AGENDA

Regular Meeting
Board of Directors

Thursday, October 22, 2026
5:00 p.m.

Don L. Nay Port Administration Boardroom
3165 Pacific Hwy.
San Diego, CA 92101

The meeting will be held in person at the above date, time and location(s). Members of the Board of Directors and members of the public may attend in person. Under certain circumstances, Board members may also attend and participate virtually in the meeting, pursuant to the Brown Act (Gov. Code § 54953). As a convenience to the public, San Diego Community Power provides a Zoom teleconference option for members of the public to virtually observe and provide public comments at its meetings. Additional details on in-person and virtual public participation are below. Please note that in the event of a technical issue causing a disruption in the call-in option or internet-based option, the meeting will continue unless otherwise required by law (such as when a Board 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 Board of Directors on any agenda item. When providing comments to the Board, it is requested that members of the public include their name and city of residence for the record. Commenters are requested to address their comments to the Board of Directors as a whole through the chairperson. Comments may be provided in one of the following ways:

1. Oral comments during a meeting. Anyone attending in person who wishes to address the Board of Directors is asked to fill out a speaker's slip and present it to the clerk of the Board. To provide remote comments during the meeting, join the Zoom meeting by computer, mobile phone or dial-in number. When participating in a Zoom video conference by computer or mobile phone, use the "Raise Hand" feature. This will notify the moderator that a member 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 speak when called upon. When participating in the meeting using the Zoom dial-in number, press *9 to request to speak. Comments will be limited to three minutes.

2. Written Comments. Written public comments must be submitted prior to the start of the meeting to ClerkOfTheBoard@SDCommunityPower.org. Members of the public are asked to indicate a specific agenda item when submitting comments. All written comments received prior to the meeting will be provided to members of the Board. At the discretion of the chairperson, the first 10 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 members of Board and become part of the public record.

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

The public may participate using the following remote options:

Teleconference Meeting Webinar

sdcommunitypower-org.zoom.us/j/94274587066

Telephone (audio only) 669-900-6833 or 346-248-7799 | Webinar ID: 94274587066

WELCOME

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

LAND ACKNOWLEDGMENT

ITEMS TO BE ADDED, WITHDRAWN OR REORDERED ON THE AGENDA

PUBLIC COMMENTS

Opportunity for members of the public to address the Board on any items not on the agenda but within the jurisdiction of the Board. 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 member of the Board requests a specific item to 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 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 Update

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

REGULAR AGENDA

The following items call for discussion or action by the Board of Directors. The Board may discuss and/or take action on any item listed below.

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

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

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"

16. Update on Regulatory and Legislative Affairs

Recommendation: Receive and File update on Regulatory and Legislative Affairs

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 a 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

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.

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

ACTING CHIEF EXECUTIVE OFFICER REPORT

Community Power management may briefly provide information to the Board and the public. The Board may engage in discussion if the specific subject matter of the report is identified below, but the Board may not take any action other than to place the matter on a future agenda. Otherwise, there is to be no discussion or action taken unless authorized by law.

BOARD OF DIRECTORS COMMENTS

Board Members may briefly provide information to other members of the Board and the public, ask questions of staff, request an item to be placed on a future agenda or report on conferences, events or activities related to Community Power business. There is to be no discussion or action taken on comments made by Directors unless authorized by law.

ADJOURNMENT

The Board of Directors will adjourn until the next regular meeting scheduled for Thursday, December 10, 2026, at 5 p.m.

Compliance with the Americans with Disabilities Act

Community Power Board of Directors 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 the 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 Board Documents

Copies of the agenda and agenda packet are available at Meetings and Agendas - San Diego Community Power. Late-arriving documents related to Board meeting items are distributed to Members prior to or during the Board 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

BOARD OF DIRECTORS
Regular Meeting Minutes
September 24, 2026

Don L. Nay Port Administration Boardroom
3165 Pacific Hwy.
San Diego, CA 92101

WELCOME

CALL TO ORDER

Chair Lawson-Remer called the Community Power Board of Directors regular meeting to order at 5:03 p.m.

ROLL CALL

PRESENT: Chair Lawson-Remer, County of San Diego; Vice Chair Yamane, City of National City; Director Elo-Rivera, City of San Diego (arrived at 5:08 p.m.); Director Inzunza, City of Chula Vista (via Zoom Teleconference); Director San Antonio, City of Encinitas; Director Fisher, City of Imperial Beach; and Director Suzuki, City of La Mesa (via Zoom Teleconference)

Directors Inzunza and Suzuki participated remotely under The Brown Act Just Cause exemption and confirmed that no person over 18 years of age was present in the room with them.

ABSENT: None

Staff Present: Acting Chief Executive Officer Clark; General Counsel Tyagi; Senior Director of People Operations and Administration Pugh; Senior Director of Programs Santulli; Associate Director of Strategic Partnerships Friedman; Director of Portfolio Management Camara; Senior Program Manager Fisher; Clerk of the Board Hernandez; and Assistant Clerk of the Board Vences

PLEDGE OF ALLEGIANCE

Chair Lawson-Remer led the Pledge of Allegiance.

LAND ACKNOWLEDGMENT

Chair Lawson-Remer acknowledged the Kumeyaay Nation and all the original stewards of the land.

ITEMS TO BE ADDED, WITHDRAWN OR REORDERED ON THE AGENDA

There were no items added, withdrawn, or reordered on the agenda.

PUBLIC COMMENTS

There were no public comments.

CONSENT CALENDAR

1. **Approve August 27, 2026, Meeting Minutes**

2. **Receive and File Programs Update**

3. **Receive and File Power Services Update**

4. **Receive and File Customer Operations Update**

5. **Receive and File IT and Data Analytics Update**

6. **Receive and File Human Resources Update**

7. **Receive and File Marketing, Public Relations, and Local Government Affairs Update**

8. **Treasurer's Report for 12-Month Period Ending June 30, 2026, and Quarterly Investment Update**

9. **Receive and File Regulatory and Legislative Affairs Update**

10. **Adopt Resolution No. 2026-14, Approving a Fiscal and Financial Training Policy Pursuant to Senate Bill 827 (SB 827)**

11. **Approve First Amendment to Amended and Restated Renewable Power Purchase Agreement with Noble Solar, LLC, to Increase Community Benefits, Guaranteed Efficiency Rate and Curtailment Threshold; Reduce Cost of Excess Deliveries, and Allow Further Extension to Development Cure Period in case of Continued Delay in Issuance of Federal Permits**

12. **Approve Contract No. 2026-33 with Golden Five LLC for Microsoft Licensing Subscription Services (Agreement) for an initial term of three (3) years with two (2) one year renewal options, with a total not-to-exceed amount of $2,000,000 and authorize the Acting Chief Executive Officer to Execute Contract**

13. **Approve Amendment No. 4 to the Virtual Peaker, Inc. Agreement, Updating the Services and Pricing and Schedules, Adding the Sonnen Battery Integration and Simulated Devices, and Increasing the Agreement's Not-to-Exceed amount by $1,200,000, Resulting in a Revised Total Not-to-Exceed Amount of $3,600,000, and Authorize the Acting Chief Executive Officer to execute the Amendment**

14. **Approve Second Amendment to Agreement with The San Diego Foundation for Community Grant Program Administration Services, to add the FY2026-27 Scope of Work and Fees for the Final Contractual Year, and Authorize the Acting Chief Executive Officer to Execute the Second Amendment**

15. **Approve a Contract with Neighborhood National Bank for Qualified Public Depository Services for the Period September 24, 2026, through August 30, 2031, and Authorize the Acting Chief Executive Officer to Execute the Contract**

There were no public comments on Consent Item Nos. 1-15.

Motioned by Vice Chair Yamane and seconded by Director San Antonio to approve Consent Calendar Item Nos. 1-15. The motion carried 6/0 as follows:

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

<u>REGULAR AGENDA</u>

16. **Adopt Resolution No. 2026-15, Approving the Addition of the City of Coronado as a Member of San Diego Community Power**

Mr. Friedman provided an overview of the proposed addition of the City of Coronado as a Member of San Diego Community Power.

Board Members welcomed Mayor Pro Tem Carrie Downey of the City of Coronado.

The meeting recessed at 5:20 p.m. due to audio issues.

The meeting reconvened at 5:35 p.m.

Chair Lawson-Remer announced that the audio issues had not been resolved and provided a phone number for remote Board Members to cast their votes and for members of public to provide public comments.

Mayor pro Tem Carrie Downey and Serena Pelka provided public comments on Item No. 16.

After Board member comments and questions, motioned by Vice Chair Yamane and seconded by Director San Antonio to adopt Resolution No. 2026-15, approving the addition of the City of Coronado as a Member of San Diego Community Power. The motion carried 6/0 as follows:

AYES: Chair Lawson-Remer, Vice Chair Yamane, Directors Elo-Rivera, Fisher, San Antonio and Suzuki
NOES: None
ABSTAINED: None
ABSENT: Director Inzunza[1]

17. Approve Contracts for Recruitment Services as follows:

a. With CPS HR Consultants in an amount not-to-exceed $130,000 for executive recruitment services and Authorize the Board Chair to Execute the Contract
b. With Recruitment Services for LHI Group, Inc. in an amount not to exceed $185,000 for short-term temporary recruitment services and Authorize the Board Chair to Execute the Contract
c. With Blair Search Partners LLC (BSP) in an amount not to exceed $185,000 for direct hire recruitment services and Authorize the Board Chair to Execute the Contract

Ms. Pugh presented the proposed contracts.

There were no public comments on Item No. 17.

After Board member comments and questions, motioned by Vice Chair Yamane and seconded by Director San Antonio to approve contracts with CPS HR Consultants in an amount not-to-exceed $130,000 for executive recruitment services; with Recruitment Services for LHI Group, Inc. in an amount not to exceed $185,000 for short-term temporary recruitment services; and with Blair Search Partners LLC (BSP) in an amount not to exceed $185,000 for direct hire recruitment services and Authorize the Board Chair to Execute the Contracts. The motion carried 6/0 as follows:

AYES: Chair Lawson-Remer, Vice Chair Yamane, Directors Elo-Rivera, Fisher, San Antonio and Suzuki
NOES: None

[1] Director Inzunza was present but unable to register a vote due to technical difficulties in the meeting room.

ABSTAINED: None
ABSENT: Director Inzunza[1]

18. Solar Battery Savings Residential Update

Mr. Santulli introduced the item and turned it over to Ms. Fisher to provide the update on the Solar Battery Savings Residential program.

Jake Marshall provided public comment on Item No. 18.

After Board member comments and questions, the Solar Battery Savings Residential Program update was received and filed.

19. Update on Regional Energy Markets: The Extended Day-Ahead Market

Ms. Camara provided an update on Regional Energy Markets: The Extended Day-Ahead Market.

There were no public comments on Item No. 19.

Board Clerk Hernandez announced on behalf of Director Inzunza that he had not left the meeting during the action Items and was unable to call in because he was participating in the meeting through his cell phone.

Chair Lawson-Remer acknowledged the announcement on behalf of Director Inzunza.

After Board member comments and questions, the Regional Energy Markets: The Extended Day-Ahead Market update was received and filed.

ACTING CHIEF EXECUTIVE OFFICER REPORT

Acting CEO Jack Clark shared that the recipients of the next round of Community Clean Energy Grant Programs would be announced in October. He also shared a reminder about the third request for offers for the Solar Advantage Program also known as Disadvantaged Community Green Tariff Program (DAC-GT).

DIRECTOR COMMENTS

Chair Lawson-Remer and Directors shared remarks highlighting San Diego Community Power's success and its positive impact on clean energy initiatives.

ADJOURNMENT

The meeting was adjourned at 6:37 p.m. to the next regular meeting scheduled for Thursday, October 22, 2026, at 5 p.m.

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Maricela Hernandez, MMC, CPMC
Clerk of the Board

SAN DIEGO COMMUNITY POWER
Staff Report – Item 2

To:	Board of Directors
From:	Colin Santulli, Senior Director of Programs
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Update on Programs
Date:	October 22, 2026

Recommendation

Receive and file updates on customer energy programs.

Background

Staff will provide regular updates to the Board of Directors ("Board") 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: Our community-based organizations (CBO) partners continue to conduct outreach activities to residents to inform them of the program opportunity. Staff continue to meet with the program implementation team on a biweekly basis to coordinate outreach activities, answer questions, and support program enrollment. To date, close to 50 applications are in review to determine eligibility for the program. Staff will continue to work with our CBO partners and regional agencies to increase the number of enrollment applications submitted by eligible residents.

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

Flexible Load Programs

Smart Energy Rewards (formerly Smart Home Flex) Pilot Project

Status:

On July 29, 2026, enrollment was re-opened. To date, close to 3,000 applications have been received with over 1,260 applications approved, 440 pending, and 1,200 denied. The most common reasons an application is denied is because the applicant is outside of Community Power territory and the application information does not match the information associated with the submitted SDG&E account number. Many of the customers with mismatched application information reapply and get approved for the program.

Staff set a goal of enrolling 5,000 smart thermostats with the re-opening of the pilot. As of early October 2026, over 2,300 smart thermostats are enrolled with Smart Energy Rewards representing approximately half of the way to the goal. Staff anticipate continuing enrollments throughout the rest of the calendar year.

Staff initiated the first Smart Flex Events in July 2026 to help reduce electricity demand during hot days. As of early October 2026, sixteen events have been called – three in July, three in August, six in September, and four in October 2026. Staff monitor demand forecasts from Power Services alongside weather conditions to schedule and call events. Depending on weather, a few more events may be scheduled in October 2026. The summer season ends at the end of month. Data from these events will be evaluated to determine performance and inform the evaluation of the pilot. Results of the evaluation are anticipated to be completed in early 2027.

Next Steps: Staff will continue to process applications and issue enrollment incentives. Staff will continue to work with Virtual Peaker, thermostat manufacturers, and the Public Affairs team to promote enrollment in the program. Staff will continue to monitor demand forecasts from the Power Services team to call Smart Flex Events.

EV Flex Connect Pilot Project

Status and Next Steps: Please refer to Item 16 of the August 2026 Board agenda packet for the most recent update on this pilot project.

Solar and Energy Storage Programs

Solar Battery Savings ("SBS") Program

Status: Since program launch in September 2025, the program has received over 2,036 applications, 1,411 which have been approved, and 837 of which have been installed and activated. Of the 54 contractors approved to participate in the program, 50 have submitted applications. Fifty-seven percent of applicants are market rate customers. Seventy-one percent of projects are for new solar and storage systems (as compared to storage being added to existing solar systems).

Next Steps: Community Power has scheduled the first round of customer workshops with Home Energy Academy. Community Power created partner share kits, which include the approved flyer and digital assets. The share kits will be distributed to the Power Network, Community Advisory Committee, the Board of Directors, Member Agencies and more. Please see the dates, times and locations below and the registration link.

- October 19th at 6 pm: MAAC Community Center, Chula Vista (1837 Third Ave., Chula Vista, CA 91911)
- October 27th at 6 pm: College-Rolando Branch Library (6600 Montezuma Rd., San Diego, CA 92115)
- October 29th at 6 pm: Spring Valley Branch Library (836 Kempton St., Spring Valley, CA 91977)
- November 9th at 12 pm: Virtual

Community Power also executed a contract with Cadmus to support the Bill Impact Study to evaluate the bill impacts for participants in the Pilot. This evaluation will understand how customer segments and attributes affect bill impacts differently to inform program design and future promotional materials.

Solar Advantage Program (previously DAC-GT)

Status: Community Power hosted an informational webinar for its Third Request for Offers ("RFO #3") on September 9, 2026, to provide prospective developers and stakeholders with an overview of the solicitation requirements and submission process. Following the webinar, staff made the webinar recording and presentation materials available to prospective bidders via Granicus and Community Power's dedicated Solar Advantage webpage.

The solicitation question period closed on September 16, 2026, and the final Q&A was posted to Community Power's Solicitations webpage on September 23, 2026. RFO #3 remains open through October 30, 2026, at 5:00 p.m. Pacific Time ("PT").

Next Steps: Staff will receive offers through October 30, 2026. Following the solicitation deadline, staff will review responses and conduct follow-up with bidders, as necessary, through November 25, 2026. Short-list selection notifications are anticipated for January 14, 2027, followed by evaluations and negotiations with shortlisted bidders and Community Power Board consideration of awards between January and May 2027.

San Diego Regional Energy Network ("SDREN")

Status and Next Steps: All SDREN contracts from the phased solicitations for third-party implementers have been executed as of May 2026. Staff continue to carry out the appropriate pre-launch, launch, and early implementation activities for each program. The description of activities in each of these program stages are described below along with the programs in each stage.

Pre-Launch
The goal of this stage is to establish the operational, administrative, and marketing infrastructure needed to prepare for program launch. Activities include developing program milestones and timelines, creating invoice and reporting templates, finalizing program manuals, participant forms, and program webpage content. The following programs are currently in this stage:

Small and Medium-Sized Business Energy Coach (known as Small Business Energy Coach)

- Offers personalized guidance to businesses on energy efficiency solutions, helping them navigate available incentives.

Market Access Program (known as Business Energy Upgrade)

- Employs a performance-based incentive model, encouraging energy aggregators to achieve peak-demand reductions.

Launch
The goal of this stage is to introduce the program to the market, make customer-facing resources available, initiate outreach activities, and begin participant enrollment. The following programs are currently in this stage:

Tribal Engagement (known as Tribal Energy Upgrade)

- Provides culturally responsive outreach and technical support for 17 Tribal governments seeking improved energy infrastructure and sovereignty.

Efficient Refrigeration (known as Refresh Refrigeration)

- Delivers no-cost refrigeration upgrades to small grocers and food service businesses, boosting both energy savings and fresh food accessibility.
- Website Link: https://sdren.org/refresh-refrigeration/

Multifamily (known as Multifamily Energy Upgrade)

- Equips building owners, managers, and tenants with no-cost technical assistance, direct installation and measure incentives, energy education, and energy efficiency starter kits intended to reduce utility bills and improve living environments.
- Website Link: https://sdren.org/multifamily/

Single-Family (known as Home Energy Savings)

- Assists owners and renters with energy education, energy efficiency starter kits, direct installations, and stacked rebates provided by a concierge-style service designed to cut single-family renter or owner energy costs.
- Website Link: https://sdren.org/home-energy-savings/

Early Implementation

The goal of this stage is to deliver program services and refine program operations based on initial implementation experience. The following programs are currently in this stage:

Codes and Standards (known as Energy Code Coach)

- Aims to enhance compliance with existing codes and standards, assist local governments in developing ordinances that surpass statewide minimum requirements, and maximize participant benefits through close coordination with other programs.
- Website Link: https://sdren.org/energy-code-coach/

Energy Pathways (known as Spark Your Education)

- Introduces high school students to energy careers, offering no-cost career technical education, mentorship, and direct ties to local employers.
- Website link: https://sdren.org/spark-your-education/

Workforce Training and Capacity Building (known as Spark Your Career)

- Focuses on strengthening workforce skills in electrification, renewable integration, and energy efficiency, benefiting both new entrants and incumbent workers.
- Website Link: https://sdren.org/spark-your-career/

Climate Resilience Leadership (known as Public Sector Energy Upgrade)

- Help public agencies obtain technical assistance, financing, and guidance to implement energy efficiency measures.
- Website Link: https://sdren.org/public-sector-energy-upgrade/

The following table shows a summary of program names:

Current Program Name	**Legacy Program Name (used in CPUC regulatory filings)**
Spark Your Education	Energy Pathways
Spark Your Career	Workforce Training and Capacity Building
Energy Code Coach	Codes and Standards
Public Sector Energy Upgrade	Climate Resilience Leadership
Tribal Energy Upgrade	Tribal Engagement
Multifamily Energy Upgrade	Multifamily
Home Energy Savings	Single Family
Refresh Refrigeration	Efficient Refrigeration
Small Business Energy Coach	Small- and Medium-Sized Business Energy Coach
Business Energy Upgrade	Market Access Program

SDREN programs are authorized and funded by the CPUC. Funds 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/monthly-reports/confirmed-dashboard/SDRN/.

SDREN Advisory Committee

The SDREN Advisory Committee plays a key role 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. Current committee members are listed below:

- Casa Familiar
- Center for Community Energy
- Clean Energy Alliance
- Climate Action Campaign
- International Brotherhood of Electrical Workers Local 569
- Metropolitan Area Advisory Committee on Anti-Poverty of San Diego County
- Port of San Diego
- San Diego Association of Governments
- San Diego Building Electrification Coalition
- San Diego County Building Trades Unions

- San Diego Regional Chamber of Commerce
- San Diego Regional Climate Collaborative
- San Diego Urban Sustainability Coalition
- San Diego Workforce Partnership
- Solana Center for Environmental Innovation
- U.S. Green Building Council California

The SDREN Advisory Committee is scheduled to meet quarterly. To date, the Committee has held three meetings in 2026, with discussions focused on the following topics. The next meeting will be held in December 2026.

- April 13, 2026
    - SDREN background overview of history, context and programs
    - Advisory Committee overview, including the Committee Charter, member expectations, and 2026 meeting schedule
- June 18, 2026
    - Program success metrics discussion
    - SDREN Workforce Education and Training (WE&T) program overviews
- September 22, 2026
    - San Diego Heat Risk Explorer presentation
    - SDREN Public and Residential Sector program overviews
    - SDG&E Energy Efficiency Program Administration Withdrawal Application

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report - Item 3

To:	Board of Directors
From:	Gordon Samuel, Chief Commercial Officer
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Update on Power Services
Date:	October 22, 2026

Recommendation

Receive and file update on Power Services.

Background

Staff provided the updates below to the Board of Directors regarding Community Power's energy procurement activities.

Analysis and Discussion

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 submissions from solicitations as well as bilateral opportunities that staff recommend for shortlisting. 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, as most recently demonstrated via the execution of two PPAs for operational wind projects, 25 MW from SunZia Wind and 50 MW from Kumeyaay Wind in San Diego County. Staff will also increasingly prioritize local distributed generation (DG) projects as described below.

Staff issued two solicitations in July 2026. The All-Source RFO is for all renewable and storage projects sized 10 MW and greater. Staff evaluated offers and are going through the shortlisting process. Pursuant to the RFO schedule, any PPAs negotiated are anticipated to be finalized by Q2 2027. The second is a solicitation pursuant to the California Independent System Operator's (CAISO) commercial interest assessment for Cluster 16 interconnection studies ("Cluster 16 RFI"). Staff are wrapping up exclusivity agreement negotiations with developers to be allocated CAISO commercial interest points ("CIPs"). These CIPs are utilized by CAISO to prioritize which projects will be studied in Cluster 16.

<u>Local Development</u>

In addition to eight long-term contracts for local utility-scale projects procured for Community Power's portfolio, through its rolling Local RFI and Local Distributed Generation RFO, staff secured fifteen Board-approved contracts for local DG renewable and storage facilities and continues to vet and evaluate proposed projects to the Local RFI. Of those fifteen DG contracts, ten remain in effect. 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)*

Status: Community Power hosted an informational webinar for its Third Request for Offers ("RFO #3") on September 9, 2026, to provide prospective developers and stakeholders with an overview of the solicitation requirements and submission process. Following the webinar, staff made the webinar recording and presentation materials available to prospective bidders via Granicus and Community Power's dedicated Solar Advantage webpage.

The solicitation question period closed on September 16, 2026, and the final Q&A was posted to Community Power's Solicitations webpage on September 23, 2026. RFO #3 remains open through October 30, 2026, at 5:00 p.m. Pacific Time ("PT").

Next Steps: Staff will receive offers through October 30, 2026. Following the solicitation deadline, staff will review responses and conduct follow-up with bidders, as necessary, through November 25, 2026. Short-list selection notifications are anticipated for January 14, 2027, followed by evaluations and negotiations with shortlisted bidders and Community Power Board consideration of awards between January and May 2027.

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. Recent prices for online renewable energy has allowed staff to transact in the short-term to replace forecasted short falls with lower priced renewable and carbon-free energy. Further, this allows Community Power to continue to prioritize environmental targets while also ensuring value for our customers.

Market Update

Energy markets performed well through fluctuating weather and system demand conditions this summer. California's power grid successfully met its highest electricity demand in four years without requiring emergency reliability measures. On September 9, 2026, the extreme heat drove CAISO system demand to 50.3 GW at 5:54pm, approximately 3% below the record 52.1 GW reached during the September 2022 heatwave, when all emergency measures were dispatched to meet demand. Community Power's summer peak-hour wholesale electric demand was approximately 2,438 MW, also occurring September 9th between 5-6pm (HE 18). Overall, the September heat event demonstrates the CAISO grid's ability to maintain

reliable operations under high-load conditions and highlights the continued importance of flexible storage resources as solar production declines during the evening ramp.

Due to resource availability in the broader Western Interconnection, lingering supply chain impacts and interconnection queue impacts on development of new-build energy resources, and tariffs and duties affecting imported equipment, the market for renewable energy and resource adequacy (RA) continues to be uncertain. Staff continue to work 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.

California's electric market achieved a milestone on May 1, 2026, as the 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.

Forward energy prices remain relatively steady as markets continue to monitor seasonal weather and natural gas supply closely. Lingering summer heat and the expected decline in solar power production have kept energy market prices steady, rather than declining, into Q4 2026. 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.

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 a new Load Forecasting Manager will be joining the team before the end of the quarter.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 4

TO: Board of Directors

FROM: Lucas Utouh, Senior Director of Data Analytics and Customer Operations

VIA: Jack Clark, Acting Chief Executive Officer

SUBJECT: Update on Customer Operations

DATE: October 22, 2026

Recommendation

Receive and file an update on various customer operations initiatives.

Background

Staff will provide regular updates to the Board of Directors 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 September 21, 2026, Community Power is serving a cumulative total count of **973,560** 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

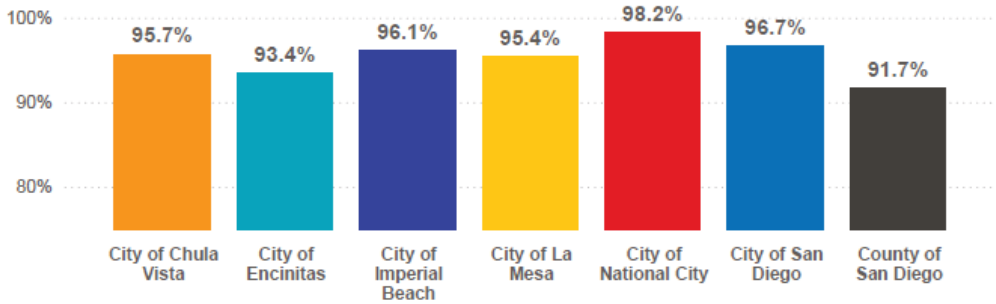
The below charts summarize customer participation by member agency as well as metrics for their elections into San Diego Community Power's four (4) available service options.

Please note that Re-Enrollment metrics are captured and displayed through August 31, 2026.

Enrolled Accounts	Participation Rate
973,560	95.6%

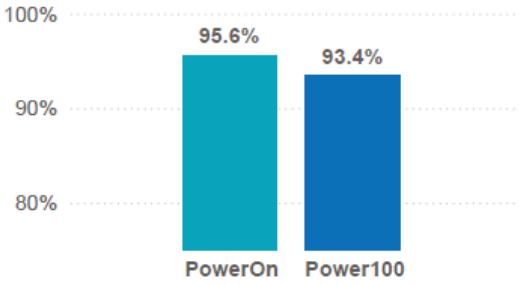
Participation

Participation by Jurisdiction

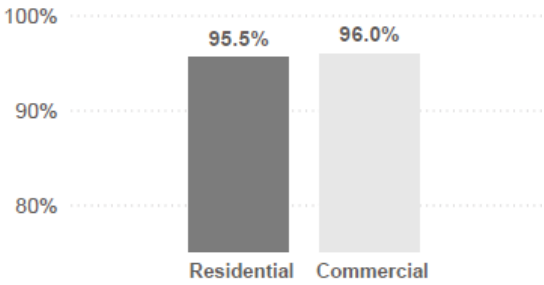


Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	100,619	96,274	95.7%
City of Encinitas	Power100	29,205	27,287	93.4%
City of Imperial Beach	PowerOn	10,903	10,477	96.1%
City of La Mesa	PowerOn	29,678	28,312	95.4%
City of National City	PowerOn	19,712	19,363	98.2%
City of San Diego	PowerOn	637,017	616,071	96.7%
County of San Diego	PowerOn	191,656	175,776	91.7%
Total		**1,018,790**	**973,560**	**95.6%**

Participation by Default Service Option



Residential vs Commercial Participation



Service Option

PowerBase	
Enrolled	6,553
Participation	0.7%

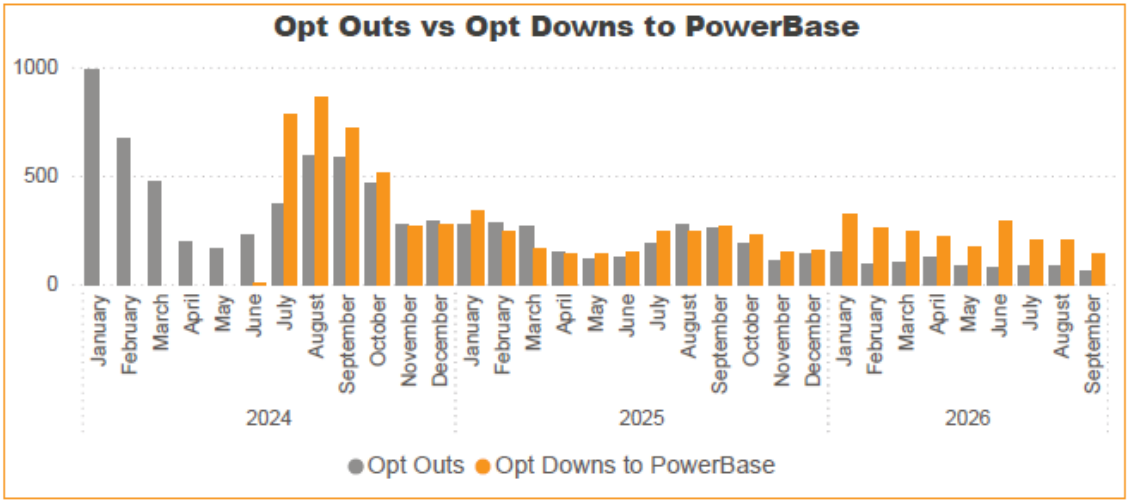
PowerOn	
Enrolled	932,279
Participation	95.8%

Power100	
Enrolled	34,707
Participation	3.6%

Power100 Green+	
Enrolled	21
Participation	0.0%

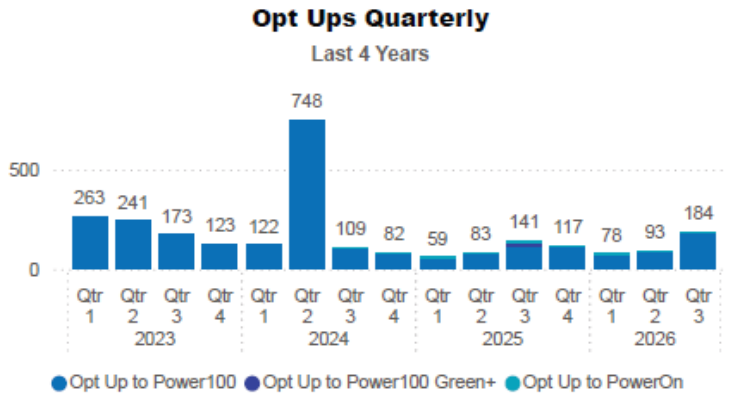
Service Option Enrollment Summary

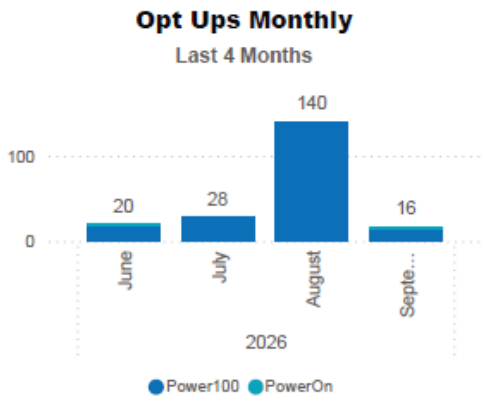
Jurisdiction	Service Option Default	Enrolled Accounts	Power Base Enrolled	Power Base %	PowerOn Enrolled	PowerOn %	Power 100 Enrolled	Power 100%	Power100 Green+ Enrolled	Power100 Green+%
City of Chula Vista	PowerOn	96,274	662	0.7%	94,682	98.3%	930	1.0%		
City of Encinitas	Power100	27,287	268	1.0%	380	1.4%	26,639	97.6%		
City of Imperial Beach	PowerOn	10,477	45	0.4%	10,345	98.7%	87	0.8%		
City of La Mesa	PowerOn	28,312	177	0.6%	27,870	98.4%	265	0.9%		
City of National City	PowerOn	19,363	80	0.4%	19,236	99.3%	47	0.2%		
City of San Diego	PowerOn	616,071	3,631	0.6%	606,501	98.4%	5,918	1.0%	21	0.0%
County of San Diego	PowerOn	175,776	1,690	1.0%	173,265	98.6%	821	0.5%		
Total		973,560	6,553	0.7%	932,279	95.8%	34,707	3.6%	21	0.0%



Opt Up History

Total Opt Ups	Opt Ups Current*
10,100	8,159





Opt Ups by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025	2026 YTD	Total
City of Chula Vista	710	175	61	49	31	31	1,057
City of Encinitas	18	1	1	3	1	2	26
City of Imperial Beach	60	29	11	6	6	30	142
City of La Mesa	155	120	19	12	8	6	320
City of National City			12	24	2	18	56
City of San Diego	3,316	2,896	489	340	309	234	7,584
County of San Diego	4		207	627	43	34	915
Total	4,263	3,221	800	1,061	400	355	10,100

Opt Ups by Customer Class

Customer Class	2021	2022	2023	2024	2025	2026 YTD	Total
Commercial	4,256	296	232	703	160	202	5,849
Residential	7	2,925	568	358	240	153	4,251
Total	4,263	3,221	800	1,061	400	355	10,100

Opt Ups by Method

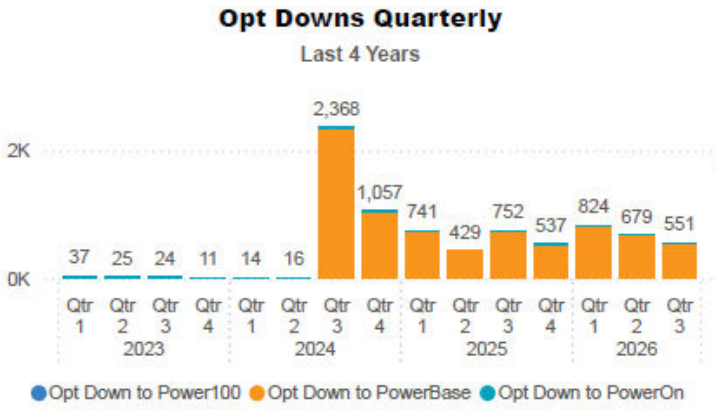
Opt Method	2021	2022	2023	2024	2025	2026 YTD	Total
CSR	4,232	1,372	301	817	213	233	7,168
IVR	4	85	84	42	29	15	259
Web	27	1,764	415	202	158	107	2,673
Total	4,263	3,221	800	1,061	400	355	10,100

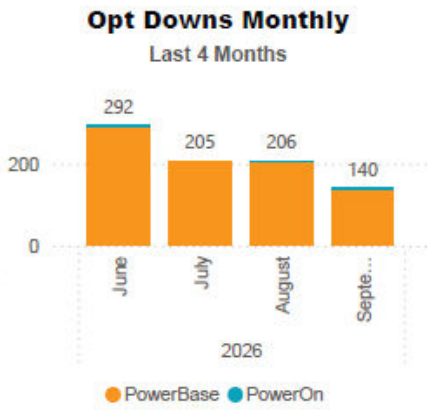
*Current indicates the account is open with SDG&E and this opt action is their latest opt action

2026 YTD as of September 19, 2026

Opt Down History

Total Opt Downs	Opt Downs Current*
8,564	7,004





Opt Downs by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025	2026 YTD	Total
City of Chula Vista		2	4	287	246	251	790
City of Encinitas	35	429	74	150	109	81	878
City of Imperial Beach		1		31	18	13	63
City of La Mesa		4		106	66	57	233
City of National City				36	39	31	106
City of San Diego		28	13	1,793	1,390	1,267	4,491
County of San Diego			6	1,052	591	354	2,003
Total	35	464	97	3,455	2,459	2,054	8,564

Opt Downs by Customer Class

Customer Class	2021	2022	2023	2024	2025	2026 YTD	Total
Commercial	34	23	9	508	172	141	887
Residential	1	441	88	2,947	2,287	1,913	7,677
Total	35	464	97	3,455	2,459	2,054	8,564

Opt Downs by Method

Opt Method	2021	2022	2023	2024	2025	2026 YTD	Total
CSR	31	311	65	2,562	1,531	1,047	5,547
IVR	4	26	3	309	274	168	784
Web		127	29	584	654	839	2,233
Total	35	464	97	3,455	2,459	2,054	8,564

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

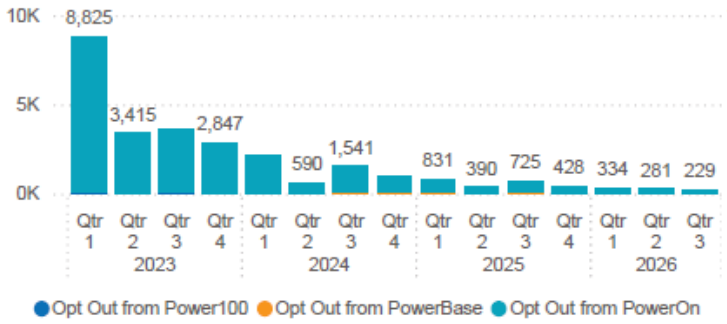
2026 YTD as of September 19, 2026

Opt Out History

Total Opt Outs	Opt Outs Current*
54,852	43,753

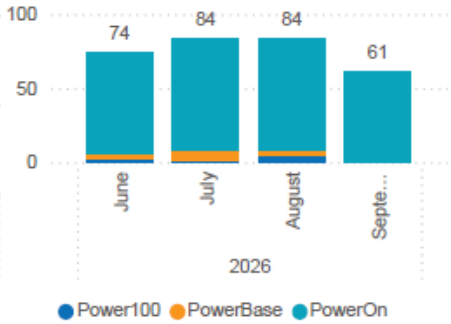
Opt Outs Quarterly

Last 4 Years



Opt Outs Monthly

Last 4 Months



Opt Outs by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025	2026 YTD	Total
City of Chula Vista	267	3,466	747	411	200	85	5,176
City of Encinitas	66	1,869	230	118	56	21	2,360
City of Imperial Beach	32	343	99	60	17	16	567
City of La Mesa	84	1,269	235	128	59	21	1,796
City of National City			285	75	33	12	405
City of San Diego	1,078	19,180	3,185	1,836	1,065	409	26,753
County of San Diego	2	1	13,899	2,669	944	280	17,795
Total	1,529	26,128	18,680	5,297	2,374	844	54,852

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	796	50,608
Commercial	1,492	535	1,684	344	141	48	4,244
Total	1,529	26,128	18,680	5,297	2,374	844	54,852

Opt Outs by Method

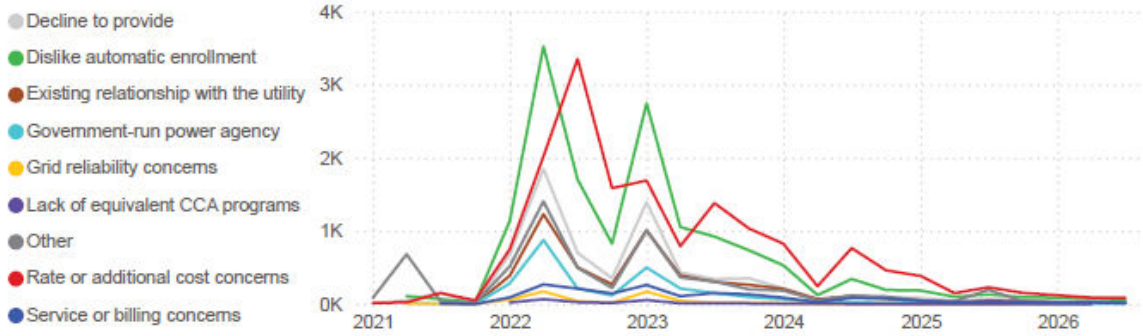
Opt Method	2021	2022	2023	2024	2025	2026 YTD	Total
CSR	1,104	6,963	4,706	1,653	703	292	15,421
IVR	102	4,885	3,788	1,284	445	125	10,629
Web	323	14,280	10,186	2,360	1,226	427	28,802
Total	1,529	26,128	18,680	5,297	2,374	844	54,852

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

2026 YTD as of September 19, 2026

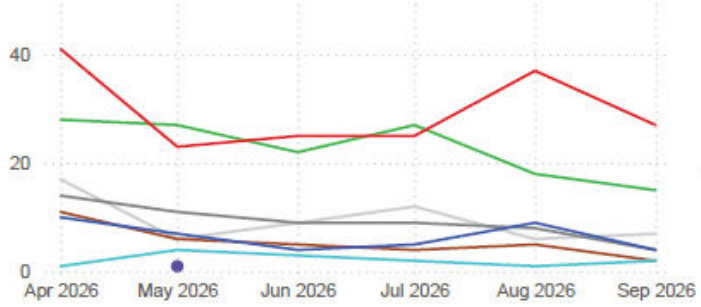
Opt Out Reason Summary

Opt Outs by Reason Quarterly



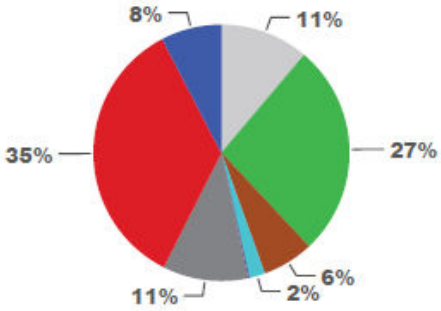
Opt Outs by Reason Monthly

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	94	7,142
Dislike automatic enrollment	203	7,187	5,458	1,188	511	226	14,773
Existing relationship with the utility	2	2,388	1,968	462	153	53	5,026
Government-run power agency	24	1,489	960	129	66	19	2,687
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	85	6,201
Rate or additional cost concerns	240	7,705	4,897	2,296	918	299	16,355
Service or billing concerns	6	718	654	272	132	63	1,845
Total	1,529	26,128	18,680	5,297	2,374	844	54,852

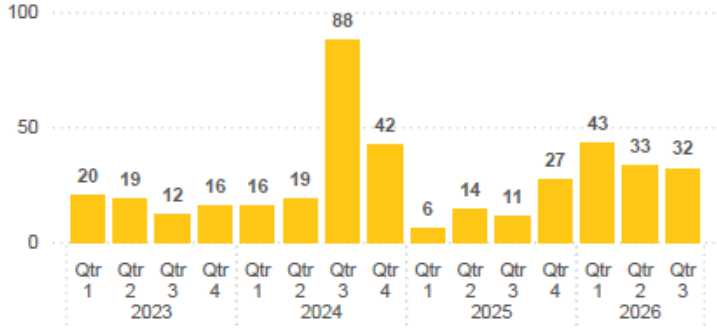
2026 YTD as of September 19, 2026

Re-Enrollment Requests

Excludes closed accounts

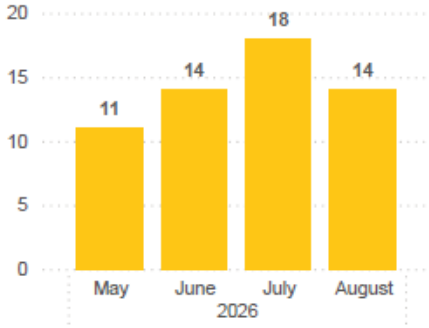
Re-Enrollments Quarterly

Last 4 Years



Re-Enrollments Monthly

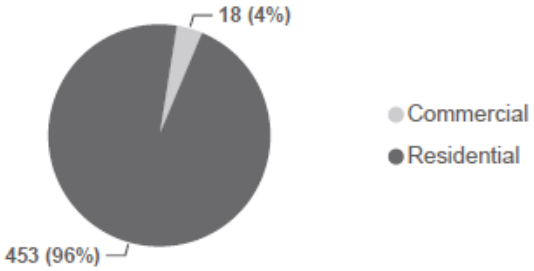
Last 4 Months



Re-Enrollments by Jurisdiction

Jurisdiction	Accounts
City of Chula Vista	30
City of Encinitas	40
City of Imperial Beach	5
City of La Mesa	9
City of National City	1
City of San Diego	285
County of San Diego	101
Total	**471**

Re-Enrollments Residential vs Commercial



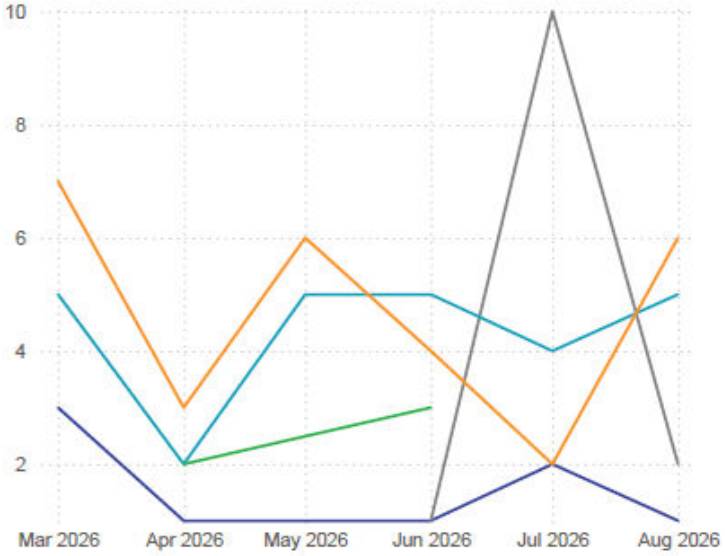
2026 YTD through the end of August, 2026

Re-Enrollment Reason Summary*

Re-Enrollments by Reason Quarterly

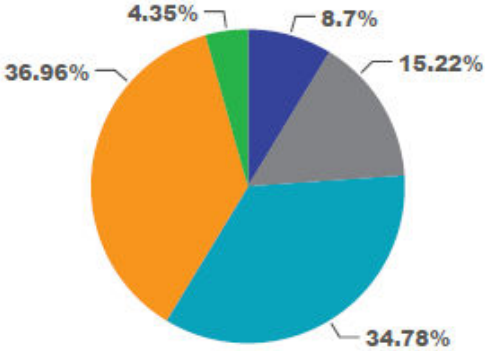
Re-Enrollments by Reason Monthly

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		12	12
Other	4	17	21
Participate in Community Power program	16	32	48
Receive lower rates	9	42	51
Receive more renewable energy	1	5	6
Total	30	108	138

Re-Enrollment Reason Functionality Implemented 09/01/2025

C) Contact Center Metrics

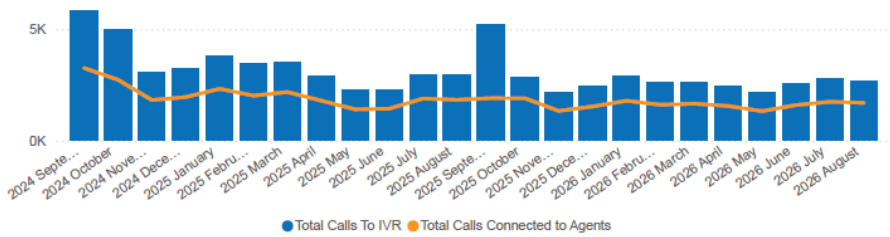
As anticipated, Contact Center call volume has been slightly elevated through the early summer months. Customer interactions are expected to continue to increase throughout the summer as even warmer temperatures lead to higher energy consumption and increased electric bills; however, because the electric California Climate Credit will be distributed to residential customers in August and September this year, we imagine lower call volume spikes then as noted in previous years.

