



Finance and Risk Management Committee

Regular Meeting

October 15, 2026

Welcome and Call to Order

Roll Call



Land Acknowledgement

Items to be Withdrawn or Reordered on the Agenda

Public Comment on non-Agenda Items

Consent Calendar

- 1. Approve September 17, 2026, Meeting Minutes**
- 2. Approve 2027 Finance and Risk Management (FRMC) Committee Meeting Schedule**



Public Comment on Consent Calendar

Regular Agenda

3. **Fiscal Year End 2025-26 Financial Audit Progress Report Presentation**
4. **Treasurer's Report for One-Month Period Ending July 31, 2026**
5. **Fiscal Year 2025-2026 Financial Year End Review**



Item No. 3

Fiscal Year 2025-2026 Financial Year End Review



Recommendation:

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

Presenters:

Jannies Burlingame, Chief Financial Officer/Treasurer
Kellin Gilbert, Audit Partner, Sorren
Alauna Rico, Audit Supervisor, Sorren



***San Diego Community Power
Finance & Risk Management Committee
October 15, 2026***



Introduction



Kellin Gilbert, CPA

Audit Partner

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



Alauna Rico

Audit Supervisor

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

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

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

Relative Roles and Responsibilities



Management

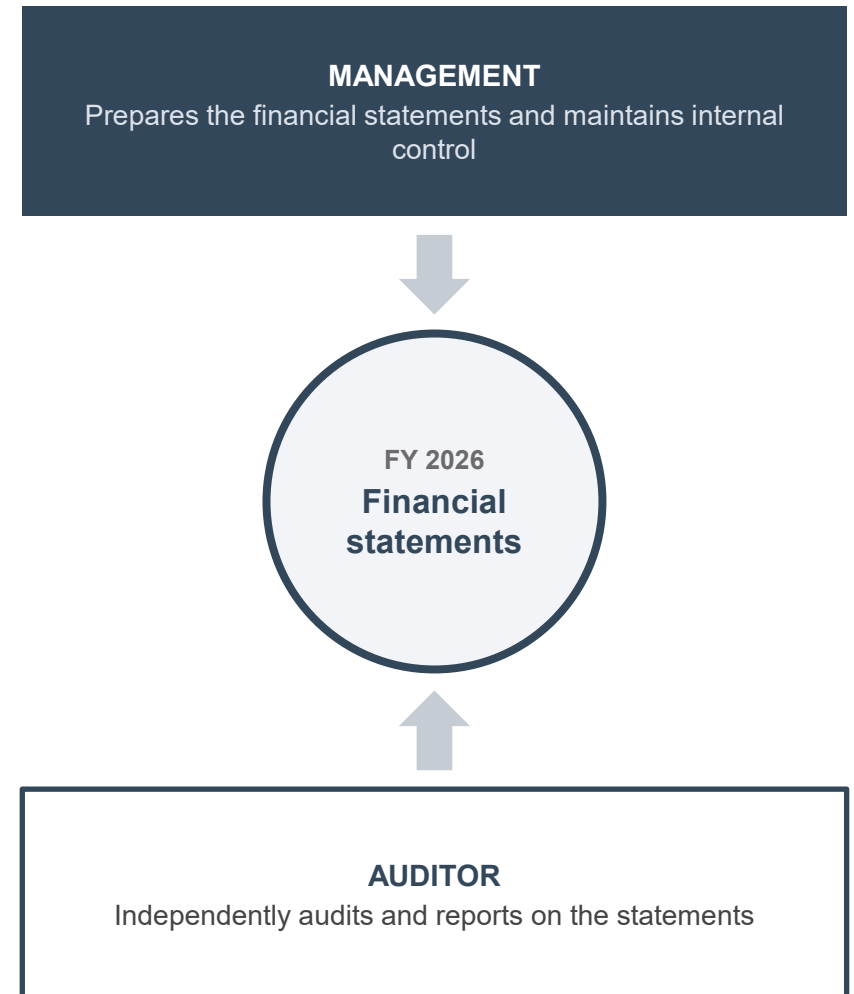
Responsible for preparing the financial statements and establishing a system of internal control.

