S&P Global Ratings. This enhances our ability to secure better energy contract terms, which ultimately helps keep rates steady and competitive for our customers.

We are also strategically using "green bonds" issued by the California Community Choice Financing Authority to prepay long term Power Purchase Agreements (PPAs) at a lower interest rate. These financial tools support a disciplined, long-term approach to managing costs and strengthening financial stability. This fiscal year, we completed two prepay agreements that are expected to save customers a combined \$97.3 million over the next nine years.

As we expand our renewable energy portfolio, we continue to invest in local projects that increase grid reliability and help keep power affordable for customers. During the fiscal year, we welcomed the completion of three battery storage facilities in the San Diego region, the construction of which supported hundreds of local jobs. These investments enhance reliability while supporting local jobs and economic development.

We continue to expand our program portfolio through the San Diego Regional Energy Network (SDREN) and have procured all implementers necessary to open 10 new energy efficiency programs for enrollment by the end of 2026. These programs will expand access to energy-saving solutions across the region.

Solar Battery Savings is one of our most successful programs and has earned national recognition as a model for customer-focused program design. By helping customers work with local contractors to install home batteries, it strengthens grid reliability while supporting workforce development across the San Diego region. This program reflects our broader commitments to build a more resilient grid, strengthen the local workforce and partner with industry leaders to deliver innovative, customer-centered solutions.





As Community Power's impact grows, so too will our reach. Community Power is currently the second-largest organization of its kind in the nation, serving nearly 1 million municipal, business and residential power customers in the cities of San Diego, Chula Vista, Encinitas, Imperial Beach, La Mesa and National City as well as the unincorporated communities of San Diego County. This year, the Coronado City Council voted unanimously to join Community Power and could begin receiving service as soon as 2028. This growth reflects the trust that local communities place in us to deliver reliable, affordable service.

The FY 2026–2027 budget builds on this progress and reflects our continued commitment to delivering value, stability and long-term impact. It ensures we remain financially strong while continuing to invest in what matters most to our communities. Key priorities include:

- **Keeping rates competitive and stable**
- **Expanding access to cleaner, reliable energy**
- **Strengthening long-term financial stability**
- **Investing in local programs and workforce development**
- **Delivering measurable value to our communities**

With continued leadership from our Board of Directors, Community Advisory Committee and dedicated staff, San Diego Community Power is proud to deliver more affordable energy, strengthen our communities and build a cleaner, more resilient future for the San Diego region.

We thank our community for its continued trust and partnership.



Karin Burns

Chief Executive Officer
San Diego Community Power



01

Overview of San Diego Community Power

Overview of San Diego Community Power

Who We Are

San Diego Community Power is a Community Choice Aggregator (CCA) that gives customers an option to power their homes and businesses with significantly higher levels of renewable power at competitive rates. Since 2021, Community Power has grown to serve nearly 1 million residential, business and municipal power customers in the cities of San Diego, Chula Vista, Encinitas, Imperial Beach, La Mesa and National City as well as the unincorporated communities of San Diego County.

Community Power is a not-for-profit public agency that provides affordable clean energy and invests in its local communities to create an equitable and sustainable future for the San Diego region.

Learn more at - SDCommunityPower.org.

Our Story

1

FORMATION

With support from local communities, Community Power was established as a Joint Powers Authority by five cities in the San Diego region. Community Power submitted an implementation plan to the California Public Utilities Commission, outlining the intended organizational structure, operations and funding. Once approved, our Board of Directors began meeting regularly, and implementation activities began. In 2020, a sixth municipality, National City, and the County of San Diego elected to join Community Power.

2

ENROLLMENT 2021-2023

Through phased enrollment from 2021 through 2023, Community Power gradually became the official clean energy provider for our member agencies. Customers were automatically enrolled in our service and received two notices before and two notices after enrollment.

3

TODAY

Community Power is now the second-largest CCA in the nation, serving nearly 1 million customers with competitively priced clean energy; we are beginning to offer customer programs and rebates as well as continuing to support San Diego County's energy efficiency goals through the San Diego Regional Energy Network (SDREN).



About Community Choice

San Diego Community Power is one of 25 Community Choice Aggregators (CCAs) that serve a total of more than 15 million customers in California. The first CCA began service in 2010, and 25 CCAs are operating today.

Communities that participate in a CCA work together to purchase clean energy and create local clean energy projects and programs for residents and businesses by pooling, or aggregating, their electricity loads. CCAs work with the investor-owned utility that serves the community to deliver power and maintain the grid. For Community Power, this means partnering with SDG&E.

How It Works



FIGURE 1. CCAS IN CALIFORNIA



CCAs are making good on their commitments to invest in new renewable energy facilities throughout California.

To date, CCAs have contracted for more than 21,000 megawatts (MW) of new clean generation capacity through long-term power purchase agreements (PPAs) with terms of 10 years or more. CCA PPAs equate to:

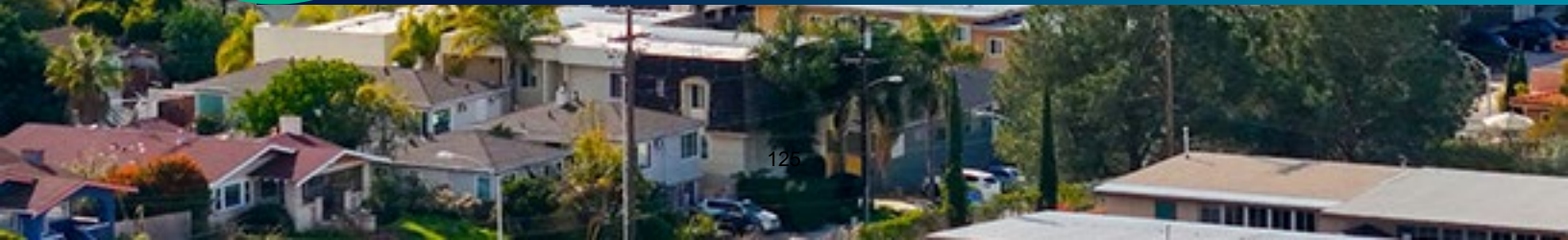
- More than 21 gigawatts (GW) of new solar, wind, energy storage, geothermal and demand response resources
- Projects totaling more than 9,700 MW that are already operational and serving CCA customers
- Over \$48.4 billion committed by CCAs to build and operate clean energy resources
- Support for more than 48,000 construction jobs





02

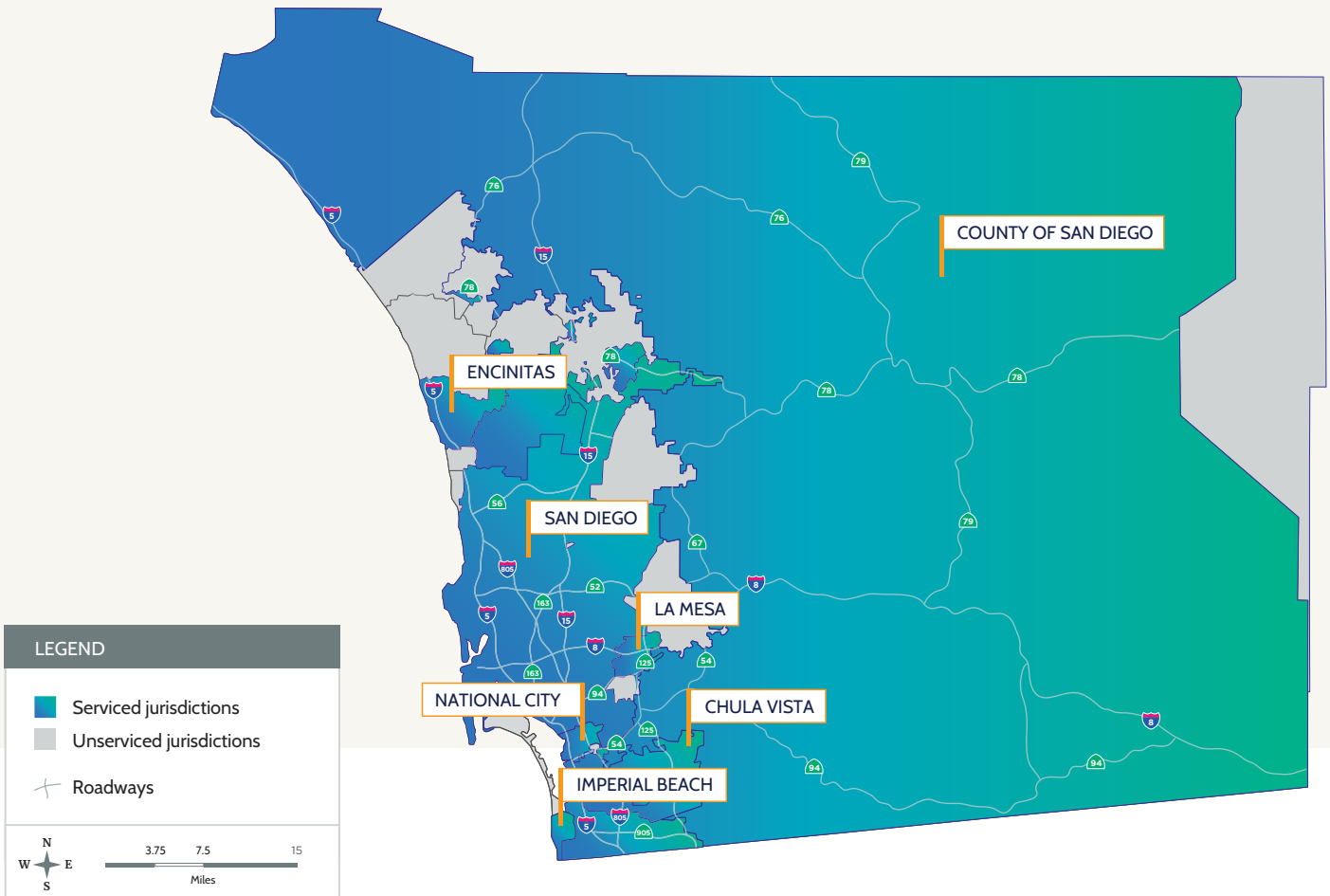
Serviced Communities



Serviced Communities

FIGURE 2. SERVICE AREA MAP

Service Area Map



County Population

San Diego County is the southernmost major metropolitan area in California and boasts a diverse and vibrant population. According to the State of California Department of Finance, on January 1, 2026, San Diego County’s estimated population was 3.3 million. This figure represents an increase of 0.1% (approximately 5,000 individuals) from the January 1, 2025, estimate. By population, San Diego County ranks as the second-largest county in California and the fifth-largest county

nationwide. These rankings are based on data from the U.S. Census Bureau, which relies on the 2021 population estimate. Looking ahead, population estimates from the San Diego Association of Governments (SANDAG) are projected to level off and slightly decline by mid-century. The San Diego regional population is expected to reach approximately 3.43 million by 2040, reflecting a substantial 21% increase compared with the year 2000, or a 30% increase compared with the year 2024.

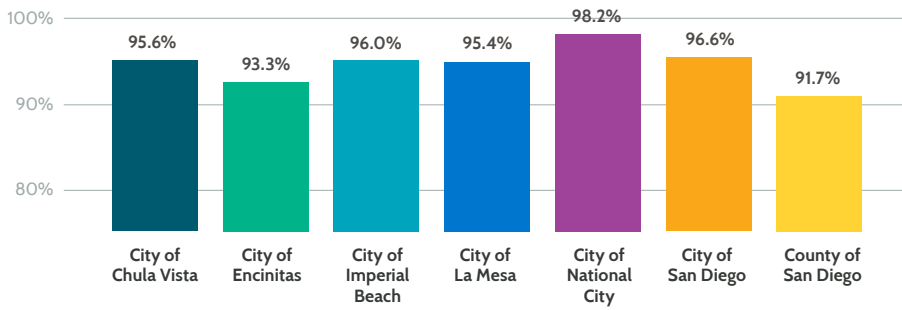
FIGURE 3. SAN DIEGO COUNTY POPULATION

San Diego County Population					
COUNTY/CITY	Jan. 2022	Jan. 2023	Jan. 2024	Jan. 2025	Jan. 2026
Carlsbad	115,033	115,045	114,319	116,022	115,867
Chula Vista	275,427	276,813	278,247	281,850	282,999
Coronado	22,082	22,272	21,589	22,687	23,796
Del Mar	3,909	3,918	3,919	3,937	3,917
El Cajon	105,171	104,804	104,180	105,449	104,932
Encinitas	61,283	61,254	61,028	62,392	62,193
Escondido	150,419	150,571	150,002	151,932	152,196
Imperial Beach	26,163	26,109	26,096	26,362	26,066
La Mesa	60,412	60,753	60,620	61,863	61,707
Lemon Grove	27,109	27,517	27,568	28,445	28,233
National City	58,545	58,374	58,555	58,863	58,701
Oceanside	172,463	172,186	171,483	175,193	174,027
Poway	48,515	48,620	49,273	50,699	50,263
San Diego	1,375,687	1,383,623	1,385,379	1,409,429	1,419,531
San Marcos	93,851	94,823	95,998	97,647	97,554
Santee	58,886	59,574	59,195	60,044	59,812
Solana Beach	12,792	12,831	12,887	13,060	12,941
Vista	99,997	100,113	99,723	101,934	101,365
Balance of County	510,986	511,223	511,040	511,798	508,222
Incorporated	2,767,744	2,779,200	2,780,061	2,827,594	2,836,100
County Total	3,278,730	3,290,423	3,291,101	3,339,392	3,344,322

Source: U.S. Census, 2020 data; California Department of Finance 2026, estimates as of May 1, 2026

Participation by Jurisdiction

FIGURE 4. PARTICIPATION BY JURISDICTION*

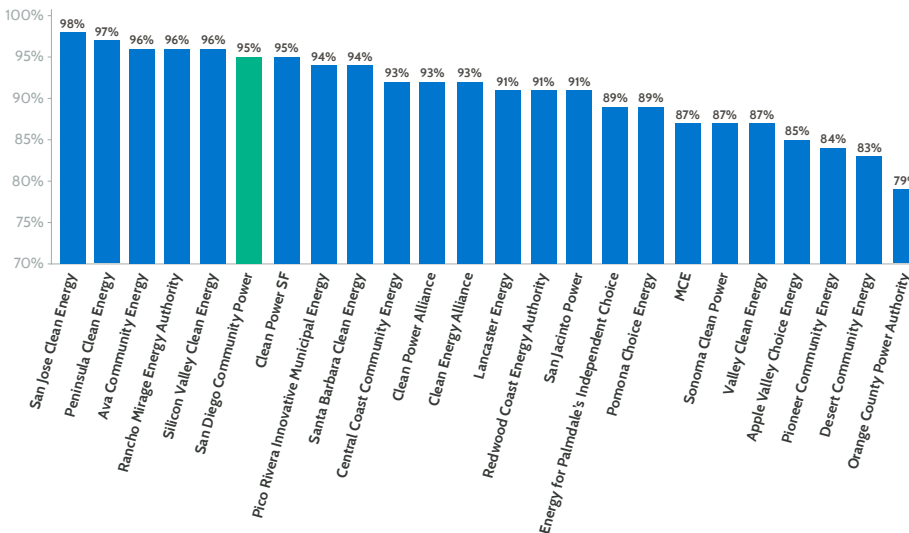


JURISDICTION	SERVICE OPTION DEFAULT	ELIGIBLE ACCOUNTS	ENROLLED ACCOUNTS	PARTICIPATION RATE
City of Chula Vista	PowerOn	100,404	96,029	95.6%
City of Encinitas	Power100	29,071	27,130	93.3%
City of Imperial Beach	PowerOn	10,826	10,395	96.0%
City of La Mesa	PowerOn	29,620	28,245	95.4%
City of National City	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%

*As of May 26, 2026

Participation Rates Across CCAs

FIGURE 5. PARTICIPATION RATES ACROSS CCAS



Source: CalCCA, as of December 2025

FIGURE 6. MEMBER AGENCIES



Governance and Structure

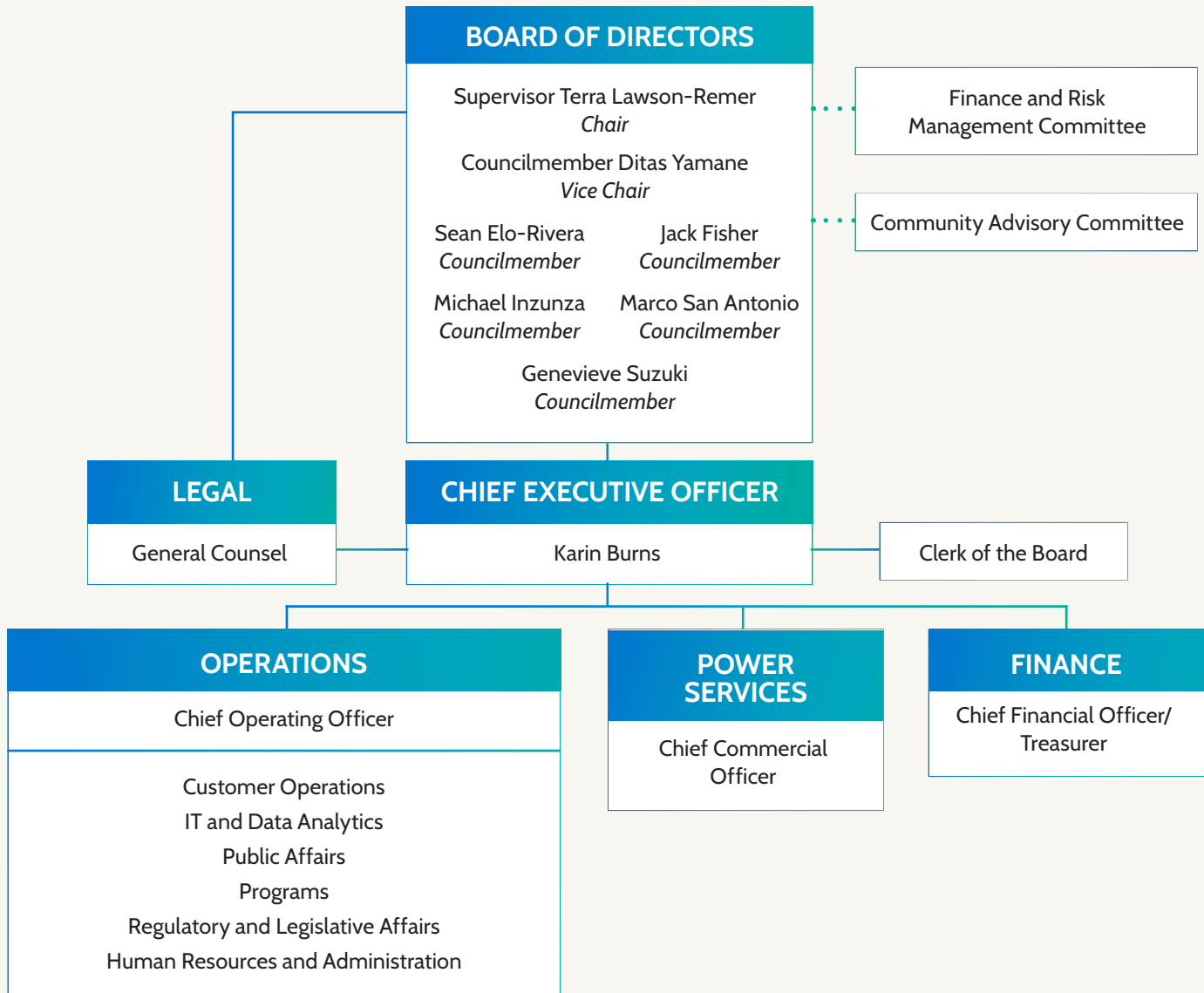
In September 2019, the cities of San Diego, Chula Vista, Encinitas, Imperial Beach and La Mesa adopted an ordinance and resolution to form San Diego Community Power, a California Joint Powers Authority (JPA). National City and the County of San Diego voted to join Community Power in 2020.

Community Power's Board of Directors is composed of an elected representative from each member jurisdiction, with each member selecting an alternate from the agency they represent. The Board is publicly accountable to Community Power ratepayers and hosts monthly Board meetings, where it establishes policy, sets rates, determines power purchase options and maintains fiscal oversight.

As a public agency, Community Power is designed to be fully transparent with all official meetings and information open or available to the public.






Organizational Structure

FIGURE 7. ORGANIZATIONAL STRUCTURE



Executive Team

FIGURE 8. EXECUTIVE TEAM

 <p>Karin Burns Chief Executive Officer</p>	 <p>Veera Tyagi General Counsel</p>	 <p>Jack Clark Chief Operating Officer</p>	 <p>Gordon Samuel Chief Commercial Officer</p>	 <p>Jannies Burlingame Chief Financial Officer and Treasurer</p>
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03

Budget Process

Budget Process

Annual Budget Cycle

On October 1, 2019, the Founding Members of San Diego 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 before 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 additionally specifies that the Board may revise the budget from time to time as may be reasonably necessary to address contingencies and unexpected expenses.

The Community Power Board adopted the [Community Power Budget Policy](#) on July 28, 2022, which formally outlined the agency’s budget preparation steps and timeline. The Chief Financial Officer (CFO) begins the annual budget process in

February of each year. The Finance Department develops initial revenue and expense estimates and updates its short-term financial plan. In March and April, Community Power staff develop and refine budget proposals to develop an initial budget baseline for the agency’s upcoming budget year. The budget is further refined through strategic planning sessions and through the Community Power Finance and Risk Management Committee (FRMC).

The CFO is then required to prepare and submit to the Board a draft budget for the following fiscal year in May or no later than the second month immediately preceding the start of the fiscal year. The budget shall be aligned with established goals and shall reflect all activities, including operating programs, revenues and expenditures. The budget shall be approved by the Board at a public meeting in June or no later than the month immediately preceding the start of the respective fiscal year.

FIGURE 9. TYPICAL ANNUAL BUDGET PROCESS



Budget Calendar

FIGURE 10. BUDGET CALENDAR

DATE	MILESTONE
January 2026	Finance Department prepares for February launch of the annual budget cycle.
February 2026	Budget process begins. Initial revenue and expense estimates are developed.
March to April 2026	Departments propose unconstrained expense requests for review.
April 2026	Staff set initial budget baseline.
May 21, 2026	The Draft FY 2026–2027 budget is presented to the Finance and Risk Management Committee (FRMC) for feedback.
May 28, 2026	The Draft FY 2026–2027 budget is presented to the Board of Directors for feedback.
June 2026	The Proposed FY 2026–2027 budget is presented to the Community Advisory Committee and the FRMC.
June 25, 2026	The Board of Directors potentially adopts the FY 2026–2027 budget as an action item.
July 1, 2026	The FY 2026–2027 budget is implemented.

Strategic Planning

San Diego Community Power’s budgeting process is directly informed by its Strategic Plan — a document co-created by the Board, Community Advisory Committee, executive leadership and staff — that translates community priorities into actionable goals. The Strategic Plan serves as a critical management tool, aligning resources, guiding operational decisions and driving long-term organizational focus across all departments and initiatives.

Community Power is sharpening its focus on delivering long-term value to the communities it serves through affordability, transparency and disciplined growth. The next chapter of

the agency’s work will be defined by measurable outcomes, including maintaining competitive rates, strengthening financial resilience and advancing a cleaner, more renewable energy portfolio.

Central to this approach is a commitment to aligning fiscal decisions with community priorities. This budget reflects customer expectations, including rate stability, incentives that support grid reliability and continued progress toward sustainable, locally beneficial energy procurement. This is achieved by prioritizing the following items.



Affordability

All decisions are evaluated with a focus on customer impact. Community Power prioritizes competitive rates, minimizes volatility and expands programs that help households and businesses manage energy costs.



Financial Strength and Stability

Maintaining strong reserves, actively managing risk and implementing innovative financial strategies position the agency to navigate market uncertainty while safeguarding long-term affordability and organizational resilience.



Advancement to 100% Renewable Energy

Community Power expands access to clean, renewable energy through a balanced approach that prioritizes reliability and cost stability, supports local project development and ensures the benefits are broadly shared across the communities it serves.



Strategic Infrastructure

As a public agency, Community Power operates with transparency and is guided by public input, ensuring accountability to ratepayers and consistent delivery on commitments.



Local Impact

By reinvesting locally, Community Power strengthens regional economies, supports workforce development and expands access to programs, with a focus on benefiting historically underserved communities.

Core Strategic Goals

1. Fiscal Sustainability

- Maintain fiscal strategies to promote long-term organizational sustainability.
- Execute at least six clean prepayment transactions over the next three years to generate \$30 million in annual power cost savings.
- Obtain a public investment-grade credit rating by November 2027.
- Grow reserves by \$150 million to maintain 180 days cash on hand by December 2027.
- Build a \$70 million Rate Stabilization Reserve to mitigate cost volatility.
- Strengthen financial controls across contracting, risk management and procurement.

2. Energy Portfolio Development

- Provide sufficient, affordable and clean electricity to our customers.
- Achieve 100% renewable energy by 2035 with interim targets of 75% by 2027 and 85% by 2030.
- Support development of 1 gigawatt of new local clean energy capacity by 2035, including 300 MW of infill and distributed energy resources (DERs).
- Ensure reliable and cost-effective compliance with all regulatory requirements.
- Create good-paying local jobs in clean energy sectors.

3. Community Program Delivery

- Implement programs that reduce greenhouse gas emissions, align energy supply and demand, and benefit our diverse communities.
- Deliver 150 MW of local DER capacity (of the 300 MW total goal) by 2035 through programs like Solar Battery Savings.
- Launch all San Diego Regional Energy Network (SDREN) programs in 2026.
- Implement a robust program evaluation framework in 2026.
- Expand external funding for clean energy programs.

4. Legislative and Regulatory Advocacy

- Advance policies that support Community Power's mission and customer goals.
- Educate policymakers and regulators to influence outcomes consistent with our policy platform.
- Support and sponsor legislation aligned with our values and needs.
- Remain an active participant in coalitions such as CalCCA to amplify our voice.
- Strategically pursue public funding aligned with agency goals.

5. Trusted Brand Building

- Build a trusted brand that supports engagement, participation and program success.
- Position Community Power as a collaborative public agency rooted in transparency.
- Grow the Power Network of nonprofit and community-based partners to expand community reach.
- Elevate brand awareness through education and outreach.
- Empower customers to take advantage of savings and services through awareness, education and ongoing communication programs.

6. Customer Care

- Ensure high customer satisfaction and retention.
- Refine rate structures to balance affordability, clean energy and fiscal prudence.
- Resolve SDG&E billing issues and improve customer experience.
- Explore options for a best-in-class customer service model.
- Address arrearages and connect customers to available resources.

7. Organizational Excellence

- Foster an innovative, inclusive and resilient workplace.
- Transition into a learning organization by late 2026 with robust staff development.
- Maintain a high level of employee satisfaction through engagement and continuous feedback.
- Launch a new internship program for local college students by FY 2027.

Community Outreach Strategy

San Diego Community Power is a not-for-profit public agency that integrates community engagement directly into its decision-making and views outreach as a core function of governance. Through ongoing dialogue with customers, local leaders and regional partners, the agency ensures its budgeting reflects real-world priorities and evolving community needs. This approach reinforces our commitment to affordability while maintaining strong accountability for how public funds are managed. By grounding financial planning in community input, Community Power strengthens organizational stability, supports local economic opportunities and accelerates the transition to cleaner energy while delivering benefits to the communities it serves.

Public Meetings and Oversight

Transparency and public oversight are built into Community Power's operations. Consistent with its [Rate Development Policy](#), rate setting occurs in an open, deliberative process led by staff and approved by the Board of Directors at publicly noticed meetings. This ensures the public has direct visibility into and input on decisions that shape costs, programs and long-term strategy.

Board decisions are informed and shaped by a subset of members on the Finance and Risk Management Committee

(FRMC). The Community Advisory Committee (CAC) also advises the Board and provides a venue for ongoing citizen support and engagement in Community Power. These regular meetings offer meaningful opportunities for community input on agency decisions.

Customer Information and Transparency

Clear, accessible information is essential in building trust with customers and supporting informed decision-making about service options. Community Power publishes an annual Joint Rate Comparison in coordination with SDG&E that allows customers to easily evaluate pricing. The Power Content Label further reinforces transparency by providing a detailed look at the sources used for each service plan. In addition, Community Power's website serves as a central resource for information, rebates, incentives and self-service tools.

Community Engagement

Staff regularly provide updates to member agencies and their elected bodies on Community Power's performance, priorities and initiatives. Community Power also continues to expand its presence through events, partnerships and targeted outreach to reach a broad and diverse audience.

183 community events

16,000 unique interactions

650,000 impressions

In FY 2025–2026, Community Power participated in 183 community events, resulting in 16,000 unique interactions and nearly 650,000 impressions. These in-person efforts are enhanced by strategic partnerships, sponsorships and targeted media outreach, including an ongoing partnership with CBS 8's "Working for Our Communities" campaign, which highlights available services and opportunities for customers to save money. Regular newsletters also provide subscribers with updates on new initiatives and energy-saving tips.

These efforts create a strong, continuous feedback loop between the agency and the public, strengthening transparency, informing budget decisions and ensuring Community Power remains responsive, accountable and focused on delivering affordable, reliable and increasingly renewable energy solutions.





04

Budget Guidelines

Budget Guidelines

Joint Powers Agreement

On October 1, 2019, the founding members of Community Power adopted the [Joint Powers Agreement \(JPA\)](#), which was amended and restated on December 16, 2021. Several sections of the JPA guide the development and management of the budget.

Section 4.6 Specific Responsibilities of the Board

The specific responsibilities of the Board of Directors (Board) shall be as follows:

4.6.2 Formulate and adopt an annual budget prior to the commencement of the fiscal year.

Section 7.2 Depository

7.2.3 All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its policies and procedures.

Section 7.3 Budget and Recovery Costs

7.3.1 Budget. The initial budget shall be approved by the Board. The Board may revise the budget from time to time as may be reasonably necessary to address contingencies and unexpected expenses. All subsequent budgets of Community Power shall be prepared and approved by the Board in accordance with its fiscal management policies that should include a deadline for approval. Section 4.6.2 of the JPA specifies that the Community Power Board shall adopt an annual budget with a fiscal year that runs from July 1 to June 30.

On July 28, 2022, the Community Power Board adopted the Community Power Budget Policy, which outlined the timeline for annual budget preparation and for discretionary budget adjustments. This Policy was adopted pursuant to Government Code Section 6508 *et seq.*

Budget Policy

Discretionary Budget Adjustments. The CEO or CFO will have the discretion to authorize expense transfers from line items between and within Community Power's Budget Level 2 categories as established and approved in the annual budget process by the Community Power Board, provided that net transfers total \$150,000 or less from the budget category.

The CEO, under his or her discretion, may still require the Board's approval for any budget changes that may fall under the discretion of the Policy. Amendments to the annual budget as approved by the Board will reset the original appropriation (revenue or expense) for the fiscal year for the purposes of the Policy.

A budget amendment is expected to occur in February of each calendar year to adjust the original appropriation as necessary and in alignment with Community Power's rate-setting policy, in which Community Power's rates are expected to be adjusted in January, the month prior.

Balanced Budget. A balanced budget shall exist when the total projected revenues are greater than or equal to the total projected expenses. Total revenues shall include all revenues from retail and wholesale sales of electricity. Total expenses shall include all operating expenses, program expenses and contributions to reserve funds. Any year-end surplus will be used to maintain reserve levels. Any decrease in revenues and/or increase in expenditures that causes the budget to become imbalanced will require an amended budget. The CFO shall prepare a proposed amended budget and submit it to the Board for approval.

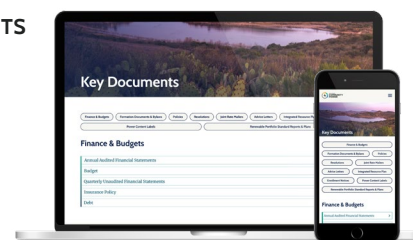
Community Power also maintains several policies posted to its [Key Documents](#) page on its website that provide further fiscal guidance.

- [Budget Policy](#)
- [Financial Reserves Policy](#)
- [Rate Stabilization Reserve Policy](#)
- [Non-Energy Procurement Policy](#)
- [Debt Policy](#)
- [Investment Policy](#)
- [Rate Development Policy](#)

Other related policies that may directly affect Community Power's finances include:

- [Energy Risk Management Policy](#)
- [Delegated Contract and Signature Authority Policy](#)
- [Total Compensation Policy](#)
- [Board and Committee Compensation and Reimbursement Policy](#)
- [Net Energy Metering \(NEM\) Policy](#)
- [Net Billing Tariff Aggregation Policy](#)
- [Sponsorship Policy](#)
- [Renewable Energy Self-Generation Bill Credit Transfer \(RES-BCT\) Tariff](#)
- [Collections and Delinquent Accounts Handling Policy](#)
- [Community Clean Energy Grant Program Policy](#)
- [Net Billing Tariff Policy](#)

FIGURE 11. KEY DOCUMENTS PAGE ON WEBSITE



Budget Structure

Community Power’s basis for budgeting is the accrual method. This means planning that includes revenues and expenses in the budget of the year in which the underlying economic events are expected to occur, not necessarily in the year in which the related cash is expected to be received or paid.

Community Power’s basis of accounting, similarly, in its financial statements, is as an enterprise fund under the economic resources measurement focus and accrual basis of accounting, in accordance with Generally Accepted Accounting Principles (GAAP) for proprietary funds, as prescribed by the Governmental Accounting Standards Board (GASB).

Department Hierarchy

Community Power’s budget is developed as a line-item budget and is organized by department to indicate the agency’s organizational responsibility.

FIGURE 12. BUDGET STRUCTURE – DEPARTMENT HIERARCHY

DEPARTMENT
Executive
Finance
Power Services
Legal
Operations
Customer Operations
IT and Data Analytics
Public Affairs
Programs
Regulatory and Legislative Affairs
Human Resources and Administration

Budget Level Hierarchy

Additionally, and separately, the budget is organized by budget levels to sort expenses into relevant, related categories.

1. Operating Revenues

Allow for revenues from completed sales of electricity to customers. Assumptions include an overall 5% opt-out rate.

2. Operating Expenses

Fall into five Budget Level 2 categories: cost of energy, personnel costs, professional services and consultants, strategic communications and community outreach, and general and administration.

- I. **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.
- II. **Personnel** — Includes salaries, payroll taxes, benefits, and excused absences 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.
- III. **Professional Services and Consultants** — Includes the following:
 - a. **Legal/Regulatory Services** — Community Power retains outside legal counsel to assist with complex legal and regulatory matters. This line item will also allow for the retention of a state lobbyist to support Community Power’s legislative and regulatory efforts.
 - b. **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 these 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 performing portions of this service in-house.
 - c. **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 whether these services are more cost-effective or efficient to bring in-house. As in-house functions are expanded, Community

Power expects a reduction in the related professional services support areas.

- d. **SDG&E Service Fees** — These fees paid to SDG&E consist of a fixed fee charge 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. Numerous small fees are also associated with data requests.
- e. **Data Management** — This broad scope of services 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.

IV. Strategic Communications and Outreach —

Involves promoting Community Power services and engaging with the community through campaigns, public relations, events and educational programs to increase awareness, drive customer enrollment and build positive relationships. It also includes outreach to underserved communities to ensure equitable access to Community Power's clean, renewable energy services.

- V. **General and Administration** — Includes leasing office space, industry fees or memberships (for example, 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.

3. Non-Operating Expenses

Represents 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 (such as letter of credit issuance fees, renewal fees, etc.). Non-operating revenue included in this category represents interest income earned on cash reserves.

4. Capital Investment Plan (CIP)

Community Power's budget also includes non-operating expenses related to the 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.

FIGURE 13. BUDGET STRUCTURE — BUDGET LEVEL HIERARCHY

FUNDS	BUDGET LEVEL 1	BUDGET LEVEL 2	BUDGET LEVEL 3
Operating Fund	Revenue	Gross Ratepayer Revenues	Gross Ratepayer Revenues
Operating Fund	Revenue	(Less 1.5% Uncollectible Customer Accounts)	(Less 1.5% Uncollectible Customer Accounts)
Operating Fund	Operating Expenses	Cost of Energy	Cost of Energy
Operating Fund	Operating Expenses	Personnel Costs	Salaries
Operating Fund	Operating Expenses	Personnel Costs	Benefits (retirement/health)
Operating Fund	Operating Expenses	Personnel Costs	Payroll Taxes
Operating Fund	Operating Expenses	Personnel Costs	Accrued PTO
Operating Fund	Operating Expenses	Professional Services and Consultants	Legal/Regulatory
Operating Fund	Operating Expenses	Professional Services and Consultants	Technical Support
Operating Fund	Operating Expenses	Professional Services and Consultants	Programs Consultant
Operating Fund	Operating Expenses	Professional Services and Consultants	Other Services
Operating Fund	Operating Expenses	Professional Services and Consultants	SDG&E Fees
Operating Fund	Operating Expenses	Professional Services and Consultants	Data Management
Operating Fund	Operating Expenses	Professional Services and Consultants	Contingency
Operating Fund	Operating Expenses	Professional Services and Consultants	Communications Consultants
Operating Fund	Operating Expenses	Professional Services and Consultants	Printing
Operating Fund	Operating Expenses	Professional Service and Consultants	Sponsorships/Local Memberships
Operating Fund	Operating Expenses	Strategic Communications and Outreach	CalCCA Dues
Operating Fund	Non-Operating Expenses	Strategic Communications and Outreach	Insurance
Transfer Out	CIP	Strategic Communications and Outreach	Rent
		Strategic Communications and Outreach	Other General and Administration
		General and Administration	Programs
		General and Administration	Interest and Related Expenses
		General and Administration	CIP
		General and Administration	
		Programs	
		Debt Service	
		CIP	

Fund Structure

A fund is defined as a separate accounting entity with a self-balancing set of accounts recording cash and other financial resources together with related liabilities. Each fund was established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions or limitations. Community Power has two types of funds:

1. Operating Fund – Accounts for activities that are supported by ratepayer funds. All of Community Power’s general operating activities are included in the Operating Fund, which functions very similarly to the enterprise fund of a city or county. The Operating Fund is Community Power’s primary fund and is considered an annual fund in which all unused funds at the end of a fiscal year revert to the agency’s fund balance.