The chart below summarizes contact made by customers into the Contact Center broken down by month. Contact Center Metrics are captured and displayed through August 31, 2026.

Contact Center Metrics

Contact Center Call Volume Trends

Last 24 Calendar Months



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	20,742	**208,028**
Total Calls Connected to Agents	1,401	30,174	34,173	29,332	21,556	12,969	**129,605**
Avg Seconds to Answer	20.00	11.50	6.75	18.08	9.33	10.38	**12.48**
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%	96.10%	**95.43%**
Abandon Rate	0.57%	0.36%	0.19%	0.72%	0.43%	0.49%	**0.45%**

Customer Service Email Volume Trends

Last 24 Calendar Months

Customer Service Emails

	2021	2022	2023	2024	2025	2026 YTD	Total
Emails Received	272	2,894	2,116	1,271	1,170	699	**8,422**
Emails Answered or Escalated Within 24 Hours	257	2,821	2,107	1,270	1,170	695	**8,320**
Completion%	94%	96%	100%	100%	100%	100%	**98%**

2026 YTD through the end of August, 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.

D) Joint Rate Comparison and Mailer Update

Staff is pleased to let the Board of Directors and the general public know that our latest joint rate comparison (JRC) depicting SDG&E rates effective as of August 1, 2026, in comparison to SD Community Power's rates effective as of May 1, 2026, has been published and can be accessed via the following link: Joint Rate Comparison.

This latest Joint Rate Comparison (JRC) was utilized to create the Joint Rate Mailers that were sent to all active Community Power customers by October 1st, 2026, in accordance with the California Public Utilities Commission requirements. Please visit the following links to access Community Power's 2026 Joint Rate Mailers:

Residential

Residential CARE

Commercial

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 5

To:	Board of Directors
From:	Lucas Utouh, Senior Director of Data Analytics and Customer Operations
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Update on IT and Data Analytics
Date:	October 22, 2026

Recommendation

Receive and file an update on IT and Data Analytics.

Background

Community Power continues to invest in a strong in-house IT and data analytics function to support efficient, secure, and scalable operations. Recent efforts remain focused on improving business processes, strengthening core systems, and expanding the organization's ability to use data for decision-making in a practical and cost-effective way. The IT and Data Analytics teams are laser focused on maintaining strong operational support, expanded cybersecurity protections and strengthening of the agency's technology governance and analytics capabilities. These efforts support the agency's broader goals of improving organizational efficiency, reducing operational risk, enhancing customer and business intelligence capabilities, and building scalable technology infrastructure to meet future growth requirements.

Analysis and Discussion

<u>Information Technology</u>
The IT team continues to provide reliable day-to-day support while advancing service improvements and standardizing core processes.

Key areas of focus include:
- Improving request intake and service delivery
- Supporting enterprise systems and cross-department workflows

- Strengthening system reliability and operational consistency
- Preserving business data accuracy and integrity through multileveled data retention.

Overall service levels remain strong despite increasing demand within the agency.

Cybersecurity

As part of our cybersecurity maturity initiatives, a third-party penetration test of the agency's network environment has been completed and identified no significant vulnerabilities requiring remediation.

The team continues to strengthen internal cybersecurity and governance practices, including enhancements to email security, data security, access management, records retention, and system controls.

These efforts support the agency's objective of maintaining a resilient cybersecurity posture.

Data Analytics

Enterprise Data Platform – Phase 2

The Data Analytics team continues progressing towards the second release, which includes Power Services and Program teams' data pipelines automation and reports, building, expansion and optimization of interval usage data tables, customer data organization, CRM integrations, model pipeline optimizations, and geospatial data. Many of these are foundational pieces that will support key insights and analytics in the future.

During this reporting month, the enterprise-wide Customer Relationship Management (CRM) project achieved several important milestones including functional and integration testing with multiple other applications.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 6

To:	Board of Directors
From:	Chandra Pugh, Senior Director of People Operations and Administration
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Receive and File Update on Human Resources
Date:	October 22, 2026

Recommendation

Receive and file the update on Human Resources.

Background

Staff provide regular updates to the Board of Directors regarding Community Power's Human Resources initiatives.

Analysis and Discussion

The People Operations and Administration team continued to make meaningful progress across administrative operations, workforce initiatives, facilities planning, recruitment, safety and employee engagement.

Community Power's Annual Family Picnic took place on September 26, 2026, at NTC Park in Liberty Station and serves as an important opportunity to strengthen employee engagement, foster cross-departmental relationships, and recognize the contributions of staff and their families. The event reflects Community Power's commitment to cultivating a positive and inclusive workplace culture by providing employees with an opportunity to connect outside of the traditional work environment, build stronger interpersonal relationships, and celebrate organizational achievements together. Feedback from prior years has highlighted the value employees place on spending time with colleagues and family members in a relaxed setting, reinforcing a sense of belonging and community that supports collaboration, employee well-being, and organizational effectiveness throughout the year.

This year's picnic continues a longstanding tradition of investing in employee morale and organizational culture, helping to strengthen the connections that contribute to Community Power's success as a mission-driven public agency.

Hiring top talent remains a robust focus across the organization with active searches underway for several key positions.

Current Open Positions:

Program Manager
Senior Program Associate

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 7

To:	Board of Directors
From:	Jen Lebron, Senior Director of Public Affairs
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Update on Marketing, Public Relations, and Local Government Affairs
Date:	October 22, 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. In August, Community Power interacted with more than 4,000 individuals at a variety of events across member agencies.

Recent and Upcoming Public Engagement Events
Casa Familiar La Semilla Ribbon Cutting Ceremony
Chula Vista Community Collaborative
44th Annual John S. Lyons Memorial Dinner
SD350 Brighter Future Gala
Otay Mesa Chamber of Commerce
Coastal Cleanup Day
Adams Avenue Street Fair

Kroc Center Senior Resource Fair
Jacobs Center for Neighborhood Innovation Multicultural Festival
Women+ in Green: Generational Voices in Climate Leadership
Vehicle-Grid Integration Council EVolve
San Diego Climate Week Clean Air Summit
Chicano Park Museum
National City Fire Department Open House
Urban Collaborative Project Resident Leadership Academy
Sherman Heights Community Center Noche de Mole
Spirit of the Barrio
La Mesa Farmers Market
Mini Mesa Civic Lab
Environmental Health Coalition Resource Fair
National Electrical Contractors Association
MAAC Soiree
City of Imperial Beach Spooktacular Trunk or Treat
Circulate Planning and Policy Momentum Awards
San Diego County Regional Airport Authority Sustainability Fair
San Diego Regional Chamber of Commerce Legislative Lounge
United Women of East Africa: Rhythms of East Africa event
Climate Action Campaign Climate Summit
Business for Good San Diego Power Hour
San Diego Environmental Film Festival.

Communications, Education, Outreach and Engagement

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.

San Diego Community Power is partnering with Home Energy Academy to host no-cost community workshops for the Solar Battery Savings. The goal is to walk interested customers through how solar and battery storage systems work, potential costs and savings, and help them decide whether they're a good fit for the program.

The three scheduled sessions are:

- Oct. 19 at 6 p.m. at MAAC Community Center, 1387 Third Ave, Chula Vista, CA 91911
- Oct. 27 at 6 p.m. at College-Rolando Library, 6600 Montezuma Rd, San Diego, CA, 92115
- Oct. 29 at 6 p.m. at San Diego County Library, Spring Valley Branch, 836 Kempton St, Spring Valley, CA, 91977

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 8

To:	Board of Directors
From:	Jannies Burlingame Chief Financial Officer and Treasurer
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Treasurer's Report for One-Month Period Ending July 31, 2026
Date:	October 22, 2026

Recommendation

Receive and File Treasurer's Report for One-Month Period Ending July 31, 2026.

Background

San Diego Community Power (Community Power) prepares its accounting records on a full accrual basis under generally accepted accounting principles (GAAP) for governmental enterprise funds. This report presents preliminary, unaudited financial results for the one-month period ended July 31, 2026 — the first month of Fiscal Year (FY) 2026-27 — together with budgetary comparisons against the FY 2026-27 Operating Budget and Capital Investment Program (CIP) Budget adopted by the Board of Directors.

The Board adopted an Investment Policy on May 25, 2023, with subsequent revisions on June 27, 2024, and August 28, 2025, to ensure the safeguarding of principal, preservation of liquidity, generation of returns, and adherence to a high standard of fiduciary care. The policy requires regular reporting to the Finance and Risk Management Committee (FRMC) via the Treasurer's Report. As of July 31, 2026, the investment portfolio was compliant with the Community Power Investment Policy.

To enhance transparency, Community Power reports newly executed contracts between $50,000 and $150,000 in the Treasurer's Report, per the Delegated Contract Authority Policy. Monthly operational metrics are presented at Board meetings, and key risk metrics are shared during FRMC meetings as part of the Treasurer's Report.

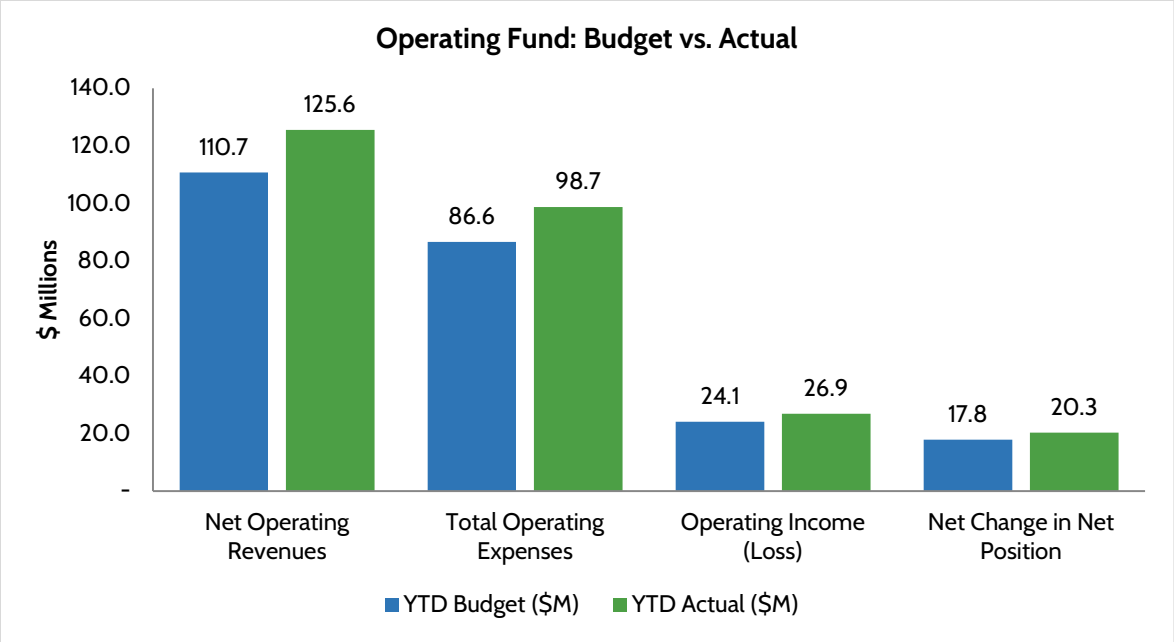
On June 25, 2026, the Community Power Board of Directors (Board) approved the Fiscal Year 2026-27 Operating Budget and Capital Investment Program Budget, which became effective July 1, 2026, and serves as the basis for comparison in this report.

Analysis and Discussion

Executive Summary – Key Financial Highlights (July 2026)

Community Power's financial position strengthened in the first month of FY 2026-27. The Operating Fund reflects favorable results relative to budget, driven primarily by higher summer energy sales.

- **Net Operating Revenues** of $125.6 million vs. $110.7 million budgeted — +$14.9 million (+13.4%), driven by higher gross ratepayer revenues from summer energy usage as well as the expansion of Super-Off Peak hours resulting in lower-than-expected payments to Net Energy Metering customers.
- **Total Operating Expenses** of $98.7 million vs. $86.6 million budgeted — $12.1 million (+13.9%) over budget, driven primarily by Cost of Energy ($94.6M actual vs. $82.1M budget, +15.2%) tied to the same higher summer load.
- **Operating Income** of $26.9 million vs. $24.1 million budgeted — +$2.8 million favorable.
- **Change in net position** for the month was $20.3 million, bringing total net position to $695.0 million as of July 31, 2026.
- **Reserves and liquidity** (unrestricted cash + investments) grew to $716.6 million, equal to approximately 282 days cash on hand — above both the 225-day policy target and the 180-day minimum — and inclusive of the $115.0 million Rate Stabilization Reserve designated at FY 2025-26 year-end.



Operating Fund Analysis:

The table below presents the Operating Fund budgetary comparison schedule for the one-month period ended July 31, 2026, together with the FY 2026-27 Annual Budget and remaining budget capacity.

SAN DIEGO COMMUNITY POWER
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
One Month Ended July 31, 2026

	Year-to-Date				Annual	
	Budget	Actual	Budget Variance (Under) Over	Actual/ Budget %	Budget	Budget Remaining
REVENUES AND OTHER SOURCES						
Gross Ratepayer Revenues	$ 112,379,000	$ 127,481,248	$ 15,102,248	113%	$ 932,813,000	$ 805,331,752
Less: Uncollectible Customer Accounts	(1,686,000)	(1,912,219)	(226,219)	113%	(13,992,000)	(12,079,781)
Other Income	-	11,361	11,361	na	-	(11,361)
Total Revenues and Other Sources	110,693,000	125,580,389	14,887,389		918,821,000	793,240,611
OPERATING EXPENSES						
Cost of Energy	82,134,000	94,606,124	12,472,124	115%	872,343,000	777,736,876
Professional Services and Consultants	1,980,000	1,472,086	(507,914)	74%	23,797,000	22,324,914
Personnel Costs	1,951,000	1,920,549	(30,451)	98%	23,413,000	21,492,451
Marketing and Outreach	196,000	150,576	(45,424)	77%	2,415,000	2,264,424
General & Administrative	362,000	548,917	186,917	152%	6,094,000	5,545,084
Total Operating Expenses	86,623,000	98,698,252	12,075,252		928,062,000	829,363,748
Operating Income (Loss)	24,070,000	26,882,138	2,812,138		(9,241,000)	(36,123,138)
NON-OPERATING REVENUES (EXPENSES)						
Investment Income	1,925,000	1,583,751	(341,249)	82%	23,101,000	21,517,249
Interest and Related Expenses	(162,000)	(146,000)	16,000	90%	(1,949,000)	(1,803,000)
Transfer to Capital Investment Program	(8,000,000)	(8,000,000)	-	100%	(8,000,000)	-
Total Non-Operating Revenues (Expenses)	(6,237,000)	(6,562,249)	(325,249)		13,152,000	19,714,249
NET CHANGE	$ 17,833,000	$ 20,319,889	$ 2,486,889		$ 3,911,000	$ (16,408,889)

Operating Fund Variance Analysis:

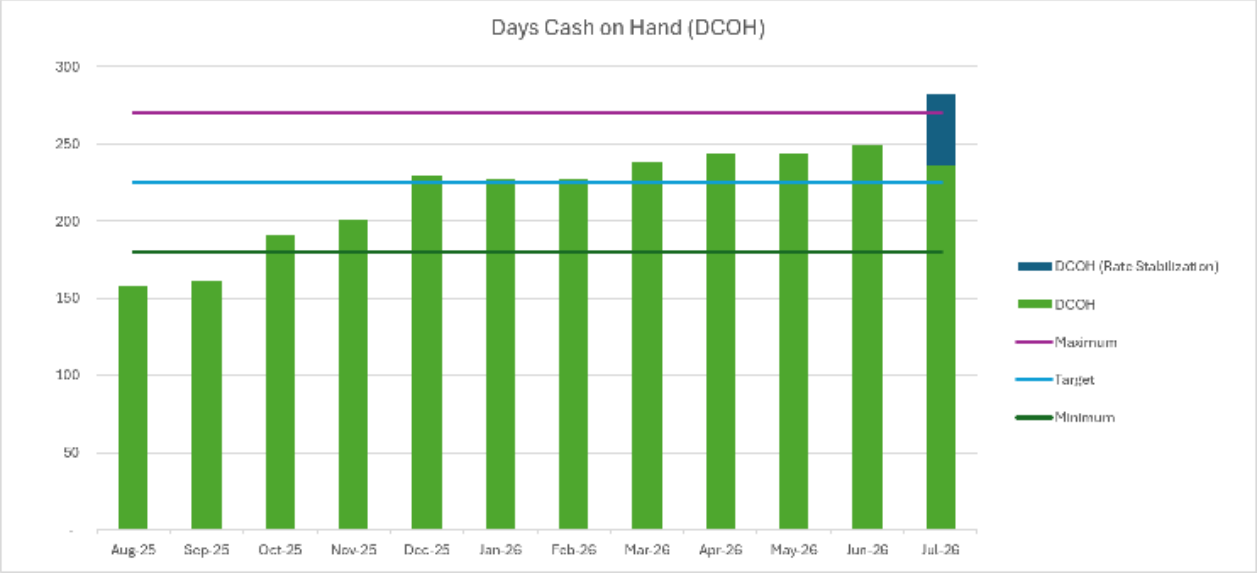
- **Gross Ratepayer Revenues** exceeded budget by $15.1 million (113% of budget), consistent with higher-than-forecast summer retail energy sales.
- **Cost of Energy** was $12.5 million over budget (115% of budget), moving together with the higher ratepayer sales volume.
- **Professional Services and Consultants** came in $0.5 million under budget (74%), reflecting timing of contract utilization typical for the start of a fiscal year.
- **Personnel Costs** were essentially on budget (98%, $30,451 under), reflecting normal vacancy/accrual timing.
- **General & Administrative** expenses were $186,917 over budget (152%), driven by Other G&A and Insurance.
- **Investment Income** was $341,249 under budget (82%), consistent with the portfolio's duration positioning.

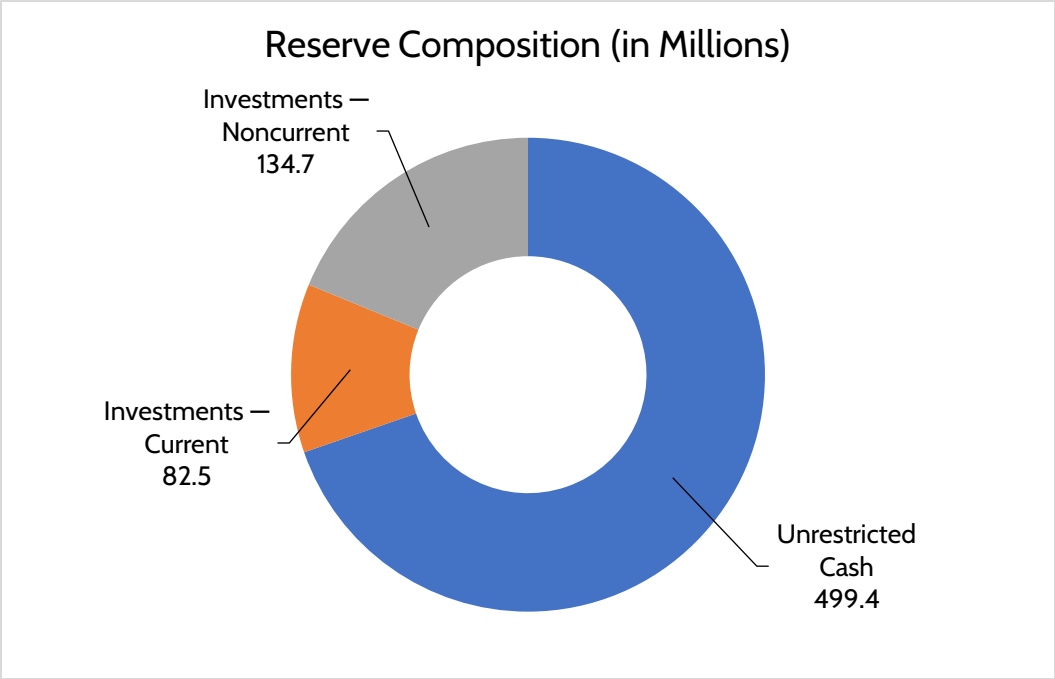
Financial Reserves:

Under Resolution 2025-23, Community Power's Financial Reserves Policy establishes a minimum reserve requirement of 180 days cash on hand (DCOH) and a reserve target of 225 DCOH, calculated against budgeted annual operating expenses. For FY 2026-27, budgeted annual operating expenses of $928.1 million equate to a minimum reserve requirement of approximately $457.7 million and a target of approximately $572.1 million.

As of July 31, 2026, Community Power's reserves — defined as unrestricted cash plus current and noncurrent investments — totaled $716.6 million, equal to approximately 282 days cash on hand. This exceeds both the policy minimum and target, reflecting the reserve base carried forward from FY 2025-26 year-end (including the $115.0 million Rate Stabilization Reserve designated by staff for FY 2025-26) plus $20.5 million of reserve growth during July.

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





Investment Portfolio Report

Chandler Asset Management manages Community Power's investment portfolio. As of July 31, 2026, the market value of the portfolio was $145.2M and in compliance with Community Power's Investment Policy. Presented below is a summary of the investment portfolio's overall characteristics.

PORTFOLIO SUMMARY

CHANDLER ASSET MANAGEMENT

San Diego Community Power | Account #11293 | As of July 31, 2026

Portfolio Characteristics

Average Modified Duration	2.54
Average Coupon	3.83%
Average Purchase YTM	4.19%
Average Market YTM	4.49%
Average Credit Quality*	AA+
Average Final Maturity	3.06
Average Life	2.80

Account Summary

	End Values as of 06/30/2026	End Values as of 07/31/2026
Market Value	124,323,952.71	144,204,562.98
Accrued Interest	1,027,482.57	1,030,321.13
Total Market Value	**125,351,435.28**	**145,234,884.12**
Income Earned	538,123.27	456,041.79
Cont/WD	0.00	20,000,000.00
Par	126,282,856.16	147,030,148.61
Book Value	125,084,742.95	145,545,153.25
Cost Value	124,787,157.37	145,214,976.83

Top Issuers

United States	47.28%
Federal Home Loan Mortgage Corp	11.19%
Amazon.com, Inc.	1.29%
JPMorgan Chase & Co.	1.28%
Chase Issuance Trust	1.19%
Toyota Auto Receivables Owner Trust	1.18%
Guardian Life Global Funding	1.02%
The Home Depot, Inc.	0.98%

Contract Execution between $50,000 and $150,000

To ensure transparency and comply with Community Power's Non-Energy Procurement Policy, the table below lists contracts or amendments with not-to-exceed values between $50,000 and $150,000 that were executed under the CEO's authority between September 1 and September 30, 2026:

- Purchase Order 2609-04 – Nth Generation
  - One-year renewal of Varonis cybersecurity subscriptions for Microsoft 365, Managed Data Detection and Response (MDDR), Copilot, and AWS, including 251 Microsoft 365 licenses, 200 AWS licenses, and two collector licenses through September 21, 2027; not-to-exceed $73,793.76.

Capital Investment Program Fund

The FY 2027-31 Capital Investment Plan contains all the individual capital projects, major equipment purchases, and major programs for the agency that are intended to span multiple years and that are considered one-time projects rather than recurring projects. Unspent funds are kept within the CIP and carried forward to the subsequent fiscal year. The CIP includes funding for local development feasibility studies, customer program pilot projects, member agency grants, community grants, a customer education platform, and other community-focused areas. The FY 2026-27 transfer from the operating fund includes $3.5 million to support Solar Battery Savings, $2.5 million to support Customer Pilot Programs, $1.5 million to support Community Power's Flexible Load Strategy through the Distributed Energy Resources Management System Software Platform, $0.3 million to support Regional EV Load Analysis, and $0.02 million to support IT projects.

CAPITAL INVESTMENT PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
One Month Ended July 31, 2026

	Annual Budget	YTD Actual	Budget Remaining
REVENUES AND OTHER SOURCES			
Transfer in from Operating Fund	$ 8,000,000	$ 8,000,000	$ -
Grant Revenue - SDREN	63,117,654	1,387,953	(61,729,701)
Grant Revenue - DAC	300,000	-	(300,000)
Grant Revenue - EBD	1,400,000		(1,400,000)
Grant Revenue - CEC	693,611		(693,611)
Total Revenue and Other Sources	73,511,265	9,387,953	(64,123,312)
EXPENDITURES AND OTHER USES			
Program Expenditures (Carryforward)	27,471,508		
Program Expenditures (FY27 Appropriation)	71,417,654		
Program Expenditures	98,889,162	2,029,970	$ (96,859,192)
Net increase (decrease) in fund balance	(25,377,897)	7,357,983	
Fund balance at beginning of period	26,190,703	26,190,703	
Fund balance at end of period	$ 812,806	$ 33,548,686	

Customer Participation Rates

In an effort to minimize duplicative monthly reporting of information across multiple staff reports, beginning this month customer participation rates will no longer be included within the Treasurer's monthly staff report. Customer participation rates are presented in the recurring Board staff report titled "Update on Customer Operations." That report includes enrollment updates and tracks customer opt-outs, opt-ups, opt-downs, re-enrollments, and related customer engagement metrics.

Fiscal Impact

N/A

Attachments

A: FY 2027 Year-to-Date Period Ended July 31, 2026, Financial Statements.

ITEM 8
ATTACHMENT A

MAHER
ACCOUNTANCY

ACCOUNTANTS' COMPILATION REPORT

Management
San Diego Community Power

Management is responsible for the accompanying financial statements of San Diego Community Power (a California Joint Powers Authority) which comprise the statement of net position as of July 31, 2026, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the one month then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

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

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

Maher Accountancy
San Rafael, CA
September 9, 2026

1101 Fifth Avenue, Suite 200 San Rafael, CA 94901 415 459 1249 mahercpa.com

SAN DIEGO COMMUNITY POWER
STATEMENT OF NET POSITION
As of July 31, 2026

ASSETS	
Current assets	
Cash and cash equivalents - unrestricted	$ 499,374,383
Cash and cash equivalents - restricted	36,033,336
Accounts receivable, net of allowance	117,657,265
Accrued revenue	71,572,589
Prepaid expenses	8,431,809
Other receivables	7,239,617
Deposits	1,871,322
Investments	82,493,273
Total current assets	824,673,594
Noncurrent assets	
Cash and cash equivalents - restricted	17,772,949
Investments	134,702,432
Capital assets, net of depreciation and amortization	1,745,661
Total noncurrent assets	154,221,042
Total assets	978,894,636
LIABILITIES	
Current liabilities	
Accrued cost of electricity	100,280,478
Accounts payable	4,880,480
Other accrued liabilities	4,954,421
State surcharges payable	225,213
Deposits - energy suppliers	895,731
Lease liability	523,319
Advances from grantors	36,033,336
Total current liabilities	147,792,978
Noncurrent liabilities	
Deposits - energy suppliers	3,305,810
Advances from grantors	17,772,949
Total noncurrent liabilities	21,078,759
Total liabilities	168,871,737
DEFERRED INFLOWS OF RESOURCES	
Rate Stabilization Fund	115,000,000
NET POSITION	
Net investment in capital assets	1,222,342
Restricted for security collateral	-
Unrestricted	693,800,557
Total net position	$ 695,022,899

See accountants' compilation report.

SAN DIEGO COMMUNITY POWER
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
One Month Ended July 31, 2026

OPERATING REVENUES	
Electricity sales, net	$ 125,569,029
Liquidated damages revenue	7,303
Other income	4,058
Total operating revenues	125,580,390
OPERATING EXPENSES	
Cost of electricity	94,606,124
Contract services	2,823,425
Staff compensation	1,920,549
Other operating expenses	1,429,532
Depreciation and amortization	70,113
Total operating expenses	100,849,743
Operating income	24,730,647
NONCAPITAL SUBSIDIES	
Grant revenue	1,387,953
Noncapital subsidies	1,387,953
Operating income and noncapital subsidies	26,118,600
NONOPERATING REVENUES (EXPENSES)	
Investment income	1,583,751
Interest expense	(3,108)
Nonoperating revenues (expenses), net	1,580,643
CHANGE IN NET POSITION	27,699,243
Net position at beginning of year	667,323,656
Net position at end of year	$ 695,022,899

See accountants' compilation report.

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS
One Month Ended July 31, 2026

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$	98,199,594
Receipts from wholesale sales and other operating activities		506,676
Payments to suppliers for electricity		(72,990,974)
Payments for other goods and services		(6,688,506)
Payments for staff compensation		(1,970,637)
Payments of state surcharges		(551,705)
Net cash provided by operating activities		16,504,448
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from grantors		7,252,501
Net cash provided (used) by noncapital financing activities		7,252,501
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Lease payments		(77,982)
Net cash used by capital and related financing activities		(77,982)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received		2,589,757
Proceeds from investment sales and maturities of investments		345,055
Purchase of investments		(19,225,271)
Net cash provided (used) by investing activities		(16,290,459)
Net change in cash and cash equivalents		7,388,508
Cash and cash equivalents at beginning of year		545,792,160
Cash and cash equivalents at end of year	$	553,180,668
Reconciliation to the Statement of Net Position		
Unrestricted cash and cash equivalents - current	$	499,374,383
Restricted cash and cash equivalents - current		36,033,336
Restricted cash and cash equivalents - noncurrent		17,772,949
Cash and cash equivalents	$	553,180,668
NONCASH INVESTING ACTIVITIES		
Change in fair value of investments	$	(548,164)
Change in interest income receivable	$	(457,842)

See accountants' compilation report.

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS (continued)
One Month Ended July 31, 2026

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	$	24,730,647
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization expense		70,113
(Increase) decrease in:		
Accounts receivable, net		(12,653,317)
Accrued revenue		(14,941,330)
Prepaid expenses		(1,824,922)
Other receivables		1,770
Deposits		(179,163)
Increase (decrease) in:		
Accrued cost of electricity		23,241,044
Accounts payable		(1,701,176)
Other accrued liabilities		87,275
State surcharges payable		(326,493)
Net cash provided by operating activities	$	16,504,448

SAN DIEGO COMMUNITY POWER
Staff Report – Item 9

To:	Board of Directors
From:	Jen Lebron, Senior Director of Public Affairs Xiomalys Crespo, Senior Community Engagement Manager
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Community Advisory Committee Monthly Update
Date:	October 22, 2026

Recommendation

Receive and file the Community Advisory Committee (CAC) monthly update.

Background

Per Section 5.10.3 of the San Diego Community Power (Community Power) Joint Powers Authority Agreement:

> The Board shall establish a Community Advisory Committee comprised of non-Board members. The primary purpose of the Community Advisory Committee shall be to advise the Board of Directors and provide for a venue for ongoing citizen support and engagement in the strategic direction, goals, and programs of Community Power.

At the direction of the Board Chair, the CAC provides quarterly reports to the Board of Directors on the regular agenda and monthly updates on the consent agenda. Under an adjusted schedule, the next quarterly report is expected to be provided at the Board meeting on December 3, 2026. The CAC's regular meeting of September 10, 2026, was cancelled due to lack of substantive agenda items.

Analysis and Discussion

During the October 8, 2026, regular CAC meeting, Chair Montero-Adams (City of San Diego) led the approval of the consent agenda, which included the Treasurer's Report and updates on Customer Operations, Marketing, Public Relations, Power Services, Programs, Community Banking Solicitation Results, and the approval of the 2027 CAC meeting schedule. Member

Gonzalez (Chula Vista) pulled the Treasurer's Report for the Tenth-Month Period Ending on June 30, 2026, from the consent calendar, to clarify with staff timelines associated with the public release of future financial reports referenced in it.

The CAC heard the quarterly update on Regulatory and Legislative Affairs, in which the Chair congratulated the team for their successes during the legislative cycle. The CAC also unanimously recommended that the Board approve a resolution amending the Community Clean Energy Grant Program Policy previously approved on February 24, 2024, to include the framework for administering Community Benefits funds and rename the policy as the "Community Clean Energy Benefits and Grants Policy."

The Power Services team provided an informational presentation on Extended Day Ahead Market, and members had questions on the benefits of addressing the duck curve and the timing of the governance model. Lastly, members heard about Community Power's newest member agency, the City of Coronado. Members encouraged outreach staff to think about enrollment being the period in which Community Power has historically seen the most amount of opt-outs, and to address the issue prior to service beginning.

No items were recommended for Board of Directors' consideration. CAC Officers provided reminders on upcoming Solar and Battery Workshops and outreach volunteering opportunities. As of October 8, 2026, the CAC has five (5) vacancies representing the City of Imperial Beach, the City of San Diego, the City of La Mesa, the City of National City, and the City of Encinitas. The CAC will also soon be seeking appointments for the City of Coronado.

Fiscal Impact

N/A

Attachment

N/A

SAN DIEGO COMMUNITY POWER
Staff Report - Item 10

To:	Board of Directors
From:	Maricela Hernandez, Clerk of the Board
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Adoption of Resolution No. 2026-16, Approving 2027 Board Meeting Schedule for Community Power
Date:	October 22, 2026

Recommendation

Adopt Resolution No. 2026-16, approving Community Power Board meeting schedule for 2027.

Background

Pursuant to Section 4.8 of the Joint Powers Authority (JPA) Agreement, the date, hour, and place of each regular meeting shall be fixed annually by resolution of the Board.

Analysis and Discussion

During the 2026 calendar year, the Board of Directors held their meetings every fourth Thursday of the month at 5 p.m., except when holidays required an adjustment. As previously done to give everyone a chance to enjoy summer downtime, staff recommend that no meeting be scheduled in July. In addition, rather than having three Board meetings within a six-week period, staff recommend that there not be a regularly scheduled meeting in November. In addition, staff also recommend that the April 22 Board meeting be held on April 29 to accommodate the annual CalCCA conference which will be held on April 19-21.

Community Power Board of Directors meetings are scheduled at the Port of San Diego, Don L. Nay Port Administration Boardroom; 3165 Pacific Hwy., San Diego, CA 92101.

Meetings are anticipated to be in person with remote/teleconference option for members of the public, staff and Board Members if the need arises to participate remotely.

Below are proposed 2027 Board meeting dates with a start time of 5 p.m.:

- January 28, 2027
- February 25, 2027
- March 25, 2027
- April 29, 2027 (Fifth Thursday)
- May 27, 2027
- June 24, 2027
- August 26, 2027
- September 23, 2027
- October 28, 2027
- December 9, 2027 (Second Thursday)

The attached resolution reflects the schedule and location considerations described above.

Fiscal Impact

N/A

Attachments

A: Resolution No. 2026-16, establishing 2027 Board meeting schedule.

ITEM 10
ATTACHMENT A

RESOLUTION NO. 2026-16

A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER, ESTABLISHING ITS REGULAR MEETING SCHEDULE FOR CALENDAR YEAR 2027.

THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER DOES HEREBY FIND, RESOLVE, AND ORDER AS FOLLOWS:

A. San Diego Community Power (Community Power) is a joint powers agency 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 December 16, 2021 (JPA Agreement).

B. The Ralph M. Brown Act (Cal. Gov. Code § 54950, *et seq.*) provides that the legislative body of each local agency shall provide, by ordinance, resolution, bylaws, or other rule, the time and place for holding its regular meetings.

C. Section 4.8 of the JPA Agreement provides that the "date, hour, and place of each regular meeting shall be fixed annually by resolution of the Board."

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

1. For calendar year 2027, regular meetings of the Board of Directors shall take place on the dates set forth below and shall begin at 5:00 p.m. All regular meetings shall take place at the Port of San Diego, Don L. Nay Port Administration Boardroom; 3165 Pacific Hwy., San Diego, CA 92101. Teleconferencing or virtual meetings may occur only as authorized under Government Code section 54953 or other applicable law.

Regular Meeting Dates:

- January 28, 2027
- February 25, 2027
- March 25, 2027
- April 29, 2027 (Fifth Thursday)
- May 27, 2027
- June 24, 2027
- August 26, 2027
- September 23, 2027
- October 28, 2027
- December 9, 2027 (Second Thursday)

2. Special and adjourned meetings of the Board of Directors may be called and held in the manner authorized in the Ralph M. Brown Act, Cal. Gov. Code § 54950, *et seq.*, as may be amended from time to time or as may be modified or suspended by Executive Order.

3. This resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on October 22, 2026.

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Terra Lawson-Remer, Chair
San Diego Community Power

ATTEST:

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

APPROVED AS TO FORM

_____
Veera Tyagi, General Counsel
San Diego Community Power

SAN DIEGO COMMUNITY POWER
Staff Report – Item 11

To:	Board of Directors
From:	Chandra Pugh, Senior Director of People Operations and Administration
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Approve Agreement with Mercer LLC for Compensation and Benefits Benchmarking Services in an Amount Not-To-Exceed $175,000
Date:	October 22, 2026

Recommendation

Approve a sole-source agreement with Mercer LLC for compensation and benefits benchmarking services in an amount not to exceed $175,000 and authorize the Acting Chief Executive Officer to execute the agreement.

Background

On April 28, 2022, the San Diego Community Power's Board of Directors ("Board") approved the development of a comprehensive salary structure to support San Diego Community Power's ("Community Power") workforce planning and organizational growth. Community Power subsequently entered into a master engagement letter with Mercer LLC on August 11, 2022, for compensation consulting services, including the development of the organization's salary structure.

Since 2022, Community Power has spent $73,500 for these services, with the most recent prior services provided in 2024. During this period, Mercer developed and maintained the organization's compensation framework, historical market analyses, employee classification information, and salary structure data.

Community Power now employs approximately 100 full-time employees. The organization seeks a refreshed compensation and benefits study to evaluate current market alignment and provide updated information for salary administration and workforce planning.

Analysis and Discussion

Proposed Scope
The proposed engagement expands on the earlier compensation studies and is intended to provide a broader total rewards review. The scope includes:

- Compensation benchmarking for up to 50 jobs selected by Community Power.
- Collection and review of employee census, job, and organizational information needed for survey scoping.
- Documentation of benchmarking methodology, including competitive markets, survey sources, market scopes, premiums or discounts, and geographic adjustments.
- Market data from four perspectives: other community choice aggregators, the utilities and energy sector, general industry, and the public sector.
- Benchmarking of base salary, short-term incentive targets, and target or actual total cash compensation.
- Benefits benchmarking and related total rewards analysis.
- Salary administration considerations and support related to retention or incentive program options.
- One leadership or Board meeting to review the work.

Sole Source Justification
Staff recommend a sole source engagement because the proposed work is a continuation of the compensation framework established through Mercer's prior assignments. Mercer possesses the pre-existing compensation framework, historical analyses, employee classification data, salary structure information, and underlying compensation assumptions used in the earlier work.

Engaging a new consultant would require Community Power to recreate, validate, and reanalyze information already held by Mercer. Continuing with Mercer avoids duplication of effort and reduces the risk of inconsistent methodology or compensation outcomes during this final review. The justification is based on continuity of the existing work and Mercer's access to the underlying historical data, rather than vendor preference or convenience.

Fiscal Impact

The fiscal impact of the proposed action is an amount not to exceed $175,000. The agreement permits payment only for services performed under the approved scope and is subject to the stated not-to-exceed limit.

Policy and Strategic Alignment

The proposed study supports Community Power's ongoing workforce planning and its ability to maintain a consistent, market-informed compensation and benefits framework. Updated benchmarking will provide information for salary structure review, pay administration, benefits evaluation, ad retention or incentive considerations as the organization continues to mature.

Attachments

A: Engagement Letter

ITEM 11
ATTACHMENT A

MARSH

Joe Ziomek
Partner

633 West 5th Street, Suite 1200
Los Angeles, CA 90071
joseph.ziomek@mercer.com
www.marsh.com

Private & Confidential

Chandra Pugh
Senior Director of People Operations and Administration
San Diego Community Power
2869 Historic Decatur Road
San Diego, CA 92106-6176

October 12, 2026

Subject: Engagement Letter Agreement

We are delighted to have the opportunity to work with **San Diego Community Power** ("you" or "Client"). This letter of engagement and the attached Terms and Conditions (collectively, the "Agreement") will govern any services that have been or will be provided to you ("Services") by Mercer (US) LLC ("Mercer", "we", "our" or "us").

We appreciate your business and look forward to working with you. If you have any questions about these terms and conditions, please do not hesitate to contact me. If not, please indicate your agreement by signing the enclosed copy of this Agreement and returning it to us.

Mercer (US) LLC

By: _____

Name: _____
(Please Print)

Title: _____

Date: _____

ACCEPTED AND AGREED
San Diego Community Power

By: _____

Name: _____
(Please Print)

Title: _____

Date: _____

Terms and Conditions

These are the terms and conditions on which we will provide Services to you.

1. **Services**
   The Services are those tasks and services designated as the scope of services either attached to these Terms and Conditions as Schedule 1 Scope of Services ("Scope Schedule") or described in a Mercer CORE Service order ("Order Form"). Collectively, these Terms and Conditions and the applicable Scope Schedule or Order Form will be referred to as the "Agreement". We shall provide and/or perform the Services and our obligations in accordance with the applicable scope and other terms of this Agreement. You shall perform any retained tasks and other obligations in accordance with the terms of the applicable scope and other terms of this Agreement. We are not engaged in the practice of law or the provision of legal advice.