Auditor

Responsible for auditing the financial statements including:

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

Shared objective



Risk Assessment



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

1

Understand the entity

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

2

Benchmark

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

3

Evaluate controls

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



Significant Audit Areas of Focus



Revenue recognition – accounts receivable and accrued revenue

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



Advances from grantors

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



Cash and investments

- Confirmations sent to financial institutions



Accrued cost of electricity

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

Required Board Communications



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



Thank You



Kellin Gilbert



Partner



kgilbert@sorren.com



(707) 577-1511

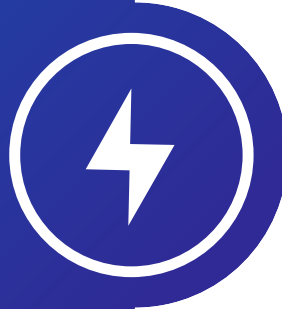


sorren.com

Public Comment on Item No. 3

Item No. 3

Committee Members
Comments or Questions



Recommendation:

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

Item No. 4

Treasurer's Report for One-Month Period Ending July 31, 2026

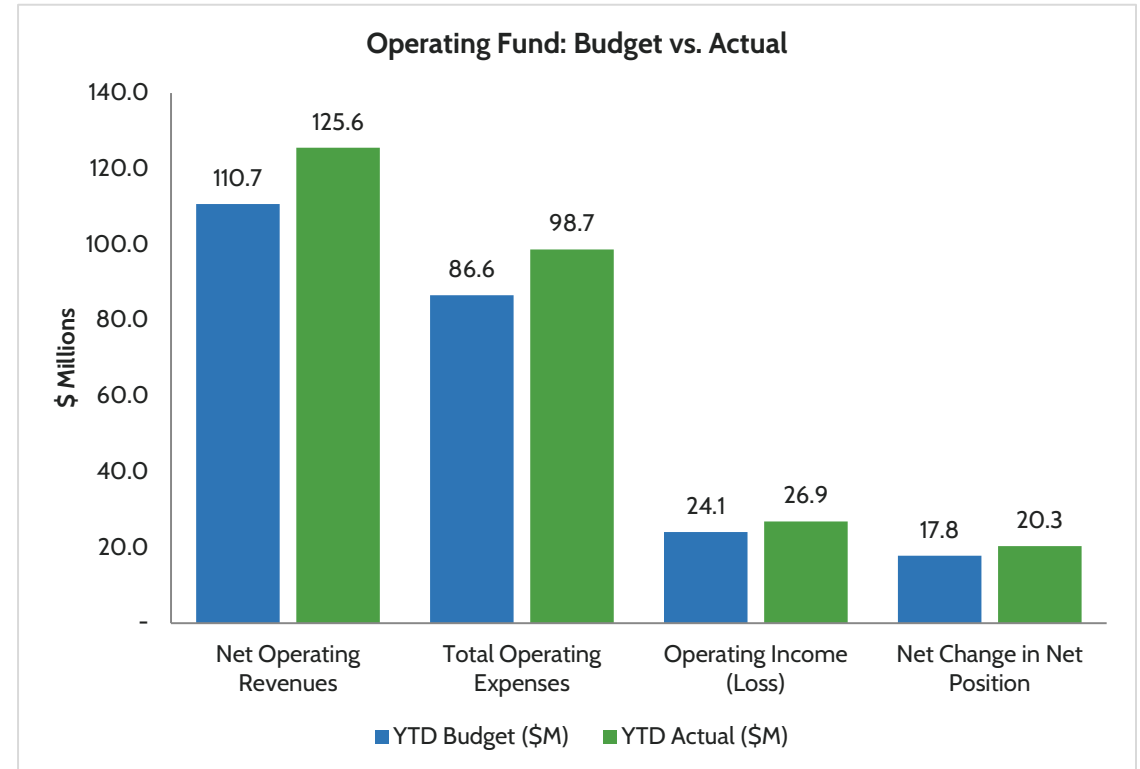


Recommendation:

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

Financial Statement Highlights – Executive Summary

- **Net Operating Revenues:** \$125.6M vs. \$110.7M budget — +\$14.9M (+13.4%) on higher summer ratepayer revenue and lower NEM payments from expanded Super-Off Peak hours.
- **Total Operating Expenses:** \$98.7M vs. \$86.6M budget — +\$12.1M (+13.9%), driven by Cost of Energy (\$94.6M vs. \$82.1M, +15.2%) on the same higher summer load.
- **Operating Income:** \$26.9M vs. \$24.1M budget — +\$2.8M favorable.
- **Net Position:** +\$20.3M for the month; total net position \$695.0M as of July 31, 2026.
- **Reserves & Liquidity:** \$716.6M unrestricted cash and investments — ~282 days cash on hand, above the 225-day target and 180-day minimum, including the \$115.0M Rate Stabilization Reserve.



