



Board of Directors

Regular Meeting

October 22, 2026

Welcome and Call to Order

Welcome Director Kelly Purvis



City of Coronado
Councilmember

Roll Call



Land Acknowledgement

Items to be Withdrawn or Reordered on the Agenda

Public Comment on non-Agenda Items

Consent Calendar

1. Approve September 24, 2026, Meeting Minutes
2. Receive and File Update on Programs
3. Receive and File Update on Power Services
4. Receive and File Update on Customer Operations
5. Receive and File Update on IT and Data Analytics
6. Receive and File Update on Human Resources
7. Receive and File Update on Marketing, Public Relations, and Local Government Affairs
8. Receive and File Treasurer's Report for One-Month Period Ending July 31, 2026
9. Receive and File Community Advisory Committee Monthly
10. Adopt Resolution No. 2026-16, Approving 2027 Board Meeting Schedule
11. Approve Agreement with Mercer LLC for Compensation and Benefits Benchmarking Services in an Amount Not-To-Exceed \$175,000
12. Approve First Amendment to Second Amended and Restated Renewable Power Purchase Agreement with Pelicans Jaw Solar, LLC, to Allow for Fixed Pricing for the Solar Deliveries Ahead of Project Commercial Operations, Change the Test Energy Rate, and clean up Administrative Errors in Exhibit H, I, P, and T



Public Comment on Consent Calendar

Regular Agenda

13. **Fiscal Year End 2025-26 Financial Audit Progress Report Presentation**
14. **Approve Second Amendment to the Financially Settled Toll and Energy Storage Agreement and Approve a new Resource Adequacy Agreement for the Enterprise Resource**
15. **Adoption of Resolution 2026-17, Amending the Community Clean Energy Grant Program Policy**
16. **Update on Regulatory and Legislative Affairs**
17. **Fiscal Year 2025-2026 Financial Year End Review**
18. **Ratify Extension of Suite 200 Sublease to February 28, 2028, and Authorize Extension of Suite 200 and Suite 103 Subleases up to December 31, 2028**
19. **San Diego Community Power Data Center Load Integration Guidelines**



Item No. 13

Fiscal Year End 2025-26 Financial Audit Progress Report Presentation



Recommendation:

Receive and File Fiscal Year End 2025-26
Financial Audit Progress Report
Presentation

Presenters:

Jannies Burlingame, Chief Financial Officer/Treasurer

Kellin Gilbert, Audit Partner, Sorren

Alauna Rico, Audit Supervisor, Sorren



***San Diego Community Power
Board Meeting
October 22, 2026***



Introduction



Kellin Gilbert, CPA

Audit Partner

- 18 years in public accounting, performing audits of government entities
- Currently working with several CCAs throughout California



Alauna Rico

Audit Supervisor

- 5 years in public accounting, performing audits of governments (CCAs)

The 2026 audit is currently underway. Fieldwork has commenced, and we are awaiting the draft financial statements. Based on the work completed to date, we currently anticipate reporting the following:

- Unmodified opinion – Based on our audit, the financial statements are materially accurate.
- No significant deficiencies or material weakness in internal control noted.

Relative Roles and Responsibilities



Management

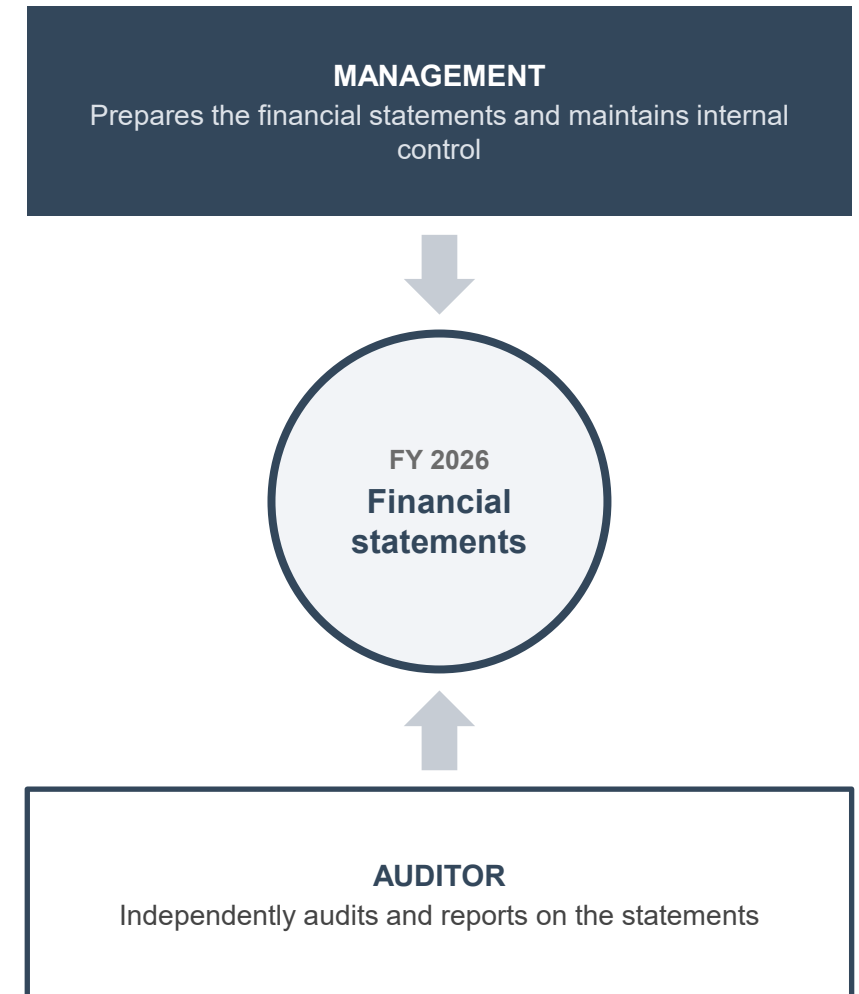
Responsible for preparing the financial statements and establishing a system of internal control.

Auditor

Responsible for auditing the financial statements including:

- Considering risks of material misstatement
- Considering internal controls relevant to the financial statements
- Performing tests of year-end balances based on risk assessment
- Evaluating adequacy of disclosures

Shared objective



Risk Assessment



Our audit is a risk-based audit. Risk assessment procedures include:

1

Understand the entity

Gain understanding of Community Power's operating characteristics, practices, and procedures.

2

Benchmark

Compare to our knowledge of similar entities, industry, and professional guidance.

3

Evaluate controls

Review procedures and controls surrounding significant transaction cycles and business processes.



Significant Audit Areas of Focus



Revenue recognition – accounts receivable and accrued revenue

- Test a sample of customer billings
- Relate total cash received during the year to revenue
- Review revenue recognition through year-end and method for determining accrued revenue



Advances from grantors

- Reviewed the grant funding schedule and supporting documentation
- Vouching selected transactions to supporting documentation



Cash and investments

- Confirmations sent to financial institutions



Accrued cost of electricity

- Review subsequent bills from electricity providers
- Review related cash payments

Required Board Communications



- No alternative treatments of accounting principles for material items in the financial statements have been discussed with management.
- We are not expecting to propose any adjustments to the financial statements.
- We have not identified any significant or unusual transactions or applications of accounting principles where a lack of authoritative guidance exists.
- There have been no disagreements with management concerning the scope of our audit, the application of accounting principles, or the basis for management's judgments on any significant matters.
- We have not encountered any difficulties in dealing with management during the performance of our audit.



Thank You



Kellin Gilbert



Partner



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(707) 577-1511



sorren.com

Public Comment on Item No. 13

Item No. 13

Board Members Comments or Questions



Recommendation:

Receive and File Fiscal Year End 2025-26
Financial Audit Progress Report
Presentation

Item No. 14

Approve Second Amendment to the Financially Settled Toll and Energy Storage Agreement and Approve a new Resource Adequacy Agreement for the Enterprise Resource

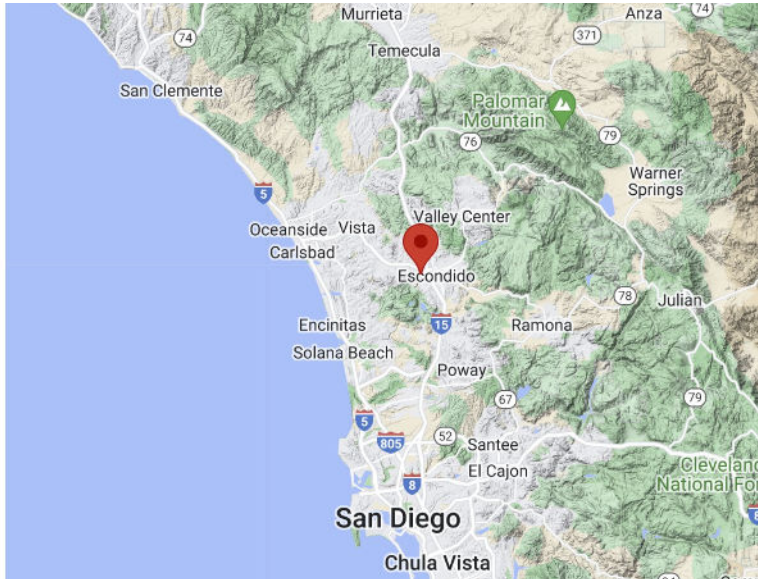


Recommendation:

Approve Second Amendment to Financially Settled Toll and Energy Storage Agreement with MRP Pacifica Marketing II LLC, to change the Delivery term to end December 31, 2026. Approve a 15-year Resource Adequacy Agreement with CalPeak Power, LLC to provide local resource adequacy and Authorize the Acting Chief Executive Officer to execute the Agreements

Enterprise Project Summary

- Legacy Facility: 50.96 MW natural gas-fired facility
- Proposed New Construction: 52MW / 52MWh (1-hour) lithium-ion battery (*not moving forward*)
- Location: Escondido, CA (San Diego County)
- Interconnection: CAISO (Escondido Substation)



Enterprise: History

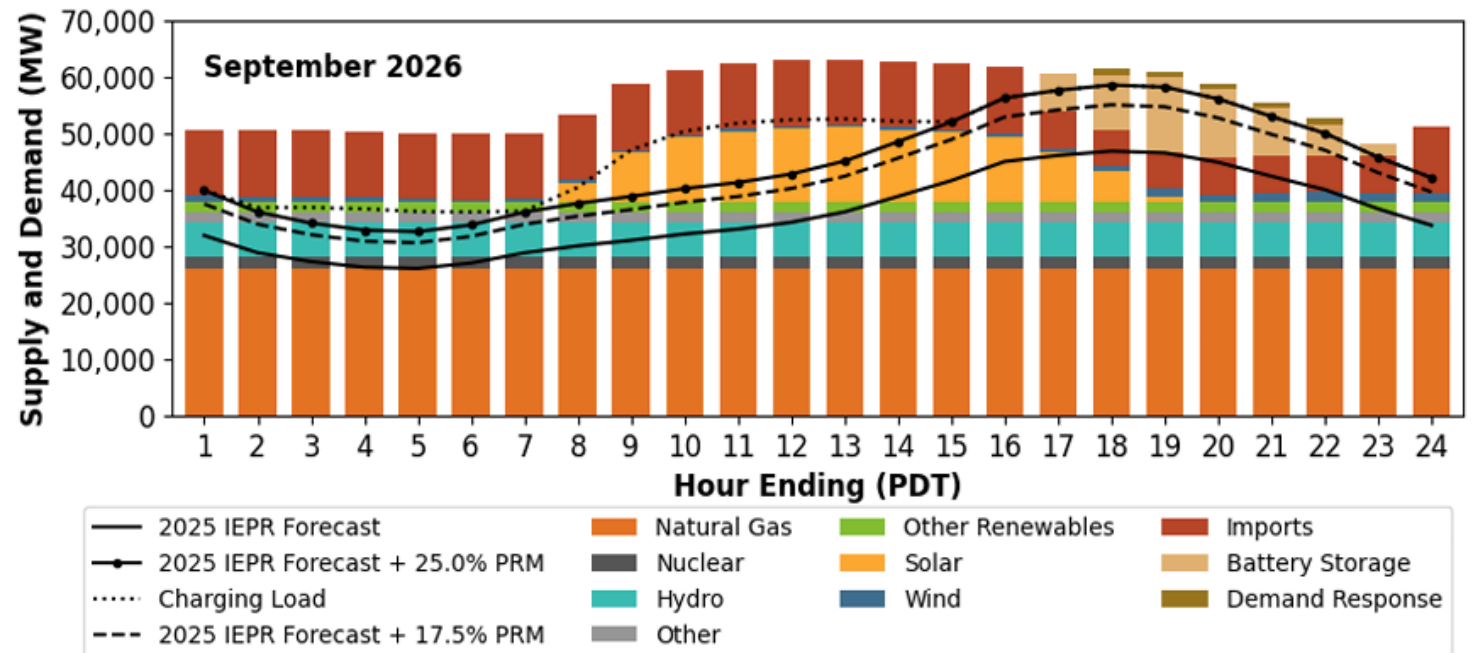
- This project came through the rolling local RFI and SDCP's 2024-2026 RA solicitation
- In May 2024, the Board approved the original Financially Settled Toll and Energy Storage Agreement (ESSA) with MRP Pacifica Marketing II, LLC, for the Enterprise project.
 - Original Scope:
 1. 15 year Toll for new 1-hour battery (Energy Arbitrage, Ancillary Services)
 2. 15 year Resource Adequacy from existing natural gas facility
- In July 2025, the contract was amended due to delays in the battery permitting
- In 2026, the parties determined that the battery cannot be permitted at the site and would not move forward



What is Resource Adequacy?