2. **Term and Termination**
   If this Agreement is attached to an Order Form, it will continue through the end date indicated in the Order Form, otherwise it will continue until the date two years from the Effective Date specified in Schedule 1 (each the "Term"). Otherwise, any Order Form or Scope Schedule may be terminated by mutual agreement or by either party by giving the other party thirty (30) days written notice. These Terms and Conditions are automatically terminated upon any such termination of the Order Form or Scope Schedule. Any termination of an Order Form or Scope Schedule will not relieve you or your affiliates of their obligations to pay for Services rendered and expenses incurred by us or our affiliates up to and including the effective date of such termination. Upon the effective date of termination we will have no obligation to provide any of the Services. Even after termination however, Sections 5 to 14 of these Terms and Conditions will remain in effect.

3. **Compensation**
   Unless otherwise agreed, our professional fees, commission or other amount payable to us ("Compensation") as consideration for our performance of the Services and the related payment terms are set forth in the applicable Order Form or Scope Schedule. If taxes are applicable to the Services, it will be indicated on the invoice. Our Compensation is payable within thirty (30) days of the date of receipt of our invoice. If any undisputed invoice remains unpaid for longer than sixty (60) days from the receipt of our invoice, we may suspend the provision of the Services until payment is received.

4. **Information and Assistance**
   You will provide us with the information, direction and cooperation we reasonably request to enable us to provide the Services. We will use such information and data supplied by you or on your behalf without independently verifying the accuracy, completeness or timeliness of it except to the extent required by generally accepted professional standards and practices. Should any information supplied by you or on your behalf be incomplete, inaccurate, not up-to-date, or if you unreasonably delay your provision of the information, we will not be responsible for any delay or liability arising therefrom and, if additional work is needed and appropriate but you do not approve such work, we shall have no liability for the Services to the extent any Loss arises from or is related to the failure to perform such additional work.

5. **Confidentiality**
   Each party may disclose information ("Disclosing Party") to the other ("Receiving Party") from time to time in the course of the provision of the Services, which is marked or designated as confidential or proprietary or which would appear to a reasonably prudent person to be confidential and/or proprietary in nature ("Confidential Information"). The Receiving Party will not disclose such Confidential Information to any person other than in connection with the provision

of the Services or as otherwise provided for in this Agreement. This restriction does not apply to information that (i) the Receiving Party must disclose by law, regulation or legal process (ii) is either already in the public domain or enters the public domain through no fault of the Receiving Party, (iii) is available to the Receiving Party from a third party who, to the Receiving Party's knowledge, is not under any non-disclosure obligation to the Disclosing Party, (iv) is independently developed by or for the Receiving Party without reference to the Disclosing Party's Confidential Information or (v) is required to be shared to an affiliate, legal counsel, adviser or third party as necessary to perform responsibilities under this Agreement. Our respective obligations under this provision shall survive for a period of five (5) years from the date of termination of this Agreement or for such longer period as is required by law.

6. Personal Information

A. Definitions. In this Agreement, the following terms have the meanings indicated:
   i. "Applicable Privacy Laws" means the federal, state, and local laws relating to data protection or privacy that apply to the use, disclosure, collection, handling, retention, breach or other processing of Personal Information in connection with the Services provided under the Agreement.
   ii. "Personal Information" or "PI" means information that identifies or relates to an identifiable individual as defined by, and as subject to protection under, Applicable Privacy Laws to the extent such information is provided by you or on your behalf to us or collected by us pursuant to the Agreement.

B. Each party and our affiliates will comply with its obligations arising from those data protection and privacy laws applicable to Applicable Privacy Laws. This includes, without limitation, (i) the obligation, if any, of you or your affiliates, to obtain any required consent(s) under Applicable Privacy Laws in respect of the transfer of Personal Information, (ii) any obligation with respect to the creation or collection of additional Personal Information by us, and (iii) any obligation with respect to the use, disclosure and transfer by us of Personal Information as necessary to perform the Services or as expressly permitted under this Agreement.

C. To the extent applicable, the parties agree to the Data Privacy and Security Addendum, which can be found here data-privacy-and-security-addendum.pdf

7. Intellectual Property

All materials prepared by us specifically and exclusively for you pursuant to this Agreement ("Work") will be owned exclusively by you. We will retain all copyright and intellectual property rights in the methodologies, methods of analysis, ideas, concepts, know-how, models, tools, software tools and applications, techniques, skills, knowledge and experience and any graphic or digitized representations of any of these that were possessed by us before the commencement of, or acquired by us during or after, the performance of the Services ("Background IP"). To the extent any Work incorporates any Background IP, we hereby grant you a non-exclusive, perpetual, fully-paid, non-transferable right to use such Background IP solely for purposes of utilizing the Work in accordance with the terms of this Agreement. You shall be responsible for and we shall have no liability with respect to, modifications made by any person other than us to the Work, Background IP or other work provided to you by us. If we have given you use of a software application or tool belonging to us or one of our third party licensors ("Tool") to allow you to receive the Services, we grant to you a limited, a non-exclusive, non-sublicensable, non-transferable revocable, read-only license to such Tool solely in connection with your receipt of the Services under the Agreement. You will not, and will not permit any user, agent, or other party to: (a) knowingly interfere with or disrupt the integrity or performance of the Tool; (b) reverse engineer, disassemble or decompile any component of the Tool; (c) sublicense any of the rights granted to you under this Agreement, or

otherwise use the Tool for the benefit of a third party; (d) modify, copy or make derivative works or adaptations based on any part of the Tool; (e) use the Tool other than as expressly permitted under the applicable Order Form or Scope Schedule; or (f) use the Tool for any purpose that is fraudulent, infringing, or in violation of applicable law or regulation.

8. Use of Our Reports and Recommendations

You agree to not publish or otherwise disclose any advice given to you or other material or Work supplied by us in connection with the Services to any third party, other than your attorneys or financial advisors on a confidential and non-reliance basis without our prior consent, or use such advice or material or Work other than as mutually contemplated in writing. We disclaim any liability to any third party to whom any of our Work, advice or other materials supplied under this Agreement is disclosed or otherwise made available, and any use of such advice or materials by the third party will be at their exclusive risk.

9. Limitation of Liability

A. In no event shall either party or its affiliates be liable to the other party, its affiliates or any third party for any loss of profit or incidental, consequential, special, indirect, punitive or similar damages. Our aggregate liability and the liability of our affiliates ("Mercer Parties") to you, your affiliates, and any third party for any and all Losses arising out of or relating to the provision of any Services and this Agreement at any time by any of the Mercer Parties shall not exceed the greater of one times the Compensation for the Services under this Agreement giving rise to such Loss and $100,000. We shall have no liability for the acts or omissions of any third party (other than our subcontractors). The provisions of this Section 9 shall apply to the fullest extent permitted by applicable law and to all causes of action, including, without limitation, breach of contract, breach of warranty, negligence, strict liability, misrepresentation and other torts. "Loss" means damages, claims, liabilities, losses, awards, judgments, penalties, third party claims, interest, costs and expenses, including reasonable attorneys' fees, whether arising under any legal theory including, but not limited to claims sounding in tort (such as for negligence, misrepresentation or otherwise), contract (whether express or implied), by statute, or otherwise, claims seeking any kind of damages and claims seeking to apply any standard of liability such as negligence, statutory violation or otherwise. For avoidance of doubt, multiple claims arising out of or based upon the same act, error or omission, or series of continuous, interrelated or repeated acts, errors or omissions shall be considered a single Loss.

10. Law and Jurisdiction

Any and all actions or proceedings arising out of, or relating to this Agreement, will be governed by and interpreted in accordance with the laws of the State of New York and will be subject to the exclusive jurisdiction of the courts of the State of New York.

11. WAIVER OF JURY TRIAL

EACH PARTY, ON BEHALF OF ITSELF AND ITS AFFILIATES, TO THE FULLEST EXTENT PERMITTED BY LAW, KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT. THE WAIVER APPLIES TO ANY ACTION OR LEGAL PROCEEDING, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. EACH PARTY AGREES NOT TO INCLUDE ANY EMPLOYEE, OFFICER, OR DIRECTOR OF THE OTHER AS A PARTY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM RELATING TO SUCH DISPUTE.

12. Warranties of Mercer

Except as expressly set forth in this Agreement, we expressly disclaim any warranty, express or implied, including but not limited to any implied

warranty of merchantability and fitness for a particular purpose.

13. Entire Agreement

This Agreement is the entire agreement between the parties with respect to the Order Form or Scope Schedule to which it is attached. The terms of any other agreement between us do not apply.

14. General

A. You agree that during and after the term of the Agreement, we may use any de-identified information we collect and use in connection with the Services, and aggregate such information with de-identified information from our other clients, for data analytics purposes, including to create insights, benchmarking, reports and other analytics to improve the quality of and market our advice, products and services. The output of such analytics will not identify particular clients or individuals. Notwithstanding the foregoing, you agree that your name may appear in a list of participating organizations for such reports.

B. Neither these terms and conditions nor the provision of the Services is intended to confer any rights or benefit on any third party. The failure by either party to insist upon strict performance of any provision of this Agreement will in no way constitute a waiver of rights under this Agreement, at law or in equity.

C. Each of these terms and conditions is severable and independent and, if any word, clause, sentence or provision is or becomes unenforceable for any reason, such word, clause, sentence or provision shall be deemed to be automatically modified or interpreted in such manner so as to afford the party whose benefit it was intended the fullest benefit commensurate with making this Agreement as modified, enforceable and the balance of this Agreement will not be affected.

D. This Agreement cannot be amended except in a writing signed by each party. Any modifications to Schedule 1 (or additional Scope Schedules as provided for herein) or an Order Form prior to the original completion date will be documented via a change order or other written modification mutually agreed upon by the parties. The parties may agree to add Scope Schedules for additional Services related to or typically progressing from the Services originally provided for in the Schedule 1 for the duration of the Term. Each will be attached as a new Scope Schedule via an amendment to the Agreement. Once Services under an Order Form have been completed, any subsequent Services from us will require a new Order Form. Any assignment of a party's rights and obligations under this Agreement requires the prior written consent of the other party. We may subcontract with third parties, our affiliates and individual independent contractors (collectively "Subcontractors") to assist in providing the Services and provide such Subcontractors with your Confidential Information, including Work on a confidential and need to know basis, provided they enter into binding written non-disclosure agreements with us. Subcontractors and third parties will be subject to confidentiality and information security terms at least as protective as those required under this Agreement. We will be responsible for the acts or omissions of our Subcontractors and third party service providers and will retain any liability under this Agreement to the same extent as if such activities were performed by us.

E. This Agreement may be executed and delivered (including by a scanned PDF version) in one or more counterparts, each of which when executed shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

F. The parties hereby represent and warrant that their respective signatories above have full legal authority to enter into this Agreement and each of its terms on their behalf.

SCHEDULE 1
SCOPE OF SERVICES

Project Details

1. Project name: Compensation and Benefits Benchmarking
2. Description of Mercer responsibilities: As described in more detail below under “Services to be Provided.”
3. Description of client responsibilities: Provide relevant data and documents in a timely fashion as agreed upon, attend meetings/calls, review draft reports and provide feedback, as needed.
4. Period of time over which work will be performed: Services commence upon the execution of this SOW ("Effective Date") and are anticipated to require approximately three months to complete ("Initial Term"). In order to be able to assist the Client as requested and for accounting purposes, this SOW will remain valid through March 31, 2027.
5. Compensation/fees: Our compensation for the services will be professional fees not to exceed $175,000 based on actual time spent and billed monthly on a time and materials basis. Services outside of the scope outlined in this SOW will require a separate proposal and estimate. We bill monthly based on activities completed in the prior month. In addition to such compensation, we will also bill for necessary travel and other expenses related to the services requested. Additional detail is provided below under “Fee Structure.”

Services to be Provided

<u>Compensation Benchmarking</u>

- Confirm list of jobs to be included in benchmarking exercise. Based on our conversations, we understand that SDCP has approximately 100 FTEs in around 80 unique jobs. Our scope will include benchmarking for up to 50 jobs, based on SDCP’s input.
- Collect data from SDCP: employee census, job information (descriptions), organization information (size info for survey scoping)
- Document benchmarking methodology, to specify items such as competitive marketplace and the surveys to be used, market scopes, premiums and discounts, and geographic adjustments
  - We plan to obtain data from a total of four market perspectives: other CCAs, Utilities/Energy sector, General industry and Public Sector
  - Please note that for the CCA perspective, we will work with SDCP to determine the best source between our 2024 custom survey data (aged forward), Transparent California and/or Cal CCA

- Complete compensation benchmarking (base, short-term incentive target, and target/actual total cash compensation). Data for the non-CCA perspectives will be sourced from the Mercer survey library
- Complete gap analysis to reflect market pricing results by segment/function or job level
- Review findings from analysis with SDCP; one iteration if needed
- Optionally, participate in leadership and/or Board meetings to review project results

Benefits Benchmarking

- Conduct benefits workstream kickoff call to explain the benefits data collection, valuation and reporting process; as well as the market definition. We will be providing a composite market comparison that focuses on other CCAs and similar peers with whom SDCP competes for talent.
- Mercer will recommend selections from our benefits database of more than 1,500 organizations
- SDCP will upload benefits documents, monthly employee contributions, and COBRA rates to Mercer's data collection site: (www.imercer.com/benefitsenrollment)
- Extract necessary information from the data collection site
- After data is processed, provide a Benefits Highlight summary in order for the organization to verify that the information we entered is complete and accurate
- Value all benefit plans and identified policies, inclusive of pensions and CalPERS for organizations that provide them
- Complete summary reports of the market benefits values/designs
- Assess how each benefit at SDCP compares to market practice
- Conduct call with client to discuss findings and considerations

Salary Structure Updates, Salary Administration and Pay Adjustment Costing

- Compare current salary ranges to completed market pricing, by grade and by job
- Recommend salary structure overall movement and any minor tweaks to design (e.g., different midpoint progressions or range spreads)
- Provide list of jobs that may be regraded based on comparison of market data to range values
- Calculate the cost to bring any below-minimum employees to the minimum of their new pay range and to be maintained at the same compa ratio as the current ranges
- Provide best practices and examples in salary structure / base pay administration, such as examples of step-in-range progression, quartile or tercile categorizations, and merit matrices

Incentive Plan Design

- Optionally, Mercer can provide support for the design of an incentive and/or retention program
- Lead workstream kickoff call to discuss progress to date and re-establish objectives for incentive/retention program design and approach
- Conduct market research and introduce 2-4 design alternatives for an incentive/retention program, based on practices among peer organizations and broader industry
- Based on SDCP feedback, prepare a summary of one or two potential program designs including eligibility, target incentive amounts, performance orientation / metrics, and period (e.g. 2 or 3 years)
- Conduct costing analysis based on current employee population
- Present proposed program design and costing information
- SDCP would own any subsequent work such as finalizing plan details, goal-setting, employee communications and plan documentation

Leadership and/or Board Meeting(s)

- Mercer will participate in up to five leadership and/or Board meetings to gain input, share progress, and/or present our study findings
- This participation will include materials, preparation, attendance and any immediate follow-up items. We generally assume this meeting will be 60-90 minutes in length.

Fee Structure

Our compensation for the services will be professional fees not to exceed $175,000 based on actual time spent and billed monthly on a time and materials basis. Services outside of the scope outlined in this SOW will require a separate proposal and estimate. We bill monthly based on activities completed in the prior month. In addition to such compensation, we will also bill for necessary travel and other expenses related to the services requested.

Project Element	Total Cost
Compensation Benchmarking	$42,000 - $48,000 50 jobs
Benefits Benchmarking	$32,000 - $35,000
Salary Structure Updates and Pay Adjustment Costing	$25,000 - $28,000
Optional: Incentive Plan Design	$18,000 - $32,000 Wide range due to potential variation in plan design/complexity, number of iterations, and extent of costing analysis
Leadership/Board Meetings	$4,000 - $6,000 each Includes preparation, materials review, attendance, immediate follow-up
Total	**Not to Exceed $175,000**

Subcontractors

We may need to utilize various subcontractors (“Subcontractors”) in the course of our provision of the Services to assist us in such tasks as printing and mailing, development of interactive tools, graphic design, etc. You consent to our use of the Subcontractors and further acknowledge and agree that we may provide such Subcontractors with your Confidential Information, including Work, on a confidential and a need to know basis for the purposes contemplated by this SOW.

Notwithstanding anything to the contrary in the Agreement, when providing Services to Client pursuant to this SOW, Mercer may involve our Affiliates, from time to time, to assist in the performance of such Services.

Change Orders

If the parties need to change the scope or duration of the Services, we will prepare a written change request ("Change Order") to you. The Change Order shall describe the modifications being made to the services, deliverables, timing and/or fees. This Schedule will be amended upon execution, by both parties, of any such Change Order.

*Note: As of September 2026, Mercer has rebranded under the Marsh name as part of Marsh’s strategic initiative to unify all its businesses under one brand. Some Marsh solution labels may still reflect the Mercer name (i.e., Mercer Job Architecture Suite), but they are housed under the Marsh brand and may be renamed at a later point.

SAN DIEGO COMMUNITY POWER

SAN DIEGO COMMUNITY POWER
Staff Report – Item 12

To:	Board of Directors
From:	Gordon Samuel, Chief Commercial Officer Kenny Key, Senior Director of Power Contracts
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	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
Date:	October 22, 2026

Recommendation

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.

Background

As San Diego Community Power (Community Power) strives to meet its environmental, financial, and regulatory compliance goals and requirements, long-term power purchase agreements (PPAs) of at least ten years in duration are integral components of its energy supply portfolio. Long-term PPAs provide renewable generation facility developers with the 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 project. In addition, long-term PPAs lock in renewable energy supply around which Community Power can build its power supply portfolio while also providing power supply cost certainty around which Community Power can develop its pro forma financial model.

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. In D.21-06-025, the California Public Utilities Commission (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. Further, as adopted March 23, 2023, Community Power has established a procurement target of 100% renewable energy by 2035.

In January 2024, the Community Power Board of Directors approved a PPA for the Pelicans Jaw project. That PPA originated from a request for proposals Community Power issued in early 2023. Community Power engaged with SB Energy ("SBE") on the Pelicans Jaw project under development by Pelicans Jaw Solar, LLC, a subsidiary of SBE after short-listing. The original PPA, approved in January 2024, was for capacity and renewable energy benefits from a portion of the Pelicans Jaw project, representing 226 MW of solar generation and 118 MW (472 MWh) of storage capacity.

After the original PPA was executed by the parties, staff were informed that additional volumes of solar and storage capacity could be available from the project. In April 2024, the Community Power Board of Directors approved the first amended and restated power purchase agreement to increase the volumes from 226 MW of solar generation to 440 MW and to increase the storage capacity from 118 MW to 238.5 MW.

In May 2025, the Community Power Board of Directors approved an Amended and Restated Power Purchase Agreement ("A&R PPA") that accelerated the commercial operation date, adjusted prices, and updated the resource adequacy language.

In 2026, SBE intended to bring the project online ahead of the guaranteed commercial operation date. The solar portion of the project was completed, but the battery portion was delayed due to permitting reviews, although still on track to meet the guaranteed commercial operations date of April 2027. Community Power worked with SBE to negotiate this First Amendment to the A&R PPA to allow for fixed pricing for the solar test energy and clean up administrative errors in several exhibits.

Analysis and Discussion

Staff negotiated the attached First Amendment to Second Amended and Restated Renewable Power Purchase Agreement with SBE for the Pelicans Jaw project. Below is additional information regarding SBE and the proposed Amendment.

Contract Overview – Pelicans Jaw

Background on SBE:

- SBE is a California-based solar and storage developer, owning and operating 1.4 GWac of solar projects in US, including 450 MWac of solar projects operating in

California with 3 GWac of solar and 4.8 GWac of storage in its California pipeline, including the Pelicans Jaw project.

- Founded in 2019, SBE is backed by SoftBank Group Corp. and Ares Climate Infrastructure, allowing SBE to finance 100% of the projects it develops, owns, and operates.
- In December 2023, SBE received "Renewables Deal of the Year" award from Project Finance International (PFI) for reaching financial close on 1.3 GWs of solar projects and being among the first to take advantage of the domestic content adder, a provision in the IRA designed to strengthen America's manufacturing base.
- SBE is sourcing solar modules, trackers, and structural steel domestically for several of its projects.

Contract Overview – Pelicans Jaw:

- Project: 440 MW solar photovoltaic electricity generating facility, along with a 238.5 MWAC 4-hour (954 MWh) battery energy storage facility
- Project location: Kern County
- Guaranteed commercial operation date: April 1, 2027
- Contract term: 15 years
- Expected annual energy production: approximately 1,200,000 MWhs
- Pricing: Fixed pricing with no escalation
- Community Power would receive financial compensation in the event of seller's failure to successfully achieve certain development milestones as well as seller's failure to meet the guaranteed energy production.

Community Benefits and Workforce Development:

- The project is estimated to create approximately 800 temporary construction jobs and 6-8 permanent jobs.
- The project has a fully executed Project Labor Agreement with:
    - Operating Engineers Local 12 – San Diego, CA
    - Southwest Regional Council of Carpenters – Los Angeles, CA
    - Southern California District Council of Laborers and its affiliated Local Union 220 – Bakersfield, CA
    - IBEW Local 428 – Bakersfield, CA
    - IBEW Local Union 47 – Diamond Bar CA
    - Ironworkers Locals 416 and 433 – Norwalk, CA & City of Industry, CA
- The project has committed $500,000 to a community benefit fund to benefit Community Power customers.

Scope of Amendment:

- Allow for Fixed Pricing for the Solar Deliveries Ahead of Project Commercial Operations
- Change the Test Energy Rate
- Clean up Administrative Errors in Exhibit H, I, P, and T.

Fiscal Impact

The contract price and certain commercial terms are confidential. The proposed Amendment to the 15-year A&R PPA provides Community Power with cost certainty. Further, the adjustment to the test energy pricing allows Community Power to count the test energy for hedging, thus reducing the cost of purchasing short-term hedges.

Strategic Plan

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

- Maintain a reliable and diversified power supply portfolio while managing commercial and operational risk.
- 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.
- Ensure cost-effective compliance with RA and RPS requirements and all other regulatory obligations.

Committee Review

In September and October 2026, the Energy and Contract Working Group reviewed the proposed Amendment and recommended that staff move forward with the transaction and present it to the Board for approval.

Attachments

A: First Amendment to Second Amended and Restated Renewable Power Purchase Agreement with Pelicans Jaw Solar, LLC

ITEM 12
ATTACHMENT A

FIRST AMENDMENT TO
SECOND AMENDED AND RESTATED RENEWABLE POWER PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO SECOND AMENDED AND RESTATED RENEWABLE POWER PURCHASE AGREEMENT (this "**First Amendment**") is entered into as of October __, 2026, by and between Pelicans Jaw Solar, LLC, a Delaware limited liability company ("**Seller**"), and San Diego Community Power, a California joint powers authority ("**Buyer**"). Seller and Buyer are each referred to as a "**Party**" and together as the "**Parties**."

RECITALS

WHEREAS, the Parties entered into that certain Second Amended and Restated Renewable Power Purchase Agreement, dated as of July 22, 2025 (the "**PPA**"); and

WHEREAS, the Parties now desire to amend the PPA in order to revise the Test Energy Rate and Exhibits H, I, P, and T to the PPA.

NOW, THEREFORE, in consideration of the terms and provisions set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. Amendments.

a. Section 1.1 is hereby amended by adding the following defined term in alphabetical order therein:

"**Commercial Operation for Markets**" has the meaning as set forth in the CAISO Tariff.

b. Section 3.6 is hereby amended by deleting it in its entirety and replacing it with the following:

"3.6 **Test Energy**. If and to the extent the Facility generates Test Energy, Seller shall sell and Buyer shall purchase from Seller all Test Energy and any associated Products on an as-available basis. As compensation for such Test Energy and associated Product, Buyer shall pay Seller the Test Energy Rate, where "**Test Energy Rate**" means (a) prior to the date on which the Facility achieves Commercial Operation for Markets, an amount equal to one hundred percent (100%) of all net CAISO revenues received by Buyer for the Generating Facility Energy, and (b) on and after the date on which the Facility achieves Commercial Operation for Markets, an amount equal to the amount set forth below for the month in which such Test Energy was generated. For the avoidance of doubt, the conditions precedent in Section 2.2 are not applicable to the Parties' obligations under this Section 3.6. [redacted]

[redacted]

c. Section 4.5(g) is hereby amended by deleting it in its entirety and replacing it with the following:

"(g) Pre-Initial Operation Date Period, etc. Prior to the Initial Operation Date, Buyer shall have exclusive rights to issue or cause to be issued Charging Notices or Discharging Notices and all CAISO costs, revenues, penalties and other amounts owing to or paid by CAISO in respect of the Storage Facility operations shall be for Buyer's account. Notwithstanding the foregoing, prior to the Initial Operation Date, Buyer shall, and shall cause the Storage Facility's Scheduling Coordinator to, cooperate reasonably with Seller to schedule the Storage Facility with CAISO as necessary for the testing and commissioning of the Storage Facility."

d. **Exhibit H**. Section 6 of Exhibit H (Form of Commercial Operation Date Certificate) is hereby deleted in its entirety and restated as follows:

"The Generating Facility's testing includes a performance test demonstrating peak electrical output of no less than ninety-five percent (95%) of the Guaranteed Capacity for the Generating Facility, as measured by the combined output of the two "220 MW PV" meters (as denoted in Exhibit R), and as adjusted for ambient conditions on the date of the Facility testing."

e. **Exhibit I**. Section (a) of Exhibit I (Form of Installed Capacity Certificate) is hereby deleted in its entirety and restated as follows:

"The performance test for the Generating Facility demonstrated peak electrical output of __ MW AC as measured by the combined output of the two "220 MW PV" meters (as denoted in Exhibit R), and as adjusted for ambient conditions on the date of the Facility

testing."

f. **Exhibit P.** The final full paragraph on the second page of Exhibit P (Annual Storage Availability Calculation) is hereby deleted in its entirety and restated as follows:

"**Availability Adjustment.** If the Annual Storage Availability during any Contract Year of the Delivery Term is less than the Guaranteed Storage Availability, then Seller shall owe Buyer an Availability Adjustment Payment for such Contract Year, where "**Availability Adjustment Payment**" means an amount equal to the product of (a) the sum of the Storage Payments for the months in such Contract Year, multiplied by (b) one hundred percent (100%) minus the Availability Adjustment for such Contract Year."

g. **Exhibit T.** Section 6 of Exhibit T (Form of Initial Operation Date Certificate) is hereby deleted in its entirety and restated as follows:

"The Generating Facility's testing includes a performance test demonstrating peak electrical output of no less than ninety-five percent (95%) of the Guaranteed Capacity for the Generating Facility, as measured by the combined output of the two "220 MW PV" meters (as denoted in Exhibit R), and as adjusted for ambient conditions on the date of the Facility testing."

2. **Defined Terms**. Capitalized terms not otherwise defined herein shall have the meaning set forth in the PPA.

3. **Limited Effect**. Except as expressly amended hereby, all of the terms and provisions of the PPA shall remain in full force and effect and are hereby ratified and confirmed.

4. **Joint Preparation**. This First Amendment was prepared jointly by the Parties, each Party having had access to advice of its own counsel, and not by either Party to the exclusion of the other Party, and shall not be construed against one Party or the other as a result of the manner in which this First Amendment was prepared, negotiated or executed.

5. **Governing Law**. This First Amendment and the rights and duties of the Parties hereunder shall be governed by and shall be construed, enforced and performed in accordance with the laws of the State of California, without regard to principles of conflicts of laws.

6. **Counterparts**. This First Amendment may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument and each of which shall be deemed an original. The Parties may rely on electronic, facsimile or scanned signatures as originals.

7. **Electronic Delivery**. Delivery of an executed signature page of this First Amendment by electronic format (including portable document format (.pdf)) shall be the same as delivery of an original executed signature page.

[*Signature page follows*]

IN WITNESS WHEREOF, the Parties hereto have signed this First Amendment as of the day and year first above written.

SELLER:	**BUYER:**
Pelicans Jaw Solar, LLC, a Delaware limited liability company	San Diego Community Power, a California joint powers authority
By: _____ Name: Title:	By: _____ Name: Title:

SAN DIEGO COMMUNITY POWER
Staff Report – Item 13

To: Board of Directors

From: Jannies Burlingame, Chief Financial Officer/Treasurer
Tim Manglicmot, Senior Director of Finance and Risk

Via: Jack Clark, Acting Chief Executive Officer

Subject: Fiscal Year End 2025-26 Financial Audit Progress Report Presentation

Date: October 22, 2026

Recommendation

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

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 4.6.14 of the JPA specifies that the Board of Directors (Board) shall arrange for an annual independent fiscal audit.

Section 5.4 of the JPA specifies the Board shall appoint a Treasurer who shall function as the combined offices of Treasurer and Auditor and shall strictly comply with the statutes related to the duties and responsibilities specified in Section 6505.5 of the Government Code. The section further specifies that the Treasurer shall cause an independent audit(s) of the finances of Community Power to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Government Code. Section 7.2.2 of the JPA additionally specifies that the Community Power Board shall contract with a certified public accountant to make an annual audit of the financial statements of Community Power, which shall be conducted in accordance with the requirements of Section 6505 of the Government Code.

On July 1, 2021, Community Power entered into a professional services agreement with Pisenti & Brinker to perform its annual audit for FY 2020-21.

On July 1, 2022, Community Power exercised an option in the professional services agreement to extend the term from June 30, 2022, to June 30, 2023, to conduct its annual audit for FY 2021-22.

Subsequently, on July 20, 2023, Community Power exercised an option in the professional services agreement to extend the term from June 30, 2023, to June 30, 2024, to conduct its annual audit for FY 2022-23.

Later, on July 30, 2024, Community Power issued an invitation to bid from qualified and experienced professionals to provide independent financial statement auditing and additional as-needed services such as assisting with the preparation and reporting of audit findings to Community Power's Board. As a result of the invitation to bid, on September 1, 2024, Community Power entered into a professional services agreement with Pisenti & Brinker to perform its annual audit for FY 2023-24.

Shortly thereafter, Pisenti & Brinker subsequently merged with several accounting firms to form Sorren CPAs P.C. (Sorren), and Sorren assumed all of Pisenti & Brinker's rights, duties, and obligations under the professional services agreement.

On September 23, 2025, Community Power executed Amendment No. 1 to the professional services agreement with Sorren to extend the professional services agreement by one year, from September 30, 2025, to September 30, 2026.

Finally, on July 22, 2026, Community Power executed Amendment No. 2 to the professional services agreement with Sorren to extend the existing agreement by an additional year, from September 30, 2026, to September 30, 2027.

This second amendment to extend the contract term was necessary to conduct Community Power's FY 2025-26 annual audit.

Sorren is a firm with extensive experience auditing CCA's throughout California, as well as other local government entities.

Analysis and Discussion

Staff prepared a presentation describing the audit process and the preliminary results from Sorren for its FY 2025-26 financial audit. The full financial audit report for FY 2025-26 is expected to be presented to the FRMC on December 3, 2026, and expected to be reviewed by the Board on December 10, 2026.

Fiscal Impact

There is no budgetary impact associated with this action. The FY 2025-26 financial audit is part of Community Power's regular annual financial reporting process.

Committee Review

The Fiscal Year End 2025-26 Financial Audit Progress Report was presented to the Finance and Risk Management Committee at their October 15 meeting. The Committee received and filed this item.

Strategic Plan

The FY 2025-26 financial audit supports Community Power's Financial Stability strategic goal by providing independent assurance over financial reporting, reinforcing transparency and accountability, and identifying opportunities to strengthen financial controls and policies. These efforts promote long-term fiscal sustainability and support the agency's objective to meet or exceed financial-management best practices.

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 14

To:	Board of Directors
From:	Gordon Samuel, Chief Commercial Officer Kenny Key, Senior Director of Power Contracts
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Approve Second Amendment to the Financially Settled Toll and Energy Storage Agreement and Approve a New Resource Adequacy Agreement for the Enterprise Resource
Date:	October 22, 2026

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 Acting Chief Executive Officer to execute the Agreements.

Background

San Diego Community Power (Community Power) procures Resource Adequacy (RA) to meet system, local, and flexible capacity requirements. Long-term RA agreements provide capacity-certainty and support Community Power's compliance with applicable reliability obligations.

In May 2024, Community Power's Board of Directors approved a Financially Settled Toll and Energy Storage Agreement (ESSA) with MRP Pacifica Marketing II, LLC, for the Enterprise project. The original transaction included capacity and financial hedge attributes from an existing combustion turbine and a proposed one-hour battery energy storage system at the site in Escondido, California. The agreement originated from Community Power's Local Request for Information.

In July 2025, the parties entered into an Amendment due to delays in getting the battery portion of the project permitted. The battery commercial operation date was moved to December 31, 2027.

The battery component of the ESSA is no longer moving forward due to permitting issues associated with development of the BESS at the existing site.

Analysis and Discussion

Staff negotiated the attached Second Amendment to the existing ESSA and a new 15-year RA-only agreement for the Enterprise resource. Together, the agreements allow the current toll-and-storage arrangement to conclude at the end of 2026 but preserve the local reliability and compliance value of the existing generating unit through a new RA-only transaction.

Under the RA-only agreement, Community Power will receive 50.96 MW of system, local, and flexible RA attributes from the Enterprise simple-cycle gas turbine. Located in Escondido, the resource is within the San Diego-Imperial Valley local capacity area and is designated as a 24/7 RA resource which is valuable for slice of day resource adequacy accounting.

The RA-only agreement includes availability and delivery protections for Community Power, including a 94.5% Guaranteed RA Availability requirement, payment reductions when availability falls below the guaranteed level, replacement-capacity and RA deficiency remedies for delivery shortfalls, and performance security. The agreement also addresses applicable CAISO capacity-market revenues and costs and preserves a Right of First Offer if battery storage is developed at the site in the future.

Contract Overview – Enterprise Resource

- Resource Adequacy Only
    - Seller: CalPeak Power, LLC
    - Resource: Existing Enterprise simple-cycle gas turbine
    - Location: Escondido, California
    - 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; commercially sensitive terms will be maintained and remain confidential.

Scope of Amendment to the existing contract:

- Changes the existing ESSA Delivery Term end date to December 31, 2026
- Aligns the end of the ESSA with the start of the Resource Adequacy only agreement on January 1, 2027
- Community Power waives the damages that would be owed for not bringing the battery component online by its Guaranteed Commercial Operation Date

Fiscal Impact

The contract price and certain commercial terms are confidential. The proposed 15-year RA-only agreement provides Community Power with long-term local RA supply and cost certainty. Payments are subject to availability adjustments, and the agreement includes remedies for capacity shortfalls.

Strategic Plan

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

- Ensure cost-effective compliance with RA requirements and other regulatory obligations.
- Maintain a reliable and diversified power supply portfolio while managing commercial and operational risk.

Committee Review

In September and October 2026, the Energy and Contract Working Group reviewed the proposed conversion of the Enterprise project to a long-term RA-only agreement and recommended that staff move forward with the transaction and present it to the Board for approval.

Attachments

A: Second Amendment to Financially Settled Toll and Energy Storage Agreement with MRP Pacifica Marketing II LLC.
B: Resource Adequacy Agreement with CalPeak Power, LLC.

ITEM 14
ATTACHMENT A

SECOND AMENDMENT TO THE FINANCIALLY SETTLED TOLL AND ENERGY STORAGE AGREEMENT

This Second Amendment to the Financially Settled Toll and Energy Storage Agreement (the "**Second Amendment**") is entered into by and between MRP Pacifica Marketing II LLC, a Delaware limited liability company ("**Seller**") and San Diego Community Power, a California joint powers authority ("**Buyer**") as of the date of last signature below (the "**Second Amendment Execution Date**"). Buyer and Seller are referred to herein individually as a "**Party**" and collectively as the "**Parties**". All capitalized terms used but not otherwise defined in this Second Amendment shall have the meanings set forth in the Agreement (as defined below). The rules of interpretation set forth in the Agreement shall also apply to the interpretation of this Second Amendment.

RECITALS

WHEREAS, Seller and Buyer previously entered into that certain Financially Settled Toll and Energy Storage Agreement dated as of May 31, 2024, as amended by that certain First Amendment to the Financially Settled Toll and Energy Storage Agreement dated as of July 8, 2025 (collectively, the "**Agreement**"), for the purchase and sale of Product from the Facility;

WHEREAS, Seller has decided to cease development of the BESS Resource due to permitting issues with the existing Site;

WHEREAS, Seller and Buyer have decided to amend the Delivery Term of the Agreement such that the Agreement will terminate as of December 31, 2026; and

WHEREAS, the Parties now wish to amend the Agreement as set forth below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Second Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

SECTION I: AMENDMENTS TO THE AGREEMENT

1. The Cover Sheet of the Agreement is amended as follows:

   (a) The definition of "Delivery Term" is deleted and replaced with the following:

   "January 1, 2026 to December 31, 2026."

SECTION II: NO OTHER MODIFICATIONS

Except as otherwise expressly modified hereby, the Agreement remains in full force and effect. If there is a conflict between the terms of the Agreement and the terms of this Second Amendment, the terms of this Second Amendment shall control. From and after the Second Amendment

Execution Date, all references in the Agreement (including all Exhibits thereto) to the "Agreement" shall be understood to mean the Agreement as amended by this Second Amendment.

SECTION III: MISCELLANEOUS

1. **Governing Law; Dispute Resolution, Confidentiality, Survival**. This Second Amendment shall be governed by the governing law provisions in the Agreement. The Parties agree to comply with the dispute resolution provisions in the Agreement with respect to any dispute relating to this Second Amendment. The Parties agree that the confidentiality provisions in the Agreement shall apply to the treatment of this Second Amendment as Confidential Information thereunder. The provisions of this Second Amendment which by their nature should survive expiration, cancellation or other termination of the Agreement shall survive such expiration, cancellation or other termination.

2. **Headings**. Headings in this Second Amendment are included herein for convenience of reference only and shall not constitute a part of this Second Amendment for any other purpose.

3. **Counterparts**. This Second Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts shall be delivered by electronic mail (including .pdf or any electronic signature complying with the federal ESIGN Act of 2000, California's Uniform Electronic Transactions Act (Cal. Civ. Code Section 1633.1, et seq.) or other applicable law) and any other counterpart so delivered shall have the same legal effect as an original.

4. **Any Amendments or Modifications**. This Second Amendment may only be amended or otherwise modified in writing signed by each of the Parties.

5. **Notices**. Any notice required to be given under the terms of this Second Amendment shall be given in accordance with the Agreement.

6. **Entire Agreement**. This Second Amendment constitutes the entire agreement between the Parties relating to the subject matter hereof and shall supersede all other prior or contemporaneous understandings or agreements, both written and oral, between the Parties relating to the subject matter hereof.

[signatures appear on the following page]

IN WITNESS WHEREOF, the Parties have caused this Second Amendment to be executed by their duly authorized representatives as of the Second Amendment Execution Date. By signing this Second Amendment, the representatives of the Parties warrant that they have the requisite authority to bind their respective principals.

MRP PACIFICA MARKETING II LLC, a Delaware limited liability company	**SAN DIEGO COMMUNITY POWER, a California joint powers authority**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

ITEM 14
ATTACHMENT B

RESOURCE ADEQUACY AGREEMENT

COVER SHEET

A. Parties

Seller: CalPeak Power, LLC, a Delaware limited liability company

Buyer: San Diego Community Power, a California joint powers authority

B. Unit Information

Unit Name:	Enterprise
Location:	San Diego, CA
CAISO Resource ID:	ESCNDO_6_UNITB1
Unit SCID:	TSC6
Unit Pmax	50.96 MW
Unit NQC:	50.96 MW
Unit EFC:	50.96 MW
Resource Type:	Simple Cycle Gas Turbine
FCR Category (1, 2 or 3):	1
Path 26 (North or South):	South
Local Capacity Area (if any, as of Effective Date):	San Diego-Imperial Valley
Maximum Daily Run Hours	24/7

C. RA Product and Attributes

Throughout the Delivery Term, Seller shall provide Buyer with the Contract Quantity of Product having the following attributes:

☒ RAR Attributes

☐ RAR Attributes with FCR Attributes

☐ LAR Attributes

☒ LAR Attributes with FCR Attributes

☐ FCR Attributes

D. Delivery Term

The Delivery Term shall begin on the Contract Start Date and shall continue for a period of fifteen (15) Contract Years.

E. Contract Quantity

The Contract Quantity for each Showing Month of the Delivery Term shall be:

RAR Attributes: 50.96 MW NQC

LAR Attributes: 50.96 MW

FCR Attributes: 50.96 EFC

RA Contract Capacity: 50.96 MW

F. Contract Price

The Contract Price shall be: [redacted]

G. Seller's Security Amounts

Performance Security: [redacted] multiplied by the RA Contract Capacity.

H. Contract Start Date

The Contract Start Date shall be January 1, 2027.

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PREAMBLE

This Resource Adequacy Agreement (the "Agreement") is entered into between **CalPeak Power, LLC**, a Delaware limited liability company ("Seller") and **San Diego Community Power**, a California joint powers authority ("Buyer"), each individually a "Party" and together the "Parties," as of October __, 2026 (the "Effective Date"). All capitalized terms used in this Agreement are used with the meanings ascribed to them in Article 1 to this Agreement.

RECITALS

WHEREAS, Seller owns and operates the Unit; and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, on the terms and conditions set forth in this Agreement, the Product.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the sufficiency and adequacy of which are hereby acknowledged, the Parties agree to the following:

ARTICLE 1: DEFINITIONS

1.1 "Accepted Compliance Costs" has the meaning set forth in Article 13.

1.2 "Administrative EFC Reduction" means a reduction in the maximum achievable Effective Flexible Capacity of the Unit able to be shown that is due to a reduction that is applied to the Unit after the Effective Date and has been generally applied to all resources materially similar to the Unit (including those characteristics set forth on Section B of the Cover Sheet and Exhibit D), including any methodology that incorporates only fleet averages or other average outage rates.

1.3 "Administrative NQC Reduction" means a reduction in the maximum achievable Net Qualifying Capacity of the Unit able to be shown that is due to a reduction that is applied to the Unit after the Effective Date and has been generally applied to all resources materially similar to the Unit (including those characteristics set forth on Section B of the Cover Sheet and Exhibit D), including any methodology that incorporates only fleet averages or other average outage rates.

1.4 "Affiliate" means, with respect to any person, any other person (other than an individual) that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person. For this purpose, "control" means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

1.5 "Agreement" has the meaning set forth in the Preamble.

1.6 "Alternate Capacity" means any replacement RA Capacity having at least equivalent RAR Attributes, LAR Attributes and/or FCR Attributes as the Product provided by the Unit,

including the same Slice-of-Day (as defined in the Resource Adequacy Rulings) and related characteristics, and any successor criteria applicable to the Unit; *provided*, if any portion of the Contract Quantity that Seller is seeking to replace is Contract Quantity having RAR Attributes and no LAR Attributes, and no such RAR capacity is available (such capacity shall also include FCR Attributes if this is a Flexible RA Product), then Seller may replace such portion of the Contract Quantity with capacity having RAR Attributes and LAR Attributes (as well as FCR Attributes if this is a Flexible RA Product).

1.7 "Applicable Laws" means any law, rule, regulation, order, decision, judgment, or other legal or regulatory determination by any Governmental Body having jurisdiction over one or both Parties or this Agreement, including without limitation, the Tariff.

1.8 "Availability Incentive Payments" means Availability Incentive Payments as defined in the Tariff.

1.9 "Availability Standards" means Availability Standards as defined in the Tariff.

1.10 "Bankrupt" means with respect to any entity, such entity (a) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it and such petition filed or commenced against it is not stayed or dismissed within ninety (90) days thereafter, (b) makes an assignment or any general arrangement for the benefit of creditors, (c) otherwise becomes bankrupt or insolvent (however evidenced), (d) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (e) is generally unable to pay its debts as they fall due.

1.11 "BESS Capacity" has the meaning set forth in Section 2.1(c).

1.12 "Business Day" means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday in California.

1.13 "Buyer" has the meaning set forth in the Preamble.

1.14 "CAISO" means the California Independent System Operator or its successor.

1.15 "CAISO Control Area" means the Control Area (as defined in the Tariff) that is operated by the CAISO.

1.16 "CAISO Controlled Grid" has the meaning set forth in the Tariff.

1.17 "CAISO Offer Requirements" has the meaning set forth in Article 4.

1.18 "Capacity Attributes" means attributes of the Unit that may be counted toward Buyer's Compliance Obligation, including RAR, Local RAR, FCR; flexibility, dispatchability, physical location or point of electrical interconnection of the Unit; the Unit's ability to generate at a given capacity level, provide ancillary services, or ramp up or down at a given rate; any current or future defined characteristics, certificates, tags, credits, or accounting

constructs of the Unit, howsoever entitled, identified from time to time by the CAISO or a Governmental Body having jurisdiction over Compliance Obligations.

1.19 "CIRA Tool" means the CAISO Customer Interface for Resource Adequacy.

1.20 "Claiming Party" has the meaning set forth in Section 3.12.