The Operating Fund’s primary source of funding is from ratepayers and may also include nonoperating investment income. Community Power strongly believes in maintaining a structurally balanced budget in which all ongoing operating activities are supported only by stable, ongoing revenue, such as ratepayer funding.

Community Power offers four service levels to its customers that, taken together, ultimately comprise the source of ratepayer funds for the agency:

- 1. PowerBase**, our most affordable service option, with a renewable content that is intended to meet or exceed SDG&E’s whenever possible and provides customers with a 10% discount compared with SDG&E’s rates.
- 2. PowerOn**, our standard service offering that provides 53% renewable power and offers a 4% discount compared with SDG&E’s rates.
- 3. Power100**, our premium service that provides customers with 100% renewable energy. It is currently priced at an additional \$0.01/kWh more than PowerOn.
- 4. Powe100 Green+**, is our stand-alone 100% renewable and carbon-free service that is Green-e® Certified, available only to commercial and industrial customers. It is currently priced at \$0.02/kWh more than PowerOn.

2. Continuing Fund – accounts for one-time activities in Community Power’s Capital Investment Plan and is supported by one-time funds. As a continuing fund, all unused funds at the end of the fiscal year continue to the next fiscal year. This fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for governmental capital assets or other one-time efforts.

Community Power’s Continuing Fund is composed of these revenue sources:

- **Community Power Operating Transfers** – Through the annual budget process, the Community Power Board may approve an appropriation of funds to be transferred out of the operating budget and transferred into the CIP. These funds will remain in a Community Power continuing fund for use across multiple fiscal years, since CIP projects generally last longer than one year.
- **California Public Utilities Commission (CPUC) DAC-GT** – The Disadvantaged Communities Green Tariff (DAC-GT) program enables income-qualified residential customers in DACs who may be unable to install solar on their roof to benefit from utility-scale clean energy and receive a 20% bill discount. Funding originates from state Greenhouse Gas (GHG) Auction Proceeds and Public Purpose Program funds.
- **CPUC Regional Energy Network (REN)** – Public Purpose Program Surcharge funds are available for RENs. On August 7, 2024, the CPUC issued Decision 24-08-003, approving and authorizing Community Power’s San Diego Regional Energy Network (SDREN) as a new Energy Efficiency Portfolio Administrator. This decision approved Community Power’s application in its entirety, including 2024–2027 energy savings goals and funding, as well as a 2024–2031 Strategic Business Plan. SDREN will offer 10 energy-efficiency programs across San Diego County. These programs will be available regardless of service provider and will focus on achieving energy savings, reducing emissions, enhancing grid reliability and educating customers on how to reduce energy usage.
- **California Energy Commission (CEC) Equitable Building Decarbonization** – The Equitable Building Decarbonization (EBD) Direct Install program is a statewide initiative that offers no-cost installation of electric appliances, energy efficiency measures, basic health and safety improvements and electrical panel upgrades to income-qualified customers in identified communities. It is overseen by the CEC and administered by the County of Los Angeles in the Southern California region.

FIGURE 14. COMMUNITY POWER'S RATE PRODUCTS



FY 2026–2027 Budget Principles

FIGURE 15. BUDGET PRINCIPLES



Fiscal Responsibility

Maintain a **fiscally responsible budget** in accordance with Community Power Budget Policy.



Sufficient Funding

Ensure **sufficient funding** to meet procurement needs, sustain operational needs and support sustained growth while delivering clean energy to the communities we serve.



Build Community Power Reserves

Build Community Power reserves and develop policies that consider future economic conditions.



Understandable and Transparent

Provide an **understandable and transparent** operating budget for internal and external users.



People and Community

Develop a budget that will ultimately **prioritize people** and our **communities**.



Informed

Keep the Community Power Board of Directors and staff informed of Community Power's fiscal condition.



05

Budget Overview

Budget Overview

Budget in Brief

The Proposed 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 in 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 Proposed FY 2026–2027 Operating Budget, therefore, reflects the lower cost of energy assumptions due to the ability to close open energy positions at reduced prices and lower projected renewable prices under the Voluntary Allocation, Market Offer (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 MPB 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 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 managing staffing levels. In FY 2026–2027, Community Power is expected to have a generally comparable operating budget and staffing levels compared with its peer Community Choice Aggregators (CCAs) of similar customer and load size, while supporting a broader portfolio of customer programs and strategic initiatives.



8.3M MWh
Retail load represented in FY 2026–2027
Full enrollment, Phases 1–4

\$71.4M
Overall CIP project portfolio for the fiscal year
Includes external funding sources

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 multiyear 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.

Proposed Operating Budget

The Community Power Proposed FY 2026–2027 Budget is presented in further detail in the following pages. The figure below summarizes the revenue and expense budgets proposed for FY 2026–2027 in comparison with the FY 2024–2025 and FY 2025–2026 Amended Budgets.

FIGURE 16. PROPOSED OPERATING BUDGET OVERVIEW*

	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
Cost of Energy	1,116.8	969.9	872.3
Non-Energy Costs	50.8	50.0	55.7
Subtotal Operating Expense	1,167.6	1,019.9	928.1
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
Total Expenses	1,187.1	1,025.0	914.9
Net Position	34.2	150.4	3.9

*Amounts displayed in millions of dollars

Operating Revenue

San Diego Community Power operates as a Joint Powers Authority (JPA), providing clean energy to residents and businesses in its service area. Revenue is generated primarily through electricity sales, with a core financial principle of maintaining a balanced budget. This requires electricity sales revenue to cover power generation costs — especially from renewable sources — and operational expenses. Financial sustainability is also pursued through strategies like building reserves.

As a JPA, Community Power functions under distinct governing principles, unlike investor-owned utilities. Its primary goal is to deliver affordable, renewable power to diverse customers, ranging from large commercial and industrial entities to individual residential customers, including those with financial constraints. Affordability for our communities is highly valued, significantly shaping operational and rate-setting decisions.

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 (that is to say, 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 with 1.75% in the prior fiscal year.
- Rates that were set and approved by the Board on April 23, 2026, for the period from May 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 May 1, 2026, to December 31, 2026.
- Generation rates are projected to decrease 15% to 20% between calendar years 2026 and 2027 and, in the FY 2026–2027 Draft Budget, for the period from January 1, 2027, to June 30, 2027.
- PCIA is expected to increase 25% to 55% between calendar year 2026 and 2027 and, in the FY 2026–2027 Proposed 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 with PowerOn.
- Any further rate changes, including mid-year changes, are subject to Board discretion and approval.

The following table summarizes the revenues for FY 2026–2027 Proposed Budget compared with the FY 2024–2025 and FY 2025–2026 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.

Figure 17 summarizes the revenues for the FY 2024–2025 Amended Budget, FY 2025–2026 Amended Budget and Proposed FY 2026–2027 Proposed Operating Budget.

FIGURE 17. OPERATING REVENUE BY BUDGET LEVEL 2*

	FY25 Amended	FY26 Amended	FY27 Proposed
Gross Ratepayer Revenues	1,243.0	1,194.8	932.8
(Uncollectible Customer Accounts; FY25 and FY26 Less 1.75%, FY27 Less 1.5%)	(21.8)	(19.4)	(14.0)
Net Operating Revenues	1,221.3	1,175.4	918.8

*Amounts displayed in millions of dollars

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, strategic communication and outreach, and general and administration.

Figure 18, below, summarizes the expenses for the FY 2024–2025 Amended Budget, FY 2025–2026 Amended Operating Budget and Proposed FY 2026–2027 Proposed Operating Budget.

FIGURE 18. OPERATING EXPENSES BY BUDGET LEVEL 2*

	FY25 Amended	FY26 Amended	FY27 Proposed
Cost of Energy	1,116.8	969.9	872.3
Professional Services and Consultants	24.3	23.4	23.8
Personnel Costs	18.6	19.6	23.4
Strategic Communications and Outreach	3.0	2.3	2.4
General and Administration	4.9	4.7	6.1
Programs	0.0	0.0	0.0
Subtotal Operating Expenses	1,167.6	1,019.9	928.1
Interest Income	0.0	(18.3)	(23.1)
Interest and Related Expenses	1.3	1.5	1.9
Capital Investment Program (Transfer Out)	18.2	21.9	8.0
Total Expenses	1,187.1	1,025.0	914.9

*Amounts displayed in millions of dollars

Operating Expenses by Department

Figure 19, below, summarizes the Proposed FY 2026–2027 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 its expenses.

FIGURE 19. OPERATING EXPENSES BY DEPARTMENT*

	FY25 Amended	FY26 Amended	FY27 Proposed
Power Services	1,118.9	972.0	875.2
Operations	20.6	20.9	23.6
Customer Operations	19.3	18.5	17.2
Finance	2.1	2.8	5.0
Public Affairs	1.8	1.7	1.8
IT and Data Analytics	1.4	1.5	2.0
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	1.3
Programs	0	0	0
Executive Team	0.2	0.1	0.4
Total Expenses	1,167.6	1,019.9	928.1

*Amounts displayed in millions of dollars

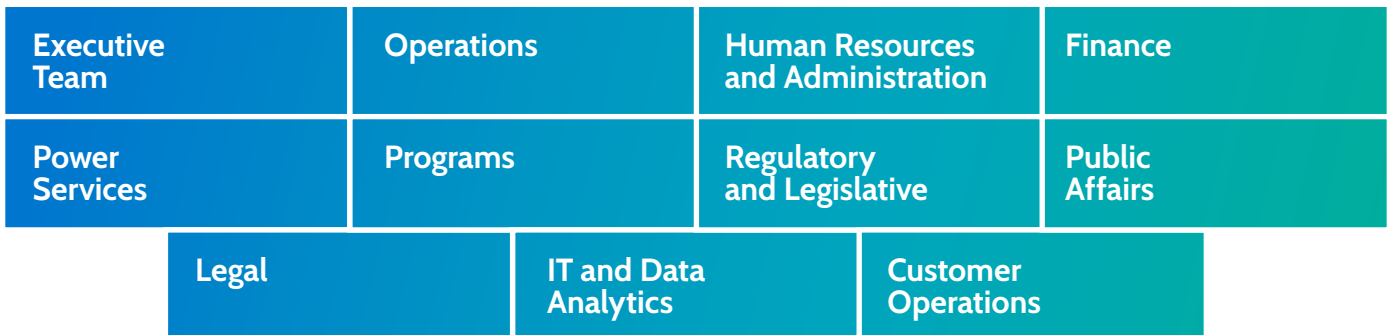
Personnel by Department

Figure 20 below summarizes the projected personnel for the Proposed FY 2026–2027 Operating Budget and the full-time equivalent (FTE) personnel in the FY 2024–2025 and FY 2025–2026 Amended Operating Budgets. While personnel may be authorized, the positions may not be filled. Detailed information showing filled positions and proposed FTE transfers by department is included in the following personnel by department section below. The personnel budget is included within Operations.

FIGURE 20. PERSONNEL BY DEPARTMENT

	FY25 Amended	FY26 Amended	FY27 Proposed
Operating Fund			
Power Services	16	15	16
Executive	5	5	5
Public Affairs	12	11	14
Programs	12	16	16
Finance	9	13	13
Customer Operations	8	6	8
Operations	5	6	5
IT and Data Analytics	9	16	13
Regulatory and Legislative Affairs	5	5	5
Human Resources and Administration	4	7	8
Legal	2	3	3
Total FTEs	87	103	106
External Funding (CIP)			
Programs	3.8	5	7
Regulatory Affairs	0.5	0.7	0.7
Finance	1	1	2
Public Affairs	1	1	3
Power Services	-	0.3	0.3
Subtotal External Funding FTEs	6.3	8	13
Net Operating FTEs	80.7	95	93

FIGURE 21. COMMUNITY POWER DEPARTMENTS



Capital Budget

The CIP for FYs 2027–2031 outlines the agency’s individual capital projects, major equipment purchases and major programs 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 Proposed FY 2026–2027 Capital Budget totals \$71.4 million, and the Proposed 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 a 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 Proposed FY 2026–2027 Capital Budget includes

\$63.1 million for the San Diego Regional Energy Network (SDREN), recoverable through the California Public Utilities Commission, that was authorized by the Board in January 2025. Specifically, in January 2025, the Board approved, accepted and appropriated \$124.3 million in funds for SDREN, and \$63.1 million of these previously authorized funds are expected to be expended in FY 2026–2027, as noted in the figure below.

The Proposed 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.

FIGURE 22. FY 2026–2027 CAPITAL BUDGET OVERVIEW*

	Carryforward ¹	FY27 Authorized Budget	FY27 Proposed Appropriation
Operating Transfer Out	18.4	-	8.0
Regional Energy Network ²	-	63.1	-
DAC-GT	0.3	0.3	-
Equitable Building Decarbonization	1.4	-	-
Planning and Studies	0.7	-	-
CIP Revenue	20.6	63.4	8.0

*Amounts displayed in millions of dollars

¹ The carryforward amount reflects actual financial data through February 28, 2026.

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

² The Regional Energy Network was fully appropriated for \$124M in January 2025 for Calendar Years 2024–2027. It is reflected in this table as anticipated spending by fiscal year.

FIGURE 23. FY 2027–2031 CIP PROGRAMS AND PROJECTS*

	Beginning Balance	Expenses	Carryforward ¹	5-Year Budget					
	FY26	FY26	FY26	FY27	FY28	FY29	FY30	FY31	Total
External Funding									
Regional Energy Network ^[2]	15.9	15.9	-	63.1	51.4	42.0	43.7	45.5	245.7
DAC-GT	0.5	0.2	0.3	0.3	-	-	-	-	0.6
Equitable Building Decarbonization	1.4	-	1.4	-	-	-	-	-	1.4
Planning and Studies	0.7	-	0.7	-	-	-	-	-	0.7
Subtotal	18.5	16.1	2.4	63.4	51.4	42.0	43.7	45.5	248.4
Internal Funding									
Solar Battery Savings	21.9	11.1	10.8	3.5	10.4	8.3	8.5	7.6	49.1
Pilot Programs	2.3	0.5	2.0	2.5	-	-	-	-	4.5
Grants	1.5	0.2	1.3	-	-	-	-	-	1.3
Flexible Load	0.6	0.1	0.5	1.5	-	-	-	-	2.0
IT Projects	3.7	0.5	3.2	0.2	-	-	-	-	3.4
Planning and Studies	0.3	-	0.3	0.3	-	-	-	-	0.6
Application Assistance	0.3	-	0.3	-	0.3	-	-	0.3	0.9
Subtotal	30.6	12.4	18.4	8.0	10.7	8.3	8.5	7.9	61.8
CIP Expense Total	49.1	28.5	20.8	71.4	62.1	50.3	52.2	53.4	310.2

*Amounts displayed in millions of dollars

¹ The carryforward amount reflects actual financial data through February 28, 2026.

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

² The Regional Energy Network was fully appropriated for \$124M in January 2025 for Calendar Years 2024–2027. It is reflected in this table as anticipated spending by fiscal year.



06

Capital Investment Plan

About the CIP

The Community Power Fiscal Year 2027–2031 Capital Investment Plan (CIP) includes 10 investment categories that will receive funding during the five-year period, totaling \$310.8 million in investments across San Diego County. More detail can be found in the companion FY 2027–2031 Capital Investment Plan book.

The Proposed 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. The draft operating contribution supports the following investments:



\$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 participating in battery discharges during on-peak dispatch windows to maximize benefits for the customer and the grid.



\$2.5 million, Customer Pilot Programs — Pilot programs are small-scale, short-duration projects (6–18 months) that can provide Community Power and stakeholders data on program design, technology acceptance and other information helpful for broader program delivery. Pilot programs support Community Power staff's ability to design and implement programs properly and efficiently. Additionally, pilot programs can cover all customer segments and a variety of technologies or activities, including managed charging for electric vehicles and 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.



\$0.3 million, EV Load Growth Study — The Regional EV Load Analysis will forecast how growing EV adoption can impact electricity demand across Community Power's service territory, including hourly load profiles, adoption scenarios and geographic variation. It will evaluate how different charging behaviors — especially unmanaged vs. managed charging — affect load shape, peak demand and system risks, with a focus on strategies (for example, time-of-use rates or managed charging) that can shift or mitigate EV-related peaks. Overall, the study aims to provide insights that support long-term planning, helping Community Power understand both the risks and opportunities of transportation electrification for load forecasting, Resource Adequacy and program design.



\$0.2 million, IT Projects — Focused on Community Power’s commitment to fiscal stewardship and operational scaling, this project funds the optimization and expanded rollout of the agency’s central Enterprise Resource Planning (ERP) platform. While Phase 1 successfully established core budgeting functionalities, Phase 2 is being considered for strategic rescoping to prioritize immediate agency-wide operational controls and financial efficiencies. Once deployed, this phase will streamline cross-departmental workflows, enhance internal financial controls and automate routine processes. This targeted optimization ensures the finance, non-energy procurement team and broader agency possess the scalable infrastructure required to support expanding community programs and minimize administrative overhead.

This CIP continues Community Power’s commitment to plan and finance programs and projects that align with community and organizational priorities. The programs and projects compose a list that gives Community Power the confidence to target a core set of investment types that focus on community needs. It also provides Community Power the flexibility to co-design programs with community partners and to be responsive to external funding opportunities as they emerge.

This plan is not a final or absolute list of funded projects, and projects may not have funding identified. Each funded and

partially funded project identifies a potential source of funding, but this does not necessarily indicate that the project has been funded. As design requirements, budgets and priorities change, the planned projects may also move within the plan or drop out entirely.

Likewise, this list is not all-inclusive. Unexpected requirements often require adjustments in the design and execution process. Projects, programs and funding are also subject to Board approval, consistent with the JPA and the agency’s internal policies and programs.

CIP Development Process

Community Power will update the CIP annually during its budget development process. Programs and projects are included in the CIP based on community engagement and alignment with Community Power’s strategic goals.

The capital budget and the CIP undergo a public outreach process comprising a wide range of stakeholder groups. Additionally, the CIP is a dynamic document intended to be updated regularly as needs shift or fund availability changes. All subsequent updates to the CIP will be brought to the Community Power Board for approval.

FIGURE 24. CIP DEVELOPMENT PROCESS



Operational Impact of Capital Projects

Projects outlined in Community Power’s CIP and Budget are generally designed to address the needs of existing assets while enabling the organization to scale its operational capabilities. These investments are not expected to significantly increase ongoing operating costs. However, when a project has a significant operational impact, associated costs are incorporated into Community Power’s Five-Year Financial Plan and reflected in the annual budget process. Additionally, staffing, facility operations, equipment maintenance and other related costs are reviewed and approved through the annual budget process and are reflected in the “Budget by Department” section under the sponsoring department.

Capital improvements represent strategic investments to enhance Community Power’s technology, systems and organizational infrastructure. While these improvements continue to support upgrades to physical assets and equipment, they are increasingly focused on strengthening the organization’s internal systems and processes to support long-term operational efficiency. As Community Power continues to mature, capital projects are shifting from building foundational capabilities to integrating and optimizing those systems across the organization for the long term.

Several projects led by the IT and Data Analytics Department, in coordination with Finance, Power Services and Customer Operations, are central to these efforts. These investments support a more connected and data-driven operating environment while also improving efficiency, reducing manual processes and enabling the organization to scale its operations. Key areas of operational impact include the following:

Enterprise Data Integration and Accessibility — Community Power continues to expand its enterprise data platform by integrating data from internal systems and external partners. This includes critical operational and financial data used across forecasting, rate design, customer programs and accounting. By consolidating these data sources into a centralized platform, the organization can improve data accessibility, reduce duplication of effort and support more consistent decision-making across departments.

Advanced Analytics and Insights — Building on its data infrastructure, Community Power is expanding its use of advanced analytics and platforms to enhance operational performance. These capabilities support improved load forecasting, financial planning and program evaluation while enabling staff to identify trends and proactively address operational challenges. By increasing automation and analytical capacity, these investments reduce reliance on manual processes and improve overall efficiency.

Energy Trading and Risk Management Systems — Capital investments in energy trading and risk management systems strengthen the organization's ability to monitor and manage its financial and market positions. These systems support improved project tracking, coordination and visibility into project timelines, helping to strengthen project implementation across the agency. As a result, Community Power can improve risk management practices, reduce operational complexity and support more informed financial decision-making.

Customer Operations and Billing System Enhancements — Investments in customer operations systems focus on improving billing accuracy, customer communication and overall service delivery. These enhancements streamline customer-facing processes, reduce the need for manual corrections and support greater operational efficiency. In addition, improvements in system integration help reduce reliance on external vendors, resulting in ongoing cost savings while enhancing the customer experience.

Project Management and Workflow Optimization — Implementing project management and workflow tools allows for more effective coordination across departments and improves project tracking and execution. These systems provide greater transparency into project timelines, resource allocation and performance, helping to standardize processes and reduce inefficiencies. As the organization continues to grow, these tools enable more consistent execution of strategic initiatives and strengthen overall organizational effectiveness.

Cybersecurity and System Resilience — As Community Power's reliance on digital systems continues to increase, capital investments in cybersecurity and IT infrastructure are essential to maintaining secure and reliable operations. These investments protect critical data and improve the security and reliability of critical systems as the organization continues to expand its digital infrastructure.



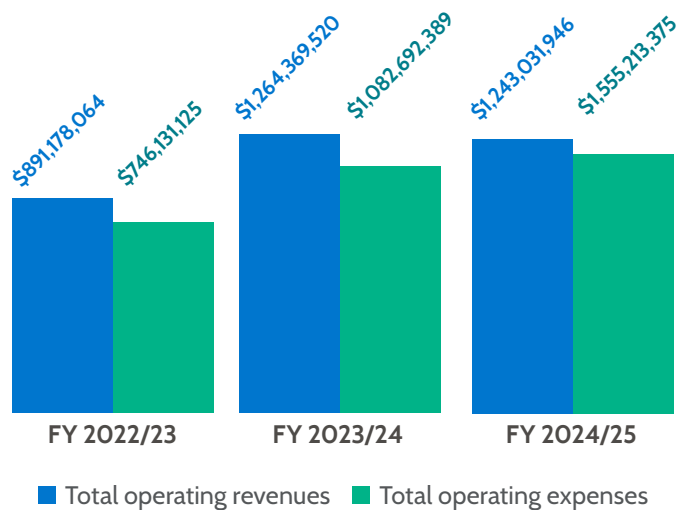
Multiyear Trends

This section presents a multiyear financial trend report for Community Power, reviewing the actuals from FYs 2022–2023, 2023–2024 and 2024–2025 and the FY 2025–2026 Amended Budget. The report includes visualizations that illustrate key financial trends and variances, providing a clear and comprehensive picture of the organization’s fiscal trajectory over the past three years. By examining these figures, Community Power can gain insights into revenue patterns, expenditure changes and overall financial stability. This analysis is essential for understanding how past financial outcomes align with future budgetary goals, ensuring effective financial planning and management.

Community Power has experienced substantial growth in both operating revenues and expenditures since the agency’s inception in October 2019 through FY 2023–2024. In FY 2021–2022, Community Power’s operating revenues were \$386 million, increasing to \$891 million in FY 2022–2023, and further rising to \$1.2 billion in FY 2023–2024. This growth was primarily driven by expanding electricity sales and an increased customer base as Community Power finished enrollment of customers from its member jurisdictions. Concurrently, operating expenses have also escalated, from \$329 million in FY 2021–2022 to \$746 million in FY 2022–2023, and reaching \$1.083 billion in FY 2023–2024, reflecting higher costs associated with electricity procurement and use of contract services, similarly fueled by expanding electricity sales and an increased customer base. Despite these

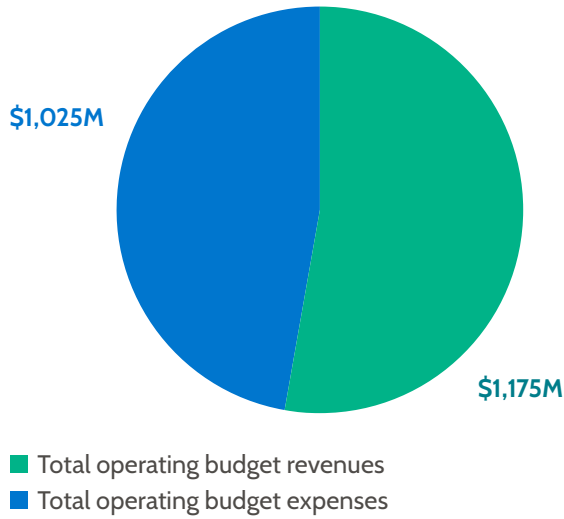
rising costs, Community Power has consistently maintained a positive operating income, indicating effective financial management and strategic planning. The FY 2025–2026 Amended Budget continued growth and stability, ensuring Community Power’s ability to meet its operational goals and effectively serve the community. Since FY 2023–2024, Community Power has had stable electricity sales and a stable customer base as enrollment of customers from Community Power’s member jurisdictions has been completed. As a result, Community Power’s revenues and expenditures have similarly stabilized since FY 2023–2024.

FIGURE 25. OPERATING REVENUES VS. EXPENDITURES



	FY 2022/23	FY 2023/24	FY 2024/25
OPERATING REVENUES			
Electricity sales, net	\$891,178,064	\$1,252,787,768	\$1,239,973,471
Grant revenue	\$0	\$983,500	\$1,780,217
Liquidated damages	\$0	\$0	\$0
Other income	\$0	\$10,598,252	\$1,278,258
Total operating revenues	\$891,178,064	\$1,264,369,520	\$1,243,031,946
OPERATING EXPENSES			
Cost of electricity	\$720,327,704	\$1,047,553,476	\$1,101,545,238
Contract services	\$15,957,376	\$19,750,534	\$19,487,406
Staff compensation	\$6,726,270	\$11,399,388	\$17,159,242
Other operating expense	\$2,866,222	\$3,261,424	\$16,295,134
Depreciation and amortization	\$253,553	\$727,567	\$726,355
Total operating expenses	\$746,131,125	\$1,082,692,389	\$1,155,213,375
NET POSITION	\$145,046,939	\$181,677,131	\$87,818,571

FIGURE 26. OPERATING BUDGET*



Community Power’s FY 2024–2025 Amended Budget reflects the organization’s strong financial growth and stability observed in past fiscal years. The budget included total operating revenues of \$1.22 billion and total expenses of \$1.18 billion, maintaining a balanced approach similar to previous years. Revenue growth, driven by expanding electricity sales and an increasing customer base, aligns with the upward trend seen from FY 2021–2022 to FY 2023–2024. Increased costs in FY 2024–2025 are primarily due to higher electricity procurement expenses and investments in the CIP. Despite these rising costs, the positive net operating income highlights effective financial management and strategic planning.

	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
Cost of Energy	1,116.8	969.9	872.3
Non-Energy Costs	50.8	50.0	55.7
Subtotal Operating Expense	1,167.6	1,019.9	928.1
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
Total Expenses	1,187.1	1,025.0	914.9
Net Position	34.2	150.4	3.9

*Amounts displayed in millions of dollars

Long-Range Operating Financial Plan

Community Power uses a multiyear financial planning framework to evaluate the sustainability of the annual budget and to support decisions related to rates, reserves, liquidity, and enterprise risk. Because certain forward-looking inputs — such as power market conditions, procurement strategies, contracting positions and customer load assumptions — are commercially sensitive, the budget document presents the agency’s financial outlook at a high level rather than as detailed line-item forecasts.

As part of the annual budget process, management reviews updated revenue, expenditure, load, regulatory and market assumptions; evaluates multiple planning scenarios; and performs financial stress testing to assess financial resilience under changing conditions. This analysis informs budget development, reserve adequacy and risk management decisions and helps support alignment with Board-adopted financial policies and strategic objectives.

Key Assumptions and Financial Framework

The financial framework is based on a defined and regularly updated set of assumptions, including:

- Wholesale energy, capacity and renewable market conditions
- Customer load forecasts, including large-load growth
- Power supply portfolio composition and procurement strategy
- Retail rate competitiveness relative to incumbent utilities
- Regulatory frameworks, including Power Charge Indifference Adjustment (PCIA) and CPUC market benchmarks
- Board-adopted reserve and risk management policies

Community Power’s financial framework is anchored by its Financial Reserves Policy (Resolution No. 2025-23), which establishes:

- A minimum reserve threshold of 180 days cash on hand
- A target reserve level of 225 days cash on hand
- A maximum reserve level of 270 days cash on hand

In addition, the Board established a Rate Stabilization Reserve (RSR) (Resolution No. 2026-07) to manage rate volatility. The RSR represents up to 45 days cash on hand above the target reserve level and provides a dedicated mechanism to mitigate near-term financial and rate impacts.

Community Power evaluates long-range financial performance under multiple scenarios, including base-case conditions and Potential Future Exposure (PFE) stress-test scenarios, which assess reasonably foreseeable risks such as:

- Lower-than-forecast load
- Customer participation
- Volatility in wholesale energy markets and benchmark pricing

Across these scenarios, the financial framework is designed to maintain cost recovery, protect existing customers from cost shifting, and ensure compliance with reserve targets.

Relationship to Strategic Goals, Risk Management and the Budget Process

The multiyear financial planning framework is a central component of Community Power’s budget development, rate-setting and risk management processes. It ensures that near-term decisions are consistent with long-term financial sustainability and strategic objectives, including:

- Maintaining rate competitiveness relative to SDG&E bundled service
- Ensuring customer indifference and full cost recovery
- Preserving financial resilience through policy-compliant reserves and liquidity
- Supporting a disciplined and diversified power procurement strategy

As identified in the Community Power’s Quarterly Risk Oversight Committee (ROC) reports to the Finance and Risk Management Committee and as stated in the Board meeting in December 2025, the most significant financial risk to Community Power is volatility in Market Price Benchmarks (MPBs) and its direct impact on the PCIA. Changes in MPBs can materially affect both:

- PCIA charges applied to customers, and
- Competitive benchmark rates of the incumbent utility

Declining market price benchmarks can increase PCIA obligations while simultaneously lowering utility generation rates, creating downward pressure on net revenues and rate competitiveness. Community Power’s long-range financial plan explicitly incorporates this risk by modeling PFE stress-test scenarios that reflect benchmark volatility and its potential lagged impacts through PCIA true-ups.



07

Budget by Department

Budget by Department

Executive

Department Description: Mission and Services

The Executive team provides strategic leadership and direction for Community Power. Led by the chief executive officer and supported by the executive team, the department ensures alignment across departments, fosters an accountable and inclusive culture and drives implementation of the agency's strategic plan.

The Executive team represents Community Power in public forums, strengthens partnerships with member agencies, stakeholders and industry leaders, and guides internal systems that support effective operations. Through ongoing engagement with the Board of Directors, Community Advisory Committee and regional coalitions, the team builds trust and positions Community Power as a leading voice in California's clean energy transition.

The Executive budget includes funding for special projects to work with organizations on research, strategic planning and affordability efforts. These initiatives support policy development, advance organizational priorities and ensure Community Power remains responsive to emerging issues and opportunities.

FY 2025–2026 Department Highlights

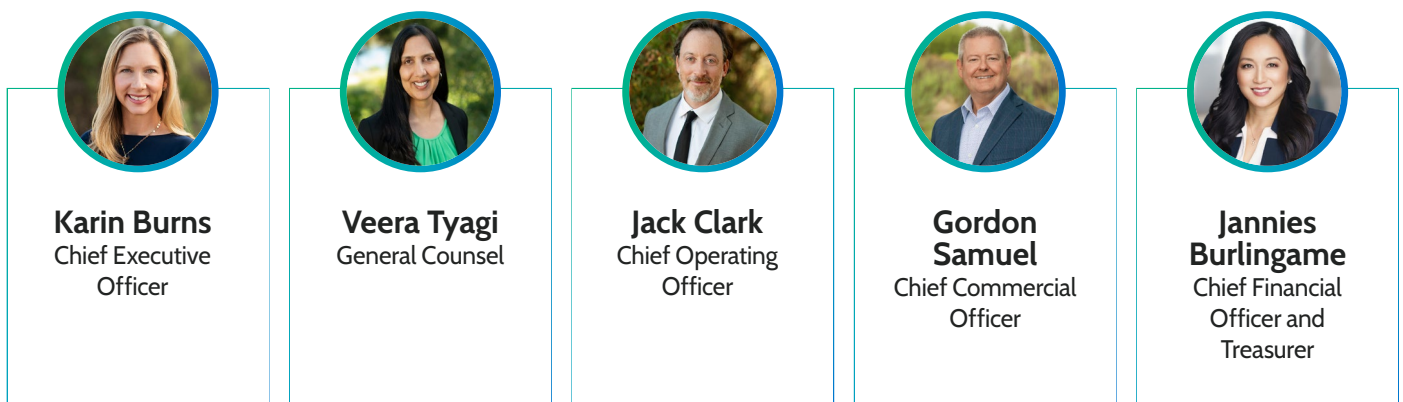
- Advanced implementation of the Strategic Plan by aligning organizational and departmental priorities, resources and performance expectations
- Strengthened Community Power's leadership position through continued engagement with CalCCA, industry boards and state policy forums
- Supported development of internal systems, training and culture initiatives to reinforce accountability, collaboration and performance
- Increased Community Power's visibility and thought leadership through external engagement with member agencies, policymakers and regional stakeholders

Key Performance Indicators (KPIs)

- Strategic goals aligned across departments (target: seven)
- Annual rate setting via public process (target: effective February 1)
- Reserve balance and days cash on hand (target: 180 days by FY 2028)
- Number of external events attended by executive staff (target: 60)

Department Organizational Structure

FIGURE 28. EXECUTIVE ORGANIZATIONAL STRUCTURE



Operations

Improving internal operations and alignment to support strategic execution

Department Description: Mission and Services

Operations is composed of several departments and divisions that ensure Community Power functions effectively and efficiently while advancing the agency’s strategic priorities. Led by the chief operating officer and supported by senior directors and project management staff, Operations drives internal coordination, strengthens alignment and operationalizes the strategic plan.

The group includes essential governance and organizational functions, including the Office of the Clerk of the Board, which manages Board and committee administration, agenda development, public meetings and records in accordance with applicable laws and transparency requirements. It also provides leadership for Human Resources and Administration, aligning workforce planning, organizational policies and day-to-day operations.

Operations includes the Office of Strategic Initiatives that advances cross-functional priorities tied to growth and long-term objectives. This work includes advancing local development, potential expansion into new member cities, coordination with local governments and oversight of the project management office.

Through these efforts, the group strengthens internal infrastructure, processes and governance to support efficient scaling, improve accountability and ensure alignment between agency priorities, departmental workplans and available resources.

FY 2025–2026 Operations Highlights

- Advanced the Project Management Office (PMO) by implementing standardized project charters, templates and governance processes, improving consistency, coordination and accountability across the organization
- Expanded agency-wide project tracking and utilization tools to improve transparency and understanding of staff capacity, timelines and cross-functional priorities, supporting more effective resource planning and execution
- Established the Office of Strategic Initiatives function in December to lead cross-functional efforts, which include shaping a local development strategy

FY 2026–2027 Priorities

- Continue to fully develop the PMO by strengthening project intake, prioritization, reporting and governance to improve execution and accountability across departments
- Advance strategic initiatives in support of local development efforts, potential expansion into new member communities and coordination with local governments
- Strengthen organizational alignment and efficiency by coordinating across departments, aligning workplans and resources with agency priorities and enhancing systems and processes to reduce manual work and support data-driven decisions
- Enhance governance and transparency through continued improvements in Board and committee processes, documentation and public engagement

Key Performance Indicators (KPIs)

- Compliance with governance and public meeting requirements (target: 100% compliance)
- Centralized, cross-functional project schedule and tracking systems (target: update quarterly)
- Project reviews with the Executive team to ensure strategic alignment (target: quarterly reviews)
- Utilization and capacity planning framework to support resource allocation and workload management (target: continuous improvement with annual assessment)

FIGURE 29. OPERATIONS POSITIONS

DEPARTMENT POSITIONS	FY26 Amended	FY27 Proposed
Operations	5.0	5.0

Department Organizational Structure

FIGURE 30. OPERATIONS ORGANIZATIONAL STRUCTURE



Power Services

Developing a clean energy portfolio that is reliable, affordable and increasingly renewable

Department Description: Mission and Services

The Power Services Department is responsible for managing Community Power’s energy procurement and delivery portfolio, ensuring that customers receive clean, reliable and competitively priced electricity. This includes all long- and short-term energy contracting, load forecasting, power scheduling, wholesale market participation, energy risk management and compliance with state regulatory mandates.

Under the leadership of the chief commercial officer, Power Services oversees competitive solicitations and negotiation of power purchase agreements (PPAs) and Energy Storage Service Agreements (ESSAs), working to meet state mandates and voluntary goals related to the Renewable Portfolio Standard (RPS) and Resource Adequacy (RA). The department also plays a key role in diversifying supply, expanding clean energy development and accelerating the build-out of local energy infrastructure, including distributed energy resources (DERs).