Resource Adequacy (RA) is “backup” capacity, it is power ready to dispatch in the market during heat waves and other high-energy usage events to avoid blackouts

- RA requirements are set by the California Independent Systems Operator (CAISO) and California Public Utilities Commission (CPUC)
- Capacity is extremely tight, so it's critical that Community Power find new resources and creative solutions to ensure compliance and reliability



Multi-hour stack analysis Sept 2026: CAISO Summer Loads and Resources Assessment

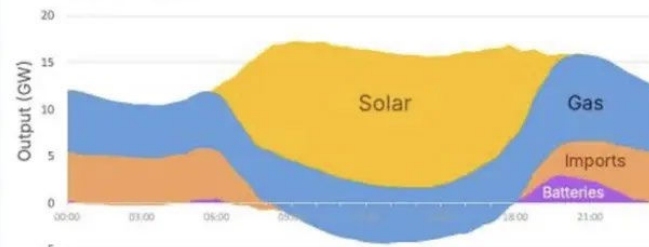


Natural Gas in the State

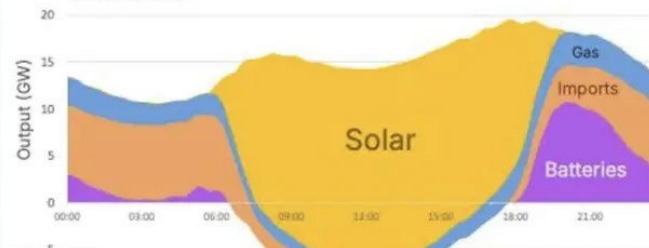
Gas no longer dominates California's grid

Solar and batteries are reducing reliance on gas

June 2023



June 2026



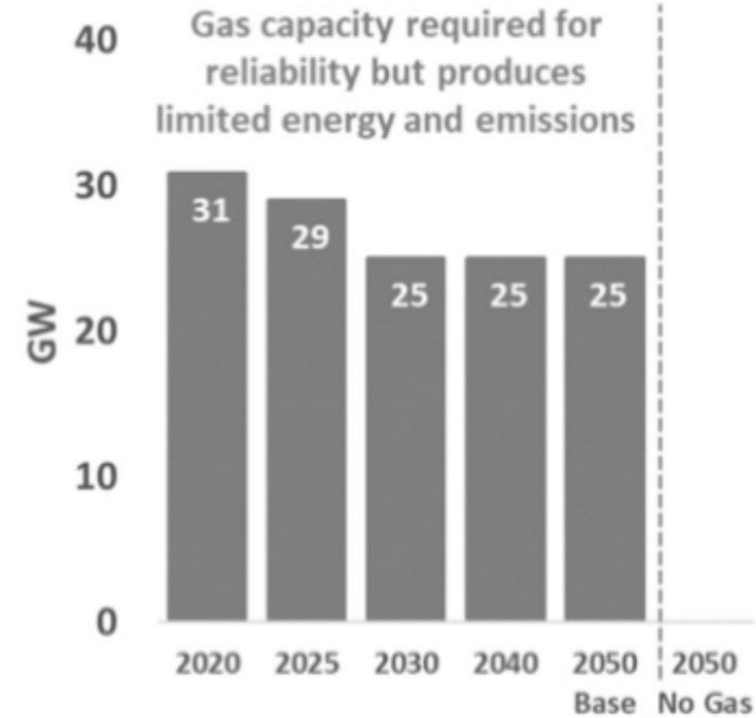
Source: GridStatus.io

Charts show June average generation. Selected sources only - excludes: nuclear, hydro, geothermal, wind and bioenergy

@gavinmooney

Gas Capacity

Gas capacity required for reliability but produces limited energy and emissions

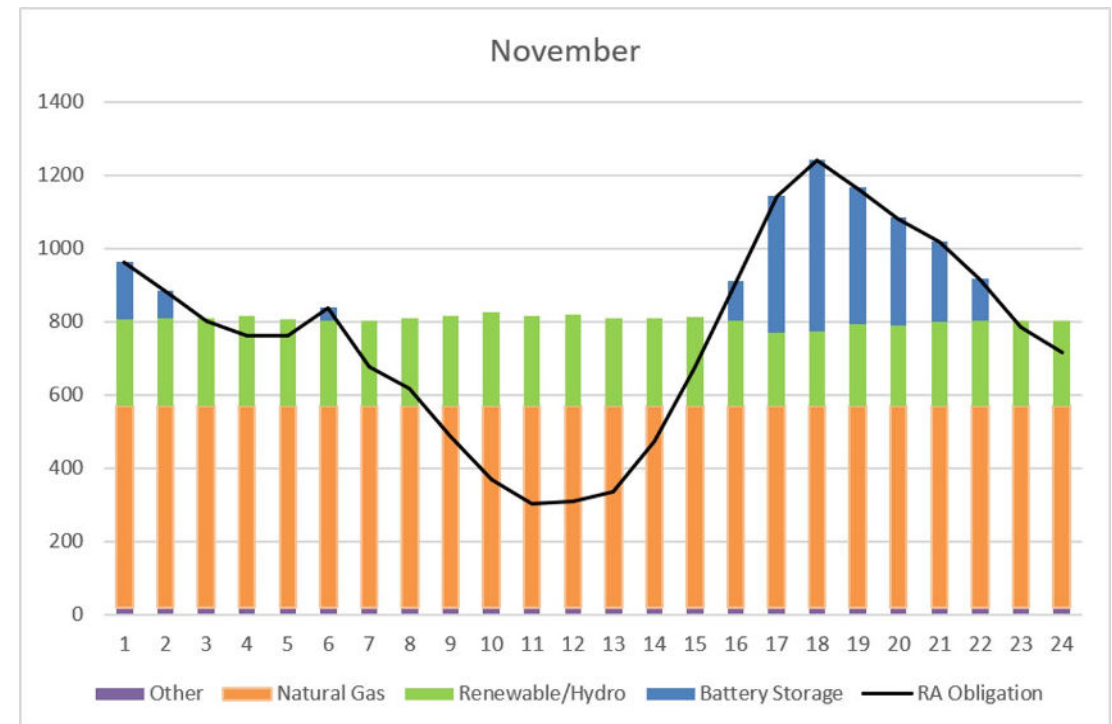
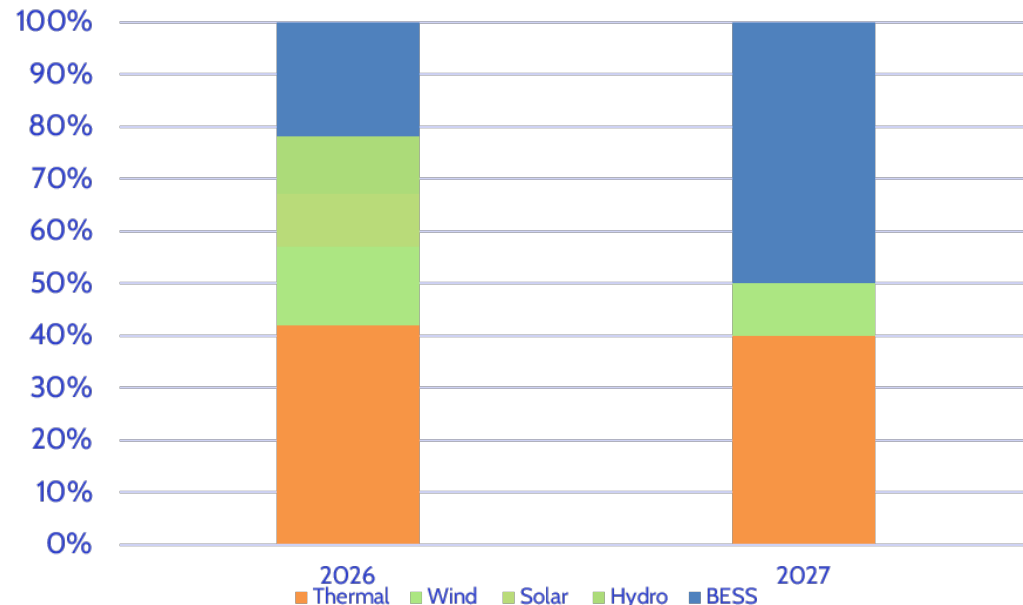


Although a reduced percent of energy production (e.g., core needs), natural gas still dominates Resource Adequacy supply (e.g., Insurance).



Local Resource Adequacy (RA) Importance

- Long-term RA agreements provide cost and capacity certainty in Community Power's portfolio
- Local RA is critically important to Community Power's reliability and compliance requirements
- RA Procurement:
 - 2026: 41% thermal
 - 2027: 40% thermal



Enterprise: Amendment Scope

- **Contract #1: ESSA Amendment**
 - Changes the existing ESSA Delivery Term end date to December 31, 2026.
 - Community Power waives the damages that would be owed for not bringing the battery component online by its Guaranteed Commercial Operation Date.
- **Contract #2: RA-Only Agreement**
 - RA Contract Capacity: 50.96 MW
 - RA Product: System, Local, and Flexible RA attributes
 - Contract Start Date: January 1, 2027
 - Contract Term: 15 years
 - Guaranteed RA Availability: 94.5%
 - Pricing: Fixed pricing
 - Option to contract for BESS unit if permitting challenges resolved



Enterprise: Staff Analysis

- This agreement provides 50.96 MW of Local, 24/7 and Flex attributes, from a resource in the San Diego-Imperial Valley local capacity area.
- This contributes to Community Power's resource adequacy contracting goals and addresses compliance requirements.
- Pricing is competitive with comparable product offerings received from Community Power's recent RFPs. The long-term agreement will provide value and cost certainty over the 15-year term.
- Allows Community Power to secure local Resource Adequacy in a long-term contract versus the risk of short-term contracting and price volatility.



Public Comment on Item No. 14

Item No. 14

Board Members Comments or Questions



Recommendation:

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Item No. 15

Adoption of Resolution 2026-17, Amending the Community Clean Energy Grant Program Policy



Recommendation:

Adoption of Resolution No. 2026-17, amending the Community Clean Energy Grant Program Policy previously approved on February 22, 2024, to include the framework for administering Community Benefits funds and rename the policy as the “Community Clean Energy Benefits and Grants Policy”

Community Clean Energy Grants



Since 2023

- \$3.6M+ invested
- 55 community projects
- 26,000 community members reached
- \$3.9M+ in additional funding leveraged
- Investments in:
 - Clean mobility
 - Residential and community solar
 - Workforce development
 - Energy education
- Demand continues to outpace available funding
- 2026 cycle received 46 applications requesting \$3.6M in funds



Community Benefits Funds

Overview

- Community Benefits Funds are voluntary developer contributions negotiated through Community Power's Power Purchase Agreements (PPAs) that create an opportunity to expand local impact as one-time funding.
- These funds are not from customer rates, Community Power revenues, public funding sources, charitable donations, project mitigation measures, or permitting requirements.
- Over the next three years, Community Power anticipates receiving an estimated \$2.8 million in community benefit funds through provisions negotiated in nine PPAs. Contractual uses vary.
- In March 2026, staff presented potential initiatives to the Community Advisory Committee and Board of Directors that reflected alignment with:
 - Contractual allowable uses
 - Feasibility within available, one-time funds
 - Administrative capacity considerations
 - Potential for measurable impact



Staff Recommendation

Staff recommends leveraging the existing Community Clean Energy Grants infrastructure to deploy funds by including community benefits funds into a single, consolidated grantmaking policy.

- Supports Community Power's priorities of generating long-term energy savings, enhancing resilience during outages, and contributing toward Community Power's 150 MW local development goal
- Builds upon a successful grant program with established partnerships
- Leverages one-time funds to support projects and programs looking for gap funding
- Incorporates permissible uses and stakeholder review
- Establishes funding governance and approval authority
- Guides program community engagement and streamlines administration



Proposed Policy Revisions and Structure

Naming and Funding Inclusion

Revisions include the framework for administering community benefits funds and rename the policy as the “Community Clean Energy Benefits and Grants Policy”

Focus Areas

- Improving energy infrastructure, housing, and community resilience to help communities prepare for, withstand, and recover from energy disruptions.
- Expanding workforce training and career development opportunities that support the clean energy economy and local economic development.
- Increasing customer energy literacy through education and outreach that promotes clean energy adoption and carbon emissions reductions, particularly among youth.
- Delivering measurable environmental benefits through electrification, improved indoor and outdoor air quality, environmental stewardship, climate equity, and habitat improvement or preservation.

Eligibility

- Eligible applicants will continue to include nonprofit organizations and public agencies serving Community Power customers
- Funding to be deployed within Community Power's service territory while recognizing that a specific PPA includes flexibility for Community Power to support clean energy projects within a community adjacent to the project site



Timeline & Next Steps

Fall 2026/Winter 2027

Release Request for Proposal for grant program administrator

Spring 2027

Develop detailed Program Guidelines; CAC & Board review

Summer/Fall 2027

Estimated 2027 Cohort Launch

Ongoing

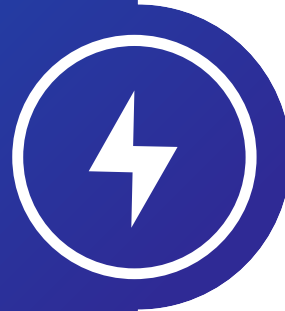
Community outreach, reporting and performance tracking, applicant support



Public Comment on Item No. 15

Item No. 15

Board Members Comments or Questions



Recommendation:

Adoption of Resolution No. 2026-17, amending the Community Clean Energy Grant Program Policy previously approved on February 22, 2024, to include the framework for administering Community Benefits funds and rename the policy as the “Community Clean Energy Benefits and Grants Policy”

Item No. 16

Update on Regulatory and Legislative Affairs



Recommendation:

Receive and File update on Regulatory and Legislative Affairs

Presenters:

Patrick Welch, Associate Director of Legislative Affairs
Stephen Gunther, Regulatory Manager
Aisha Cissna, Senior Regulatory Manager

Legislative Update

Our Focus

Community Power's three main legislative priorities are:



Accelerating deep decarbonization

We support policies that help reduce harmful pollution, including making buildings and transportation cleaner and more electric.



Promoting local development

We advocate for investments that bring clean energy jobs and projects to our region.



Stabilizing community choice

We work to protect the ability of local communities to choose their energy provider.

Background

- Over 1,850 bills introduced in 2026
- Community Power monitored and reviewed more than 150
- In accordance with the Board approved Policy Platform, Supported 11 bills and opposed two
- Legislative session, including the bill signing period, concluded on September 30
- A new legislative session begins on January 4, 2027



Legislative Update

Accelerating Deep Decarbonization

Bill	Description	Our Position	Outcome
AB 2111 (Papan)	Reforms transmission planning to increase access to renewable and clean resources	Support	Signed into Law
AB 2313 (Berman)	Funds electric service alternatives to natural gas pipeline replacements	Support	Signed into Law
AB 2369 (Rogers)	Would have helped unlock renewable charging resources for battery energy storage	Support	Vetoed
AB 2493 (Petrie-Norris)	Authorizes remedial actions on delayed transmission line improvements	Support	Signed into Law
State Budget	Funding for TECH Clean California, which provides electrification incentives	Support	Failed
State Budget	Support funding for the Demand Side Grid Support program at the CEC	Support	\$22 million appropriated



Legislative Update

Promoting Local Development

Bill	Description	Our Position	Outcome
AB 1813 (Ward)	Would have improved an existing community solar program at the CPUC	Support	Failed
AB 2389 (Irwin)	Would have extended a property tax exclusion for behind the meter solar and storage systems	Support	Failed
SB 2508 (Hoover)	Would have eliminated the collection of the public purpose program charge	Opposed	Failed
SB 868 (Wiener)	Exempts balcony solar devices from utility interconnection requirements	Support	Signed into Law
SB 1295 (Stern)	Would have required utilities to evaluate whether distributed storage systems could meet identified reliability or capacity needs	Support if Amended to clarify that load serving entities like Community Power qualify as third-party providers and ensure sufficient data transparency	Failed