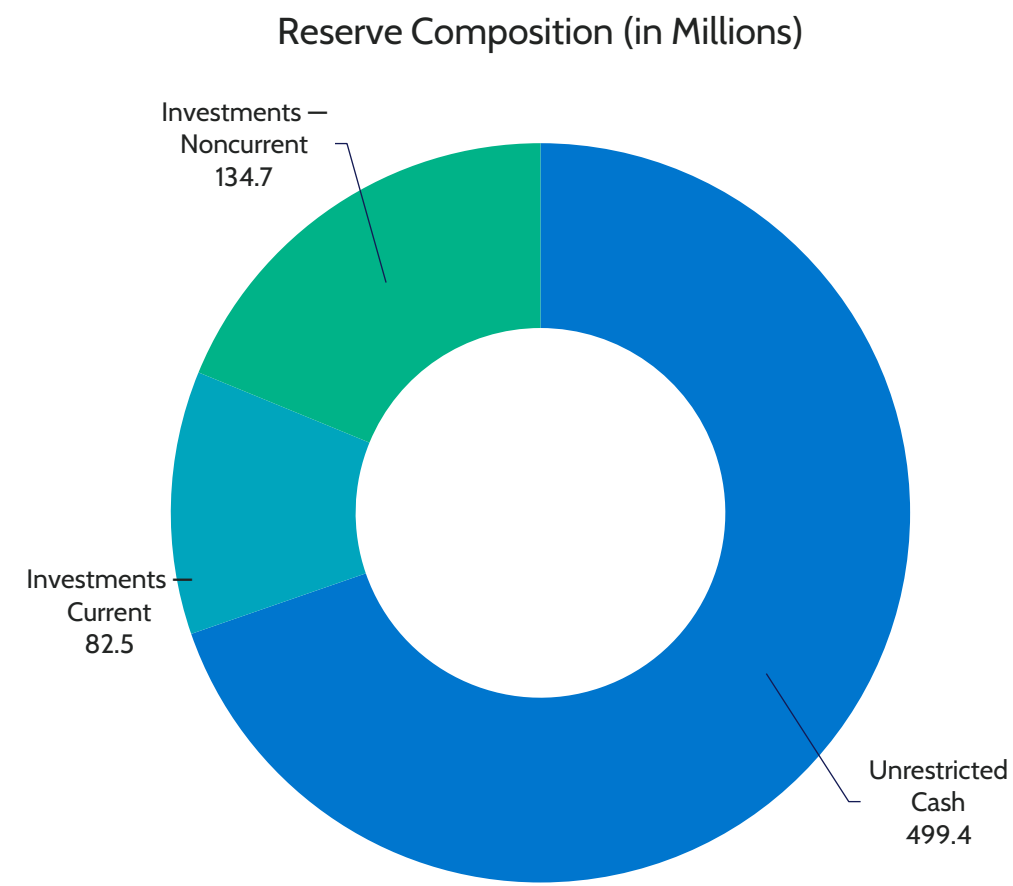
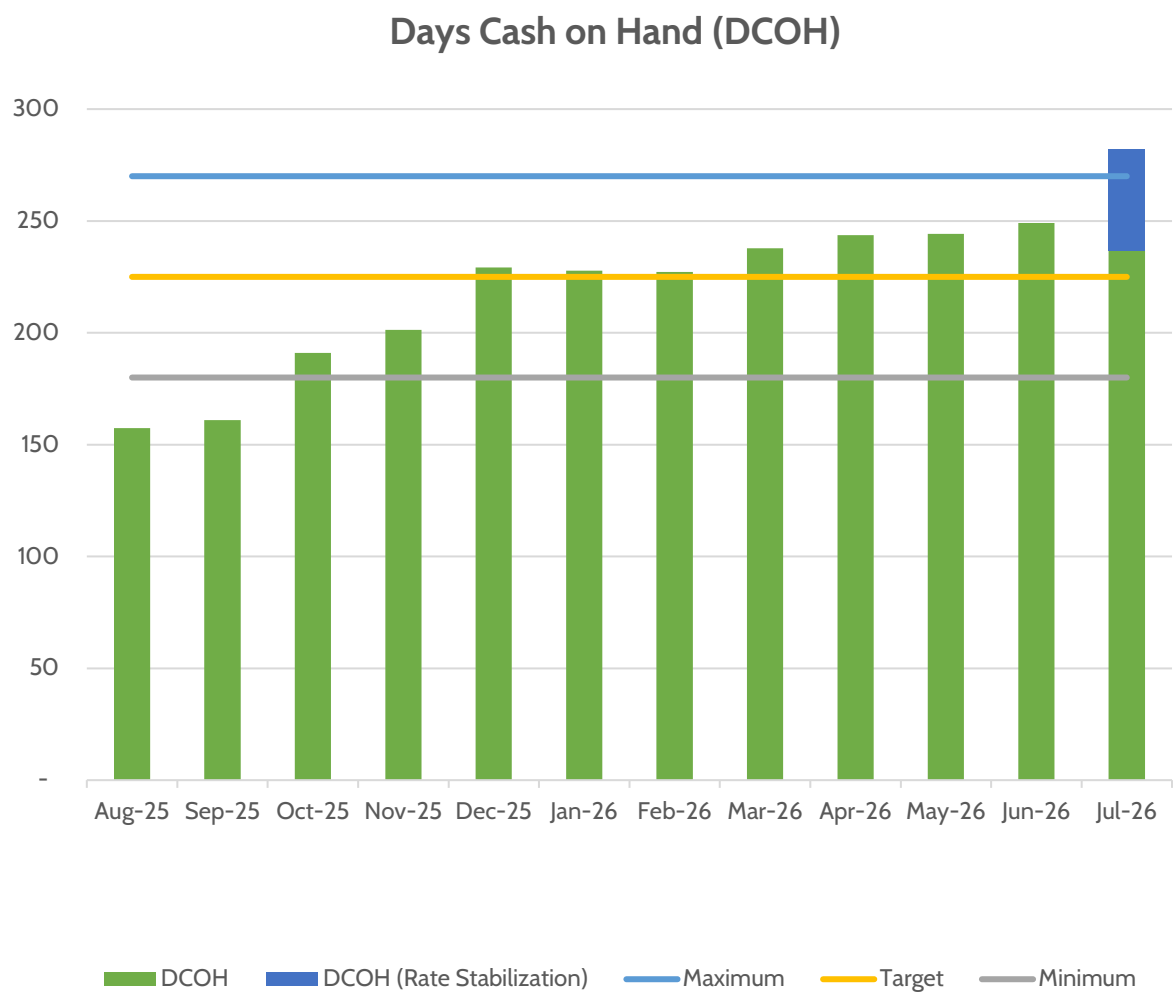
Operating Fund Analysis