FY 2025–2026 Department Highlights

- Implemented Energy Trading Risk Management (ETRM) system and portfolio analytics partners to maximize the value of data and portfolio optimization
- Maintained energy hedging strategy to mitigate cost volatility and market exposure in FY 2026–2027 and beyond
- Remained nimble and engaged in a dynamic environment to maximize the value and viability of developing resources and to continue procurement of additional resources to ensure portfolio breadth and depth
- Marked the onboarding of several local projects, including Arrowleaf Solar and Storage project in Imperial County, the Border Hybrid Energy Center, Chula Vista Energy Center 2 and North Johnson Energy Center projects across San Diego County as well as the nation’s largest clean energy infrastructure project, the Sunzia wind project in New Mexico
- Continued contracting for and managing the development of long-term clean energy resources to meet Community Power’s 100% renewable energy goals
- Developed new workforce standards for new renewable energy and battery storage procurement agreements
- Supported two prepayment transactions to save customers a combined \$97.3 million over the next nine years

FY 2026–2027 Priorities

- Advance toward a 100% renewable energy portfolio by 2035 through the submission of the Integrated Resource Plan (IRP) filing, the Mid-Term Reliability (MTR) update and issuance of the 2026 All-Source Request for Offers (RFO) with a clear focus on Clean-Firm resources, and completion of long-term procurement scenario modeling to inform a phased and evolving strategy
- Bring online eight PPA/ESSAs for a total of 840 MW of generation and 668 MW of battery energy storage systems (BESS)
- Optimize portfolio to manage risk, cost and reliability objectives through risk management tools, sufficient staffing and staff training
- Clear focus and progress toward Power Service’s 150MW DER goal
- Gain deeper knowledge of SDG&E interconnection/deliverability viability and proactively engage in DER policy advocacy
- Ensure cost-effective compliance with RA and RPS requirements and all other state regulatory obligations
- Prioritize projects and partnerships that help create high-quality local jobs in the clean energy economy



Key Performance Indicators (KPIs)

- Maintain alignment with Community Power's energy risk management policy
- Ensure timely filing of all resource adequacy month-ahead filings as well as the year-ahead filing due in October 2026
- Submit IRP, RPS and Mid-Term Reliability updates
- Successfully on-board and implement new vendor tools: YES — ST load forecast; Ascend — asset optimization; Aspen — LT load forecast
- Launch the behind-the-meter (BTM) procurement initiative by December 31, 2026, in support of 150MW DER goal

FIGURE 31. POWER SERVICES POSITIONS

DEPARTMENT POSITIONS	FY26 Amended	FY27 Proposed
Power Services	15.0	16.0



Department Organizational Structure

FIGURE 32. POWER SERVICES ORGANIZATIONAL STRUCTURE



*Positions proposed in FY 2026–2027



Finance

Promoting long-term organizational sustainability through sound fiscal management and strategic investment

Department Description: Mission and Services

The Finance Department ensures the long-term fiscal health of Community Power through sound financial planning, risk management and transparency. The department manages budgeting, accounting, cash flow, reserves, audits, financial policy implementation and debt financing, including clean prepayment financing and fiscal compliance.

Finance supports the organization’s mission by maintaining strong financial controls, enabling informed decision-making and positioning the agency to invest in programs, infrastructure and operations that advance clean energy access and community benefits.

FY 2025–2026 Department Highlights

- Achieved an "A" rating from S&P in March 2026, placing Community Power among the top-rated Community Choice Aggregators in California
- Executed two prepayment bonds in FY 2025–2026
- Met the 180-day cash-on-hand goal in October 2025
- Built out risk management in FY 2025–2026 to actively develop and manage risk mitigation functions and processes
- Developed effective vendor management processes and brought consistency and visibility to solicitations through a centralized platform, PlanetBids, in May 2026
- Contributed \$80M toward Community Power’s reserve goal by end of FY 2025–2026

FY 2026–2027 Priorities

- Obtain authorization and execute (if feasible) three additional prepayment bond transactions to continue generating power cost savings
- Fund the Rate Stabilization Reserve for strategic use in maintaining cost competitiveness through market volatility
- Formalize and implement financial controls, policies and procedures across the organization
- Continue risk management enhancements with load forecasting capabilities and enterprise risk management framework
- Advance SDREN and Capital Improvement Program investments to support infrastructure growth
- Support fiscal stability through disciplined financial management during organizational expansion into new communities
- Complete Enterprise Resource Planning (ERP) system rollout, implementation milestones and performance dashboard deployment
- Strengthen cost controls across budgeting, cost management and procurement
- Establish procurement goals for local investment and vendor outreach to deliver local benefits to the San Diego region

Key Performance Indicators (KPIs)

- Achieve reserve balance and days cash-on-hand goal (target: 225 days by FY 2026–2027)
- Achieve rate stabilization reserve balance and days cash-on-hand goal (target: 45 days by FY 2026–2027)
- Number of clean energy prepay transactions executed and savings achieved
- Identify financial efficiencies by reviewing budget-to-actuals to maintain investment-grade credit rating

FIGURE 33. FINANCE POSITIONS

DEPARTMENT POSITIONS	FY26 Amended	FY27 Proposed
Finance	13.0	13.0

Department Organizational Structure

FIGURE 34. FINANCE ORGANIZATIONAL STRUCTURE



Customer Operations

Ensuring high customer satisfaction and retention through responsive service, affordability and clear communication

Department Description: Mission and Services

The Customer Operations Department supports customer satisfaction and retention by ensuring clear, timely and accurate billing, analyzing usage trends and delivering exceptional account management services. Under the guidance of the chief operating officer and leadership of the senior director of data analytics and customer operations, the team manages contact center operations, supports key accounts and provides analytical insights to guide revenue recognition, rate strategy, load forecasting, arrearage management and customer service enhancements.

The department plays a central role in delivering Community Power’s promise of clean, affordable energy through customer-focused strategies. It leads ongoing efforts to evolve rate strategy to ensure competitiveness, affordability and long-term fiscal sustainability while developing targeted customer strategies to increase retention and engagement.

The department also supports interagency coordination with SDG&E and Calpine to resolve billing issues that cause customer confusion and complaints, mitigate errors and improve the overall customer experience. In parallel, the team is evaluating opportunities to develop best-in-class customer service capabilities, including exploration of a potential energy advisor center, while maintaining the tools and insights that drive high customer retention, satisfaction and service engagement.

FY 2025–2026 Department Highlights

- Proactively developed 2026 rates to mitigate risk, offering Community Power customers the largest discount compared with SDG&E’s generation rates
- Collaborated with SDG&E to improve bill presentment and safeguard against split billing through My Energy Center updates
- Partnered with SDG&E and Calpine to improve billing accuracy and address customer concerns
- Oversaw more than \$20 million in vendor service contracts, including Calpine and SDG&E in 2025
- Continued enhancements to internal data tools to track opt actions, revenues and customer engagement
- Maintained a customer participation rate of more than 95% over the past three years

FY 2026–2027 Priorities

- Evolve rate strategy to ensure competitiveness, affordability and fiscal sustainability, including the exploration of demand flexibility rate design and an internal rates database
- Maintain high levels of customer satisfaction and education through Key Accounts and Customer Service Center
- Launch the Commercial Energy Assistance Program (CEAP) through Key Accounts
- Resolve outstanding billing and communication issues with SDG&E and continue to advocate against split billing as a threat to customer satisfaction
- Develop a large load and data center framework and tariff
- Implement measures to reduce customer arrearages and improve long-term account health
- Support contact center training and performance monitoring for consistent, high-quality service

Key Performance Indicators (KPIs)

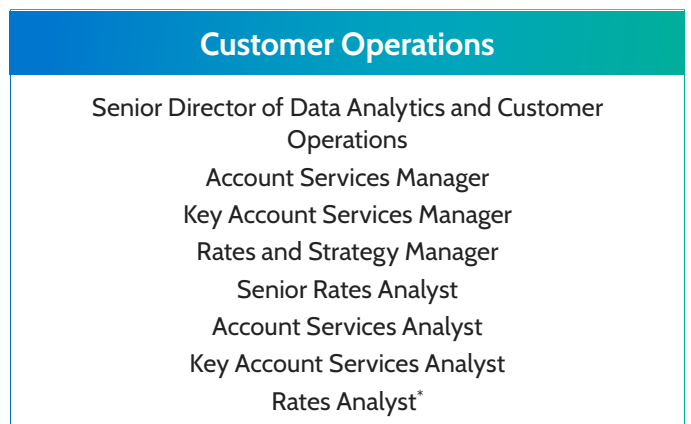
- Customer retention rate (target: 90%+)
- Billing accuracy and timeliness (target: 99.99%)
- Customer satisfaction score via surveys (target: score 9/10)
- Successful roll-out of the Commercial Energy Assistance Program (CEAP) (target: \$5M+ in possible customer savings)
- Number of service enhancements implemented or piloted (target: 2–3 new initiatives in FY 2026–2027)

FIGURE 35. CUSTOMER OPERATIONS POSITIONS

DEPARTMENT POSITIONS	FY26 Amended	FY27 Proposed
Customer Operations	7.0	8.0

Department Organizational Structure

FIGURE 36. CUSTOMER OPERATIONS ORGANIZATIONAL STRUCTURE



*Positions proposed in FY 2026–2027

IT and Data Analytics

Creating a secure and efficient environment that supports collaboration and innovation

Department Description: Mission and Services

The IT and Data Analytics Department empowers Community Power through secure, scalable and modern digital infrastructure. Led by the associate director of IT and Data Analytics, the department manages enterprise systems, data, analytics and cybersecurity.

The department ensures system reliability and operational continuity through secure, resilient and well-governed technology environments. It standardizes enterprise platforms and workflows to reduce fragmentation, improve efficiency and mitigate operational risk.

IT and Data Analytics develops centralized, cloud-based tools and governed data environments that enable real-time, data-informed decision-making across rate development, customer programs, communications and operations. These capabilities support performance tracking, planning and execution at all levels of the organization.

Through strong governance and accountability, the department establishes policies and controls for data, AI, cybersecurity and technology use. These efforts balance innovation with compliance and public trust while positioning the organization to scale effectively as programs expand and complexity increases.

FY 2025–2026 Department Highlights

- Strengthened system reliability, cybersecurity and vendor oversight through improved monitoring, incident response and standardized controls
- Standardized enterprise platforms and workflows, reducing duplicative tools and manual processes across departments
- Expanded enterprise analytics and reporting by advancing data platform integration and delivering consistent dashboards aligned to organizational KPIs
- Established data and AI governance frameworks, including data classification, defined ownership and accountability and policy guardrails

FY 2026–2027 Priorities

- Expand analytics capabilities to support strategic decision-making, including self-service analytics, predictive insights and executive reporting
- Strengthen cybersecurity and enterprise risk management through measurable, repeatable programs, training and compliance validation
- Modernize and integrate core systems to improve interoperability, reduce manual processes and support organizational scale
- Advance data governance and technology standards to ensure consistent, secure and compliant use of data, AI and enterprise tools
- Position IT and Data Analytics as a strategic enabler by supporting long-range planning, operational scalability and organizational readiness



Key Performance Indicators (KPIs)

- Percentage of critical enterprise systems meeting uptime and availability targets (target: $\geq 99.9\%$)
- Percentage of IT incidents resolved within service level agreement (SLA) (target: $\geq 98\%$)
- Percentage of critical vulnerabilities remediated within target timeframe (target: $\geq 95\%$)
- Percentage of critical retail operations data systems integrated into the enterprise data platform (target: $\geq 98\%$)
- Percentage of enterprise reports and dashboards sourced from governed data sets (target: $\geq 90\%$)
- Number of departments supported with internal analytics and reporting solutions (target: ≥ 4)
- Monthly active usage of priority dashboards and self-service analytics tools (target: year-over-year growth)
- Percentage reduction in duplicative tools and manual workflows in targeted business processes (target: annual improvement)
- Percentage of critical systems, data domains, and technology policies with assigned ownership and approved governance controls (target: $\geq 90\%$)

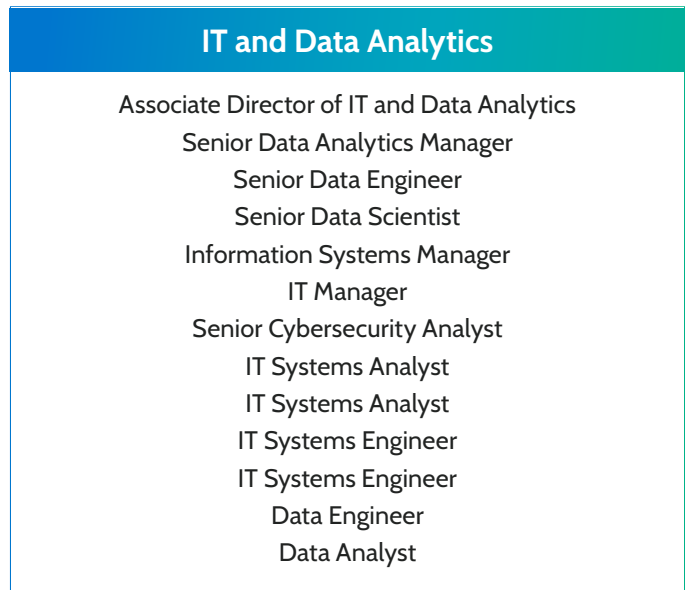
FIGURE 37. IT AND DATA ANALYTICS POSITIONS

DEPARTMENT POSITIONS	FY26 Amended	FY27 Proposed
IT and Data Analytics	13.0	13.0



Department Organizational Structure

FIGURE 38. IT AND DATA ANALYTICS ORGANIZATIONAL STRUCTURE



Public Affairs

Building a trusted public agency through strategic outreach, education and engagement

Department Description: Mission and Services

The Public Affairs Department connects Community Power with the people and communities it serves. Through strategic communications and engagement, the team builds awareness of Community Power's mission, programs and benefits while supporting transparency and trust in all public-facing materials.

Led by the senior director of public affairs and reporting to the chief operating officer, the department's community engagement and strategic communications and marketing teams work together to inform, educate and engage customers, stakeholders and community partners across the region.

Community engagement focuses on building relationships with residents, community-based organizations and local partners through direct outreach, events and programs. Strategic communications and marketing advances the agency's brand, messaging and public presence through marketing, media relations, partnerships and sponsorships, ensuring communication is clear, consistent and accessible.

The department also supports customer education, promotes participation in programs that help customers save energy and reduce costs, and provides communications support across the organization. It also manages the Community Advisory Committee (CAC) to ensure community perspectives and local priorities inform agency decisions.

FY 2025–2026 Department Highlights

- Completed a community-informed rebuild of the Community Power website, improving clarity for customers reviewing bills and service plans or seeking resources and programs
- Implemented a comprehensive brand refresh guided by community feedback, strengthening consistency and making Community Power more accessible and relatable for customers
- Developed the San Diego Regional Energy Network (SDREN) brand and website, establishing a unified identity and leading portfolio-wide marketing and communications for regional energy efficiency programs
- Expanded the Power Network of local nonprofits to support program outreach, strengthen community relationships and reinvest in the community
- Maintained strategic relationships with local governments, JPAs, trade associations, the energy industry ecosystem and key businesses through sponsorships, presence and collaborative projects
- Enhanced collaborative ties with the CAC and encouraged active participation through monthly meetings, tabling at events and networking activities
- Participated in 183 community outreach events in FY 2025–2026, resulting in approximately 16,000 unique interactions and nearly 650,000 impressions

FY 2026–2027 Priorities

- Develop and execute a targeted PowerBase campaign and general time-of-use rates education to increase customer awareness of service plans and opportunities to reduce energy costs
- Advance customer education efforts to improve understanding of electricity usage, rate structures and the availability of rebates, incentives and offers
- Expand community engagement initiatives, including the Power Network and the Community Clean Energy Grants, to deepen relationships with community-based organizations and local stakeholders
- Ensure consistency and alignment across all communications by continuing to transition materials to the updated brand and content standards
- Support agency-wide priorities by providing strategic communications, marketing and outreach support for programs, initiatives and policy efforts, including all SDREN programs
- Strengthen media relations and earned media opportunities to increase awareness of Community Power's impact, programs and progress



Key Performance Indicators (KPIs)

- Number of public events attended, hosted or sponsored (target: 200 annually)
- Information on PowerBase and Time-of-Use provided to CARE/FERA customers (target: 100% by the end of calendar year 2026)
- Enroll eligible customers in energy-reducing Flex Load programs (target: 75% by 2028)
- Number of press releases or earned media opportunities and placements (target: 12 annually)
- External-facing materials in alignment with updated brand and content standards (target: full alignment across public materials)

FIGURE 39. PUBLIC AFFAIRS POSITIONS*

DEPARTMENT POSITIONS	FY26 Amended	FY27 Proposed
Public Affairs	12.0	14.0

*3.0 positions will be externally funded in FY 2026–2027



Department Organizational Structure

FIGURE 40. PUBLIC AFFAIRS ORGANIZATIONAL STRUCTURE



*Positions proposed in FY 2026–2027



Programs

Implementing energy projects and programs that reduce emissions, align supply and demand, and deliver community benefits

Department Description: Mission and Services

The Programs Department designs and implements initiatives that reduce customer bills, increase energy resilience and expand access to clean energy. Under the guidance of the chief operating officer and the leadership of the senior director of programs, the team manages incentive programs, pilots and partnerships that serve residential, commercial and public agency customers across the region.

Program area focus and design are guided by Community Power's Community Power Plan (CPP), Climate Action Plans from member agencies, and state and federal policy. From residential battery incentives to electric vehicle-charging management, the department supports scalable, equitable decarbonization across sectors. The department works closely with community-based organizations, industry stakeholders and internal departments to ensure program design is equitable, effective and scalable.

The department also leads the launch and administration of the San Diego Regional Energy Network (SDREN) in partnership with the County of San Diego, a transformative, multiyear effort to deliver energy-efficiency and demand-side management programs across San Diego County.

FY 2025–2026 Department Highlights

- Oversaw full program launch for Solar Battery Savings residential program
- Secured implementors for all 10 SDREN programs and Equitable Building Decarbonization community partners
- Administered pilot projects to reduce peak load consumption via aggregated management of enrolled behind-the-meter customer devices, including smart thermostats and managed EV charging
- Released Request for Offers for Solar Advantage and continued work toward a Power Purchase Agreement
- Built the Distributed Energy Resources Management System (DERMS) platform and supported program infrastructure to scale the Virtual Power Plant (VPP) through Virtual Peaker

FY 2026–2027 Priorities

- Enhance and expand the Solar Battery Savings program
- Develop and launch the nonresidential Solar Battery Savings pilot program for commercial and other nonresidential customers
- Begin enrolling Solar Advantage customers and apply California Public Utility Commission-funded 20% bill discounts
- Continue demonstrating leadership and expertise in customer programs in and beyond Community Power's territory
- Develop a framework to evaluate the success of all programs and pilots
- Ensure customer access to SDREN programs and continue supporting program implementation



Key Performance Indicators (KPIs)

- Add additional capacity toward the 150 MW goal (target: 15 MW in 2026)
- Create a process to enroll at least 75% of eligible incentivized measures (target: enrollment by 2028)
- Achieve annual KPIs for the 10 SDREN programs (target: 2026)
- Direct funding to Communities of Concern (target: 50%)

FIGURE 41. PROGRAMS POSITIONS*

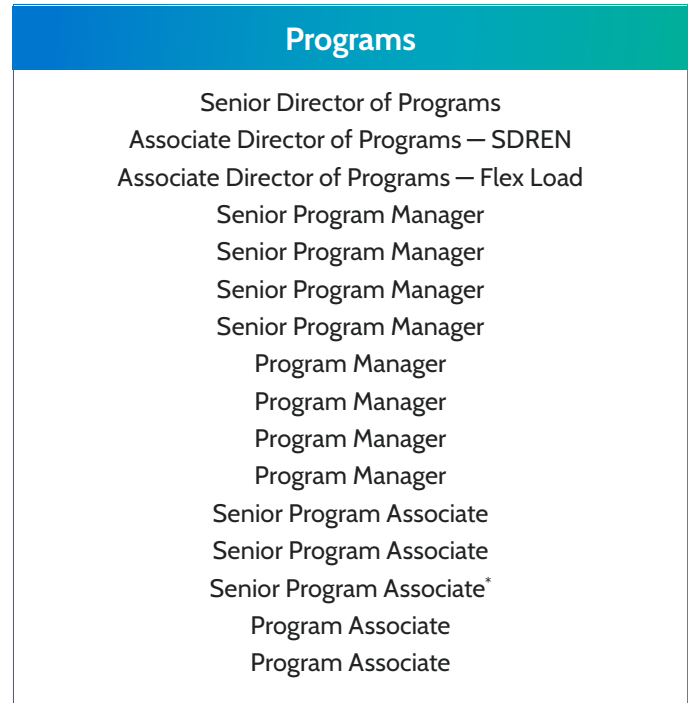
DEPARTMENT POSITIONS	FY26 Amended	FY27 Proposed
Programs	15.0	16.0

*7.0 positions will be externally funded in FY 2026–2027



Department Organizational Structure

FIGURE 42. PROGRAMS ORGANIZATIONAL STRUCTURE



*Positions proposed in FY 2026–2027



Regulatory and Legislative Affairs

Advocating for policies that advance Community Power’s mission and protect local decision-making

Department Description: Mission and Services

The Legislative and Regulatory Affairs Department monitors and engages in regulatory proceedings and legislation that directly or indirectly impact Community Power’s operations and customers. Under the guidance of the chief operating officer and leadership of the senior director of Regulatory and Legislative Affairs, the department represents Community Power’s interests before the California Public Utilities Commission (CPUC), California Energy Commission (CEC), California Air Resources Board (CARB), California Independent System Operator (CAISO), the state Legislature and Congress. As needed, the department also supports engagement with relevant federal agencies, including but not limited to the U.S. Department of Energy and Federal Energy Regulatory Commission (FERC).

The department also supports compliance requirements across multiple state agencies, assists with agency-wide understanding of policy impacts and informs strategies for securing external funding and favorable regulatory outcomes. Community Power participates in trade associations such as the California Community Choice Association (CalCCA) and works collaboratively with member agencies, industry partners and stakeholders across the state to ensure community choice remains a resilient and effective tool for climate action, energy equity, grid reliability and customer affordability.

The department’s work is guided by Community Power’s Board-approved Regulatory and Legislative Platform, which outlines the agency’s values-based approach to policy and advocacy, anchored in accelerating deep decarbonization, promoting local development and stabilizing community choice energy. The platform provides clear guidance for consistent engagement at the local, state and federal levels and ensures that policy advocacy reflects Community Power’s mission and customer priorities. [View the platform here.](#)

FY 2025–2026 Department Highlights

- Actively supported legislation at the state level that will reduce wholesale power costs, increase reliability, reduce transmission costs and help keep down costs for distributed solar
- Supported efforts to obtain or sustain external funding for customer programs, including \$700,000 to support the Charging Harmonization and Analysis for Resilient, Grid-Efficient Utilization and Planning (CHARGE UP) pilot and Public Purpose Program funding for the San Diego Regional Energy Network
- Provided analysis for three legislative proposals that affect all Community Choice Aggregators, issued 11 letters of support on legislation, as well as two letters of opposition to bills that would have had negative consequences for operations and customers (all legislative letters issued by Community Power [can be viewed here](#))
- Coordinated with other CCAs to educate key members of Congress about renewable energy cost impacts in their districts from H.R. 1 and assisted the Community Choice Energy Alliance, a new national trade association of CCAs, in forming its first Federal Affairs Committee; developed its initial policy platform to help nationwide CCAs increase our federal policy presence
- Co-led a coalition of 39 organizations to educate state lawmakers and their staff about the importance of energy efficiency program funding and to successfully oppose legislation that would have undermined the funding
- Advanced SDREN’s regulatory position by leading and coordinating joint REN filings in the CPUC’s energy efficiency oversight proceeding, successfully elevating equity, non-energy benefits, and funding continuity considerations in the Commission’s policy framework
- Intervened in Energy Resource Recovery Account (ERRA) proceedings to reduce cost pressure on Power Charge Indifference Adjustment (PCIA) rates that impact Community Power customers



FY 2026–2027 Priorities

- Advance policy solutions that focus on affordability, including the advancement of legislation and regulations that protect customers, reduce PCIA volatility, create market efficiencies in the CPUC’s resource adequacy framework and re-establish customer tax credits
- Support state and federal legislation that reduces barriers to reliable renewable and clean energy deployment, including equitable deployment of local clean energy that enables an affordable path to 100% renewable energy
- Advance regulatory and legislative outcomes that uphold procurement and rate-making authority for Community Power
- Identify applicable grant and funding opportunities that benefit customers and member agencies
- Actively participate in trade associations and multiagency coalitions to shape the policy landscape
- Track and manage participation in regulatory proceedings to ensure timely and accurate engagement



Key Performance Indicators (KPIs)

- Number of regulatory proceedings tracked (target: 40+)
- Number of bills analyzed (target: 100+)
- Legislative positions advanced in alignment with platform (target: 10+)
- Number of unique interactions with state and federal policymakers (target: 50+)

FIGURE 43. REGULATORY AND LEGISLATIVE AFFAIRS POSITIONS

DEPARTMENT POSITIONS	FY26 Amended	FY27 Proposed
Regulatory and Legislative Affairs	5.0	5.0



Department Organizational Structure

FIGURE 44. REGULATORY AND LEGISLATIVE AFFAIRS ORGANIZATIONAL STRUCTURE



Human Resources and Administration

Fostering a high-performing, inclusive workplace through strategic talent development and operational excellence

Department Description: Mission and Services

The Human Resources and Administration Department serves as a strategic partner for leadership and staff, building the internal systems needed to support a high-performing, mission-aligned organization. The department integrates human resources and administrative operations into a unified function that enables employee success and ensures consistency and efficiency across the agency.

Human Resources leads compensation, recruitment, onboarding, benefits administration, compliance, professional development and performance management, aligning workforce strategies with Community Power’s mission, values and organizational priorities.

The administrative team supports agency-wide operations through coordination of internal processes, executive support, facilities and scheduling. Together, these functions ensure organizational effectiveness, reinforce accountability and support the agency’s ability to scale and operate efficiently.

FY 2025–2026 Department Highlights

- Trained all employees in workplace violence prevention and emergency preparedness and held additional safety meetings
- Hired top talent in accordance with plan and budget
- Evolved into a learning organization, emphasizing professional development for staff and people leaders
- Measured and ensured high employee engagement through consistent improvement, onboarding survey metrics and annual baseline surveys with Nash Consulting
- Designed and launched a summer intern program for local college students interested in the clean energy industry
- Integrated Administration into the larger People Operations team and developed a cadence for internal and external team events and activities

FY 2026–2027 Priorities

- Align workforce planning, hiring, onboarding and succession planning with agency priorities
- Strengthen employee engagement, development and leadership capacity
- Institutionalize HR programs and administrative processes to support performance, compliance and consistency
- Continue implementation of employee safety and emergency preparedness programs
- Standardize administrative systems and processes to improve efficiency
- Strengthen internal communication to support alignment and coordination

Key Performance Indicators (KPIs)

- Headcount: 95
- Hired: 19 FTE FY 2025–2026 and an additional 4 Interns for a total of 23
- Departed: 3 FY 2025–2026
- Turnover Rate (target 3.16%)
- Time-to-fill for key positions (target: 60 days)

FIGURE 45. HUMAN RESOURCES AND ADMINISTRATION POSITIONS

DEPARTMENT POSITIONS	FY26 Amended	FY27 Proposed
Human Resources and Administration	8.0	8.0

Department Organizational Structure

FIGURE 46. HUMAN RESOURCES AND ADMINISTRATION ORGANIZATIONAL STRUCTURE



Legal

Providing legal guidance, ensuring compliance, transparency and accountability to support organizational integrity

Department Description: Mission and Services

The Legal Department is led by Community Power’s general counsel, who reports directly to the Board of Directors and serves as a member of the Executive team. Under the leadership of the general counsel, the department provides legal guidance across a range of areas, including public agency governance, regulatory compliance, contract law, employment law and risk management.

The department plays a critical role in supporting internal policy development, mitigating organizational risk and maintaining transparency in all agency actions. As Community Power expands in scale and complexity, the department ensures the agency’s decisions and operations remain aligned with local, state and federal legal requirements and uphold public trust.

FY 2025–2026 Department Highlights

- Supported the execution of two bond prepayment agreements, which generated continued power cost savings
- Provided legal guidance on long-term Power Purchase Agreements (PPAs) and related procurement efforts
- Provided legal support for the launch of major customer programs, including Solar Battery Savings and the San Diego Regional Energy Network (SDREN)
- Reviewed and updated nine Board and two internal policies

FY 2026–2027 Priorities

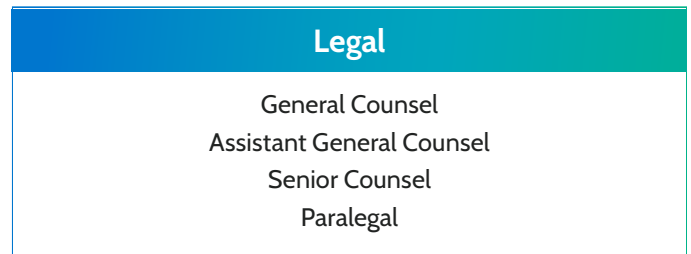
- Continue to support the execution of three to five clean energy prepay transactions and associated legal review
- Continue to provide legal guidance on long-term PPAs and related procurement efforts
- Continue to develop new and revised Community Power policies and provide legal support for procedures
- Update and improve on Community Power contract forms, including provisions for insurance, cybersecurity and intellectual property
- Provide legal support for Community Power Initiatives, including tribal projects, Community Power-owned assets and data centers
- Develop and provide a regular cadence of training to committees and agency staff on public agency governance (including the Brown Act and Public Records Act)

FIGURE 47. LEGAL POSITIONS

DEPARTMENT POSITIONS	FY26 Amended	FY27 Proposed
Legal	3.0	3.0

Department Organizational Structure

FIGURE 48. LEGAL ORGANIZATIONAL STRUCTURE





08

Budget by Level 2 and Level 3

Budget by Level 2 and Level 3

Operating Revenue

Community Power’s sole source of revenue currently is 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, as well as the majority of the residential customer base.

Generally, operating revenue through the retail sale of electricity is derived by: 1) estimating Community Power’s energy load for the upcoming fiscal year; 2) applying the Board-approved generation rates to the energy load; and 3) applying a 1.5% uncollectible rate based on revenue that Community Power does not expect to collect — the result is Community Power’s operating revenue for the fiscal year.

Community Power offers four service levels to its customers, which, taken together, ultimately comprise the source of ratepayer funds for the agency:

- **PowerBase**, our most affordable service option, with a renewable content that is intended to meet or exceed SDG&E’s whenever possible and provides customers with a 10% discount compared with SDG&E’s rates.
- **PowerOn**, our standard service offering that provides 53% renewable power and offers a 4% discount compared with SDG&E’s rates.
- **Power100**, our premium service that provides customers with 100% renewable energy. It is currently priced at an additional \$0.01/kWh more than PowerOn.
- **Power100 Green+** is our stand-alone 100% renewable and carbon-free service that is Green-e® Certified, available only to commercial and industrial customers. It is currently priced at \$0.02/kWh more than PowerOn.

Additional assumptions for net operating revenue include:

- Enrollment of customers is complete for all member jurisdictions
- A 95% participation rate across all jurisdictions
- A 1.5% uncollectible rate that is a decrease from the 1.75% uncollectible rate assumed in the prior year budget
- Trifurcation of rates continues to ensure a fair, equitable and balanced rate structure across customers with differing vintage years
- Rates remain at the levels adopted by the Board on May 1, 2026. Any rate changes are subject to Board approval

FIGURE 49. OPERATING REVENUE BY BUDGET LEVEL 2 AND LEVEL 3*

	FY25 Amended	FY26 Amended	FY27 Proposed
Gross Ratepayer Revenues	1,243.0	1,194.8	932.8
Uncollectible Customer Accounts; FY25 and FY26 Less 1.75%, FY27 Less 1.5%	(21.8)	(19.4)	(14.0)
Net Operating Revenues	1,221.2	1,175.4	918.8

*Amounts displayed in millions of dollars



Cost of Energy

The cost of energy is Community Power’s largest expense. Generally, the cost of energy is derived by: 1) estimating Community Power’s energy load for the upcoming fiscal year; 2) applying energy already contracted for to the projected energy load; and 3) applying forward market prices to the remaining energy load that Community Power has not yet contracted for — the result is Community Power’s cost of energy for the fiscal year.

Community Power prioritizes purchasing electricity that is generated from renewable sources like solar or wind. The agency purchases enough electricity to cover the needs of our customers. SDG&E delivers this electricity through its existing power lines and continues to provide meter reading, billing and line maintenance to customers.

While Community Power emphasizes its commitment to clean energy, various factors can influence the cost of this energy for Community Power, impacting the overall cost of energy for the agency. The following factors are key considerations:

- **Market Fluctuations** — Unlike traditional energy sources with more stable pricing, renewable energy sources like solar and wind are subject to fluctuations in the electricity market. This means that during periods of lower renewable energy production or higher demand, Community Power may need to purchase additional power from the market, potentially at a higher cost. These costs can then be passed on to customers.
- **Seasonal Variations** — San Diego could experience significant heat waves in the summer months. During these periods, peak electricity demand rises due to increased air conditioning use. This can put a strain on renewable energy sources, forcing Community Power to supplement with power from the market, potentially at a premium, similar to the impact of market fluctuations.

- **Increased Load** — Community Power’s customer base is projected to remain steady; however, the overall electricity demand (load) is projected to increase as California transitions to sourcing from more renewable energy. To maintain grid reliability, Community Power may need to secure additional power sources, potentially impacting the cost of energy.

Beyond market-driven factors, regulations such as Resource Adequacy (RA) requirements play a role in Community Power’s energy costs. The California Public Utilities Commission (CPUC) mandates RA requirements. These require Community Power to procure a predetermined amount of electricity based on its projected load. This ensures a consistently reliable grid with sufficient energy available. Meeting these RA requirements might necessitate purchasing additional power, especially during peak demand periods, potentially at higher costs.

The potential for cost increases due to these factors is a trade-off inherent in pursuing renewable energy. While costs may fluctuate, Community Power’s commitment to clean energy aligns with California’s sustainability goals.

It’s important to note Community Power strives to offer competitive rates compared with traditional energy providers. The agency achieves this through various strategies, including long-term power purchase agreements and a diverse renewable energy portfolio to mitigate market fluctuations.

FIGURE 50. COST OF ENERGY BY BUDGET LEVEL 2 AND LEVEL 3*

	FY25 Amended	FY26 Amended	FY27 Proposed
Cost of Energy	1,116.8	969.9	872.3

*Amounts displayed in millions of dollars

Professional Services and Consultants

Professional Services and Consultants includes SDG&E fees, data management fees from Calpine, technical support, legal/regulatory services and other general contracts related to IT services, audits and accounting services.

- **Legal/Regulatory Services** – Community Power retains outside legal counsel to assist with complex legal and regulatory matters. This line item will also allow for the retention of both a state and federal lobbyist to support Community Power’s legislative and regulatory efforts.
- **Technical Support** – Community Power engages consultants to assist with rate setting, policies, joint-rate comparisons with SDG&E, load analysis and a scheduling coordinator. After electric power is scheduled for delivery to customers and consumed by those customers, the actual electric consumption must be trueed 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 performing portions of this service in-house.
- **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 whether these services are more cost-effective or efficient to bring in-house. As Community Power expands its in-house functions, it 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. Numerous small fees are also associated with data requests.
- **Data Management** – This is a 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.

FIGURE 51. PROFESSIONAL SERVICES AND CONSULTANTS BY BUDGET LEVEL 2 AND LEVEL 3*

	FY25 Amended	FY26 Amended	FY27 Proposed
Data Management	14.6	13.8	12.9
SDG&E Fees	3.4	3.8	3.5
Legal/Regulatory	2.1	1.2	1.5
Other Services	2.1	2.3	2.9
Technical Support	2.1	2.3	3.0
Professional Services and Consultants	24.3	23.4	23.8

*Amounts displayed in millions of dollars

Personnel Costs

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.

The recruitment strategy includes adding approximately five new staff members during the FY 2026–2027 budget cycle, growing the agency to 106 FTE.

FIGURE 52. PERSONNEL COSTS BY BUDGET LEVEL 2 AND LEVEL 3*

	FY25 Amended	FY26 Amended	FY27 Proposed
Salaries	14.1	14.4	17.2
Benefits (retirement/health)	2.6	3.8	4.1
Payroll Taxes	1.0	0.5	0.6
Accrued PTO	0.9	0.9	1.5
Personnel Costs Total	18.6	19.6	23.4

*Amounts displayed in millions of dollars

Strategic Communications and Outreach

Strategic Communications and Outreach includes expenses for mandatory rate mailers, communication consultants, mailers, printing, sponsorships, and partnerships to inform the community of Community Power. Strategic communication and outreach are further broken down into the following Budget Level 3 categories:

- **Printing** — The agency is periodically required to send mailers to its customers notifying the community about several aspects of rates, including changes to rates through Joint Rate Comparisons.
- **Strategic Communications and Outreach** — An important focus of Community Power is ensuring the community is informed about Community Power, that we build professional-level name recognition and trust and provide education. This also covers the design of all required

notifications sent to customers, including opt-out procedures and rate comparisons, as well as other notices or educational or marketing information.