1.21 "Claims" means all third-party claims or actions, threatened or filed and, whether groundless, false, fraudulent or otherwise, that directly or indirectly relate to the subject matter of an indemnity, and the resulting losses, damages, expenses, attorneys' fees and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

1.22 "Compliance Action" has the meaning set forth in Article 13.

1.23 "Compliance Costs" has the meaning set forth in Article 13.

1.24 "Compliance Expenditure Cap" has the meaning set forth in Article 13.

1.25 "Compliance Obligation" means the RAR, Local RAR, FCR, and any other resource adequacy or capacity procurement requirements imposed on LSEs by the CPUC pursuant to the Resource Adequacy Rulings, by the CAISO, by the WECC, or by any other Governmental Body having jurisdiction.

1.26 "Compliance Showing" means Buyer's compliance with the Resource Adequacy Requirements of the CPUC for an applicable year of the Delivery Term or Showing Month.

1.27 "Compliance Showing Deadline" means, for an applicable year of the Delivery Term or Showing Month, the Compliance Showing plan submission due date. For illustrative purposes only, as of the Effective Date, the applicable Compliance Showing plan submission due dates are as follows: (A) forty-five (45) days prior to the Showing Month covered by the Supply Plan for the monthly Supply Plan; and (B) the last Business Day of October that is prior to commencement of the year for the annual Supply Plan, as such dates may be modified by the CAISO from time to time throughout the Delivery Term.

1.28 "Confidential Information" has the meaning set forth in Article 11.

1.29 "Contract Price" has the meaning set forth in Section F of the Cover Sheet.

1.30 "Contract Quantity" means, with respect to any particular Showing Month of the Delivery Term, the amount of Product (in MWs) set forth in Section E of the Cover Sheet, which Seller has agreed to provide to Buyer from the Unit for such Showing Month.

1.31 "Contract Quantity Availability Hours" means the hours, in the amount set forth in Appendix E, that represent the hours the Unit is available for satisfaction of the Unit's must-offer obligation.

1.32 "Contract Start Date" is the date set forth in Section H of the Cover Sheet.

1.33 "Contract Year" means a period of twelve (12) consecutive months; the first Contract Year shall commence on the Contract Start Date, and each subsequent Contract Year shall commence on the anniversary of the Contract Start Date.

1.34 "Costs" means, with respect to the Non-Defaulting Party, brokerage fees, commissions and other similar third-party transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its obligations or entering into new arrangements which replace a Terminated Transaction; and all reasonable attorneys' fees and expenses incurred by the Non-Defaulting Party in connection with the Terminated Transaction.

1.35 "CPM Soft Offer Cap" has the meaning set forth in the CAISO Tariff.

1.36 "CPUC" means the California Public Utilities Commission or its successor.

1.37 "CPUC Filing Guide" means the annual documents issued by the CPUC which set forth the guidelines, requirements and instructions for LSE's to demonstrate compliance with the CPUC's resource adequacy program.

1.38 "CPUC System RA Penalty" means the system RA penalties assessed against load-serving entities by the CPUC for Resource Adequacy Requirement deficiencies that are not replaced or cured, as established in the Resource Adequacy Rulings and subsequently incorporated into the CPUC Filing Guide, or any replacement or successor documentation established by the CPUC to reflect Resource Adequacy Requirement penalties that are established by the CPUC and assessed against load-serving entities for Resource Adequacy Requirement deficiencies.

1.39 "Credit Rating" means, with respect to any entity, the rating then assigned to such entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issuer rating by S&P or Moody's.

1.40 "DAME Transitional Measures" is the process for the allocation and settlement of overlapping capacity revenue associated with IRU, IRD, RCU, and RCD set forth in the Tariff Section 11.2.6.

1.41 "Defaulting Party" has the meaning set forth in Section 5.1.

1.42 "Delivery Point" has the meaning set forth in Section 3.4.

1.43 "Delivery Term" means the period of Contract Years set forth on the Cover Sheet beginning on the Contract Start Date, unless terminated earlier in accordance with the terms and conditions of this Agreement.

1.44 "Dispute" has the meaning set forth in Section 17.10(a).

1.45 "Dispute Notice" has the meaning set forth in Section 17.10(a).

1.46 "Early Termination Date" has the meaning set forth in Section 5.2(a).

1.47 "Effective Date" is the date set forth in the Preamble.

1.48 "Effective Flexible Capacity" or "EFC" means the capacity of a resource that can be counted towards an LSE's Flexible Capacity Requirements, as identified from time to time by the Tariff, the Resource Adequacy Rulings, LRA, or other Governmental Body having jurisdiction.

1.49 "Emergency Conditions" means any condition that requires, as determined and declared by CAISO or the PTO, automatic or immediate action to (i) prevent or limit harm to or loss of life or property, (ii) prevent loss of transmission facilities or generation supply in the immediate vicinity of the Unit, or (iii) to preserve Transmission System reliability.

1.50 "Equitable Defenses" means any bankruptcy, insolvency, reorganization and other laws affecting creditors' rights generally, and with regard to equitable remedies, the discretion of the court before which proceedings to obtain same may be pending.

1.51 "Event of Default" has the meaning set forth in Section 5.1.

1.52 "FCR Attributes" means, with respect to a Resource Adequacy Resource, any and all flexible resource adequacy attributes that can be counted toward an LSE's FCR, as they are identified from time to time by the Resource Adequacy Rulings, the Tariff, an LRA, or other Governmental Body having jurisdiction, exclusive of any LAR Attributes and any RAR Attributes.

1.53 "FCR Showings" means the FCR compliance showings (or similar or successor showings) an LSE is required to make to the CPUC (and, to the extent authorized by the CPUC, to the CAISO) pursuant to the Resource Adequacy Rulings and the Tariff, or to an LRA having jurisdiction over the LSE.

1.54 "FERC" means the Federal Energy Regulatory Commission or any successor government agency.

1.55 "Financing Parties" means the person(s) or entity(ies), if any, from time to time issuing or providing any construction, term, back leverage, working capital, bond or other financing, credit support, credit enhancements, interest rate hedging or other permanent debt, lease financing, cash equity, mezzanine or tax equity funding for the Unit, Seller, or any Affiliate of Seller, including any applicable trustee, collateral agent or similar person or entity.

1.56 "Flat NQC 24/7" means a Resource Type using the same NQC value for all 24 hourly showings across all days of a Showing Month pursuant to CPUC Decision D.23-04-010.

1.57 "Flexible Capacity Category" has the meaning set forth in the Resource Adequacy Resource.

1.58 "Flexible Capacity Requirements" or "FCR" means the flexible capacity requirements established for LSEs by the CPUC pursuant to the Resource Adequacy Rulings, or by an LRA or other Governmental Body having jurisdiction.

1.59 "Flexible RA Product" means that the Product includes FCR Attributes, if applicable, as specified in Sections D and F of the Cover Sheet.

1.60 "Force Majeure" means an event or circumstance which prevents one Party from performing its obligations under the Agreement, which event or circumstance was not anticipated as of the Effective Date, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (i) the loss of Buyer's markets; (ii) Buyer's inability economically to use or resell the Product purchased hereunder; (iii) the loss or failure of Seller's supply (except to the extent due to a Force Majeure); or (iv) Seller's ability to sell the Product at a price greater than the Contract Price.

1.61 "Gains" means, with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from a Terminated Transaction, determined in a commercially reasonable manner.

1.62 "Governmental Approvals" means all authorizations, consents, approvals, waivers, exceptions, variances, filings, permits, orders, licenses, exemptions, notices to and declarations of or with any Governmental Body and shall include those siting and operating permits and licenses, and any of the foregoing under any applicable environmental law, that are required for the use and operation of the Unit.

1.63 "Governmental Body" means (a) any federal, state, local, municipal or other government; (b) any governmental, regulatory or administrative agency, commission or other authority lawfully exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; (c) any court or governmental tribunal, but in all cases, excludes both Parties; and (d) CAISO.

1.64 "Governmental Charges" has the meaning set forth in Section 8.2.

1.65 "Guaranteed RA Availability" has the meaning set forth in Exhibit B.

1.66 "IFM Imbalance Reserve Bid Cost" has meaning set forth in the CAISO Tariff.

1.67 "Imbalance Reserves" means Imbalance Reserves Up ("IRU") and Imbalance Reserves Down ("IRD"), each having the meaning set forth in the Tariff.

1.68 "Initial Delivery Date" means the first day of the first Showing Month for which the Contract Quantity is delivered in accordance with Section 3.7.

1.69 "Interconnection Agreement" means the interconnection agreement entered into by Seller and Transmission Provider pursuant to which the Unit will be operated in parallel with the Transmission System during the Delivery Term.

1.70 "Interest Rate" means, for any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under "Money Rates" on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%) and (b) the maximum rate permitted by applicable law.

1.71 "Investment Grade" means a Credit Rating of at least "BBB-" from S&P and/or "Baa3" from Moody's (or, if such entities cease to provide Credit Ratings, from another comparable rating agency that is reasonably acceptable to the Parties).

1.72 "IR Lost Opportunity Costs" means the opportunity cost component of overlapping Imbalance Reserves revenue as set forth in the Tariff Section 11.2.6.3.

1.73 "Joint Powers Act" means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.).

1.74 "Joint Powers Agreement" means that certain Joint Powers Agreement dated October 1, 2019, as amended from time to time, under which Buyer is organized as a Joint Powers Authority in accordance with the Joint Powers Act.

1.75 "LAR" means local area reliability, which is any program of localized resource adequacy requirements established for jurisdictional LSEs by the CPUC pursuant to the Resource Adequacy Rulings, or by another LRA having jurisdiction over the LSE, as implemented in the Tariff. LAR may also be known as local resource adequacy, local RAR, or local capacity requirement in other regulatory proceedings or legislative actions.

1.76 "LAR Attributes" means, with respect to a Unit, any and all resource adequacy attributes (or other locational attributes related to system reliability), as they are identified from time to time by the Resource Adequacy Rulings, CAISO, LRA, or other Governmental Body having jurisdiction, associated with the physical location or point of electrical interconnection of the Unit within the CAISO Control Area, that can be counted toward LAR, but exclusive of any RAR Attributes which are not associated with where in the CAISO Control Area the Unit is physically located or electrically interconnected. For clarity, it should be understood that if the CAISO, LRA, or other Governmental Body, defines new or re-defines existing local areas, then such change will not result in a change in payments made pursuant to this Agreement.

1.77 "LAR Showings" means the LAR compliance showings (or similar or successor showings) an LSE is required to make to the CPUC (and, to the extent authorized by the CPUC, to the CAISO) pursuant to the Resource Adequacy Rulings and the Tariff, or to an LRA having jurisdiction over the LSE.

1.78 "Letter(s) of Credit" means one or more irrevocable, standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch with such bank having a Credit Rating of at least "A-" with an outlook designation of "stable" from S&P or "A3" with an outlook designation of "stable" from Moody's, in a form as set forth in Exhibit A or as otherwise acceptable to Buyer.

1.79 "Losses" means, with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from a Terminated Transaction, determined in a commercially reasonable manner.

1.80 "LRA" has the meaning set forth in the Tariff.

1.81 "LSE" means load-serving entity. LSEs may be an investor-owned utility, an electric service provider, a community aggregator or community choice aggregator, or a municipality serving load in the CAISO Control Area (excluding exports).

1.82 "Maximum Daily Run Hours" means the maximum hours in a day that a unit can operate, as designated by the CPUC and set forth in the column titled "Max Daily Run Hours" in the "MRD" tab of the MRD, as may be updated from time-to-time, which for the Unit is designated in Section B of the Cover Sheet.

1.83 "Monthly RA Availability" has the meaning set forth in Exhibit B.

1.84 "Monthly RA Capacity Payment" has the meaning specified in Section 3.10.

1.85 "Moody's" means Moody's Investor Services, Inc. or its successor.

1.86 "MRD" means the Master Resource Database published and updated monthly and annually by the Energy Division of the CPUC pursuant to CPUC D. 23-04-010.

1.87 "NERC" means the North American Electric Reliability Corporation, or its successor.

1.88 "Net Qualifying Capacity" or "NQC" has the meaning set forth in the Tariff.

1.89 "Non-Availability Charges" has the meaning set forth in the Tariff.

1.90 "Non-Defaulting Party" has the meaning set forth in Section 5.2(a).

1.91 "Notification Deadline" has the meaning set forth in Section 3.6(a).

1.92 "Notifying Party" has the meaning set forth in Section 17.10(a).

1.93 "Outage" means a CAISO-approved, planned or scheduled disconnection, separation or reduction in capacity of the Unit that is conducted for the purposes of carrying out routine repair or maintenance of such Unit, or for the purposes of new construction work for such Unit.

1.94 "Outage Schedule" has the meaning set forth in Section 3.5(a).

1.95 "Participating Transmission Owner" means an entity that (a) owns, operates and maintains transmission lines and associated facilities and/or has entitlements to use certain transmission lines and associated facilities and (b) has transferred to the CAISO operational control of such facilities and/or entitlements to be made part of the CAISO Grid. The Participating Transmission Owner for purposes of this Agreement is San Diego Gas & Electric.

1.96 "Performance Security" means collateral in the form of cash or a Letter of Credit in an amount set forth in Section G of the Cover Sheet.

1.97 "Planned Outage" means, subject to and as further described in the Tariff, a CAISO-approved planned or scheduled disconnection, separation or reduction in capacity of the Unit that is conducted for the purposes of carrying out routine repair or maintenance of such Unit, or for the purposes of new construction work for such Unit.

1.98 "Plant Maintenance" is an outage nature of work as described in the CAISO Business Practice Manual.

1.99 "Plant Trouble" is an outage nature of work as described in the CAISO Business Practice Manual.

1.100 "Product" means the Capacity Attributes of the Unit for the Delivery Term.

1.101 "Qualifying Capacity" has the meaning set forth in the Tariff.

1.102 "RA Availability Adjustment Factor" has the meaning set forth in Exhibit B.

1.103 "RA Capacity" means the qualifying and deliverable capacity of the Unit for RAR, LAR, and FCR purposes, as applicable, for the Delivery Term, as determined by the CPUC, CAISO, or other Governmental Body authorized to make such determination under Applicable Laws, including the Resource Adequacy Rulings. RA Capacity encompasses the applicable RAR Attributes, LAR Attributes and FCR Attributes of the capacity provided by a Unit.

1.104 "RA Contract Capacity" has the meaning set forth in Section E of the Cover Sheet.

1.105 "RA Deficiency Amount" means the liquidated damages payment that Seller shall pay to Buyer for a Contract Quantity shortfall, as calculated in accordance with Section 3.8(b).

1.106 "RA Measurement Hours" means the hours of availability as adopted in D.25-06-048, and modified in any subsequent CPUC decision.

1.107 "RA Substitute Capacity" has the meaning set forth in the Tariff.

1.108 "RAR" means the resource adequacy requirements, exclusive of LAR and FCR, established for LSEs by the CPUC pursuant to the Resource Adequacy Rulings, or by an LRA or other Governmental Body having jurisdiction.

1.109 "RAR Attributes" means, with respect to a Resource Adequacy Resource, any and all resource adequacy attributes, as they are identified from time to time by the Tariff, Resource Adequacy Rulings, LRA, or any Governmental Body having jurisdiction that can be counted toward RAR, exclusive of any LAR Attributes and FCR Attributes.

1.110 "RAR Showings" means the RAR compliance showings (or similar or successor showings) an LSE is required to make to the CPUC (and/or, to the extent authorized by the CPUC, to

the CAISO), pursuant to the Tariff or Resource Adequacy Rulings, or to an LRA having jurisdiction.

1.111 "Recalculation Settlement Statement" has the meaning set forth in the CAISO Tariff.

1.112 "Recipient Party" has the meaning set forth in Section 17.10(a).

1.113 "Regulatory Event" has the meaning set forth in Section 17.7.

1.114 "Reliability Capacity" means Reliability Capacity Up ("RCU") and Reliability Capacity Down ("RCD"), each having the meaning set forth in the CAISO Tariff.

1.115 "Replacement Unit" means a unit that provides Capacity Attributes that are equivalent in all respects to those that would have been provided by the Unit, with respect to the applicable Showing Month in which Alternate Capacity is provided to Buyer, including all the characteristics set forth in Section B of the Cover Sheet, including the Resource Type, Contract Quantity Availability Hours, and related characteristics, any successor criteria applicable to the Unit, and any Local RAR, unless Buyer consents to accept Capacity Attributes from another unit that provides non-equivalent Capacity Attributes. In no event shall a Replacement Unit utilize coal or coal materials as a source of fuel. A Replacement Unit must be a specific resource that is connected directly to the CAISO-controlled grid or be under the operational control of CAISO. A Replacement Unit may not be an unspecified import.

1.116 "Residual Unit Commitment" has the meaning set forth in the Tariff.

1.117 "Resold Product" has the meaning set forth in Article 12.

1.118 "Resource Adequacy Plan" has the meaning specified in the Tariff.

1.119 "Resource Adequacy Rulings" means any applicable CPUC ruling or decision relating to resource adequacy, and any other existing or subsequent ruling or decision, or any other resource adequacy Law, however described, as such decisions, rulings, Laws, rules or regulations may be amended or modified from time-to-time throughout the Term.

1.120 "Resource Adequacy Resource" has the meaning set forth in the Tariff.

1.121 "Resource Category" shall be as described in the CPUC Filing Guide, as such may be modified, amended, supplemented or updated from time to time.

1.122 "Resource Type" means the resource type designated by the CPUC for a unit as set forth in the column titled "Resource Type" in the "MRD" tab of the MRD, as may be updated from time-to-time, which for the Unit is designated as described in Section B of the Cover Sheet and Exhibit D.

1.123 "ROFO Notice" has the meaning set forth in Section 2.1(c).

1.124 "ROFO Offer" has the meaning set forth in Section 2.1(c).

1.125 "ROFO Response Period" has the meaning set forth in Section 2.1(c).

1.126 "RMR Contracts" has the meaning set forth in the Tariff.

1.127 "RUC Bid Cost" has the meaning set forth in the CAISO Tariff.

1.128 "S&P" means the Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) or its successor.

1.129 "Schedule" or "Scheduling" means the actions of Seller, Buyer and/or their designated representatives, including each Party's Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity and type of Product to be delivered on any given day or days during the Delivery Term at a specified Delivery Point.

1.130 "Scheduling Coordinator" has the same meaning as in the Tariff.

1.131 "Security Interest" has the meaning set forth in Section 14.3(a).

1.132 "Seller" has the meaning set forth in the Preamble.

1.133 "Settlement Amount" means, with respect to the Non-Defaulting Party, the aggregate Losses or Gains, and Costs, expressed in U.S. Dollars, which such party incurs as a result of a Terminated Transaction calculated pursuant to Section 5.2(c).

1.134 "Settlement Rerun Adjustment" has the meaning set forth in the CAISO Business Practice Manual for Settlements & Billing.

1.135 "Showing Month" shall be the calendar month during the Delivery Term that is the subject of the RAR Showing, LAR Showing, and/or FCR Showing, as applicable, as set forth in the Resource Adequacy Rulings or Tariff. For illustrative purposes only, pursuant to the Resource Adequacy Rulings in effect as of the Effective Date, the monthly RAR Showing made in June is for the Showing Month of August.

1.136 "Shown Unit" means the Unit and any Replacement Units, from which Product is provided by Seller to Buyer.

1.137 "Site" means the real property on which the Unit is located as identified in Appendix D.

1.138 "Site Control" means that, for the Term, Seller: (a) owns or has the option to purchase the Site; (b) is the lessee or has the option to lease the Site; or (c) is the holder of an easement or an option for an easement, right-of-way grant, or similar instrument with respect to the Site.

1.139 "Supply Plan" means the supply plans, or similar or successor filings, that each Scheduling Coordinator representing RA Capacity submits to the CAISO, LRA, or other Governmental Body, pursuant to Applicable Laws, in order for that RA Capacity to count, as applicable, for RAR Attributes, LAR Attributes, and/or FCR Attributes.

1.140 "Tariff" means the tariff and protocol provisions of the CAISO, including associated rules, procedures and business practice manuals, as amended or supplemented from time to time.

1.141 "Term" has the meaning set forth in Section 2.1.

1.142 "Terminated Transaction" has the meaning set forth in Section 5.2(a).

1.143 "Termination Payment" has the meaning set forth in Section 5.3.

1.144 "Transmission Provider" means the CAISO.

1.145 "Transmission System" means the transmission facilities operated by the CAISO, which provide energy transmission service within the CAISO grid from the Delivery Point.

1.146 "Unit" shall mean the resource described in Section B of the Cover Sheet and Exhibit D.

1.147 "Unit EFC" means Unit Effective Flexible Capacity and is the lesser of that of the Unit as set by CAISO as of the Effective Date and that of the Unit on a subsequent date of determination.

1.148 "Unit NQC" means Unit Net Qualifying Capacity and is the lesser of that of the Unit as set by CAISO as of the Effective Date and that of the Unit on a subsequent date of determination.

1.149 "Work" means (a) work or operations performed by a Party or on a Party's behalf; and (b) materials, parts or equipment furnished in connection with such work or operations; including (i) warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "a Party's work"; and (ii) the providing of or failure to provide warnings or instructions.

ARTICLE 2: TERM; DELIVERY TERM; ROFO

2.1 Term.

(a) The term of this Agreement shall commence upon the Effective Date and shall continue until the expiration of the Delivery Term; *provided*, this Agreement shall thereafter remain in effect until the Parties have fulfilled all obligations arising under this Agreement, including any compensation for the Product, Termination Payment, then-owing indemnification payments or other damages, are paid in full (whether directly or indirectly, such as through set-off or netting) and the Performance Security is released and/or returned (the "Term").

(b) All provisions relating to invoicing, payment, delivery, settlement of other liabilities incurred pursuant to this Agreement and dispute resolution survive for the period necessary to effectuate the rights of the Party benefited by such provision except as otherwise specified herein. Notwithstanding anything to the contrary in this Agreement, (i) all rights under Sections 17.2 (Indemnities) and any other indemnity rights survive the end of the Delivery Term for an additional twelve (12) months; (ii) all rights and obligations under Article 11

(Confidentiality) survive the end of the Delivery Term for an additional two (2) years; and (iii) all provisions relating to limitations of liability survive without limit.

2.2 ROFO.

(a) If Seller installs battery energy storage capacity at the Site ("BESS Capacity") during the Term, Buyer shall have a right to make the first offer to contract for the purchase of discharging energy, resource adequacy benefits, and ancillary services associated with such BESS Capacity. Prior to offering to sell the BESS Capacity to a third party, Seller shall first provide Buyer with Notice of intent to market the energy products from the proposed BESS Capacity for sale (the "ROFO Notice"). Buyer shall have thirty (30) calendar days after receipt of the ROFO Notice ("ROFO Response Period") to provide Seller with a written offer (the "ROFO Offer") to purchase the energy products from such BESS Capacity. If the Parties do not execute a contract or amend this Agreement for Buyer to purchase the energy products from such BESS Capacity within ninety (90) days following the submission of the ROFO Offer, or if Buyer fails provide Seller the ROFO Offer within the ROFO Response Period, then the terms of this Section 2.1(c) shall no longer apply and Buyer shall have no further rights with respect to such BESS Capacity.

ARTICLE 3: TRANSACTION, DELIVERY AND PAYMENT

3.1 Resource Adequacy Capacity Product.

(a) During the Delivery Term, Seller shall provide Buyer with Product from the Unit in the amount of the Contract Quantity of RAR Attributes, LAR Attributes, and FCR Attributes, with respect to each Showing Month. Seller's obligation to deliver the Contract Quantity of Product for each Showing Month of the Delivery Term is firm and will not be excused for any reason other than Force Majeure and in accordance with Section 3.3.

(b) If the Unit is not available to provide the full amount of the Contract Quantity with respect to an applicable Showing Month during the Delivery Term, for any reason other than Force Majeure or in accordance with Section 3.3, then, Seller shall provide Buyer with Alternate Capacity in amounts up to the Contract Quantity from one or more Replacement Units pursuant to Section 3.6. If Seller fails to provide Buyer with Alternate Capacity from Replacement Units pursuant to Section 3.6, then Seller shall be liable for damages and/or be required to indemnify Buyer for costs, penalties or fines pursuant to the terms of Sections 3.8 and 3.9.

(c) Notwithstanding anything to the contrary herein, no energy or ancillary services associated with the Unit is required to be made available to Buyer as part of this Agreement and Buyer shall not be responsible for compensating Seller for Seller's commitments to the CAISO required by this Agreement.

3.2 Seller's and Buyer's Obligations.

During the Delivery Term, Seller shall sell and deliver, or cause to be delivered, and Buyer shall purchase and receive, or cause to be received, the Contract Quantity of the Product, and Buyer shall pay Seller the Monthly Capacity Payment for the Contract Quantity that Seller delivers in accordance with Section 3.7(d). Seller shall be responsible for any costs or charges imposed on or associated with the Product or its delivery of the Product up to the receipt of Product by Buyer

pursuant to Section 3.7(d). Buyer shall be responsible for any costs or charges imposed on or associated with the Product or its receipt at and from Buyer's receipt of Product. For the duration of the Delivery Term, Seller shall take all commercially reasonable actions, including complying with all applicable registration and reporting requirements, and executing all documents or instruments necessary to enable Buyer to use all of the Contract Quantity and RAR Attributes committed by Seller to Buyer pursuant to this Agreement.

3.3 Reductions in Contract Quantity.

(a) Planned Outages: During the Delivery Term, Seller's obligation to deliver the Contract Quantity for each Showing Month may be reduced at Seller's option by the amount of any Planned Outages which exist with respect to any portion of the Unit during the applicable Showing Month; *provided*, (i) Seller notifies Buyer by the Notification Deadline applicable to that Showing Month of the amount of Product from the Unit that Buyer may include in Buyer's Compliance Showings for that month as a result of such Planned Outage, and (ii) such reduction is able to be reflected on the Supply Plans in accordance with the Tariff. In the event Seller is unable to provide the Contract Quantity for any portion of a Showing Month because of a Planned Outage of a Unit, Seller has the option, but not the obligation, to provide the applicable Contract Quantity for such portion(s) of such Showing Month as Alternate Capacity pursuant to Section 3.6.

(b) Reductions in Unit NQC and/or Unit EFC: Seller's obligation to deliver the Contract Quantity for any Showing Month may also be reduced by Seller if the Unit experiences an Administrative NQC Reduction or Administrative EFC Reduction as determined by the CAISO and Seller has provided notice of such reduction to Buyer by the Notification Deadline. Seller's potential reduction in the Contract Quantity for each remaining Showing Month shall equal the product of (a) the applicable Showing Month Contract Quantity and (b) the total amount (in MW) of Unit NQC or Unit EFC, as applicable, that was reduced since the Effective Date due to the Administrative NQC Reduction or Administrative EFC Reduction, as applicable, divided by (c) Unit NQC or Unit EFC, as applicable, as of the Effective Date. If the Unit experiences an Administrative NQC Reduction and/or an Administrative EFC Reduction, then Seller has the option, but not the obligation, upon written notice to Buyer by the Notification Deadline, to provide the applicable Contract Quantity for such Showing Month (i) from the same Unit, provided the Unit has sufficient remaining and available Product, and/or (ii) as Alternate Capacity pursuant to Section 3.6.

3.4 Delivery Point.

The "Delivery Point" for the Unit shall be the CAISO Control Area, and if applicable, the LAR region in which the Unit is electrically interconnected.

3.5 Planned Outages.

(a) If a Planned Outage could lead to a reduction pursuant to Section 3.3(a) or reductions in deliveries on any Supply Plan, then as soon as reasonably practical, and at least sixty (60) days prior to the Contract Start Date, Seller shall submit to Buyer, Seller's schedule of any such proposed Planned Outages ("Outage Schedule") for the following twelve (12)-month period in a form reasonably agreed to by Buyer. Within twenty (20) Business Days after its receipt of an

Outage Schedule, Buyer shall give Notice to Seller of any reasonable request for changes to the Outage Schedule, and Seller shall seek to, but is not obligated to, accommodate Buyer's requests regarding the timing of any Planned Outage. Seller shall deliver to Buyer the final Outage Schedule no later than ten (10) days after receiving Buyer's comments.

(b) Seller shall have the right, on no less than ninety (90) days advance Notice to Buyer, to propose changes to the Outage Schedule developed pursuant to Section 3.5(a); *provided*, Seller shall schedule all Planned Outages within the time period determined by the CAISO for the Unit, as a Resource Adequacy Resource that is subject to the Availability Standards, to qualify for an "Approved Maintenance Outage" under the CAISO Tariff and Seller shall reimburse Buyer for any cost Buyer incurs in connection therewith (including procurement of RA Substitute Capacity as required by the CAISO). Buyer may provide comments no later than ten (10) days after receiving Seller's Notice of proposed changes to the Outage Schedule and shall permit any changes if doing so would not have a material adverse impact on Buyer and Seller agrees to reimburse Buyer for any costs or charges associated with such changes.

(c) No Planned Outages of the Unit shall be scheduled or planned from each June 1 through October 31 during the Delivery Term, unless (i) such Planned Outage is required to avoid damage to the Thermal Resource, (ii) such maintenance is necessary to maintain equipment warranties and cannot be scheduled outside the period of June 1st to October 31st, (iii) such Planned Outage is required in accordance with Prudent Industry Practices, or (iv) the Parties agree otherwise in writing. To the extent commercially reasonable, Seller shall schedule Planned Outages (i) within a single month, rather than across multiple months, (ii) during periods in which CAISO does not require resource substitution or replacement, and (iii) otherwise in a manner to avoid reductions in the Resource Adequacy Benefits available from the Unit to Buyer.

3.6 Alternate Capacity and Replacement Units.

(a) The "Notification Deadline" is twenty (20) Business Days before the Compliance Showing Deadline.

(b) If Seller is unable to provide the full Contract Quantity for any Showing Month for any reason during the Delivery Term, or if Seller desires to provide the Contract Quantity for any Showing Month from a Replacement Unit, then Seller may, at no additional cost to Buyer, provide Buyer with Alternate Capacity from one or more Replacement Units, with the total amount of Product provided to Buyer from the Unit and any Replacement Unit(s) up to an amount equal to the Contract Quantity for the applicable Showing Month; *provided*, in each case, Seller shall notify Buyer of the amount of Product that Seller will not be able to deliver from the Unit and the portion of the Contract Quantity for which Seller intends to provide Buyer with Alternate Capacity from identified Replacement Unit(s) no later than the Notification Deadline.

(c) If Seller fails to provide Buyer the Contract Quantity of Product from the Unit or a Replacement Unit for a given Showing Month during the Delivery Term, then Buyer may, but shall not be required to, purchase replacement Product from a third party.

(d) In the event Seller desires to provide Buyer with the Contract Quantity from a Replacement Unit owned and/or operated by a third party, Buyer shall be permitted to disclose to

any such third-party Confidential Information to the extent such disclosure is necessary to effectuate such transaction; *provided*, such other party agrees to keep such Confidential Information confidential.

3.7 Delivery of Product.

Seller shall provide Buyer with the Contract Quantity of Product for each Showing Month during the Delivery Term consistent with the following:

(a) No later than the Notification Deadline corresponding to each Showing Month of the Delivery Term, Seller shall submit, or cause the Shown Unit's Scheduling Coordinator to submit, Supply Plans to identify and confirm the Product provided to Buyer for each Showing Month so that the total amount of Product identified and confirmed for such Showing Month equals the Contract Quantity less any Hold-Back Capacity and reductions to Contract Quantity in accordance with Section 3.3.

(b) Seller shall cause all Supply Plans to meet and be filed in conformance with the requirements of the CPUC and the Tariff. Seller shall submit, or cause the Shown Unit's SC to submit (i) monthly Supply Plans and (ii) annual Supply Plans, each in accordance with the Tariff and CPUC requirements and no later than the Compliance Showing Deadline for such monthly or annual Supply Plan, to identify and confirm the Product delivered to Buyer. The total amount of Product identified and confirmed for each such Showing Month shall equal the Contract Quantity less any Hold-Back Capacity and reductions to Contract Quantity in accordance with Section 3.3.

(c) If CAISO rejects either the Supply Plan or the Resource Adequacy Plan with respect to any part of the Contract Quantity for the Shown Unit in any Showing Month, the Parties shall confer, make such corrections as are necessary for acceptance, and Seller shall resubmit its corrected Supply Plan, and Buyer shall resubmit its corrected Resource Adequacy Plan, as applicable, for validation before the applicable deadline for the Showing Month.

(d) The Product is delivered and received when the CIRA Tool shows that the Supply Plan submitted in compliance with Buyer's instructions, including Buyer's instructions, if any, for Hold-Back Capacity in accordance with Section 3.7(e), has been accepted by the CAISO. If CAISO rejects either the Supply Plan or Buyer's Resource Adequacy Plan with respect to any part of the Contract Quantity in any Showing Month, the Parties will confer, make such corrections as are necessary for acceptance, and resubmit the corrected Supply Plan or Resource Adequacy Plan for validation before the applicable Notification Deadline for the relevant Showing Month. Seller has failed to deliver the Product if (i) Buyer has elected to submit the Product from the Shown Unit in its Resource Adequacy Plan and such submission is accepted by the CPUC and the CAISO but the Supply Plan and Resource Adequacy Plan are not matched in the CIRA Tool and are rejected by CAISO notwithstanding performance of Section 3.7(c) or (ii) Seller fails to submit the volume of Contract Quantity for any Showing Month less any Hold-Back Capacity and reductions to Contract Quantity in accordance with Section 3.3. Seller shall not have failed to deliver the Contract Quantity if Buyer fails or chooses not to submit the Shown Unit and the Product in its Resource Adequacy Plan with the CPUC or CAISO.

(e) No later than three (3) Business Days before the relevant deadlines for the Compliance Showings applicable to that Showing Month, Buyer may request in writing that Seller

not list, or cause the Unit's Scheduling Coordinator not to list, in the Unit's Supply Plan a portion or all of the Contract Quantity for any portion of such Showing Month ("Hold-Back Capacity"). Following Buyer's request for Hold-Back Capacity, Buyer may request, in writing, that Seller make the previously requested Hold-Back Capacity available for Buyer's use or a subsequent purchase's use as RA Substitute Capacity within the respective Showing Month. Such request shall be received by Seller no later than two (2) Business Days prior to the first day for which Buyer seeks to use such RA Substitute Capacity. The portion of the Contract Quantity that is the subject of Buyer's request for Hold-Back Capacity shall be deemed Contract Quantity delivered consistent with this Section 3.7 for purposes of calculating a Monthly RA Capacity Payment pursuant to Section 3.10. Seller shall, or shall cause the Unit's Scheduling Coordinator to, comply with Buyer's request under this Section 3.7(e); *provided*, to the extent Seller is unable to provide the requested RA Substitute Capacity from the Unit due to a forced outage of the Unit, including as a result of a Force Majeure, the Hold-Back Capacity that is not able to be used by Buyer as RA Substitute Capacity shall not be deemed Contract Quantity delivered consistent with this Section 3.7 for purposes of calculating a Monthly RA Capacity Payment pursuant to Section 3.10.

3.8 Damages for Failure to Provide Contract Quantity.

If Seller fails to provide Buyer with the Contract Quantity of Product for any Showing Month during the Delivery Term, and such failure is not excused under the terms of this Agreement, then the following shall apply:

(a) Buyer may, but shall not be required to, replace any portion of the Contract Quantity not provided by Seller with Alternate Capacity, by entering into purchase transactions with one or more third parties, including, without limitation, third parties who have purchased capacity from Buyer, so long as such transactions are done at prevailing market prices. Buyer shall use commercially reasonable efforts to minimize damages when procuring any Alternate Capacity.

(b) Seller shall pay to Buyer, on the date payment would otherwise be due in respect of the Showing Month for which the failure occurred, an amount (the "RA Deficiency Amount") [redacted]

(c) If Seller fails to pay these damages, then Buyer may offset those damages owed it against any future amounts it may owe to Seller pursuant to Article 6.

3.9 Indemnities for Failure to Deliver Contract Quantity.

Seller agrees to indemnify, defend and hold harmless Buyer from any penalties, fines or costs assessed against Buyer by the CPUC or the CAISO, resulting from any of the following:

(a) Seller's failure to provide any portion of the Contract Quantity for the respective

Showing Month of the Delivery Term; or

(b) A Shown Unit's Scheduling Coordinator's failure to submit accurate Supply Plans that identify Buyer's right, or a subsequent purchaser's right, to the Contract Quantity purchased hereunder.

With respect to the foregoing, the Parties shall use commercially reasonable efforts to minimize such penalties, fines and costs; *provided*, in no event shall Buyer be required to use or change its utilization of its owned or controlled assets or market positions to minimize these costs, penalties and fines. If Seller fails to pay the foregoing penalties, fines or costs, or fails to reimburse Buyer for those penalties, fines or costs, then Buyer may offset those penalties, fines or costs against any future amounts it may owe to Seller under this Agreement.

3.10 Monthly RA Capacity Payment.

(a) During the Delivery Term, Seller shall maintain a Monthly RA Availability during each month of no less than the Guaranteed RA Availability, which Monthly RA Availability shall be calculated in accordance with Exhibit B. If the Monthly RA Availability during the month is less than the Guaranteed RA Availability, then in addition to any amounts that Seller may owe pursuant to Sections 3.8 and 3.9, Buyer's Monthly RA Capacity Payment for the Product shall be calculated in accordance with Section 3.10(b) by reference to the RA Availability Adjustment Factor, as determined in accordance with Exhibit B.

(b) Buyer shall make a Monthly RA Capacity Payment to Seller, in arrears, after the applicable Showing Month of the Delivery Term. The Parties agree that all invoices under this Agreement shall be due and payable on the twentieth (20th) day of the month after the Showing Month; *provided*, if such day is not a Business Day, then such invoice will be due and payable on the next Business Day. The "Monthly RA Capacity Payment" shall be equal to the product of (i) the Contract Price for that Showing Month, (ii) the RA Contract Capacity, (iii) 1,000 (kW/MW), and (iv) the RA Availability Adjustment Factor determined in accordance with Exhibit B. The final product of this Monthly RA Capacity Payment calculation shall be rounded to the nearest penny (i.e., two decimal places).

3.11 Allocation of Other Payments and Costs.

(a) During the Delivery Term, Seller shall receive any revenues from, and must pay all costs charged by, CAISO or any other third party with respect to the Contract Quantity of Product during the Delivery Term for (i) start-up, shutdown, and minimum load costs, (ii) ancillary services, (iii) energy sales, (iv) IR Lost Opportunity Costs, (v) RUC Bid Costs and IFM Imbalance Reserves Bid Costs, (vi) flexible ramping product, or (vii) black start or reactive power services. Buyer must promptly report receipt of any such revenues to Seller. Buyer must pay to Seller any such amounts described in this Section 3.2(a) received by Buyer.

(b) During the Delivery Term, Buyer is to receive and retain all CAISO revenues associated with the RA Contract Quantity of Product during the Delivery Term, including (i) any capacity and availability revenues from the Capacity Procurement Mechanism, or its successor, (ii) RUC Availability Payments, and all revenues associated with RUC's successor Reliability Capacity, and (iii) all revenues associated with Imbalance Reserves, or its successor, in excess of

the Imbalance Reserves Lost Opportunity Costs, but excluding payments described in Section 3.11(a)(i)-(vii), which will be retained by Seller in accordance with Section 3.11(a). Seller shall promptly report receipt of any such revenues to Buyer. Seller shall pay to Buyer any such amounts received by Seller, or a Shown Unit's SC, owner, or operator.

(c) In accordance with Section 3.10:

(i) All such Buyer revenues described in Section 3.11(b) received by Seller, or a Shown Unit's Scheduling Coordinator, owner, or operator shall be remitted to Buyer, and Seller shall pay such revenues to Buyer if the Shown Unit's Scheduling Coordinator, owner, or operator fails to remit those revenues to Buyer (and upon any such payment by Seller, Seller shall be subrogated to all rights of Buyer against such Shown Unit's Scheduling Coordinator, owner, or operator for the amount of such revenues paid). If Seller fails to pay such revenues to Buyer, Buyer may offset any amounts owing to it for such revenues against any future amounts it may owe to Seller under this Agreement.

(ii) To the extent that Seller submits any RUC Availability Bids, or its successor, and/or any bids for Reliability Capacity associated with the Contract Quantity of Product during the Delivery Term, such bids shall be at Zero Dollars ($0) per MW.

(iii) All such Seller, or a Shown Unit's Scheduling Coordinator, owner, or operator revenues described in Section 3.11(a)(i)-(v), but received by Buyer shall be remitted to Seller, and Buyer shall pay such revenues to Seller if the Shown Unit's Scheduling Coordinator, owner, or operator fails to remit those revenues to Seller (and upon any such payment by Buyer, Buyer shall be subrogated to all rights of Seller against such Shown Unit's Scheduling Coordinator, owner, or operator for the amount of such revenues paid). If Buyer fails to pay such revenues to Seller, Seller may offset any amounts owing to it for such revenues against any future amounts it may owe to Buyer under this Agreement.

(iv) Both Seller and Buyer may agree to elect, or cause their respective SC to elect, to apply DAME Transitional Measures pursuant to Tariff Section 11.2.6 for (i) the Unit, prior to the initial Compliance Showing Deadline, and/or (ii) any Replacement Unit(s), if Seller elects to provide Alternate Capacity in accordance with Section 3.6 of this Agreement, prior to the first Compliance Showing Deadline for which such Replacement Unit(s) will be shown. If, for any reason, the Parties do not elect to apply the DAME Transitional Measures to this Agreement, or CAISO no longer provides an allocation methodology identifying the Reliability Capacity, IR Lost Opportunity Costs, and other Imbalance Reserves revenues applicable for purposes of Section 3.6 of this Agreement, then Seller, at Buyer's request, shall provide within ten (10) Business Days a statement, together with the supporting CAISO settlement statement extracts, showing the amounts described in Section 3.11(b) received by Seller with respect to the Shown Unit for the applicable month.

(v) With respect to any Replacement Unit(s) providing Alternate Capacity under Section 3.6, Seller's obligations under Sections 3.11(b), and this Section 3.11(c)(v) are limited to Reliability Capacity revenue, Imbalance Reserves revenue, and supporting

settlement data actually received by, credited to, or otherwise realized or made accessible to Seller with respect to such Replacement Unit(s). Seller shall have no obligation to obtain, request, or compel the production of such revenue or data from the owner, operator, or Scheduling Coordinator of a Replacement Unit that Seller does not itself own, operate, or control, and Buyer shall have no rights to, and Seller shall have no obligation to pay, credit, replace, or otherwise compensate Buyer for, any such revenue or data not so received, credited, realized, or made accessible to Seller.

(vi) Amounts payable or retained under Sections 3.11(b) and Section 3.11(c)(v) shall be determined initially from the Initial Settlement Statement and shall be recalculated upon each Recalculation Settlement Statement and any Settlement Rerun Adjustment affecting the Shown Unit. The Parties shall true up any resulting difference within thirty (30) days after the date of the applicable Recalculation Settlement Statement or Settlement Rerun Adjustment. This 3.11(c)(vi) survives the end of the Delivery Term for twelve (12) months.

(d) If a centralized capacity market develops within the CAISO or WECC region, Buyer will have exclusive rights to offer, bid, or otherwise submit Contract Quantity provided to Buyer pursuant to this Agreement for re-sale in such market, and retain and receive any and all related revenues during the Delivery Term. Buyer shall be responsible for any material, incremental costs of offering, bidding, submitting, or re-selling Contract Quantity in such centralized capacity market.

(e) Buyer acknowledges and agrees that all Availability Incentive Payments are for the benefit of Seller and for Seller's account, and that Seller shall receive, retain, or be entitled to receive all credits, payments, and revenues, if any, resulting from Seller achieving or exceeding Availability Standards. The Parties acknowledge and agree that any Non-Availability Charges are the responsibility of Seller, and for Seller's account and Seller shall be responsible for all fees, charges, or penalties, if any, resulting from Seller failing to achieve Availability Standards.

3.12 Force Majeure.

To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement and such Party (the "Claiming Party") gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations with respect to this Agreement (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure). The Claiming Party shall resume performance of its obligations under this Agreement as soon as reasonably practicable. The non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

ARTICLE 4: CAISO OFFER REQUIREMENTS

During the Delivery Term, except to the extent the Unit is in an Outage, or is affected by an event of Force Majeure that results in a partial or full Outage of the Unit, Seller shall either schedule or cause the Unit's Scheduling Coordinator to schedule with, or make available to, the CAISO the Unit's Contract Quantity in compliance with the Tariff, including compliance with Day-Ahead

Availability, Real-Time Availability, Must Offer Obligation, and Default Energy Bid requirements established in Article 40 of the Tariff and Seller shall perform all, or cause the Unit's Scheduling Coordinator, owner, or operator, as applicable, to perform all obligations under the Tariff that are associated with the sale of Product hereunder (the "CAISO Offer Requirements"). Buyer shall have no liability for the failure of Seller or the failure of any Unit's Scheduling Coordinator, owner, or operator to comply with such Tariff provisions, including any penalties or fines imposed on Seller or the Unit's Scheduling Coordinator, owner, or operator for such noncompliance.