Legislative Update

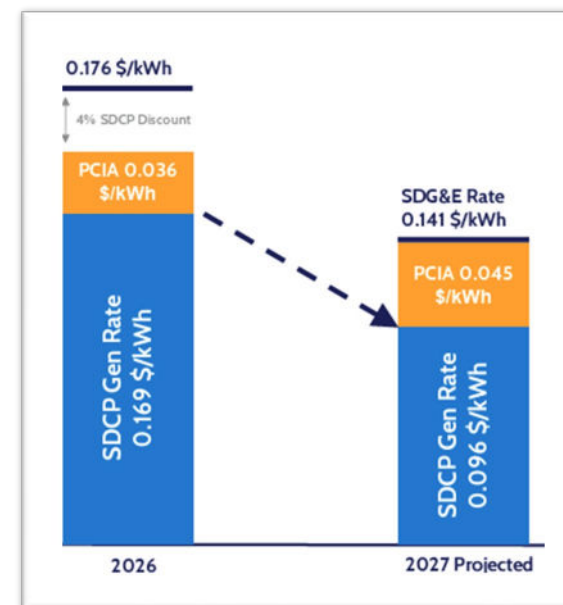
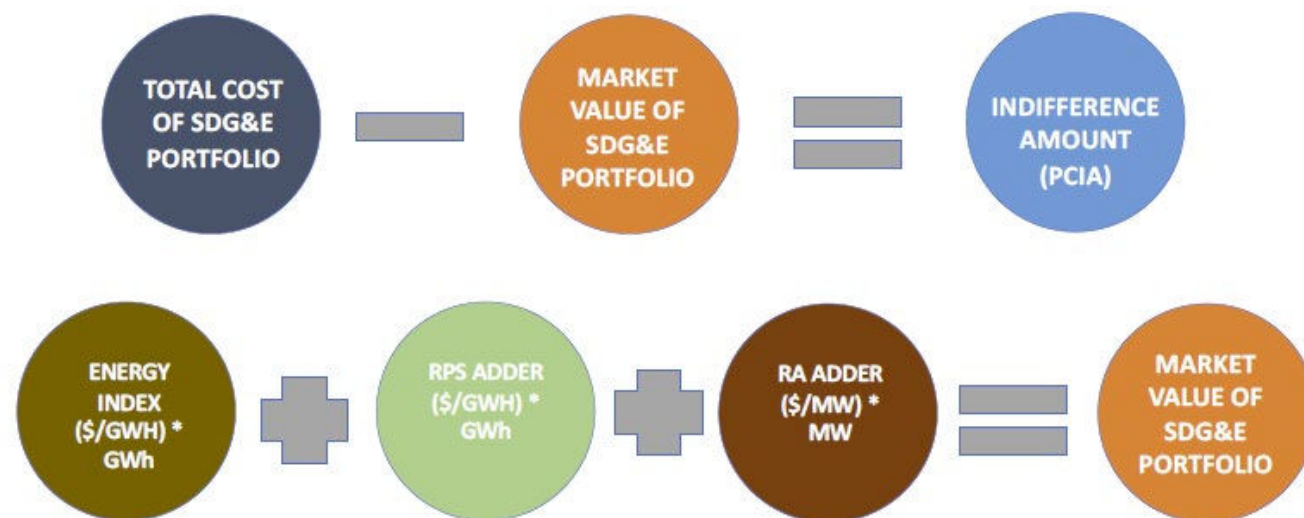
Stabilizing Community Choice

Bill	Description	Our Position	Outcome
AB 1761 (Rogers)	Would have led to better transparency on data that informs the Power Charge Indifference Adjustment	Support	Vetoed
SB 1138 (Padilla)	Would have reformed the CPUC's Slice of Day Program to save Community Power customers \$10.8 million in 2025	Support	Failed
AB 2383 (Zbur)	Would have authorized the CPUC to regulate the terms and conditions of CCA service for data center customers	Oppose Unless Amended (neutral on 7/2)	Signed into Law

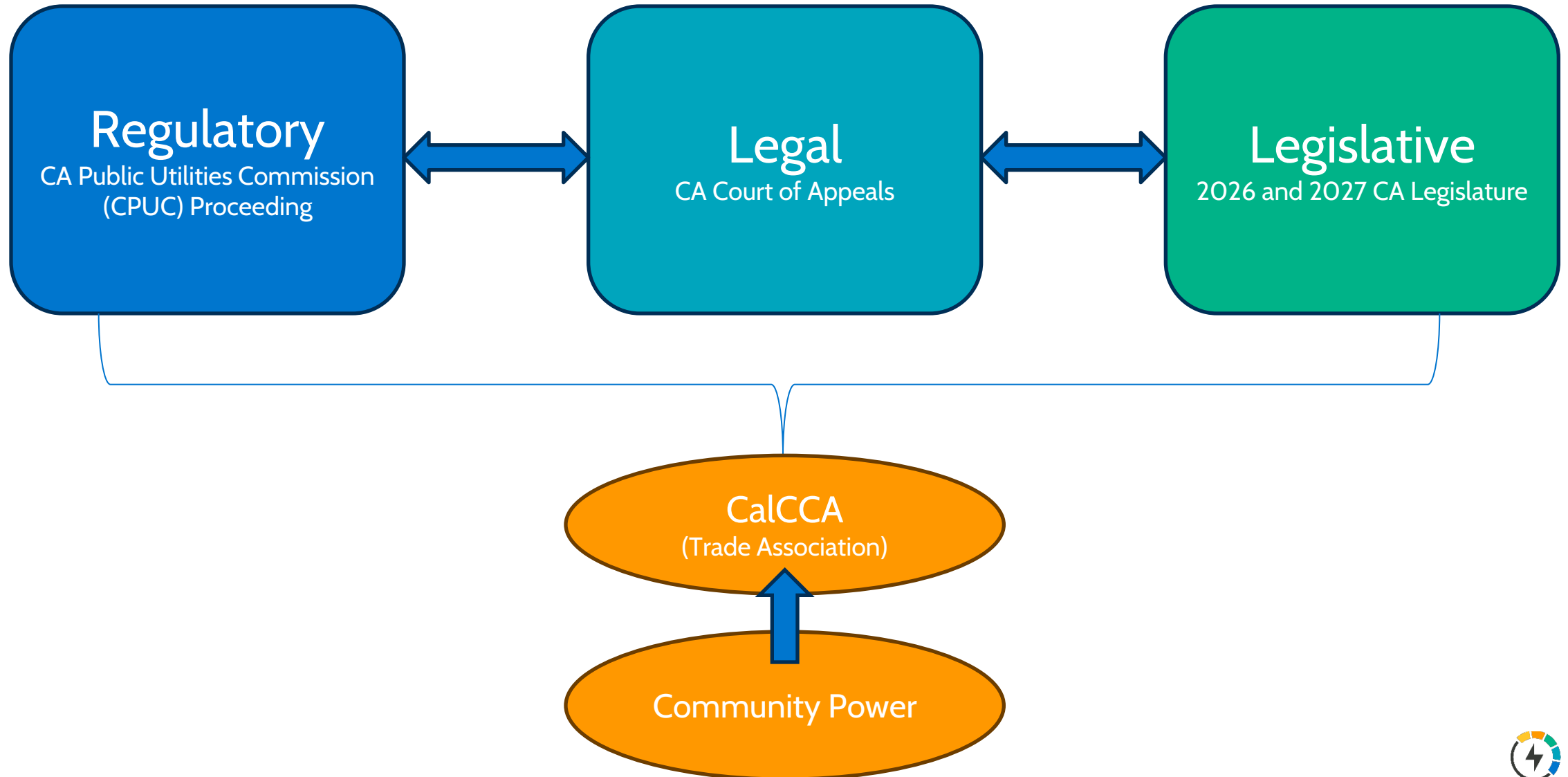


Power Charge Indifference Adjustment Update

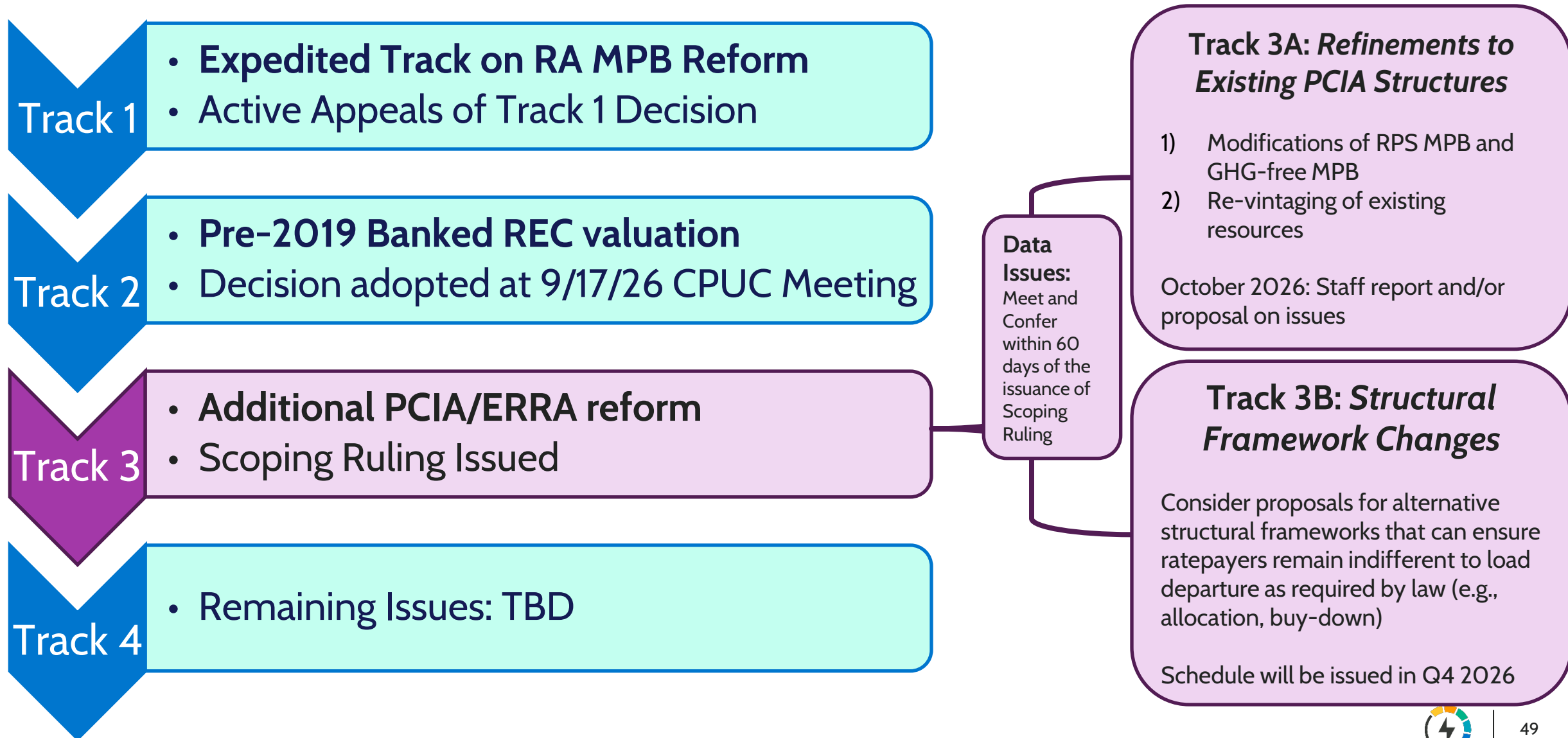
- The PCIA is the ratemaking mechanism to ensure that cost shifts do not occur when customers depart from an investor-owned utility (IOUs) to a CCA.
 - IOUs collect costs for the energy they contracted for on behalf of both bundled and unbundled customers to “make them whole” for their legacy investments.
- Directly impacts Community Power’s generation rates and competitiveness with SDG&E.
- Considered one of our largest financial risks.
- Problems include:
 - Lack of transparency
 - Unfair treatment of CCA customers
 - Volatility



Where and How We are Advocating to Reform the PCIA



Regulatory: CPUC Proceeding Status



Legal: Appeal Status

- *CalCCA v. CPUC*, CA Court of Appeal, Third Division (Appeal of PCIA Track One Decisions 25-06-049 and 25-10-061) (filed on December 1, 2025)
 - June 25: Appeal denied by Court of Appeal
 - July 6: CalCCA filed Petition for Review at the CA Supreme Court
 - September 23: The CA Supreme Court **granted** CalCCA's petition, sending the case back to the Court of Appeal
- *SDCP & CEA v. CPUC*, CA Court of Appeal, Fourth Division – Case No. D088532 (Appeal of SDG&E 2026 ERRF Forecast Decision) (filed July 17, 2026)



Legislative Update -- AB 1761 (Rogers)

THE CALIFORNIA SENATE HAS PASSED AB 1761!

✓ Allen	✓ Choi	✓ Limón	✓ Rubio
✓ Alvarado-Gil	✓ Cortese	✓ McGuire	✓ Seyarto
✓ Archuleta	✓ Dahle	✓ McNeerney	✓ Smallwood-Cuevas
✓ Arreguin	✓ Durazo	✓ Menjivar	✓ Stern
✓ Ashby	✓ Gonzalez	✓ Niello	✓ Strickland
✓ Becker	✓ Grayson	✓ Ochoa Bogh	✓ Umberg
✓ Blakespear	✓ Grove	✓ Padilla	✓ Valladares
✓ Cabaldon	✓ Hurtado	✓ Pérez	✓ Wahab
✓ Caballero	✓ Jones	✓ Reyes	✓ Weber Pierson
✓ Cervantes	✓ Laird	✓ Richardson	✓ W...

YES: 39 | NO: 0

CALCCA ADVANCING LOCAL ENERGY CHOICE

AB 1761 ROGERS ET AL. By Padilla

Learn more: cal-c

August 28, 2026

The Honorable Gavin Newsom
Governor, State of California
1021 O St, Room 5130
Sacramento, CA 95814

Re: AB 1761 (Rogers) Electricity: calculation methodology: nonbypassable charges: data disclosure – Request for Signature

Dear Governor Newsom,

Thank you for your continued leadership to make our electric grid cleaner, more reliable, and more affordable. San Diego Community Power (SDCP) and its Board of Directors was formed to deliver on these shared goals to the San Diego region. Our mission is to provide affordable clean energy and invest in the community to create an equitable and sustainable future. We write today to respectfully urge your signature on AB 1761 (Rogers), which advances energy affordability by improving transparency and certainty in how the Power Charge Indifference Adjustment (PCIA) is calculated.

Lower electric bills and real relief are priorities for SDCP and our Board of Directors. To help customers save money, SDCP emphasizes competitive generation rates, rate stability, and customer programs. We recently launched a new year-round super off-peak generation rate of one cent per kilowatt-hour. Even with these efforts, electricity bills in California continue to rise for various reasons, including challenging market conditions and outdated, inefficient regulatory policies. Families and businesses in our communities are feeling the impact.

AB 1761 (Rogers) is a practical, customer-focused solution that helps ensure customers do not pay more than their fair share of the PCIA. It requires the California Public Utilities Commission (CPUC) and the investor-owned utilities (IOUs) to disclose the data used to calculate the charge, including cost inputs, forecasting assumptions, and methodologies. It ensures that any proposal in a CPUC proceeding to change the PCIA is accompanied by the underlying data supporting that proposal. Sensitive information would remain protected through CPUC-approved nondisclosure agreements, a practice already used to protect confidential information in other compliance areas.

The PCIA is highly variable and has significant consequences for affordability. In January, SDCP's Board of Directors lowered electric generation rates by approximately \$13 per month for an average residential customer, but the PCIA increased by over \$16 per month, an increase of more than

- Would have required the CPUC and IOUs to disclose **all data** – with sensitive data protected – used to calculate PCIA costs, including cost inputs, forecasting assumptions, and methodologies.

Greater transparency allows CCAs to better advocate for their customers and assess proposals to change the PCIA.