- **Partnerships/Sponsorships/Local Memberships** — This legacy category has been folded into the Strategic Communications and Outreach section to better reflect the interconnected work of the department. In addition to required noticing, Community Power engages with local stakeholder groups to educate the community on the benefits of community choice and to encourage awareness of our mission. This comes in the form of media advertising, sponsorships of community events and organizations, and mailers, as well as targeted customer communications.
- **Memberships** — These local, regional and statewide memberships support community Power’s objectives related to legislative and regulatory engagement, workforce development, sector leadership, and external visibility.

FIGURE 53. STRATEGIC COMMUNICATION AND OUTREACH BY BUDGET LEVEL 2 AND LEVEL 3*

	FY25 Amended	FY26 Amended	FY27 Proposed
Printing	1.1	0.7	0.6
Partnerships/Sponsorships/Local Memberships	1.2	1.0	0.0
Marketing and Communications	0.7	0.6	0.0
Strategic Communications and Outreach	0.0	0.0	1.6
Memberships	0.0	0.0	0.2
Strategic Communications and Outreach Total	3.0	2.3	2.4

*Amounts displayed in millions of dollars

General and Administration

General and Administration includes costs needed to conduct daily business. These expenses are divided into four categories:

1. CalCCA membership dues
2. Rent for leased office space
3. Agency insurance
4. Other, which reflects the cost of daily business operations. This includes office supplies, banking fees, IT equipment, human resources infrastructure, subscriptions to technical platforms and payroll services. The category also encompasses regulatory fees and the cost of governance-related activities, such as Board and committee expenses and Board stipends.

FIGURE 54. GENERAL AND ADMINISTRATION BY BUDGET LEVEL 2 AND LEVEL 3*

	FY25 Amended	FY26 Amended	FY27 Proposed
Other General and Administration	3.6	2.8	4.3
CalCCA Dues	0.5	0.6	0.6
Rent	0.7	0.9	0.9
Insurance	0.1	0.3	0.4
General and Administration Total	4.9	4.6	6.1

*Amounts displayed in millions of dollars



09

Debt Financing



Debt Financing

Credit Facility

On January 23, 2023, the Community Power Board approved a new credit agreement to establish a \$150 million line of credit under a JPMorgan credit facility. Subsequently, on October 25, 2024, the Community Power Board approved an amendment to increase the credit facility to \$250 million.

The credit agreement with JPMorgan provides for a \$250 million multiuse revolving line of credit. This credit facility includes a term of up to five years from the date of renewal. The funds are available for general corporate purposes, including line-of-credit draws, collateral postings and postings for the provider of last resort collateral requirements.

Community Power does not anticipate needing to use its credit facility to finance operations in FY 2026–2027 but may periodically access the credit facility for one-time needs. In FY 2024–2025, Community Power accessed \$47.0 million from the credit facility and satisfied the loan payment in December 2024. Currently, Community Power has zero debt. However, Community Power still pays debt service fees to maintain its \$250 million credit facility and to satisfy fees related to standby letters of credit.

FIGURE 55. DEBT PAYMENTS*

Year ended June 30, 2025	Beginnings	Additions	Payments	Ending
Bank note payable	-	47.0	47.0	-
Loans payable	-	-	-	-
Total	-	47.0	47.0	-

*Amounts displayed in millions of dollars

Debt Considerations

The Community Power Board has taken several important steps to achieve an investment-grade credit rating that includes among many items:

- Developing and updating a Reserve Policy in December 2025 to increase liquidity by establishing 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.
- Establishing a Rate Stabilization Reserve (RSR) that includes a Target RSR Balance that may be an amount up to or equivalent to 45 days cash on hand
- Approving rates effective April 1, 2026, that allowed Community Power to achieve its 225 days cash on hand reserve target in calendar year 2026

Ultimately, on March 9, 2026, Community Power earned its first public credit rating from S&P Global Ratings, receiving an investment-grade "A" issuer credit rating with a stable outlook; a milestone that positions the agency to negotiate more favorable energy contracts and credit terms that can reduce costs for customers.

With this investment-grade credit rating, Community Power has an enhanced ability to issue tax-exempt or taxable bonds to finance ownership in energy generation or energy-storage assets. Direct asset ownership may provide the opportunity to control energy costs.

Community Power's ability to issue tax-exempt debt to finance an ownership interest in a generating or storage facility is a distinct advantage over investor-owned utilities and direct access providers. No specific asset purchases are currently under consideration by staff.

The Debt Policy enables Community Power to issue bonds that will ultimately be subject to Board approval as a separate action. The Debt Policy will help Community Power take advantage of ownership opportunities that may arise, especially in conjunction with state or federal funding that might be available. To date, Community Power has not issued debt.



The Debt Policy articulates:

- The situations and steps necessary for the issuance of debt
- The types of debt that may be issued
- How the debt fits into Community Power’s strategic plan and potential capital investment program

The Debt Policy also includes sections to:

- Facilitate decision making
- Establish basic parameters and principles
- Articulate and clarify other related aspects to guide future Boards, staff and consultants

FIGURE 56. DEBT FY 2021–2025

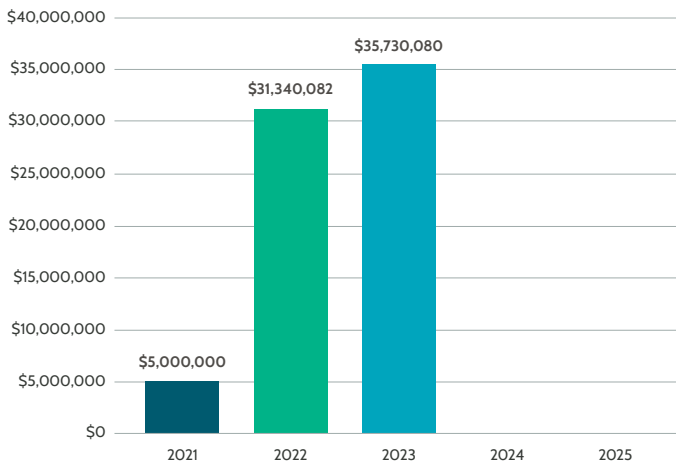
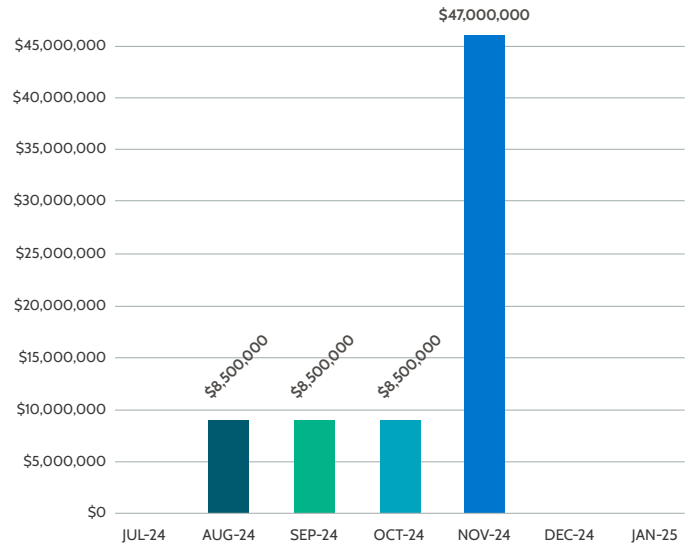


FIGURE 57. DEBT BY MONTH



The Community Power Debt Policy also includes additional requirements as follows:

- **Green Bonds** — To the extent possible, Community Power bond issuances shall be green bonds. A green bond is a type of fixed-income instrument specifically earmarked to raise money for climate and environmental projects.
- **1.5x Max Annual Debt Service** — While the specific formulation of the Additional Bonds Test may vary depending on the type of bonds being contemplated, Community Power will utilize an Additional Bonds Test that establishes a limitation on new issuances such that the pledged revenues are no less than one and a half times (1.5x) the maximum annual principal and interest and debt service for the aggregate outstanding senior lien bonds, including the debt service for the new issuance.
- **5% Annual Debt Service Limit** — Community Power will also seek to maintain aggregate annual debt service on long-term debt at a level not to exceed 5% of Community Power’s annual total operating expenses. The actual terms and conditions specific to each debt issue will be controlled by the applicable documents.



10

Financial Policies

Financial Policies

San Diego Community Power's financial policies establish the long-term framework for prudent fiscal management, financial stability and accountability. These policies are intended to protect the agency's financial position and ratepayer interests by guiding key budgetary and financial decisions, including reserves, rate stabilization, investments, debt and overall financial oversight. A balanced budget is defined as one in which ongoing revenues and other available resources are sufficient to fund planned expenditures. The FY 2026-2027 Budget has been developed in accordance with these policies and reflects the agency's commitment to disciplined, transparent and sustainable financial management. These policies are summarized below and the full Board-approved policies can be found in Financial Policies – Attachment 1.

Budget Policy

The Budget Policy establishes a transparent and structured framework for the development, approval and management of the agency's annual budget, ensuring alignment with the Joint Powers Agreement and Board governance requirements. It requires the preparation of a comprehensive annual budget that reflects all anticipated revenues, expenditures and program activities, and mandates that the Board of Directors review and adopt the budget in a public meeting prior to the start of each fiscal year. It additionally requires a balanced budget whereby the total projected revenues are greater than or equal to total projected expenditures.

The policy outlines a defined annual budget development process led by the chief financial officer, including preparing financial forecasts, coordinating with staff and leadership to develop budget proposals and refining the budget through internal review and Board committee input to ensure alignment with organizational goals and financial planning. It further establishes that all expenditures must be made in accordance with the adopted budget and authorized approvals, reinforcing strong fiscal controls and accountability.

The policy provides controlled flexibility, allowing the Board to revise the budget as needed to address contingencies, and authorizes limited administrative adjustments within defined thresholds to support operational efficiency. This approach maintains a transparent, Board-approved budgeting process, ensuring all financial activities are governed by adopted budget parameters and upholding responsible stewardship of public funds.

Financial Reserves Policy

Community Power's Financial Reserves Policy defines an approach for accumulating and managing reserves to support long-term financial stability, maintain liquidity and ensure the agency can meet its financial obligations. The policy is designed to support strategic objectives, maintain creditworthiness, satisfy contractual requirements, provide working capital and respond to unanticipated expenses while supporting rate stability.

The policy establishes a target reserve level based on days cash on hand, with contributions determined through the annual budget and rate-setting processes. Reserve levels are reviewed regularly through the budget cycle and annual audit to ensure alignment with financial conditions, operational needs and organizational priorities.

The policy also defines how reserves may be used and managed, including clear conditions for use and Board oversight. When reserves exceed target levels, funds may be strategically allocated for capital investments, program funding, debt reduction or rate stabilization, and may be designated for specific purposes such as stabilization or programmatic reserves to address cost variability and unforeseen needs.

This approach ensures reserve levels are maintained, integrated into financial processes and managed in a transparent and disciplined manner.

Rate Stabilization Reserve Policy

This policy governs the use of reserves to mitigate the impact on rates and the budget caused by short-term market and operational variability. It reflects the agency's exposure to wholesale energy market volatility, including fluctuations in power and capacity prices, weather-driven demand and regulatory changes, and is designed to support stable and predictable customer rates over time.

The policy defines the purpose and structure of a Rate Stabilization Reserve, providing a Board-adopted mechanism to maintain adequate liquidity and support financial commitments while smoothing the financial effects of changing market conditions. It establishes guidelines for how reserves are funded and incorporated into the agency's rate-setting process, ensuring alignment with broader financial planning and reserve policies.



The policy also outlines parameters for the use and governance of the reserve, including Board oversight, approval requirements and reporting expectations. These provisions ensure that the use of stabilization reserves is transparent, controlled and aligned with the agency's financial objectives while preserving long-term fiscal stability.

Non-Energy Procurement Policy

The Non-Energy Procurement Policy outlines procedures for procuring goods and services and establishes competitive requirements based on contract value. Allowable exceptions are defined, including noncompetitive procurement, emergency procurements and sole-source awards, each with clear criteria and approval requirements.

The policy authorizes cooperative and piggyback procurement methods to improve efficiency and reduce costs. It also establishes evaluation criteria for solicitations, including qualifications, cost competitiveness and alignment with workforce and supplier diversity policies.

The policy further defines requirements for contract amendments, written agreements and delegated authority as well as ethical standards, protest procedures and nondiscrimination provisions. These ensure procurement activities are conducted with integrity and in accordance with regulatory and reporting requirements.

Debt Policy

The Debt Policy guides the issuance and management of debt to support capital investments and strategic objectives. It defines the circumstances in which debt may be issued, the types of debt permitted and how debt aligns with the agency's capital investment program and long-term financial strategy.

The policy is designed to ensure prudent financial management by maintaining cost-effective access to capital markets, managing financial risk and preserving future financial flexibility. It emphasizes the use of debt to finance capital projects, acquisitions and improvements in a timely and efficient manner while supporting the agency's broader financial planning goals.

The policy also establishes guiding principles for debt management, including maintaining strong credit ratings, fostering positive investor relations and adhering to all applicable legal, disclosure and reporting requirements. It reinforces the agency's commitment to full and timely repayment of obligations and responsible stewardship of borrowed funds.

The policy incorporates governance and oversight provisions for debt issuance and administration, including Board approval requirements and integration with the agency's budget and rate-

setting processes to ensure sufficient revenues are available to meet operating costs and debt service obligations.

Investment Policy

Investment activities, including cash reserves, deposits and investments, are guided by objectives and priorities for managing the agency's funds as outlined in the Investment Policy to ensure assets are protected while producing a reasonable rate of return.

The policy defines the objectives and priorities for investment activities, consistent with California Government Code requirements, and establishes the types of permitted and prohibited investments along with the controls needed to safeguard funds.

The policy is guided by core investment objectives, including preservation of principal, maintenance of sufficient liquidity to meet operational needs and attainment of an appropriate return on invested funds. Safety of principal is the foremost priority, followed by liquidity, return on investment, and standard of care, with all investments managed under a prudent standard of care.

The policy also establishes oversight and governance for investment activities, including Board authority and coordination with financial and risk management functions, to ensure funds are managed in accordance with established controls and regulatory requirements.

Rate Development Policy

The Rate Development Policy governs the design, development and implementation of customer rates, ensuring the process remains transparent, fiscally responsible and centered on customer value. Rates must recover all costs associated with power procurement, operations and debt service while supporting the development of prudent reserves and maintaining long-term financial sustainability.

Rate-setting decisions are based on requirements for cost recovery, reserve development, competitiveness, stability and equitable treatment of customers. The policy emphasizes the need for simple, understandable rate structures and allows for the development of pilot rates to support evolving programs and customer needs.

Customer value considerations are also incorporated, which include providing competitive alternatives to the incumbent utility and supporting higher renewable energy offerings. The policy recognizes the role of reserves and stabilization mechanisms in mitigating rate volatility over time.

Transparency is maintained through Board review and approval of rates in publicly noticed meetings, ensuring accountability and consistent engagement with customers and stakeholders.





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Glossary of Terms

Glossary of Terms

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: 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. AReM 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: 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: 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: 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: 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: A state program for low-income households that provides a 30% discount on monthly energy bills and a 20% discount on natural gas bills. CARE is funded through a rate surcharge paid by all other utility customers.

CBE – Communities for a Better Environment: An environmental justice organization that was founded in 1978. The mission of CBE is to build people’s power in California’s communities of color and low-income communities to achieve environmental health and justice by preventing and reducing pollution and building green, healthy and sustainable communities and environments.

CCA – Community Choice Aggregator: A community choice aggregator, sometimes referred to as community choice aggregation, is an entity of local governments that procure power on behalf of their residents, businesses and municipal accounts from an alternative supplier while still receiving transmission and distribution service from their existing utility provider. CCAs are an attractive option for communities that want more local control over their electricity sources, more green power than is offered by the default utility, and/or lower electricity prices. By aggregating demand, communities gain leverage to negotiate better rates with competitive suppliers and choose greener power sources.

CCSF – City and County of San Francisco: The City and County of San Francisco often engage in joint advocacy before the CPUC. San Francisco operates CleanPowerSF, a CCA.

CEC – California Energy Commission: The CEC is the primary energy policy and planning agency for California, whose core responsibilities include advancing state energy policy, achieving energy efficiency, investing in energy innovation, developing renewable energy, transforming transportation, overseeing energy infrastructure and preparing for energy emergencies.

CEE – Coalition for Energy Efficiency: CEE is a nonprofit composed of U.S. and Canadian energy-efficiency administrators working together to accelerate the development and availability of energy-efficient products and services.

CLECA – California Large Energy Consumers Association: CLECA is an organization of large, high-load factor industrial customers located throughout the state; its members are in the cement, steel, industrial gas, pipeline, beverage, cold storage, food packaging and mining industries and their electricity costs comprise a significant portion of their costs of production. Some members are bundled customers, others are Direct Access (DA) customers, and some are served by Community Choice Aggregators (CCAs); a few members have onsite renewable generation.

CPUC – California Public Utility Commission: The CPUC is a state agency that regulates privately owned electric, natural gas, telecommunications, water, railroad, rail transit and passenger transportation companies, in addition to authorizing video franchises.

C&I – Commercial and Industrial: C&I customers are business customers who generally consume much higher volumes of electricity and gas. Many utilities segment their C&I customers by energy consumption (small, medium and large).

CP – Compliance Period: A Compliance Period is the time period to become Renewables Portfolio Standard (RPS) compliant, set by the California Public Utilities Commission (CPUC).

DA – Direct Access: Direct Access is an option that allows eligible customers to purchase their electricity directly from third-party providers known as Electric Service Providers (ESPs).

DA Cap: The DA Cap is the maximum amount of electric usage that may be allocated to Direct Access customers in California or, more specifically, within an investor-owned utility service territory.

DACC – Direct Access Customer Coalition: DACC is a regulatory advocacy group composed of educational, governmental, commercial and industrial customers that utilize direct access for all or a portion of their electrical energy requirements.

DA Lottery: The DA Lottery is a random drawing by which DA waitlist customers become eligible to enroll in DA service under the currently applicable Direct Access Cap.

DA Waitlist: The DA Waitlist consists of customers that have officially registered their interest in becoming a DA customer but are not yet able to enroll in service because of DA cap limitations.

DAC – Disadvantaged Community: “Disadvantaged communities” refers to the areas throughout California that most suffer from a combination of economic, health and environmental burdens. These burdens include poverty, high unemployment, air and water pollution and the presence of hazardous wastes as well as high incidences of asthma and heart disease. One way that the state identifies these areas is by collecting and analyzing information from communities statewide. CalEnviroScreen, an analytical tool created by the California Environmental Protection Agency (CalEPA), combines different types of census tract-specific information into a score to determine which communities are the most burdened or “disadvantaged.”

DASR – Direct Access Service Request: DASR is a request submitted by C&I customers to become direct access eligible.

Demand: Demand refers to the rate at which electric energy is delivered to or by a system or part of a system, generally expressed in kilowatts (kW), megawatts (MW) or gigawatts (GW), at a given instant or averaged over any designated interval of time. Demand should not be confused with Load or Energy.

DER – Distributed Energy Resource: A DER is a small-scale physical or virtual asset (e.g., EV charger, smart thermostat, behind-the-meter solar/storage, energy efficiency) that operates locally and is connected to a larger power grid at the distribution level.

Distribution: Distribution refers to the delivery of electricity to the retail customer’s home or business through low-voltage distribution lines.

DLAP – Default Load Aggregation Point: In the CAISO’s electricity optimization model, DLAP is the node at which all bids for demand should be submitted and settled.

DR – Demand Response: DR is an opportunity for consumers to play a significant role in the operation of the electric grid by reducing or shifting their electricity usage during peak periods in response to time-based rates or other forms of financial incentives.

DRP – Distributed Resource Plans: Distributed Resource Plans are required by statute and intended to identify optimal locations for the deployment of distributed resources.

DWR – Department of Water Resources: DWR is the state agency charged with managing California’s water resources, systems and infrastructure in a responsible, sustainable way.

ECR – Enhanced Community Renewable: ECR is an IOU (Investor-Owned Utility) program that reflects the “Community Solar” model of renewable energy purchasing. Customers sign up to purchase a portion of a local solar project directly from a developer at a level that meets at least 25% and up to 100% of their monthly electricity demand. The customer pays the developer for the subscribed output and receives a credit on their utility bill that reflects their enrollment level.

ED – Energy Division: The CPUC’s Energy Division develops and administers energy policy and programs to serve the public interest, advise the Commission and ensure compliance with Commission decisions and statutory Mandates.

EE – Energy Efficiency: Energy Efficiency refers to the use of less energy to perform the same task or produce the same result. Energy-efficient homes and buildings use less energy to heat and cool and run appliances and electronics, and energy-efficient manufacturing facilities use less energy.

ELCC – Effective Load Carrying Capacity: ELCC is the additional load met by an incremental generator while maintaining the same level of system reliability. For solar and wind resources, the ELCC is the amount of capacity that can be counted for Resource Adequacy purposes.

EPIC – Electric Program Investment Charge: The EPIC program was created by the CPUC to support investments in clean energy technologies that provide benefits to the electricity ratepayers of Pacific Gas and Electric (PG&E), San Diego Gas & Electric Company (SDG&E) and Southern California Edison Company (SCE).

ERRA – Energy Resource Recovery Account: ERRA proceedings are used to determine fuel and purchased power costs that can be recovered in rates. The utilities do not earn a rate of return on these costs and recover only actual costs. The costs are forecast for the year ahead. If the actual costs are lower than forecast, then the utility gives money back, and vice versa.

ES – Energy Storage: Energy Storage is the capture of energy produced at one time for use at a later time to reduce imbalances between energy demand and energy production.

ESA – Energy Storage Agreement: An ESA refers to a battery services contract, a capacity contract, demand response contract or similar agreement.

ESP – Energy Service Provider: An Energy Service Provider is an energy entity that provides service to a retail or end-use customer.

EV – Electric Vehicle: An EV is a vehicle that uses one or more electric motors for propulsion.

FCR – Flexible Capacity Requirements: “Flexible capacity need” is defined as the quantity of resources needed by the CAISO to manage grid reliability during the greatest three-hour continuous ramp in each month. Resources will be considered as “flexible capacity” if they can sustain or increase output or reduce ramping needs during the hours of “flexible need.” FCR means the flexible capacity requirements established for LSEs by the CPUC pursuant to the CPUC decisions.

GHG – Greenhouse Gas: Water vapor, carbon dioxide, tropospheric ozone, nitrous oxide, methane and chlorofluorocarbons (CFCs) are gases that cause the atmosphere to trap heat radiating from the earth. The most common GHG is carbon dioxide.

GRC – General Rate Case: General Rate Cases are proceedings used to address the costs of operating and maintaining the utility system and the allocation of those costs among customer classes. For California's three large IOUs, the GRCs are parsed into two phases. Phase I of a GRC determines the total amount the utility is authorized to collect, while Phase II determines the share of the cost each customer class is responsible for and the rate schedules for each class. Each large electric utility files a GRC application every three years for review by the Public Advocate's Office and interested parties and for approval by the CPUC.

GTSR – Green Tariff Shared Renewables: The GTSR program enables customers to receive 50 to 100 percent of their electricity demand from renewable sources. The GTSR program has two components: the Green Tariff (GT) component and the Enhanced Community Renewables (ECR) component. Through GT, a customer may pay the difference between their current generation charge and the cost of procuring 50 to 100 percent renewables. With ECR, a customer agrees to purchase a share of a community renewable (typically solar) project directly from a developer and in exchange will receive a credit from their utility for the customer's avoided generation procurement.

GWh – Gigawatt-hour: This is the unit of energy equal to that expended in one hour at a rate of one billion watts. One GWh equals 1,000 megawatt-hours.

ICA – Integration Capacity Analysis: The enhanced integrated capacity and locational net benefit analysis quantify the capability of the system to integrate Distributed Energy Resources (DERs) within the distribution system. Results are dependent on the most limiting element of the various power system criteria such as thermal ratings, power quality, system protection limits and safety standards of existing equipment.

IDER – Integrated Distributed Energy Resources: A CPUC proceeding that aims to more effectively coordinate the integration of demand-side resources in order to better meet customer and grid needs, while enabling California to attain its greenhouse gas reduction goals.

IDSM – Integrated Demand-Side Management: This is an approach that joins together all the resources utilities have at their disposal to plan, generate and supply electricity in the most efficient manner possible.

IEPA – Independent Energy Producers Association: IEPA is California's oldest and leading nonprofit trade association, representing the interest of developers and operators of independent energy facilities and independent power marketers.

IMD – Independent Marketing Division: Under state law, IOUs are prohibited from lobbying or marketing on community choice unless the IOU forms an independent marketing division funded by shareholders rather than ratepayers. SDG&E and its parent company Sempra were permitted by the CPUC to create such an independent marketing division, which allowed SDG&E to lobby against plans to create a CCA program.

IOU – Investor-Owned Utility: An IOU is a private electricity and natural gas provider, such as SDG&E, PG&E or SCE, which are the three largest IOUs in California.

IRP – Integrated Resource Plan: An Integrated Resource Plan outlines an electric utility's resource needs in order to meet expected electricity demand long-term.

kW – Kilowatt: This is a measure of power where power (watts) = voltage (volts) x amperage (amps) and 1 kW = 1,000 watts.

kWh – Kilowatt-hour: This is a measure of consumption. It is the amount of electricity that is used over some period of time, typically a one-month period for billing purposes. Customers are charged a rate per kWh of electricity used.

LCE – Lancaster Choice Energy: LCE is the CCA that serves the City of Lancaster, California.

LCFS – Low Carbon Fuel Standard: This is a CARB program designed to encourage the use of cleaner low-carbon fuels in California, encourage the production of those fuels and, therefore, reduce greenhouse gas emissions.

LCR – Local (RA) Capacity Requirements: This is the amount of Resource Adequacy capacity required to be demonstrated in a specific location or zone.

LMP – Locational Marginal Price: Each generator unit and load pocket is assigned a node in the CAISO optimization model. The model will assign a LMP to the node in both the day-ahead and real-time market as it balances the system using the least cost. The LMP is composed of three components: the marginal cost of energy, congestion and losses. The LMP is used to financially settle transactions in the CAISO.

LNBA – Locational Net Benefits Analysis: This is a cost-benefit analysis of distributed resources that incorporates location-specific net benefits to the electric grid.

Load: Load refers to an end-use device or customer that receives power from an energy delivery system. Load should not be confused with Demand, which is the measure of power that a load receives or requires. See Demand.

LSE – Load-serving Entity: Load-serving Entities have been granted authority by state, local law or regulation to serve their own load directly through wholesale energy purchases and have chosen to exercise that authority.

LTPP – Long-Term Procurement Rulemaking: This is an “umbrella” proceeding to consider, in an integrated fashion, all of the CPUC’s electric procurement policies and Programs.

MCE – Marin Clean Energy: MCE was the first CCA in California and began serving customers in 2010. It serves customers in Contra Costa, Marin, Napa and Solano counties in Northern California.

MEO – Marketing Education and Outreach: This is a term generally used to describe various strategies to inform customers, such as to motivate consumers to take action on energy efficiency or conservation measures and change their behavior.

MW – Megawatt: A megawatt hour (Mwh) is equal to 1,000 Kilowatt hours (Kwh) or 1,000 kilowatts of electricity used continuously for one hour.

MWH – Megawatt-hour: This is a measure of energy.

NAESCO – National Association of Energy Service Companies: NAESCO is an advocacy and accreditation organization for energy service companies (ESCOs). Energy service companies contract with private and public-sector energy users to provide cost-effective energy efficiency retrofits across a wide spectrum of client facilities.

NBC – Non-Bypassable Charge: Non-Bypassable Charges are fees that are paid on every kilowatt-hour of electricity that is consumed from the grid. These charges can be used to fund things like energy assistance programs for low-income households and energy efficiency programs. These charges apply even if customers buy grid-supplied power from an outside power company such as a CCA.

NDA – Non-Disclosure Agreement: An NDA is a contract by which one or more parties agree not to disclose confidential information that they have shared with each other.

NEM – Net Energy Metering: NEM is a program in which solar customers receive credit for excess electricity generated by solar panels.

NRDC – Natural Resources Defense Council: NRDC is a nonprofit international environmental advocacy group.

NP-15 – North Path 15: NP-15 is a CAISO pricing zone usually used to approximate wholesale electricity prices in Northern California in PG&E’s service territory.

OIR – Order Instituting Rulemaking: An OIR is a procedural document that is issued by the CPUC to start a formal proceeding. A draft OIR is issued for comment by interested parties and made final by vote of the five commissioners of the CPUC.

OSC – Order to Show Cause: OSC is an order requiring an individual or entity to explain, justify or prove something.

ORA – Office of Ratepayer Advocates: The ORA is an independent consumer advocate within the CPUC, now called the Public Advocates Office.

PA – Program Administrator (for EE Business Plans): IOUs and local government agencies can be authorized to implement CPUC-directed energy efficiency programs.

PCE – Peninsula Clean Energy Authority: PCE is the CCA serving San Mateo County and all 20 of its cities and towns as well as the City of Los Banos.

PCC1 – RPS Portfolio Content Category 1: RPS Portfolio Content Category 1 includes bundled renewables where the energy and Renewable Energy Certificate (REC) are dynamically scheduled into a California Balancing Authority (CBA) such as the CAISO, also known as “in-state” renewables.

PCC2 – RPS Portfolio Content Category 2: RPS Portfolio Content Category 2 includes bundled renewables where the energy and Renewable Energy Certificate (REC) are from out of state and not dynamically scheduled to a CBA.

PCC3 – RPS Portfolio Content Category 3: RPS Portfolio Content Category 3 includes Unbundled Renewable Energy Certificate (REC).

PCIA or “exit fee” – Power Charge Indifference Adjustment: The Power Charge Indifference Adjustment (PCIA) is an “exit fee” based on stranded costs of utility generation set by the California Public Utilities Commission. It is calculated annually and assessed to customers of CCAs and paid to the IOU that lost those customers as a result of the formation of a CCA.

PCL – Power Content Label: The PCL is a user-friendly way of displaying information to California consumers about the energy resources used to generate the electricity they sell, as required by AB 162 (Chapter 313, Statutes of 2009) and SB 1305 (Chapter 796, Statutes of 1997).

PD – Proposed Decision: A PD is a procedural document in a CPUC Rulemaking that is formally commented on by parties to the proceeding. A PD is a precursor to a final decision voted on by the five commissioners of the CPUC.

PG&E – Pacific Gas & Electric: PG&E is the IOU that serves 16 million people over a 70,000-square-mile service area in Northern California.

PHC – Prehearing Conference: A PHC is a CPUC hearing to discuss the scope of a proceeding, among other matters. Interested stakeholders can request party status during these conferences.

Pnode – Pricing Node: In the CAISO optimization model, this is a point where a physical injection or withdrawal of energy is modeled and for which an LMP is calculated.

PPA – Power Purchase Agreement: A PPA is a contract used to purchase the energy, capacity and attributes from a renewable resource project.

PRP – Priority Review Project: These are transportation electrification pilot projects approved by the CPUC pursuant to SB 350 (Chapter 547, Statutes of 2015).

PRRR – Progress on Residential Rate Reform: Pursuant to a CPUC decision, the IOUs must submit to the CPUC and other parties periodic updates on the progress of their efforts to assist customers with residential rate design changes related to rate reform, including tier collapse and transition to a default time of use rate.

PUC – Public Utilities Code: The PUC is a California statute that contains 33 divisions; the range of topics within this code includes natural gas restructuring, private energy producers, telecommunication services, and specific municipal utility districts and transit authorities; the primary statute for governance of utilities as well as CCAs in California.

PURPA – Public Utilities Regulatory Policy Act: The PURPA is a federal statute passed in 1978 by Congress in response to the 1973 energy crisis to encourage fuel diversity via alternative energy sources and to introduce competition into the electric sector. It was intended to promote energy conservation (reduce demand) and promote greater use of domestic energy and renewable energy (increase supply).

RA – Resource Adequacy: Under its Resource Adequacy (RA) program, the California Public Utilities Commission (CPUC) requires load-serving entities — investor-owned utilities, electricity service providers and CCAs — to demonstrate in both monthly and annual filings that they have purchased capacity commitments of no less than 115% of their peak loads.

RAM – Renewables Auction Mechanism: This is a procurement program the investor-owned utilities (IOUs) may use to procure RPS eligible generation. The IOUs may use RAM to satisfy authorized procurement needs, for example, system Resource Adequacy needs, local Resource Adequacy needs, RPS needs, reliability needs, Local Capacity Requirements, Green Tariff Shared Renewables needs and any need arising from commission or legislative mandates.

RE – Renewable Energy: Renewable energy is energy from a source that is not depleted when used, such as wind or solar power.

REC – Renewable Energy Certificate: A REC is the property right to the environmental benefits associated with generating renewable electricity. For instance, homeowners who generate solar electricity are credited with 1 solar REC for every megawatt-hour of electricity they produce. Utilities obligated to fulfill an RPS requirement can purchase these RECs on the open market.

RES-BCT – Renewables Energy Self-Generation Bill Credit Transfer: This program enables local governments and universities to share generation credits from a system located on one government-owned property with billing accounts at other government-owned properties. The system size limit under RES-BCT is 5 MW, and bill credits are applied at the generation-only portion of a customer's retail rate.

RFO – Request for Offers: This is a competitive procurement process used by organizations to solicit the submission of proposals from interested parties in response to a scope of services.

RPS – Renewable Portfolio Standard: RPS is a law that requires California utilities and other load-serving entities (including CCAs) to provide an escalating percentage of California qualified renewable power (culminating at 33% by 2020) in their annual energy portfolio.

SB – Senate Bill: A Senate Bill is a piece of legislation that is introduced in the Senate. In other words, the Senate, rather than the Assembly, is the house of origin in the Legislature for the Legislation.

SBP – Solar Billing Plan: The Solar Billing Plan, also known as the Net Billing Tariff or NEM 3.0, is the new method of compensating customer-sited renewable energy self-generation, intended to promote grid reliability and incentivize solar and battery storage.

SCE – Southern California Edison: SCE is the large IOU that serves the Los Angeles and Orange County area.

SCP – Sonoma Clean Power: 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 in the service territory.



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Budget Resolution

Budget Resolution

RESOLUTION NO. 2025-06

A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER ADOPTING THE FISCAL YEAR 2025-2026 OPERATING BUDGET, THE FISCAL YEAR 2025-2026 CAPITAL BUDGET, AND THE FISCAL YEAR 2026-2030 CAPITAL INVESTMENT PLAN.

A. San Diego Community Power ("Community Power") is a joint powers authority formed pursuant to the Joint Exercise of Powers Act, Cal. Gov. Code § 6500 *et seq.*, California Public Utilities Code § 366.2, and a Joint Powers Agreement effective on October 1, 2019, and amended on December 16, 2021, ("JPA Agreement").

B. The JPA Agreement provides that Community Power's fiscal year ("FY") shall be 12 months commencing each year on July 1 and ending on June 30 the following year.

C. The JPA Agreement further provides that all expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its policies and procedures.

D. The Community Power Board proposes to adopt the FY 2025-2026 Operating Budget and the FY 2025-2026 Capital Budget, attached hereto as Exhibit A.

E. The SDCP Board further proposes to adopt the FY 2026-2030 Capital Investment Plan that provides comprehensive five-year plan for Community Power's capital investment expenditures, attached hereto as Exhibit B.

F. The FY 2025-2026 Operating Budget, FY 2025-2026 Capital Budget, and the FY 2026-2030 Capital Investment Plan, are based on the reasonable and necessary costs incurred by Community Power to operate and provide electric services, programs, and other offerings to Community Power customers; that the services, programs, and other offerings are reasonable and necessary; and that the costs have a fair and reasonable relationship to the benefit, privilege, service or product provided to the customer.

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

Section 1. The Board of Directors hereby adopts the FY 2025-2026 Operating Budget.

Section 2. The Board of Directors hereby adopts the FY 2025-2026 Capital Budget.

Section 3. The Board of Directors hereby adopts the FY 2026-2030 Capital Investment Plan.

Section 4. The Board of Directors finds that the FY 2025-2026 Operating Budget, FY 2025-2026 Capital Budget, and the FY 2026-2030 Capital Investment Plan, are based on the reasonable and necessary costs incurred by Community Power to operate and provide electric services, programs, and other offerings to Community Power customers; that the services, programs, and other offerings are reasonable and necessary; and that the costs have a fair and reasonable relationship to the benefit, privilege, service or product provided to the customer.

Section 5. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on June 26, 2025.

AYES: Chair Aguirre, Vice Chair Lawson-Remer, Alternate Director Cazares, Directors Elo-Rivera, Inzunza, San Antonio and Yamane
NOES: None
ABSTAINED: None
ABSENT: None

Paloma Aguirre

Paloma Aguirre, Chair
Board of Directors
San Diego Community Power

ATTEST:

APPROVED AS TO FORM:

Maricela Hernandez

Maricela Hernandez, MMC, CPMC
Secretary, Board of Directors
San Diego Community Power

Veera Tyagi

Veera Tyagi, General Counsel
San Diego Community Power



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Acknowledgments

Acknowledgments

Finance Department

San Diego Community Power's Finance Department works to maintain a fiscally responsible budget in accordance with Community Power's Budget Policy. The department ensures sufficient funding to meet procurement needs, sustain operational needs and support sustained growth while delivering clean energy to the communities we serve. In addition, the team actively works to build Community Power's reserves and develop policies that consider future economic conditions, provides an understandable and transparent operating budget for internal and external users, strives to keep the Community Power Board, committees and staff informed of Community Power's fiscal condition and develops a budget that will ultimately prioritize people, transparency and our communities.