ARTICLE 5: EVENTS OF DEFAULT; REMEDIES

5.1 Events of Default.

An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within ten (10) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated and such Party does not fully mitigate the adverse consequences as reasonably determined by the other Party of such incorrect representation or warranty to the other Party within thirty (30) days after written notice thereof;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to deliver or receive the Product, the exclusive remedy for which is provided in Section 3.8 and 3.9) if such failure is not remedied within thirty (30) Business Days after written notice; *provided*, *however*, that if such failure cannot be reasonably cured within such thirty (30) Business Day period, the Defaulting Party shall have such additional time as is reasonably practical to cure such failure, not to exceed an additional one hundred fifty (150) days, if the Defaulting Party has begun curative action within the aforesaid thirty (30) Business Day period and is proceeding diligently, using commercially reasonable efforts, to complete such curative action;

(d) the failure by Seller to cause the Initial Delivery Date to occur on or before the date that is ninety (90) days following the Contract Start Date;

(e) if at any time, Seller delivers or attempts to deliver Product for sale under this Agreement that was not generated by the Unit, except for Alternate Capacity;

(f) Seller sells, assigns, or otherwise transfers, or commits to sell, assign, or otherwise transfer, the Product, or any portion thereof, during the Term to any party other than Buyer except as expressly permitted under this Agreement;

(g) such Party becomes Bankrupt;

(h) such Party assigns this Agreement or any of its rights hereunder other than in compliance with Section 17.3, if applicable;

(i) the failure of such Party to satisfy the collateral requirements agreed to pursuant to Article 14, including the failure to replenish the Performance Security amount in accordance with this Agreement in the event Buyer draws against either for any reason, if such failure is not remedied within ten (10) Business Days after written notice;

(j) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party; or

(k) with respect to any outstanding Letter of Credit provided for the benefit of Buyer that is not then required under this Agreement to be canceled or returned, the failure by Seller to provide for the benefit of Buyer either (1) cash, or (2) a substitute Letter of Credit from a different issuer meeting the criteria set forth in the definition of Letter of Credit, in each case, in the amount required hereunder within ten (10) Business Days after Seller receives Notice of the occurrence of any of the following events:

(i) the issuer of the outstanding Letter of Credit shall fail to maintain a Credit Rating set forth in the definition of Letter of Credit;

(ii) the issuer of such Letter of Credit becomes Bankrupt;

(iii) the issuer of the outstanding Letter of Credit shall fail to comply with or perform its obligations under such Letter of Credit and such failure shall be continuing after the lapse of any applicable grace period permitted under such Letter of Credit;

(iv) the issuer of the outstanding Letter of Credit shall fail to honor a properly documented request to draw on such Letter of Credit;

(v) the issuer of the outstanding Letter of Credit shall disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, such Letter of Credit;

(vi) such Letter of Credit fails or ceases to be in full force and effect at any time; or

(vii) Seller shall fail to renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit and as provided in accordance with this Agreement.

5.2 Declaration of an Early Termination Date and Calculation of Settlement Amount.

If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party (the "Non-Defaulting Party") shall have the right to (i) designate a day, no earlier than the day such notice is effective and no later than twenty (20) days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties and to liquidate and terminate this Agreement (referred to herein as a "Terminated Transaction") between the Parties, (ii) withhold any payments due to the Defaulting Party under

this Agreement; and (iii) suspend performance. If an Early Termination Date occurs, then as soon as reasonably practicable, the Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount for such Terminated Transaction as of the Early Termination Date (or, to the extent that in the reasonable opinion of the Non-Defaulting Party certain of such Terminated Transaction are commercially impracticable to liquidate and terminate or may not be liquidated and terminated under applicable law on the Early Termination Date, as soon thereafter as is reasonably practicable). The Gains and Losses for a Terminated Transaction shall be determined by calculating the amount that would be incurred or realized to replace or to provide the economic equivalent of the remaining payments or deliveries in respect of the Terminated Transaction. The Non-Defaulting Party (or its agent) may determine its Gains and Losses by reference to information either available to it internally or supplied by one or more third parties including, without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets. Third parties supplying such information may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors and other sources of market information. If the Non-Defaulting Party's Costs and Losses exceed its Gains, then the Settlement Amount shall be an amount owing to the Non-Defaulting Party. If the Non-Defaulting Party's Gains exceed its Costs and Losses, then the Settlement Amount shall be zero dollars ($0).

5.3 Net Out of Settlement Amount.

The Non-Defaulting Party shall net out (a) any Settlement Amount that is due to the Non-Defaulting Party, plus, (b) at the option of the Non-Defaulting Party, any cash or other form of security then available to the Non-Defaulting Party pursuant to Article 14, plus (c) any or all other amounts due to the Non-Defaulting Party under this Agreement against (d) all amounts that are due to the Defaulting Party, so that all such amounts shall be netted out to a single liquidated amount (the "Termination Payment") payable by one Party to the other. The Termination Payment shall be due to or due from the Non-Defaulting Party as appropriate.

5.4 Notice of Payment of Termination Payment.

As soon as practicable after a liquidation, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within ten (10) days after such notice is effective.

5.5 Disputes with Respect to Termination Payment.

If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within ten (10) days of receipt of Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; *provided*, *however*, that if the Termination Payment is due from Seller as the Defaulting Party, Seller (as the Defaulting Party) shall first transfer Performance Security to Buyer (as the Non-Defaulting Party) in an amount equal to the Termination Payment.

5.6 Closeout Setoffs.

After calculation of a Termination Payment in accordance with Section 5.3, if the Defaulting Party would be owed the Termination Payment, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to (i) set off against such Termination Payment any amounts due and owing by the Defaulting Party to the Non-Defaulting Party under any other agreements, instruments or undertakings between the Defaulting Party and the Non-Defaulting Party and/or (ii) to the extent this Agreement is not yet liquidated in accordance with Section 5.2, withhold payment of the Termination Payment to the Defaulting Party. The remedy provided for in this Section 5.6 shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

ARTICLE 6: PAYMENT AND NETTING

6.1 Billing Period.

The calendar month shall be the standard period for all payments under this Agreement (other than Termination Payments). As soon as practicable after the end of each month, each Party will render to the other Party an invoice for the payment obligations, if any, incurred hereunder during the preceding month.

6.2 Timeliness of Payment.

Unless otherwise agreed by the Parties, all invoices under this Agreement shall be due and payable in accordance with each Party's invoice instructions on or before the later of the twentieth (20th) day of each month, or tenth (10th) day after receipt of the invoice or, if such day is not a Business Day, then on the next Business Day. Each Party will make payments by electronic funds transfer, or by other mutually agreeable method(s), to the account designated by the other Party. Any amounts not paid by the due date will be deemed delinquent and will accrue interest at the Interest Rate, such interest to be calculated from and including the due date to but excluding the date the delinquent amount is paid in full.

6.3 Disputes and Adjustments of Invoices.

A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Party. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within five (5) Business Days of such resolution along with interest accrued at the Interest Rate from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Interest Rate from and including the date of such overpayment to but excluding the date repaid or deducted by the Party

receiving such overpayment. Any dispute with respect to an invoice is waived unless the other Party is notified in accordance with this Section 6.3 within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

6.4 Netting of Payments.

The Parties hereby agree that they shall discharge mutual debts and payment obligations due and owing to each other under this Agreement on the same date through netting, in which case all amounts owed by each Party to the other Party for the purchase and sale of Product during the monthly billing period under this Agreement, including any related damages calculated pursuant to Sections 3.8 or 3.9, interest, and payments or credits, shall be netted so that only the excess amount remaining due shall be paid by the Party who owes it.

6.5 Payment Obligation Absent Netting.

If no mutual debts or payment obligations exist and only one Party owes a debt or obligation to the other during the monthly billing period, including, but not limited to, any related damage amounts calculated pursuant to Sections 3.8 or 3.9, interest, and payments or credits, that Party shall pay such sum in full when due.

6.6 Security.

Unless the Party benefiting from Performance Security notifies the other Party in writing, and except in connection with a liquidation and termination in accordance with Article 5, all amounts netted pursuant to this Article 6 shall not take into account or include any Performance Security which may be in effect to secure a Party's performance under this Agreement.

ARTICLE 7: LIMITATIONS

7.1 Limitation of Remedies, Liability and Damages.

EXCEPT AS SET FORTH HEREIN, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR

INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

ARTICLE 8: GOVERNMENTAL CHARGES

8.1 Cooperation.

Each Party shall use reasonable efforts to implement the provisions of and to administer this Agreement in accordance with the intent of the Parties to minimize all taxes, so long as neither Party is materially adversely affected by such efforts.

8.2 Governmental Charges.

Seller shall pay or cause to be paid all taxes imposed by any government authority ("Governmental Charges") on or with respect to the Product or a transaction arising prior to Seller's inclusion of the Product in a Supply Plan. Buyer shall pay or cause to be paid all Governmental Charges on or with respect to the Product or a transaction following Seller's inclusion of the Product in a Supply Plan (other than ad valorem, franchise or income taxes which are related to the sale of the Product and are, therefore, the responsibility of the Seller). In the event Seller is required by law or regulation to remit or pay Governmental Charges which are Buyer's responsibility hereunder, Buyer shall promptly reimburse Seller for such Governmental Charges. If Buyer is required by law or regulation to remit or pay Governmental Charges which are Seller's responsibility hereunder, Buyer may deduct the amount of any such Governmental Charges from the sums due to Seller under Article 6. Nothing shall obligate or cause a Party to pay or be liable to pay any Governmental Charges for which it is exempt under the law.

ARTICLE 9: [RESERVED]

ARTICLE 10: REPRESENTATIONS; WARRANTIES; COVENANTS

10.1 Mutual Representations and Warranties.

On the Effective Date, each Party represents and warrants to the other Party that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement, except all permits necessary to construct, operate and maintain the Unit and sell the Product therefrom in the case of Seller;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;

(d) this Agreement and each other document executed and delivered in accordance with this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms; subject to any Equitable Defenses.

(e) it is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its Affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) it intends that it is a "forward contract merchant" within the meaning of the United States Bankruptcy Code; and

(h) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of Product; *provided* that Seller does not yet have market rate sales authority to participate in CAISO and to effectuate the transaction contemplated by this Agreement.

10.2 Buyer and Seller Covenants.

Buyer and Seller shall, throughout the Delivery Term, take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to ensure Buyer's right to the use of the Contract Quantity for the sole benefit of Buyer or any subsequent purchaser under Article 12. Such commercially reasonable actions shall include, without limitation:

(a) Cooperating with and providing, and in the case of Seller causing the Shown Unit's Scheduling Coordinator, owner, or operator to cooperate with and provide requested supporting documentation to the CAISO, the CPUC, or any other Governmental Body responsible for administering RAR, LAR, and/or FCR under Applicable Laws, to certify or qualify the Contract Quantity as RA Capacity. Such actions shall include, without limitation, providing information requested by the CAISO, CPUC, or by an LRA having jurisdiction, to demonstrate for each month of the Delivery Term the ability to deliver the Contract Quantity from the Shown Unit to the CAISO Controlled Grid for the minimum hours required to qualify as RA Capacity, and providing information requested by the CPUC, CAISO or other Governmental Body having jurisdiction to administer RAR, LAR, or FCR to demonstrate that the Contract Quantity can be delivered to the

CAISO Controlled Grid, pursuant to "deliverability" standards established by the CAISO, or other Governmental Body having jurisdiction to administer RAR, LAR and/or FCR; and

(b) Negotiating in good faith to make necessary amendments, if any, to this Agreement to conform it to subsequent clarifications, revisions, or decisions rendered by the CAISO, CPUC, FERC, or other Governmental Body having jurisdiction to administer RAR, LAR, or FCR so as to maintain the benefits of the bargain struck by the Parties on the Effective Date; *provided*, *however*, that such commercially reasonable actions shall not include any obligation that the owner or operator of the Unit undertake capital improvements, Unit enhancements, or the construction of new facilities, nor in any way limit the Parties with respect to advocacy for any regulatory policies or market changes before any entity.

10.3 Seller Representations, Warranties and Covenants.

Seller represents, warrants and covenants to Buyer that:

(a) Throughout the Delivery Term, the Shown Unit qualifies as a Resource Adequacy Resource that is eligible to provide the Product pursuant to the Tariff and the Resource Adequacy Rulings;

(b) Throughout the Delivery Term, Seller owns or has the exclusive right to the RA Capacity sold under this Agreement, and shall furnish Buyer, CAISO, CPUC or other jurisdictional LRA, or other Governmental Body with such evidence as may reasonably be requested to demonstrate such ownership or exclusive right;

(c) Throughout the Delivery Term, no portion of the Contract Quantity has been committed by Seller to any third party in order to satisfy RAR, LAR, FCR or analogous obligations in CAISO markets, other than pursuant to an RMR Contract between the CAISO and either Seller or the Shown Unit's owner or operator;

(d) Throughout the Delivery Term, no portion of the Contract Quantity has been committed by Seller in order to satisfy RAR, LAR, FCR, or analogous obligations in any non-CAISO market;

(e) The Unit is within the CAISO Control Area and Seller shall maintain Site Control throughout the Delivery Term;

(f) Throughout the Delivery Term, the owner or operator of the Shown Unit is obligated to comply with Applicable Laws, including the Tariff, relating to RA Capacity, RAR, LAR, and FCR;

(g) Throughout the Delivery Term, Seller shall maintain any Governmental Approvals required to perform Seller's obligations;

(h) Throughout the Delivery Term, the respective cumulative amounts of LAR Attributes, RAR Attributes, and FCR Attributes that Seller has sold, assigned or transferred from the Shown Unit does not exceed that Shown Unit's RA Capacity;

(i) Throughout the Delivery Term, with respect to the RA Capacity provided under this Agreement, Seller shall, and the Shown Unit's Scheduling Coordinator is obligated to, comply with Applicable Laws, including the Tariff, relating to RAR, LAR, and FCR;

(j) Prior to the start of the Delivery Term, Seller will notify the Scheduling Coordinator of the Shown Unit that, throughout the Delivery Term, Seller has transferred the Contract Quantity to Buyer, and the Scheduling Coordinator is obligated to deliver the Supply Plans in accordance with this Agreement and the Tariff;

(k) Prior to the start of the Delivery Term, Seller will notify the Scheduling Coordinator of the Unit that Seller is obligated, throughout the Delivery Term, to cause the Unit's Scheduling Coordinator to provide to the Buyer, at least twenty (20) Business Days before the Notification Deadline, the Contract Quantity of the Unit that is to be submitted in the Supply Plan associated with this Agreement for the applicable period; and

(l) Prior to the start of the Delivery Term, Seller will notify the Unit's Scheduling Coordinator that, throughout the Delivery Term, Buyer is entitled to the revenues set forth in Section 3.11(b) and that such Scheduling Coordinator is obligated to promptly deliver those revenues to Buyer, along with appropriate documentation supporting the amount of those revenues.

10.4 Buyer Representations, Warranties and Covenants.

Buyer warrants and covenants that with respect to its contractual obligations under this Agreement, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to itself or its revenues or assets from (1) suit, (2) jurisdiction of court (provided that such court is limited within a venue permitted in law and under the Agreement), (3) relief by way of injunction, order for specific performance or recovery of property, (4) attachment of assets, or (5) execution or enforcement of any judgment; provided, however, that nothing in this Agreement shall waive the obligations or rights set forth in the California Tort Claims Act (Government Code Section 810 et seq.).

ARTICLE 11: CONFIDENTIALITY

(a) Neither Party shall disclose the terms or conditions of this Agreement or information exchanged between the Parties pursuant to this Agreement ("Confidential Information") to a third party (other than the Party's or its Affiliates' employees, lenders or potential lenders, investors or potential investors, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential) except in order to fulfill such Party's obligations under this Agreement or to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding; *provided*, *however*, each Party shall, to the extent practicable, use reasonable efforts to prevent or limit the disclosure. The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation.

(b) Notwithstanding the foregoing, the Parties agree that Buyer may disclose the information pertaining to this Agreement to any Governmental Body, the CPUC, the CAISO or

any LRA having jurisdiction in order to support its LAR Showings, RAR Showings and/or FCR Showings, as applicable, and Seller may disclose the transfer of the Contract Quantity under this Agreement to the Scheduling Coordinator of the Shown Unit in order for such Scheduling Coordinator to timely submit accurate Supply Plans; *provided*, each disclosing Party shall use reasonable efforts to limit, to the extent possible, the ability of any such applicable Governmental Body, CAISO, or Scheduling Coordinator to further disclose such information. In addition, in the event Buyer resells all or any portion of the Contract Quantity to another party, Buyer shall be permitted to disclose to the other party to such resale transaction all such information to the extent such disclosure is necessary to affect such resale transaction; *provided*, such other party agrees to keep such information confidential.

(c) Seller acknowledges that Buyer is subject to the California Constitution Article 1, Section 3, and the California Public Records Act, Cal. Gov. Code § 6250 *et seq.* ("Public Records Act") in regard to the documents comprising this Agreement, which items may constitute public records subject to inspection and copying by the public under the authority of the California Constitution and the Public Records Act. Buyer shall, consistent with those laws, use reasonable efforts to provide Seller with notice of any third-party request to inspect or copy any of the documents that comprise this Agreement, which Seller might deem confidential and exempt from disclosure, in order that Seller may timely seek to protect those documents from disclosure to the third party. Seller acknowledges and agrees that Buyer shall not be liable to Seller if Buyer makes disclosure in accordance with the California Constitution and/or the Public Records Act before Seller has timely obtained an order to prevent Buyer from making the requested disclosure to the third party.

ARTICLE 12: BUYER'S RE-SALE OF PRODUCT

(a) No less than fifteen (15) days prior to the Notification Deadline for any Showing Month of the Delivery Term, Buyer may provide written notice to Seller of Buyer's intent to re-sell all or a portion of the Product and any associated rights, in each case, acquired under this Agreement. If Buyer re-sells all or a portion of the Product and any associated rights acquired under this Agreement in accordance with this Article 12 ("Resold Product"), Seller agrees, and agrees to cause the Shown Unit's Scheduling Coordinator, to follow Buyer's reasonable instructions with respect to providing such Resold Product to subsequent purchasers of such Resold Product to the extent such instructions are consistent with Seller's obligations under this Agreement. Seller further agrees, and agrees to cause the Shown Unit's Scheduling Coordinator, to take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to allow such subsequent purchasers to use such Resold Product in a manner consistent with Buyer's rights under this Agreement. If Buyer incurs any liability to any subsequent purchaser of such Resold Product directly due to the failure of Seller or the Shown Unit's Scheduling Coordinator to comply with the terms of this Agreement, then Seller shall be liable to Buyer for any liabilities Seller would have incurred under this Agreement if Buyer had not resold the Product, including without limitation, pursuant to Sections 3.8 and 3.9.

(b) In the event there is any Resold Product, Buyer agrees to notify Seller that such a sale has occurred and agrees to provide Seller with the information specified below promptly following such sale (and any other information reasonably requested by Seller so that Seller may perform its obligations in this Article 12) and promptly notify Seller of any subsequent changes to

such information with respect to any particular sale: (i) benefitting load serving entity SC identification number (SCID), (ii) volume (in MW) of Resold Product, and (iii) subsequent sale delivery period for Resold Product.

ARTICLE 13: COMPLIANCE OBLIGATION

[redacted]

ARTICLE 14: COLLATERAL REQUIREMENTS

14.1 [Reserved].

14.2 Performance Security.

To secure its obligations under this Agreement, Seller shall deliver Performance Security to Buyer within ten (10) Business Days following the Effective Date. Seller shall maintain the Performance

Security in full force and effect, and shall within ten (10) Business Days after any draws made by Buyer in accordance with this Agreement replenish the Performance Security, until the following have occurred: (a) the Delivery Term has expired or terminated early; and (b) all payment obligations of Seller then due and payable under this Agreement, including compensation for penalties, termination damages, indemnification payments or other damages are paid in full (whether directly or indirectly such as through set-off or netting). Following the occurrence of both events, Buyer shall promptly return to Seller the unused portion of the Performance Security. Seller may at its option exchange one permitted form of Performance Security for another permitted form of Performance Security, as applicable. If Seller has failed to provide Buyer with a substitute Letter of Credit or other acceptable instrument within five (5) Business Days prior to the expiration date of the Letter of Credit, Buyer shall have the right to draw on the full amount of the Letter of Credit.

14.3 First Priority Security Interest in Cash or Cash Equivalent Collateral.

(a) To secure its obligations under this Agreement, and until released as provided herein, Seller hereby grants to Buyer a present and continuing first-priority security interest ("Security Interest") in, and lien on (and right to net against), and assignment of the Performance Security, any other cash collateral and cash equivalent collateral posted under this Agreement, and any and all interest thereon or proceeds resulting therefrom or from the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of Buyer, and Seller agrees to take all action as Buyer reasonably requires in order to perfect Buyer's Security Interest in, and lien on (and right to net against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof.

(b) Upon or any time after the occurrence of an Event of Default caused by Seller, an Early Termination Date resulting from an Event of Default caused by Seller, or an occasion provided for in this Agreement where Buyer is authorized to retain all or a portion of the Performance Security, Buyer may do any one or more of the following:

(i) Exercise any of its rights and remedies with respect to the Performance Security, as applicable, including any such rights and remedies under Applicable Law then in effect;

(ii) Draw on any outstanding Letter of Credit issued for its benefit and retain any cash held by Buyer as Performance Security; and

(iii) Liquidate Performance Security then held by or for the benefit of Buyer free from any claim or right of any nature whatsoever of Seller, including any equity or right of purchase or redemption by Seller.

Buyer shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce Seller's obligations under this Agreement (Seller remains liable for any amounts owing to Buyer after such application), subject to Buyer's obligation to return any surplus proceeds remaining after these obligations are satisfied in full.

ARTICLE 15: [RESERVED]

ARTICLE 16: [RESERVED]

ARTICLE 17: MISCELLANEOUS

17.1 Title and Risk of Loss.

Title to and risk of loss related to the Product shall transfer from Seller to Buyer upon Seller's inclusion of the Product in a Supply Plan. Seller warrants that it will deliver to Buyer the Contract Quantity free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to Seller's inclusion of the Product in a Supply Plan.

17.2 Indemnity.

(a) Indemnity by Seller. Seller shall release, indemnify and hold harmless Buyer or Buyers' respective directors, officers, agents, and representatives against and from any and all loss, Claims, actions or suits, including costs and attorney's fees associated with damage to third parties resulting from, or arising out of or in any way connected with Seller's operation and/or maintenance of the Unit, including without limitation any loss, Claim, action or suit, for or on account of injury to, bodily or otherwise, or death of persons, or for damage to or destruction of property belonging to such third parties, excepting only such loss, Claim, action or suit as may be caused solely by the willful misconduct or gross negligence of Buyer, its Affiliates, or Buyers' and Affiliates' respective agents, employees, directors, or officers.

(b) Indemnity by Buyer. Buyer shall release, indemnify and hold harmless Seller, its directors, officers, agents, and representatives against and from any and all loss, Claims, actions or suits, including costs and attorney's fees associated with damage to third parties resulting from, or arising out of or in any way connected with Buyer's access to the Unit site, including any loss, Claim, action or suit, for or on account of injury to, bodily or otherwise, or death of persons, or for damage to or destruction of property belonging to such third parties, excepting only such loss, Claim, action or suit as may be caused solely by the willful misconduct or gross negligence of Seller, its Affiliates, or Seller's and Affiliates' respective agents, employees, directors or officers.

(c) No Dedication. Without limitation of each Party's obligations under Sections 17.2(a) and 17.2(b), nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person or entity not a Party to this Agreement. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or the public, nor affect the status of Buyer as an independent public utility corporation or Seller as an independent individual or entity.

17.3 Assignment.

(a) Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned, or delayed; *provided*, *however*, Seller may, without the consent of Buyer (and without relieving itself from liability hereunder), (i) transfer, sell, pledge, encumber or assign this Agreement or the

accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements, (ii) transfer or assign this Agreement to an affiliate of such Party which affiliate's creditworthiness is equal to or higher than that of such Party, or (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets whose creditworthiness is equal to or higher than that of such Party; *provided*, *however*, that in the case of any such assignment pursuant to clause (ii) or clause (iii), any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request. In connection with any financing or refinancing of the Unit by Seller, Buyer shall in good faith negotiate and agree upon a consent to collateral assignment of this Agreement substantially in the form of Exhibit H.

(b) In addition, Buyer shall work in good faith to: (i) agree upon and enter into such amendments to this Agreement as are reasonably requested by the Financing Parties in connection with the financing provided by such Financing Parties, provided that any such amendments: (A) do not materially reduce the benefits or materially increase the risk of Buyer hereunder; and (B) are reasonably acceptable to Buyer; (ii) agree upon and deliver a duly executed estoppel certificate and dating acknowledgement related to this Agreement, in form and substance satisfactory to Buyer, Seller and Seller's Financing Parties, in conjunction with the financing provided by such Financing Parties; and (iii) provide such other documents and technical assistance as Seller may reasonably request in connection with obtaining financing for the Unit. Seller shall pay Buyer's reasonable expenses, including attorneys' fees, incurred to provide consents, estoppels, or other required documentation in connection with Seller's financing of the Unit. Buyer shall have no obligation to provide any consent or estoppel, or enter into any agreement related to the financing of the Unit that materially and adversely affects any of Buyer's rights, benefits, risks or obligations under this Agreement, or to materially modify this Agreement.

17.4 Governing Law and Venue.

This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of Law. To the extent enforceable at such time, each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement. Each of the Parties irrevocably and unconditionally agrees that any suit, action or other proceeding arising out of or relating to this Agreement, the transactions contemplated hereby, any provision hereof or the breach, performance, enforcement or validity or invalidity of this Agreement or any provision hereof shall be filed in either the United States District Court for the Southern District of California or the Superior Court of California, County of San Diego, as appropriate (and agrees not to commence any suit, action or proceeding relating thereto except in such courts). Each of the Parties irrevocably and unconditionally waives any objection to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement, the transactions contemplated hereby, any provision hereof or the breach, performance, enforcement or validity or invalidity of this Agreement or any provision hereof in the United States District Court for the Southern District of California or the Superior Court of California, County of San Diego, as appropriate, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

Notwithstanding the foregoing, each Party agrees that a final judgment (i.e., judgment after any appeals that may be duly made) in any suit, action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment in any jurisdiction or in any other manner provided in law or in equity.

17.5 Notices.

All notices, requests, statements or payments shall be made as specified in Exhibit G. Notices (other than scheduling requests) shall, unless otherwise specified herein, be in writing and may be delivered by hand delivery, United States mail, overnight courier service or facsimile. Notice by facsimile or hand delivery shall be effective at the close of business on the day actually received, if received during business hours on a Business Day, and otherwise shall be effective at the close of business on the next Business Day. Notice by overnight United States mail or courier shall be effective on the next Business Day after it was sent. A Party may change its addresses by providing notice of same in accordance herewith.

17.6 Mobile-Sierra.

(a) Absent the agreement of all Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any waiver below is unenforceable or ineffective as to such Party), a non-party or FERC acting *sua sponte*, shall be the 'public interest' standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp*., 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co*., 350 U.S. 348 (1956), and clarified by *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish*, 554 U.S. 527 (2008); *NRG Power Marketing LLC v. Maine Public Utility Commission*, 558 U.S. 527 (2010.

(b) Notwithstanding any provision of this Agreement, and absent the prior written agreement of the Parties, each Party, to the fullest extent permitted by Applicable Laws, for itself and its respective successors and assigns, hereby also expressly and irrevocably waives any rights it can or may have, now or in the future, whether under Sections 205, 206, or 306 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation, supporting a third party seeking to obtain or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any section of this Agreement specifying any rate or other material economic terms and conditions agreed to by the Parties.

17.7 General.

This Agreement (including the exhibits, schedules and any written supplements hereto, if any) constitutes the entire agreement between the Parties relating to the subject matter. Notwithstanding the foregoing, any collateral, credit support or margin agreement or similar arrangement between the Parties shall, upon designation by the Parties, be deemed part of this Agreement and shall be incorporated herein by reference. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. Except to the extent herein provided for, no amendment or modification to this Agreement shall be enforceable unless reduced to writing and executed by

both Parties. Each Party agrees if it seeks to amend any applicable wholesale power sales tariff during the term of this Agreement, such amendment will not in any way affect outstanding transactions under this Agreement without the prior written consent of the other Party. Each Party further agrees that it will not assert, or defend itself, on the basis that any applicable tariff is inconsistent with this Agreement. This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement). Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default. Any provision declared or rendered unlawful by any applicable court of law or regulatory agency or deemed unlawful because of a statutory change (individually or collectively, such events referred to as "Regulatory Event") will not otherwise affect the remaining lawful obligations that arise under this Agreement; *provided*, *further*, that if a Regulatory Event occurs, the Parties shall use commercially reasonable efforts to reform this Agreement in order to give effect to the original intention of the Parties. The term "including" when used in this Agreement shall be by way of example only and shall not be considered in any way to be in limitation. The headings used herein are for convenience and reference purposes only. All indemnity and audit rights shall survive the termination of this Agreement for twelve (12) months. This Agreement shall be binding on each Party's successors and permitted assigns.

17.8 Audit.

Each Party has the right, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. If requested, a Party shall provide to the other Party statements evidencing the Contract Quantity delivered hereunder. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made promptly and shall bear interest calculated at the Interest Rate from the date the overpayment or underpayment was made until paid; *provided*, *however*, that no adjustment for any statement or payment will be made unless objection to the accuracy thereof was made prior to the lapse of twelve (12) months from the rendition thereof, and thereafter any objection shall be deemed waived.

17.9 Forward Contract.

The Parties acknowledge and agree that they intend that this Agreement constitutes a "forward contract" within the meaning of the United States Bankruptcy Code.

17.10 Dispute Resolution.

(a) In the event of any claim, controversy or dispute between the Parties arising out of or relating to or in connection with this Agreement (including any dispute concerning the validity of this Agreement or the scope and interpretation of this Section 17.10) (a "Dispute"), any Party (the "Notifying Party") may deliver to the other Parties (the "Recipient Party") notice of the Dispute with a detailed description of the underlying circumstances of such Dispute (a "Dispute Notice"). The Dispute Notice shall include a schedule of the availability of the Notifying Party's senior officers (having a title of senior vice president (or its equivalent) or higher) duly authorized to settle the Dispute during the thirty (30) day period following the delivery of the Dispute Notice.

(b) The Recipient Party shall, within five (5) Business Days following receipt of the

Dispute Notice, provide to the Notifying Party a brief summary of the Recipient Party's position on the Dispute and a parallel schedule of availability of the Recipient Party's senior officers (having a title of senior vice president (or its equivalent) or higher) duly authorized to settle the Dispute. Following delivery of the respective senior officers' schedules of availability, the senior officers of the Parties shall meet and confer as often as they deem reasonably necessary during the remainder of the thirty (30) day period in good faith negotiations to resolve the Dispute to the satisfaction of each Party.

(c) In the event a Dispute is not resolved pursuant to the procedures set forth in Sections 17.10(a) and (b) by the expiration of the thirty (30) day period set forth in Section 17.10(b), then a Party may pursue any legal remedy available to it in accordance with this Agreement.

17.11 Further Assurances.

For the duration of the Delivery Term, each Party shall take all commercially reasonable actions, including complying with all applicable registration and reporting requirements, and execute all documents or instruments necessary to perform the transactions contemplated by this Agreement, including to enable Buyer to use all of the RA Capacity and RAR Attributes committed by Seller to Buyer pursuant to this Agreement.

17.12 Execution.

A signature received via facsimile or email shall have the same legal effect as an original.

17.13 Joint Powers Authority.

Seller acknowledges and agrees that Buyer is organized as a Joint Powers Authority in accordance with the Joint Powers Act of the State of California (Government Code Section 6500 *et seq*.) pursuant to a Joint Powers Agreement and is a public entity separate from its members. Buyer shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement and Seller agrees that it shall have no rights and shall not make any claim, take any actions or assert any remedies against any of Buyer's members in connection with this Agreement.

17.14 Dodd-Frank Act

The Parties intend this Agreement to be a "customary commercial arrangement" as described in Section II.A.1 of Commodity Futures Trading Commission, *Proposed Guidance, Certain Natural Gas andElectric Power Contracts*, 81 Fed. Reg. 20583 at 20586 (Apr. 8, 2016) and a "Forward CapacityTransaction" within the meaning of Commodity Futures Trading Commission, *Final Order in Responseto a Petition From Certain Independent System Operators and Regional Transmission Organizations To Exempt Specified Transactions Authorized by a Tariff or Protocol Approved by the Federal Energy Regulatory Commission*, 78 Fed. Reg. 19,880 (Apr. 2, 2013).

17.15 Market-Based Rate Authority.

In addition to the covenant in Section 10.3(m), Seller shall, in accordance with Federal Energy Regulatory Commission (FERC) Order No. 697, upon request of Buyer, submit a letter of

concurrence in support of any affirmative statement by Buyer that this Agreement does not transfer "ownership or control of generation capacity" from Seller to Buyer as the term "ownership or control of generation capacity" is used in 18 CFR Section 35.42. Seller also shall not, in filings, if any, made subject to Order Nos. 652 and 697, claim that this Agreement conveys ownership or control of generation capacity from Seller to Buyer.

17.16 Rules of Interpretation.

In this Agreement, except as expressly stated otherwise or unless the context otherwise requires:

(a) headings and the rendering of text in bold and italics are for convenience and reference purposes only and do not affect the meaning or interpretation of this Agreement;

(b) words importing the singular include the plural and vice versa and the masculine, feminine and neuter genders include all genders;

(c) the words "hereof", "herein", and "hereunder" and words of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement;

(d) a reference to an Article, Section, paragraph, clause, Party, or Exhibit is a reference to that Article, Section, paragraph, clause of, or that Party or Exhibit to, this Agreement unless otherwise specified;

(e) a reference to a document or agreement, including this Agreement shall mean such document, agreement or this Agreement including any amendment or supplement to, or replacement, novation or modification of this Agreement, but disregarding any amendment, supplement, replacement, novation or modification made in breach of such document, agreement or this Agreement;

(f) a reference to a Person includes that Person's successors and permitted assigns;

(g) the terms "include" and "including" mean "include or including (as applicable) without limitation" and any list of examples following such term shall in no way restrict or limit the generality of the word or provision in respect of which such examples are provided;

(h) references to any statute, code or statutory provision are to be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or reenacted, and include references to all bylaws, instruments, orders and regulations for the time being made thereunder or deriving validity therefrom unless the context otherwise requires;

(i) in the event of a conflict, a mathematical formula or other precise description of a concept or a term shall prevail over words providing a more general description of a concept or a term;

(j) references to any amount of money shall mean a reference to the amount in United States Dollars;

(k) the expression "and/or" when used as a conjunction shall connote "any or all of";

(l) words, phrases or expressions not otherwise defined herein that (i) have a generally accepted meaning shall have such meaning in this Agreement or (ii) do not have well known and generally accepted meaning but that have well known and generally accepted technical or trade meanings, shall have such recognized meanings; and

(m) each Party acknowledges that it was represented by counsel in connection with this Agreement and that it or its counsel reviewed this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the Effective Date.

CALPEAK POWER, LLC, a Delaware limited liability company	**SAN DIEGO COMMUNITY POWER, a California joint powers authority**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT A: FORM OF LETTER OF CREDIT

[Issuing Bank Letterhead and Address]

IRREVOCABLE STANDBY LETTER OF CREDIT NO. [XXXXXXX]

Date:

Bank Ref.:

Amount: US$[XXXXXXXX]

Expiry Date:

APPLICANT DETAILS TO BE PROVIDED

Beneficiary:

San Diego Community Power, a California joint powers authority

[Address]

Ladies and Gentlemen:

By the order of _____ ("Applicant"), we, [insert bank name and address] ("Issuer") hereby issue our Irrevocable Standby Letter of Credit No. [XXXXXXX] (the "Letter of Credit") in favor of San Diego Community Power, a California joint powers authority ("Beneficiary"), [Address], for an amount not to exceed the aggregate sum of U.S. $[XXXXXX] (United States Dollars [XXXXX] and 00/100), pursuant to that certain Resource Adequacy Agreement dated as of _____ and as amended (the "Agreement") between [Applicant] and Beneficiary. This Letter of Credit shall become effective immediately and shall expire on [XXXXXX] which is one year after the issue date of this Letter of Credit, or any expiration date extended in accordance with the terms hereof (the "Expiration Date").

Funds under this Letter of Credit are available to Beneficiary by presentation on or before the Expiration Date of a dated statement purportedly signed by your duly authorized representative, in the form attached hereto as Exhibit A, containing one of the two alternative paragraphs set forth in paragraph 2 therein, referencing our Letter of Credit No. [XXXXXXX] ("Drawing Certificate").

The Drawing Certificate may be presented by (a) physical delivery, or (b) facsimile to [bank fax number [XXX-XXX-XXXX]] confirmed by [e-mail to [*bank email address*]] (if presented by fax it must be followed up by a phone call to us at [XXXXXX] or [XXXXXX] to confirm receipt) with the originals to follow via courier. The drawing will be effective upon our receipt of the original documents at the above noted address.

The original of this Letter of Credit (and all amendments, if any) is not required to be presented in connection with any presentment of a Drawing Certificate by Beneficiary hereunder in order to receive payment.

We hereby agree with the Beneficiary that documents presented under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation to the Issuer on or before the Expiration Date. All payments made under this Letter of Credit shall be made with Issuer's own immediately available funds by means of wire transfer in immediately available United States dollars to Beneficiary's account as indicated by Beneficiary in its Drawing Certificate or in a communication accompanying its Drawing Certificate.

Partial draws are permitted under this Letter of Credit, and this Letter of Credit shall remain in full force and effect with respect to any continuing balance.

It is a condition of this Letter of Credit that the Expiration Date shall be deemed automatically extended without an amendment for a one year period beginning on the present Expiration Date hereof and upon each anniversary for such date, unless at least one hundred twenty (120) days prior to any such Expiration Date we have sent to you written notice by registered mail or overnight courier service that we elect not to extend this Letter of Credit, in which case it will expire on the date specified in such notice. No presentation made under this Letter of Credit after such Expiration Date will be honored.

Notwithstanding any reference in this Letter of Credit to any other documents, instruments or agreements, this Letter of Credit contains the entire agreement between Beneficiary and Issuer relating to the obligations of Issuer hereunder.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision) International Chamber of Commerce Publication No. 600 (the "UCP"), except to the extent that the terms hereof are inconsistent with the provisions of the UCP, including but not limited to Articles 14(b) and 36 of the UCP, in which case the terms of this Letter of Credit shall govern. In the event of an act of God, riot, civil commotion, insurrection, war or any other cause beyond Issuer's control (as defined in Article 36 of the UCP) that interrupts Issuer's business and causes the place for presentation of the Letter of Credit to be closed for business on the last day for presentation, the Expiration Date of the Letter of Credit will be automatically extended without amendment to a date thirty (30) calendar days after the place for presentation reopens for business.

Please address all correspondence regarding this Letter of Credit to the attention of the Letter of Credit Department at [*insert bank address information*], referring specifically to Issuer's Letter of Credit No. [XXXXXXX]. For telephone assistance, please contact Issuer's Standby Letter of Credit Department at [XXX-XXX-XXXX] and have this Letter of Credit available.

All notices to Beneficiary shall be in writing and are required to be sent by certified letter, overnight courier, or delivered in person to: San Diego Community Power, Chief Operating Officer, [Address]. Only notices to Beneficiary meeting the requirements of this paragraph shall be considered valid. Any notice to Beneficiary which is not in accordance with this paragraph shall be void and of no force or effect.

[Bank Name]

_____

[Insert officer name]

[Insert officer title]

Exhibit A: (DRAW REQUEST SHOULD BE ON BENEFICIARY'S LETTERHEAD)

Drawing Certificate

[Insert Bank Name and Address]

Ladies and Gentlemen:

The undersigned, a duly authorized representative of San Diego Community Power, a California joint powers authority, [Buyer address], as beneficiary (the "Beneficiary") of the Irrevocable Letter of Credit No. [XXXXXXX] (the "Letter of Credit") issued by [insert bank name] (the "Bank") by order of _____ (the "Applicant"), hereby certifies to the Bank as follows:

1. Applicant and Beneficiary are party to that certain Resource Adequacy Agreement dated as of _____, (the "Agreement").

2. Beneficiary is making a drawing under this Letter of Credit in the amount of U.S. $_____ because a Seller Event of Default (as such term is defined in the Agreement) or other occasion provided for in the Agreement where Beneficiary is authorized to draw on the letter of credit has occurred.

OR

Beneficiary is making a drawing under this Letter of Credit in the amount of U.S. $_____, which equals the full available amount under the Letter of Credit, because we have received notice from the Bank that you have elected not to extend the Expiration Date of the Letter of Credit beyond its current Expiration Date and Applicant is required to maintain the Letter of Credit in force and effect beyond the expiration date of the Letter of Credit but has failed to provide Beneficiary with a replacement Letter of Credit or other acceptable instrument within thirty (30) days prior to such expiration date.

3. The undersigned is a duly authorized representative of San Diego Community Power, a California joint powers authority and is authorized to execute and deliver this Drawing Certificate on behalf of Beneficiary.

You are hereby directed to make payment of the requested amount to San Diego Community Power, a California joint powers authority by wire transfer in immediately available funds to the following account:

[Specify account information]

[Buyer]

_____

Name and Title of Authorized Representative

Date_____

EXHIBIT B: RA AVAILABILITY ADJUSTMENT FACTOR

1. Monthly RA Availability

[redacted]

2. RA Availability Adjustment Factor

[redacted]

EXHIBIT C: [RESERVED]

EXHIBIT D: DESCRIPTION OF UNIT

The following describes the Unit to be constructed, operated and maintained by Seller through the Term in accordance with the Agreement.