Operating Fund budgetary comparison for the one-month period ended July 31, 2026, shown with the FY 2026-27 Annual Budget and remaining budget capacity.

Line Item	Variance vs. Budget	% of YTD Budget	Driver
Gross Ratepayer Revenues	+\$15.1M favorable	113%	Higher-than-forecast summer retail energy sales
Cost of Energy	\$12.5M over	115%	Moves with the higher ratepayer sales volume
Professional Services & Consultants	\$0.5M under	74%	Timing of contract utilization early in the fiscal year
Personnel Costs	\$30,451 under	98%	Normal vacancy and accrual timing
General & Administrative	\$186,917 over	152%	Other G&A and Insurance
Investment Income	\$341,249 under	82%	Portfolio duration positioning



Financial Reserves



Investment Portfolio Report

Chandler Asset Management manages Community Power’s long-term investment portfolio

Highlights for the investment period ending July 31, 2026, are as follows:

- **Average Portfolio Investment Duration:** 2.54 years.
- **Average Purchase Yield:** 4.19% (Yield to Maturity).
- **Average Credit Quality:** AA+ credit rating, compliant with investment policy.
- **Top Holdings:** U.S. Treasuries 47.28% and Freddie Mac 11.19%; all other at or below 1.29%.
- **Account Activity:** Market value grew month over month on a \$20.0 million contribution plus income earned.