September 20 veto message:

- Concerned about improper dissemination of market-sensitive information to benefit a limited subset of market participants
- The CPUC already has a process in place to make applicable data available

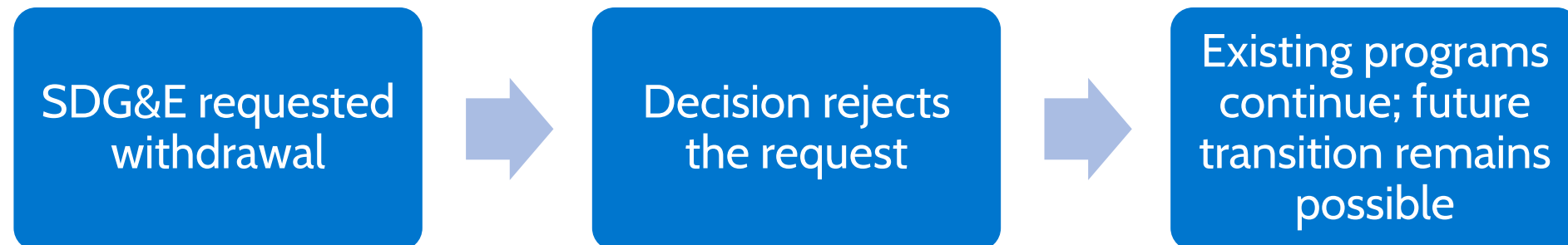


Decision Keeps SDG&E's Regional Energy Efficiency Programs in Place



What happened?

- In April 2025, SDG&E asked the CPUC for permission to stop administering its 2024-2027 authorized regional energy efficiency programs.
- On October 8th, 2026, the CPUC denied that request.
- SDG&E's authorized programs remain in place, with flexibility to improve, change, or end underperforming programs.
- The decision leaves the door open to transition.



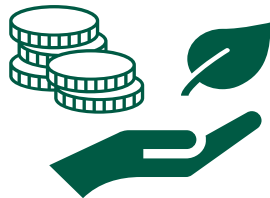
The Decision Preserves Energy Efficiency as a Tool for Lower Bills and Real Relief

Lower Bills. Real Relief.



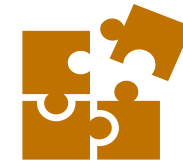
Energy efficiency helps customers use less energy and manage their bills.

Programs that Deliver Real Value.



SDG&E's portfolio delivers more benefits than cost overall, with opportunities to improve underperforming programs.

Programs Designed to Work Together.



As designed, SDREN is not a standalone replacement for SDG&E's programs, but its role could expand through a carefully planned transition with SDG&E.

Customer Access Maintained.



SDG&E and SDREN programs will continue, preserving access across the region and investment for underserved customers.

Bottom Line

Currently authorized programs continue, while the door remains open to a carefully planned transition to a willing successor that protects customer benefits.

SDREN, SDG&E, and other energy efficiency administrator's 2028-2032 budgets are currently being deliberated.

Board of Directors' Role

- Informational update
- No action needed
- Serve as a source of information for the public



Public Comment on Item No. 16

Item No. 16

Board Members Comments or Questions



Recommendation:

Receive and File update on Regulatory and
Legislative Affairs

Item No. 17

Fiscal Year 2025-2026 Financial Year End Review



Recommendation:

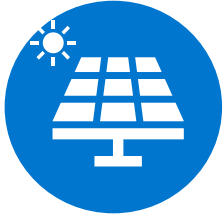
Review the Community Power Fiscal Year 2025-2026 Financial Year-End Review and reserve outlook and designation of \$115 Million Fiscal Year rate stabilization reserve deferral and take the following action:

1. Adoption of Resolution No. 2018-26, Amending the Fiscal Year 2025-2026 Operating Budget by approving a \$1,000,000 budget-neutral transfer between Budget Level 2 categories from Professional Services to General & Administration and Debt Service

Presenters:

Tim Manglicmot, Senior Director of Finance and Risk
Will Weisman, Associate Director of Finance, Capital
Investment Plan

FYE 2025-26 Review



Long-Term PPAs

13 utility scale PPAs and four local PPAs for 1.6 GW of renewable energy, enough to power nearly 800,000 homes.



Battery Storage

16 utility scale contracts for battery storage (~1.9 GW) that can cover almost 500,000 homes at peak usage.



Deepest Discount

PowerOn electricity generation rates with a 4% value proposition and PowerBase electricity generation rates with a 10% value proposition compared to SDG&E



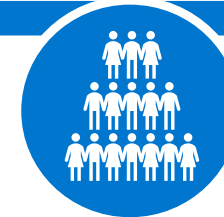
Major Programs

Solar Battery Savings provides incentive to single-family residences that installed solar power/battery storage. SDREN offers 10 energy efficiency programs.



Infrastructure Growth

Information technology, enterprise data platform, policy review and updates, standard operating procedures, brand recognition and web design.



Personnel

Continuing to build core team, focus on retention, continuity and succession plans, and building an institutional culture of managerial best practices.

FYE 2025-26 Review



Balanced Budget

Achieved balance budget and non-operating expense savings with resulting net position of \$176.0 million.



Rate Stabilization Reserve

Fully funded rate stabilization reserve by adding \$115 million or 45-days cash on hand.



CIP Carryforward

Solar Battery Savings and SDREN ramp up with \$26.2 million in remaining CIP carryforward positioning programs well for future growth.



Max Reserve Balance

Achieved maximum reserve balance by growing reserves to 274-days cash on hand based on FY 2026-27 operating expenses.



FY 2025-26 Operating Budget Review



FY 2025-2026 Operating Budget

Item	FY 2025-2026 Amended Budget, \$M	FY 2025-26 Preliminary Actuals, \$M	Difference
Gross Revenue	1,194.8	1,238.0	43.2
Less Uncollectibles	(19.4)	(12.2)	7.2
Rate Stabilization Transfer	-	(115.0)	(115.0)
Net Revenue	1,175.4	1,110.8	(64.6)
Cost of Energy	969.9	885.8	(84.1)
Non-Energy Costs	50.0	44.3	(5.7)
Subtotal Operating Expense	1,019.9	930.2	(89.7)
Interest Income	(18.3)	(19.2)	(0.9)
Debt Service	1.5	1.9	0.4
Capital Investment Plan	21.9	21.9	-
Total Expense	1,025.0	934.7	(90.3)
Net Position	150.4	176.0	25.6

1 **+\$50.4M**
Net Revenue
with Rate Stabilization

2 **(\$84.1M)**
Cost of Energy
Savings

3 **(\$5.7M)**
Non- Energy
Savings

4 **+\$176.0M**
Reserve Contribution



FY 2025-2026 Operating Budget

Item	FY 2025-2026 Amended Budget, \$M	FY 2025-26 Preliminary Actuals, \$M	Difference
Gross Revenue	1,194.8	1,238.0	43.2
Less Uncollectibles	(19.4)	(12.2)	7.2
Rate Stabilization Transfer	-	(115.0)	(115.0)
Net Revenue	1,175.4	1,110.8	(64.6)
Cost of Energy	969.9	885.8	(84.1)
Non-Energy Costs	50.0	44.3	(5.7)
Subtotal Operating Expense	1,019.9	930.2	(89.7)
Interest Income	(18.3)	(19.2)	(0.9)
Debt Service	1.5	1.9	0.4
Capital Investment Plan	21.9	21.9	-
Total Expense	1,025.0	934.7	(90.3)
Net Position	150.4	176.0	25.6

1 **+\$50.4M**
Net Revenue
with Rate Stabilization

(\$84.1M)
Cost of Energy
Savings

(\$5.7M)
Non- Energy
Savings

+\$176.0M
Reserve Contribution



FY 2025-2026 Operating Budget

Item	FY 2025-2026 Amended Budget, \$M	FY 2025-26 Preliminary Actuals, \$M	Difference
Gross Revenue	1,194.8	1,238.0	43.2
Less Uncollectibles	(19.4)	(12.2)	7.2
Rate Stabilization Transfer	—	(115.0)	(115.0)
Deferred to use in future fiscal years	1,175.4	1,110.8	(64.6)
Cost of Energy	969.9	885.8	(84.1)
Non-Energy Costs	50.0	44.3	(5.7)
Subtotal Operating Expense	1,019.9	930.2	(89.7)
Interest Income	(18.3)	(19.2)	(0.9)
Debt Service	1.5	1.9	0.4
Capital Investment Plan	21.9	21.9	—
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1

+\$50.4M

Net Revenue
with Rate Stabilization

(\$84.1M)

Cost of Energy
Savings

(\$5.7M)

Non- Energy
Savings

+\$176.0M

Reserve Contribution



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Rate Stabilization Transfer	-	(115.0)	(115.0)
Net Revenue	1,175.4	1,110.8	(64.6)
Cost of Energy	969.9	885.8	(84.1)
Non-Energy Costs	500.0	44.3	(5.7)
Subtotal Operating Expense	1,469.9	930.2	(89.7)
Interest Income	(18.3)	(19.2)	(0.9)
Debt Service	1.5	1.9	0.4
Capital Investment Plan	21.9	21.9	-
Total Expense	1,025.0	934.7	(90.3)
Net Position	150.4	176.0	25.6

Net Revenue
 with Rate
 Stabilization

1,110.8 ¹
 + 115.0 ²
 1,225.8

↑

1 **+\$50.4M**
 Net Revenue
 with Rate Stabilization

(\$84.1M)
 Cost of Energy
 Savings

(\$5.7M)
 Non- Energy
 Savings

+\$176.0M
 Reserve Contribution



FY 2025-2026 Operating Budget

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Net Revenue	1,175.4	1,225.8	50.4
Cost of Energy	969.9	885.8	(84.1)
Non-Energy Costs	50.0	44.3	(5.7)
Subtotal Operating Expense	1,019.9	930.2	(89.7)
Interest Income	(18.3)	(19.2)	(0.9)
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1 **+\$50.4M**
Net Revenue
with Rate Stabilization

(\$84.1M)
Cost of Energy
Savings

(\$5.7M)
Non- Energy
Savings

+\$176.0M
Reserve Contribution



FY 2025-2026 Operating Budget

How did
Community Power
collect \$50.4
million more in net
revenue?

1

+\$50.4MNet Revenue
with Rate Stabilization**(\$84.1M)**Cost of Energy
Savings**(\$5.7M)**Non- Energy
Savings**+\$176.0M**

Reserve Contribution



Highlights of SDG&E General Rate Case Phase 2 Rate Changes

New Medium Commercial Customer Class (effective 4/1)

- Creates a new Medium Commercial customer class for customers with demand between 20-200 kW.
- **Impacts SDG&E generation and PCIA rates.**

Revenue Allocation Updates (effective 4/1)

- Updates on how the revenue requirement is collected from the customer classes.
- Better aligns with cost of service.
- **Impacts SDG&E generation and PCIA rates.**

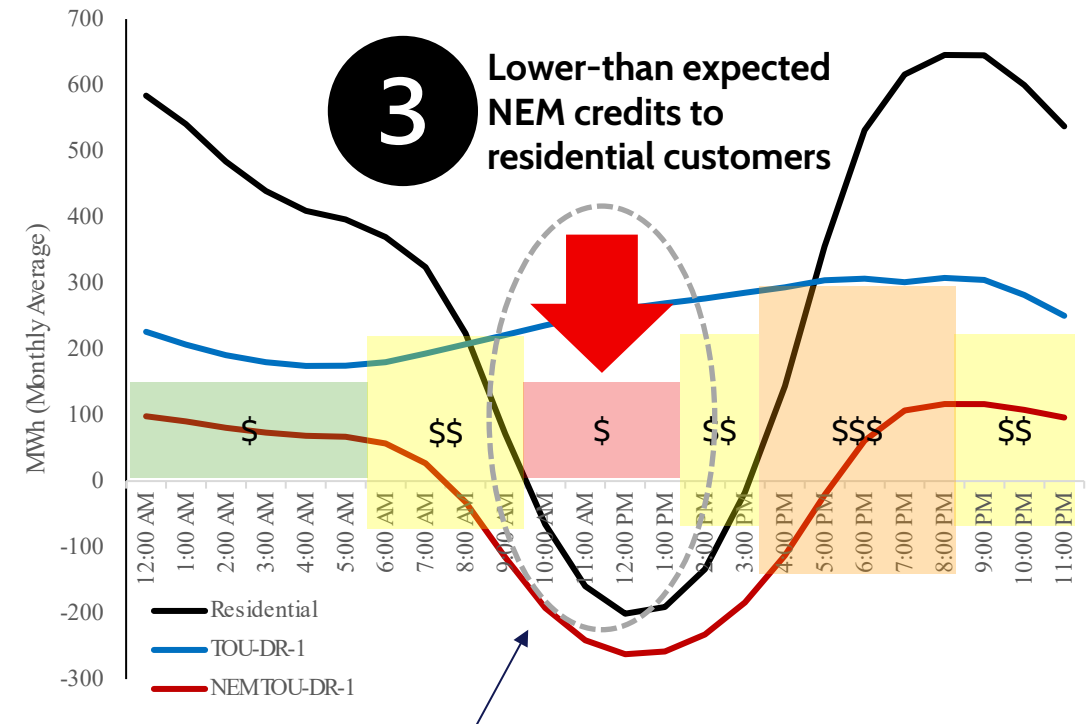
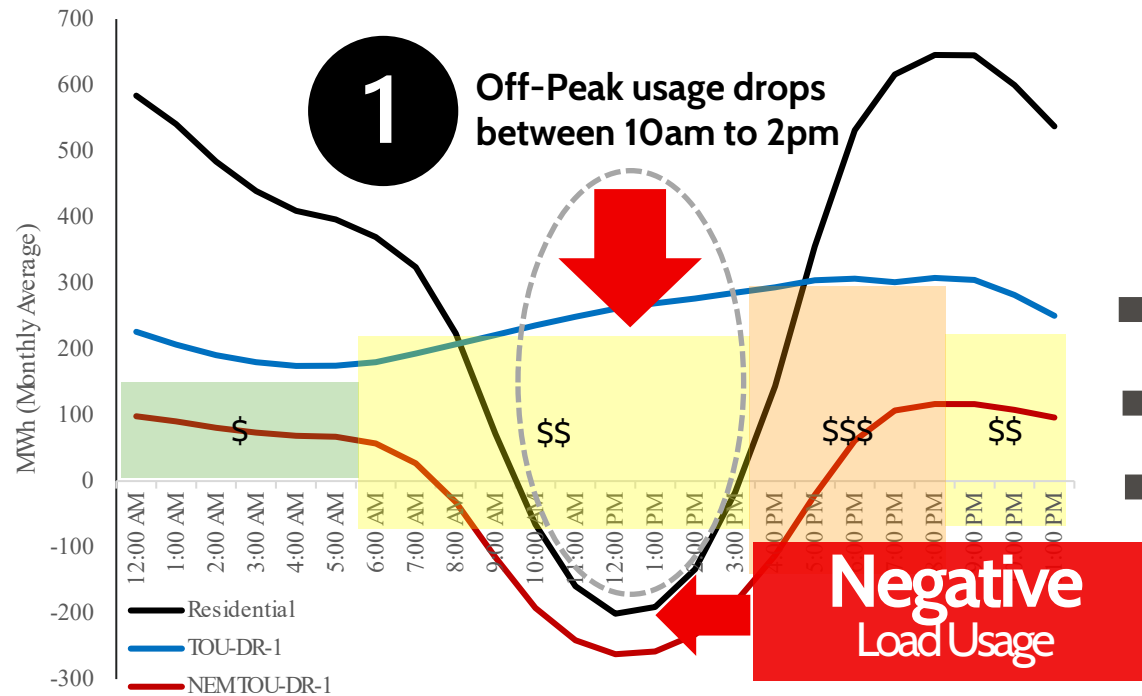


Time-of-Use (TOU) Super Off-Peak Extension (effective 4/1)

- **Extends existing weekday Super Off-Peak (10am - 2pm), currently applied to March and April, to the full year.**
- Reduces prices to encourage load-shifting to the mid-day period.
- **Overall revenue decrease for Community Power.**



Super Off-Peak Expansion & Customer Impacts



2

Time-of-Use (TOU)
Super Off-Peak
Extension (effective 4/1)

- Extends existing weekday Super Off-Peak (10am - 2pm), currently applied to March and April, to the full year.
- Reduces prices to encourage load-shifting to the mid-day period.
- Overall revenue decrease for Community Power.