Unit name: Enterprise

Resource Type: Simple Cycle Gas Turbine

Nameplate capacity: 50.96 MW

Location: San Diego, CA

Site APNs: 232-410-45-00

Unit physical address: 201 Enterprise St., Escondido, San Diego 92029

Unit elevation: 646 feet

Unit latitude: 33.121810

Unit longitude: -117.117445

Interconnection: Escondido Substation 69kV bus

CAISO transmission access charge area (e.g. SDG&E): SDG&E

Existing zone (e.g. SP-15): SP-15

CAISO Resource ID: ESCNDO_6_UNITB1

Contract Quantity Availability Hours: Flat NQC 24/7

Site Map:

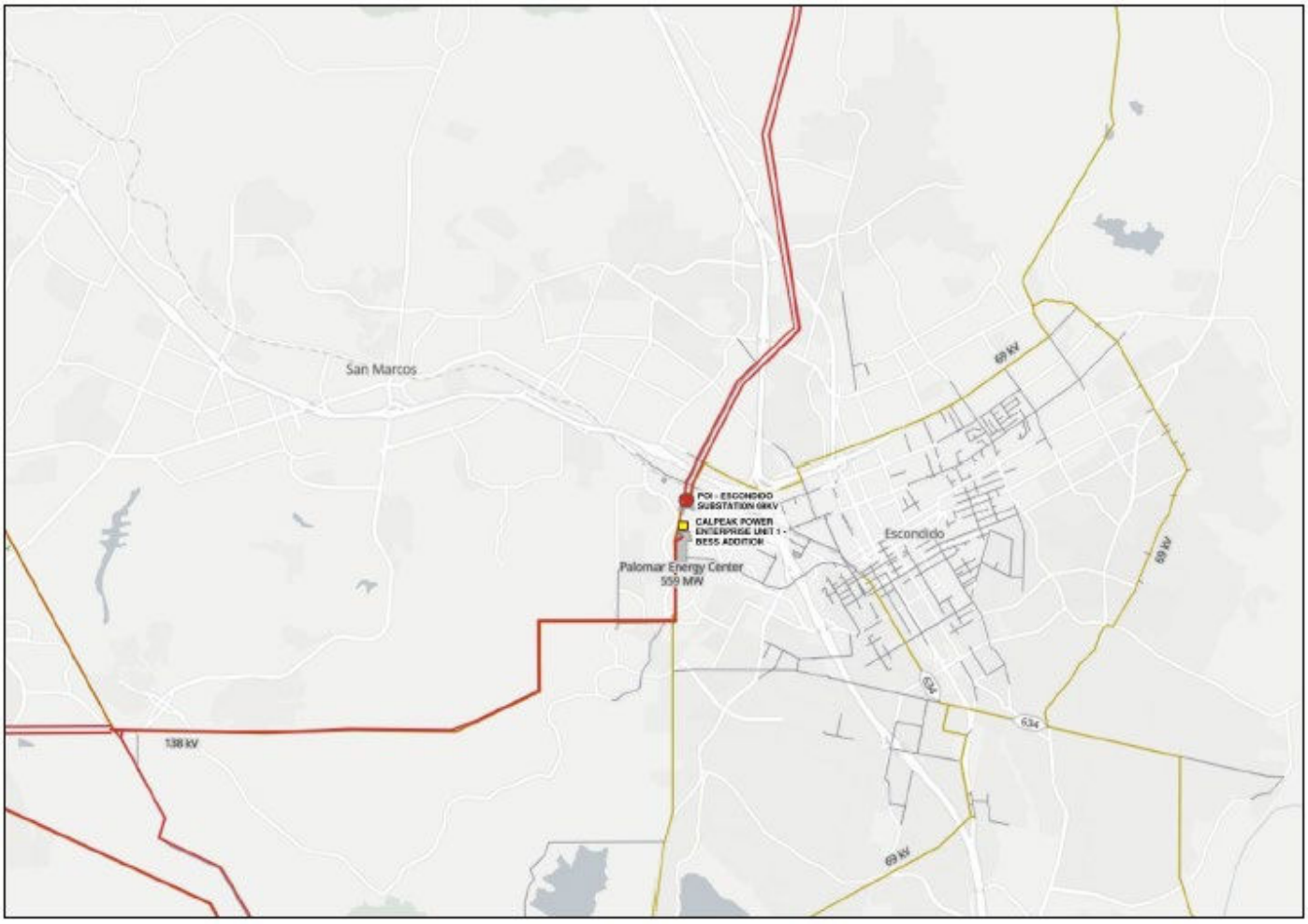
San Marcos
Escondido
Palomar Energy Center
559 MW
138 kV
69 kV
69 kV
69 kV
634
634

EXHIBIT E: [RESERVED]

EXHIBIT F: [RESERVED]

EXHIBIT G: NOTICES

CALPEAK POWER, LLC, a Delaware limited liability company ("Seller")	**SAN DIEGO COMMUNITY POWER, a California joint powers authority** ("Buyer")
All Notices: Street: 1 N Franklin St., #2600 C City: Chicago, IL Attn: Commercial Transactions Phone: 312-766-4551 Email: kpokryfke@mrpgenco.com	**All Notices:** P.O. Box 12716 San Diego, CA 92112 Attn: Gordon Samuel, Chief Commercial Officer Phone: (480) 205-1976 Email: gsamuel@sdcommunitypower.org
Reference Numbers: [redacted]	**Reference Numbers:** [redacted]
Invoices: Attn: Accounts Payable Phone: 312-766-4552 E-mail: MRPaccountspayable@mrpgenco.com	**Invoices:** Attn: SDCP Settlements Phone: (619) 880-6545 Email: settlements@sdcommunitypower.org
Scheduling: Attn: Joseph Chang Phone: 832-291-5964 E-mail: jchang@mrpgenco.com	**Scheduling:** Tenaska Power Services Co. Attn: Kara Whillock Phone: (972) 333-6122 Email: kwhillock@tnsk.com Day Ahead: (817) 303-1115 Real Time: (817) 303-1852 Facsimile: (817) 303-1104
Payments: Attn: Accounts Payable Phone: 312-766-4552 E-mail: MRPaccountspayable@mrpgenco.com	**Payments:** Attn: Michael Maher Phone: (415) 526-3020 Email: mmaher@mahercpa.com
Wire Transfer: [redacted]	**Wire Transfer:** [redacted]

CALPEAK POWER, LLC, a Delaware limited liability company ("Seller")	**SAN DIEGO COMMUNITY POWER, a California joint powers authority** ("Buyer")
With additional Notices of an Event of Default to: Attn: Legal Department Email: legal@mrpgenco.com	**With additional Notices of an Event of Default to:** Attn: SDCP General Counsel PO Box 12716 San Diego, CA 92112 Email: legal@sdcommunitypower.org
Emergency Contact: Attn: Isabelle Stafford Email: istafford@mrpgenco.com	**Emergency Contact:** Attn: Gordon Samuel, Chief Commercial Officer Phone: (480) 205-1976 Email: gsamuel@sdcommunitypower.org

EXHIBIT H:
FORM OF CONSENT TO COLLATERAL ASSIGNMENT

This Consent to Collateral Assignment (this "Consent") is entered into among (i) San Diego Community Power, a California joint powers authority ("SDCP"), (ii) *[Name of Seller]*, a *[Legal Status of Seller]* (the "Project Company"), and (iii) *[Name of Collateral Agent]*, a *[Legal Status of Collateral Agent]*, as Collateral Agent for the secured parties under the Financing Documents referred to below (such secured parties together with their successors permitted under this Consent in such capacity, the "Secured Parties", and, such agent, together with its successors in such capacity, the "Collateral Agent"). SDCP, Project Company and Collateral Agent are hereinafter sometimes referred to individually as a "Party" and jointly as the "Parties". Capitalized terms used but not otherwise defined in this Consent shall have the meanings ascribed to them in the ESSA (as defined below).

RECITALS

The Parties enter into this Consent with reference to the following facts:

A. Project Company and SDCP have entered into that certain Resource Adequacy Agreement, dated as of *[Date] [List all amendments as contemplated by Section 3.4]* ("RAA"), pursuant to which Project Company will sell the Product to SDCP, and SDCP will purchase the Product from the Unit (the "Project");

B. As collateral for Project Company's obligations under the RAA, Project Company has agreed to provide to SDCP certain collateral, which may include Performance Security and other collateral described in the RAA (collectively, the "RAA Collateral");

C. Project Company has entered into that certain *[Insert description of financing arrangements with Lender]*, dated as of *[Date]*, among Project Company, the Lenders party thereto and the Collateral Agent (the "Financing Agreement"), pursuant to which, among other things, the Lenders have extended commitments to make loans to Project Company;

D. As collateral security for Project Company's obligations under the Financing Agreement and related agreements (collectively, the "Financing Documents"), Project Company has, among other things, assigned all of its right, title and interest in, to and under the ESSA and Project's Company's owners have pledged their ownership interest in Project Company (collectively, the "Assigned Interest") to the Collateral Agent pursuant to the Financing Documents; and

E. It is a requirement under the Financing Agreement and the ESSA that SDCP and the other Parties hereto shall have executed and delivered this Consent.

AGREEMENT

In consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the Parties hereto hereby agree as follows:

SECTION 1. CONSENT TO ASSIGNMENT, ETC.

1.1 Consent and Agreement.

SDCP hereby acknowledges:

(a) Notice of and consents to the assignment as collateral security to Collateral Agent, for the benefit of the Secured Parties, of the Assigned Interest; and

(b) The right (but not the obligation) of Collateral Agent in the exercise of its rights and remedies under the Financing Documents, to make all demands, give all notices, take all actions and exercise all rights of Project Company permitted under the RAA (subject to SDCP's rights and defenses under the RAA and the terms of this Consent) and accepts any such exercise; *provided*, insofar as the Collateral Agent exercises any such rights under the RAA or makes any claims with respect to payments or other obligations under the RAA, the terms and conditions of the RAA applicable to such exercise of rights or claims shall apply to Collateral Agent to the same extent as to Project Company.

1.2 Project Company's Acknowledgement.

Each of Project Company and Collateral Agent hereby acknowledges and agrees that SDCP is authorized to act in accordance with Collateral Agent's instructions, and that SDCP shall bear no liability to Project Company or Collateral Agent in connection therewith, including any liability for failing to act in accordance with Project Company's instructions.

1.3 Right to Cure.

If Project Company defaults in the performance of any of its obligations under the RAA, or upon the occurrence or non-occurrence of any event or condition under the RAA which would immediately or with the passage of any applicable grace period or the giving of notice, or both, enable SDCP to terminate or suspend its performance under the RAA (a "RAA Default"), SDCP will not terminate or suspend its performance under the RAA until it first gives written notice of such RAA Default to Collateral Agent and affords Collateral Agent the right to cure such RAA Default within the applicable cure period under the RAA, which cure period shall run concurrently with that afforded Project Company under the RAA. In addition, if Collateral Agent gives SDCP written notice prior to the expiration of the applicable cure period under the RAA of Collateral Agent's intention to cure such RAA Default (which notice shall include a reasonable description of the time during which it anticipates to cure such RAA Default) and is diligently proceeding to cure such RAA Default, notwithstanding the applicable cure period under the RAA, Collateral Agent shall have a period of sixty (60) days (or, if such RAA Default is for failure by the Project Company to pay an amount to SDCP which is due and payable under the RAA other than to provide RAA Collateral, thirty (30) days, or, if such RAA Default is for failure by Project Company to provide RAA Collateral, ten (10) Business Days) from the Collateral Agent's receipt of the notice of such RAA Default from SDCP to cure such RAA Default; *provided*, (a) if possession of the Project is necessary to cure any such non-monetary RAA Default and Collateral Agent has commenced foreclosure proceedings within sixty (60) days after notice of the RAA Default and is diligently pursuing such foreclosure proceedings, Collateral Agent will be allowed a reasonable time, not to exceed one hundred eighty (180) days after the notice of the RAA Default,

to complete such proceedings and cure such RAA Default, and (b) if Collateral Agent is prohibited from curing any such RAA Default by any process, stay or injunction issued by any Governmental Authority or pursuant to any bankruptcy or insolvency proceeding or other similar proceeding involving Project Company, then the time periods specified herein for curing a RAA Default shall be extended for the period of such prohibition, so long as Collateral Agent has diligently pursued removal of such process, stay or injunction. Collateral Agent shall provide SDCP with reports concerning the status of efforts to cure a RAA Default upon SDCP's reasonable request.

1.4 Substitute Owner.

Subject to Section 1.7, the Parties agree that if Collateral Agent notifies (such notice, a "Financing Document Default Notice") SDCP that an event of default has occurred and is continuing under the Financing Documents (a "Financing Document Event of Default") then, upon a judicial foreclosure sale, non-judicial foreclosure sale, deed in lieu of foreclosure or other transfer following a Financing Document Event of Default, Collateral Agent (or its designee) shall be substituted for Project Company (the "Substitute Owner") under the RAA, and, subject to Sections 1.7(b) and 1.7(c) below, SDCP and Substitute Owner will recognize each other as counterparties under the RAA and will continue to perform their respective obligations (including those obligations accruing to SDCP and the Project Company prior to the existence of the Substitute Owner) under the RAA in favor of each other in accordance with the terms thereof; *provided*, before SDCP is required to recognize the Substitute Owner, the Substitute Owner must (i) be a permitted assignee under the RAA or (ii) have demonstrated to SDCP's reasonable satisfaction that the Substitute Owner has financial qualifications and operating experience *[TBD]* (a "Permitted Transferee"). For purposes of the foregoing, SDCP shall be entitled to assume that any such purported exercise of rights by Collateral Agent that results in substitution of a Substitute Owner under the RAA is in accordance with the Financing Documents without independent investigation thereof but shall have the right to require that the Collateral Agent and its designee (if applicable) provide reasonable evidence demonstrating the same.

1.5 Replacement Agreements.

Subject to Section 1.7, if the RAA is terminated, rejected or otherwise invalidated as a result of any bankruptcy, insolvency, reorganization or similar proceeding affecting Project Company, its owner(s) or guarantor(s), and if Collateral Agent or its designee directly or indirectly takes possession of, or title to, the Project (including possession by a receiver or title by foreclosure or deed in lieu of foreclosure) ("Replacement Owner"), SDCP shall, and Collateral Agent shall cause Replacement Owner to, enter into a new agreement with one another for the balance of the obligations under the RAA remaining to be performed having terms substantially the same as the terms of the RAA with respect to the remaining Term ("Replacement RAA"); *provided*, before SDCP is required to enter into a Replacement RAA, the Replacement Owner must have demonstrated to SDCP's reasonable satisfaction that the Replacement Owner satisfies the requirements of a Permitted Transferee. For purposes of the foregoing, SDCP is entitled to assume that any such purported exercise of rights by Collateral Agent that results in a Replacement Owner is in accordance with the Financing Documents without independent investigation thereof but shall have the right to require that the Collateral Agent and its designee (if applicable) provide reasonable evidence demonstrating the same. Notwithstanding the execution and delivery of a Replacement RAA, to the extent SDCP is, or was otherwise prior to its termination as described

in this Section 1.5, entitled under the RAA, SDCP may suspend performance of its obligations under such Replacement RAA, unless and until all RAA Defaults of Project Company under the RAA or Replacement RAA have been cured.

1.6 Transfer.

Subject to Section 1.7, a Substitute Owner or a Replacement Owner may assign all of its interest in the Project and the RAA and a Replacement RAA to a natural person, corporation, trust, business trust, joint venture, joint stock company, association, company, limited liability company, partnership, Governmental Authority or other entity (a "Person") to which the Project is transferred; *provided*, the proposed transferee shall have demonstrated to SDCP's reasonable satisfaction that such proposed transferee satisfies the requirements of a Permitted Transferee.

1.7 Assumption of Obligations.

(a) Transferee.

Any transferee under Section 1.6 shall expressly assume in a writing reasonably satisfactory to SDCP all of the obligations of Project Company, Substitute Owner or Replacement Owner under the RAA or Replacement RAA, as applicable, including posting and collateral assignment of the RAA Collateral. Upon such assignment and the cure of any outstanding RAA Default, and payment of all other amounts due and payable to SDCP in respect of the RAA or such Replacement RAA, the transferor shall be released from any further liability under the RAA or Replacement RAA, as applicable.

(b) Substitute Owner.

Subject to Section 1.7(c), any Substitute Owner pursuant to Section 1.4 shall be required to perform Project Company's obligations under the RAA, including posting and collateral assignment of the RAA Collateral; *provided*, the obligations of such Substitute Owner shall be no more than those of Project Company under the RAA.

(c) No Liability.

SDCP acknowledges and agrees that neither Collateral Agent nor any Secured Party shall have any liability or obligation under the RAA as a result of this Consent (except to the extent Collateral Agent or a Secured Party is a Substitute Owner or Replacement Owner) nor shall Collateral Agent or any other Secured Party be obligated or required to (i) perform any of Project Company's obligations under the RAA, except as provided in Sections 1.7(a) and 1.7(b) and to the extent Collateral Agent or a Secured Party is a Substitute Owner or Replacement Owner, or (ii) take any action to collect or enforce any claim for payment assigned under the Financing Documents. If Collateral Agent becomes a Substitute Owner pursuant to Section 1.4 or enters into a Replacement RAA, Collateral Agent shall not have any personal liability to SDCP under the RAA or Replacement RAA and the sole recourse of SDCP in seeking enforcement of such obligations against Collateral Agent shall be to the aggregate interest of the Secured Parties in the Project; *provided*, such limited recourse shall not limit SDCP's right to seek equitable or injunctive relief against Collateral Agent, or SDCP's rights with respect to any offset rights expressly allowed under the RAA, a Replacement RAA or the RAA Collateral.

1.8 Delivery of Notices.

SDCP shall deliver to Collateral Agent, concurrently with the delivery thereof to Project Company, a copy of each notice, request or demand given by SDCP to Project Company pursuant to the RAA relating to (a) a RAA Default by Project Company under the RAA, (b) any claim regarding Force Majeure by SDCP under the RAA, (c) any notice of dispute under the RAA, (d) any notice of intent to terminate or any termination notice, and (e) any matter that would require the consent of Collateral Agent pursuant to Section 1.11 or any other provision of this Consent. Collateral Agent acknowledges that delivery of such notice, request and demand shall satisfy SDCP's obligation to give Collateral Agent a notice of RAA Default under Section 1.3. Collateral Agent shall deliver to SDCP, concurrently with delivery thereof to Project Company, a copy of each notice, request or demand given by Collateral Agent to Project Company pursuant to the Financing Documents relating to a default by Project Company under the Financing Documents.

1.9 Confirmations.

SDCP will, as and when reasonably requested by Collateral Agent from time to time, confirm in writing matters relating to the RAA (including the performance of same by Project Company); *provided*, such confirmation may be limited to matters of which SDCP is aware as of the time the confirmation is given and such confirmations shall be without prejudice to any rights of SDCP under the RAA as between SDCP and Project Company.

1.10 Exclusivity of Dealings.

Except as provided in Sections 1.3, 1.4, 1.8, 1.9 and 2.1, unless and until SDCP receives a Financing Document Default Notice, SDCP shall deal exclusively with Project Company in connection with the performance of SDCP's obligations under the RAA. From and after such time as SDCP receives a Financing Document Default Notice and until a Substitute Owner is substituted for Project Company pursuant to Section 1.4, a Replacement RAA is entered into or the RAA is transferred to a Person to whom the Project is transferred pursuant to Section 1.6, SDCP shall, until Collateral Agent confirms to SDCP in writing that all obligations under the Financing Documents are no longer outstanding, deal exclusively with Collateral Agent in connection with the performance of SDCP's obligations under the RAA, and SDCP may irrevocably rely on instructions provided by Collateral Agent in accordance therewith to the exclusion of those provided by any other Person.

1.11 No Amendments.

To the extent permitted by Laws, SDCP agrees that it will not, without the Project Company obtaining prior written consent of Collateral Agent (not to be unreasonably withheld, delayed or conditioned) (a) enter into any material supplement, restatement, novation, extension, amendment or modification of the RAA (b) terminate or suspend its performance under the RAA (except in accordance with Section 1.3) or (c) consent to or accept any termination or cancellation of the RAA by Project Company.

SECTION 2. PAYMENTS UNDER THE RAA

2.1 Payments.

Unless and until SDCP receives written notice to the contrary from Collateral Agent, SDCP will make all payments to be made by it to Project Company under or by reason of the RAA directly to Project Company. SDCP, Project Company, and Collateral Agent acknowledge that SDCP will be deemed to be in compliance with the payment terms of the RAA to the extent that SDCP makes payments in accordance with Collateral Agent's instructions.

2.2 No Offset, Etc.

All payments required to be made by SDCP under the RAA shall be made without any offset, recoupment, abatement, withholding, reduction or defense whatsoever, other than that expressly allowed by the terms of the RAA.

SECTION 3. REPRESENTATIONS AND WARRANTIES OF SDCP

SDCP makes the following representations and warranties as of the date hereof in favor of Collateral Agent:

3.1 Organization.

SDCP is a joint powers authority and community choice aggregator duly organized and validly existing under the laws of the state of California, and the rules, regulations and orders of the California Public Utilities Commission, and is qualified to conduct business in its jurisdiction. SDCP has all requisite power and authority, corporate and otherwise, to enter into and to perform its obligations hereunder and under the RAA, and to carry out the terms hereof and thereof and the transactions contemplated hereby and thereby.

3.2 Authorization.

The execution, delivery and performance by SDCP of this Consent and the RAA have been duly authorized by all necessary corporate or other action on the part of SDCP and do not require any approval or consent of any holder (or any trustee for any holder) of any indebtedness or other obligation of SDCP which, if not obtained, will prevent SDCP from performing its obligations hereunder or under the RAA except approvals or consents which have previously been obtained and which are in full force and effect.

3.3 Execution and Delivery; Binding Agreements.

Each of this Consent and the RAA is in full force and effect, have been duly executed and delivered on behalf of SDCP by the appropriate officers of SDCP, and constitute the legal, valid and binding obligation of SDCP, enforceable against SDCP in accordance with its terms, except as the enforceability thereof may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application affecting the enforcement of creditors' rights generally and (b) general equitable principles (whether considered in a proceeding in equity or at law).

3.4 No Default or Amendment.

Except as set forth in Schedule A attached hereto: (a) Neither SDCP nor, to SDCP's actual knowledge, Project Company, is in default of any of its obligations under the RAA; (b) SDCP and,

to SDCP's actual knowledge, Project Company, has complied with all conditions precedent to the effectiveness of its obligations under the RAA; (c) to SDCP's actual knowledge, no event or condition exists which would either immediately or with the passage of any applicable grace period or giving of notice, or both, enable either SDCP or Project Company to terminate or suspend its obligations under the RAA; and (d) the RAA has not been amended, modified or supplemented in any manner except as set forth herein and in the recitals hereto.

3.5 No Previous Assignments.

SDCP has no notice of, and has not consented to, any previous assignment by Project Company of all or any part of its rights under the RAA, except as previously disclosed in writing and consented to by SDCP.

SECTION 4. REPRESENTATIONS AND WARRANTIES OF PROJECT COMPANY

Project Company makes the following representations and warranties as of the date hereof in favor of the Collateral Agent and SDCP:

4.1 Organization.

Project Company is a *[Legal Status of Seller]* duly organized and validly existing under the laws of the state of its organization, and is duly qualified, authorized to do business and in good standing in every jurisdiction in which it owns or leases real property or in which the nature of its business requires it to be so qualified, except where the failure to so qualify would not have a material adverse effect on its financial condition, its ability to own its properties or its ability to transact its business. Project Company has all requisite power and authority, corporate and otherwise, to enter into and to perform its obligations hereunder and under the RAA, and to carry out the terms hereof and thereof and the transactions contemplated hereby and thereby.

4.2 Authorization.

The execution, delivery and performance of this Consent by Project Company, and Project Company's assignment of its right, title and interest in, to and under the RAA to the Collateral Agent pursuant to the Financing Documents, have been duly authorized by all necessary corporate or other action on the part of Project Company.

4.3 Execution and Delivery; Binding Agreement.

This Consent is in full force and effect, has been duly executed and delivered on behalf of Project Company by the appropriate officers of Project Company, and constitutes the legal, valid and binding obligation of Project Company, enforceable against Project Company in accordance with its terms, except as the enforceability thereof may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application affecting the enforcement of creditors' rights generally and (b) general equitable principles (whether considered in a proceeding in equity or at law).

4.4 No Default or Amendment.

Except as set forth in Schedule B attached hereto: (a) neither Project Company nor, to Project Company's actual knowledge, SDCP, is in default of any of its obligations thereunder; (b) Project Company and, to Project Company's actual knowledge, SDCP, has complied with all conditions precedent to the effectiveness of its obligations under the RAA; (c) to Project Company's actual knowledge, no event or condition exists which would either immediately or with the passage of any applicable grace period or giving of notice, or both, enable either SDCP or Project Company to terminate or suspend its obligations under the RAA; and (d) the RAA has not been amended, modified or supplemented in any manner except as set forth herein and in the recitals hereto.

4.5 No Previous Assignments.

Project Company has not previously assigned all or any part of its rights under the RAA.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF COLLATERAL AGENT

Collateral Agent makes the following representations and warranties as of the date hereof in favor of SDCP and Project Company:

5.1 Authorization.

The execution, delivery and performance of this Consent by Collateral Agent have been duly authorized by all necessary corporate or other action on the part of Collateral Agent and Secured Parties.

5.2 Execution and Delivery; Binding Agreement.

This Consent is in full force and effect, has been duly executed and delivered on behalf of Collateral Agent by the appropriate officers of Collateral Agent, and constitutes the legal, valid and binding obligation of Collateral Agent as Collateral Agent for the Secured Parties, enforceable against Collateral Agent (and the Secured Parties to the extent applicable) in accordance with its terms, except as the enforceability thereof may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application affecting the enforcement of creditors' rights generally and (b) general equitable principles (whether considered in a proceeding in equity or at law).

SECTION 6. MISCELLANEOUS

6.1 Notices.

All notices and other communications hereunder shall be in writing, shall be deemed given upon receipt thereof by the Party or Parties to whom such notice is addressed, shall refer on their face to the RAA (although failure to so refer shall not render any such notice or communication ineffective), shall be sent by first class mail, by personal delivery or by a nationally recognized courier service, and shall be directed (a) if to SDCP or Project Company, in accordance with *[Notice Section of the RAA]* of the RAA, (b) if to Collateral Agent, to *[Collateral Agent Name]*, *[Collateral Agent Address]*, Attn: *[Collateral Agent Contact Information]*, Telephone: *[___]*, Fax: *[___]*, and (c) to such other address or addressee as any such Party may designate by notice given pursuant hereto.

6.2 Governing Law; Submission to Jurisdiction.

(a) THIS CONSENT SHALL BE CONSTRUED IN ACCORDANCE WITH, AND THIS CONSENT AND ALL MATTERS ARISING OUT OF THIS CONSENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, THE LAW OF THE STATE OF CALIFORNIA WITHOUT REGARD TO ANY CONFLICTS OF LAWS PROVISIONS THEREOF THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION.

(b) All disputes, claims or controversies arising out of, relating to, concerning or pertaining to the terms of this Consent shall be governed by the dispute resolution provisions of the RAA. Subject to the foregoing, any legal action or proceeding with respect to this Consent and any action for enforcement of any judgment in respect thereof may be brought in the courts of the State of California or of the United States of America for the Central District of California, and, by execution and delivery of this Consent, each Party hereby accepts for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts and appellate courts from any appeal thereof. Each Party further irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to its notice address provided pursuant to Section 6.1 hereof. Each Party hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Consent brought in the courts referred to above and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum. Nothing herein shall affect the right of any Party to serve process in any other manner permitted by law.

6.3 Headings Descriptive.

The headings of the several sections and subsections of this Consent are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Consent.

6.4 Severability.

In case any provision in or obligation under this Consent shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

6.5 Amendment, Waiver.

Neither this Consent nor any of the terms hereof may (a) be terminated, amended, supplemented or modified, except by an instrument in writing signed by SDCP, Project Company and Collateral Agent or (b) waived, except by an instrument in writing signed by the waiving Party.

6.6 Termination.

Each Party's obligations hereunder are absolute and unconditional, and no Party has any right, and shall have no right, to terminate this Consent or to be released, relieved or discharged from any obligation or liability hereunder until SDCP has been notified by Collateral Agent that all of the obligations under the Financing Documents shall have been satisfied in full (other than contingent indemnification obligations) or, with respect to the RAA or any Replacement RAA, its obligations under such RAA or Replacement RAA have been fully performed.

6.7 Successors and Assigns.

This Consent shall be binding upon each Party and its successors and assigns permitted under and in accordance with this Consent, and shall inure to the benefit of the other Parties and their respective successors and assignee permitted under and in accordance with this Consent. Each reference to a Person herein shall include such Person's successors and assigns permitted under and in accordance with this Consent.

6.8 Further Assurances.

SDCP hereby agrees to execute and deliver all such instruments and take all such action as may be necessary to effectuate fully the purposes of this Consent.

6.9 Waiver of Trial by Jury.

TO THE EXTENT PERMITTED BY APPLICABLE LAWS, THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT OF TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS CONSENT OR ANY MATTER ARISING HEREUNDER. EACH PARTY FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

6.10 Entire Agreement.

This Consent and any agreement, document or instrument attached hereto or referred to herein integrate all the terms and conditions mentioned herein or incidental hereto and supersede all oral negotiations and prior writings in respect to the subject matter hereof. In the event of any conflict between the terms, conditions and provisions of this Consent and any such agreement, document or instrument, the terms, conditions and provisions of this Consent shall prevail.

6.11 Effective Date.

This Consent shall be deemed effective as of the date upon which the last Party executes this Consent.

6.12 Counterparts; Electronic Signatures.

This Consent may be executed in one or more counterparts, each of which will be deemed to be an original of this Consent and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Consent and of signature pages by

facsimile transmission, Portable Document Format (i.e., PDF), or by other electronic means shall constitute effective execution and delivery of this Consent as to the Parties and may be used in lieu of the original Consent for all purposes.

[Remainder of Page Left Intentionally Blank.]

IN WITNESS WHEREOF, the Parties hereto have caused this Consent to be duly executed and delivered by their duly authorized officers on the dates indicated below their respective signatures.

[NAME OF PROJECT COMPANY], *[Legal Status of Project Company]*.		SAN DIEGO COMMUNITY POWER, a California joint powers authority.
By: _____ *[Name]* *[Title]* Date: _____		**By:** _____ *[Name]* *[Title]* Date: _____
[NAME OF COLLATERAL AGENT], *[Legal Status of Collateral Agent]*. By: _____ *[Name]* *[Title]* Date: _____		

SCHEDULE A

[Describe any disclosures relevant to representations and warranties made in Section 3.4]

SCHEDULE B

[Describe any disclosures relevant to representations and warranties made in Section 4.4]

SAN DIEGO COMMUNITY POWER
Staff Report – Item 15

To:	Board of Directors
From:	Jen Lebron, Senior Director of Public Affairs Xiomalys Crespo, Senior Community Engagement Manager
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Adopt Resolution 2026-17, Amending the Community Clean Energy Grant Program Policy
Date:	October 22, 2026

Recommendation

Adopt 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."

Background

San Diego Community Power's (Community Power) Community Clean Energy Benefits and Grants Policy aims to support local clean energy projects and programs that provide economic, environmental, and health benefits to Community Power communities. At the December 2022 Board of Directors (Board) meeting, the Board approved the initial Community Clean Energy Grant Program Policy, and in March 2023, Community Power launched the inaugural Fiscal Year (FY) 2022-23 program.

In August 2023, Community Power ran a competitive bidding process to establish ongoing program administration support. San Diego Foundation (SDF) was selected to serve as the program administrator through FY 2026-27, based on their demonstrated expertise supporting similar grant programs locally, established relationships with community-based organizations/nonprofits, and experience securing additional funding to support program budgets. What began as a pilot has now grown into a multi-year partnership between public infrastructure, philanthropic capital, and community-based innovation.

To date, Community Power and its partners have invested more than $3.6 million in 55 projects across San Diego County, reaching over 26,000 community members. With a focus

on Communities of Concern, these investments are expanding access to clean mobility, residential and community solar, workforce development, and energy education for youth and adults. The below table shows a breakdown of program outcomes per cycle.

Cycle	Awarded	Project	Partners	Reported Reach
2023	$389,998	10	• Community Power • SDF	• 5,300+ engaged • Energy savings awareness for 1,700 households • 15 workforce opportunities • $175,000 leveraged
2024	$1,258,148	16	• Community Power • SDF • Calpine Community Energy	• 16,700+ engaged (incl. 6,100+ students) • 24 solar systems installed • 180+ workforce opportunities • $760,000 leveraged
2025	$869,000	14		• 4,900+ engaged • 32 solar systems installed • 170 workforce opportunities • $3 million leveraged
2026	$1,169,878	15		• 13,300+ engaged • 5 community solar systems installed • 175 workforce opportunities

This funding opportunity continues to be highly competitive, with funding requests significantly exceeding available resources. In 2026, 46 applicants requested a combined $3.6 million, underscoring the strong demand for, and continued need for this type of community investment across the region.

To continue augmenting this program's success and to continue to support community-driven, regional clean energy adoption efforts, and as considered by Community Power's Community Advisory Committee and its Board of Directors in March 2026, staff is formally recommending including community benefits funds in the policy and renaming the policy to "Community Clean Energy Benefits and Grants Policy" (Policy) to reflect the inclusion of community benefit funds in the grant program.

For the purpose of this Policy, community benefits funds refer specifically to developer-funded contributions associated with Power Purchase Agreements (PPAs) that Community Power enters into. These funds are distinct from other project mitigation measures, permitting requirements, charitable donations, customer rates, public funding sources, or Community Power revenues. Rather, they represent a voluntary commitment by developers negotiated as

part of Community Power's energy procurement process that is intended to provide direct benefits to the communities and customers served by Community Power.

Over the next three years, Community Power anticipates receiving an estimated $2.8 million in community benefit funds through provisions negotiated in nine PPAs. Payments are scheduled to be received at various points over the next several years; the timing of individual payments is subject to the contractual obligations of each agreement and actual project milestones. Contractual language governing the use of these funds varies by project but consistently provides broad authority for Community Power to identify initiatives of community benefit.

Community benefits funds are nonrecurring revenues received pursuant to PPAs and should therefore be invested in one-time projects rather than ongoing operational commitments. Allowable uses include housing, education, workforce training, environmental stewardship, and habitat improvement. Only one agreement in Riverside County includes geographic considerations outside of Community Power's member agencies, stating that funds may "benefit communities within Community Power's service area or adjacent to project sites."

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, and potential for measurable impact. From that feedback, staff developed a recommendation that maximizes long-term community impact without creating ongoing financial obligations, and that is consistent with Community Power's strategic goals and existing programming.

The proposed Policy establishes the governance framework to invest in community-led clean energy initiatives that deliver regional measurable economic, environmental, and health benefits. Staff recommends leveraging the existing Community Clean Energy Grants infrastructure to deploy funds by including Community Benefits' funding priorities, governance structure and territories into a single consolidated policy. This recommendation streamlines administration, builds upon an established and successful grant program and provides flexibility to align funding with Community Power's strategic priorities of generating long-term energy savings, enhancing resilience during outages, and contributing toward Community Power's 150 MW local development goal.

Analysis and Discussion

The proposed Policy establishes funding priorities that are consistent with Community Power's Strategic Plan while reflecting the allowable uses identified in the PPAs for community benefit funds.

Eligible projects will advance one or more of the following 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.

Eligible applicants include nonprofit organizations and public agencies serving Community Power customers (such as a member agency or a school district), with a focus on those located in and/or serving Communities of Concern. Fiscal sponsorship by an eligible nonprofit organization will continue to be permitted.

The proposed revisions also allow Community Benefits 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 in the County of Riverside. The Program Guidelines will ensure each funding opportunity complies with all applicable contractual requirements.

Applications will be reviewed by a committee made of staff from Program partners, which will evaluate applications based on:

- Alignment with Program funding priorities;
- Strategic and regional clean energy impact;
- Project feasibility and readiness; and
- Benefits to Communities of Concern and the populations served.

Grant recipients will be required to report on project outcomes and performance metrics identified in their grant agreement. Unless otherwise authorized by the CEO or designee, grant funds must generally be expended within 24 months of award. All grantees and contractors will be required to comply with applicable federal, state, and local laws, regulations, and grant agreement requirements.

Staff will conduct year-round outreach consistent with Community Power policies, present the Program Guidelines to the Community Advisory Committee and Board, and conduct additional public engagement as directed by the Board. Staff will continue informing the Board of program awards.

If approved, staff plans to release a Request for Proposals (RFP) later this fall to procure grant administration services for the next five years. All administrative procedures will be detailed in the Program Guidelines developed by staff.

Fiscal Impact

Community Clean Energy Grants funds are appropriated within the Community Clean Energy Grants project in the FY2026-27 Capital Investment Plan budget.

Over the next three years, Community Power anticipates receiving an estimated $2.8 million in Community Benefit Funds through provisions negotiated in Power Purchase Agreements. Because these funds are tied to a limited number of PPAs, they should be considered one-time funds.

Strategic Plan

This item supports establishing Community Power as a trusted public agency that collaborates and engages with other local governments and stakeholders; building community relationships and reinvesting in the communities we serve; increasing brand awareness through outreach, education, and strategic communications to help customers understand their energy usage, save money, and utilize customer offerings; and developing and executing effective communications & marketing plans to encourage San Diego residents to take advantage of programs they qualify for to enhance their energy efficiency.

Committee Review

A presentation on the 2026 Community Clean Energy Grants was provided to the Community Advisory Committee on February 12, 2026, and to the Board of Directors on February 26, 2026.

A request for feedback on a Community Benefits Framework was presented and received and filed at the Community Advisory Committee meeting of March 12, 2026, and the Board of Directors meeting of March 25, 2026.

The Community Advisory Committee unanimously recommended Board adoption of this resolution during their regular meeting of October 8, 2026.

Attachments

A: Resolution Revising Community Clean Energy Grant Program Policy
Exhibit A: Community Clean Energy Benefits and Grants Policy - Clean
B: Community Clean Energy Benefits and Grants Policy - Redlined

ITEM 15
ATTACHMENT A

RESOLUTION NO. 2026-17

A RESOLUTION OF THE SAN DIEGO COMMUNITY POWER BOARD OF DIRECTORS, AMENDING THE COMMUNITY CLEAN ENERGY GRANT PROGRAM POLICY TO INCLUDE COMMUNITY BENEFITS FUNDS AND RENAME THE POLICY TO "COMMUNITY CLEAN ENERGY BENEFITS AND GRANTS POLICY."

THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER DOES HEREBY FIND, RESOLVE, AND ORDER AS FOLLOWS:

A. San Diego Community Power ("Community Power") is a joint powers agency 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 December 16, 2021 ("JPA Agreement").

B. Section 3.2.12 of the JPA Agreement authorizes Community Power to adopt rules, regulations, policies, bylaws and procedures governing the operation of Community Power and Section 4.5.5 identifies setting policy as a duty of the Board.

C. The Community Power Board of Directors first adopted the Community Clean Energy Innovation Grants Policy on December 15, 2022. On February 22, 2024, the Board subsequently amended the policy and renamed it Community Clean Energy Grant Program Policy.

D. The Community Clean Energy Grant Program Policy aims to support local clean energy projects and programs that provide economic, environmental and health benefits to the communities it serves.

E. The Board of Directors now desires to amend the Community Clean Energy Grant Program Policy previously approved on February 22, 2024, to include the framework for administering Community Benefits funds and rename it to "Community Clean Energy Benefits and Grants Policy."

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

1. The Board of Directors hereby approves and adopts a Community Clean Energy Benefits and Grant Policy attached hereto as Exhibit A and incorporated by reference.

2. If any provision of this resolution, the attached policy, or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or application of the resolution or policy which can be given effect without the invalid provision or application, and to this end the provisions of this resolution and the policy are severable. The Board of Directors hereby declares that it would

have adopted this resolution and the attached policy irrespective of the invalidity of any particular portion thereof.

3. This resolution shall take effect immediately upon its adoption and shall remain in effect except as amended or until repealed by the Board of Directors.

PASSED, APPROVED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on October 22, 2026.

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Terra Lawson-Remer, Chair
Board of Directors
San Diego Community Power

ATTEST:

_____
Maricela Hernandez, MMC, CPMC
Clerk of the Board/Board Secretary
San Diego Community Power

APPROVED AS TO FORM:

_____
Veera Tyagi, General Counsel
San Diego Community Power

POLICY	COMMUNITY CLEAN ENERGY BENEFITS AND GRANTS POLICY	ORIGINAL ADOPTION DATE	DECEMBER 15, 2022
APPROVAL DATE	OCTOBER 22, 2026	RESOLUTION NO.	2026-17

PURPOSE, SCOPE AND GOALS

The purpose of this Community Clean Energy Benefits and Grants Policy ("Policy") is to provide authority to the San Diego Community Power ("Community Power") Chief Executive Officer ("CEO"), or designee, to design and approve the Community Clean Energy Grants ("Program") guidelines, implement the Program, develop and execute required contracts and grant agreements, and make minor modifications to the guidelines, where necessary.

The Program aims to support local clean energy projects and programs that provide economic, environmental, and health benefits to Community Power's communities. Program funded activities are expected to advance one or more of the following focus areas:

- Improved energy infrastructure, housing and resilience to ensure communities can avoid, prepare for, minimize, adapt to, and recover from energy disruptions.
- Workforce training and development opportunities that support careers in the clean energy industry and advance local economic development.
- Enhancing overall energy literacy among Community Power customers through educational programming that promotes clean energy use and carbon emissions reduction, with a particular focus on youth.
- Demonstrated environmental benefits, including improvements to indoor and/or outdoor air quality through electrification, as well as environmental stewardship, climate equity and habitat improvement and preservation.

GRANT PROGRAM STRUCTURE AND PROCESS

The following sections outline the overall Program structure and process. Community Power staff will inform the Community Power Board of Directors ("Board") upon finalization of the detailed structure and process in a final Program guidelines document.

Eligibility

Applicants must be a nonprofit with 501(c)(3) public charity status, a current Community Power member agency, or a public agency serving Community Power customers. A nonprofit may serve as a fiscal sponsor for another applicant to administer the grant and provide required grant reporting. All eligibility criteria will be stated in the Program Guidelines.

Evaluation Committee

The CEO, or designee, will establish a committee to review and score grant applications based on the evaluation criteria outlined below. The committee will include Community Power staff and may include staff from a program administrator, should one be hired to support Community Power staff in the administration of the Program, and Program partners.

Evaluation Criteria

The application evaluation criteria will be structured based on the categories outlined below. Application of the criteria will be articulated in the final Program guidelines. In the circumstance where applications have an equal evaluation score, the evaluation committee will prioritize selection of projects across a diversity of the Program's focus areas.

Criteria	**Description**
Funding Priority Alignment and ~~Project~~ Program Design	Program/project is designed to meet community needs while advancing one or more of the following focus areas: ● Improved energy infrastructure, housing and resilience to ensure communities can avoid, prepare for, minimize, adapt to, and recover from energy disruptions. ● Workforce training and development opportunities that support careers in the clean energy industry and advance local economic development. ● Enhancing overall energy literacy among Community Power customers through educational programming that promotes clean energy use and carbon emissions reduction, with a particular focus on youth. ● Demonstrated environmental benefits, including improvements to indoor and/or outdoor air quality through electrification, as well as environmental stewardship, climate equity and habitat improvement and preservation.
Strategic Alignment and Regional Environmental Impact	San Diego Community Power is committed to entirely clean and renewable electricity by 2035 or sooner.

Criteria	Description
	Program/project contributes to regional clean energy goals such as: - Reduced carbon emissions - Improved energy usage - Increased energy literacy among participants - Increased energy infrastructure and resiliency among communities served Program/project promotes the awareness and adoption of quantifiable clean energy solutions, creates energy cost reductions for customers, and/or contributes to strategic goals that advance Distributed Energy Resources (DER).
Feasibility and Readiness	Program/project outlines well-defined goals and demonstrates having the staffing capability, timing, partnerships, and applicable skills to successfully implement the program/project. Applicants sought guidance from staff on Virtual Power Plant (VPP) enrollment during available technical assistance periods and incorporated VPP elements to their project/plan where applicable and feasible. Application includes realistic timelines, and an implementation plan that accounts for all necessary permits, approvals, project requirements, as well as plans for addressing potential permitting or regulatory challenges (if applicable). Budget is within the allowable grant range and is reasonable for the project/program's scope.
Communities Served	Project/program demonstrates a comprehensive understanding of the population to be served and focuses on Communities of Concern in Community Power’s service territory.

Criteria	Description
	Program/project addresses potential barriers to participation and outlines outreach strategies to engage its target audience (if applicable). Program/project demonstrates how any partnerships and roles will be complementary and additive.

Reporting Requirements

Grantees will provide reports to Community Power summarizing project outcomes and other project metrics as defined in an executed grant agreement with Community Power or the program administrator.

Timeline

Awarded funds will be expended by grantees no later than 24 months from award date, or as agreed upon the executed grant agreement, unless written authorization is provided by the CEO or designee to extend the deadline.

Outreach

Community Power staff will conduct year-round, in-person and virtual outreach that is consistent with Community Power policies, present the Program Guidelines to the Community Advisory Committee and Board, and conduct any additional engagement directed by the Board.

Compliance with Applicable Laws

Contractors and grantees will be required to comply with all applicable federal, state, and local laws, rules, and regulations, which may include provisions of the California Labor Code relating to the payment of prevailing wages and the performance of other requirements on certain public works and maintenance projects.

GRANT FUNDING

This Policy does not explicitly authorize procurement by Community Power as the related Program does not purchase a good or service, with the exception of a potential program administrator to support the distribution of grant funds. All Program-related expenditures will comply with the Community Power Board-approved procurement policy.

Individual grant or contract awards shall not exceed 15% of the total Program budget, including the annual approved Program budget, one-time Community Benefits allocations and any leveraged external funds. Staff will inform the Board of all Program disbursements.

TERRITORY

Community Power's service area, and, where funding is governed by a legally binding Community Benefits provision in a Power Purchase Agreement (PPA), the applicable beneficiary community as determined by program guidelines.

AUTHORITY DELEGATION

This Policy authorizes the CEO, or designee, to design and approve the Program guidelines, implement the Program, develop and execute required contracts and grant agreements (in consultation with General Counsel), and make minor modifications to the guidelines, where necessary.

PRIOR VERSIONS

DATE	ACTION	RESOLUTION NO.	POLICY NO.
DECEMBER 15, 2022	ADOPTION	N/A	2022-13
FEBRUARY 22, 2024	REVISION	N/A	

RELATED POLICIES

Energy Proposal Evaluation Criteria

ITEM 15
ATTACHMENT B

POLICY	COMMUNITY CLEAN ENERGY BENEFITS AND GRANTS POLICY	ORIGINAL ADOPTION DATE	DECEMBER 15, 2022
APPROVAL DATE	~~FEBRUARY 22, 2024~~OCTOBER 22, 2026	RESOLUTION NO.	N/A2026-16

~~A.~~ PURPOSE, SCOPE AND GOALS

The purpose of this Community Clean Energy ~~Grant Program~~Benefits and Grants Policy ("Policy") is to provide authority to the San Diego Community Power ("Community Power~~SDCP~~") Chief Executive Officer ("CEO"), or designee, to design and approve the Community Clean Energy Grants ~~Program~~ ("Program") guidelines, implement the Program, develop and execute required contracts and grant agreements, and make minor modifications to the guidelines, where necessary.