Board of Directors

Supervisor Terra Lawson-Remer, Chair
Councilmember Ditas Yamane, Vice Chair
Councilmember Sean Elo-Rivera, Director
Councilmember Jack Fisher, Director
Councilmember Michael Inzunza, Director
Councilmember Marco San Antonio, Director
Councilmember Genevieve Suzuki, Director

Finance and Risk Management Committee

Councilmember Ditas Yamane, Chair
Councilmember Genevieve Suzuki, Vice Chair
Councilmember Michael Inzunza, Director

Community Advisory Committee

CHULA VISTA

- Anthony Sclafani
- Alonso Gonzalez

COUNTY OF SAN DIEGO

- Peter Andersen
- Ross Pike

ENCINITAS

- Tara Hammond
- Molly Hintlian

IMPERIAL BEACH

- Vacant
- Kenneth Hoyt

LA MESA

- David Harris
- Shaun Sumner

NATIONAL CITY

- Sorayda Santos
- Larry Emerson

SAN DIEGO

- Luis Montero-Adams
- Matthew Vasilakis

Community Power Executive Team

Karin Burns, Chief Executive Officer
Veera Tyagi, General Counsel
Jack Clark, Chief Operating Officer
Gordon Samuel, Chief Commercial Officer
Jannies Burlingame, Chief Financial Officer and Treasurer

Finance Department

Jannies Burlingame, Chief Financial Officer and Treasurer
Tim Manglicmot, Senior Director of Finance and Risk
Jeb Spengler, Associate Director of Finance and Procurement
William Weisman, Associate Director of Finance
Christopher Stephens, Procurement Manager
Krystal Carranza, Procurement Manager
Diana Gonzalez, Risk Manager
Mark Alfaro, Finance Manager
Christopher Do, Senior Financial Analyst
Michelle Phillips, Senior Financial Analyst
Julissa Mercedes, Financial Analyst
Kevin Bateman, Financial Analyst
Paige Spounias-Flynn, Procurement Analyst
Angad Kapoor, Procurement Analyst



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Financial Policies Attachment 1

Financial Policies

Budget Policy

Purpose

This policy (“Policy”) establishes San Diego Community Power’s (SDCP’s) timeline for annual budget preparation and for discretionary budget adjustments. This Policy is adopted pursuant to Government Code Section 6508 et seq. and must be adopted or amended by resolution.

Budget Guidelines

On October 1, 2019, the Founding Members of SDCP adopted the Joint Powers Agreement (JPA), which was amended and restated on December 16, 2021. There are several sections of the JPA that guide the development and management of the budget.

- **Section 4.6 Specific Responsibilities of the Board.**
4.6.2 Formulate and adopt an annual budget prior to the commencement of the fiscal year.
- **Section 7.2 Depository.** 7.2.3 All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its policies and procedures.
- **Section 7.3 Budget and Recovery Costs.** 7.3.1 Budget. The initial budget shall be approved by the Board. The Board may revise the budget from time to time as may be reasonably necessary to address contingencies and unexpected expenses. All subsequent budgets of SDCP shall be prepared and approved by the Board in accordance with its fiscal management policies that should include a deadline for approval. Section 4.6.2 of the JPA specifies that the SDCP Board of Directors (Board) shall adopt an annual budget with a fiscal year that runs from July 1 to June 30.

Budget Preparation

The Chief Financial Officer (CFO) begins the annual budget process in February of any given year. The Finance department develops initial revenue and expense estimates and updates its short-term financial plan. In March and April, SDCP staff develop and refine budget proposals to develop an initial budget baseline for the Agency for the upcoming budget year. The budget is further refined through strategic planning sessions and through the SDCP Finance and Risk Committee. The CFO shall then prepare and submit to the CEO (who further submits to the Board) a draft proposed budget for the next following fiscal year in May, or no later than the second month immediately preceding the start of the respective fiscal year. The budget shall be in alignment with established goals and shall reflect all activities including operating programs, revenues, and expenditures. The budget shall be approved by the Board at a public meeting in June, or no later than the month immediately preceding the start of the respective fiscal year.

CEO and CFO Authority

CEO and CFO Authority: The Chief Executive Officer (CEO) or CFO will have the discretion to authorize expense transfers from line items between and within SDCP’s Budget Level 2 categories as established and approved in the annual budget process by the SDCP Board, provided that net transfers total \$150,000 or less from the budget category. For example, within the Professional Services and Consultants Budget Level 2 category, the CFO may authorize that \$150,000 move from the Data Management to the Technical Support Budget Level 3 categories, provided that the total Professional Services and Consultants budget level 2 category remains the same.

FIGURE 58. EXAMPLE: EXPENSE TRANSFERS WITHIN BUDGET LEVEL 2 CATEGORIES

Professional Services and Consultants	FY23 Original Budget	FY23 Amended Budget	Change
Data Management	\$10,541,810	\$10,391,810	\$(150,000)
Legal/Regulatory	\$1,330,000	\$1,330,000	\$ -
Other Services	\$1,111,000	\$1,111,000	\$ -
SDG&E Fees	\$2,563,226	\$2,563,226	\$ -
Technical Support	\$1,335,000	\$1,485,000	\$150,000
Total Professional Services Expenses	\$16,881,036	\$16,881,036	\$ -

Additionally, for example, the CEO may authorize that \$150,000 move from the Professional Services and Consultants to the General Administration Budget Level 2 categories.

FIGURE 59. EXAMPLE: EXPENSE TRANSFERS BETWEEN BUDGET LEVEL 2 CATEGORIES

Budget Level 2	FY23 Original Budget	FY23 Amended Budget	Change
Cost of Energy	\$661,638,828	\$661,638,828	\$ -
General and Administration	\$2,591,363	\$2,741,363	\$150,000
Marketing and Outreach	\$4,164,167	\$4,164,167	\$ -
Personnel Costs	\$7,951,499	\$7,951,499	\$ -
Professional Services and Consultants	\$16,881,036	\$16,731,036	\$(150,000)
Programs	\$1,395,000	\$1,395,000	\$ -
Debt Service	\$1,314,922	\$1,314,922	\$ -
Total Budget Level 2	\$695,936,815	\$695,936,815	\$ -

The CEO, under his or her discretion, may still require approval of the Board for any budget changes that may fall under the discretion of the Policy. Amendments to the annual budget as approved by the Board will reset the original appropriation (revenue or expense) for the fiscal year for the purposes of the Policy.

Balanced Budget

A balanced budget shall exist when the total projected revenues are greater than or equal to the total projected expenses. Total revenues shall include all revenues from retail and wholesale sales of electricity. Total expenses shall include all operating expenses, program expenses, and contributions to reserve funds. Any year-end surplus will be used to maintain reserve levels. Any decrease in revenues and or increase in expenditures that causes the budget to become imbalanced will require an amended budget. The CFO shall prepare a proposed amended budget and submit it to the Board for approval.

Financial Reserves Policy

Purpose and Scope

San Diego Community Power (“Community Power” or “agency”) will maintain Financial Reserves (Reserves) as described in this policy.

Definitions

- **Days cash on hand:** Unrestricted cash, cash equivalents, and investments unencumbered by legal agreements and not earmarked for specific purposes x 365 / (budgeted operating expenses for the current fiscal year)
- **Reserves:** Unrestricted cash, cash equivalents, and investments unencumbered by legal agreements and not earmarked for specific purposes. Any Reserves that are designated by the Board of Directors as Rate Stabilization Reserves are included in the total Reserves calculation and reserve thresholds.
- **Reserve Event:** An occurrence that necessitates the use of Reserves to preserve Community Power’s financial stability or to address risk factors. Reserve Events may include, but are not limited to:
 - Volatility in energy costs, market price benchmarks, and energy sales (load)
 - An increase in uncollectable customer accounts due to an unforeseen event
 - Need to stabilize customer rates
 - Ensuring sufficient working capital, including funding for strategic capital projects
 - Covering unanticipated expenditures
- **Rate Stabilization Reserves:** A type of reserve intended to provide budget stabilization for the organization while mitigating financial impacts and cost of energy to customers due to cyclical cost of energy fluctuations. It is intended to reduce rate shocks while maintaining compliance with financial covenants.

Policy

A. Reserves Balance Thresholds

Community Power’s Reserves policy establishes three key thresholds:

Minimum Reserve Balance: Community Power will strive to ensure a minimum reserve balance sufficient to cover at least 180 days cash on hand. This minimum level provides the agency with the ability to meet essential obligations and maintain financial stability.

Target Reserve Balance: Community Power will strive to maintain a target reserve balance sufficient to cover at least 225 days cash on hand. The Target Reserve Balance provides sufficient reserves

for typical fluctuations in market volatility. This target level ensures the agency’s ability to absorb unexpected cost increases or revenue shortfalls without immediate negative impacts on operations, credit rating, or customer rates.

Maximum Reserve Balance: Community Power will strive to build reserves sufficient to cover no more than 270 days cash on hand, unless specifically authorized by the Board. The Maximum Reserve Balance provides sufficient reserves for significant fluctuations in market volatility or unforeseen circumstances.

B. Purpose and Intent of Reserves Balance Thresholds:

The Board shall determine the contribution to Reserves at least annually, with the goal of maintaining balances between the Target Reserve Balance and Maximum Reserve Balance. However, to the extent fiscal year end reserves fall between the Minimum and Maximum Reserve Balances, no immediate Board action is required.

If Reserves are below the Minimum Reserve Balance: The Board should ensure that Reserves do not drop below the Minimum Reserve Balance unless determined by the Board to be necessary to address a Reserve Event. The Minimum Reserves Balance is essential to maintain operational requirements and credit worthiness by providing reserves sufficient to meet basic threats of risk.

Should Community Power’s Reserves fall below the Minimum Reserve Balance, a plan to restore Reserves to the Minimum Reserve Balance shall be included in subsequent budget and rate discussions to return to the Minimum Reserve Balance as soon as practicable.

If Reserves are above the Maximum Reserve Balance: If Fiscal Year End Reserves are above the Maximum Reserve Balance, the Board may evaluate opportunities for strategic investments, programmatic reserves, or other purposes as authorized by the Board.

C. Permissible Use of Reserves:

- The Board may authorize the use of Reserves for any Reserve Event.
- The Board may authorize the use of Reserves between the Target Reserve Balance and Maximum Reserve Balance to be designated as Rate Stabilization Reserves. Rate Stabilization Reserves allows Community Power to defer revenues in years of strong financial results for use in future years when

financial results are weaker or stressed. This strategy would enable Community Power to address spikes in energy costs or other variable costs through the use of the Rate Stabilization Reserves and mitigating or avoiding substantial rate increases for customers.

D. Permissible Use of Reserves:

- Temporary reductions in Reserves for cash flow purposes to even out the expected peaks or dips in revenues and expenditures are normal cyclical occurrences to be expected during the fiscal year, and do not constitute a use of reserves. Transfers to and from Reserves to account for such temporary cash flow fluctuations is within the discretion of the Chief Financial Officer.
The Chief Executive Officer (“CEO”) will have the discretion to authorize the use of reserves during the fiscal year up to the lesser of 10% of the year’s total budgeted costs, or \$100 million, for the following purposes:
 1. Cover increases in power supply expenses due to spikes in costs and/or due to higher customer demand;
 2. Meet any margin or collateral posting requirements under energy supply contracts; and
 3. Provide resources to meet emergency expenditures.
- Any use of the reserves under the CEO’s authority shall be reported to the Board at the next regularly scheduled meeting.
- Any further use of reserves as necessary or desirable, must be recommended by the CEO to the Board for approval of such use.

D. Reserve Review and Reporting

Reserves and annual contributions will be reviewed

on an annual basis as part of Community Power’s budget process. Reserves will also be reviewed at the completion of Community Power’s annual audit to reconcile the Reserve balance. The results will be reported to the Board as part of the year-end financial report presentation.

E. Excess Reserve Distribution

If Fiscal Year End reserves exceed the Maximum Reserve Balance, the Board may authorize excess reserve distributions at their discretion, including for the following purposes:

- **Strategic Uses:** Use excess funds for capital projects, financing programs, paying down existing debt, rate reductions, or other strategic purposes.
- **Programmatic Reserve:** Use excess funds to establish a contingency for programs and projects. Specifically, this Reserve could fund unforeseen and unexpected needs such as cost overruns, local leveraging or matching for external funds, or other programmatic needs as required.

F. Policy Review

Community Power staff will complete a periodic review of this Financial Reserve Policy.



Rate Stabilization Reserve Policy

Purpose and Scope

San Diego Community Power (Community Power) may maintain a Rate Stabilization Reserve (RSR) as recognized in the Board-adopted Financial Reserves Policy. Any RSR will be maintained and utilized as described in this policy for the intention of providing customer rate stability.

Definitions

- **Reserves:** Unrestricted cash, cash equivalents, and investments unencumbered by legal agreements and not earmarked for specific purposes. Any Reserves that are designated by the Board of Directors as Rate Stabilization Reserves are included in the total Reserves calculation and reserve thresholds.
- **Rate Stabilization Reserves:** A type of reserve intended to provide budget stabilization for the organization while mitigating financial impacts and cost of energy to customers due to cyclical cost of energy fluctuations. It is intended to reduce rate shocks while maintaining compliance with financial covenants.
- **Rate Stability Metrics:** The change in generation rates experienced by customers due to rate changes approved by the Board of Directors, which may be measured as year-over-year rate change or value proposition change. Regular components of rates that fluctuate independently of changes approved by the Board, such as seasonal or time-differentiated rates or changes to delivery rates may be excluded from rate stability metrics.
- **Fiscal Year (FY):** The consecutive twelve-month period of July through June, identified by the calendar year of the latter half (i.e., July 2025 through June 2026 is FY 26), for use in financial planning, or as otherwise established by the Community Power Board pursuant to Section 7.1 of the Joint Powers Agreement.
- **Calendar Year (CY):** The consecutive twelve-month period of January through December, aligned with the calendar, for use in rate-setting.
- **Revenue Transfer:** A financial decision within a strong FY, defined by expected net position, to allocate a portion of revenues to the RSR. In this scenario, the allocation to the RSR is classified as a negative contribution to net position, so that these funds are not recognized as revenue within that FY.
- **Revenue Recognition:** A financial decision within a weak FY, defined by net position or rate stability metrics, to allocate a portion or all of funds in the RSR to revenues. In this scenario, the allocation from the RSR is classified as a positive contribution to net position, so that these funds are recognized as revenue within that FY.

Policy

Objectives

The RSR allows Community Power to defer revenues in strong fiscal years and to withdraw revenues in weak fiscal years, relative to net position, in order to provide rate stability to customers and avoid substantial rate increases. The primary use case of the RSR is to mitigate rate volatility caused by Market Price Benchmark (MPB) and Power Charge Indifference Adjustment (PCIA) rate fluctuations, or for any other purpose, to reduce year-over-year rate changes and/or maintain Community Power's rate competitiveness between rate setting cycles.

Community Power staff will closely monitor reserves and metrics associated with rate stability and affordability to determine appropriate Revenue Transfers and Revenue Recognitions via the RSR during the fiscal year and the rate-setting process.

Target RSR Balance

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. Community Power may reevaluate this Target RSR Balance annually to determine that the RSR is sufficient to cover identified risks and to mitigate rate volatility for customers. Should the balance increase above the amount equivalent to 45 Days Cash on Hand, the Community Power Board may authorize adjustment to the balance consistent with the Financial Reserves Policy.

Accounting

The RSR is accounted for under Government Accounting Standards Board Statements 62 which codify deferred outflows and inflows of resources. The balance of the RSR, including annual Revenue Transfers and Recognitions, will be recorded on the statement of net position in Community Power's Statement of Revenues.

Trigger Mechanism: Revenue Transfers should be considered during fiscal years with positive net position, in which reserves are above the Target Reserve Balance as defined by the Financial Reserves Policy. Revenue Recognitions should be considered during fiscal years with an expected negative net position, or during the rate-setting process to mitigate substantial rate increases for customers. The impacts on financial or bank covenants and other appropriate financial metrics should also be a factor in the decision-making process. Community Power staff shall strive to not negatively impact the agency's financial standing via decisions related to the RSR.

Replenishment Mechanism: When Revenue Recognition decisions from the RSR are approved, Community Power staff must also present a plan to replenish the RSR within 2-4 years by the next regularly scheduled Board meeting, if feasible. Revenue Transfers and Recognitions may be made within the same fiscal year, provided that all other criteria are met.

Reporting and Authorization

The Chief Executive Officer (CEO) will have the discretion to authorize Revenue Transfer and Recognition decisions related to the RSR during the fiscal year. Any Recognition of the RSR during a fiscal year must be recommended by the CEO to the Board for approval of such use, subject to appropriation approved by the Board.

Revenue Transfer and Recognition decisions will be reported to the Board of Directors by Community Power staff at the next regularly scheduled meeting. The year-end financial report presentation to the Board will also include an update on the status of the RSR.

Policy Review

Community Power will complete a periodic review of this Rate Stabilization Reserve Policy and recommend updates to the Board, as appropriate.

Miscellaneous

Nothing in this policy shall supersede any provisions established or updated via Community Power's Financial Reserves Policy and Rate Development Policy.

Non-Energy Procurement Policy

Purpose

It is in the interest of San Diego Community Power (“Community Power”) to establish procurement practices that facilitate efficient business operations and provide fair compensation and local workforce opportunities, whenever possible, within a framework of high quality and competitive service offerings.

This Non-Energy Procurement Policy (“Policy”) shall not apply to energy procurement or transactions governed by the Energy Risk Management Policy as enacted, adopted or revised from time to time by Community Power’s Board of Directors (“Board”).

Policy

1. Procurement of Professional Services

Community Power may contract for professional services, which are services that require expertise and knowledge, including but not limited to consultant, legal, or design services, in its sole discretion. Community Power shall procure professional services in compliance with this Policy. Community Power shall endeavor to secure the highest quality professional services available and is not required to award a contract for services to the lowest-cost proposer.

2. Procurement of General Services

Community Power may contract for general services, which are services that are not professional services, including but not limited to cleaning or maintenance services, in its sole discretion. Community Power shall procure general services in compliance with this Policy. Although Community Power shall not be required to award a contract to the lowest-cost proposer, Community Power shall seek to procure general services at the lowest costs.

3. Procurement of Goods

Community Power shall procure goods, including but not limited to supplies, materials, furnishings, software or equipment, in compliance with this Policy. Although Community Power shall not be required to award a contract to the lowest-cost proposer, Community Power shall seek to procure goods at the lowest costs. Community Power is encouraged to jointly procure goods with other governmental agencies to obtain the lowest cost when possible.

4. Procurement of Public Works Projects

Community Power shall comply with California Public Contract Code Section 20160 et seq. and other applicable laws and regulations when procuring public projects in excess of \$5,000. For purposes of this section, a “public project” shall

have the same meaning as defined in Public Contract Code Section 20160, and includes, among other things, projects for the erection, improvement, painting, or repair of public buildings and works.

5. Competitive Procurement Requirements

a. **Contracts Exceeding \$150,000.** One of the following methods shall be used for anticipated goods and/or services with an aggregate contract value exceeding \$150,000 over the entire duration of the contract:

- i. **Request for Proposals (“RFP”):** An RFP is typically used to procure technical, complex and unique services, and/or when the requirements are qualitative rather than quantitative. A RFP tends to be used when creative or innovative approaches are needed or when Community Power is looking for a customized solution to a problem. An RFP will include, at a minimum, a requirements statement or statement of work; experience, expertise, or qualification criteria; and an evaluation criteria for which a proposal will be evaluated. Proposals will be required to include a detailed explanation of Proposer’s approach, detailed work plans, solutions, or methods, and price/budget, as applicable. All RFPs shall, at a minimum, be posted on Community Power’s website.
- i. **Request for Qualifications (“RFQ”):** An RFQ is typically used to procure goods and/or services when Community Power needs to establish a pool of pre-qualified providers (“PQPs”). The RFQ process is typically used to determine a proposer’s capability to perform specified services and meet stipulated requirements. The RFQ will specify the areas of expertise, experience, or knowledge that Community Power seeks, and, if applicable, the process for a proposer to become a pre-qualified provider in those specified areas. PQPs are then eligible to propose and compete in subsequent task order solicitations when defined scopes of work are identified by Community Power. Subsequent task order solicitations will include scope of work, experience, expertise or qualifications, and evaluation criteria for which proposals will be evaluated against.
- i. Additionally, the RFQ method can be used to award contracts for services that include scopes of work to be authorized on an as-needed basis. All RFQs shall, at a minimum, be posted on Community Power’s website.



- b. Contracts between \$10,000 and \$150,000. For anticipated goods and/or services with an aggregate contract value between \$10,000 and \$150,000 over the entire duration of the contract. Community Power shall obtain written quotes or bids from at least three providers, if feasible. Each quote or bid shall include the provider's name, address, phone number, professional license number (if applicable), a description of the work to be performed, and the proposed cost. Public advertising is not required for these solicitations.

6. Non-Competitive Procurement

- a. Contracts Less than \$10,000. For anticipated goods and/or services with an aggregate contract value of less than \$10,000 over the entire duration of the contract, no competitive procurement is required, but staff is directed to seek the lowest cost goods and the highest quality services available. This process shall not be used when it is reasonably foreseeable that additional goods and/or services are anticipated from the same vendor would exceed the \$10,000 threshold in the aggregate, in which case competitive procurement shall be used.
- b. Legal Services. No competitive procurement is required for legal services.
- c. Rent or Lease of Office Space. No competitive procurement is required to rent or lease office space.
- d. Contracting with a Government Agency. No competitive procurement is required for goods and/or services provided by another governmental agency, provided that such agency's procurement is in compliance with California law.
- e. Emergencies. In the event of an emergency, the Chief Executive Officer ("CEO") may suspend the normal purchasing and procurement requirements for goods and/or services related to abatement of the impacts or effects of the emergency. "Emergency" for purposes of this Policy means a situation creating an imminent danger to life or property or other material financial loss that calls for immediate action with inadequate time for a competitive procurement.

7. Sole-Source

The Board or the CEO, as applicable, after consultation with the General Counsel, may waive the competitive procurement requirements in this Policy and procure goods and/or services from a sole source, based upon written documentation justifying a sole-source award as described below, and as allowed by applicable law.

- a. Written justification for a sole-source award must demonstrate that:

- i. The desired goods and/or services are available from only the sole source based upon one or more of the following reasons: (a) The unique experience and capabilities of the sole source; (b) The project involves the use of proprietary technology from sole source; or (c) The sole source has ownership of key assets required for project performance; or
- i. Other circumstances exist which in the determination of the Board or the CEO, as applicable, require such waiver in the best interests of Community Power. Such circumstances may include, but are not limited to: (a) Projects involving cost sharing by multiple sponsors; (b) Time extension of an existing sole source agreement; or (c) Projects requiring compatibility with existing specialized equipment.

- b. The following are not permissible justification for sole source:

- i. Personal preference for product or vendor;
- ii. Cost, vendor performance or local service (the latter may be considered an award factor in competitive procurements);
- iii. Features that exceed the minimum requirements for the goods and/or services; or
- iv. The length of time needed to conduct a competitive procurement is inconvenient.

8. Additional Authorized Procurement Methods

- a. **Cooperative Procurement.** Cooperative Procurement refers to the combining of requirements of two or more government agencies to leverage the benefits of volume purchases, delivery and supply chain advantages, best practices, the reduction of administrative time and expenses, or some combination thereof. Community Power may use Cooperative Procurement when the use of it enhances operational efficiencies and demonstrates potential cost savings for Community Power, including transaction costs.
- b. **Piggyback Procurement.** Piggyback Procurement is a type of Cooperative Procurement, and it refers to a government agency's use of an existing competitively awarded contract from another government agency to form its own contract directly with that vendor to purchase goods and/or services on the same or similar terms. Community Power may use Piggyback Procurement when such a procurement enhances operational efficiencies and demonstrates potential cost savings for Community Power, including transaction costs.

9. RFP/RFQ Proposal Evaluation

- a. Responses received through an RFP or RFQ shall be subject to a set of criteria and a scoring system, reviewed and evaluated by relevant Community Power staff and an evaluation committee selected by the CEO or, at the discretion of the Board, members of a designated Board committee. Responses received shall be evaluated based on competency to perform the scope of work, best fit, price competitiveness, and other additional criteria pursuant to Community Power's Inclusive and Sustainable Workforce Policy. The preferences below may not apply to procurements conducted jointly with other public agencies, and shall not apply when prohibited by state or federal statutes or regulations that require award to the lowest responsible bidder. Proposers may only pursue two of the four preferences.
 - i. Businesses with office(s) located in San Diego County and include at least 25% San Diego County residents under their employment shall receive a bonus of up to 5 points or 5% out of a 100-point scoring system in competitive solicitations. To receive the preference, a proposer must submit written information relating to the location of its office(s) in San Diego County and the percentage of San Diego County residents under its employment.
 - ii. Businesses certified as disabled veteran business enterprises by the Supplier Clearinghouse (thesupplierclearinghouse.com) shall receive a bonus of up to 5 points or 5% out of a 100-point scoring system in competitive solicitations. To receive the preference, a proposer must submit proof of current, valid certification by the Supplier Clearinghouse. Such proof shall be subject to verification by Community Power.
 - i. Businesses certified as a Persons with Disabilities business enterprise by the Supplier Clearinghouse or Disability:IN shall receive a bonus of up to 5% or 5 points out of a 100 point scoring system in competitive solicitations. To receive the preference, a proposer must submit proof of current, valid certification by the Supplier Clearinghouse or Disability:IN. Such proof shall be subject to verification by Community Power.
 - i. Businesses certified as small business by the Department of General Services shall receive a bonus of up to 5% or 5 points out of a 100-point scoring system in competitive solicitations. To receive the preference, a proposer must submit proof of current, valid certification by the

Department of General Services. Such proof shall be subject to verification by Community Power.

- b. Community Power is committed to the highest standards of responsible behavior and integrity in all of its business relationships. Community Power will consider an organization's business practices, environmental record, and commitment to fair employment practices and compensation in its procurement decisions.

10. Amendments.

- a. For non-Board-approved contracts with an original value less than \$10,000, amendments may be authorized to increase the aggregate contract value up to \$10,000.
- b. For non-Board-approved contracts with an original value between \$10,000 and \$150,000 that were procured in accordance with Section 5 of this Policy, amendments may be authorized to increase the aggregate contract value up to \$150,000.
- c. For Board-approved contracts, amendments may be authorized to increase the aggregate contract value by up to an additional \$150,000 or 10% of the original contract value, whichever is greater, without Board approval. Amendments exceeding these values shall require Board approval. The contract amendments shall be reported at the next regular Board meeting.

11. General Provisions.

The provisions below shall apply to all methods of procurement described above.

- a. All awards resulting from solicitations conducted in accordance with this Policy shall be documented in a written agreement. Execution of such agreements shall be effectuated in accordance with Community Power's Delegated Authority Policy.
- b. The Board may, consistent with applicable law, waive one or more purchasing procedures in this Policy in its sole discretion.
- c. The Board designates the CEO as Community Power's purchasing agent. As the purchasing agent for Community Power, the CEO is hereby authorized on behalf of Community Power to (i) purchase Goods; (ii) rent furnishings and equipment; (iii) contract for Services, Professional Services, or Legal Services, or (iv) procure Public Works projects, as provided herein. The CEO may further delegate this authority in the CEO's discretion.
- d. The CEO, at their discretion, may direct Community Power to use competitive procurement for anticipated

goods and/or services with an aggregate contract value of \$150,000 or less for a contract term.

- e. When procuring goods and/or services utilizing state or federal funds (e.g., grant or loan funds), Community Power shall comply with all state and federal project requirements in securing any goods or services necessary. If there is a conflict between the foregoing, the more restrictive requirements shall apply.
- f. Community Power shall not be required to award a contract to purchase goods or services from the lowest responsible bidder, unless required by California law.
- g. A contract shall not split purchases into more than one purchase in order to avoid the Competitive Procurement Requirements in this Policy. If it is reasonably foreseeable that similar goods and/or services are anticipated from a vendor that would have an aggregate value of \$10,000 or more, the competitive procurement requirements of this Policy shall apply.
- h. No Community Power officer or employee shall accept, directly or indirectly, any gift, rebate, money or anything of value from any person or entity if such gift, rebate, money or anything of value is intended to reward or be an inducement for conducting business, placing orders with, or otherwise using the officer's or employee's position to secure a contract with Community Power.

12. Protests

- a. Protest Regarding Solicitation – an interested party that is an actual or prospective proposer with a direct economic interest in the procurement may submit a protest in writing relating to the form or content of a solicitation to Community Power's Procurement Manager at least five (5) business days before the deadline to submit proposals.
- b. Protest Regarding Award of Contract – a proposer may submit a protest in writing regarding the award of a contract to Community Power's Procurement Manager no later than five (5) business days after proposer receives notification of non-award.
- c. Protest Contents – For the protest to be valid, it must: clearly identify the procurement action being protested; specify, in detail, the factual and legal grounds for the protest, including identifying the specific provisions of the solicitation, rules, regulations or laws upon which the protest is based; include all relevant, supporting documentation with the protest at the time of filing; identify the specific relief requested; and include the name, mailing, address, telephone number and email address of the person representing the protester. Any matters not set forth in the protest shall be deemed waived.

- d. Community Power Review – upon receipt of a valid and timely protest, Community Power will investigate the protest and will provide a written response to the protester within a reasonable time. If necessary, the CEO at their sole discretion may extend the deadline to submit proposals to allow for a reasonable time to review the protest. The CEO at their sole discretion may elect to withhold contract execution until the protest is resolved or denied, or proceed with contract execution while the review is pending. If the protest is upheld, the CEO will consider all circumstances surrounding the procurement in their decision for a fair and reasonable remedy, including the degree of prejudice to the protester or to the integrity of the competitive procurement process, the urgency of the procurement, the extent of performance if the contract has already been executed, the cost to Community Power, and the impact of the proposed remedy. The remedy may include, but is not limited to, reissuance of the solicitation, revised evaluation of the proposals, or termination of the contract.
- e. Exclusive Remedy – The procedure set forth in this Policy is mandatory. Failure by a protester to comply with the procedure for protests will constitute a waiver of any right to pursue the protest, including the filing of a claim under the relevant Government Code section or initiating legal proceedings. In no event will a protest be considered if all proposals are rejected or no contract is awarded. If Community Power determines that the protest is frivolous, the protester may be deemed ineligible for future contract awards.

13. Nondiscrimination Contract Clause

Each Community Power contract and subcontract shall contain a nondiscrimination clause that reads substantially as follows:

"Contractor shall not discriminate on the basis of race, gender, gender expression, gender identity, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring, or treatment of subcontractors, vendors, or suppliers. Contractor shall provide equal opportunity for subcontractors to participate in subcontracting opportunities."

14. Information on Supplier Diversity

Public Utilities Code Section 366.2(m) requires certain community choice aggregators, including Community Power, to annually submit to the California Public Utilities Commission (CPUC): (1) a detailed and verifiable plan for increasing procurement from small, local, and diverse business enterprises; and (2) a report regarding its procurement from women, minority, disabled veteran, and LGBT business enterprises. General Order 156 (GO 156), adopted by the CPUC, requires



certain California public utilities to engage in outreach activities and meet specific procurement goals from women, minority, disabled veteran, persons with disabilities, and LGBT business enterprises. Qualified businesses become GO 156 certified through the CPUC and are then added to the GO 156 Supplier Clearinghouse database (www.thesupplierclearinghouse.com). To assist Community Power with its reporting obligations under Public Utilities Code Section 366.2(m) and with evaluating its supplier outreach and other activities, proposers that are awarded the contract will be asked to voluntarily disclose their certification status with the CPUC Clearinghouse, as well as their efforts to work with diverse business enterprises, including WBEs, MBEs, DVBES, and LGBTBEs. Except as otherwise expressly provided under this Policy and/or required by applicable state or federal law or funding requirements (including, without limitation, any grant or loan conditions), Community Power shall not use any demographic information received from potential vendors in any way as part of its decision-making or selection process. Rather, Community Power will use such information solely for compliance with its reporting obligations to the CPUC and

evaluation of Community Power's outreach and other activities consistent with applicable law. Pursuant to Article I, Section 31 of the California Constitution, Community Power shall not discriminate against or give preferential treatment to any individual or group on the basis of race, sex, color, ethnicity, or national origin except as otherwise allowed therein.

15. Signing Authority

Community Power's CEO and designated staff are authorized to execute contracts and related documents in accordance with Community Power's Delegated Contract and Signature Authority Policy, as enacted, adopted or revised from time to time by the Board.

16. Review and Approval as to Form by General Counsel

All Community Power agreements must be approved as to the form and content by the General Counsel or his/her designee prior to signature by any authorized individual.

Debt Policy

Purpose

This Debt Policy (“Policy”) establishes San Diego Community Power’s (“SDCP”) Debt Policy. The Policy articulates: (1) the situations and steps necessary for the issuance of debt; (2) the types of debt that may be issued; and (3) how the debt fits into SDCP’s capital investment program (CIP), Community Power Plan, integrated resource plan, or strategic policy goals.

This Policy is adopted pursuant to Senate Bill 1029 (Hertzberg, 2016) and Government Code Section 8855 et seq. and must be adopted or amended by resolution. The SDCP Board of Directors (“Board”) is required to adopt a formal Debt Policy before any debt can be used.

Background

The SDCP Board adopts budgets and establishes and adjusts rates, as appropriate, each fiscal year to provide sufficient revenues to pay all operating expenses, make required payments and comply with commitments on all other debts or financial obligations of the Agency.

SDCP is committed to long-term financial planning, maintaining appropriate reserve levels, and employing prudent practices in governance, management, and budget administration. The SDCP Board further adopted its Strategic Plan on June 23, 2022, which included the goal to adopt financial controls and policies to meet or exceed best practices and manage risk.

SDCP utilizes financial policies that foster financial stability, support fiscal discipline, and enable SDCP to maintain strong investment-grade credit ratings.

This Policy confirms the commitment of the SDCP Board, management, staff, advisors and other decision makers to adhere to sound financial management practices, including full and timely repayment of all borrowings, allowing continuing ready access to the capital markets to achieve the most effective cost of capital within prudent risk parameters. The goals and objectives of this Policy are as follows:

- Maintain cost-effective access to capital markets
- Maintain a prudent level of financial risk
- Preserve future financial flexibility
- Finance capital projects, acquisitions, or improvements in a timely and cost-effective manner
- Manage debt effectively within SDCP Board established objectives and parameters
- Maintain strong credit ratings and good investor relations
- Maintain compliance with all relevant laws, reporting, and disclosure requirements
- Foster integrity in the debt management process

Further, this Policy is intended to comply with the regulatory

requirements of California Government Code Section 8855 and Senate Bill 1029 which, among many things, requires debt issuers to adopt a local debt policy governing the issuance of debt and to enhance the management of government financial resources.

Scope and Authority

This Policy shall govern the issuance and management of all bonds and other forms of indebtedness of SDCP, together with any credit, liquidity, or other security instruments and agreements that may be executed in connection with the issuance of bonds and other forms of indebtedness (“bonds” or “debt”). It also considers certain financial targets which SDCP and its Board may contemplate in the future in order to continue to implement its capital investment program and to support cost-effective borrowing.

While this Policy specifically governs debt issued directly by SDCP, SDCP may consider joint arrangements with other municipal issuers or private parties to finance a project when it serves SDCP’s policy objectives. SDCP is authorized to join together with other municipal agencies to create a separate entity, such as a joint powers authority, to issue debt on behalf of SDCP or the project participants. Typically, joint venture debt is repaid through revenues generated by the project, and SDCP will be liable only for its share of debt service, as specified in a contract executed in connection with the joint venture debt. If the potential for a joint venture does exist, SDCP will examine and negotiate the financial arrangements, obligations, liabilities, tax issues and other factors that may arise in the context of impacts on SDCP and its direct debt obligations using this Policy and financial best practices as guidance. SDCP will comply with state law limitations and in general, avoid joint procurement situations if SDCP lends it credit or enhances the credit of another entity, unless doing so will result in other net tangible benefits to SDCP. Further, as with all SDCP debt, any joint venture debt would be subject to evaluation and authorization of the Board.

While adherence to this Policy is generally required, it is recognized that changes in the capital markets, SDCP programs and other unforeseen circumstances may from time to time produce situations that are not covered by the Policy and will require modifications or exceptions to best achieve policy goals. In these cases, management flexibility is appropriate, provided specific authorization from the SDCP Board is obtained.

This Policy shall be reviewed at least annually as described below and presented to the SDCP Board for approval of any changes as appropriate. This Policy will remain in effect as amended or restated in the future by the Board.

Notwithstanding anything in this Policy to the contrary, the failure of SDCP to comply with any provisions of this Policy



shall not affect the authorization, validity, or enforceability of any debt or other forms of indebtedness that are otherwise issued in accordance with law.

Use of Debt

To achieve its objectives, SDCP may consider debt financing for the construction, acquisition, rehabilitation, replacement, or expansion of physical assets, including real and personal property, equipment, furnishings, and improvements. Debt may also be issued for other Board-approved needs or for the refunding of prior outstanding debt.

For example, SDCP may consider the use of debt to finance ownership interest in generating or storage assets if it is determined to be a cost-effective alternative to a standard power purchase agreement or if asset ownership may afford synergies between SDCP'S other objectives (e.g., resiliency, GHG free energy, etc.) or additional measurable advantages in terms of operational efficiency.

SDCP, under the direction of the Board, will retain full flexibility in determining the best funding approach on a case-by-case basis.