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Cost of Energy	969.9	885.8	(84.1)
Non-Energy Costs	50.0	44.3	(5.7)
Subtotal Operating Expense	1,019.9	930.2	(89.7)
Interest Income	(18.3)	(19.2)	(0.9)
Debt Service	1.5	1.9	0.4
Capital Investment Plan	21.9	21.9	-
Total Expense	1,025.0	934.7	(90.3)
Net Position	150.4	176.0	25.6

+\$50.4M

Net Revenue

with Rate Stabilization

2

(\$84.1M)

Cost of Energy

Savings

(\$5.7M)

Non- Energy

Savings

+\$176.0M

Reserve Contribution



FY 2025-2026 Operating Budget

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Rate Stabilization Transfer	-	(115.0)	(115.0)
Net Revenue	1,175.4	1,110.8	64.6
Cost of Energy	1,069.9	885.8	(84.1)
Non-Energy Costs	150.0	155.8	(5.7)
Subtotal Operating Expense	1,019.9	930.2	(89.7)
Interest Income	19.2	19.2	(0.9)
Debt Service	1.9	1.9	0.4
Capital Investment Plan	21.9	21.9	-
Total Expense	1,025.0	934.7	(90.3)
Net Position	150.4	176.0	25.6

**Why \$84.1 million
in cost of energy
savings?**

+\$50.4M

Net Revenue
with Rate Stabilization

2

(\$84.1M)

Cost of Energy
Savings

(\$5.7M)

Non- Energy
Savings

+\$176.0M

Reserve Contribution

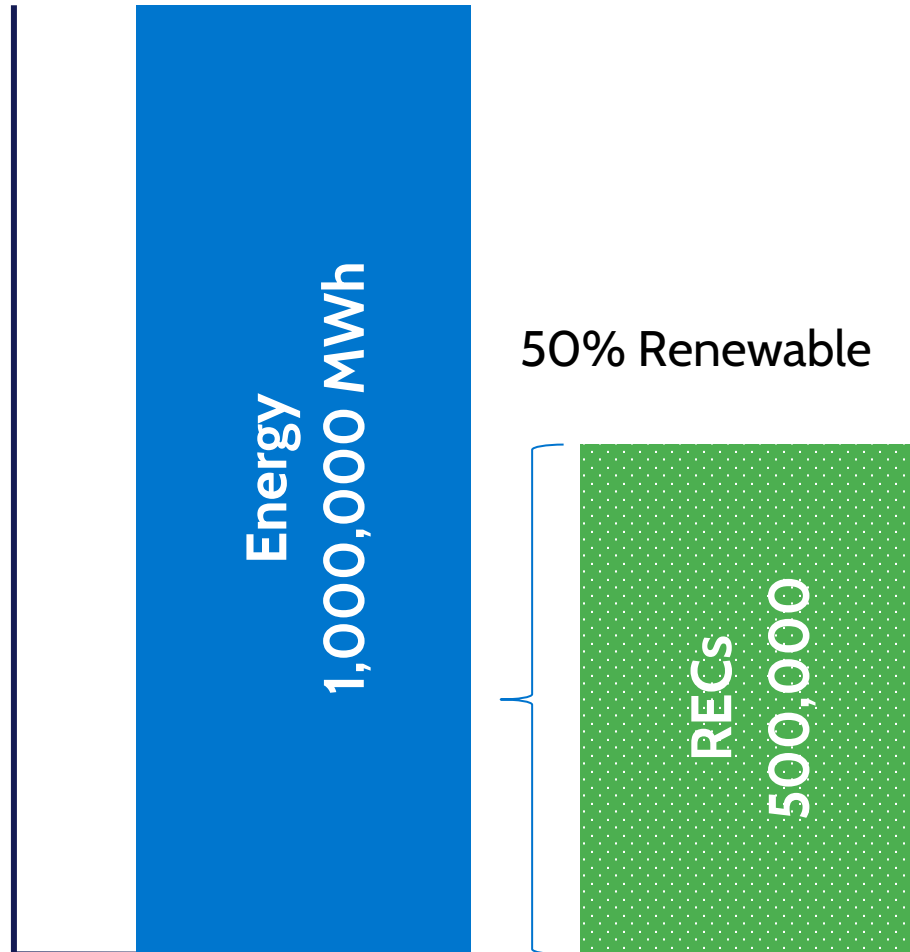


Cost of Energy

Energy
1,000,000 MWh

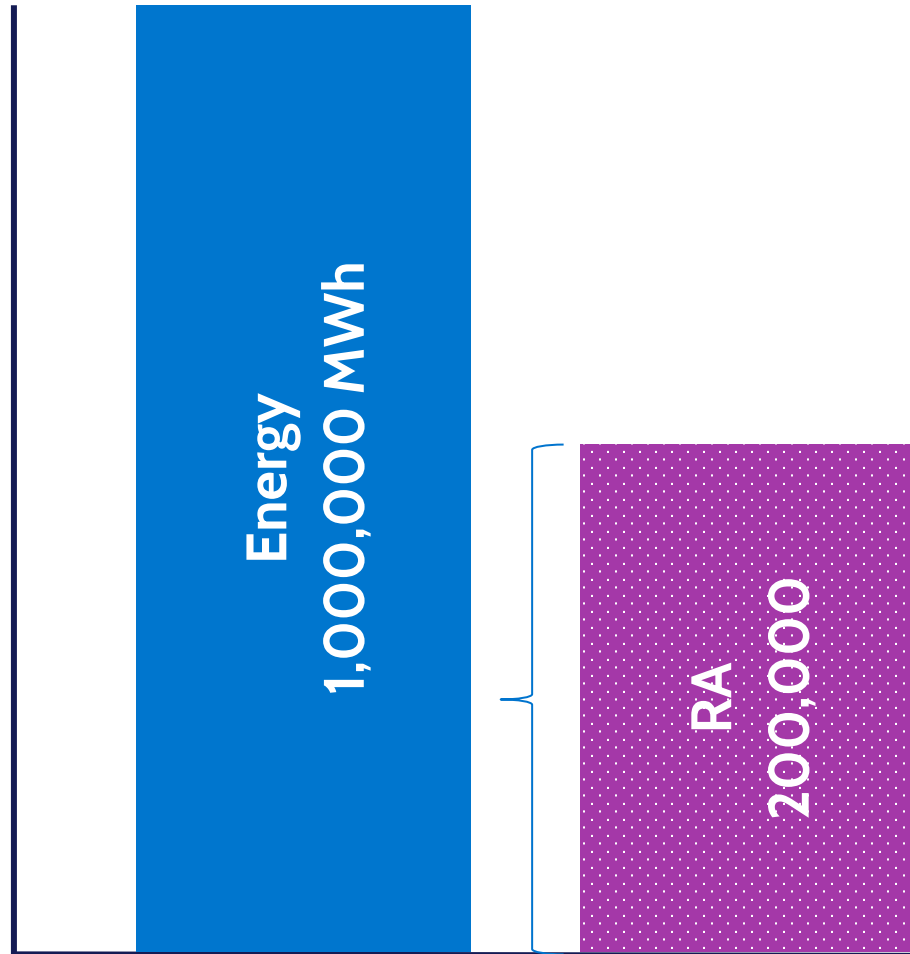
When CCAs start,
all energy is
purchased in the
**short-term spot
market.**

Cost of Energy



To make this energy “renewable” we purchase RECs in the short-term spot market.

Cost of Energy

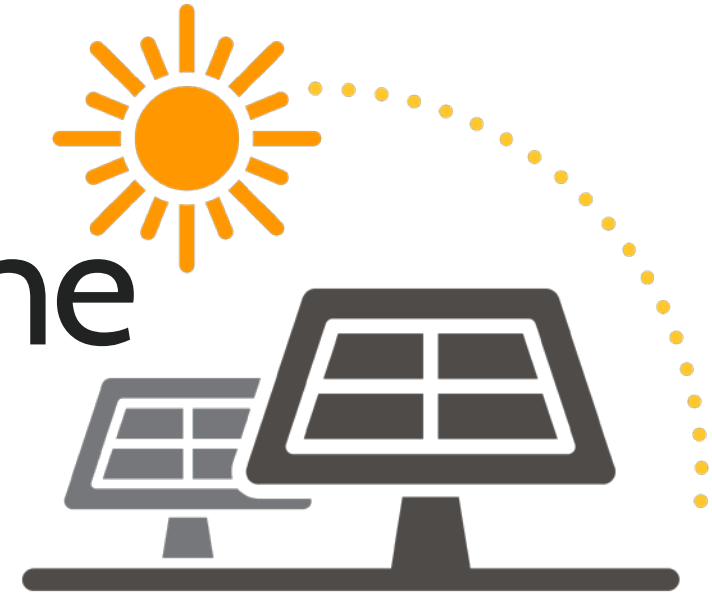


**Resource Adequacy
from short-term
spot market
required for grid
reliability.**

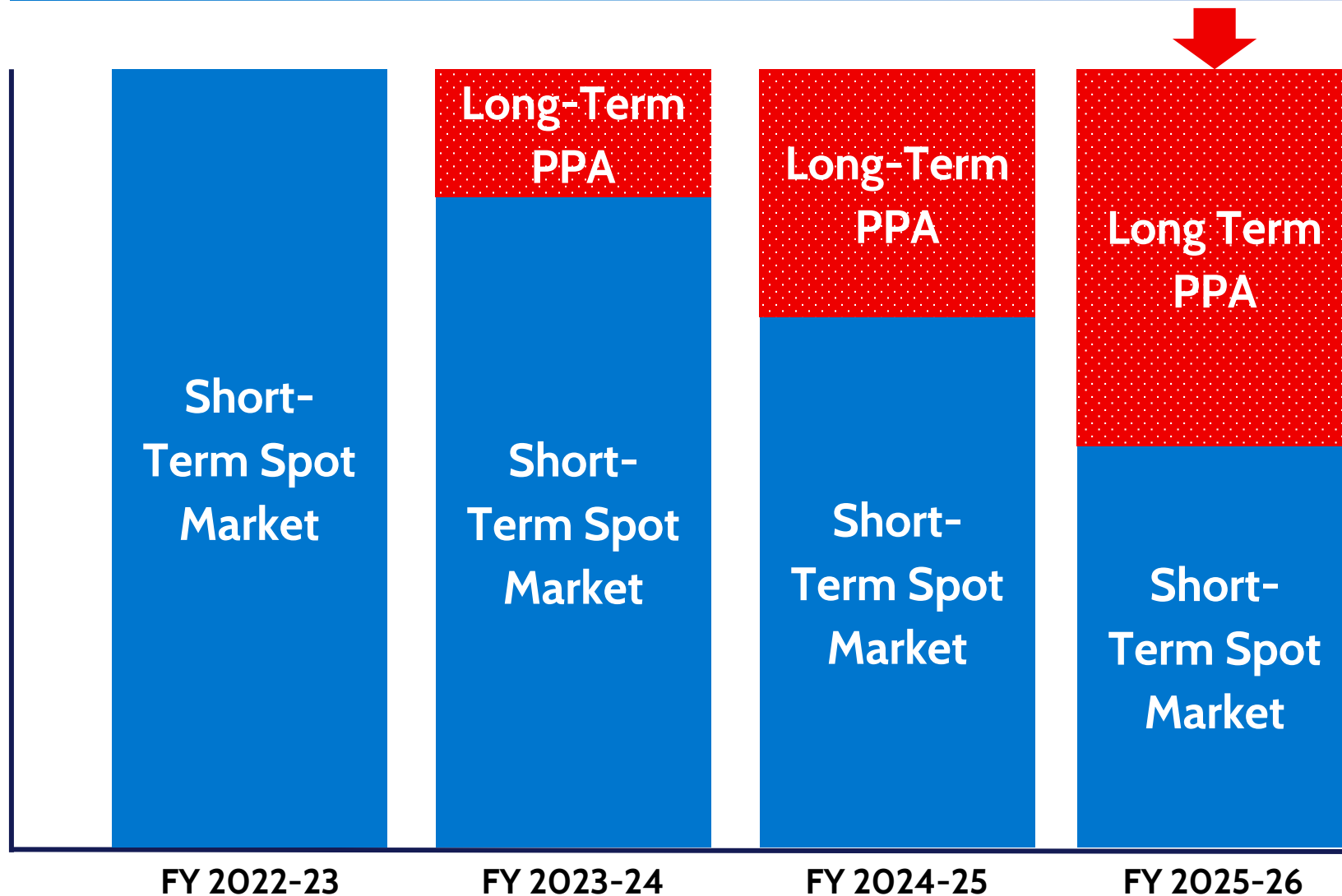
Cost of Energy

Energy, RECs, and RA
1,000,000 MWh

Long-term strategy
are real projects
and long-term
PPAs that combine
everything.