~~B. PROGRAM GOALS~~

The Program aims to support local clean energy projects and programs that provide economic, environmental, and health benefits to ~~SDCP's~~ Community Power's communities. Program funded activities are expected to advance one or more of the following focus areas:

- Improved energy infrastructure, housing and resilience to ensure communities can avoid, prepare for, minimize, adapt to, and recover from energy disruptions.
- Workforce training and development opportunities that support careers in the clean energy industry and advance local economic development.
- ~~Increasing~~ Enhancing overall energy literacy ~~of~~ among ~~SDCP~~ Community Power customers~~, including~~ through educational programming that promotes clean energy use and carbon emissions reduction, with a particular focusly ~~for~~ on the youth.
- Demonstrated environmental benefits, including improvements to indoor and/or outdoor air quality through electrification, as well as environmental stewardship, climate equity and habitat improvement and preservation.
- ~~Increasing overall energy literacy of SDCP customers.~~
- ~~Energy focused educational programming that encourages clean energy use, particularly for youth.~~
- ~~Improvements in indoor and/or outdoor air quality related to electrification.~~
- ~~Workforce development opportunities that support careers in the clean energy industry.~~
- ~~Improved energy resilience to ensure communities can avoid, prepare for, minimize, adapt to, and recover from energy disruptions.~~

~~The following sections outline the overall Program structure and process. SDCP staff will inform the SDCP Board of Directors ("Board") upon finalization of the detailed structure and process in a final Program guidelines document.~~

~~C.~~ GRANT PROGRAM STRUCTURE AND PROCESS

The following sections outline the overall Program structure and process. ~~SDCP~~ Community Power staff will inform the ~~SDCP~~ Community Power Board of Directors ("Board") upon finalization of the detailed structure and process in a final Program guidelines document.

Eligibility

Applicants must be a nonprofit with 501(c)(3) public charity status ~~tax-exempt organization (such as a 501(c)(3) nonprofit)a nonprofit~~, a current ~~SDCP~~ Community Power member agency, ~~or a small business or community-serving facility in Communities of Concern,~~ or a public agency serving Community Power customers.~~.~~ A ~~tax-exempt 501(c)(3) public charity~~nonprofit may serve as a fiscal sponsor for another applicant to administer the grant and provide required grant reporting. All eligibility criteria will be stated in the Program Guidelines.

Evaluation Committee

The CEO, or designee, will establish a committee to review and score grant applications based on the evaluation criteria outlined below. The committee will include ~~SDCP~~ Community Power staff and may include staff from a program administrator, should one be hired to support Community Power staff in the administration of the Program, and Program partners.

Evaluation Criteria

The application evaluation criteria will be structured based on the categories outlined below~~., and grants will be awarded dependent on the proposed projects' alignment with the Program goals and SDCP's strategic direction~~. Application of the criteria will be articulated in the final Program guidelines. In the circumstance where applications have an equal evaluation score, the evaluation committee will prioritize selection of projects across a diversity of the ~~program~~ Program's focus areas.

Criteria	Description
Funding Priority Alignment and ~~Project~~ Program Design	~~Project~~Program/~~program~~ project is designed to meet community needs while advancing one or more of the following focus areas: • Improved energy infrastructure, housing and resilience to ensure communities can avoid, prepare for, minimize, adapt to, and recover from energy disruptions. • Workforce training and development opportunities that support careers in the clean energy industry and advance local economic development.

Criteria	Description
	• ~~Increasing~~ Enhancing overall energy literacy ~~of~~ among ~~SDCP~~ Community Power customers through~~, including~~ educational programming that promotes clean energy use and carbon emissions reduction, with a particular~~ly~~ focus ~~for~~ on the youth. • Demonstrated environmental benefits, including improvements to indoor and/or outdoor air quality through electrification, as well as environmental stewardship, climate equity and habitat improvement and preservation. • ~~Increasing overall energy literacy of SDCP customers.~~ • ~~Energy focused educational programming that encourages clean energy use, particularly for youth.~~ • ~~Improvements in indoor and/or outdoor air quality related to electrification.~~ • ~~Workforce development opportunities that support careers in the clean energy industry.~~ • ~~Improved energy resilience to ensure communities can avoid, prepare for, minimize, adapt to, and recover from energy disruptions.~~
Strategic Alignment and Regional Environmental Impact	San Diego Community Power is committed to entirely clean and renewable electricity by 2035 or sooner. Program/project contributes to regional clean energy goals such as: - Reduced carbon emissions - Improved energy usage

Criteria	Description
	- Increased energy literacy among participants - Increased energy infrastructure and resiliency among communities served Program/project promotes the awareness and adoption of quantifiable clean energy solutions, creates energy cost reductions for customers, and/or contributes to strategic goals that advance Distributed Energy Resources (DER).
Feasibility and Readiness	Program/project outlines well-defined goals and demonstrates ~~Application demonstrates~~ having the staffing capability, timing, partnerships, and applicable skills to successfully implement the ~~project/~~program/project. Applicants sought guidance from staff on Virtual Power Plant (VPP) enrollment during available technical assistance periods and incorporated VPP elements to their project/plan where applicable and feasible. Application includes realistic timelines, and an implementation plan that accounts for all necessary permits, approvals, project requirements, as well as plans for addressing potential permitting or regulatory challenges (if applicable). Budget is within the allowable grant range and is reasonable for the project/program's scope.
Communities Served	Project/program demonstrates a comprehensive understanding of the population to be served and focuses on

Criteria	Description
	Communities of Concern in ~~SDCP's~~ Community Power's service territory. Program/project addresses potential barriers to participation and outlines outreach strategies to engage its target audience (if applicable). Program/project demonstrates how any partnerships and roles will be complementary and additive.
~~Impact and Growth~~	~~Project/program is impactful with the potential to be replicated and/or expanded to other communities in SDCP's service territory.~~

Reporting Requirements

~~Contractors and grantees~~ Grantees will provide ~~final~~ reports to ~~SDCP~~ Community Power summarizing project outcomes and other project metrics as defined in an executed ~~contract or~~ grant agreement with ~~SDCP~~ Community Power or the program administrator.

Timeline

Awarded funds will be expended by ~~contractors and~~ grantees no later than 24 months from award date, or as agreed upon the executed grant agreement, unless written authorization is provided by the CEO or designee to extend the deadline.

Outreach

SDCP staff will conduct year-round, in-person and virtual outreach that is consistent with ~~SDCP~~ Community Power policies, present the Program Guidelines to the Community Advisory Committee (CAC) and Board, and conduct any additional engagement directed by the Board.

Compliance with Applicable Laws

Contractors and grantees will be required to comply with all applicable federal, state, and local laws, rules, and ~~regulations~~ regulation, which may include provisions of the California Labor ~~Code~~ Co~~d~~se relating to the payment of prevailing wages and the performance of other requirements on certain public works and maintenance projects.

~~D.~~ GRANT FUNDING

This Policy does not explicitly authorize procurement by ~~SDCP~~ Community Power as the related Program does not purchase a good or service, with the exception of a potential program administrator to support the distribution of grant funds. All Program-related expenditures will comply with the ~~SDCP~~ Community Power Board-approved procurement policy.

Individual grant or contract ~~amounts~~ awards shall not exceed 15% of the total Program budget, including the annual approved Program ~~budget.~~ budget, one-time Community Benefits allocations and any leveraged external funds. Staff will inform the Board of ~~any disbursements related to the Program.~~ all Program disbursements.

~~E.~~ TERRITORY

SDCP's service ~~area.~~ area, and, where funding is governed by a legally binding Community Benefits provision in a Power Purchase Agreement (PPA), the applicable beneficiary community as determined by program guidelines.

~~F.~~ AUTHORITY DELEGATION

This Policy authorizes the CEO, or designee, to design and approve the Program guidelines, implement the Program, develop and execute required contracts and grant agreements (in consultation with General Counsel), and make minor modifications to the guidelines, where necessary.

PRIOR VERSIONS

DATE	ACTION	RESOLUTION NO.	POLICY NO.
DECEMBER 15, 2022	~~ADOPTED~~ADOPTION	N/A	2022-13
~~FEBRUARY~~FEBRUARY 22, 2024	~~SUPERSEDED~~ REVISION	N/A	

RELATED POLICIES

- Energy Proposal Evaluation Criteria

POLICY	COMMUNITY CLEAN ENERGY BENEFITS AND GRANTS POLICY	ORIGINAL ADOPTION DATE	DECEMBER 15, 2022
APPROVAL DATE	OCTOBER 22, 2026	RESOLUTION NO.	2026-17

PURPOSE, SCOPE AND GOALS

The purpose of this Community Clean Energy Benefits and Grants Policy ("Policy") is to provide authority to the San Diego Community Power ("Community Power") Chief Executive Officer ("CEO"), or designee, to design and approve the Community Clean Energy Grants ("Program") guidelines, implement the Program, develop and execute required contracts and grant agreements, and make minor modifications to the guidelines, where necessary.

The Program aims to support local clean energy projects and programs that provide economic, environmental, and health benefits to Community Power's communities. Program funded activities are expected to advance one or more of the following focus areas:

- Improved energy infrastructure, housing and resilience to ensure communities can avoid, prepare for, minimize, adapt to, and recover from energy disruptions.
- Workforce training and development opportunities that support careers in the clean energy industry and advance local economic development.
- Enhancing overall energy literacy among Community Power customers through educational programming that promotes clean energy use and carbon emissions reduction, with a particular focus on youth.
- Demonstrated environmental benefits, including improvements to indoor and/or outdoor air quality through electrification, as well as environmental stewardship, climate equity and habitat improvement and preservation.

GRANT PROGRAM STRUCTURE AND PROCESS

The following sections outline the overall Program structure and process. Community Power staff will inform the Community Power Board of Directors ("Board") upon finalization of the detailed structure and process in a final Program guidelines document.

Eligibility

Applicants must be a nonprofit with 501(c)(3) public charity status, a current Community Power member agency, or a public agency serving Community Power customers. A nonprofit may serve as a fiscal sponsor for another applicant to administer the grant and provide required grant reporting. All eligibility criteria will be stated in the Program Guidelines.

Evaluation Committee

The CEO, or designee, will establish a committee to review and score grant applications based on the evaluation criteria outlined below. The committee will include Community Power staff and may include staff from a program administrator, should one be hired to support Community Power staff in the administration of the Program, and Program partners.

Evaluation Criteria

The application evaluation criteria will be structured based on the categories outlined below. Application of the criteria will be articulated in the final Program guidelines. In the circumstance where applications have an equal evaluation score, the evaluation committee will prioritize selection of projects across a diversity of the Program's focus areas.

Criteria	**Description**
Funding Priority Alignment and ~~Project~~ Program Design	Program/project is designed to meet community needs while advancing one or more of the following focus areas: ● Improved energy infrastructure, housing and resilience to ensure communities can avoid, prepare for, minimize, adapt to, and recover from energy disruptions. ● Workforce training and development opportunities that support careers in the clean energy industry and advance local economic development. ● Enhancing overall energy literacy among Community Power customers through educational programming that promotes clean energy use and carbon emissions reduction, with a particular focus on youth. ● Demonstrated environmental benefits, including improvements to indoor and/or outdoor air quality through electrification, as well as environmental stewardship, climate equity and habitat improvement and preservation.
Strategic Alignment and Regional Environmental Impact	San Diego Community Power is committed to entirely clean and renewable electricity by 2035 or sooner.

Criteria	Description
	Program/project contributes to regional clean energy goals such as: - Reduced carbon emissions - Improved energy usage - Increased energy literacy among participants - Increased energy infrastructure and resiliency among communities served Program/project promotes the awareness and adoption of quantifiable clean energy solutions, creates energy cost reductions for customers, and/or contributes to strategic goals that advance Distributed Energy Resources (DER).
Feasibility and Readiness	Program/project outlines well-defined goals and demonstrates having the staffing capability, timing, partnerships, and applicable skills to successfully implement the program/project. Applicants sought guidance from staff on Virtual Power Plant (VPP) enrollment during available technical assistance periods and incorporated VPP elements to their project/plan where applicable and feasible. Application includes realistic timelines, and an implementation plan that accounts for all necessary permits, approvals, project requirements, as well as plans for addressing potential permitting or regulatory challenges (if applicable). Budget is within the allowable grant range and is reasonable for the project/program's scope.
Communities Served	Project/program demonstrates a comprehensive understanding of the population to be served and focuses on Communities of Concern in Community Power’s service territory.

Criteria	Description
	Program/project addresses potential barriers to participation and outlines outreach strategies to engage its target audience (if applicable). Program/project demonstrates how any partnerships and roles will be complementary and additive.

Reporting Requirements

Grantees will provide reports to Community Power summarizing project outcomes and other project metrics as defined in an executed grant agreement with Community Power or the program administrator.

Timeline

Awarded funds will be expended by grantees no later than 24 months from award date, or as agreed upon the executed grant agreement, unless written authorization is provided by the CEO or designee to extend the deadline.

Outreach

Community Power staff will conduct year-round, in-person and virtual outreach that is consistent with Community Power policies, present the Program Guidelines to the Community Advisory Committee and Board, and conduct any additional engagement directed by the Board.

Compliance with Applicable Laws

Contractors and grantees will be required to comply with all applicable federal, state, and local laws, rules, and regulations, which may include provisions of the California Labor Code relating to the payment of prevailing wages and the performance of other requirements on certain public works and maintenance projects.

GRANT FUNDING

This Policy does not explicitly authorize procurement by Community Power as the related Program does not purchase a good or service, with the exception of a potential program administrator to support the distribution of grant funds. All Program-related expenditures will comply with the Community Power Board-approved procurement policy.

Individual grant or contract awards shall not exceed 15% of the total Program budget, including the annual approved Program budget, one-time Community Benefits allocations and any leveraged external funds. Staff will inform the Board of all Program disbursements.

TERRITORY

Community Power's service area, and, where funding is governed by a legally binding Community Benefits provision in a Power Purchase Agreement (PPA), the applicable beneficiary community as determined by program guidelines.

AUTHORITY DELEGATION

This Policy authorizes the CEO, or designee, to design and approve the Program guidelines, implement the Program, develop and execute required contracts and grant agreements (in consultation with General Counsel), and make minor modifications to the guidelines, where necessary.

PRIOR VERSIONS

DATE	ACTION	RESOLUTION NO.	POLICY NO.
DECEMBER 15, 2022	ADOPTION	N/A	2022-13
FEBRUARY 22, 2024	REVISION	N/A	

RELATED POLICIES

Energy Proposal Evaluation Criteria

SAN DIEGO COMMUNITY POWER

Staff Report – Item 16

To:	Board of Directors
From:	Laura Fernandez, Senior Director of Regulatory and Legislative Affairs
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Update on Regulatory and Legislative Affairs
Date:	October 22, 2026

Recommendation

Receive and file the update on regulatory and legislative affairs.

Background

Staff provide regular updates to the Board of Directors regarding Community Power's regulatory and legislative engagement.

Analysis and Discussion

A) Regulatory Updates

Power Charge Indifference Adjustment (PCIA)

Track 1: Petition for Review Granted

Track 1 of the California Public Utilities Commission's *Rulemaking to Update and Reform Energy Resource Recovery Account (ERRA) and Power Charge Indifference Adjustment (PCIA) Policies and Processes* ("PCIA proceeding", R.25-02-005) addressed revisions to the Resource Adequacy Market Price Benchmark (RA MPB), a key component of the PCIA used to determine the market value of utility generation portfolios. As previously reported in the January 2026 Regulatory and Legislative staff report to the Board of Directors (see page 54), Community Power's trade association, the California Community Choice Association (CalCCA), challenged

the CPUC's decision to apply the revised RA MPB methodology retroactively to 2025 PCIA calculations, arguing that the change unlawfully shifted costs to CCA customers and violated California's prohibition against retroactive ratemaking.

On September 23, 2026, the California Supreme Court granted the CalCCA's Petition for Review of the Track 1 PCIA Decision, which was previously denied at the Court of Appeal, Third Appellate District, without issuing a written opinion. The case will now go back to the Court of Appeal, Third Appellate District, with directions to accept CalCCA's Writ Petition and hear its case.

Track 2: Final Decision

On September 17, 2026, the California Public Utilities Commission's (CPUC) voted to adopt a Final Decision in Track 2 of the Power Charge Indifference Adjustment (PCIA) rulemaking (R.25-02-005), which addresses the valuation of banked pre-2019 Renewable Energy Credits (RECs) and how that value should be reflected for bundled and departed load customers.

The Decision affirms that RECs generated before January 1, 2019, and banked by PG&E, SCE, and SDG&E must be valued at zero dollars for purposes of calculating the PCIA when those RECs are used by the IOUs for RPS compliance. The CPUC rejected the proposal made by Community Power's trade association, CalCCA, noting that the indifference mandates were already satisfied when bundled customers credited the PCIA at the market value of Pre-2019 Banked RECs in the year of generation.

While a disappointing outcome for CCAs, the Decision does not directly impact Community Power customers, at least in the near term, as SDG&E was previously directed by the CPUC to utilize its post-2018 banked RECs for its upcoming compliance needs. However, SDG&E can request approval of a new strategy after 2027.

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

Energy Resource Recovery Account (ERRA) proceedings are used to determine IOU's 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 CPUC approves rates that allow utilities to recover costs from customers, which impacts the PCIA and Community Power's competitiveness with SDG&E's generation rates. 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.

2027 SDG&E ERRA Forecast Case

On October 2, 2026, Community Power and the Clean Energy Alliance (CEA) jointly filed Opening Briefs in SDG&E's 2027 ERRA Forecast case, arguing that the CPUC should:

- Order SDG&E to forecast 2027 Sold Resource Adequacy (RA) by applying a recent historical sales percentage to its forecasted quantities of Excess RA. This methodology properly accounts for both recent market conditions and the larger quantity of Excess RA SDG&E will make available to the market in 2027, relative to 2025 and 2026;
- Order SDG&E to include anticipated RA buffer quantities in its forecast of Retained RA. Doing so aligns with the Commission's guidance in D.19-10-001 and properly reflects the anticipated use of that capacity at the time rates are set; and
- Approve SDG&E's normalizing adjustment to the generation revenue allocation factor for each PCIA vintage. This adjustment will alleviate disparities between departed load PCIA rates and bundled commodity rates, as well as cost shifts between customer classes.

Reply Briefs are due October 9. On October 15, SDG&E will file the October Update, which will provide better insight into its 2027 generation rates.

Integrated Resource Planning

Workshop on Bundled Procurement Plans

On September 21, 2026, the CPUC hosted a workshop on potential reforms to the IOUs' bundled procurement plans (BPPs), which are plans in which the IOUs seek authorization for their procurement needed to serve their customers electricity load. Community Power's interests at the workshop were represented by a presentation from CalCCA, which used SDG&E's BPP as a case study for the challenges presented to CCAs.

In addition to the workshop, the CPUC issued a Ruling requesting party input on questions addressing the following topics:

- Substantive updates to the IOUs' BPPs, with focused questions for each IOU;
- Joint Renewables Portfolio Standard (RPS) topics such as proposals to transact RPS products under the upfront achievable standards of respective BPPs;
- Joint resource adequacy (RA) topics such as proposals to transact RA products under the upfront achievable standard of respective BPPs;
- Greenhouse Gas (GHG) compliance instruments and the Cap-and-Trade program;
- Excess RA sales framework joint topics and potential guidelines; and
- Joint Independent Evaluator (IE) and Procurement Review Group (PRG) process topics.

Comments are due on November 13 and reply comments are due on November 30.

Comments on Ruling on Requesting Comments on Transmission Planning Process Portfolios

On September 28, 2028, over 50 parties filed opening comments in response to the CPUC's Ruling requesting comments on recommended electricity resource portfolios for use in the CAISO's 2027-2028 Transmission Planning Process (TPP). The Ruling also invites input on a CAISO proposal to address a new constraint that surfaced following the cancellation of the Serrano-Del Amo-Mesa transmission upgrade by seeking geographically-targeted storage procurement in the West Los Angeles Basin. For additional background on the Ruling, see the September Regulatory and Legislative staff report to the Board of Directors, starting on page 103. CalCCA filed extensive opening comments on the base case portfolio as well as recommend the CPUC refrain from issuing geographically targeted procurement at this time.

New Order Instituting Rulemaking (OIR) to implement Assembly Bill (AB) 825 related to an Independent Regional Organization

On September 4, 2026, the CPUC initiated a new rulemaking proceeding and filed a proposed Order Instituting Rulemaking (OIR) to implement Assembly Bill (AB) 825 related to independent regional organization. AB 825 authorizes the California Independent System Operator ("CAISO") to operate regional electricity markets on behalf of a newly established regional organization (RO). However, before an electrical corporation, such as SDG&E, may participate in an energy market governed by an independent regional operator, AB 825 requires the CPUC to issue a formal decision finding that specified requirements have been satisfied. Moreover, AB 825 preserves the CPUC's authority to direct an electrical corporation to withdraw from an energy market operated by an independent regional operator. This rulemaking will provide the basis for that CPUC oversight.

New Order Instituting Rulemaking to Update Minimum Requirements in the Rate Case Plan

On August 24, 2026, the CPUC issued an Order Instituting Rulemaking (OIR) to update minimum requirements in the Rate Case Plan (RCP) for the energy utilities filing General Rate Cases (GRC), and to implement the requirements specified by three bills: AB 2666, AB 2847, and SB 254.

- AB 2666 directs the Commission to establish guidelines and adopt processes regarding the reporting and tracking of actual versus forecasted rates of return.
- AB 2847 requires the Commission to determine in every new authorization of capital expenditures (via an application) whether to require a cost estimate of capital expenditures.

- SB 254 further aligns the Wildfire Mitigation Plan (WMP) and GRC processes and modifies the conditions for recording to and recovering costs from wildfire mitigation memorandum accounts.

The CPUC may also consider broader revisions of the RCP to promote efficient management of the rate case process. Community Power will work with CalCCA to intervene in this rulemaking as it relates to Community Power customers.

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

On September 2, 2026, the CPUC issued a favorable proposed decision (PD) in Application 25-04-014, denying San Diego Gas & Electric Company (SDG&E)'s request to withdraw from administration of its regional energy efficiency (EE) portfolio. A summary of the proposed decision is contained in Item 9 of the September 2026 Community Power Board of Directors agenda packet.

The earliest the PD will be voted on by Commissioners is October 8. Opening comments were due September 22, and reply comments were due on September 28.

Community Power's comments applaud the PD overall, but request additions to the decision to establish a requirement for SDG&E to share data to facilitate successful portfolio planning and operations for prospective successor administrators such as SDREN. Community Power's comments also indicate SDREN's willingness to collaborate with SDG&E on future transition planning and emphasize its coordination with SDG&E to mitigate overlapping programs.

2028-2031 Energy Efficiency (EE) Business Plan Application (BPA) Proceeding

This proceeding will determine EE portfolio administrators' (of which SDREN is one) budget for program years 2028-2031, and strategic business plans for 2028-2035. The proposed decision on budgets and programs is expected in Q2 2027. This proceeding is in its early stages. On September 17, the CPUC issued a ruling with specific questions for parties, to which comments are due on October 30. The questions are fairly technical and pertain to the following topics: "Budget and Goals", "Program Proposals", "Third Party Programs", "Equity", "Building Decarbonization" and "Integrated-Demand Side Management". Community Power anticipates filing comments, in which case, a forthcoming staff report will summarize comments.

General EE Oversight Proceeding

No substantive developments to report this month.

SDG&E's Smart Meter 2.0 Application

On September 25, 2026, San Diego Community Power and Clean Energy Alliance jointly submitted intervenor testimony in San Diego Gas & Electric Company's (SDG&E) Smart Meter 2.0 proceeding to raise concerns over SDG&E's proposal seeking authority for approximately $825 million to replace SDG&E's existing meters and related Advanced Metering Infrastructure (AMI). Community Power and Clean Energy Alliance support replacing the existing infrastructure, but recommend that the CPUC approve the proposal only with conditions ensuring that customers, Community Choice Aggregators (CCAs), and authorized third parties receive appropriate access to customer meter data. The SD CCAs' access to meter data is critical to maximize and realize the potential benefits of the upgraded meters by supporting CCAs' ability to among other things implement demand response programs that have the ability to reduce costs, support grid reliability, and accelerate the transition to a cleaner electric system.

Intervenor testimony was also filed by UCAN, Cal Advocates, Mission:Data, and TURN/SBUA. Amongst the parties there is general consensus that:

- SDG&E has not adequately justified the pace and scope of full fleet replacement.
- Additional customer and third-party access to data should be required.
- Stronger protections are needed before approving major expenditures.
- The Commission should impose conditions on approval rather than grant SDG&E's proposal as filed

Rebuttal testimony is due on October 16.

California Advanced Rate Design Rulemaking

On September 22, the CPUC issued a Scoping Memo and Ruling setting the issues, categories, and procedural schedule for the Advanced Rate Design rulemaking. The proceeding will examine issues ranging from data center tariffs and customer protections to residential and nonresidential rate modernization, dynamic rates, marginal cost methodologies, and transmission cost allocation. Although the proceeding primarily concerns IOU rate structures, many proposals could ultimately influence generation customer bills, load forecasting, electrification programs, and customer participation in demand flexibility initiatives. The Scoping Memo sets four tracks: 1) Data Center Tariffs and Customer Protections; 2) Residential Rate Modernization; 3) Nonresidential Rate Modernization; 4) Dynamic Rates, Framework for Marginal Costs.

Demand Response Rulemaking

On September 25, the CPUC issued a proposed decision in the Demand Response Rulemaking that would authorize two years of bridge funding for demand response programs

operated by San Diego Gas & Electric Company, Pacific Gas and Electric Company, and Southern California Edison Company. The bridge period would maintain existing programs during 2028 and 2029 while the CPUC considers broader demand response policy reforms. The proposed decision would also move the deadline for the utilities' next demand response applications from November 1, 2026, to November 1, 2028, with those applications covering program years 2030 through 2034. The proposed decision would authorize SDG&E an annual demand response budget of approximately $15.2 million for each bridge year, based on its previously authorized 2027 funding level. Comments on the proposed decision are due October 15 and reply comments are due October 20. The proposed decision may be adopted at the CPUC's October 29 business meeting.

High Distributed Energy Resources Future (DER) Rulemaking

On September 25, 2026, the CPUC issued a proposed decision in the High Distributed Energy Resources Future Rulemaking that would establish processes for integrating distributed energy resources (DERs), including energy storage, electric vehicles, demand response, energy efficiency, and distributed generation, into utility distribution planning and operations.

The proposed decision would require San Diego Gas & Electric Company, Pacific Gas and Electric Company, and Southern California Edison Company to retain a consultant and convene stakeholder working groups to develop a common DER orchestration framework. DER orchestration refers to the coordinated management of DERs to address identified distribution-system needs. The framework would define potential grid services and use cases, establish interoperable communication and data-sharing requirements, identify distribution-level dispatch mechanisms, improve coordination with the California Independent System Operator, establish performance metrics, and develop criteria for scaling successful uses of DERs.

The utilities would be required to complete the stakeholder process and consultant report within 10 months of a final decision and submit a joint DER Orchestration Application within 12 months. The application would need to demonstrate net ratepayer benefits for each proposed use case and address cost-effectiveness, utility readiness, interoperability, measurement and verification, dispatch and control, and safeguards against double payment or double counting. It would also need to explain how the framework would provide open and nondiscriminatory participation for utility-managed, Community Choice Aggregator-managed, energy-service-aggregator-managed, and customer-managed DERs. The utilities would be required to identify the respective roles of utilities, CCAs, customers, aggregators, and other DER providers and propose safeguards for competitive neutrality and CPUC oversight.

Comments on the proposed decision are due October 15 and reply comments are due October 20. The proposed decision may be adopted at the CPUC's October 29 business meeting.

B) State Legislative Activities Update

The legislative session ended on August 31, 2026. The Governor had until September 30 to sign or veto bills approved by the Legislature.

Community Power Bill Positions

This table outlines the bill positions that Community Power has adopted in accordance with the Board-approved Policy Platform. Additional information, including position letters, can be found in the Legislation Tracker on Community Power's Regulatory & Legislative Priorities webpage.

Bill	Subject	Policy Platform	Position	Status
AB 1761 (Rogers)	PCIA Transparency	Stabilizing Community Choice	Support	Vetoed
AB 1813 (Ward)	Community Solar	Promoting Local Development	Support	Vetoed
AB 2111 (Papan)	Transmission Modeling	Deep Decarbonization	Support	Signed into Law
AB 2313 (Berman)	Neighborhood Decarbonization Zones	Deep Decarbonization	Support	Signed into Law
AB 2369 (Rogers)	Energy Only Resources	Deep Decarbonization	Support	Vetoed
AB 2383 (Zbur)	Data Center Tariffs	Stabilizing Community Choice	Previously: Oppose Unless Amended Current: Neutral	Signed into Law
AB 2389 (Irwin)	Local Solar Property Taxes	Promoting Local Development	Support	Failed
AB 2493 (Petrie-Norris)	Transmission Project Remedial Actions	Deep Decarbonization	Support	Signed into Law
AB 2508 (Hoover)	Energy Efficiency Program Funding	Stabilizing Community Choice	Oppose	Failed
SB 868 (Wiener)	Balcony Solar	Promoting Local Development	Support	Signed into Law
SB 1138 (Padilla)	RA Trading Affordability	Stabilizing Community Choice	Support	Failed
SB 1295 (Stern)	Distributed Energy Storage	Promoting Local Development	Support if Amended	Failed

State Budget Update

- None

Informational and Oversight Hearing Update

- None

Data Center Customer Protections Signed into Law

On September 12, the Governor announced he signed seven bills into law related to data center energy and water use:

- AB 2383 (Zbur): requires Community Power and other CCAs to adopt generation tariffs on or before January 1, 2028, for service to data center customers. The tariff must meet certain standards, such as allocating costs so they are not borne by other customers.
- SB 886 (Padilla): Requires the CPUC to direct the IOUs to adopt interconnection tariffs for data center customers that need to meet certain requirements, such as ensuring consolidated customer bills have a separate generation line item and that cost responsibility for transmission upgrades are assigned appropriately.
- AB 1577 (Bauer-Kahan): Requires data center owners to report energy use, efficiency, location, size, and onsite fuel consumption information to the California Energy Commission, which must include data center electrical load trends in future Integrated Energy Policy Reports and publish anonymized, aggregated information annually. The reporting information will also apply at the local level when prospective data center customers apply for a discretionary permit.
- AB 2469 (Papan): Prohibits local agencies from approving construction or expansion of a data center that increases peak water use unless the applicant provides required water use disclosures, including a water scarcity plan and water supply assessment, and assumes responsibility for necessary water infrastructure costs.
- AB 2619 (Papan): Requires data center owners or operators to provide projected and annual water use information to water suppliers and local governments when applying for or renewing business licenses and requires urban water suppliers to account for data center demand in water shortage planning.
- SB 887 (Padilla): Prohibits data center projects from using categorical California Environmental Quality Act exemptions and allows qualifying data centers to seek environmental leadership development project streamlining if they meet requirements related to clean energy, water use, infrastructure cost responsibility, and community benefits.
- SB 1168 (McNerney): Requires the CPUC to assess rate structures for data centers to ensure they pay a reasonable share of transmission, distribution, load growth, and procurement costs while helping reduce cost pressures on residential ratepayers.

C) Federal Activities Update

House Minority Party Releases Thriving Economy Project with Suggestions from CCAs

On September 15, a group of members of the House minority released hundreds of energy and environmental policy proposals as part of the Sustainable Energy and Environment

Coalition (SEEC) Institute's "Thriving Economy Project." The SEEC Institute was formed in 2024 to complement the leadership of a related caucus in the U.S. House of Representatives founded in 2009 and composed of 100+ Members of Congress committed to advancing durable and effective environmental policy. The collection of Thriving Economy Project proposals covers four broad policy objectives:

- Flourishing Lands, Communities and Resources,
- Secure American Energy Future,
- Financing the Energy Future,
- Building Government for Today.

The proposals include ways to increase energy generation, support emerging energy technologies, reduce ratepayer costs, and increase certainty around federal funding. Chapter five of the report, "Cheap, Abundant, and Clean Energy for All" includes three proposals focused on ensuring CCAs are eligible for federal grant funds, providing incentives to encourage states to authorize CCAs, and conducting a national study on the benefits of community-led energy procurement.

House Passes Energy Bills Before Adjourning for Recess

On September 16, the House passed the "Ratepayer Protection Act" (H.R. 9340) with bipartisan support. It seeks to codify the President's Ratepayer Protection Pledge and ensure data centers pay for new generation and transmission upgrades they require. The House also passed three grid improvement bills unanimously:

- "High-Capacity Grid Act" (H.R. 6633), which would require the use of best-available transmission conductors for all new and rebuilt interstate transmission lines, with the goal of increasing transmission capacity and reliability within existing rights-of-ways.
- "Load Forecasting Enhancement Act" (H.R. 9332), which would direct the Federal Energy Regulatory Commission (FERC) to establish regional boards to study and recommend best practices for electric load forecasting, as well as requiring FERC to report these findings to Congress and encourage states to utilize the forecasting procedures.
- "Affordable Innovation for the Grid Act" (H.R. 9339), which would direct the Energy Secretary to assess the use of AI and other technologies for strengthening grid capacity, reliability, and efficiency.

The Senate has not announced if they will take up the bills.

Senate Energy and Natural Resources Committee Examines Energy Legislation

On September 16, the Senate Energy and Natural Resources Committee held a hearing examining 24 pieces of pending legislation and received testimony from the Department of Energy's (DOE) Associate Deputy Secretary of Energy. The panel examined several energy related bills of note, including two bills to support geothermal energy production, the "STEAM

Act" (S. 456), which seeks to expedite environmental reviews for geothermal exploration and development, and the "GEO POWER Act" (S. 4116), which would establish a milestone-based demonstration program at DOE for next-generation geothermal energy projects. The "Energy Efficiency Reform Act of 2026" (S. 5338), which would limit the creation of new energy conservation standards at DOE, was also reviewed by the panel. It is not clear when the committee will hold votes on the reviewed legislation.

Leaders of Senate Energy and Natural Resources Committee and Senate Environment and Public Works Committee Release Comprehensive Permitting Reform Legislation

Senators Release Bipartisan Permitting Reform Legislation Before Recessing

The proposed bill – named the Bipartisan American Affordability and Jobs Act of 2026 – was released by the chairs' and ranking members' of the Senate Environment and Public Works Committee and the Senate Energy and Natural Resources Committee. It includes proposals in the following areas:

- National Environmental Policy Act exemptions and judicial review
- Clean Water Act streamlining
- Endangered Species Act changes
- Project certainty for federally permitted projects
- Electric transmission siting authority, promoting the use of grid enhancing technologies, and regional planning
- Ratepayer protections for data center loads of at least 20 megawatts
- Expansion of access to wholesale electric markets for aggregated distributed energy resources
- Onshore federal leasing
- Geothermal leasing
- Hydropower
- Offshore energy

A vote in the Senate could be scheduled after the midterm elections.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER

SAN DIEGO COMMUNITY POWER
Staff Report – Item 17

To:	Board of Directors
From:	Jannies Burlingame, Chief Financial Officer/Treasurer Timothy Manglicmot, Senior Director of Finance and Risk Jeb Spengler, Associate Director of Strategic Finance & Procurement Will Weisman, Associate Director of Finance Capital Investment Plan Chris Do, Finance Manager
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	Fiscal Year 2025-2026 Financial Year End Review
Date:	October 22, 2026

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 a 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

Background

On October 1, 2019, the initial members of San Diego Community Power ("Community Power") adopted a Joint Powers Agreement which was amended and restated on December 16, 2021 ("JPA"). 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 Community Power fiscal year runs from July 1 to June 30.

Section 7.3.1 of the JPA specifies that the Board may revise the budget from time to time as may be necessary to address contingencies and unexpected expenses.

On June 26, 2025, the Board approved the FY 2025-26 ("FY26") Operating Budget which included net revenue of $1,199,619,579 and total expenses of $1,016,711,339, resulting in a net position of $182,908,241. Additionally, on June 26, 2025, the Board approved the FY26 capital budget which included revenue and expenses of $54,545,636 to fund 12 projects in FY26, totaling 21 active projects during the fiscal year when including previously appropriated carry-forward funds. Finally, on June 26, 2025, the Board approved the FY 2026-30 Capital Investment Plan which outlined anticipated funding needs over the five-year outlook period, totaling $344.3 million. The first year of the FY 2026-2030 CIP comprised the FY26 capital budget.

Subsequently, on February 26, 2026, the Board approved an amendment to the FY26 Operating Budget (FY26 Amended Budget) to decrease net revenue to $1,175,418,914 and total expenses to $1,025,004,360, resulting in a projected net position of $150,414,553 for FY26. The Board additionally approved an amendment to the FY26 capital budget that includes total revenue and expenses of $55,239,247. The amendment included $11.2 million in unspent continuing funds as well as Grant revenue for the California Energy Commission CHARGE UP project.

Finally, on September 24, 2026, the Board received and filed the Treasurer's Report for 12-Month Period Ending June 30, 2026. As part of the report, staff noted actual financial results for the period ending June 30, 2026: $1.226 billion in net operating revenues were reported compared to $1.175 billion budgeted for the period. Community Power's change in net position of $293.9 million was reported year-to-date for FY26. Table 1 reflects the summary of the actual results through June 30, 2026, compared to the FY26 Amended Budget:

SAN DIEGO COMMUNITY POWER
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2026

	Year-to-Date			
	Amended Budget	Actual	Amended Budget Variance (Under) Over	Actual/ Amended Budget %
REVENUES AND OTHER SOURCES				
Gross Ratepayer Revenues	$ 1,194,789,000	$ 1,234,884,127	$ 40,095,127	103%
Rate Stabilization Fund transfer	-	(115,000,000)	(115,000,000)	na
Less: Uncollectible Customer Accounts	(19,370,000)	(12,242,027)	7,127,973	63%
Other Income	-	3,115,059	3,115,059	na
Total Revenues and Other Sources	1,175,419,000	1,110,757,158	(64,661,842)	
OPERATING EXPENSES				
Cost of Energy	969,917,000	885,841,666	(84,075,334)	91%
Professional Services and Consultants	23,414,000	18,565,184	(4,848,816)	79%
Personnel Costs	19,612,000	18,836,768	(775,232)	96%
Marketing and Outreach	2,317,000	2,113,484	(203,516)	91%
General & Administrative	4,648,000	4,826,439	178,439	104%
Total Operating Expenses	1,019,908,000	930,183,540	(89,724,460)	
Operating Income (Loss)	155,511,000	180,573,619	25,062,619	
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	18,295,000	19,187,155	892,155	105%
Interest and Related Expenses	(1,515,000)	(1,858,591)	(343,591)	123%
Transfer to Capital Investment Program	(21,881,000)	(21,881,000)	-	100%
Total Non-Operating Revenues (Expenses)	(5,101,000)	(4,552,436)	548,564	
NET CHANGE	$ 150,410,000	$ 176,021,182	$ 25,611,182	

Table 1. Budget Comparison by Budget Level 2, actual results through June 30, 2026 compared to the FY26 Amended Budget.

The report also noted that additional information regarding the FY26 year-end financial results, including the rate stabilization reserve determination and related reserve considerations, and potential recommendations for a supplemental budget appropriation, will be provided as part of the full-year FY26 financial review in October.

On July 28, 2022, the Board also approved Community Power's Budget Policy. Most notably, the Budget Policy states the Chief Executive Officer ("CEO") or Chief Financial Officer ("CFO") may authorize expense transfers between and within Budget Level 2 categories provided that net transfers total $150,000 or less from the budget category. Budget movements exceeding this threshold require Board approval. Further, the FY26 Operating Budget Book defined the budget structure and budget level hierarchy where budget appropriations occur as shown in Figure 1.

BUDGET LEVEL 1	BUDGET LEVEL2	BUDGET LEVEL 3
Revenue	Gross Ratepayer Revenues (Less 1.75% Uncollectible Customer Accounts)	Gross Ratepayer Revenues (Less 1.75% Uncollectible Customer Accounts)
Revenue	Cost of Energy	Cost of Energy
Operating Expenses	Personnel Costs	Salaries
Operating Expenses	Personnel Costs	Benefits (retirement/health)
Operating Expenses	Personnel Costs	Payroll Taxes
Operating Expenses	Personnel Costs	Accrued PTO
Operating Expenses	Professional Services and Consultants	Legal/Regulatory
Operating Expenses	Professional Services and Consultants	Technical Support
Operating Expenses	Professional Services and Consultants	Programs Consultant
Operating Expenses	Professional Services and Consultants	Other Services
Operating Expenses	Professional Services and Consultants	SDG&E Fees
Operating Expenses	Professional Services and Consultants	Data Management
Operating Expenses	Professional Services and Consultants	Contingency
Operating Expenses	Marketing and Outreach	Communications Consultants
Operating Expenses	Marketing and Outreach	Printing
Operating Expenses	Marketing and Outreach	Sponsorships/Local Memberships
Operating Expenses	General and Administration	CalCCA Dues
Operating Expenses	General and Administration	Insurance
Operating Expenses	General and Administration	Rent
Operating Expenses	General and Administration	Other G & A
Operating Expenses	Programs	Programs
Operating Expenses	Debt Service	Interest and Related Expenses
Non-Operating Expenses	CIP	CIP
CIP		

Figure 1. Budget Structure – Budget Level Hierarchy

Relatedly, on December 11, 2025, as part of a fourth revision to the financial reserves policy, and on May 28, 2026, as part of a budget presentation, the Board received updates from staff noting that the most significant financial risk facing the agency is volatility in Market Price Benchmarks ("MPBs") as they flow through the Power Charge Indifference Adjustment ("PCIA") and SDG&E bundled rates. As of April 30, 2026, Community Power's projected market prices for on-peak energy, off-peak energy, and renewable resources for calendar years 2026 and 2027 were materially lower than the CPUC's published benchmark values on October 1, 2025.

As noted in the staff report, the FY27 Operating Budget reflects significant downside risk to calendar year 2027 net revenue resulting from Market Price Benchmark volatility - the single largest financial risk facing the agency. This risk is projected to be partially mitigated within the cost of energy through (1) open energy positions that can be closed at lower projected market prices and (2) lower projected renewable prices under the VAMO contract with SDG&E. Together, these factors drove the reduction in projected operating expenses in the FY27 Operating Budget.

The following includes an analysis and discussion of the FY26 year-end results, the resulting reserve position, and a preliminary outlook and reserve projection for FY27 and FY28.

Analysis and Discussion

FY26 concluded materially better than the FY26 Amended Budget. Favorable market conditions resulted in higher-than-budgeted revenues and lower-than-budgeted energy costs, increasing Community Power's reserves from 114 days cash on hand at the end of FY25 to 249 days cash on hand at the end of FY26. The strengthened financial position enabled full funding of the $115 million Rate Stabilization Reserve framework previously approved by the Board and positioned the agency to manage anticipated PCIA-related financial pressures in FY27 and FY28. Staff is additionally requesting approval of budget-neutral transfers between Budget Level 2 categories; however, no increase to the Board-approved budget is required.

The actual financial results for FY26 through the period ending June 30, 2026, compared to the FY26 Amended Budget by budget level 2 are shown in Table 1 in the Background section. The financial results are a compilation and reflect unaudited financials for FY26. The final FY26 Financial Audit, which includes the final audited financials for the period, is expected to be reviewed by the Board on December 10, 2026. While staff expect the unaudited financials to remain largely unchanged, staff nonetheless expect further adjustments to the results shown in Table 1.

Revenues and Other Sources

Before designation of the $115 million Rate Stabilization Reserve, FY26 net revenues exceeded budget by $50.3 million, or 4.3%. Following designation of the $115.0 Rate Stabilization Reserve, discussed further in the reserve section, reported net revenues were ($64.6 million), or 5.5% under budgeted projections, because the designated amount was deferred rather than recognized as FY26 revenue. This deferral does not affect cash reserves and reflects implementation of the Board-approved Rate Stabilization Reserve framework discussed later in this report.

The primary drivers for the total net revenues exceeding the budget included:

1. **Super Off-Peak Expansion**. The Super Off-Peak expansion from 10am to 2pm for residential customers resulted in lower-than-expected credits to Net Energy Metering customers. The lower rates during solar hours meant that the value of solar generation during the new super-off peak was reduced.
2. **Uncollectibles**. The FY26 Amended Budget included a 1.75% uncollectible rate, but actual results estimate a 1.24% uncollectible rate for the remaining fiscal year. This result led to actual results finishing $7.1 million higher than expected.