PORTFOLIO SUMMARY



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 for the month of August.

Contract or Amendments	Not-to-Exceed Amount
Varonis cybersecurity subscriptions for Microsoft 365, Managed Data Detection and Response (MDDR), Copilot, and AWS	\$73,793.76



Capital Investment Program Fund

- **Scope:** FY 2027-31 CIP covers multi-year, one-time capital projects, major equipment, and major programs.
- **Focus areas:** Local development feasibility studies, customer program pilots, member agency and community grants, and a customer education platform.
- **Details of \$8M FY 2026-27 operating fund transfer:**
 - \$3.5M — Solar Battery Savings
 - \$2.5M — Customer Pilot Programs
 - \$1.5M — Flexible Load Strategy (DERMS software platform)
 - \$0.3M — Regional EV Load Analysis
 - \$0.02M — 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	<u>\$ 812,806</u>	<u>\$ 33,548,686</u>	



Public Comment on Item No. 4

Item No. 4

Committee Members
Comments or Questions



Recommendation:

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

Item No. 5

Fiscal Year 2025-2026 Financial Year End Review



Recommendation:

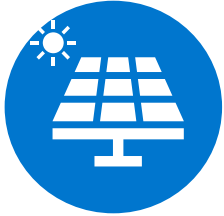
Review the Community Power Fiscal Year 2025-2026 Financial Year-End Review and reserve outlook and designation of \$115 Million Fiscal Year rate stabilization reserve deferral and take the following action:

1. Recommend Board Adoption of a Resolution Amending the Fiscal Year 2025-2026 Operating Budget by approving a \$1,000,000 budget-neutral transfer between Budget Level 2 categories from Professional Services to General & Administration and Debt Service

Presenters:

Tim Manglicmot, Senior Director of Finance and Risk
Will Weisman, Associate Director of Finance CIP

FYE 2025-26 Review



Long-Term PPAs

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



Battery Storage

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



Deepest Discount

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



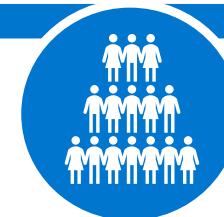
Major Programs

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



Infrastructure Growth

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



Personnel

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

FYE 2025-26 Review



Balanced Budget

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



Rate Stabilization Reserve

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



CIP Carryforward

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



Max Reserve Balance

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



FY 2025-26 Operating Budget Review



FY 2025-2026 Operating Budget

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

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

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

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

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



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Net Revenue with Rate Stabilization

1,110.8 ¹

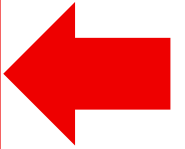
+ 115.0 ²

1,225.8



1 **+\$50.4M**

Net Revenue
with Rate Stabilization



(\$84.1M)

Cost of Energy
Savings

(\$5.7M)

Non- Energy
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+\$176.0M

Reserve Contribution



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Cost of Energy
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Non- Energy
Savings

+\$176.0M
Reserve Contribution



FY 2025-2026 Operating Budget

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

1

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

Reserve Contribution



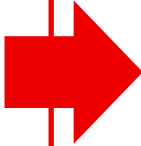
Highlights of SDG&E General Rate Case Phase 2 Rate Changes

New Medium Commercial Customer Class (effective 4/1)

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

Revenue Allocation Updates (effective 4/1)