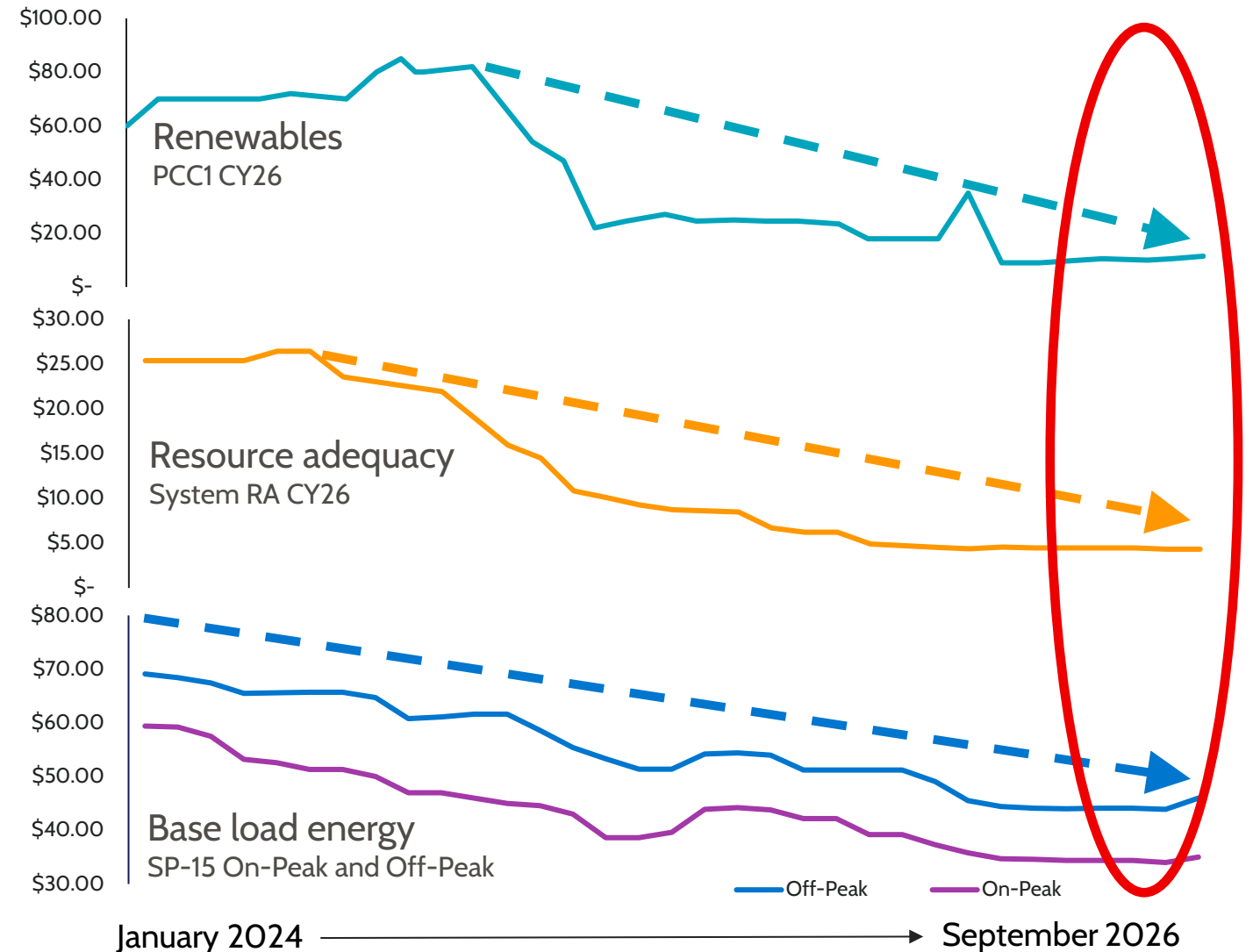
Cost of Energy



Significant part of portfolio is still short-term.

Cost of Energy

Energy and Renewables have dipped lower leading to energy savings.



FY 2025-2026 Operating Budget

Item	FY 2025-2026 Amended Budget, \$M	FY 2025-26 Preliminary Actuals, \$M	Difference
Gross Revenue	1,194.8	1,238.0	43.2
Less Uncollectibles	(19.4)	(12.2)	7.2
Rate Stabilization Transfer	(5.4)	(115.0)	(115.0)
Net Revenue	1,169.9	1,110.8	59.1
Cost of Energy	969.9	885.8	(84.1)
Non-Energy Costs	100.0	100.0	(0.0)
Subtotal Operating Expense	1,019.9	930.2	(89.7)
Interest Income	18.5	(19.2)	(0.9)
Debt Service	1.5	1.9	0.4
Capital Investment Plan	21.9	21.9	-
Total Expense	1,025.0	934.7	(90.3)
Net Position	150.4	176.0	25.6

**Savings from
short-term energy
markets**



+\$50.4M

Net Revenue
with Rate Stabilization

2

(\$84.1M)

Cost of Energy
Savings

(\$5.7M)

Non- Energy
Savings

+\$176.0M

Reserve Contribution



FY 2025-2026 Operating Budget

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Cost of Energy	969.9	885.8	(84.1)
Non-Energy Costs	50.0	44.3	(5.7)
Subtotal Operating Expense	1,019.9	930.2	(89.7)
Interest Income	(18.3)	(19.2)	(0.9)
Debt Service	1.5	1.9	0.4
Capital Investment Plan	21.9	21.9	-
Total Expense	1,025.0	934.7	(90.3)
Net Position	150.4	176.0	25.6

+\$50.4M

Net Revenue

with Rate Stabilization

(\$84.1M)

Cost of Energy

Savings

3

(\$5.7M)

Non- Energy

Savings

+\$176.0M

Reserve Contribution



FY 2025-2026 Operating Budget

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Gross Revenue	1,194.8	1,238.0	43.2
Less Uncollectibles	(19.4)	(12.2)	7.2
Rate Stabilization Transfer	-	(115.0)	(115.0)
Net Revenue	1,175.4	1,110.8	(64.6)
Cost of Energy	994.8	994.8	(4.1)
Non-Energy Costs	50.0	51.3	(5.7)
Subtotal Operating Expense	1,044.8	1,046.1	(1.3)
Interest Income	(18.3)	(19.2)	(0.9)
Debt Service	1.5	1.9	0.4
Capital Investment Plan	21.9	21.9	-
Total Expense	1,025.0	934.7	(90.3)
Net Position	150.4	176.0	25.6

Overall savings in
non-energy costs

+\$50.4M

Net Revenue

with Rate Stabilization

(\$84.1M)

Cost of Energy

Savings

3

(\$5.7M)

Non- Energy

Savings

+\$176.0M

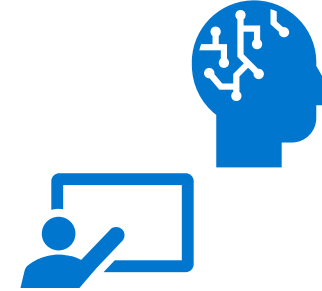
Reserve Contribution



FY 2025-2026 Operating Budget

Professional Services & Consultants

Savings from increased internal staffing in alignment with the budget, lower costs largest non-energy contracts.



\$1 million savings



General & Administration

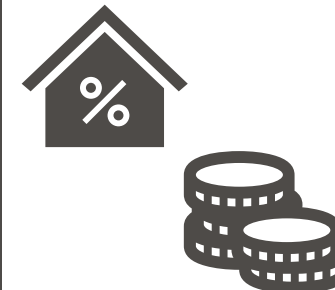
Higher costs in insurance, software and technology services, and utilities.



\$500K Rebalance

Debt Service

Higher-than-anticipated costs associated with credit facilities and related financing fees.



\$500K Rebalance



FY 2025-2026 Operating Budget

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Gross Revenue	1,194.8	1,238.0	43.2
Less Uncollectibles	(19.4)	(12.2)	7.2
Rate Stabilization	(176.0)	(15.0)	(115.0)
Net Revenue	1,019.5	930.2	(89.7)
Cost of Energy	869.9	885.8	(84.1)
Non-Energy Costs	205.5	44.9	(5.7)
Subtotal Operating Expense	1,019.5	930.2	(89.7)
Interest	1.5	1.9	0.4
Debt Service	21.9	21.9	-
Capital Investment Plan	1,025.0	934.7	(90.3)
Total Expense	1,025.0	934.7	(90.3)
Net Position	150.4	176.0	25.6

\$176.0 million

FY 2025-26

Reserve Contribution

1

+\$50.4M

Net Revenue
with Rate Stabilization

2

(\$84.1M)

Cost of Energy
Savings

3

(\$5.7M)

Non- Energy
Savings

4

+\$176.0M

Reserve Contribution



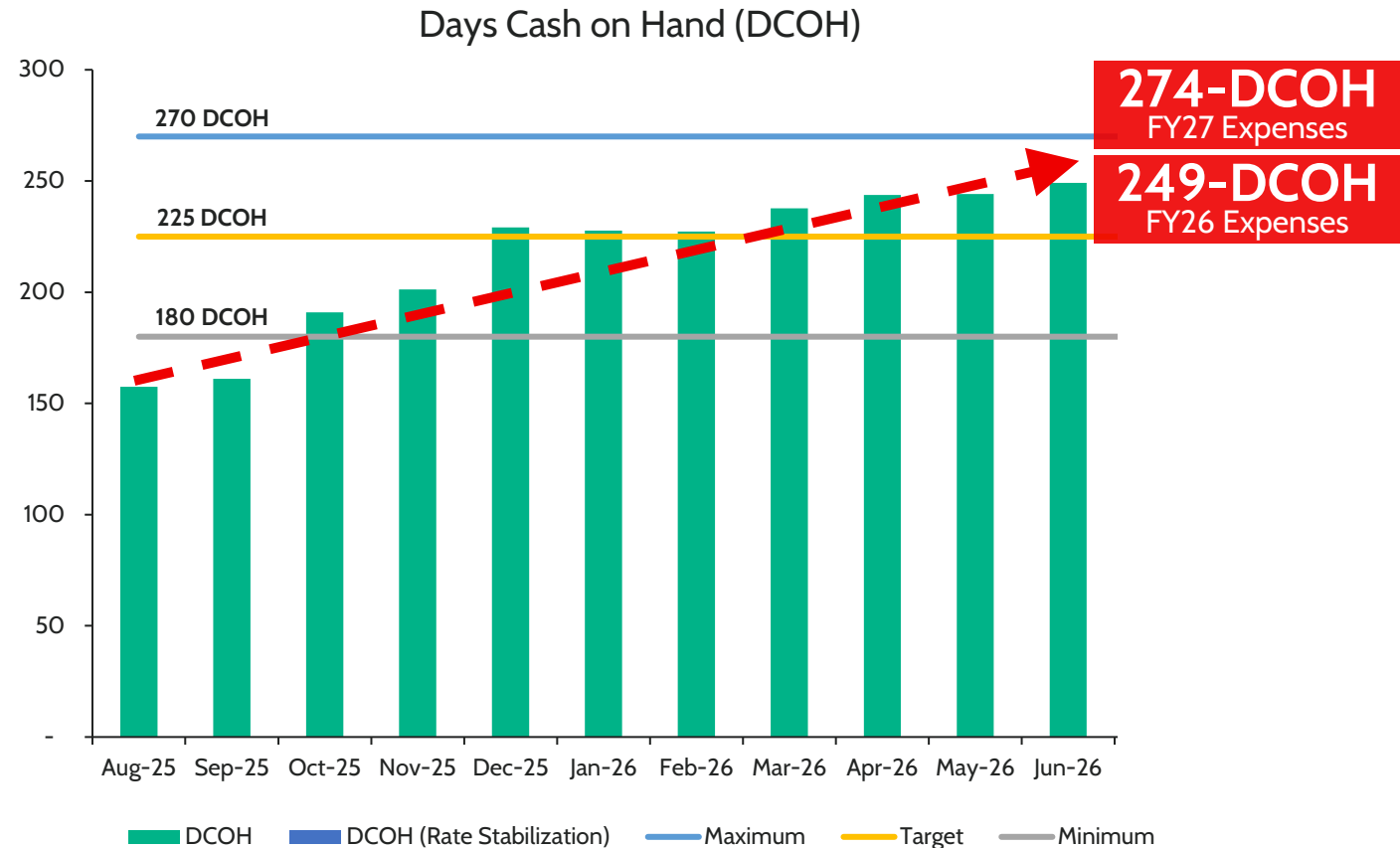
Financial Reserves



Growth of Financial Reserves in FY26

Month-End	Days Cash on Hand	vs. Minimum (180)	vs. Target (225)	vs. Maximum (270)
Jul-25	139	-41	-86	
Aug-25	157	-23	-68	
Sep-25	161	-19	-64	
Oct-25	191	+11	-34	
Nov-25	201	+21	-24	
Dec-25	229	+49	+4	
Jan-26	228	+48	+3	
Feb-26	227	+47	+2	
Mar-26	238	+58	+13	
Apr-26	244	+64	+19	
May-26	244	+64	+19	
Jun-26	249 (FY26 expenses) 274 (FY27 expenses)	+69 +94	+24 +49	- +4

+\$176.0M
Reserve Contribution



Risks to Community Power Stability

Bottom-Up Risk Analysis

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

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



Risks to Community Power Stability

Bottom-Up Risk Analysis

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

Category	Risk	Estimate of Adverse Outcome
Market Price Benchmark Volatility*	PCIA & Generation Rate "SNAPBACK"	\$420 million
Energy Costs*	Wholesale, Load and Open Position Volatility	\$245 million
Load*	Participation Rate drops to 6%	\$2 million
Uncollectibles*	Increase in uncollectibles to 5%	\$36 million
Prepay Savings Loss	Prepay savings loss due to faster receipt	\$1 million
Operations	Legal Loss	\$5 million
Operations	Legal Loss	\$2 million
	Total	\$771 million (Approx. 278 DCOH)

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



Predicting Market Volatility

1 PCIA Snapback

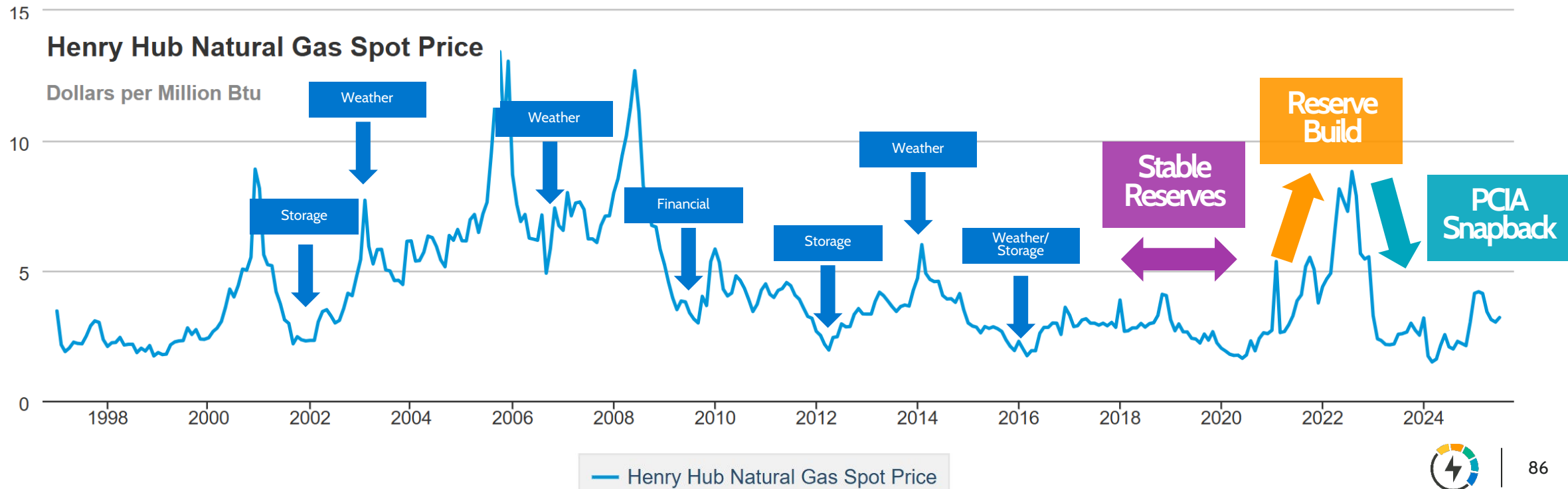
Period of high energy prices falling to low energy prices

2 Reserve Build

Period of low energy prices building to high energy prices

3 Stable Reserves

Period of stable energy prices



Predicting Market Volatility

1

Falling Prices

Energy, Renewables, and Resource Adequacy prices have all gone down in the last two years.