Types of Debt

Types of bond issuance, further described in the Appendix, include:

- **New Money:** Debt may be incurred to provide for capital financing for future capital expenditures or reimbursement of prior expenditures.
- **Refunding:** Refunding bonds may be issued to realize debt service savings, restructure outstanding debt, modify covenants, or for other debt management purposes. Absent significant non-economic factors, refunding transactions contemplated solely for debt service savings must produce a minimum aggregate net present value debt service savings of at least 3% of the par value of the refunded bonds, calculated using the refunding issue's true interest cost ("TIC") as the discount rate. SDCP will work with its Municipal Advisor ("MA") to assess potential refunding opportunities.

Bonds may be issued as taxable or federally tax-exempt:

- **Tax-Exempt:** Interest received by bondholders of SDCP's bonds issued on a federally tax- exempt basis is exempt from federal income tax, and so typically may be issued at lower interest rates, reducing SDCP's cost of borrowing. Additional interest rate advantages may be available for bank qualified bonds (where SDCP will issue less than \$10 million of tax- exempt bonds in a year). However, SDCP is limited by federal tax law in the uses of tax- exempt bond proceeds and must comply with additional federal tax law requirements during the

full term of any bond issue. Uses of proceeds typically require a governmental purpose and must be spent on capital improvements rather than operating expenses. Tax implications include having reasonable expectations for spending proceeds at the time of issuance, limiting private use of financed projects, and complying with arbitrage restrictions on the bond proceeds.

- **Taxable:** Taxable debt's interest is not exempt from federal income tax, and so is typically issued at higher interest rates than tax-exempt debt. However, the IRS restrictions described above do not apply, and so SDCP may wish to use taxable debt in situations where the project or purpose of borrowing may not meet federal tax law requirements. SDCP may also consider taxable tax credit or direct subsidy bonds, such as Clean Renewable Energy Bonds, Qualified Energy Conservation Bonds, etc., that offer lower costs of borrowing to SDCP through the issuance of taxable debt that is supported by federal subsidy payments on the interest expense to SDCP.

Method of Sale

SDCP may choose to issue bonds using either a competitive or negotiated sale process. SDCP may also sell bonds by means of a private placement or direct sale with a financial institution or other accredited investor when this method is expected to result in cost savings or provide other advantages compared to a traditional public offering. SDCP staff will work with its Municipal Advisor to determine the most appropriate method of sale for each issuance. Please see the Appendix for a detailed description of the different methods of sale that SDCP may consider.

Structure and Term

The repayment schedule of a bond issue can vary greatly from one sale to another. The same is true for other debt instruments. SDCP will consider which structures meet SDCP's strategic goals, are cost effective, minimize the new debt's impact on SDCP's overall debt service schedule, future debt capacity, and other factors when deciding how to structure new debt. In addition to debt amortization terms, structuring options may include the addition and procurement of credit enhancement, the establishment of reserves, the use of capitalized interest, and call or redemption options. In structuring debt service, SDCP shall consider (1) current and forecasted revenues and any anticipated changes to rates, charges and operating expenses, (2) future borrowing plans, (3) meeting the Credit Considerations described in the next section, and (4) feedback from the Municipal Advisor and rating agencies on a structure's potential impacts to SDCP's credit worthiness. Generally, but not a requirement under



this Policy, SDCP prefers level debt service over time. SDCP, consistent with tax law, will not structure debt with a maturity date that materially exceeds the average useful life of the assets or improvements being financed.

Green Bonds

To the extent possible, SDCP bond issuances shall be green bonds. A green bond is a type of fixed-income instrument that is specifically earmarked to raise money for climate and environmental projects. These bonds are typically asset-linked and backed by the issuing entity's balance sheet, so they usually carry the same credit rating as their issuers' other debt obligations.

Credit Considerations

When SDCP issues debt, the Agency will have to execute certain bond documentation and agreements (herein generally referred to as 'indentures') that will bind SDCP to specific terms or requirements. Generally speaking, SDCP will agree to abide by certain covenants written in the indenture which describes in detail the obligations and responsibilities of SDCP and the rights of the bondholders which are designed to protect bondholders by setting standards by which SDCP agrees to comply. These types of covenants may require SDCP to meet certain requirements or, conversely, may forbid SDCP from undertaking certain activities that would jeopardize SDCP's ability to repay its debt. An indenture defines SDCP's contractual obligations and determines the parameters of SDCP's permissible financial behavior.

The incorporation of effective bond covenants into SDCP's future bond issues and respective documentation signal a commitment to abide by stated financial and operating parameters over the long-term and contribute towards SDCP's ability to maintain strong financial health. Credit ratings are ultimately statements about the likelihood of full and timely debt repayment. Because bond covenants govern an issuer's ongoing financial behavior, the analysis of bond/indenture covenants and their impact on the risk profile of a bond is an integral part of the credit rating process.

Credit ratings are fundamentally forward-looking opinions on the relative default risk associated with a particular issuer and its debt obligations. Credit ratings have a significant impact on the interest rates for SDCP debt, and therefore SDCP will work to address the cost and benefits of obtaining and maintaining strong credit ratings. Depending on the lien structure of the debt, some, or all, of the following factors may be included in its bond documentation in order to obtain and maintain strong credit ratings that would broaden the appeal of and lower the cost of debt issued by SDCP.

- **Debt Service Coverage Ratio:** The ability of an agency to pay debt service (i.e. principal and interest on debt obligations) when due is often measured by how much cash flow is available, after payment of operating expenses, to cover debt service payments (Debt Service Coverage Ratio). Debt Service Coverage Ratio is a common financial metric used in the utility industry and is used by the rating agencies and investors to determine the ability of a utility to fulfill its debt obligations and ensure that the utility generates sufficient revenues to make its debt secure. SDCP's future indentures will likely require cash flow in excess of debt service, or a Debt Service Coverage Ratio greater than 1.0x. Many public agencies target a Debt Service Coverage Ratio in its financial and debt policies higher than the minimum required by its indenture to improve debt ratings and lower their costs of borrowing. Should SDCP establish a minimum Debt Service Coverage Ratio in its future indentures, the Board may consider establishing a target ratio in this Policy that is higher than the legal minimum. Note, that a failure by SDCP to meet a target ratio proposed in this Policy will not result in a default under the indenture so long as the minimum Debt Service Coverage Ratio is achieved.
- **Rate Covenant:** A rate covenant is a promise to set rates or fees at levels that are set to recover sufficient revenues at a designated threshold level to cover operating expenses and debt service payments. This designated threshold level is the same as the Debt Service Coverage Ratio discussed previously. SDCP may develop one or more rate covenants in order to measure and govern operating performance. As noted, future indentures may establish minimum levels of coverage and SDCP's Board-adopted financial policies may establish internal goals that exceed these minimum coverage requirements.
- **Additional Bonds Test:** If SDCP were to issue bonds or other debt obligations, the indentures governing those obligations may have covenants that stipulate whether SDCP may sell additional bonds in the future that share that same pledged revenue stream as security. SDCP may develop conditions or standards in its indentures that describe the parameters whereby SDCP could issue additional bonds (referred to as an "additional bonds test"). This test is intended to ensure that future bond issuance does not reduce bondholder security by placing too high a burden on the revenue stream. The additional bonds test may require that SDCP demonstrate that it has sufficient revenues to meet or exceed the designated Debt Service Coverage Ratio before additional bonds can be issued.



While the specific formulation of the Additional Bonds Test may vary depending on the type of bonds being contemplated, the SDCP will utilize an Additional Bonds which establishes a limitation on new issuances such that the pledged revenues are no less than one and a half times (1.5x) the maximum annual principal and interest and debt service for the aggregate outstanding senior lien bonds including the debt service for the new issuance.

The Agency will also seek to maintain aggregate annual debt service on long-term debt at a level not-to-exceed 5% of the Agency's annual total operating expenses. The actual terms and conditions specific to each debt issue will be controlled by the applicable documents.

- **Reserves:** SDCP may maintain reserves including those in compliance with GASB 62 such as the adopted Operating Reserve Fund to act as a rate stabilization fund that can help mitigate the impacts of revenue variability. Depending on whether or not SDCP incorporates a rate stabilization fund reserve into its indentures, this reserve may be used to help meet Debt Service Coverage Ratio requirements during times of revenue shortfalls. This fund can be a valuable tool to manage and mitigate the risk related to any Debt Service Coverage Ratio requirements included in future indentures and to address revenue and rate volatility. There are other reserves that the Board may consider adopting in the future that, for example, may be utilized for paying debt service, for funding specific capital projects, or for emergency purposes etc.
- **Additional Ratio Targets:** In the future the Board will continue to monitor this Policy and will establish enhancements to further strengthen the financial ratios and targets of SDCP. For example, while not a ratio included in Indenture covenants, another ratio that can help measure SDCP's financial health and is the ratio of debt-funded capital to overall capital spending (i.e., debt to pay-go spending). Prudent use of debt financing rather than pay-go funding of capital projects can facilitate better allocation of resources over time and ensure payment equity across generations for the use of long-term assets.

Financing Team and Professional Services

SDCP will assemble a financing team that will provide advice and support for the development and implementation of debt issuance as well as ongoing analysis and support. The financing team will include both SDCP staff and outside professional consultants. When required by SDCP's procurement policy, SDCP will use a competitive process through a Request for Proposal ("RFP") in the retention of professional consultants. Otherwise, SDCP will adhere to its best practices in contracting

to procure such vendors. The professional consultants selected by SDCP could be engaged to help develop a credit strategy, issue debt and/or assist SDCP with its compliance with applicable federal and state statutes, and Internal Revenue Code at the time of issuance as well as on a continuing basis. Please see the Appendix for a detailed description of the outside professional consultants SDCP may include on its financing team.

Debt Administration

The Chief Executive Officer ("CEO"), or designee shall make recommendations on budget, stabilization transfers and rate adjustments. The Chief Financial Officer shall be responsible for the administration and implementation of this Policy and will have day-to-day responsibility for structuring, implementing and managing SDCP's debt program.

Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Policy, SDCP shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds. Please see the Appendix for a detailed description of SDCP's internal control procedures.

Post-Issuance Administration

SDCP will comply with requirements pertaining to initial bond disclosure, continuing disclosure, tax-exemption, post-issuance compliance, and investment of bond proceeds. This includes any continuing disclosure undertakings under Securities and Exchange Commission ("SEC") Rule 15c2-12; tax covenants and related federal tax compliance requirements such as arbitrage restrictions and rebate requirements; and all California State reporting requirements. Please see the Appendix for a detailed description of SDCP's Post-Issuance Compliance Policy and additional information on SDCP's post-compliance procedures.

Training

The Chief Financial Officer shall provide training the members of SDCP staff involved in the tax compliance and the initial or continuing disclosure process in coordination with the CEO, and the SDCP Board regarding their respective responsibilities for disclosure and tax compliance.

The Chief Financial Officer, or designee, shall arrange for periodic disclosure and tax training sessions conducted by SDCP's disclosure counsel or other professionals (e.g., seminars) which shall include education regarding disclosure policies, SDCP's disclosure obligations under applicable federal and state securities and tax laws, and the tax compliance and disclosure responsibilities of SDCP.

Policy Review

In coordination with the CEO, the Chief Financial Officer, or designee, will be responsible for regularly reviewing and updating this Policy, and shall present any recommended revisions to the Board for consideration and adoption.

APPENDIX

Permitted Types of Debt

SDCP may legally issue both short-term and long-term debt, through either a direct loan or through the public market, using the debt instruments described below. SDCP in consultation with its internal Counsel, Bond Counsel and Municipal Advisors, shall determine the most appropriate instrument for a proposed debt offering.

SDCP may issue the following types of tax-exempt or taxable Debt:

- **Long-Term Debt:** Long-term debt generally includes debt issued to finance capital expenditures with the objective of structuring repayment within the expected life of the financed asset. Debt may be used as a tool for rate stabilization as repayment of the debt is spread over the useful life of the financed project. Long-term bonds may bear interest at fixed or variable rates or structured with level debt service payments or otherwise with term maturities. Long-term revenue bonds are a type of debt that may be entered into by SDCP and which may be secured by a lien on the revenues of SDCP. SDCP may also enter into long-term loans with state or federal agencies. These loans typically have fixed interest rates. Government loan programs may offer favorable interest rates and terms, and should be considered as alternatives to market rate debt when available. The use of long-term debt will be evaluated with pay-as-you-go capital investment and would not be expected (absent extraordinary circumstances) to fund non-capital operational expenditures or operating deficits.
- **Short-Term Debt:** Short-term debt generally has a maturity of less than 7 years and may take several forms, including notes, commercial paper, direct bank loans and other short-term products with either fixed or variable rates. Short-term debt products are flexible cash management tools that are primarily used to meet interim funding (pending the issuance of long-term debt). When approving short-term debt products, the Board may limit SDCP's percentage of short-term debt when compared to its long-term debt portfolio taking into account future market access, term-out provisions and retail rate stability.

- **Variable-Rate Debt:** In addition to interim financing, which includes commercial paper and similar short-term borrowing programs, it may be appropriate to issue long-term variable rate debt that bears an interest rate that is reset periodically at predetermined intervals, including entering into revolving credit facilities, to diversify the debt portfolio, to reduce interest costs, and to improve the match of variable rate assets (such as short-term investments and reserves) to liabilities. The amount of variable rate debt will generally not exceed a net 20% after consideration of investments and cash equivalents of the outstanding debt portfolio of SDCP.
- **Refunding Debt:** Refunding bonds may be issued to refinance existing bonds to achieve debt service savings, restructure the type of debt outstanding, modify SDCP's covenants to bondholders, restructure future debt service payments, take advantage of market opportunities, or to reduce exposure to certain counterparties. SDCP will work with its Municipal Advisor (MA) to assess potential savings and determine whether refunding bond issuance is warranted. If refunding bonds are being contemplated solely for debt service savings, the refunding should generally result in a reduction in average annual debt service or provide an overall savings target (net of all costs) set by the Board at the time it approves the financing. This savings target may be adjusted depending on the remaining term of the debt or under circumstances where the number of refunding options is then limited by federal tax law.

SDCP may consider the following types of fixed or variable rate debt:

- Revenue Bonds secured by general revenues or project revenues
- Commercial Paper or other Interim Funding Notes
- Capital Leases
- Certificates of Participation/Lease Revenue Bonds
- Installment Sale or Purchase Agreements Revenue Bonds
- Bond or Grant Anticipation Notes
- Tax and Revenue Anticipation Notes
- State and Federal Loans and Grants
- Direct Bank Loans or Lines of Credit
- Public Private Partnerships

This list is not meant to be inclusive of all options that may be available to SDCP as different circumstances may dictate. SDCP may from time to time find that other types of debt would be beneficial to further its purposes and may approve such debt without an amendment to this Policy.

Method of Sale

SDCP may choose to issue bonds using either a competitive or negotiated sale process. SDCP may also sell bonds by means of a private placement or direct sale with a financial institution or other accredited investor when this method is demonstrated to result in cost savings or provide other advantages relative to a traditional public offering. SDCP staff will work with its Municipal Advisor to determine the most appropriate method of sale for each issuance.

- **Competitive Sale:** SDCP may elect to sell bonds in the public market on a competitive basis depending on market conditions, required size of issuance and relative complexity of structure. The Bonds are marketed to a wide audience of investment banking (underwriting) firms. The underwriter is selected based on its bid for the securities. SDCP will award the sale of the competitively sold bonds on the basis of the lowest true interest cost basis. Pursuant to this policy, The Chief Financial Officer, or designee, is authorized to sign the bid form on behalf of the SDCP fixing the interest rates on bonds sold on a competitive basis.
- **Negotiated Sale:** SDCP may elect to sell bonds in the public market on a negotiated basis depending on market conditions, required size of issuance and relative complexity of structure. SDCP staff selects the underwriter, or team of underwriters, of its securities in advance of the bond sale on the basis of responses to a proposal review. With the assistance of the Municipal Advisor (MA), SDCP staff works with the underwriter to bring the issue to market and negotiates all rates and terms of the sale. In advance of the sale, SDCP staff will determine compensation for and liability of each underwriter employed and the designation rules and priority of orders under which the sale itself will be conducted. Pursuant to this policy, the Chief Financial Officer or designee will be authorized to sign the bond purchase agreement on behalf of SDCP, fixing the interest rates on bonds sold on a negotiated basis.
- **Private placement:** SDCP may elect to issue debt on a private placement basis. Such method shall be considered if it is demonstrated to result in cost savings or provide other advantages relative to other methods of debt issuance, or if it is determined that access to the public market is unavailable and/or timing considerations require that a financing be completed more quickly than required for a competitive or negotiated sale.

Financing Team and Professional Services

SDCP will assemble a financing team that will provide advice and support for the best execution of each debt transaction. The financing team may consist of multiple parties with

distinct responsibilities and is generally comprised of both SDCP staff and outside professional consultants. These outside professional consultants may include:

- **Municipal Advisors:** SDCP shall utilize the services of independent MAs in connection with debt-related issuances or projects. SDCP's MA will not serve as an underwriter on negotiated bond sales of SDCP
- **Underwriters:** SDCP will utilize an underwriter in the sale of bonds on a competitive or negotiated basis. An underwriter is a financial services firm that acquires (by purchase) bonds for resale in the public bond markets. For a negotiated sale, SDCP will select an underwriter through a request for proposal process; basing the selection on value for SDCP including capital structure, underwriting capabilities, demonstrated expertise and experience as well as proposed fees. SDCP may also select an underwriting firm to act as placement agent in connection with a private placement of bonds. In a competitive sale, bonds are offered for sale at a designated date and time, and multiple underwriters may submit bids. The bonds are awarded to the underwriter (or group of underwriters) that submit the lowest bid.
- **Disclosure Counsel:** SDCP will endeavor to provide complete and appropriate disclosure of financial and legal condition in the issuance of debt. SDCP will also take steps and adopt policies in order to provide for compliance with continuing disclosure requirements. Disclosure counsel, which may be Bond Counsel, shall be responsible for assisting SDCP in the preparation of the Preliminary and Final Official Statements and any other disclosure documents. SDCP will select, through a request for proposal process, and retain qualified and experienced counsel in achieving this objective of appropriate disclosure.
- **Bond Counsel:** SDCP will retain qualified and experienced legal counsel as representation of SDCP to provide the customary opinions required for the issuance of bonds and other financial obligations. Bond counsel shall be responsible for developing the legal documents required for each transaction and draft and review documentation sufficient to provide approving legal opinions. Bond counsel will render customary approving legal and tax opinions for each transaction.
- **Trustee:** SDCP may select through a request for proposal process the services of a financial institution, acting through its trust division, to act as trustee. The trustee may hold, invest and disburse financing proceeds as directed by SDCP. The trustee will act as registrar as well as the paying agent for SDCP debt. The Chief Financial Officer or designee shall monitor the services rendered by the trustee.

Internal Control Procedures

All debt transactions must be approved by the Board of Directors. The proceeds of bond sales will be invested until used for the intended project(s) in order to maximize utilization of the public funds. The investments will be made consistent with the following guidelines: (1) compliance with federal tax arbitrage requirements, as applicable; (2) safety of principal; (3) liquidity; (4) diversity; and (5) return on investment or yield, and may be held as cash. SDCP's Investment Policy guidelines and bond indentures will govern objectives and criteria for investment of bond proceeds. The Treasurer will oversee the investment of bond proceeds consistent with the foregoing guidelines.

Proceeds of debt will be held either by a third-party trustee or by SDCP. The trustee will disburse bond proceeds to SDCP upon submission of one or more written requisitions signed by an authorized SDCP officer. If the funds are held directly by SDCP, they must be held and accounted for in a separate fund or account, the expenditure of which will be documented by SDCP and subject to established internal controls consistent with SDCP's applicable policies and procedures. These procedures will include, in connection with each requisition or expenditure of proceeds held by SDCP, a written record of the particular capital project or program or other expense to which the funds drawn were applied or allocated.

For bond proceeds that are meant to reimburse SDCP for previous expenditures, SDCP staff will provide documentation that conform to tax requirements and other applicable regulations. To support this certification, staff will analyze capital expenditures and establish that requirements are met before the bond issuance takes place and maintain a written record of such analysis and the amount reimbursed to each particular capital project or program or other expense to which such reimbursed proceeds are to be allocated.

For bond proceeds intended to provide funding for ongoing or upcoming capital expenditures, SDCP staff will monitor the expenditure process. Staff will analyze the use of proceeds on an annual basis or more frequently, if deemed appropriate, until the proceeds are completely spent and will perform monitoring and record-keeping in accordance with SDCP's accounting guidelines and other applicable regulatory requirements.

Refunding bond proceeds are generally held by a third-party trustee or fiscal agent to be applied in connection with written directions generally prepared by bond counsel. SDCP will maintain records of the directions to the trustee, and will review of fund statements and other records received from, the trustee.

Post-Issuance Administration

SDCP will comply with requirements pertaining to initial bond disclosure, continuing disclosure, tax-exemption, post-issuance compliance, and investment of bond proceeds. This includes any continuing disclosure undertakings under SEC Rule 15c2-12; tax covenants and related federal tax compliance requirements such as arbitrage restrictions and rebate requirements; and all California State reporting requirements.

- **Post-Issuance Compliance Policy:** SDCP will adopt a Post-Issuance Compliance Policy ("PICP") to provide for ongoing monitoring and reporting with respect to compliance with SEC requirements for publicly offered indebtedness and with tax regulations applicable to tax-exempt debt. The PICP will provide for the federal disclosure requirements, responsibility for reporting, training, and describe procedures for compliance with continuing disclosure agreements entered into for each such series of bonds from the date they are issued until the bonds are no longer outstanding. The PICP may be administratively adopted and amended without approval of the Board.
- **Financial Disclosure:** SDCP will comply with applicable deliverable obligations and financial disclosure requirements, as specified in any and all bond and debt-related documents. Staff has developed and will maintain an updated schedule of the requirements in compliance with SDCP's internal record-keeping processes. SDCP will post required documents to the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access ("EMMA") website as required on a timely basis. SDCP, at its discretion, may also post documents voluntarily to EMMA. SDCP will provide financial disclosure to rating agencies, institutional and individual investors, other levels of government, and the general public to share clear, comprehensible, financial information using the appropriate channels/policies/procedures. The Chief Financial Officer is responsible for monitoring the compliance by SDCP of applicable disclosure requirements. SDCP also may contract with an outside service provider to monitor disclosure postings.
- **Tax Compliance:** SDCP will comply with applicable federal arbitrage and rebate regulations related to its bonds and other debt instruments. These responsibilities include monitoring the investment and expenditure of bond proceeds, maintaining a system of record-keeping and reporting and contracting for the services of outside arbitrage consultants as necessary. SDCP will establish and implement post-issuance procedures to guide its compliance with these requirements. The Chief Financial Officer is responsible for monitoring the compliance by

SDCP of applicable tax requirements for debt issued on a tax- exempt basis.

- **Record Keeping:** A copy of all debt-related records shall be retained at SDCP's offices or otherwise electronically. At a minimum, these records shall include all official statements, bid documents, bond documents/ transcripts, indentures, resolutions, trustee statements, leases, and title reports for each financing (to the extent available). The following documents shall be maintained for the term of each issue of bonds (including refunding bonds) plus at least three years:
 - A copy of the bond closing transcript(s) and other relevant documentation delivered to SDCP at or in connection with closing of the issue of bonds;
 - A copy of material documents relating to capital expenditures financed or refinanced by bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, draw requests for bond proceeds and evidence as to the amount and date for each draw down of bond proceeds, as well as documents relating to costs paid or reimbursed with bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with bond proceeds, including a final allocation of bond proceeds;
 - A copy of all contracts and arrangements involving the use of bond-financed or refinanced assets; and
 - A copy of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements, in connection with any investment agreements, and copies of all bidding documents, if any.



Investment Policy

Purpose and Scope

The San Diego Community Power (“Community Power”) Investment Policy (“Policy”) establishes investment guidelines for protecting Community Power’s cash reserves, deposits, and investments (collectively, “Funds”) while producing a reasonable rate of return on investments.

This Policy articulates: (1) the objectives and priorities for Community Power investments; (2) the types of investments that are permitted and prohibited; and (3) the controls Community Power will implement to ensure investments are protected.

This Policy is adopted pursuant to California Government Code Section (“Section”) 53600-53608 and must be adopted or amended by resolution. The Community Power Board of Directors (“Board”) is not required to adopt a formal Investment Policy by statute, however, it is in the best practice to ensure agency assets are protected.

Background

On October 1, 2019, the founding members of Community Power adopted the Joint Powers Agreement (JPA) which was amended and restated on December 16, 2021.

Section 3.2.12 of the JPA specifies that the Board may at its discretion adopt rules, regulations, policies, bylaws and procedures governing the operation of Community Power.

Further, Section 4.5.5 of the JPA states that one of the general purposes of the Board is to set policy.

Section 5.10.2(C) of the JPA states that one of the primary purposes of the Financial and Risk Management Committee (FRMC) is to review and recommend to the Board financial policies and procedures to ensure equitable contributions by parties consistent with a recommendation for Board approval of the Policy herein. Further, this section states the FRMC may have such other responsibilities as may be approved by the Board, including but not limited to, advising the Chief Executive Officer on fiscal and risk management policies and procedures, rules and regulations governing investment of surplus funds, audits to achieve best practices in corporate governance, selection and designation of financial institutions for deposit of Community Power funds, and credit/depository matters.

Investment Objectives

To the extent possible, investments will align with Community Power’s mission, vision, value, and goals. When managing Funds, Community Power’s primary objectives shall be to (1) safeguard the principal of the Funds, (2) meet the liquidity needs of Community Power, (3) achieve a return on Funds invested, and

(4) exercise a high standard of care on Funds within Community Power’s control.

1. Safety

Safety of principal is the foremost objective of cash and investment management activities. The investment of Funds shall be undertaken in a manner that seeks to ensure the preservation of principal.

2. Liquidity

The Funds of Community Power shall remain sufficiently liquid to meet all operating needs that may be reasonably anticipated. Since all possible cash demands cannot be anticipated, the investment of Funds in deposits or instruments that are available on demand is recommended.

3. Return on Investments

Community Power’s deposit and investment portfolio shall be designed with the objective of attaining a market rate of return throughout the economic cycle while considering investment risk and liquidity constraints. The return on deposits and investments is of secondary importance compared to the safety and liquidity objectives described in Investment Objectives, Section (1) and Investment Objectives, Section (2), above.

4. Standard of Care

Community Power will manage the Funds in accordance with the “Prudent Investor Standard” pursuant to California Government Code Section 53600.31¹ as follows:

“All governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

¹ All further statutory references are to the California Government Code unless otherwise stated.



Delegation of Authority

Pursuant to Section 53607, the Board has the authority to delegate the responsibility to manage Community Power's funds to the Treasurer. The Treasurer has authority to appoint Deputy Treasurer(s) as the Treasurer deems necessary to carry out the duties in accordance with the Policy.

Community Power may engage the services from one or more external investment advisers, who are registered under the Investment Advisers Act of 1940, to assist in the management of Community Power's investment portfolio in a manner consistent with Community Power's Policy. External investment advisers may be granted discretion to purchase and sell investment securities in accordance with the investment objective set forth in this Policy.

Scope

This Policy applies to all funds and investment under the direct authority of Community Power. This Policy does not apply to the investment of bond proceeds, which would be governed by any applicable bond documents, and any other funds specifically exempted by the Board.

Acceptable Investment Types: To the extent possible, investments will align with Community Power's mission, vision, value, and goals.

- 1. Deposits at Bank(s):** Funds may be invested in non-interest-bearing depository accounts to meet Community Power's operating and collateral needs and grant requirements. Funds not needed for these purposes may be invested in interest-bearing depository accounts or Federal Deposit Insurance Corporation (FDIC) insured certificates of deposit with maturities not to exceed five (5) years. Banks eligible to receive deposits will be federally or state chartered and will conform to Section 53635.2 which requires that banks "have received an overall rating of not less than 'satisfactory' in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities, including low- and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code." As per Section 53652, banks must collateralize the deposits of public agencies in an amount equal to no less than 110% of as currently stated in the value of the deposits. The Treasurer will monitor the credit quality of eligible banks holding Community Power deposits that exceed FDIC insurance limits to ensure the safety of Community Power deposits. There are no limits on the dollar amount or percentage that Community Power may invest in collateralized bank deposits.
- 2. Local Agency Investment Fund (LAIF):** Funds may be invested in the Local Agency Investment Fund established by the California State Treasurer for the benefit of local agencies. LAIF's investments in instruments prohibited by or not specified in Community Power's policy do not exclude the investment in LAIF itself from Community Power's list of allowable investments, provided LAIF's reports allow the Treasurer to adequately judge the risk inherent in LAIF's portfolio.
- 3. US Treasury Obligations:** Funds may be invested in United States Treasury obligations with a term to maturity not exceeding five (5) years and subject to the limitations set forth in Sections 53601 et seq. and 53635 et seq.
- 4. Federal Agency Securities:** Funds may be invested in Federal Agency Securities or Government-Sponsored Enterprise (GSE) obligations with a term to maturity not exceeding five (5) years and subject to the limitations set forth in Sections 53601 et seq. and 53635 et seq. No more than 20% of the total portfolio may be invested in callable agency securities and no more than 30% of the total portfolio may be invested in any single Agency/ GSE issuer.
- 5. Bankers' Acceptances:** Funds may be invested in Banker's Acceptances provided that they are issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one Nationally Recognized Statistical Rating Organization (NRSRO). Not more than 40% of the portfolio may be invested in Bankers' Acceptances, and no more than 5% of the portfolio may be invested in any single issuer. The maximum maturity shall not exceed 180 days.
- 6. Negotiable Certificates of Deposit:** Funds may be invested in negotiable certificates of deposit in accordance with the requirements of Section 53601 and 53601.8, and subject to the following limitations:
 - a. Issued by an entity as defined in Section 53601(i); and
 - b. No more than 30% of the total portfolio shall be invested in certificates of deposit, no more than 5% of the total portfolio may be invested in any single issuer, and the maximum maturity does not exceed 5 years.
- 7. Placement Service Deposits:** Funds may be invested in deposits placed with a private sector entity that assists in the placement of deposits with eligible financial institutions located in the United States (Section 53601.8). No more than 30% of the total portfolio may be invested in a combination of qualifying placement service deposits. The full amount of principal and the interest that may be accrued during the maximum term of each deposit shall at all times be insured by federal deposit insurance. Under

a provision sunseting on January 1, 2031, no more than 50% of the portfolio may be invested in deposits through a placement service. The maximum maturity shall not exceed five (5) years.

8. Money Market Funds: Funds may be invested in money market funds pursuant to Section 53601(l)(2) and subject to Section 53601(l)(4). No more than 20% of the portfolio may be invested in the shares of any one Money Market Fund. No more than 20% of the total portfolio may be invested in these securities.

9. Commercial Paper: Funds may be invested in commercial paper of “prime” quality of the highest ranking or of the highest letter and number rating as provided for by an NRSRO. The entity that issues the commercial paper must meet all of the following conditions in either paragraph A or paragraph B below:

- a. The entity meets the following criteria: (i) is organized and operating in the United States as a general corporation, (ii) has total assets in excess of five hundred million dollars (\$500,000,000), and (iii) has debt other than commercial paper, if any, that is rated in a rating category of “A” or its equivalent or higher by an NRSRO.
- b. The entity meets the following criteria: (i) is organized within the United States as a special purpose corporation, trust, or limited liability company, (ii) has program-wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond, and (iii) has commercial paper that is rated “A-1” or higher, or the equivalent, by an NRSRO.
 - No more than 10% of the outstanding commercial paper of any single issuer.
 - No more than 25% of Community Power’s investment assets under management may be invested in Commercial Paper. Under a provision sunseting on January 1, 2026, no more than 40% of the total portfolio may be invested in Commercial Paper if Community Power’s investment assets under management are greater than \$100,000,000.
 - No more than 5% of the total portfolio may be invested in any single issuer. The maximum maturity does not exceed 270 days.

10. Medium Term Notes (MTN): The issuer is a corporation organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States (Section 53601 et seq). The securities are rated in a rating category of “A” or its equivalent or better by at least one NRSRO.

No more than 30% of the total portfolio may be invested in MTNs, no more than 5% of the total portfolio may be invested in any single issuer and the maximum maturity does not exceed five (5) years.

11. Pass Thru Securities: Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations (Section 53601 et seq) from issuers not defined in sections 3 and 4 of the Acceptable Investment Types section of this Policy, provided that, the securities are rated in a rating category of “AA” or its equivalent or better by an NRSRO, no more than 20% of the total portfolio may be invested in these securities, no more than 5% of the total portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer and the maximum maturity does not exceed five (5) years.

12. Municipal Securities: These include obligations of Community Power, the State of California and any local agency within the State of California (Section 53601), provided that, the securities are rated in a rating category of “A” or its equivalent or better by at least one NRSRO, no more than 5% of the total portfolio may be invested in any single issuer, no more than 30% of the total portfolio may be in Municipal Securities and the maximum maturity does not exceed five (5) years.

13. Municipal Securities: Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California (Section 53601). The securities are rated in a rating category of “A” or its equivalent or better by at least one NRSRO, no more than 5% of the total portfolio may be invested in any single issuer, no more than 30% of the total portfolio may be in Municipal Securities and the maximum maturity does not exceed five (5) years.

14. Supranationals: Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. (Section 53601). The securities are rated in a rating category of “AA” or its equivalent or better by an NRSRO, no more than 30% of the total portfolio may be invested in these securities, no more than 10% of the total portfolio may be invested in any single issue and the maximum maturity does not exceed five (5) years.



15. Local Government Investment Pools (LGIPs): Shares of beneficial interest issued by a Joint Powers Authority (JPA) organized pursuant to California Government Code Section 6509.7 that invest in the securities and obligations authorized in subdivisions (a) to (r), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the JPA. To be eligible under this section, the JPA issuing the shares will have retained an investment adviser who is registered with the SEC (or exempt from registration), has assets under management in excess of five hundred million dollars (\$500,000,000), and has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q) of Government Code Section 53601, inclusive.

Prohibited Investment Types

Pursuant to Section 53601.6, Community Power shall not invest Funds in any security that could result in a zero-interest accrual, or less, if held to maturity. These prohibited investments include, but are not limited to, inverse floaters, range notes, or mortgage-derived interest-only strips. The purchase of foreign currency denominated securities is prohibited. The purchase of Crypto Asset Securities is prohibited. The purchase of a security with a forward settlement date exceeding 45 days from the time of the investment is prohibited. Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited. Purchasing or selling securities on margin is prohibited. The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited. Community Power is prohibited from investing in any company or organization whose business do not align with Community Power's mission, vision, value, and goals.

Investment Portfolio Management

The term to maturity of any Funds invested shall not exceed five (5) years pursuant to Section 53601. The Treasurer will allocate Funds among authorized investments consistent with the objectives and standards of care outlined in this Policy.

Collateralization

Certificates of Deposit (CDs). Community Power shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a Non-Negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to California Government Code, Section 53651, pledged against a Certificate of Deposit shall be equal to 150% of the face value of the CD if the securities are classified as mortgages and 110% of the face value of the CD for all other classes of security.

Bank Deposits. A bank or financial institution may pledge securities or other deposits for the purpose of securing repayment of deposited funds. Community Power shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

Risk Management and Diversification

Community Power's investment portfolio will be diversified to avoid incurring unreasonable and avoidable risks associated with concentrating investments in specific security types, maturity segment, or in individual financial institutions. No more than 5% of the investment portfolio shall be in securities of any one issuer except for U.S. Treasuries, U.S. Government Agency issues, Supranationals and investment pools such as LAIF and money market funds.

- a. **Credit Risk:** Credit risk, defined as the risk of loss due to failure of the insurer of a security, shall be mitigated by investing in those securities with an "A" or above rating and approved in this Policy and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm Community Power's cash flow.
- b. **Market Risk:** Market risk or interest rate risk, defined as the risk of market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by implementing a short term and long-term investment strategies. It is explicitly recognized herein, however, that in a diversified portfolio, occasional measured losses are inevitable and must be considered within the context of overall investment return.

The duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by Community Power based on Community Power's investment objectives, constraints and risk tolerances.

- c. **Credit Rating:** This Policy sets forth minimum credit ratings for each type of security. These credit ratings apply to the initial purchase of a security and do not automatically force the sale of a security if the credit ratings of the security fall below the policy limits
Minimum credit ratings:
 1. For securities with maturities of 13 months or less, the rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "-") by at least one NRSRO.
 2. For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO.



The monitoring of credit ratings consists of the following procedures:

1. When a credit rating downgrade occurs which results in a rating below the minimum credit requirement, Community Power's Finance Department or external investment adviser will analyze and evaluate the credit rating to determine whether to hold or sell the investment.
2. In the event a security in the Fund receives a credit rating downgrade which results in a rating below the minimum credit rating requirement, Community Power's Treasurer will report the rating change to the Finance and Risk Management Committee in the monthly public report. In the same manner, the Finance and Risk Management Committee will be informed on the decision to hold or sell a downgraded security.
3. The Investment Officials or authorized employees involved in the investment process and external investment advisers shall meet at least quarterly to review and update the approved list of securities and establish credit criteria for each category of security.

To ensure that the Fund maintains the highest overall credit rating with the contracted NRSRO, the asset allocation and portfolio holdings will be provided to the contracted NRSRO on a monthly basis.