3. **PowerBase Enrollment**. During the fiscal year, fewer customers enrolled in Community Power's PowerBase product, which is 10% less expensive than SDG&E's generation rates. This led to additional revenue as these customers instead remained in Community Power's PowerOn base product, which was 4% less expensive than SDG&E's generation rates in calendar year 2027.
4. **Load Usage**. Customers had slightly higher than forecast load usage especially as weather was hotter than expected during the fiscal year.

Operating Expenses

Cost of Energy

Energy costs were $84.1 million, or 8.6% below the year-to-date budget.

As background, when a Community Choice Aggregator ("CCA") is formed, it typically purchases energy in the volatile short-term energy market. CCAs also procure renewable energy, such as Portfolio Content Category 1 ("PCC1"), to meet renewable portfolio requirements, as well as resource adequacy to comply with mandatory planning and procurement obligations designed to ensure there is sufficient generation capacity available to reliably serve consumer demand in real time.

Community Power's long-term strategy since its formation has been to shift from the volatile, short-term markets into long-term renewable power purchase agreements ("PPAs"). Long-term PPAs lock in renewable energy supply around which Community Power can build its power supply portfolio while also hedging power supply costs and meeting resource adequacy obligations. Long-term PPAs also generally provide fixed pricing for energy, renewables and resource adequacy.

However, in FY26, a significant portion of Community Power's energy, renewable resources and resource adequacy was purchased in the volatile, short-term market as more long-term PPAs continue to come online and as staff continue to bring long-term PPAs for Board approval.

As a result, because energy, renewables and resource adequacy prices are at historically low levels, discussed further in the Projected Use of Reserves in FY27 and FY28 section, Community Power saw significant savings from short-term market purchases. These savings were driven primarily by:

1. **Renewable Energy Costs**. $91.6 million in lower renewable energy costs, reflecting recent declines in PCC1 prices. This market trend resulted in more favorable Renewable Portfolio Standard (RPS) procurement pricing and reduced costs under Voluntary Allocation Market Offer (VAMO) contract with San Diego Gas and Electric (SDG&E). Additionally, the volume of renewables delivered under the VAMO contract was lower than expected during the fiscal year leading to additional savings.

2. **Energy Costs**. Load-serving costs were $16.3 million below budget, driven by lower Day-Ahead market energy prices. These savings were partially offset by $33.3 million in lower-than-budgeted CAISO credits, which increased net energy costs relative to forecast. After accounting for this offset, total energy costs were $84.1 million under budget year-to-date.

Non-Energy Costs

Non-energy operating expenses ended FY26 generally in line with budget expectations and did not contribute materially to overall financial variances for the year. Actual expenditures across the major non-energy categories were largely consistent with the assumptions reflected in the FY26 Amended Budget, with only limited deviations requiring discussion.

The following section provides a brief overview of the primary non-energy expense categories and highlight notable variances where applicable. As discussed later in this report, staff is also recommending several budget-neutral transfers between Budget Level 2 categories to align appropriation authority with final year-end expenditures. These administrative adjustments do not increase the total Board-approved revenue or expense appropriations for FY26.

- **Professional Services & Consultants** were ($4.8 million), or 8.6% below the annual budget. Savings within this category were primarily attributable to increased internal staffing in alignment with the budget, which reduced reliance on certain external professional and consulting services. This category also included lower-than-anticipated costs for contracted and operational services most notably from Community Power's largest non-energy contracts for Calpine Community Energy, LLC, and San Diego Gas & Electric for service fees.
- **Personnel Costs** were ($0.8 million), or 4.0% below the year-to-date budget which was in-line with expectations.
- **Marketing and Outreach** was ($0.2 million) or 8.8% below the year-to-date budget primarily due to reduced printing requirements during the fiscal year.
- **General & Administration** was $0.2 million or 3.9% over the year-to-date budget due to higher-than-anticipated costs across several operating areas, including insurance, software and technology services, and utilities. These variances primarily reflected evolving organizational needs and higher-than budgeted costs.

Non-Operating Expenses

Investment income finished $0.9 million or 4.9% better than the year-to-date budget as Community Power generated more cash reserves than anticipated generally leading to higher-than-expected investment income. Debt Service or Interest and Related Expenses, by comparison, finished $0.3 million or 22.7% above the budget due to higher-than-anticipated costs associated with the organization's credit facilities and related financing fees.

Recommended Budget Movement

As part of the fiscal year-end close, staff is recommending Board approval of certain budget movements between Budget Level 2 categories to ensure appropriation authority is appropriately aligned with final expenditures. Staff consider these adjustments administrative and non-substantive in nature. The proposed movements are budget-neutral and do not increase the Board-approved revenue or expense appropriations for FY26.

Proposed budget movements between Budget Level 2 categories:

- **Professional Services & Consultants**: Transfer $1,000,000 of available budget authority from the Professional Services & Consultants Budget Level 2 category.

- **General & Administration**: Transfer $500,000 of budget authority to the General & Administration Budget Level 2 category.

- **Debt Service**: Transfer $500,000 of budget authority to the Debt Service Budget Level 2 category.

No additional budget authority is requested. The proposed transfers reallocate existing appropriations within the FY26 Operating Budget and are budget-neutral, with no change to the total Board-approved budget.

These adjustments reflect staff's year-end review of actual expenditures and are intended to ensure that budget appropriations are appropriately aligned with expenditures within the applicable Budget Level 2 categories. Completing these adjustments following receipt of final June actuals provides a more accurate representation of fiscal year activity and addresses year-end budget variances without requiring an increase to the overall approved budget. Table 3 reflects the budget movement request in further detail.

Funding From (Budget Level 2)	Funding to	Transfer
Professional Services & Consultants	Debt Service	$ 500,000.00
Professional Services & Consultants	General & Administrative	$ 500,000.00
Total Budget Movement		$ 1,000,000.00

Table 2. Proposed budget movements between Budget Level 2 categories

Board Policy Direction and Reserve Strategy

The FY26 results allowed Community Power to further strengthen reserves and implement the reserve management framework approved by the Board to address anticipated future market volatility and PCIA-related risks.

The FY26 year-end reserve position is the culmination of a series of Board policy actions taken during FY26. In December 2025, the Board increased reserve targets to address growing market risks. In March 2026, the Board established the Rate Stabilization Reserve framework to preserve affordability during adverse market conditions. In May 2026, staff identified MPB volatility and a potential PCIA snapback as the most significant financial risk facing the agency. The better than projected FY26 results provided the financial capacity necessary to implement each of these policy objectives.

Financial Reserves:

As a result of the year-end financials, Community Power's cash and investment reserves grew from approximately $364.0 million at the close of FY25 (114 days cash on hand) to approximately $696.1 million at the close of FY26 (249 Days Cash on Hand "DCOH", or 274 DCOH based on FY27 budgeted expenses). This growth was driven by better than anticipated market conditions (higher revenue and lower wholesale energy costs than budgeted) and was reinforced by two Board actions during the year: the December 11, 2025 revision to the Financial Reserves Policy (Resolution 2025-23), which raised the reserve target from 180 to 225 days cash on hand, and the March 26, 2026 adoption of a formal Rate Stabilization Reserve Policy (Resolution 2026-07).

This section of the staff report will provide (1) an overview of the month-by-month accounting of the growth in Community Power's financial reserves during FY26, (2) an explanation of the $115 million deferral of FY26 revenue that has been designated as Rate Stabilization Reserves ("RSR"), including the policy authority and accounting mechanics for how the deferral will ultimately be recognized, and (3) staff's current projections of how reserves (including RSR) are expected to be used in Fiscal Years 2027 and 2028 as Community Power anticipates a reversal ("snapback") in Power Charge Indifference Adjustment ("PCIA") market conditions.

Growth of Financial Reserves in FY26

Community Power's reserve policy is measured in Days Cash on Hand, defined under the current policy as unrestricted cash, cash equivalents, and investments unencumbered by legal agreements and not earmarked for specific purposes, divided by average daily operating expenses. The tables below show the DCOH as presented in the monthly Treasurer's Reports to the FRMC throughout FY26.

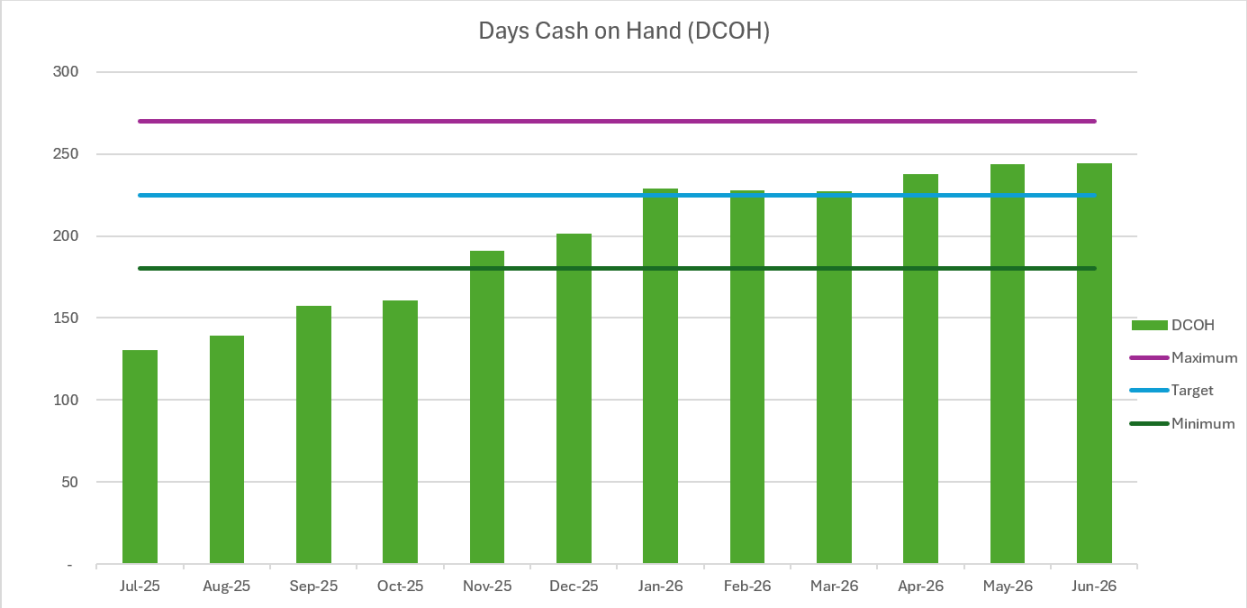

Figure 2. San Diego Community Power's Days Cash on Hand

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

Table 3. San Diego Community Power's Days Cash on Hand by Month

At fiscal year-end, total reserves (cash and investments) stood at $696.1 million, composed as follows:

Reserve Component (as of 6/30/2026)	Balance	% of Total
Unrestricted Cash	$497,203,424	71%
Current Investments	$80,988,906	12%
Non-Current Investments	$117,874,747	17%
Total Reserves (Cash & Investments)	**$696,067,077**	**100%**

Table 4. San Diego Community Power's Reserves by Component

$115 Million Rate Stabilization Deferral

One of the most significant outcomes of FY26 was the successful implementation of the Board's reserve strategy. Through adoption of the revised Financial Reserves Policy in December 2025 and the Rate Stabilization Reserve Policy in March 2026, the Board established a framework intended to accumulate reserves during favorable market conditions and use those reserves to moderate future rate volatility. FY26 results provided sufficient financial performance to fully fund the maximum eligible Rate Stabilization Reserve designation of $115 million.

As footnoted in the FY26 year-end Treasurer's Report, $115 million of what would otherwise have been FY26 operating revenue was deferred and designated as a Rate Stabilization Reserves rather than recognized in FY26. This deferral impacts the "Net Operating Revenues" and "Change in Net Position" figures reported to the Board for FY26 ($1,110.8 million and $176.0 million, respectively). These numbers are $115 million less than what Community Power actually collected in FY26.

The deferral was made possible by favorable FY26 market conditions – energy costs came in $84.1 million under the amended budget – which produced revenue and positive operating margins above what was needed to meet FY26 financial obligations and reserve targets. Rather than allowing that full positive margin to be recognized in FY26, staff exercised the authority granted by the newly adopted Rate Stabilization Reserve Policy to set aside $115 million specifically to cushion anticipated cost increases in FY27 and FY28 as discussed further in the "Projected Use of Reserves in FY27 and FY28" section below.

RSR Accounting Mechanics:

It's important to remember that the RSR deferral does not move cash and all funds designated as RSR are still included in the total reserves calculation. The RSR is a revenue-recognition mechanism as defined by the Governmental Accounting Standards Board ("GASB"). The GASB framework was applied by staff in designing the RSR policy. This policy allows staff to

treat a defined portion of favorable current-year revenues as a deferred revenue inflow rather than current-period revenue, provided there is a documented intent and mechanism to flow that amount through to benefit customer rates in a specific future period. For Community Power's financial statements and Treasurer's Reports, the deferral results in the following:

- The $115 million is excluded from the "Net Operating Revenues" and "Change in Net Position" lines in the Statement of Revenues, Expenses, and Changes in Net Position for FY26.
- The cash and investments remain on the balance sheet and continue to count as unrestricted cash and investments for DCOH and total-liquidity reporting purposes. The $115 million is included within the $696.1 million of total reserves reported at June 30, 2026, and within the 249 days cash on hand figure, even though it is not part of recognized FY26 revenue.

The amount is carried as a designated (Board-restricted, not legally restricted) component of reserves until a future recognition event converts it into recognized revenue in the period the Board selects.

Process for Future RSR Recognition:

The RSR policy established two decision points with different approval authorities that govern the full lifecycle of a RSR determination:

1) Designation – At fiscal year-end, the Chief Executive Officer (or Acting CEO) may authorize the designation of eligible reserves into the RSR, subject to the policy's cap (approximately 45 days cash on hand). The determination will then be reported to the Board at the next regularly scheduled Board meeting. This is the step that occurred at the FY26 year-end that produced the $115 million designation reflected in the June 30, 2026 Treasurer's Report.

2) Recognition (release into Revenue) – Board approval is required to recognize some or all of the $115 million designated as RSR. Staff will bring a recommended recognition amount and timing to the Board as part of the annual financial review cycle. During the January rate-setting process, staff will present financial scenarios that may include the use of reserves, including amounts designated as RSR; the Board may also authorize the use of reserves not designated as RSR. Any RSR amount approved for recognition would be recorded as revenue later in the fiscal year if needed to satisfy financial covenants.

Projected Use of Reserves in FY27 and FY28:

FY27 – Managing an anticipated PCIA "snapback"

The preliminary FY27 operating and capital budget, presented to the FRMC on May 21, 2026, and to the full Board on May 28, 2026, projects a reversal of the favorable conditions that created FY26's reserve growth.

On June 10, 2026, as part of a stress test analysis for its Board, Silicon Valley Clean Energy (SVCE), a peer CCA with similar underlying metrics, noted for its Board that it believed market prices are collapsing (see Figure 2).

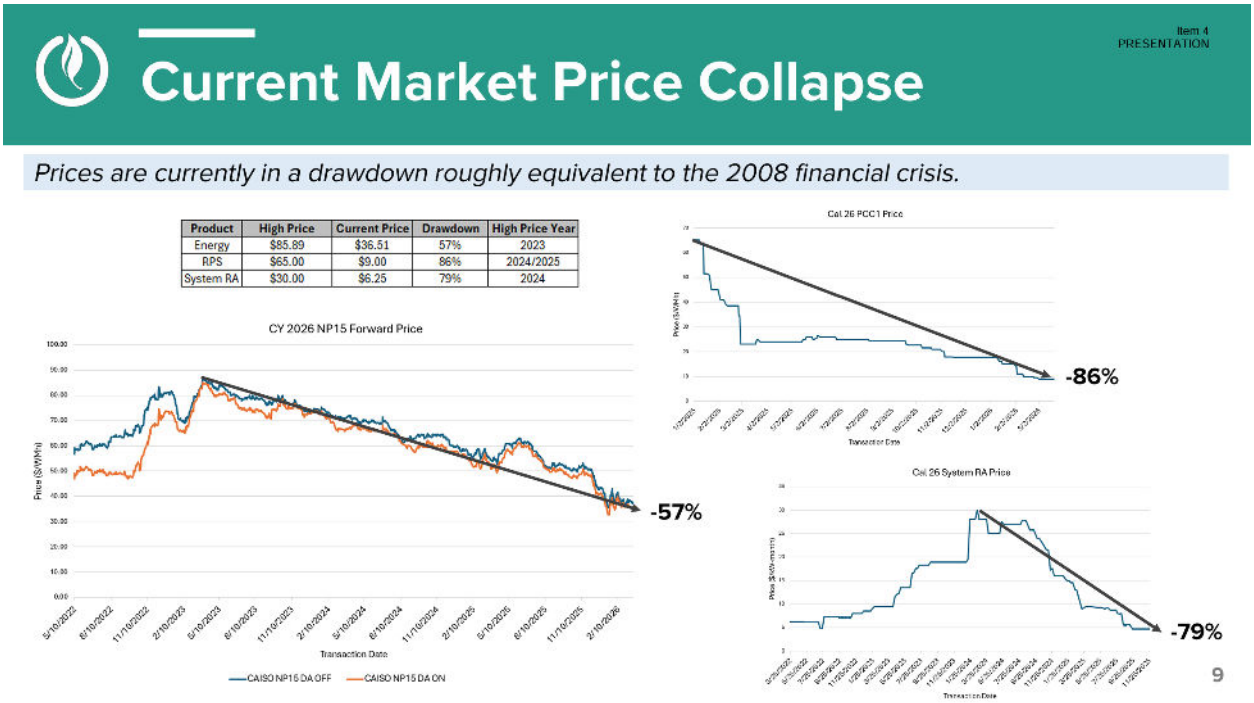

Figure 3. SVCE Board of Directors Meeting, Stress Test Analyses, June 10, 2026.

As noted in May 2026 to the FRMC and Board, declining market price benchmarks have a compounded financial impact on Community Power due to the timing mechanics of the PCIA and the Portfolio Allocation Balancing Account (PABA). Lower MPB values increase calculated above-market costs and are reflected through the PABA true-up in 2026, which results in a higher PCIA applied to Community Power customers in 2027. At the same time, those same market conditions contribute to lower SDG&E bundled generation rates in 2027. Together, these effects place downward pressure on Community Power's relative rate position by increasing PCIA charges while reducing the competing utility rate benchmark, although as noted in this report, Community Power realized significant cost of energy savings in FY26 from the same declining market price benchmarks.

Based on current market conditions, staff continue to project materially lower revenues and reduced operating margins in FY 27 and FY28 relative to FY26, driven by an expected PCIA

"snapback": CPUC market-price benchmarks that had been suppressed through 2025 and into 2026 are expected to normalize, which functionally shrinks the PCIA credit Community Power customers have been receiving. Updated forecasts reflecting the latest market information will be presented to the Board as part of future budget and rate-setting discussions.

As a result of the operating margin compression, the FY27 budget anticipates a positive net margin of $3.9 million. This is in comparison to the FY26 amended budget net margin of $150.4 million that was intentionally designed to grow reserves to reach the target DCOH by fiscal-year end.

Staff expect to bring forward a specific recommendation to the Board during the FY27 rate-setting process to show a use of reserves (either RSR-designated reserves or regular reserves, or some combination of the two) that are above the 225-day target. This use of reserves will offset the projected margin compression, protect necessary financial metric covenants, and moderate rate impacts to customers.

FY28 and beyond — Preliminary Outlook
The FY28 operating and capital budget will follow Community Power's normal cycle with preliminary versions brought to the FRMC and Board in spring 2027. Based on current planning materials and directional trends, staff anticipates a further draw down on reserves as PCIA is a multi-year true-up mechanism. Staff will continue to report reserve balances, RSR activity, and updated multi-year projections to the FRMC and Board and will highlight any material change in the FY27 or FY28 outlooks as soon as they are identified.

Capital Investment Program Fund

The FY 2026-30 Capital Investment Plan (CIP) contains all the individual capital projects, major equipment purchases, and major programs for the agency that are intended to span multiple years. Contributions to the CIP are considered one-time in nature and do not reflect future funding commitments.

The first year of the FY 2026-30 CIP is Community Power's capital budget for the FY26 as shown in Table 3 below. Contributions are made strategically from operations based on available resources to support future anticipated needs. Unspent funds are kept within the CIP and carried forward to the subsequent fiscal year. Fund balance presented in the Budgetary Comparison Schedule represents this carry-forward budget. The CIP includes funding for local development feasibility studies, customer program pilot projects, community grants, a customer education platform, and other community-focused areas.

The FY26 budget most notably included contributions from the Operating Fund to support the Solar Battery Savings Program, with $18.8 million to support ongoing program needs projected in the Capital Investment Plan. The total program need over the five-year outlook period is expected to be $55 million. $3.9 million in program expenses reported below were

from the Solar Battery Savings program, $3.6 or which were incentive payments to program participants. 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.

FY26 also saw a ramp up in expenses related to SDREN, with $9.5 million in related program costs. Through focused efforts, SDREN has launched the Tribal Energy Upgrade program, Refresh Refrigeration program, Multifamily Energy Upgrade program, and the Home Energy Savings program. SDREN also continues prelaunch efforts for the Small Business Energy Coach and Business Energy Upgrade Program, while supporting early implementation efforts for the Energy Coach program, Spark Your Education, Spark your Career and the Public Sector Energy Upgrade program. SDREN is supported externally through Public Purpose Program funding.

CAPITAL INVESTMENT PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2026

	Annual Amended Budget	YTD Actual	Amended Budget Remaining
REVENUES AND OTHER SOURCES			
Transfer in from Operating Fund	$ 21,881,000	$ 21,881,000	$ -
Grant Revenue - SDREN	31,868,547	9,221,586	(22,646,961)
Grant Revenue - CDFA Efficient Refrigeration Pilot	-	642,592	642,592
Grant Revenue - DAC	589,822	-	(589,822)
Total Revenue and Other Sources	54,339,369	31,745,177	(22,594,192)
EXPENDITURES AND OTHER USES			
Program Expenditures	54,628,369	15,895,042	$ (38,733,327)
Net increase (decrease) in fund balance	$ (289,000)	15,850,136	
Fund balance at beginning of period		10,340,567	
Fund balance at end of period		$ 26,190,703	

Table 5. Capital Investment Program Fund - Budgetary Comparison Schedule

Summary

FY26 concluded with operating results that exceeded budget expectations, allowing Community Power to materially strengthen its financial position while maintaining competitive rates. The resulting reserve growth enabled full funding of the Rate Stabilization Reserve framework approved by the Board and positions the agency to manage the projected PCIA and market-price volatility discussed throughout FY26. While staff anticipates reserves may be utilized in FY27 and FY28 to moderate customer impacts and preserve key financial

metrics, Community Power enters that period from its strongest financial position since formation and is poised to continue delivering competitive and stable rates for its customers.

Fiscal Impact

The recommended action reallocates $1.0 million of existing appropriation authority between Budget Level 2 categories to align appropriations with actual FY26 expenditures. No additional budget authority is requested, and there is no impact to the total Board-approved FY26 Operating Budget, revenue appropriations, expense appropriations, reserves, or projected financial position. Staff consider the proposed adjustments administrative and non-substantive from a financial perspective.

Strategic Plan

This item advances Community Power's Financial Stability strategic goals approved by the Board on March 27, 2025, including building reserves, developing a Rate Stabilization Reserve to mitigate power cost fluctuations and economic downturns, and continuing to enhance financial controls and policies that meet or exceed financial management best practices.

FY26 results exceeded budget expectations, allowing Community Power to materially strengthen reserves, fully implement the Board's Rate Stabilization Reserve framework, and improve readiness for anticipated market-price benchmark and PCIA volatility. These outcomes reinforce the agency's commitment to long-term fiscal sustainability, affordability, and prudent financial management.

Committee Review

This item was presented to the Finance and Risk Management Committee at the meeting on October 15, 2026, meeting. Committee members unanimously recommended Board approval of this item.

Attachments

A: 2026-06 Community Power Budgetary Comparison
B. A Resolution of the Board of Directors of San Diego Community Power Amending the Fiscal Year 2025-2026 Operating Budget

ITEM 17
ATTACHMENT A

MAHER
ACCOUNTANCY

ACCOUNTANTS' COMPILATION REPORT

Board of Directors
San Diego Community Power

Management is responsible for the accompanying operating fund and capital investment program fund budgetary comparison schedules of San Diego Community Power (SDCP), a California Joint Powers Authority, for the year ended June 30, 2026 and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

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

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

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

Maher Accountancy
San Rafael, CA
August 12, 2026

1101 Fifth Avenue, Suite 200 San Rafael, CA 94901 415 459 1249 mahercpa.com

SAN DIEGO COMMUNITY POWER
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2026

	Year-to-Date			
	Amended Budget	Actual	Amended Budget Variance (Under) Over	Actual/ Amended Budget %
REVENUES AND OTHER SOURCES				
Gross Ratepayer Revenues	$ 1,194,789,000	$ 1,234,884,127	$ 40,095,127	103%
Rate Stabilization Fund transfer	-	(115,000,000)	(115,000,000)	na
Less: Uncollectible Customer Accounts	(19,370,000)	(12,242,027)	7,127,973	63%
Other Income	-	3,115,059	3,115,059	na
Total Revenues and Other Sources	1,175,419,000	1,110,757,158	(64,661,842)	
OPERATING EXPENSES				
Cost of Energy	969,917,000	885,841,666	(84,075,334)	91%
Professional Services and Consultants	23,414,000	18,565,184	(4,848,816)	79%
Personnel Costs	19,612,000	18,836,768	(775,232)	96%
Marketing and Outreach	2,317,000	2,113,484	(203,516)	91%
General & Administrative	4,648,000	4,826,439	178,439	104%
Total Operating Expenses	1,019,908,000	930,183,540	(89,724,460)	
Operating Income (Loss)	155,511,000	180,573,619	25,062,619	
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	18,295,000	19,187,155	892,155	105%
Interest and Related Expenses	(1,515,000)	(1,858,591)	(343,591)	123%
Transfer to Capital Investment Program	(21,881,000)	(21,881,000)	-	100%
Total Non-Operating Revenues (Expenses)	(5,101,000)	(4,552,436)	548,564	
NET CHANGE	$ 150,410,000	$ 176,021,182	$ 25,611,182	

See accountants' compilation report.

CAPITAL INVESTMENT PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2026

	Annual Amended Budget	YTD Actual	Amended Budget Remaining
REVENUES AND OTHER SOURCES			
Transfer in from Operating Fund	$ 21,881,000	$ 21,881,000	$ -
Grant Revenue - SDREN	31,868,547	9,221,586	(22,646,961)
Grant Revenue - CDFA Efficient Refrigeration Pilot	-	642,592	642,592
Grant Revenue - DAC	589,822	-	(589,822)
Total Revenue and Other Sources	54,339,369	31,745,177	(22,594,192)
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Fund balance at beginning of period		10,340,567	
Fund balance at end of period		$ 26,190,703	

See accountants' compilation report.

ITEM 17
ATTACHMENT B

RESOLUTION NO. 2026-18

A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER AMENDING THE FISCAL YEAR 2025-2026 OPERATING BUDGET AND DESIGNATING $115,000,000 AS RATE STABILIZATION RESERVES.

THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER DOES HEREBY FIND, RESOLVE, AND ORDER AS FOLLOWS:

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 and restated 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. Community Power Board adopted the FY 2025-2026 Operating Budget on June 25, 2026.

E. Community Power Board approved an amendment to the FY 2025-2026 Operating Budget on February 26, 2026.

F. Community Power Board on July 28, 2022, approved Community Power's Budget Policy that states the Chief Executive Officer or Chief Financial Officer may authorize expense transfers between and within Budget Level 2 categories provided that net transfers total $150,000 or less from the budget category. Budget movements exceeding this threshold require Community Power Board approval.

G. Community Power Board received and filed the Treasurer's Report for 12-Month Period Ending June 30, 2026 that included preliminary year-end unaudited financial results for the 2025-2026 fiscal year ending June 30, 2026.

H. Staff has completed its review of the unaudited financial results for Fiscal Year 2025-2026 and conducted a comprehensive assessment of year-end budget performance.

I. As part of that review, staff identified $1 million of Budget Level 2 categories where actual expenditures exceeded available appropriation authority and determined that transfers of existing appropriations are necessary to align budget authority with final fiscal year

expenditures and that the amount exceeds the approval threshold of the Chief Executive Officer and Chief Financial Officer under the Budget Policy.

J. The recommended budget transfers reallocate existing appropriations between Budget Level 2 categories, do not increase total revenue appropriations, expense appropriations, or overall budget authority, and are administrative in nature.

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

1. The Board of Directors hereby receives and files the FY26 Financial Year-End Review, including the unaudited financial results for the fiscal year ended June 30, 2026.

2. The Board of Directors finds that staff has completed a review of FY26 year-end financial results and budgetary performance and has identified the need for limited transfers of existing appropriation authority between Budget Level 2 categories. The Board hereby approves the following budget neutral-transfers to ensure appropriations are appropriately aligned with actual fiscal year expenditures.

Budget Level 2 Category	**Budget Adjustment**
Professional Services & Consultants	($1,000,000)
General & Administration	$500,000
Debt Service	$500,000
Net Change to Operating Budget	**$ -**

3. The Board of Directors further finds that the approved transfers reallocate existing budget authority only, do not increase total appropriations, and have no material impact on the overall FY26 Operating Budget.

4. This resolution shall take effect immediately upon its adoption and shall remain in effect except as amended or until repealed by the Board of Directors.

PASSED, APPROVED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on October 22, 2026.

AYES:
NOES:
ABSTAINED:
ABSENT:

_____
Terra Lawson-Remer, Chair
Board of Directors
San Diego Community Power

ATTEST:

_____
Maricela Hernandez, MMC, CPMC
Clerk of the Board/Secretary
San Diego Community Power

APPROVED AS TO FORM:

_____
Veera Tyagi, General Counsel
San Diego Community Power

SAN DIEGO COMMUNITY POWER
Staff Report – Item 18

To:	Board of Directors
From:	Jannies Burlingame, Chief Financial Officer/Treasurer
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	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
Date:	October 22, 2026

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

Community Power occupies approximately 13,704 rentable square feet in Suite 200 and approximately 8,864 rentable square feet in Suite 103 at 2305 Historic Decatur Road, San Diego, California 92106, totaling approximately 22,568 rentable square feet between the two suites. The suites provide dedicated office, training room for both internal purposes and the broader community, conference, collaboration, and administrative space in the same building.

The Board authorized the Suite 200 sublease to commence on November 1, 2023, and expire October 31, 2025, with a potential one-year extension. The Suite 200 expiration date was later amended on February 27, 2025, to expire on February 28, 2027, to align with the expiration date for Suite 103. In January 2025, the Board authorized the Suite 103 sublease to commence on March 1, 2025, and expiring on February 28, 2027, with a potential one-year extension. Community Power subsequently exercised the option in both leases to extend the term for another year. The expiration dates for both suites are currently February 29, 2028.

Analysis and Discussion

Suite 200's original expiration date of October 31, 2025, was amended on February 27, 2025, to align with Suite 103's expiration date. The alignment simplified administration and created a defined planning horizon while Community Power evaluates its long-term occupancy needs. The amendment also preserved Community Power's option to renew Suite 200 for an additional 12 months. Staff are seeking Board ratification of the Suite 200 amendment of the original expiration date to ensure that all appropriate approvals have been obtained to extend Suite 200 to February 29, 2028.

Staff are also seeking Board approval to enter into an additional extension for both suites from February 29, 2028, up to December 31, 2028. As previously mentioned, Community Power exercised the one-year option for both suites and the new expiration date for both suites is now February 29, 2028. An extension to December 31, 2028, will provide Community Power with sufficient time to complete a disciplined long-term facilities evaluation. Staff are currently evaluating existing conditions, current and projected headcount, hybrid-work and space-utilization patterns, public meeting and collaboration needs, security and technology requirements, geographic accessibility, and total occupancy cost. Alternatives may include renewal of the current location, relocation to another leased facility, acquisition of commercial property or office condominium space, or another occupancy solution supported by the analysis. Staff expect to return to the Board with a recommended long-term strategy sufficiently in advance of the February 29, 2028, expiration date. 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. That solicitation was released on September 28, 2026. The total rental cost of extending both subleases from February 28, 2027, to February 28, 2028, is $935,784. Accordingly, staff recommends extending the existing subleases through December 31, 2028. This recommendation represents a reasonable interim solution that balances operational continuity, financial stewardship and flexibility while Community Power evaluates its long-term occupancy needs.

Fiscal Impact

The total rental costs of extending both subleases from February 28, 2027, to February 29, 2028, is $935,784. Of this amount, $311,928 is attributable to FY27 and is included in the operating budget. The remaining cost will be incorporated into the FY2028 budget development process. Extending both suites further from March 1, 2028, to December 31, 2028, at existing rental rates will cost $779,820. No current-year budget amendment or additional appropriation is required.

Strategic Plan

This item advances Community Power's Financial Stability strategic goal adopted by the Board on March 27, 2025. The proposed sublease extension supports long-term organizational sustainability by maintaining continuity of operations, providing predictable facility costs, and promoting prudent management of agency resources.

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 19

To:	Board of Directors
From:	Lee Friedman, Associate Director Strategic Initiatives
Via:	Jack Clark, Acting Chief Executive Officer
Subject:	San Diego Community Power Draft Data Center Load Integration Guidelines
Date:	October 22, 2026

Recommendation

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

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.

Governor Newsom signed a package of data center related legislation in September 2026, including AB 2383 (Zbur) and SB 886 (Padilla). Per AB 2383, all load serving entities, including San Diego Community Power, will be required to design a data center specific generation tariff that meets specific ratepayer cost-shift protections to be adopted prior to January 1, 2028.

These guidelines are intended to provide a framework to guide and evaluate the legislative requirements and other potential impacts.

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 may affect communities, infrastructure investment patterns, exposure of existing customers to stranded cost risk, and the environment. 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. The Guidelines align with recently enacted legislation, AB 2383 (Zbur) and SB 886 (Padilla), which together establish new ratepayer and clean energy guardrails related to the provision of delivery and generator services to new data centers. Relative to generation services, AB 2383 (Zbur) requires Community Power to adopt a tariff by 2028 that meets minimum standards, such as ensuring procurement for data centers aligns with state renewable and clean energy requirements, does not result in increased costs for other retail customers, and includes a mechanism to ensure data centers pay for incremental cost increases through various requirements, such as contracts of at least 10 years in length that rely on early termination fees.

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 intends to advocate for and support 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.

Other jurisdictions have also begun researching potential impacts of Data Centers, including the County of San Diego which published a report on the potential impacts of large AI Data Centers on July 14th, 2026. In this report, staff lay out a number of recommendations, including the possibility of developing a Data Center Zoning Ordinance. Community Power staff intends to stay engaged with County staff through this effort and advocate for positions reflected in these guidelines.

Fiscal Impact

This item does not endorse nor approve a specific transaction and therefore has **no immediate fiscal impact**. Staff are seeking feedback on the draft guidelines, which as currently drafted, are designed to ensure that any future data center load arrangements are structured to avoid negative 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.

Committee Review

This item was presented at the August 13, 2026, Community Advisory Committee. Committee members unanimously recommended Board approval of Community Power Data Center Load Integration Guidelines.

Attachments

A: San Diego Community Power Data Center Load Integration Guidelines
B: Legislation Tracker – Data Centers

ITEM 19
ATTACHMENT A

San Diego Community Power Data Center Load Integration Guidelines

August 2026

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 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.

Additionally, these guidelines are intended to be complementary to and/or supplement potential state or federal requirements signed into law and are not intended to supersede or otherwise conflict with legal or statutory requirements adopted by other governing authorities with jurisdiction over electric service, land-use, or other matters related to the development of data centers.

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 and 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.

ITEM 19
ATTACHMENT B

Policy Tracking - Data Centers

The potential effects of data center growth on ratepayer costs and electric system operations have become a significant policy focus. As detailed below, Community Power is actively tracking multiple state and federal legislative and regulatory proposals to assess their potential implications for Community Choice Aggregators (CCAs) and the broader electricity market. Community Power staff evaluates proposals in conjunction with its Board-approved Regulatory & Legislative Platform, which can be found here. The key areas of interest include preserving local energy procurement and planning authority, assessing whether new policies could affect a CCA's ability to contract directly with data center customers or establish service terms, and evaluating potential market impacts such as increased electricity demand, resource adequacy needs, transmission investments, and wholesale market dynamics.

Except for AB 2383 (Zbur), Community Power did not adopt a formal position on any of the proposals being tracked.

State Legislation

- AB 1577 (Bauer-Kahan) Data centers: reporting
  Status: Chapter 434, Statutes of 2026
- **Summary:** Requires the owner or developer of a data center to regularly report specified energy use information to the California Energy Commission (CEC), who would then develop an assessment of electrical load trends for data centers. it also requires a data center developer, when applying for a local development permit, to provide the local permitting agency with specific information on energy use and generation, and anticipated sound levels. Both a local agency and the CEC are prohibited from publicly disclosing personally identifiable information or energy consumption for a specific data center. AB 2383 (Zbur) Electricity: data centers
  Status: Chapter 435, Statutes of 2026
  Summary: 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. The minimum duration of the payment mechanism must be at least 10 years in length and must include:
    - Early termination fees sufficient to hold other customers harmless, including fees for data centers that do not complete interconnection.
    - Upfront collateral or prepayment for incremental generation costs.
    - A cost-recovery mechanism requiring a data center to pay a minimum amount or percentage based on projected load in its interconnection application, sufficient to hold other customers harmless if actual consumption falls below expected levels.
    - Authorization for a data center to reduce generation funding requirements through installation of zero-carbon behind-the-meter resources as approved by the CPUC.
    - A requirement that any resource procurement is consistent with the requirements in paragraph 2 above.
    - Ensure that compensation isn't provided to the customer for onsite generation that would result in a cost shift to other retail customers.
    - Require data centers to report investments in onsite generation throughout the duration of service and prohibit compensation for onsite generation in a manner that creates cost shifts to other retail customers.

Investor-owned utilities are required to file similarly constitued generation tariffs with the CPUC by January 1, 2028.

Community Power adopted an oppose unless amended position on the April 13 version of AB 2383 (Zbur) because it would have authorized the CPUC to regulate contract terms between Community Power and prospective large-load customers. Such oversight would have conflicted with the Board of Director's authority to set rates and terms, and would have reduced flexibility, added administrative complexity and costs, and impaired Community Power's ability to deliver customer value and

meet local commitments. Community Power urged the author to 1) remove the CPUC from the process, and 2) affirm the ability of CCA boards to establish contract terms for large-load facilities consistent with their longstanding authority under existing law.

Community Power issued a neutrality letter on June 17 after amendments were proposed – and adopted on July 2 – to create 1) a stand-alone CCA tariff section that removed CCAs from CPUC regulatory authority and 2) further stated that the CPUC did not have authority to regulate the terms and conditions of CCA service. Ultimately, the final version of the bill contained a drafting error that has an erroneous reference to a CPUC-approved mechanism that Assembly Member Z'Bur clarified through an official Letter to the Journal does not govern CCA implementation of the legislation.

- SB 886 (Padilla) California Technology Innovation and Ratepayer Protection Act
  Status: Chapter 438, Statutes of 2026
  Summary: 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. The interconnection tariff must:
    - 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.

A data center must certify compliance with applicable prevailing wage requirements. The CPUC must also order electrical corporations to publish maps identifying locations where data centers can interconnect without significant, costly, or time-consuming transmission upgrades. Data centers are allowed, but are not required to, participate in a CPUC-approved demand response program if the program does not create net cost shifts to nonparticipating customers and supports load shifting, reliability, resource adequacy, and greenhouse gas emissions reduction goals.

- SB 887 (Padilla) California Environmental Quality Act: environmental leadership development projects: data centers: clean energy powerplant projects
  Status: Chapter 439, Statutes of 2026
  Summary: This bill would clarify that a data center is subject to the provisions of the California Environmental Quality Act (CEQA) and would allow a data center to qualify as an Environmental Leadership Project – and benefit from expedited judicial protections under CEQA – if the data center agrees to specific ratepayer protections and clean energy standards.

- SB 978 (Perez) Data centers: labor: electricity rates
  Status: Failed
  Summary: This bill would have established workforce standards for construction of data centers and would have directed the CPUC to develop a specific rate structure for data center customers.

- SB 1168 (McNerney) Data centers: rate structures
  Status: Chapter 440, Statutes of 2026
  Summary: Requires the CPUC to assess opportunities to ensure data centers pay their fair share of costs associated with transmission and distribution and procurement needed to reliability serve their loads while maintaining integrated resource planning requirements.

Federal Legislation

- HR 9340 (Evans) Data centers: cost allocation
  Status: Approved by the House 417-3
  Summary: This bill would codify the White House Ratepayer Protection Pledge. Specifically, it uses The Public Utility Regulatory Policies Act (PURPA) to direct state utility regulators to consider a "large-load" standard requiring 100+ megawatt (MW) data centers to cover the full incremental cost of generation and grid upgrades they require, with financial assurances.

- S 3852 (Hawley) Data centers: residential ratepayer protection
  Status: Committee on Energy and Natural Resources
  Summary: This bill would impose requirements on data centers (20 MW+ threshold) to prioritize residential ratepayers by applying for a Zero Rate Effect Certificate to show that the data center will not increase rates for other ratepayers. A data center can issue a "Rate Effect Credit," which is defined as a credit paid to offset cost pressures on ratepayers, with a preference for residential ratepayers.

- HR 6529 (Landsman) Data Centers: Direction to FERC
  Status: Approved by the House Committee on Energy and Commerce 44-0
  Summary: This procedural bill is narrow in scope but would require the Federal Energy Regulatory Commission (FERC) to hold a technical conference on protecting residential and small-commercial ratepayers from large-load costs, then report recommendations to Congress.
- Bipartisan American Affordability and Jobs Act of 2026
  Status: Proposed, Pending Introduction
  Summary: Related to data centers, the proposed bill would prohibit the allocation of incremental grid costs to any customers other than a data center of 20 MW's or more. Data centers would also have to provide financial assurances to an electric utility before constructing or making an upgrade to a generation, transmission, or distribution facility. Authorizes a state to hold an "open season" or competitive solicitation for retail services for data centers.

State Regulation

- R.26-04-009 is the Advanced Rate Design Proceeding at the CPUC. As part of the proceeding, the CPUC will consider the requirements of SB 57 (Padilla), which was signed into law last year and requires the CPUC to assess the potential cost impacts associated with new data center loads and to report its findings by January 1, 2027. As such, the proceeding will consider rate design issues for data centers and other large load customers. This is a key state policy forum to discuss and vet issues related to data center policy matters.

Federal Regulation

- **White House voluntary Ratepayer Protection Pledge.** On March 4, the White House issued the pledge, now signed by over 300 companies, that commits to five principles:

  1. Companies should pay the full cost of resources needed to serve the data center load.

2. Companies should also pay for any infrastructure upgrades.
3. Companies should negotiate separate rate structures and pay the costs whether they use the electricity or not.
4. Companies should invest in the local communities where they will build the data center, Including local hiring.
5. Companies will work to increase grid reliability, including by making backup generation available at times of scarcity whenever possible.

- **Federal Energy Regulatory Commission issues "show cause" order on large load and data center customer interconnection.** FERC's June 18 order preliminarily finds that the California Independent System Operator's (CAISO) tariff, along with those of five other regional grid operators, is unjust and unreasonable because it does not provide for timely and fair integration of large loads into the transmission system. FERC directed transmission providers, including CAISO, to adopt clear rules addressing:
  - Efficient transmission service processes. Clearer and potentially faster procedures for studying and connecting large loads to the grid, including application requirements, study processes, and operational standards.
  - Preventing transmission cost shifts. Greater transparency around network-upgrade costs and mechanisms to ensure large-load customers pay appropriate costs rather than shifting them to existing customers.
  - Accommodating co-located generation. Clearer rules for large loads co-located with generation or served through behind-the-meter arrangements, such as data centers paired with solar, storage, or natural gas generation.
  - Flexible transmission service. Potential transmission-service options for large customers willing to curtail or adjust demand.
  - Study processes for nearby large loads. Processes for studying generation dedicated to, or closely associated with, nearby large loads, particularly where generation and load are developed together but not located on the same property.

  CAISO filed an initial informational response on July 20 outlining its current initiatives underway to "ensure that new demand can be served without compromising reliability or affordability." CAISO also noted that California's regulatory framework is fundamentally different than other organized markets that are experiencing capacity shortfalls associated with data center growth and other load growth drivers, while also

expressing openness to working with FERC to identify and remove barriers to serving large loads. The CAISO on August 3 also filed an official 90-day abeyance request to give them more time to formally respond to the show cause order. CAISO is currently developing tariff language to file with FERC in November.

Community Power is not directly regulated by FERC as a retail electricity provider. However, Community Power is a CAISO market participant and load-serving entity with generation and storage projects that interconnect to the CAISO transmission system under CAISO's tariff.

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.

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 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.