2

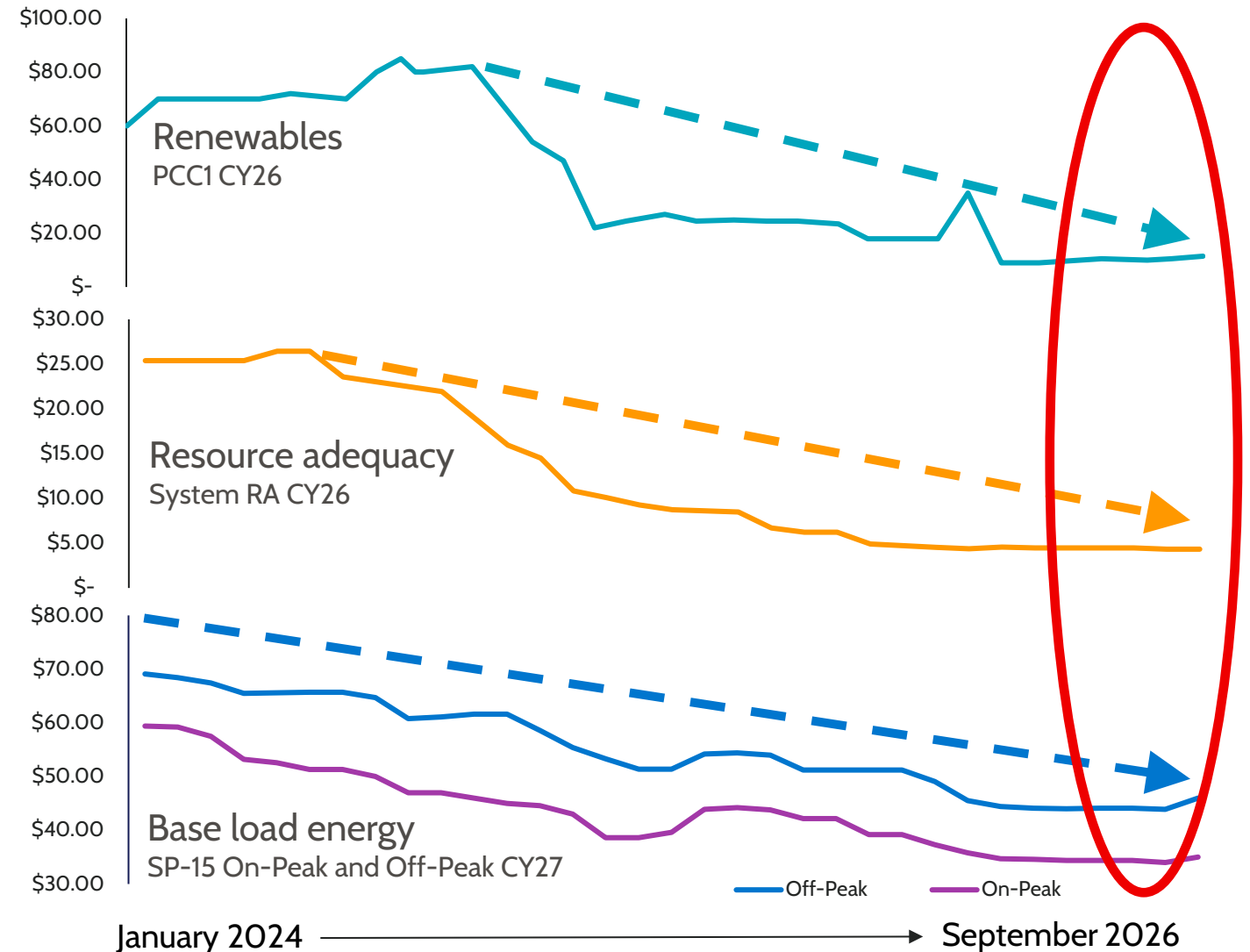
Energy Savings

The FY 2025-26 operating budget saw savings as a result.

3

PCIA Snapback

Period of high energy prices falling to low energy prices



PCIA Deep Dive – Renewables Example

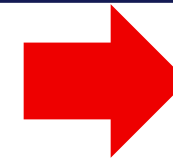
2024

2025

2026

1

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

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

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

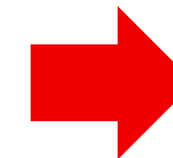
Lower prices means lower
rates in CY27

2

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

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

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

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

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

Lower prices means SDG&E
paid back in CY27



Predicting Market Volatility

1 PCIA Snapback

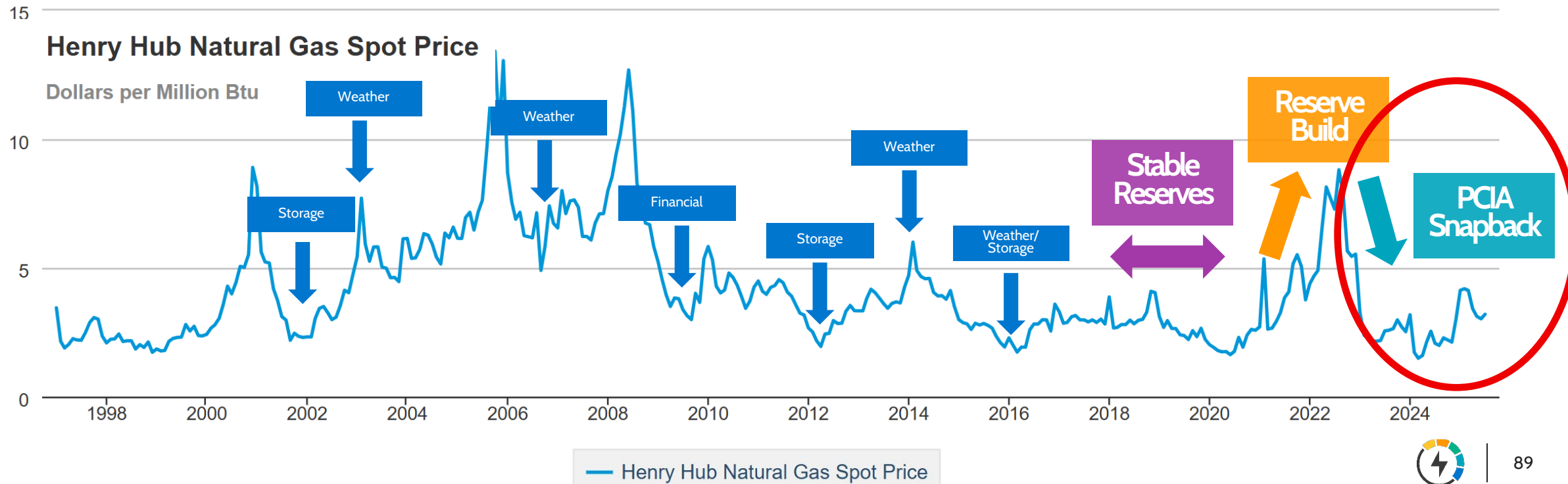
Period of high energy prices falling to low energy prices

2 Reserve Build

Period of low energy prices building to high energy prices

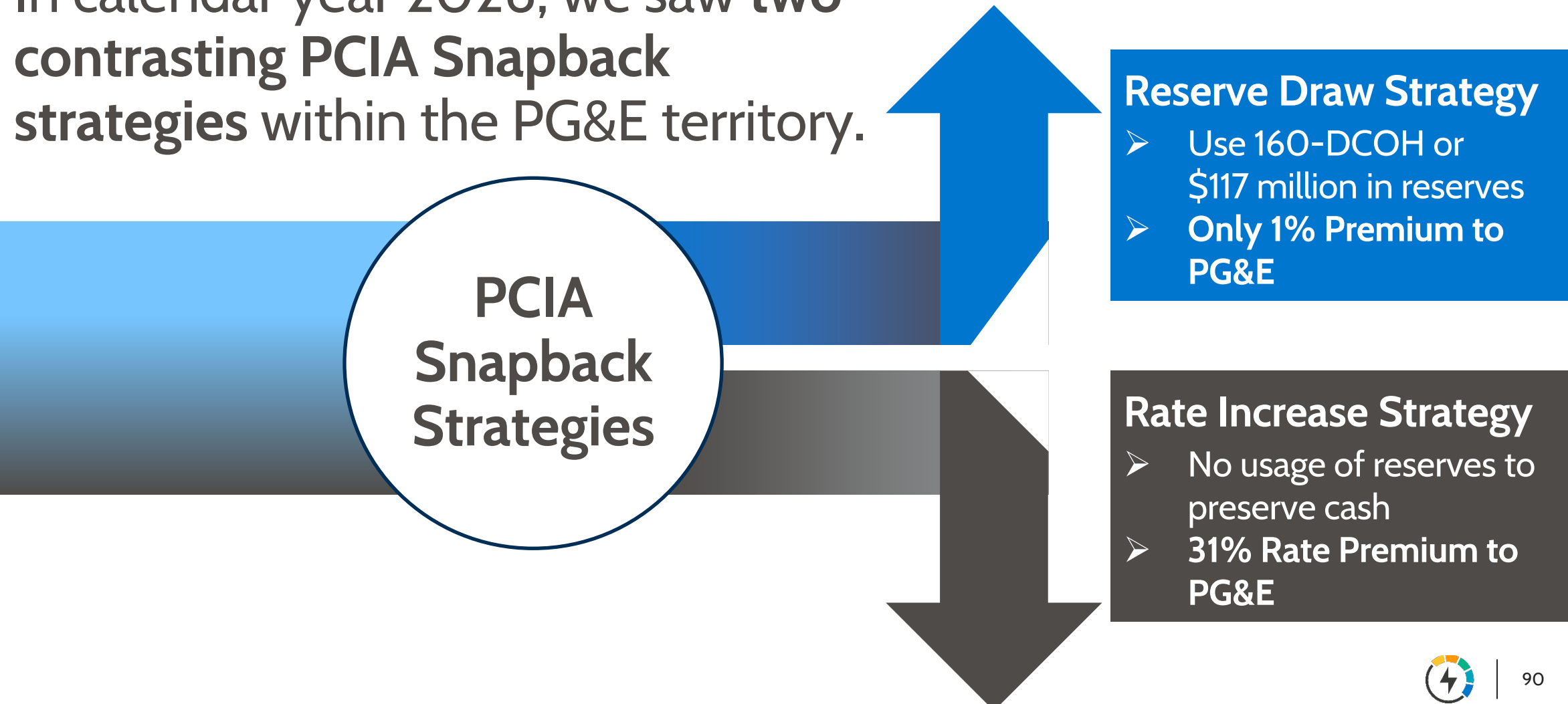
3 Stable Reserves

Period of stable energy prices



Reserve Strategies

In calendar year 2026, we saw **two contrasting PCIA Snapback strategies** within the PG&E territory.



The diagram features a central white circle with a dark blue border containing the text 'PCIA Snapback Strategies'. To the left of the circle is a horizontal bar with a blue-to-dark-blue gradient. Two large arrows originate from the right side of the circle: a blue arrow pointing upwards and a dark gray arrow pointing downwards. The blue arrow points to a blue box titled 'Reserve Draw Strategy', and the dark gray arrow points to a dark gray box titled 'Rate Increase Strategy'. Both boxes contain bulleted details about their respective strategies.

PCIA Snapback Strategies

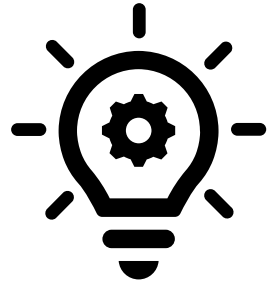
Reserve Draw Strategy

- Use 160-DCOH or \$117 million in reserves
- Only 1% Premium to PG&E

Rate Increase Strategy

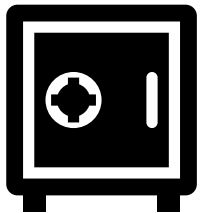
- No usage of reserves to preserve cash
- 31% Rate Premium to PG&E

Reserve Strategy



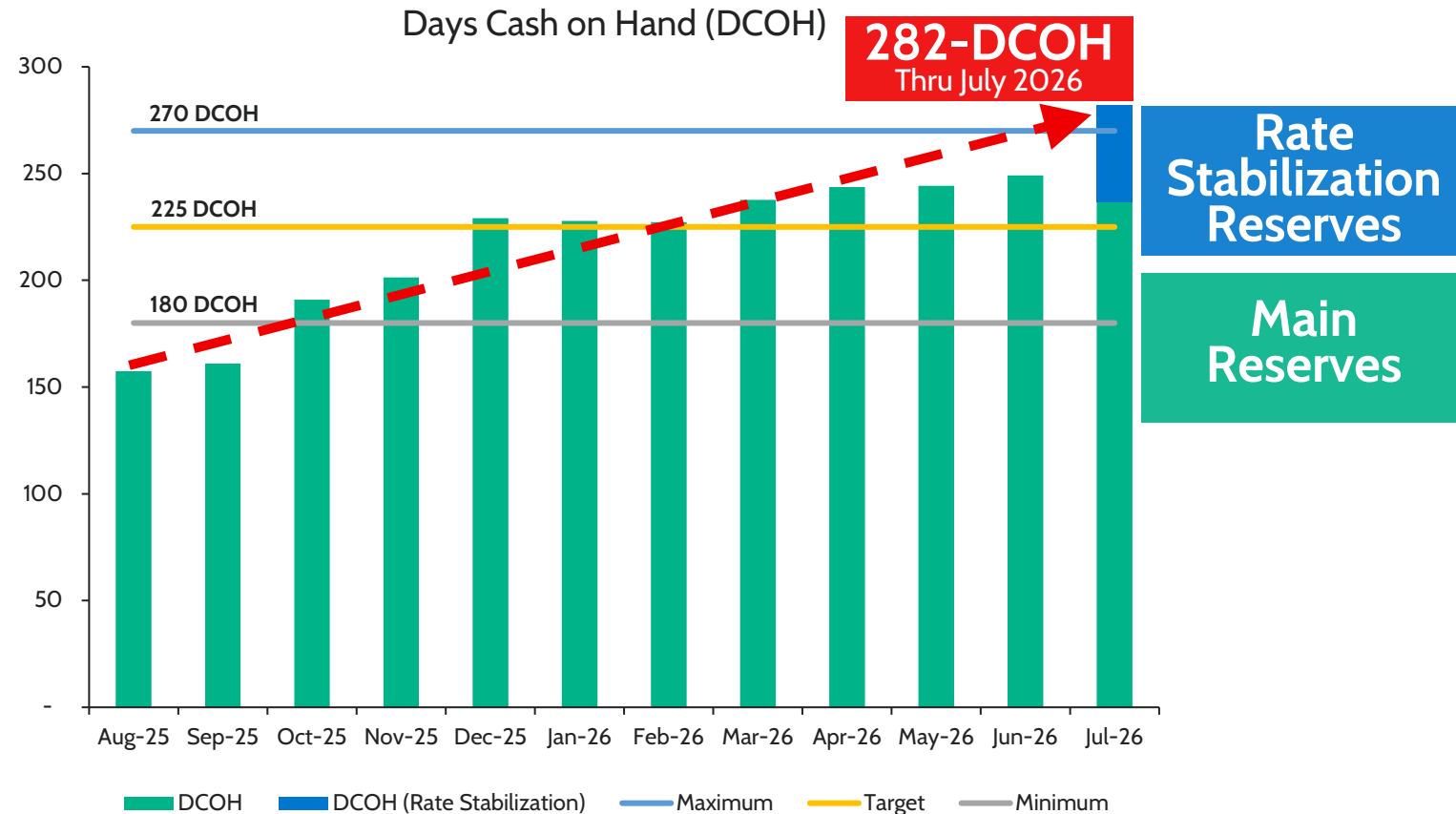
Rate Stabilization Reserves

FY26 fully funded the \$115M (45-DCOH) maximum Rate Stabilization Reserve. Favorable market conditions enabled the deferral to cushion anticipated future cost increases and moderate future rate volatility.