Brokers

The Treasurer shall endeavor to complete investment transactions with institutions eligible to transact investment business with Community Power, in accordance with Section 53601.5, including:

- a. Institutions licensed by the state as a broker-dealer.
- b. Institutions that are members of a federally regulated securities exchange.
- c. Primary government dealers as designated by the Federal Reserve Bank and non-primary government dealers.
- d. Nationally or state-chartered banks.
- e. The Federal Reserve Bank.
- f. Direct issuers of securities eligible for purchase.

Broker/dealers shall be approved by the Chief Executive Officer upon recommendation by the Treasurer. Selection of broker/dealers shall be based upon the following criteria: the reputation and financial strength of the company or financial institution, the reputation and expertise of the individuals employed, and pursuant to the requirements of Section 53601.5. The Treasurer shall require any selected broker, brokerage firm, dealer, or securities firm to affirm that it has not, within any 48-consecutive month period, made a political contribution

to any member of the Board, or any candidate who may join the Board in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, the Political Reform Act, including section 84308, or any applicable Community Power Policy, as amended from time to time. The selected broker or dealers shall be provided with and acknowledge receipt of this Policy.

Losses

Losses are acceptable on a sale before maturity and may be taken if required to meet the liquidity needs of Community Power or if the reinvestment proceeds will earn an income flow with a present value higher than the present value of the income flow that would have been generated by the original investment, considering any investment loss or foregoing interest on the original investment.

Delivery and Safekeeping

The delivery and safekeeping of all securities shall be made through a third-party custodian when practical and cost effective as determined by the Treasurer, or a duly appointed Deputy Treasurer, and in accordance with Section 53608. The Treasurer shall review all transaction confirmations for conformity with the original transaction and monitor for excessive trading.

Ethics and Conflict of Interest

The Investment Officials or authorized employees involved in the investment process, shall act as custodians of the public trust and will refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions. Investment Officials and any external investment advisers acknowledge that all direct Community Power investments are subject to public review and evaluation. Community Power Investment Officials involved in the investment process shall refrain from personal business activity that could create a conflict of interest or the appearance of a conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Community Power Investment Officials shall disclose to General Counsel or designee (i) any material interests in financial institutions with which they conduct business, and (ii) disclose any personal investments with a direct, indirect or beneficial interest totaling \$2,000 or more. Investment Officials shall refrain from undertaking any personal investment transactions with the same individual from the external investment adviser with whom business is conducted on behalf of Community Power.

Investment Officials, pursuant with all applicable laws, shall not accept honoraria, gifts, and gratuities from advisers, brokers, dealers, bankers, or other entity with whom Community Power conducts business.

Any external investment adviser contracted by Community Power will comply with Municipal Securities Rulemaking Board Rule G-37 and shall follow the Investment Adviser Fiduciary Standard established by the U.S. Securities and Exchange Commission.

Internal Controls

The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse.

The internal control structure shall be designed to provide reasonable assurance that these objectives are met.

Accordingly, the Treasurer shall establish and maintain internal controls that shall address the following points:

- a. **Control of Collusion:** Collusion is a situation where two or more employees are working in conjunction to defraud their employer. To achieve a segregation of duties, individuals who authorize investment transactions shall not also record or reconcile said transactions.
- b. **Clear Delegation of Authority to Subordinate Staff Members:** Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
- c. **Delivery-Versus-Payment (DVP):** All investment transactions shall be conducted on a delivery-versus-payment basis.
- d. **Safekeeping and Custody:** Securities purchased from any bank or dealer, including appropriate collateral (as defined by California Government Code), that are not insured by the FDIC, shall be placed with an independent third party for custodial safekeeping. To protect against potential losses due to failure of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all cash and securities in Community Power's portfolio shall be held in safekeeping in Community Power's name by a third-party custodian, acting as agent for Community Power under the terms of a custody agreement executed by the bank and Community Power. All investment transactions will require a safekeeping receipt or acknowledgment generated from the trade. A monthly report will be received by Community Power from the custodian listing

all securities held in safekeeping with current market data and other information. The only exceptions to the foregoing shall be depository accounts and securities purchases made with: (1) local government investment pools; (2) time certificates of deposit, (3) Local Agency Investment Fund, and (4) mutual funds and money market mutual funds, since these securities are not deliverable.

- e. **Avoidance of Physical Delivered Bearer Securities:** Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Bearer securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with such securities.
- f. **Written Confirmation of Telephone Wire Transfers:** Due to the potential for error and improprieties arising from telephone transactions, all telephone transactions should be supported by written or electronic communications and approved by the appropriate person. Community Power will consider entering into a Wire Transfer Agreement with the Lead Bank or Third-Party.
- g. **Audits:** Community Power's Funds shall be subject to a process of independent review by its external auditors. Community Power's external auditors shall review the investment portfolio in connection with Community Power's annual audit for compliance with the Policy pursuant to Section 27134. The results of the audit shall be reported to the Treasurer.



Reports

- a. **Monthly:** The Treasurer will perform a monthly review of the investment function. Following the commencement of investment transactions, the Treasurer shall submit a monthly report of all investment transactions to the Finance and Risk Management Committee. Investment transactions are defined as the purchase, sale or exchange of securities.
- b. **Annually:** The Treasurer will submit an annual report to the Finance and Risk Management Committee within 60 days of the end of a fiscal year providing the following:
 - A list of individual securities by investment type, issuer, credit risk rating, CUSIP number, settlement date of purchase, date of maturity, par value and dollar amount invested on all securities, and the market value and source of the market value information;
 - A statement that the portfolio is in compliance with this Policy and in accordance with Section 53646 or the manner in which the portfolio is not in compliance; and
 - A statement of Community Power's ability to meet anticipated cash requirements for the upcoming 12 months.
 - The Treasurer shall monitor and evaluate the portfolio's performance relative to the chosen market benchmark(s), which will be included in the Treasurer's annual report. The Treasurer shall select an appropriate, readily available index to use as a market benchmark. Benchmarks may change over time based on changes in market conditions or cash flow requirements.
- c. **Annual Review:** This Policy will be reviewed annually by the Treasurer. The Board is authorized to approve changes to this Policy following the review of proposed changes by the Finance Risk Management Committee.

Glossary of Investment Terms

ASSET BACKED SECURITIES. Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

BANKERS' ACCEPTANCES. A short-term, negotiable, unconditional, and time draft drawn on and accepted by a bank. It is typically used in trade to finance the purchase and sale of goods.

BENCHMARK. A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

BROKER. A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

CALLABLE. A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline, the issuer will likely call its current securities and reissue them at a lower rate of interest.

CERTIFICATE OF DEPOSIT (CD). A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs may be marketable.

CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS). A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

COLLATERAL. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

COLLATERALIZED MORTGAGE OBLIGATIONS (CMO). Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

COMMERCIAL PAPER. The short-term unsecured debt of corporations. **COUPON.** The rate of return at which interest is paid on a bond.

COUPON. The rate of return at which interest is paid on a bond.

CREDIT RISK. The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

CRYPTO ASSET. Digital assets that use public ledgers over the internet to prove ownership. They use cryptography, peer-to-peer networks and a distributed ledger technology (DLT) – such as blockchain – to create, verify and secure transactions.

CUSIP. Committee on Uniform Securities Identification Procedures. A CUSIP number identifies most financial instruments, including: stocks of all registered U.S. and Canadian companies, commercial paper, and U.S. government and municipal bonds.

DEALER. A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

DELIVERY vs. PAYMENT (DVP). A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

DISCOUNT. The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION. Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

DURATION. The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates. (See modified duration).

FEDERAL FUNDS RATE. The rate of interest charged by banks for short-term loans to other banks. The Federal Reserve Bank through open-market operations establishes it.

ISSUER. The entity identified as the counterparty or obligator related to a security trade..

INVERSE FLOATER. A bond or other type of debt whose coupon rate has an inverse relationship to a benchmark rate.

INVESTMENT OFFICIALS. This includes any applicable Community Power staff participating in the investment process; Community Power Treasurer; Community Power Deputy Treasurer(s); and Community Power Board of Directors.

LEVERAGE. Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

LIQUID. Term for securities that can be converted to cash quickly.

LIQUIDITY. The speed and ease with which an asset can be converted to cash.

LOCAL AGENCY INVESTMENT FUND (LAIF).
A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

LOCAL GOVERNMENT INVESTMENT POOL.
Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

MARGIN. The difference between the market value of a security and the loan a broker makes using that security as collateral.

MARKET RISK. The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

MARKET VALUE. The price at which a security can be traded.

MATURITY. The final date upon which the principal of a security becomes due and payable.

MEDIUM TERM NOTES. Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

MODIFIED DURATION. The percent change in price for a 100 basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

MONEY MARKET. The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

MORTGAGE-BACKED SECURITY. Debt obligations that represent claims to the cash flows from pools of mortgage loans, most commonly on residential property.

MORTGAGE-DERIVED INTEREST-ONLY STRIPS.
A financial product created by separating the interest and principal payments of a mortgage-backed security.

MORTGAGE PASS-THROUGH SECURITIES.
A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

MUNICIPAL SECURITIES. Securities issued by state and local agencies to finance capital and operating expenses.

MUTUAL FUND. An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO). A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

NEGOTIABLE CD. A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

PREMIUM. The difference between the par value of a bond and the cost of the bond, when the cost is above par.

RANGE NOTES. A structured investment where the coupon is linked to the performance of a reference index

REPURCHASE AGREEMENT. Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

SAFEKEEPING. A service to bank customers whereby securities are held by the bank in the customer's name.

SUPRANATIONAL. A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

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

U.S. TREASURY OBLIGATIONS. Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

TREASURY BILLS. All securities issued with initial maturities of one year or less are issued as discounted instruments and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

TREASURY NOTES. All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.

TREASURY BONDS. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

VOLATILITY. The rate at which security prices change with changes in general economic conditions or the general level of interest rates.

YIELD TO MATURITY. The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

Rate Development Policy

Background

San Diego Community Power (SDCP) advocates for ratepayers by providing a choice of electricity providers and shifting control of local energy decisions from profit-driven, incumbent utility into the hands of residents and businesses located in our service jurisdiction. This creates competition in rates that benefits customers, increased transparency and ensures a better overall customer experience.

Purpose

This policy provides the framework for SDCP's Board of Directors and staff to ensure SDCP's rate design, development and implementation process remains transparent, fiscally responsible and centered on the customer.

As a not-for-profit public agency, SDCP must, at a minimum, set rates to recover costs associated with debt service and the purchase of power and operational costs. It is in the best interest of SDCP and its customers to design and implement rates that meet revenue requirements as well as targeted reserves, while maintaining rate competitiveness, stability and long-term financial viability.

General Criteria

SDCP has established various objectives and priorities that shall be considered as part of SDCP's rate design process. SDCP's rate setting objectives are as follows:

1. **Cost Recovery:** rates must be sufficient to recover all expenses, debt service and other expenditure requirements.
2. **Reserves:** rates must be sufficient to build prudent reserves in line with SDCP's Reserve Policy, which will provide funds to cover unanticipated expenditures, secure favorable terms with vendors, secure a standalone investment-grade credit rating and meet strategic objectives.
3. **Rate Competitiveness and Customer Value:** rates must allow SDCP to successfully compete to retain and attract customers while offering superior electricity service offerings with higher renewable content compared to the incumbent investor-owned utility.
4. **Rate Stability:** rate changes should be minimized to reduce customer bill impacts with a preference for annual rate adjustments. Additionally, a Rate Stabilization Fund may be established and over time sufficiently funded to help mitigate significant swings in rates.

5. **Equity among customers:** rate difference among customers should be justified by differences in usage characteristics and/or cost of service. Additionally, to the extent possible, rates shall be equalized from a value proposition perspective among customers enrolled during different Power Charge Adjustment Indifference (PCIA) Vintage Years.
6. **Rate Structures:** as new rates are developed, emphasis shall be put on rate-design simplicity and comparability as well as overall customer experience. SDCP reserves the right to design pilot rates as reviewed and approved by the Board.
7. **Transparency:** SDCP's Board will review and approve rates at an open and public meeting held in accordance with the Ralph M. Brown Act. SDCP shall post a copy of the adopted rates in both English and Spanish on its website within 14 calendar days of approval or by the rates' effective date, whichever is sooner. SDCP shall also make any rate design documents promptly available upon request under the California Public Records Act.
8. **Cost Shifting:** SDCP shall avoid, to the best of its ability, cost shifting between customer classes.
9. **Cost of Service:** SDCP may explore a cost-of-service model for rate design. Cost-of-service studies are used to determine the total costs incurred by a utility in providing service to its customers and the allocation of those costs through rates back to customer classes. Revenue collected from each customer class then may be compared with that class's cost responsibility to determine the extent to which each class is reimbursing the utility for the costs it incurred in providing service.

SDCP's Rate Setting Timeline

SDG&E's Energy Resource Recovery Account (ERRA) application is usually approved by the CPUC in December, which provides the trajectory of bundled service commodity rates including the above market costs and other fees¹ that will be passed on from SDG&E to all customers. Once the ERRA is approved, SDCP staff shall present proposed rates for the year to the Board in January of each year for review, deliberation and approval to be effective no later than February 15. With ever-changing market developments and regulatory climate, there may be instances where SDCP staff also proposes intra-year changes to rates.

To the greatest extent possible, SDCP's rates will be competitive with SDG&E's rates. With each SDG&E and SDCP rate change, both entities are required to work collaboratively to co-publish and post a Joint Rate Comparison on their respective websites to allow customers to easily see how rates compare.

¹Fees passed on by SDG&E to "departing load" customers such as SDCP include the Power Charge Indifference Adjustment (PCIA) and Franchise Fees. The PCIA is a charge to ensure that both SDG&E customers and those who have left SDG&E service to purchase electricity from other providers pay for the above market costs for electric generation resources that were procured by SDG&E on their behalf. "Above market" refers to expenditures for generation resources that cannot be fully recovered through sales of these resources at current market prices.

The Franchise Fee is a surcharge applied to electricity transported over SDG&E systems that are constructed in public streets and highways. SDG&E collects the surcharge from customers and remits them to the appropriate municipality. The surcharge is charged equally to customers regardless of who provides their electric generation.

The PCIA and the SDG&E commodity portion of the Franchise Fee are included within the generation rate of SDG&E's standard bundled service. In other words, they are paid by all customers, regardless of who provides their electricity generation.

Implementation of SDCP's Rates

SDCP's rate setting process is and will always be open and transparent to the public. SDCP's Board of Directors, which is composed of a representative from each of its member agencies, will set rates according to agreed-upon strategic goals of SDCP and the cost of service.

Prior to the implementation of new rates, the Board will review and deliberate the proposed rates in a public setting and take comments from the public. Once the Board approves proposed rates, the rates will be published on SDCP's website in advance of their effective date, giving customers time to compare, budget and better understand what to expect on their bills going forward. For more information on SDCP's rates, visit SDCommunityPower.org/billing-rates/residential-rates for residential rates or SDCommunityPower.org/billing-rates/commercial-rates for commercial rates.



ITEM 9
ATTACHMENT D



SAN DIEGO COMMUNITY POWER

Capital Investment Plan (CIP)

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How to Use This Book

The San Diego Community Power (Community Power) Fiscal Years (FY) 2027–2031 Capital Investment Plan (CIP) contains agency budgetary and fiscal policy information as well as detailed agency capital investment plans. The adopted Capital Investment Plan is organized into the following sections.

Executive Summary

Includes the Chief Executive Officer's Letter for the CIP and provides a high-level overview of the agency's capital budget and other high-level details on specific projects and their benefits to the community.

Capital Investment Plan Overview

Describes the CIP in brief, including summary tables that reflect the operating transfer into the CIP as well as the list of projects planned for the next five years.

Overview

Provides a high-level overview of Community Power's governance, structure and agency values and priorities.

Strategic Plan

Describes Community Power's strategic planning process and board-adopted strategic goals that provide the foundation for the creation of the CIP.

Community Engagement

Outlines the outreach process to the community that provided feedback and significant input into project and program design.

Investment Types

Includes the 10 investment types, projects and funding segments that will be delivered within the CIP.

Funding Guide

Explains sources that fund the CIP as well as considerations for future potential funding sources that Community Power can leverage to bolster CIP funding amounts.





A Letter from the Chief Executive Officer

San Diego Community Power continues to invest in near-term affordability so we can deliver long-term value for our customers. We are advancing programs, infrastructure and tools that will expand access to clean energy this year and beyond.

Our approach is disciplined to ensure stability and flexible to ensure we remain competitive in an evolving and volatile energy market. We are intentional in how we allocate resources so we can equitably advance toward 100% renewable energy by 2035 through careful planning, testing and scaling investments over time. This phased and data-driven approach allows us to build a portfolio that strengthens reliability and delivers value to the communities we serve.

At the same time, we are building the financial strength necessary to sustain growth. Maintaining strong reserves, managing risk and leveraging innovation are core to our strategy. By combining internal resources with external funding opportunities, we are able to expand the reach and impact of our programs and maximize their benefits.

Many of the investments are intentionally structured to allow Community Power time to evaluate their performance and refine its approach to achieve success. This includes investments in customer pilot programs that encourage adoption among residential and commercial customers. It also includes the implementation of a Distributed Energy Resource Management System (DERMS), which integrates data from customer usage, market conditions and weather patterns to optimize resources and reduce costs.

We continue to grow Solar Battery Savings, our most successful program to date, by funding upfront and ongoing performance incentives for new battery energy storage systems. This supports grid reliability during peak demand and reduces long-term cost pressures while also strengthening the local workforce.

Community Power is also expanding our impact through the San Diego Regional Energy Network (SDREN) and its comprehensive portfolio of 10 new energy efficiency programs that will all be available for enrollment by the end of 2026. In partnership with San Diego County, SDREN provides hands-on assistance, technical support and low- to no-cost installations that help customers reduce their energy use and bills.

As Community Power's impact grows, so will our reach. Community Power is currently the second-largest Community Choice Aggregator in the nation, serving nearly 1 million municipal, business and residential power customers in the cities of San Diego, Chula Vista, Encinitas, Imperial Beach, La Mesa and National City as well as the unincorporated communities in San Diego County. This year, the Coronado City Council voted unanimously to join Community Power. Coronado residents and businesses could begin receiving service as soon as 2028. This growth reflects the trust that local communities place in us to deliver reliable, affordable service.

Looking ahead, our mission is clearly focused on affordability, fiscal resilience and advancing clean energy for all communities. Our strategic investments and careful planning help build a sustainable, adaptable and reliable future that is built to last.

With continued leadership from our Board of Directors, Community Advisory Committee and dedicated staff, Community Power is proud to deliver more affordable energy, strengthen our communities and build a cleaner, more resilient future for the San Diego region.

We thank our community for its continued trust and partnership.



Karin Burns

Chief Executive Officer
San Diego Community Power



01

Capital Investment Plan Overview

Capital Investment Plan Overview

San Diego Community Power developed its first Capital Investment Plan (CIP) for FY 2024–2028 and continues to grow it with the FY 2027–2031 CIP, which contains all the individual capital projects, major equipment purchases and major programs for the agency that are intended to span multiple years. The FY 2026–2027 budget proposes a one-time portion of net operating revenues be transferred 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. The figure below also outlines planned expenditures of funds that the Board previously approved, accepted and appropriated.

The CIP includes funding for local development feasibility studies, customer program pilot projects, community grants,

a customer education platform and other areas as outlined in the short- and medium-term program areas. Given the number of planning and pilot projects, the Community Power CIP is largely funded by internal funding that allows maximum flexibility in the planning phase with designing programs and projects. This allows the agency to focus on designing based on community and agency needs rather than based on the requirements requested by a funding agency. The planning phase of a program or project also requires less funding when compared with implementation or design and construction. As Community Power builds reserve funds and endeavors to maximize impact, Community Power will leverage the CIP to aggressively pursue external funding from sources such as state and federal agencies.

FIGURE 1. FY 2026–2027 CAPITAL BUDGET*

	Carryforward ¹	FY27 Authorized Budget	FY27 Proposed Appropriation
Operating Transfer In	18.4	-	8.0
Regional Energy Network ²	-	63.1	-
DAC-GT	0.3	0.3	-
Equitable Building Decarbonization	1.4	-	-
Planning and Studies	0.7	-	-
CIP Revenue	20.8	63.4	8.0

*Amounts displayed in millions of dollars

¹ The Carryforward amount represents actual financial data through February 28, 2026. Carryforward amounts will be reconciled until the close of fiscal year 2025–2026.

² The Regional Energy Network was fully appropriated for \$124 million in January 2025 for Calendar Years 2024–2027 and funded programs will be available across SDG&E service territory.

The first year of the CIP is appropriated as part of Community Power’s annual budget process and becomes the adopted capital budget for the fiscal year. The subsequent years of the CIP are planned expenses that are subject to Board approval during the annual budget process and are subject to change.

FIGURE 2. FY 2027–2031 CIP PROGRAMS AND PROJECTS¹

	Beginning Balance	Expenses	Carryforward ¹	5-Year Budget					
	FY26	FY26	FY26	FY27	FY28	FY29	FY30	FY31	Total
External Funding									
Regional Energy Network	15.9	15.9	-	63.1	51.4	42.0	43.7	45.5	245.7
DAC-GT	0.5	0.2	0.3	0.3	-	-	-	-	0.6
Equitable Building Decarbonization	1.4	-	1.4	-	-	-	-	-	1.4
Planning and Studies	0.7	-	0.7	-	-	-	-	-	0.7
Subtotal	18.5	16.1	2.4	63.4	51.4	42.0	43.7	45.5	248.4
Internal Funding									
Solar Battery Savings	21.9	11.1	10.8	3.5	10.4	8.3	8.5	7.6	49.1
Pilot Programs	2.3	0.5	2.0	2.5	-	-	-	-	4.5
Grants	1.5	0.2	1.3	-	-	-	-	-	1.3
Flexible Load	0.6	0.1	0.5	1.5	-	-	-	-	2.0
IT Projects	3.7	0.5	3.2	0.2	-	-	-	-	3.4
Planning and Studies	0.3	-	0.3	0.3	-	-	-	-	0.6
Application Assistance	0.3	-	0.3	-	0.3	-	-	0.3	0.9
Subtotal	30.6	12.4	18.4	8.0	10.7	8.3	8.5	7.9	61.8
CIP Expense Total	49.1	28.5	20.8	71.4	62.1	50.3	52.2	53.4	310.2

*Amounts displayed in millions of dollars

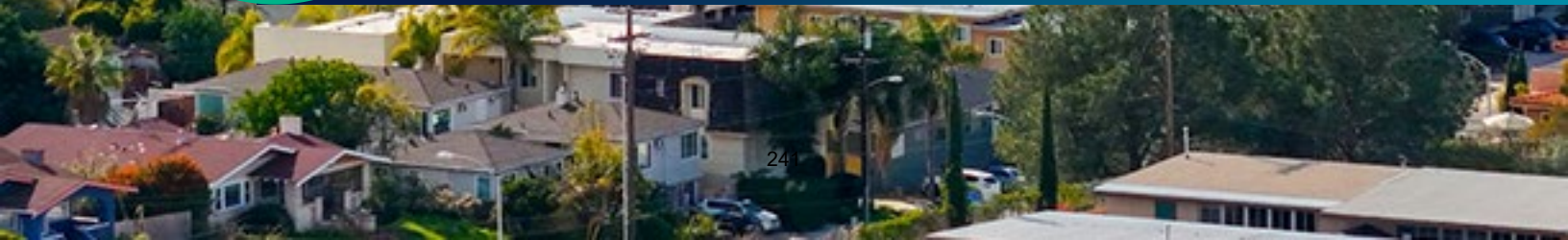
¹ The Carryforward amount reviews actual financial data through February 28, 2026 updated April 30. Carryforward amounts will be reconciled at the close of FY 2025–2026.

² The Regional Energy Network was fully appropriated for \$124M in January 2025 for Calendar Years 2024–2027. It is reflected in this table as anticipated spending by fiscal year.



02

**Overview of San Diego
Community Power**



Overview of San Diego Community Power

Who We Are

San Diego Community Power is a Community Choice Aggregator (CCA) that gives customers an option to power their homes and businesses with significantly higher levels of renewable power at competitive rates. Since 2021, Community Power has grown to serve nearly 1 million residential, business and municipal power customers in the cities of San Diego, Chula Vista, Encinitas, Imperial Beach, La Mesa and National City as well as the unincorporated communities of San Diego County.

Community Power is a not-for-profit public agency that provides affordable clean energy and invests in its local communities to create an equitable and sustainable future for the San Diego region.

Learn more at SDCommunityPower.org.

Our Story

1

FORMATION

With support from local communities, Community Power was established as a Joint Powers Authority by five cities in the San Diego region. Community Power submitted an implementation plan to the California Public Utilities Commission, outlining the intended organizational structure, operations and funding. Once approved, our Board of Directors began meeting regularly, and implementation activities began. In 2020, a sixth municipality, National City, and the County of San Diego elected to join Community Power.

2

ENROLLMENT 2021–2023

Through phased enrollment from 2021 through 2023, Community Power gradually became the official clean energy provider for our member agencies. Customers were automatically enrolled in our service and received two notices before and two notices after enrollment.

3

TODAY

Community Power is now the second-largest CCA in the nation, serving nearly 1 million customers with competitively priced clean energy; we are beginning to offer customer programs and rebates as well as continuing to support San Diego County's energy efficiency goals through the San Diego Regional Energy Network (SDREN).



About Community Choice

San Diego Community Power is one of 25 Community Choice Aggregators (CCAs) that serve a total of more than 15 million customers in California. The first CCA began service in 2010, and 25 CCAs are operating today.

Communities that participate in a CCA work together to purchase clean energy and create local clean energy projects and programs for residents and businesses by pooling, or aggregating, their electricity loads. CCAs work with the investor-owned utility that serves the community to deliver power and maintain the grid. For Community Power, this means partnering with SDG&E.

How It Works



FIGURE 3. CCAS IN CALIFORNIA



CCAs are making good on their commitments to invest in new renewable energy facilities throughout California.

To date, CCAs have contracted for more than 21,000 megawatts (MW) of new clean generation capacity through long-term power purchase agreements (PPAs) with terms of 10 years or more. CCA PPAs equate to:

- More than 21 gigawatts (GW) of new solar, wind, energy storage, geothermal and demand response resources
- Projects totaling more than 9,700 MW that are already operational and serving CCA customers
- Over \$48.4 billion committed by CCAs to build and operate clean energy resources
- Support for more than 48,000 construction jobs



Governance and Structure

In September 2019, the cities of San Diego, Chula Vista, Encinitas, Imperial Beach and La Mesa adopted an ordinance and resolution to form San Diego Community Power, a California Joint Powers Authority (JPA). National City and the County of San Diego voted to join Community Power in 2020. Community Power’s Board of Directors is composed of an elected representative from each member jurisdiction, with each member selecting an alternate from the agency they

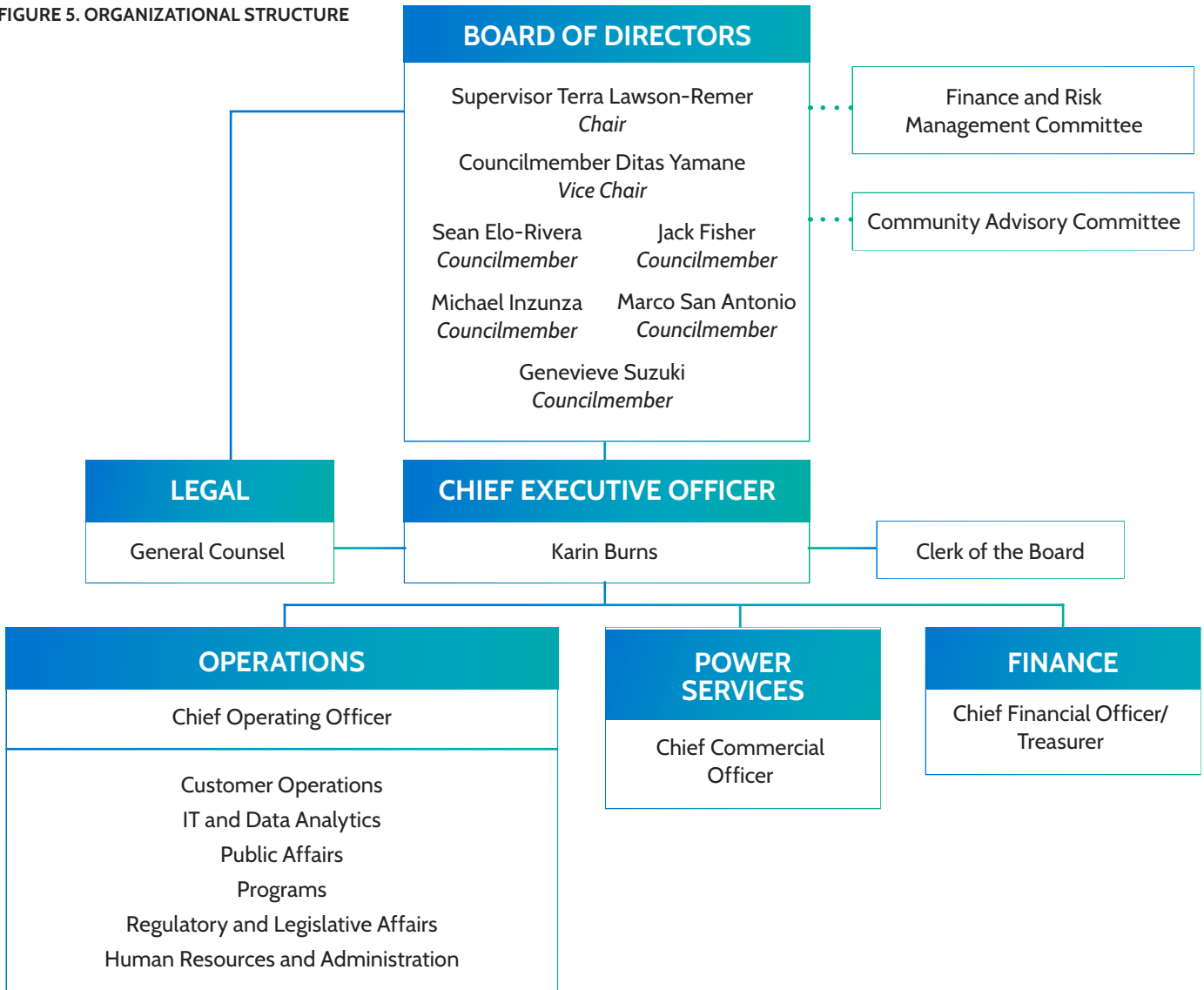
represent. The Board is publicly accountable to Community Power ratepayers and hosts monthly Board meetings, where it establishes policy, sets rates, determines power purchase options and maintains fiscal oversight. As a public agency, Community Power is designed to be fully transparent with all official meetings and information open or available to the public.

FIGURE 4. MEMBER AGENCIES



Organizational Structure

FIGURE 5. ORGANIZATIONAL STRUCTURE





03

Capital Investment Plan

About the CIP

The Community Power Fiscal Year 2027–2031 Capital Investment Plan (CIP) includes 10 investment categories that will receive funding during the five-year period, totaling \$310.8 million in investments across San Diego County.

The Proposed 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. The proposed operating contribution supports the following investments:



\$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 participating in battery discharges during on-peak dispatch windows to maximize benefits for the customer and the grid.



\$2.5 million, Customer Pilot Programs — Pilot programs are small-scale, short-duration projects (6–18 months) that can provide Community Power and stakeholders data on program design, technology acceptance and other information helpful for broader program delivery. Pilot programs support Community Power staff's ability to design and implement programs properly and efficiently. Additionally, pilot programs can cover all customer segments and a variety of technologies or activities, including managed charging for electric vehicles and 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.



\$0.3 million, EV Load Growth Study — The Regional EV Load Analysis will forecast how growing EV adoption can impact electricity demand across Community Power's service territory, including hourly load profiles, adoption scenarios and geographic variation. It will evaluate how different charging behaviors — especially unmanaged vs. managed charging — affect load shape, peak demand and system risks, with a focus on strategies (for example, time-of-use rates or managed charging) that can shift or mitigate EV-related peaks. Overall, the study aims to provide insights that support long-term planning, helping Community Power understand both the risks and opportunities of transportation electrification for load forecasting, Resource Adequacy and program design.



\$0.2 million, IT Projects — Focused on Community Power’s commitment to fiscal stewardship and operational scaling, this project funds the optimization and expanded rollout of the agency’s central Enterprise Resource Planning (ERP) platform. While Phase 1 successfully established core budgeting functionalities, Phase 2 is being considered for strategic rescoping to prioritize immediate agency-wide operational controls and financial efficiencies. Once deployed, this phase will streamline cross-departmental workflows, enhance internal financial controls and automate routine processes. This targeted optimization ensures the finance, non-energy procurement team and broader agency possess the scalable infrastructure required to support expanding community programs and minimize administrative overhead.

This CIP continues Community Power’s commitment to plan and finance programs and projects that align with community and organizational priorities. The programs and projects compose a list that gives Community Power the confidence to target a core set of investment types that focus on community needs. It also provides Community Power the flexibility to co-design programs with community partners and to be responsive to external funding opportunities as they emerge.

This plan is not a final or absolute list of funded projects, and projects may not have funding identified. Each funded and

partially funded project identifies a potential source of funding, but this does not necessarily indicate that the project has been funded. As design requirements, budgets and priorities change, the planned projects may also move within the plan or drop out entirely.

Likewise, this list is not all-inclusive. Unexpected requirements often require adjustments in the design and execution process. Projects, programs and funding are also subject to Board approval, consistent with the JPA and the agency’s internal policies and programs.

CIP Development Process

Community Power will update the CIP annually during its budget development process. Programs and projects are included in the CIP based on community engagement and alignment with Community Power’s strategic goals.

The capital budget and the CIP undergo a public outreach process comprising a wide range of stakeholder groups. Additionally, the CIP is a dynamic document intended to be updated regularly as needs shift or fund availability changes. All subsequent updates to the CIP will be brought to the Community Power Board for approval.

FIGURE 6. CIP DEVELOPMENT PROCESS





04

Strategic Planning

San Diego Community Power’s budgeting process, including its CIP, is directly informed by its strategic plan — a document co-created by the Board, Community Advisory Committee, executive leadership and staff — that translates community priorities into actionable goals. The Strategic Plan serves as a critical management tool, aligning resources, guiding operational decisions and driving long-term organizational focus across all departments and initiatives.

Community Power is sharpening its focus on delivering long-term value to the communities it serves through affordability, transparency and disciplined growth. The next chapter of

the agency’s work will be defined by measurable outcomes, including maintaining competitive rates, strengthening financial resilience and advancing a cleaner, more renewable energy portfolio.

Central to this approach is a commitment to aligning fiscal decisions with community priorities. This budget reflects customer expectations, including rate stability, incentives that support grid reliability and continued progress toward sustainable, locally beneficial energy procurement. This is achieved by prioritizing the following items.



Affordability

All decisions are evaluated with a focus on customer impact. Community Power prioritizes competitive rates, minimizes volatility and expands programs that help households and businesses manage energy costs.



Financial Strength and Stability

Maintaining strong reserves, actively managing risk and implementing innovative financial strategies position the agency to navigate market uncertainty while safeguarding long-term affordability and organizational resilience.



Advancement to 100% Renewable Energy

Community Power expands access to clean, renewable energy through a balanced approach that prioritizes reliability and cost stability, supports local project development and ensures the benefits are broadly shared across the communities it serves.



Strategic Infrastructure

As a public agency, Community Power operates with transparency and is guided by public input, ensuring accountability to ratepayers and consistent delivery on commitments.



Local Impact

By reinvesting locally, Community Power strengthens regional economies, supports workforce development and expands access to programs, with a focus on benefiting historically underserved communities.

Core Strategic Goals

1. Fiscal Sustainability

- Maintain fiscal strategies to promote long-term organizational sustainability.
- Execute at least six clean prepayment transactions over the next three years to generate \$30 million in annual power cost savings.
- Obtain a public investment-grade credit rating by November 2027.
- Grow reserves by \$150 million to maintain 180 days cash on hand by December 2027.
- Build a \$70 million Rate Stabilization Reserve to mitigate cost volatility.
- Strengthen financial controls across contracting, risk management and procurement.

2. Energy Portfolio Development

- Provide sufficient, affordable and clean electricity to our customers.
- Achieve 100% renewable energy by 2035 with interim targets of 75% by 2027 and 85% by 2030.
- Support development of 1 gigawatt of new local clean energy capacity by 2035, including 300 MW of infill and distributed energy resources (DERs).
- Ensure reliable and cost-effective compliance with all regulatory requirements.
- Create good-paying local jobs in clean energy sectors.

3. Community Program Delivery

- Implement programs that reduce greenhouse gas emissions, align energy supply and demand, and benefit our diverse communities.
- Deliver 150 MW of local DER capacity (of the 300 MW total goal) by 2035 through programs like Solar Battery Savings.
- Launch all San Diego Regional Energy Network (SDREN) programs in 2026.
- Implement a robust program evaluation framework in 2026.
- Expand external funding for clean energy programs.

4. Legislative and Regulatory Advocacy

- Advance policies that support Community Power's mission and customer goals.
- Educate policymakers and regulators to influence outcomes consistent with our policy platform.
- Support and sponsor legislation aligned with our values and needs.
- Remain an active participant in coalitions such as CalCCA

to amplify our voice.

- Strategically pursue public funding aligned with agency goals.

5. Trusted Brand Building

- Build a trusted brand that supports engagement, participation and program success.
- Position Community Power as a collaborative public agency rooted in transparency.
- Grow the Power Network of nonprofit and community-based partners to expand community reach.
- Elevate brand awareness through education and outreach.
- Empower customers to take advantage of savings and services through awareness, education and ongoing communication programs.