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

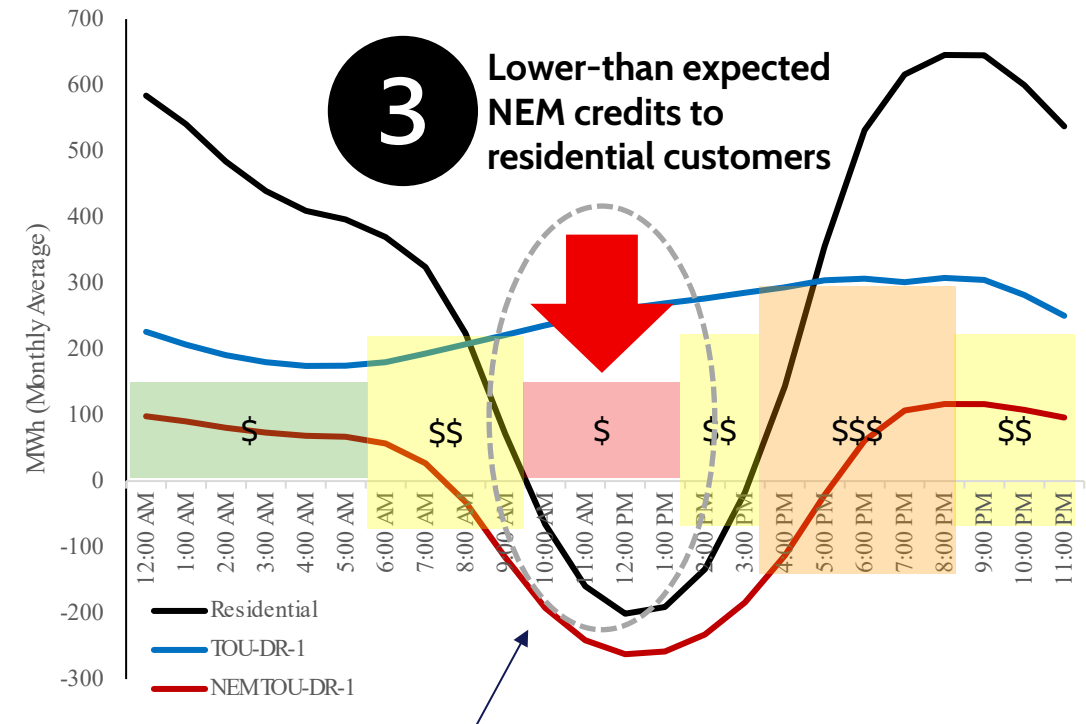
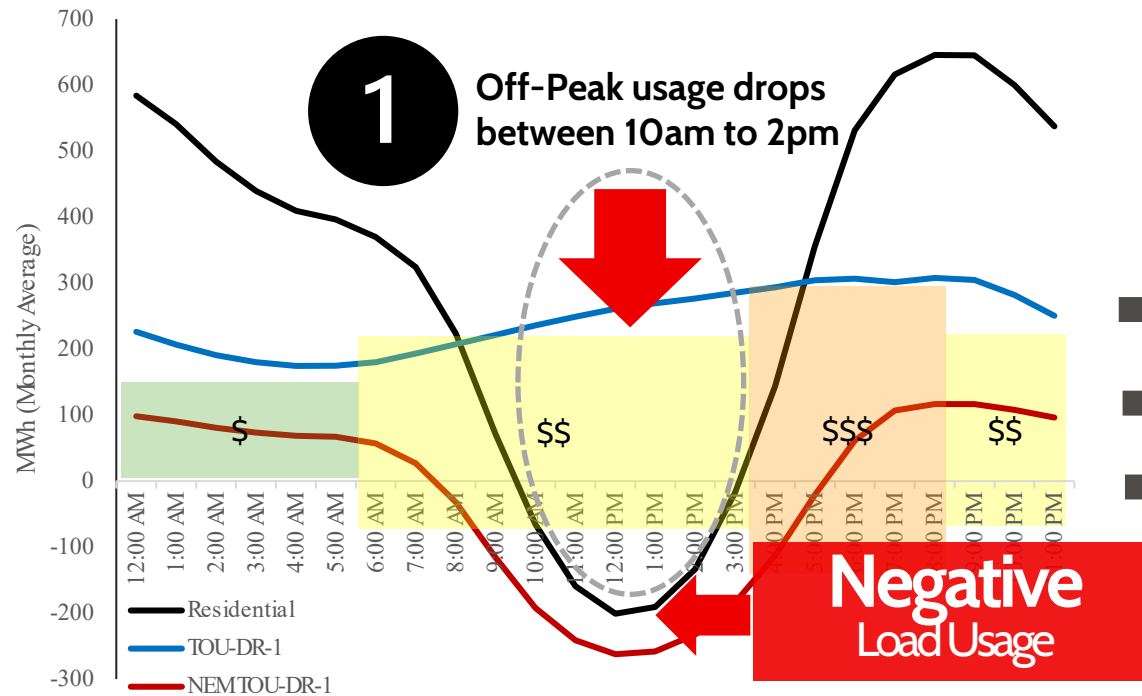