Main Reserves

Through July 2026, total reserves are \$717M or 282-DCOH. Community Power is well positioned for a potential PCIA Snapback.



Rate Stabilization Reserve – Future Recognition

- **Designation:** At fiscal year-end, Community Power designated eligible reserves as RSR up to the policy cap of approximately 45 days cash on hand, which was then reported through the June 30, 2026 Treasurer's Report at the regular Board meeting held on September 24, 2026.
- **Recognition:** The Board must approve any release of RSR into revenue. Staff will recommend the amount and timing during the annual financial review, with reserve-use scenarios in January rate-setting. Approved RSR would enter revenue later in the fiscal year if needed for financial covenants. The Board may also authorize use of non-RSR reserves.



Projected Use of Reserves in FY27 and FY28

FY27: Managing the anticipated PCIA “snapback”

- Higher PCIA charges and lower SDG&E generation rates are expected to compress revenues and operating margins as prior market conditions flow through the PABA true-up.
- The FY27 budget anticipates a \$3.9M positive net margin, versus \$150.4M in the FY26 amended budget, which targeted reserve growth.
- During January 2027 rate-setting, staff expect to recommend using RSR and/or regular reserves above the 225-day cash target to offset margin compression, protect financial covenants and moderate customer rate impacts.

FY28 and beyond: Preliminary outlook

- Staff anticipate further reserve drawdowns as PCIA’s multi-year true-up continues. Preliminary FY28 budgets will go to the FRMC and Board in spring 2027.
- Staff will update reserve balances, RSR activity and multi-year forecasts, and promptly report material changes to the FY27 or FY28 outlook.



Capital Investment Plan



FY26 Results and Outlook

Purpose of the CIP:

- The Capital Investment Plan represents Community Power's commitment to plan and finance programs and projects that align with community and organizational priorities.

CIP vs Operating Budgets:

- While operating budgets authorize funds only for the current fiscal year, CIP budget carries over from year to year for the life of the program or until reduced by subsequent action. This is represented as carry forward funding in the budget.
- CIP funding is based on operational availability or external resources to fill a need over the five-year outlook period.



FY26 Results

	Beginning Balance	FY26 Budget	FY26 Actuals	Carry Forward
External Funding				
San Diego Regional Energy Network	-	31.9	9.4	-
DAC-GT	(0.1)	0.6	0.3	0.2
CDFA	0.5	-	0.5	-
Equitable BuildingDecarbonization	1.4	-	-	1.4
CEC	-	0.7	-	0.7
Total External Funded Programs	1.8	33.2	10.1	2.4
				-
Internal Funding:				
Solar BatterySavings	4.1	18.8	4.0	18.9
Pilot Programs	2.2	-	0.6	1.6
Grants	0.1	1.3	0.4	1.0
Flexible Load	0.2	0.3	0.4	0.1
IT Projects	3.1	1.3	0.6	3.8
Planning & Studies	-	0.3	-	0.3
ApplicationAssistance	0.1	-	-	0.1
Total Internally Funded Programs	9.8	22.0	6.0	25.8
CIP Total	11.6	55.2	16.1	28.1

Funded via external
sources, not supported by
the operating budget

Funded by internal
transfers from the
operating budget



CIP FY26 Major Accomplishments



Solar Battery Savings: \$18.8 million investment to fund upfront and performance-based incentives for home battery systems that boost resilience and reduce grid demand during peak hours.

Program Outlook: Funding allows for strategic investment of one-time resources to meet a projected \$55 million in program need over the outlook period.

Program Outcomes: \$3.9 million in program expenses are reported from the Solar Batter Savings Program in FY26, including \$3.6M in customer incentive payments.

As of September 4, 2026, 706 applications have been completed representing an enrolled energy capacity of 18 MWh, with another 536 applications approved pending installation.

CIP FY26 Major Accomplishments



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

Program Outcomes: \$9.5 million in external funding spent across SDREN program categories in FY 2026. Through focused efforts, SDREN has launched:

- Tribal Energy Upgrade
- Refresh Refrigeration
- Multifamily Energy Upgrade
- Home Energy Savings

FY27-31 Capital Investment Plan

	Beginning Balance	5-Year Budget					
	FY26	FY27	FY28	FY29	FY30	FY31	Total
External Funding							
Regional EnergyNetwork	-	63.1	51.4	42.0	43.7	45.5	245.7
DAC-GT	0.2	0.3	-	-	-	-	0.5
Equitable BuildingDecarbonization	1.4	-	-	-	-	-	1.4
Planning and Studies	0.7	-	-	-	-	-	0.7
Total External Funded Programs	2.4	63.4	51.4	42.0	43.7	45.5	248.3
Internal Funding							
Solar BatterySavings	18.9	3.5	10.4	8.3	8.5	7.6	57.2
Pilot Programs	1.6	2.5	-	-	-	-	4.1
Grants	1.0	-	-	-	-	-	1.0
Flexible Load	0.1	1.5	-	-	-	-	1.6
IT Projects	3.8	0.2	-	-	-	-	4.0
Planning and Studies	0.3	0.3	-	-	-	-	0.6
ApplicationAssistance	0.1	-	0.3	-	-	0.3	0.7
Total Internally Funded Programs	25.8	8.0	10.7	8.3	8.5	7.9	69.2
CIP Total							
	20.8	71.4	62.1	50.3	52.2	53.4	317.5

Updated FY27-31 Capital Investment Plan:

- Updated beginning carry forward balances reflecting actuals through the end of the fiscal year.
- FY27 represents the FY27 adopted capital budget.
- FY28-FY31 are informational for planning purposes. No appropriations were made for the outlook years. No changes have been made to the outlook since the adopted budget.



Public Comment on Item No. 17

Item No. 17

Board Members Comments or Questions



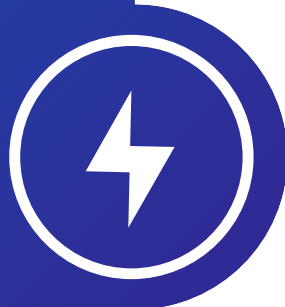
Recommendation:

Review the Community Power Fiscal Year 2025-2026 Financial Year-End Review and reserve outlook and designation of \$115 Million Fiscal Year rate stabilization reserve deferral and take the following action:

1. Adoption of Resolution No. 2026-18, Amending the Fiscal Year 2025-2026 Operating Budget by approving a \$1,000,000 budget-neutral transfer between Budget Level 2 categories from Professional Services to General & Administration and Debt Service

Item No. 18

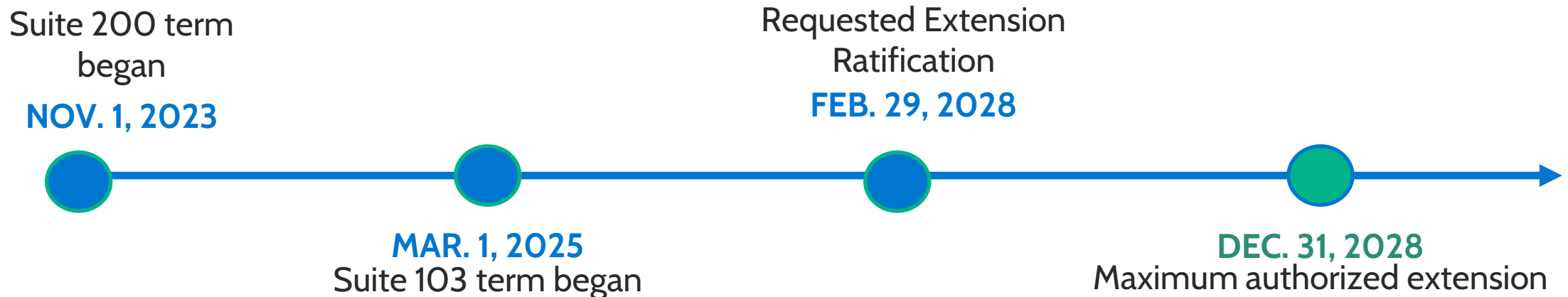
Ratify Extension of Suite 200 Sublease to February 28, 2028, and Authorize Extension of Suite 200 and Suite 103 Subleases up to December 31, 2028



Recommendation:

Ratify the extension of the Suite 200 sublease to February 29, 2028, authorize the Acting Chief Executive Officer to negotiate and execute an amendment to the existing subleases with Corelation, Inc. for Suite 200 and Suite 103 for Community Power office space and to authorize a potential extension up to December 31, 2028, and execute related documents necessary to implement the amendment, including obtaining the consent of the landlord, Kilroy Realty, L.P.

Background and Timeline



- The extension, through February 2028 with a maximum authorized extension through December 2028, will provide Community Power with sufficient time to complete a disciplined long-term facilities evaluation.
- Staff is currently evaluating existing conditions, operational needs, public meeting and collaboration needs, security and technology requirements, geographic accessibility, and total occupancy cost.
- Community Power has also initiated a competitive procurement for real estate brokerage and advisory services to support a comprehensive evaluation of Community Power's long-term facility needs.



Current Office Footprint

Both suites support office, meeting, training, collaboration, and administrative needs.

Suite 200

- 13,704 rentable square feet
- Dedicated office, conference, collaboration, and administrative space

Suite 103

- 8,864 rentable square feet
- Includes training and meeting space serving internal and broader community purposes



Fiscal Impact

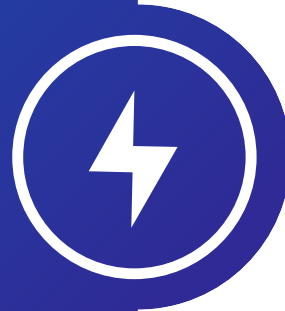
- The total rental cost of extending both subleases from February 28, 2027, to February 29, 2028, is \$935,784
- \$311,928 is attributable to FY27 and is included in the operating budget. There is no change in budget assumptions.
- Extending both suites further from March 1, 2028, to December 31, 2028, at existing rental rates would cost \$779,820.



Public Comment on Item No. 18

Item No. 18

Board Members Comments or Questions



Recommendation:

Ratify the extension of the Suite 200 sublease to February 29, 2028, authorize the Acting Chief Executive Officer to negotiate and execute an amendment to the existing subleases with Corelation, Inc. for Suite 200 and Suite 103 for Community Power office space and to authorize a potential extension up to December 31, 2028, and execute related documents necessary to implement the amendment, including obtaining the consent of the landlord, Kilroy Realty, L.P.

Item No. 19

San Diego Community Power Draft Data Center Load Integration Guidelines



Recommendation:

Provide feedback to staff on the draft San Diego Community Power Data Center Load Integration Guidelines

Why these guidelines are needed



Rising Energy Demand

Data centers are a growing driver of electricity demand, accelerate load growth and increase pressure on grid reliability, clean energy targets and customer costs



Scale & System Impacts

Large projects (20+ MW) require significant system planning, long-term energy procurement and resource adequacy needs, and coordination with SDG&E and grid operators



Customer & Community Protection

Community Power is taking a proactive approach to mitigating risks such as cost-shifts to existing customers without clear policy or potential disproportionate impacts on communities of concern





A Guardrail Framework

- Provides a structured approach to evaluate impacts and guide decision-making
- Establishes clear guardrails for engagement, policy development and potential commercial considerations
- Does not approve specific projects and carries no immediate fiscal impact
- Designed to evolve over time
- Supports member agencies by informing local permitting processes through Community Power expertise

Ratepayer Protection

- **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 Stress-Tested Financial Modeling**

Every deal must pencil under adverse scenarios, not just optimistic projections

- **1.4 Transmission & Delivery Cost Protection**

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



Community Benefit & Opportunity

- **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.



Clean Energy & Supply Responsibility

- **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 must 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.



Financial Assurance & Risk Management

- **4.1 Credit Support Calibrated to Project Phase**

Security requirements should scale with project maturity, with appropriate instruments at each stage — lighter requirements pre-permit, heavier during construction, reduced post-COD based on performance.

- **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 (e.g., 15 years) 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.



Transparency and Governance

- **5.1 Board Reporting**

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

- **5.2 Principles Evolution and Review**

These principles 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 CPUC, CAISO, and legislative proceedings that affect CCA Data Center service, including SB 57 implementation, any SDG&E Rule 30 equivalent, and IRP procurement requirements.

- **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 a clear position on Data Center policy that developers, community members, and regulators can reference.



Legislative Landscape AB 2383 (Zbur)

Requires each CCA and electric service provider to adopt a generation tariff by January 1, 2028, that meets, at a minimum, the following standards:

- Allocate the costs of serving data centers so that incremental costs are not borne by other customer classes.
- Ensure procurement by a CCA or electric service provider supports the ability to meet California Public Utilities Commission (CPUC) procurement requirements, the renewable portfolio standard, integrated resource planning requirements, and the state's 100 percent clean energy by 2045 policy, as well as other state clean energy policies.
- Ensure data centers make equitable contributions to reliability and other programs generally funded through the generation component of customer bills.
- Does not result in, or have the potential for increased costs, for other retail customers.
- Include a CPUC approved mechanism to ensure data centers pay for incremental generation cost increases to prevent nonparticipating customers from incurring stranded generation costs.



Legislative Landscape SB 886 (Padilla)

Requires the CPUC to, on or before January 1, 2028, establish tariffs or electric rules governing the interconnection of data centers to the transmission grid. In doing so, the CPUC must evaluate the risks and benefits of the tariffs to nonparticipating customers.

- Prevent stranded costs or cost shifts to nonparticipating customers, and, for unbundled customers, require charges generally included in the generation component of the consolidated bill to be assessed as a separate line item
- Require the participating customer to disclose whether an application for the same facility has been submitted in another electrical corporation service territory or other jurisdiction.
- Assign cost responsibility for transmission facilities, including shared transmission network upgrades to the extent permitted by federal law, using a methodology established by the CPUC.
- Allow interconnection refunds only if the electrical corporation's revenues from the participating customer are sufficient to recover energization costs, the costs of providing electrical service, and other allocated costs
- Require an early termination fee if, within 10 years, the participating customer terminates service or fails to achieve adequate load ramp as determined by the CPUC.





Community Power's Influence

- Authority is shared across multiple entities, including local permitting agencies and SDG&E
- Community Power's role is to advocate for ratepayers and communities within this broader landscape
- The Board retains discretion over whether to serve large data center loads
- Local permitting decisions may still proceed independently of Community Power's position
- Guidelines are intended to strengthen Community Power's influence, even where direct authority is limited





Next Steps

- Board of Directors feedback
- Revisions to the guidelines
- Return to stakeholders for feedback
- Board adoption of guidelines



Public Comment on Item No. 19

Item No. 19

Board Members Comments or Questions



Recommendation:

Provide feedback to staff on the draft San Diego Community Power Data Center Load Integration Guidelines

Acting Chief Executive Officer Report

Board Member Announcements

Adjournment



Next Regular Community Power Board Meeting December 10, 2026

CustomerService@SDCommunityPower.org