6. Customer Care

- Ensure high customer satisfaction and retention.
- Refine rate structures to balance affordability, clean energy and fiscal prudence.
- Resolve SDG&E billing issues and improve customer experience.
- Explore options for a best-in-class customer service model.
- Address arrearages and connect customers to available resources.

7. Organizational Excellence

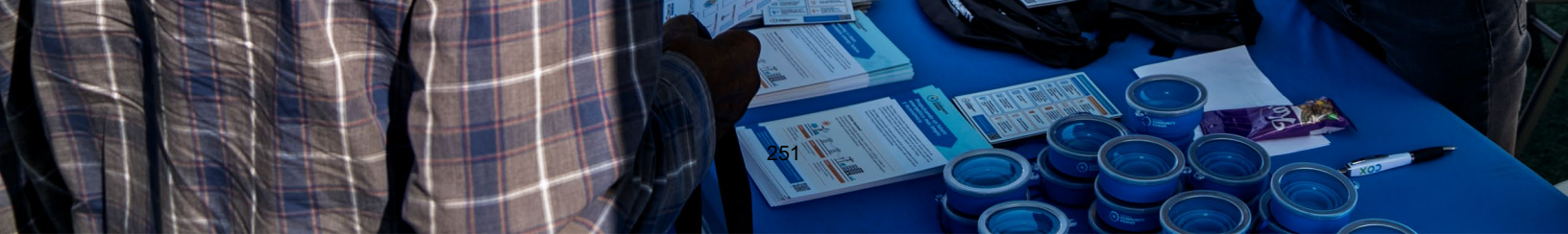
- Foster an innovative, inclusive and resilient workplace.
- Transition into a learning organization by late 2026 with robust staff development.
- Maintain a high level of employee satisfaction through engagement and continuous feedback.
- Launch a new internship program for local college students by FY 2027.





05

Community Engagement



Community Engagement

Community Engagement Process

San Diego Community Power is a not-for-profit public agency that integrates community engagement directly into its decision-making and views outreach as a core function of governance. Through ongoing dialogue with customers, local leaders and regional partners, the agency ensures its budgeting reflects real-world priorities and evolving community needs. This approach reinforces our commitment to affordability while maintaining strong accountability for how public funds are managed. By grounding financial planning, including the development of the Capital Investment Plan (CIP), in community input, Community Power strengthens organizational stability, supports local economic opportunities and accelerates the transition to cleaner energy while delivering benefits to the communities it serves.

Community Power Plan (CPP)

A key milestone shaping Community Power’s customer engagement and investment strategies is the Community Power Plan (CPP), adopted by the Board of Directors on May 25, 2023. The CPP provides strategic direction for customer energy program development over a five-year time frame and is instrumental in guiding CIP investments.

Community Power is committed to designing programs that are community driven, with a particular focus on uplifting Communities of Concern. The CPP was built through extensive outreach and partnership building, helping Community Power strengthen ongoing relationships with residents, community-based organizations and stakeholders across the region. Between May and November 2022, Community Power engaged more than 3,450 community members through listening sessions, workshops, pop-up events and a customer-wide survey — prioritizing equity and reaching harder-to-engage populations. The CPP’s foundational community needs assessment shaped both short-term priorities and a longer-term framework for program evaluation and design.

Rather than treating outreach and partnership building as a one-time effort, the CPP established a foundation for ongoing dialogue and partnership between the agency and the communities it serves — a commitment that continues through the CIP, program design and investments. This community-centered approach informs all areas of work, including public meetings, partnerships with local organizations and targeted outreach efforts to ensure clean energy opportunities are accessible, equitable and responsive to community needs.

FIGURE 7. COMMUNITY POWER PLAN COMMUNITY NEEDS ASSESSMENT

ENGAGEMENT METHOD	Estimated Number Engaged
Community-Based Organization Co-hosted Listening Sessions (two rounds)	325
Business, Key Stakeholders and Public Listening Workshops	325
Unincorporated San Diego County Pop-up Events	100
Community Needs Survey	2,980
Total	3,450

Public Meetings and Oversight

Transparency and public oversight are built into Community Power’s operations. Consistent with its [Rate Development Policy](#), rate setting occurs in an open, deliberative process led by staff and approved by the Board of Directors at publicly noticed meetings. This ensures the public has direct visibility into and input on decisions that shape costs, programs and long-term strategy.

Board decisions are informed and shaped by a subset of members on the Finance and Risk Management Committee (FRMC). The Community Advisory Committee (CAC) also advises the Board and provides a venue for ongoing citizen support and engagement in Community Power. These regular meetings offer meaningful opportunities for community input on agency decisions.

Customer Information and Transparency

Clear, accessible information is essential in building trust with customers and supporting informed decision-making about service options. Community Power publishes an annual Joint Rate Comparison in coordination with SDG&E that allows customers to easily evaluate pricing. The Power Content Label further reinforces transparency by providing a detailed look at the sources used for each service plan. In addition, Community Power's website serves as a central resource for information, rebates, incentives and self-service tools.

Community Engagement

Staff regularly provide updates to member agencies and their elected bodies on Community Power's performance, priorities and initiatives. Community Power also continues to expand its presence through events, partnerships and targeted outreach to reach a broad and diverse audience.

183 community events

16,000 unique interactions

650,000 impressions

In FY 2025–2026, Community Power participated in 183 community events, resulting in 16,000 unique interactions and nearly 650,000 impressions. These in-person efforts are enhanced by strategic partnerships, sponsorships and targeted media outreach, including an ongoing partnership with CBS 8's "Working for Our Communities" campaign, which highlights available services and opportunities for customers to save money. Regular newsletters also provide subscribers with updates on new initiatives and energy-saving tips.

These efforts create a strong, continuous feedback loop between the agency and the public, strengthening transparency, informing budget decisions and ensuring Community Power remains responsive, accountable and focused on delivering affordable, reliable and increasingly renewable energy solutions.





06

Capital Investment Areas

Capital Investment Areas

Investment Type Overview

Community Power's investment types are designed to deliver measurable value to customers by improving affordability, enhancing reliability and expanding access to clean energy solutions. Each investment reflects the agency's commitment to reinvesting public funds in ways that reduce costs over time, support rate stability and provide direct benefits to the communities it serves.

Guided by the Community Power Plan (CPP) and informed by ongoing community engagement, these investment types represent a coordinated portfolio of customer programs, infrastructure investments, pilot initiatives, planning efforts and enabling technologies. Together, they support near-term customer benefits while advancing long-term system reliability, cost control and sustainability.

Community Power prioritizes disciplined, data-driven investments that can be refined, scaled and aligned with available funding over time. This flexible approach enables the agency to respond to changing market conditions, leverage external funding and incorporate emerging technologies while minimizing financial risk. By focusing on a defined set of high-impact investment types, Community Power ensures resources are used effectively to support long-term financial strength and deliver reliable, affordable and community-driven energy solutions.



Investment Type 1. Application Assistance

FIGURE 8. APPLICATION ASSISTANCE PROJECTS

Project	Scope of Work	Carryforward	FY27
Commercial Application Assistance Program	This initiative aims to support small and large commercial and industrial customers in identifying energy saving solutions and publicly available funding programs that can help meet their needs and goals. The program also provides project management and grant support, if needed.	\$250,000	-
Total		\$250,000	-

Description

Nonresidential Community Power customers may be eligible for energy savings opportunities through existing utility, state and federal funding programs. This program provides key customers in the commercial, industrial, agricultural and public sectors with a no-cost assessment of their business energy needs and identifies available funding opportunities that can support these needs.

Benefits

Simplifying access to third-party energy savings programs reduces administrative burdens for nonresidential customers and streamlines the customer application process. By improving participation in existing programs, this initiative positions Community Power as a strategic partner to our key and priority nonresidential customers. The program brings additional energy resources and investments into the region, which helps retain customers in our service while lowering their utility bills.

Investment Type 2. Disadvantaged Communities Green Tariff

FIGURE 9. DISADVANTAGED COMMUNITIES GREEN TARIFF PROJECTS

Project	Scope of Work	Carryforward	FY27
Disadvantaged Communities Green Tariff (DAC-GT)	Bring the benefits from local solar projects to those who may not be able to install solar on their roofs and offer a 20% bill discount to eligible residential customers in state-defined disadvantaged communities	\$299,175	\$300,000
Total		\$299,175	\$300,000

Description

The California Public Utilities Commission (CPUC) Disadvantaged Communities Green Tariff (DAC-GT) program provides a 20% bill discount to income-qualified residential customers in underresourced communities who may be unable to install solar on their roof. Community Power brands DAC-GT as Solar Advantage in public-facing materials. This investment supports outreach and enrollment through trusted local partners, helping build awareness of Solar Advantage and trust in Community Power among eligible customers in disadvantaged communities. Eligibility is determined by the CPUC, using the “CalEnviroScreen” tool to identify communities that are disproportionately burdened by or vulnerable to multiple sources of pollution.

Benefits

DAC-GT provides equitable bill relief to low-income residents by overcoming ownership, structural, financial and linguistic barriers to clean energy access. The program is externally funded through CPUC-administered sources, allowing Community Power to deliver savings and solar benefits without relying on internal funding.

Investment Type 3. Pilot Programs

FIGURE 10. PILOT PROGRAMS PROJECTS

Project	Scope of Work	Carryforward	FY27
Customer Pilot Programs	Test program concepts and support the implementation of high-impact projects that Community Power may be able to scale with more funding.	\$1,772,839	\$2,500,000
Clean Energy Asset Feasibility Study	This solar and storage feasibility study will assess the technical, economic and environmental viability of integrating solar generation and/or energy storage into Community Power's service territory. The project involves data collection and review, technical analysis of potential solar locations and grid interconnection, economic modeling to assess costs and savings, environmental impact assessment and development of a preliminary implementation plan with project size, timeline and cost estimates. The final deliverables will include reports on technical feasibility, economic analysis, environmental impact and a preliminary implementation plan.	\$225,088	-
Total		\$1,997,927	\$2,500,000

Description

Pilot Programs allow Community Power to test targeted energy solutions in real-world conditions before broader deployment. These efforts focus on customer-facing programs and emerging technologies, generating data on participation, performance and cost-effectiveness to inform near-term program expansion.

This investment also supports project-level feasibility work, such as the Clean Energy Asset Feasibility Study, which evaluates the viability of specific local clean energy resources, including solar and energy storage. Unlike broader planning and studies, these analyses are directly tied to potential near-term projects and implementation pathways.

Together, these pilots and feasibility assessments enable Community Power to validate program design and advance investment-ready opportunities that align with community needs and operational priorities.

Benefits

Pilots and feasibility assessments help Community Power advance cost-effective solutions while reducing financial risk. Testing programs at a smaller scale allows the agency to refine design, address participation barriers and confirm performance before expanding investments.

Project-specific feasibility studies complement this work by identifying viable clean energy opportunities and clarifying costs, benefits and implementation considerations. This ensures potential investments are well understood and positioned for efficient execution.

These efforts support more informed decision-making, helping Community Power manage procurement and resource adequacy costs, improve reliability and deliver programs that are both effective and scalable. By validating solutions before broader deployment, this investment type helps protect ratepayer funds while advancing reliable, affordable and community-driven energy solutions.

Investment Type 4. Grant Programs

FIGURE 11. GRANT PROGRAMS PROJECTS

Project	Scope of Work	Carryforward	FY27
Community Clean Energy Grants	Designed to support both community organizations and other tax-exempt organizations in Community Power's service territory to fund clean energy initiatives and support regional climate goals	\$1,256,980	-
Total		\$1,256,980	-

Description

Community Power provides competitive grants to local nonprofits and other tax-exempt organizations to deploy community-scale clean energy infrastructure and energy initiatives that deliver long-term public benefits.

Beginning in the 2026 grant cycle, the program prioritizes projects that install distributed energy resources — such as solar and battery storage — at community-serving facilities, including resilience hubs and critical service locations. These investments reduce facility energy costs, strengthen local energy resilience and expand access to clean energy in Communities of Concern. The program continues to support clean energy programming that increases energy literacy, builds local capacity and expands participation in clean energy programs and workforce pathways.

In addition to Community Power funding, these grants are supplemented by Calpine Community Energy, which provides back-office support to Community Power, and the San Diego Foundation, the grants' administrator.

Benefits

Community Power's grant program delivers both direct community benefits and system-wide value for ratepayers by pairing locally deployed infrastructure with long-term operational and grid benefits. Grant-funded projects reduce energy costs for community-serving facilities, allowing savings to be reinvested over time into local programs and services.

Grant-funded infrastructure also strengthens grid reliability by deploying distributed energy resources that can provide backup power and support critical facilities. When integrated through Distributed Energy Resource Management System (DERMS) and a Virtual Power Plant, these assets help manage peak demand, reduce Resource Adequacy costs and lower system-wide costs for ratepayers.

By pairing local investment with grid services, the program extends the value of each dollar while supporting long-term affordability, reliability and community impact.

Investment Type 5. Building Electrification

FIGURE 12. BUILDING ELECTRIFICATION PROJECTS

Project	Scope of Work	Carryforward	FY27
Equitable Building Decarbonization	This statewide initiative offers no-cost installation of electric appliances, energy efficiency measures, basic health and safety improvements and electrical panel upgrades.	\$1,400,000	-
Total		\$1,400,000	\$40,000

Description

Building electrification programs promote the installation of electric appliances, such as electric heat pumps for space heating and cooling or for water heating in buildings. The Equitable Building Decarbonization Program is income-restricted, which ensures equitable access to clean electric technologies for customers facing financial and infrastructure barriers, such as upfront costs and electrical panel constraints.

Benefits

Equitable Building Decarbonization uses state funding provided through the California Energy Commission (CEC) to deliver practical value to eligible customers by making their homes more energy efficient, healthier and more comfortable. Upgrading fossil-fueled home appliances to electric home appliances can improve indoor air quality. By removing participation barriers, complementary upgrades through the Equitable Building Decarbonization Program ensure more communities can access these benefits. Reducing overall energy demand supports long-term affordability and clean energy goals, lowering upfront costs and making cleaner energy more accessible.

Investment Type 6. Planning and Studies

FIGURE 13. PLANNING & STUDIES PROJECTS

Project	Scope of Work	Carryforward	FY27
EV Load Growth Study	The Regional EV Load Analysis will forecast how growing EV adoption can impact electricity demand across Community Power's service territory, including hourly load profiles, adoption scenarios and geographic variation. It will evaluate how different charging behaviors — especially unmanaged vs. managed charging — affect load shape, peak demand and system risks, with a focus on strategies (for example, time-of-use rates or managed charging) that can shift or mitigate EV-related peaks. Overall, the study aims to provide insights that support long-term planning, helping Community Power understand both the risks and opportunities of transportation electrification for load forecasting, Resource Adequacy and program design.	-	\$250,000
Program Evaluation	Fund a variety of third-party program evaluation efforts. Near-term projects include an evaluation of potential load shift from the Smart Home Flex pilot project and a bill impact analysis of Solar Battery Savings program participants.	\$250,000	-
California Energy Commission (CEC) Grant	Fund a variety of third-party program evaluation efforts. Near-term projects include an evaluation of potential load shift from the Smart Home Flex pilot project and a bill impact analysis of Solar Battery Savings program participants. Funding from the CEC Grant Agreement EPC-25-015 supports the Charging Harmonization and Analysis for Resilient, Grid-Efficient Utilization and Planning (CHARGE UP) project. The CHARGE UP project will analyze and quantify the value of advanced managed charging/VIG strategies in balancing bulk system and distribution operational needs.	\$693,611	-
Total		\$43,611	\$250,000

Description

Planning and Studies provide the analytical foundation for Community Power's programs and investments. These efforts include data collection, technical analysis and stakeholder engagement to assess energy use, forecast demand and evaluate potential program and infrastructure opportunities. Unlike pilot programs, which test specific solutions for near-term implementation, Planning and Studies focuses on broader analysis and long-term strategy development to guide future investments.

Key activities include evaluating building and housing characteristics, assessing local development feasibility, analyzing regional electric vehicle load growth and conducting program evaluations.

This work ensures Community Power designs programs and investments that are data-driven, aligned with community needs and positioned to maximize impact before committing significant funding.

Benefits

Planning and Studies help Community Power make informed, cost-effective decisions that directly benefit ratepayers. By identifying the most effective strategies before implementation, these investments reduce financial risk and ensure limited public funds are directed to programs with the greatest potential impact.

Improved forecasting and analysis support more efficient resource planning, helping manage peak demand and avoid unnecessary costs that can be passed on to customers. Evaluating building stock, transportation trends and program performance also enables Community Power to design targeted solutions that improve participation, expand access and better serve diverse communities.

Collectively, this work strengthens long-term affordability, enhances program effectiveness and ensures Community Power delivers measurable value to customers through strategic, accountable investments.

Investment Type 7. Battery Energy Storage Systems

FIGURE 14. BATTERY ENERGY STORAGE SYSTEMS PROJECTS

Project	Scope of Work	Carryforward	FY27
Residential Solar Battery Savings Program	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 complementing 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 discharging the battery during a specified on-peak window to maximize benefits for the customer, the grid and all ratepayers.	\$10,810,899	\$3,532,500
Total		\$10,810,899	\$3,532,500

Description

The amount of solar-generated electricity has steadily increased in California, and production often exceeds demand at midday. Community Power's residential Solar Battery Savings program supports the installation of on-site energy storage systems to capture excess solar electricity for use when traditional renewable energy resources are unavailable. The investment covers an upfront rebate that is given to customers when they install an eligible battery, as well as ongoing performance incentives for allowing Community Power to discharge the customer's battery to their home and the grid during specified windows.

Benefits

Solar Battery Savings increases access to energy storage for Community Power customers by lowering the customer's upfront investment. Energy storage systems also increase local grid reliability and have the added benefit of providing customers with backup power during an outage or emergency. By using enrolled customers' batteries, Community Power staff can reduce peak load consumption, benefiting all ratepayers by reducing demand when energy costs are highest and reducing agency Resource Adequacy obligations and associated costs.

Investment Type 8. Demand Response

FIGURE 15: DEMAND RESPONSE PROJECTS

Project	Scope of Work	Carryforward	FY27
Distributed Energy Resources Management Systems (DERMS) Software Platform	The implementation of a DERMS is central to Community Power’s Flexible Load Strategy. A DERMS software platform 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. The Community Power 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.	\$535,622	\$1,500,000
Total		\$535,622	\$1,500,000

Description

Demand Response programs incentivize customers to use less electricity when energy costs are higher by combining simple behavioral changes with automated smart technologies.

Demand Response investments are centered on the implementation of Community Power’s DERMS, a software platform that enables coordinated control of DERs such as batteries, electric vehicles and flexible loads.

DERMS serves as a foundational platform for multiple Community Power CIP investment types, including Solar Battery Savings, pilot programs and grant-funded infrastructure. By integrating these distributed assets into a single system, DERMS enables Community Power to aggregate, monitor and optimize customer-sited resources in response to real-time grid conditions.

This investment supports the continued buildout of DERMS capabilities to expand participation, improve system integration and enable these resources to function collectively as a Virtual Power Plant, supporting grid reliability and peak demand management.

Benefits

DERMS enables Community Power to maximize the value of distributed energy investments by coordinating assets deployed through Solar Battery Savings, pilot programs and applicable grant-funded projects into a single, flexible system.

By aggregating these resources and deploying them during high-cost periods, DERMS helps reduce peak demand, lower Resource Adequacy obligations and avoid system costs that would otherwise be passed on to ratepayers.

This approach strengthens grid reliability while converting individual program investments into ongoing grid services, ensuring ratepayer dollars deliver sustained operational value rather than one-time benefits.

Investment Type 9. Energy Efficiency

FIGURE 16. ENERGY EFFICIENCY PROJECTS

Project	Scope of Work	Carryforward	FY27
Regional Energy Network	The San Diego Regional Energy Network (SDREN) is an initiative of Community Power, in partnership with the County of San Diego, that offers a portfolio of energy-efficiency programs to residents, businesses and public agencies throughout San Diego County. The 10 SDREN programs are managed by Community Power staff, and all activities are cost-recoverable through California Public Utilities Commission (CPUC) funds.	-	\$63,117,654
Total		-	\$63,117,654

Description

Led by San Diego Community Power and the County of San Diego, SDREN is shaped by a regional Advisory Council of community members, municipal representatives and sector partners. The 10 SDREN programs make clean energy upgrades easier, more accessible and more impactful for every community in San Diego County. Collectively, SDREN provides hands-on assistance and low- to no-cost installations, strengthens the local clean energy industry and addresses specialized needs to ensure no community is left behind.

Benefits

Funded by California utility ratepayers, under the authority of the CPUC, SDREN helps communities across San Diego County save energy, especially those that need energy efficiency most. Reducing overall energy demand supports long-term affordability and clean energy goals, lowering upfront costs and making cleaner energy more accessible.

By prioritizing underserved communities and addressing barriers in underserved communities, energy efficiency programs can expand equitable access to clean energy solutions and their benefits.

Investment Type 10. Information Technology

FIGURE 17. INFORMATION TECHNOLOGY PROJECTS

Project	Scope of Work	Carryforward	FY27
Customer Relationship Management Setup	Establish a centralized system to enhance service delivery and community engagement, with a focus on energy management and customer support. This initiative, excluding confidential security work, will streamline operations across Community Power's service area and reduce long-term costs.	\$750,000	-
Contact Center Enhancements	Explore initiatives that enhance customer service operations to improve service responsiveness and increase customer satisfaction.	\$200,000	-
Enterprise Data Platform	Establish a centralized data infrastructure to improve data access and analytics for staff, aiming to enhance control and reduce costs. The project encompasses capital investment, staff training, data migration and cybersecurity enhancements. Deliverables include a functional data platform, trained personnel and detailed progress reports. The initiative will proceed through planning and implementation phases, excluding confidential security-sensitive details.	\$796,460	-
Amazon Web Services Infrastructure and Security Layer	Develop an Amazon Web Services Infrastructure and Security Layer to ensure robust, scalable cloud services with enhanced security for customer data. This project will provide a reliable and secure foundation for all Community Power digital services, improving customer trust and service efficiency.	\$250,000	-
Energy Trading Risk Management and Portfolio Analytics Implementation	Community Power has licensed and will be deploying an Energy Trading Risk Management (ETRM) system to help manage its power portfolio and financial and budget processes. This system will support various activities such as recording trades, monitoring positions, assessing value, generating reports, managing risks, processing settlements and integrating with the budget. The system is designed to manage diverse power agreements and contracts, ensuring comprehensive coverage of Community Power's energy dealings.	\$446,467	-
Enterprise Resource Planning (ERP)	Implement an ERP system for Community Power to streamline budgeting, enhance reporting, manage procurement and contracts and improve overall operational efficiency. The ERP project's major deliverables include a fully implemented and functional ERP system; system documentation including configuration details, user manuals and training materials; trained staff capable of effectively using the ERP system; and a post-implementation review report.	\$750,000	\$217,500
Total		\$3,192,927	\$217,500



Description

Information Technology upgrades are designed to modernize and integrate the agency's digital, data and customer service infrastructure to better support its mission of delivering cleaner affordable energy. These investments establish a secure, scalable and interoperable technology system, including those that help manage customer relationships, contact center enhancements, enterprise data platforms, cloud infrastructure and core business systems. Building a resilient and future-ready technology foundation ensures Community Power's ability to adapt to market and regulatory changes and deliver high-quality, transparent and community-focused services.



Benefits

These upgrades strengthen operational efficiency, cybersecurity and system reliability while enabling more responsive and customer-focused services. Improving data access, automation and platform integration helps reduce costs over time, supports fiscal responsibility and enhances transparency and accountability.





07

Funding Guide

Funding Guide

San Diego Community Power funds programs in two primary ways: through internal funding or by securing external funding. When available, internal funding provides Community Power the greatest flexibility to design programs that respond directly to community needs. As a newer organization, however, Community Power must also balance program investments with building a strong financial foundation, meeting reserve targets, maintaining customer affordability and advancing other organizational priorities. In the near term, the amount of revenue available for programs will be limited, but it is expected to grow over time.

Internal funding also offers greater flexibility during the planning phase, allowing Community Power to design programs based on community and agency priorities rather than external funding requirements. Planning activities typically require less funding than implementation or capital-intensive phases, such as design and construction.

To maximize impact while continuing to build reserves, Community Power will also pursue external funding from state, federal and other sources. External funding can provide larger investment opportunities but requires additional effort to secure and administer and may include constraints that limit program flexibility. Key sources include the California Public Utilities Commission, the California Energy Commission and other state and federal agencies.

Internal vs. External Funding

When determining how to fund programs, Community Power must evaluate the trade-offs between using internal revenues and pursuing external funding. Investing internal revenues in programs may limit resources available for other organizational priorities. However, reinvesting revenues into programs provides a highly equitable way to return value to customers and offers the greatest certainty and flexibility in program design and administration.

Internal funding is generated from net operating revenues and nonoperating investment earnings. Programs that provide broad benefits to customers may be funded through net operating revenues. Programs with more targeted eligibility or benefits, such as those serving Communities of Concern, may be supported through nonoperating investment earnings.

External funding typically involves competitive application processes, requiring additional resources for grant writing, administration and reporting. It can introduce uncertainty for long-term program planning due to the variability of grant awards.

In contrast, administering programs with internal funding can reduce many of the administrative requirements associated with external funding, such as complex reporting and rigid program design criteria. This flexibility is particularly important for advancing Community Power's equity commitments, as some external funding requirements may limit the ability to effectively deliver programs to Communities of Concern.

Across the community choice aggregation (CCA) landscape, approaches to program funding vary. Some CCAs prioritize internal spending, minimizing reliance on external funding due to administrative complexity. Others rely more heavily on external sources and limit internal program investment. As a newer organization, Community Power is positioned to pursue a balanced approach, adjusting its strategy over time.

In the near term, Community Power is focused on building financial reserves in alignment with its Financial Reserves Policy, which establishes a target of at least 180 days of cash on hand to support a key organizational goal of achieving and maintaining an investment-grade credit rating. The agency also maintains designated reserves, including a Rate Stabilization Reserve Policy, to help mitigate the impacts of market volatility and support stable, predictable rates over time for customers.

Maintaining a strong financial position is critical to managing financial risk, meeting long-term community needs and ensuring organizational stability. As reserve targets are achieved and sustained, Community Power's ability to reinvest revenues into customer programs and strategic initiatives will continue to expand while supporting rate stability and affordability for all customers.

External Sources

Community Power can pursue funding from a range of external sources to supplement its program investments. These sources vary in the size of available funds, application complexity and flexibility in how funds can be used.

Additional funding opportunities will continue to emerge through state and federal legislation. Community Power will monitor and pursue opportunities that align with community and organizational priorities, recognizing that funding availability and timelines may vary. When appropriate, the agency may partner with regional organizations to share administrative responsibilities and increase competitiveness for funding.





08

Budget Resolution

Budget Resolution

RESOLUTION NO. 2025-06

A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER ADOPTING THE FISCAL YEAR 2025-2026 OPERATING BUDGET, THE FISCAL YEAR 2025-2026 CAPITAL BUDGET, AND THE FISCAL YEAR 2026-2030 CAPITAL INVESTMENT PLAN.

A. San Diego Community Power ("Community Power") is a joint powers authority formed pursuant to the Joint Exercise of Powers Act, Cal. Gov. Code § 6500 *et seq.*, California Public Utilities Code § 366.2, and a Joint Powers Agreement effective on October 1, 2019, and amended on December 16, 2021, ("JPA Agreement").

B. The JPA Agreement provides that Community Power's fiscal year ("FY") shall be 12 months commencing each year on July 1 and ending on June 30 the following year.

C. The JPA Agreement further provides that all expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its policies and procedures.

D. The Community Power Board proposes to adopt the FY 2025-2026 Operating Budget and the FY 2025-2026 Capital Budget, attached hereto as Exhibit A.

E. The SDCP Board further proposes to adopt the FY 2026-2030 Capital Investment Plan that provides comprehensive five-year plan for Community Power's capital investment expenditures, attached hereto as Exhibit B.

F. The FY 2025-2026 Operating Budget, FY 2025-2026 Capital Budget, and the FY 2026-2030 Capital Investment Plan, are based on the reasonable and necessary costs incurred by Community Power to operate and provide electric services, programs, and other offerings to Community Power customers; that the services, programs, and other offerings are reasonable and necessary; and that the costs have a fair and reasonable relationship to the benefit, privilege, service or product provided to the customer.

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

Section 1. The Board of Directors hereby adopts the FY 2025-2026 Operating Budget.

Section 2. The Board of Directors hereby adopts the FY 2025-2026 Capital Budget.

Section 3. The Board of Directors hereby adopts the FY 2026-2030 Capital Investment Plan.

Section 4. The Board of Directors finds that the FY 2025-2026 Operating Budget, FY 2025-2026 Capital Budget, and the FY 2026-2030 Capital Investment Plan, are based on the reasonable and necessary costs incurred by Community Power to operate and provide electric services, programs, and other offerings to Community Power customers; that the services, programs, and other offerings are reasonable and necessary; and that the costs have a fair and reasonable relationship to the benefit, privilege, service or product provided to the customer.

Section 5. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on June 26, 2025.

AYES: Chair Aguirre, Vice Chair Lawson-Remer, Alternate Director Cazares, Directors Elo-Rivera, Inzunza, San Antonio and Yamane
NOES: None
ABSTAINED: None
ABSENT: None

Paloma Aguirre

Paloma Aguirre, Chair
Board of Directors
San Diego Community Power

ATTEST:

APPROVED AS TO FORM:

Maricela Hernandez

Maricela Hernandez, MMC, CPMC
Secretary, Board of Directors
San Diego Community Power

Veera Tyagi

Veera Tyagi, General Counsel
San Diego Community Power





09

Acknowledgments



Acknowledgments

Finance Department

San Diego Community Power's Finance Department works to maintain a fiscally responsible budget in accordance with Community Power's Budget Policy. The department ensures sufficient funding to meet procurement needs, sustain operational needs and support sustained growth while delivering clean energy to the communities we serve. In addition, the team actively works to build Community Power's reserves and develop policies that consider future economic conditions, provides an understandable and transparent operating budget for internal and external users, strives to keep the Community Power Board, committees and staff informed of Community Power's fiscal condition and develops a budget that will ultimately prioritize people, transparency and our communities.

Board of Directors

Supervisor Terra Lawson-Remer, Chair
Councilmember Ditas Yamane, Vice Chair
Councilmember Sean Elo-Rivera, Director
Councilmember Jack Fisher, Director
Councilmember Michael Inzunza, Director
Councilmember Marco San Antonio, Director
Councilmember Genevieve Suzuki, Director

Finance and Risk Management Committee

Councilmember Ditas Yamane, Chair
Councilmember Genevieve Suzuki, Vice Chair
Councilmember Michael Inzunza, Director

Community Advisory Committee

CHULA VISTA

- Anthony Sclafani
- Alonso Gonzalez

COUNTY OF SAN DIEGO

- Peter Andersen
- Ross Pike

ENCINITAS

- Tara Hammond
- Molly Hintlian

IMPERIAL BEACH

- Kenneth Hoyt
- Vacant

LA MESA

- David Harris
- Shaun Sumner

NATIONAL CITY

- Sorayda Santos
- Larry Emerson

SAN DIEGO

- Luis Montero-Adams
- Matthew Vasilakis

Community Power Executive Team

Karin Burns, Chief Executive Officer
Veera Tyagi, General Counsel
Jack Clark, Chief Operating Officer
Gordon Samuel, Chief Commercial Officer
Jannies Burlingame, Chief Financial Officer and Treasurer

Finance Department

Jannies Burlingame, Chief Financial Officer and Treasurer
Tim Manglicmot, Senior Director of Finance and Risk
Jeb Spengler, Associate Director of Finance and Procurement
William Weisman, Associate Director of Finance
Christopher Stephens, Procurement Manager
Krystal Carranza, Procurement Manager
Diana Gonzalez, Risk Manager
Mark Alfaro, Finance Manager
Christopher Do, Senior Financial Analyst
Michelle Phillips, Senior Financial Analyst
Julissa Mercedes, Financial Analyst
Kevin Bateman, Financial Analyst
Paige Spounias-Flynn, Procurement Analyst
Angad Kapoor, Procurement Analyst

ITEM 9
ATTACHMENT E

RESOLUTION NO. _____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
SAN DIEGO COMMUNITY POWER ADOPTING THE FISCAL YEAR 2026-
2027 OPERATING BUDGET, THE FISCAL YEAR 2026-2027 CAPITAL
BUDGET, AND THE FISCAL YEAR 2027-2031 CAPITAL INVESTMENT PLAN.**

A. WHEREAS, San Diego Community Power (“Community Power”) is a joint powers authority formed pursuant to the Joint Exercise of Powers Act, Cal. Gov. Code § 6500 *et seq.*, California Public Utilities Code § 366.2, and a Joint Powers Agreement effective on October 1, 2019, and amended and restated on December 16, 2021 (“JPA Agreement”); and

B. WHEREAS, the JPA Agreement provides that Community Power’s fiscal year (“FY”) shall be 12 months commencing each year on July 1 and ending on June 30 the following year; and

C. WHEREAS, the JPA Agreement further provides that all expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its policies and procedures; and

D. WHEREAS, Community Power Board proposes to adopt the FY 2026-2027 Operating Budget and the FY 2026-2027 Capital Budget, attached hereto as Exhibit A; and

E. WHEREAS, Community Power Board further proposes to adopt the FY 2027-2031 Capital Investment Plan that provides a comprehensive five-year plan for Community Power’s capital investment expenditures, attached hereto as Exhibit B; and

F. WHEREAS, the FY 2026-2027 Operating Budget, FY 2026-2027 Capital Budget, and the FY 2027-2031 Capital Investment Plan, are based on the reasonable and necessary costs incurred by Community Power to operate and provide electric services, programs, and other offerings to Community Power customers; that the services, programs, and other offerings are reasonable and necessary; and that the costs have a fair and reasonable relationship to the benefit, privilege, service or product provided to the customer.

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

Section 1. The Board of Directors hereby adopts the FY 2026-2027 Operating Budget.

Section 2. The Board of Directors hereby adopts the FY 2026-2027 Capital Budget.

Section 3. The Board of Directors hereby adopts the FY 2027-2031 Capital Investment Plan.

Section 4. The Board of Directors finds that the FY 2026-2027 Operating Budget, FY 2026-2027 Capital Budget, and the FY 2027-2031 Capital Investment Plan, are based on the reasonable and necessary costs incurred by Community Power to operate and provide electric services, programs, and other offerings to Community Power customers; that the services, programs, and other offerings are reasonable and necessary; and that the costs have a fair and reasonable relationship to the benefit, privilege, service or product provided to the customer.

Section 5. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on June 25, 2026.

AYES:
NOES:
ABSTAINED:
ABSENT:

Ditas Yamane, Vice Chair
Board of Directors
San Diego Community Power

ATTEST:

APPROVED AS TO FORM:

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

Veera Tyagi, General Counsel
San Diego Community Power



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 23, 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 23, 2026

Recommendation

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

Background

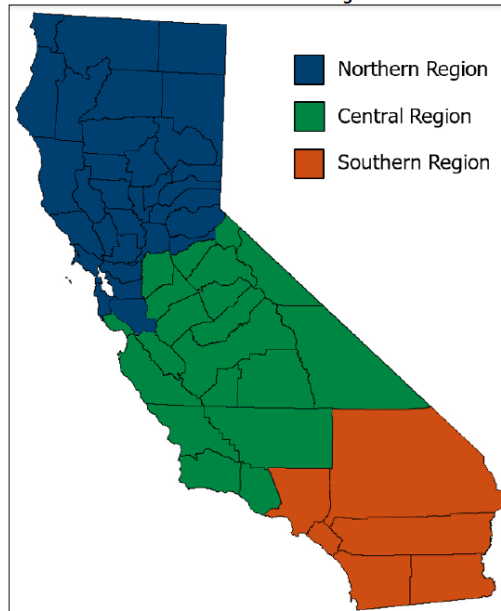
The EBD Program is a Statewide initiative to decarbonize buildings in a just and equitable transition. In the EBD Program Guidelines, the CEC acknowledges that “building decarbonization must prioritize low-income, disadvantaged, and tribal communities, who bear the highest energy burden and have suffered 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.

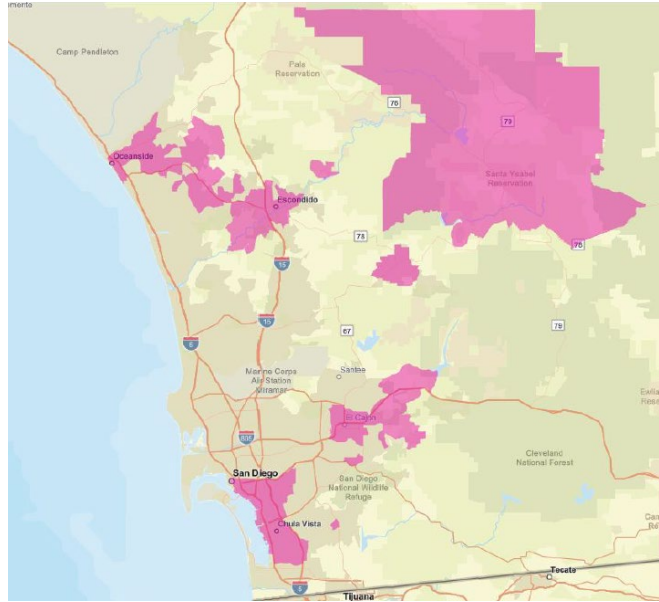


Figure 2

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 23, 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 23, 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.