Time-of-Use (TOU) Super Off-Peak Extension (effective 4/1)

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



Super Off-Peak Expansion & Customer Impacts



2

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

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+\$50.4M

Net Revenue

with Rate Stabilization

2

(\$84.1M)

Cost of Energy

Savings

(\$5.7M)

Non- Energy

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+\$176.0M

Reserve Contribution



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

+\$50.4M

Net Revenue
with Rate Stabilization

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(\$84.1M)

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Reserve Contribution

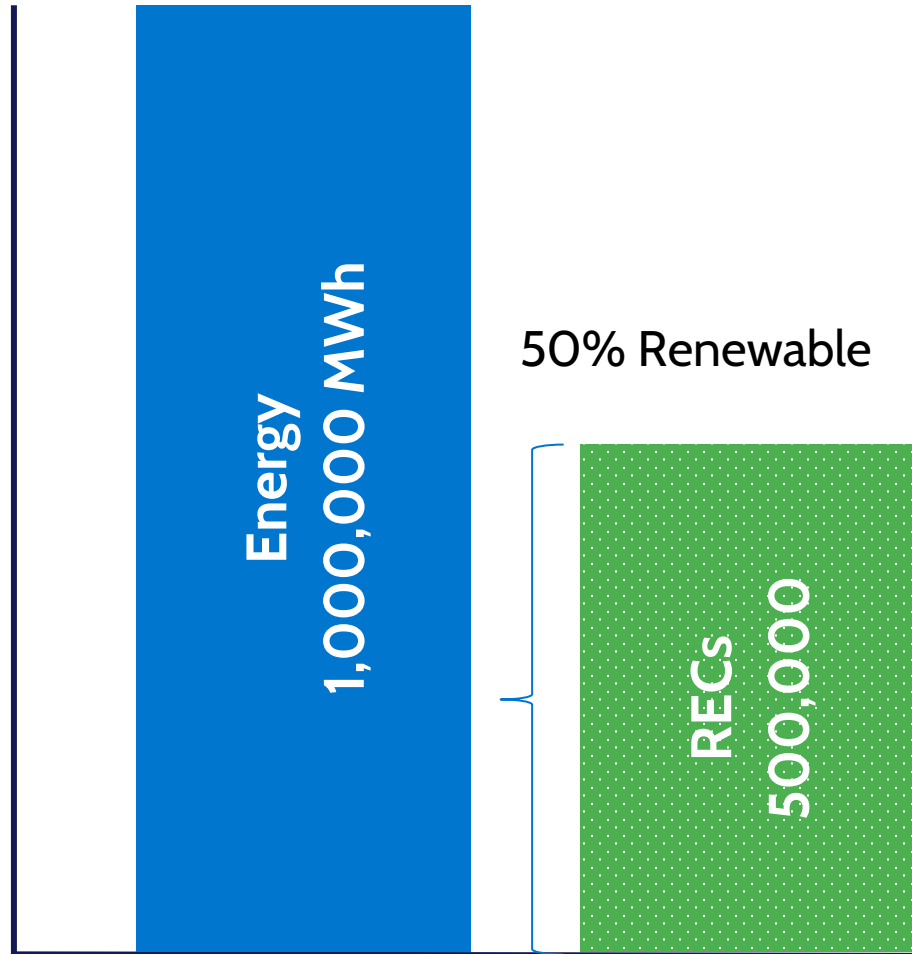


Cost of Energy

Energy
1,000,000 MWh

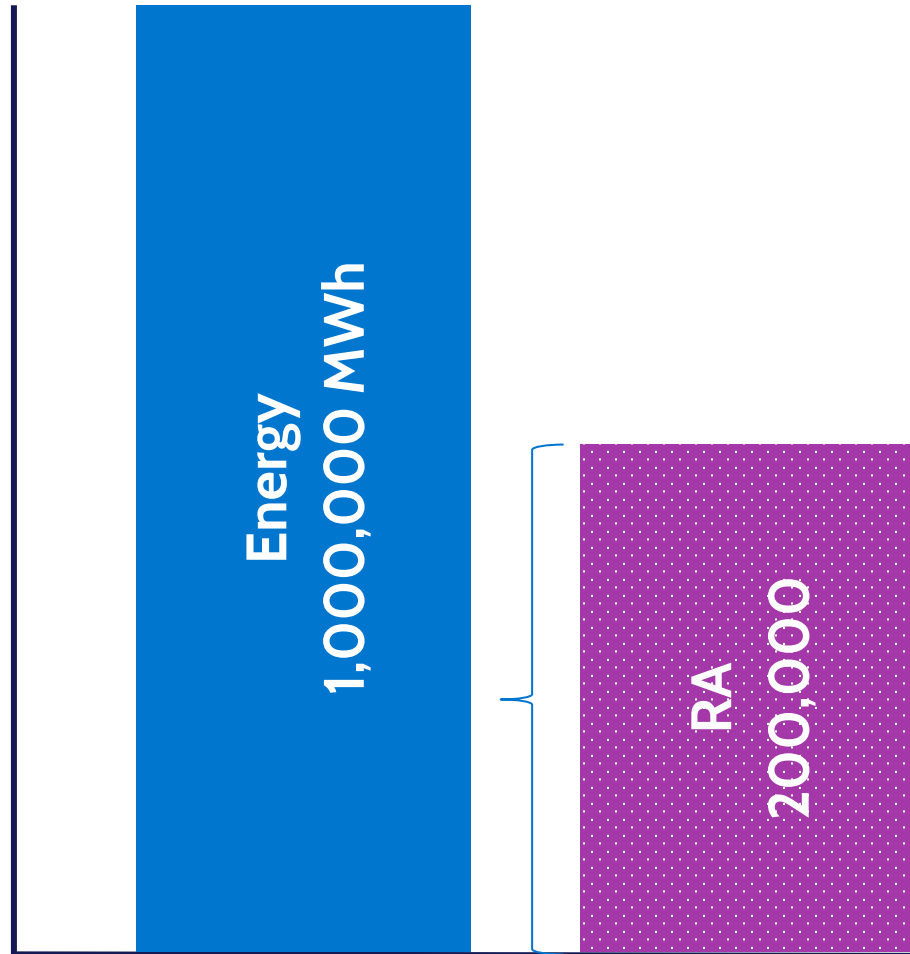
When CCAs start,
all energy is
purchased in the
**short-term spot
market.**

Cost of Energy



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

Cost of Energy

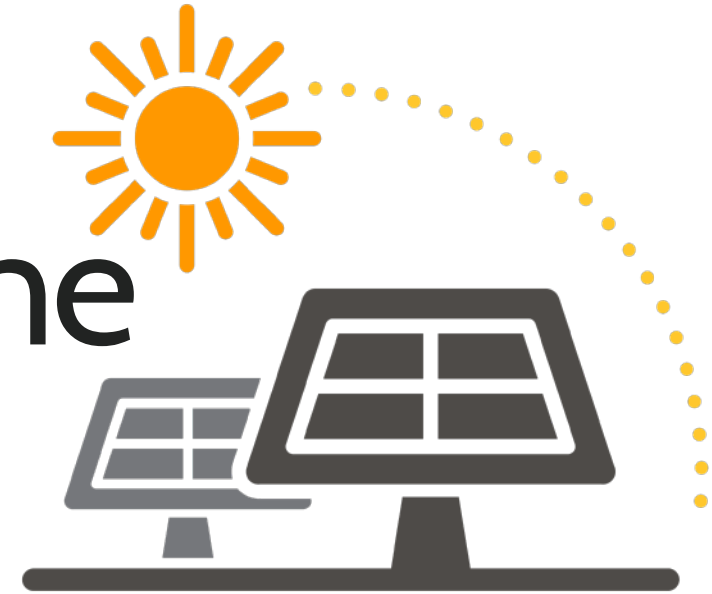


**Resource Adequacy
from short-term
spot market
required for grid
reliability.**

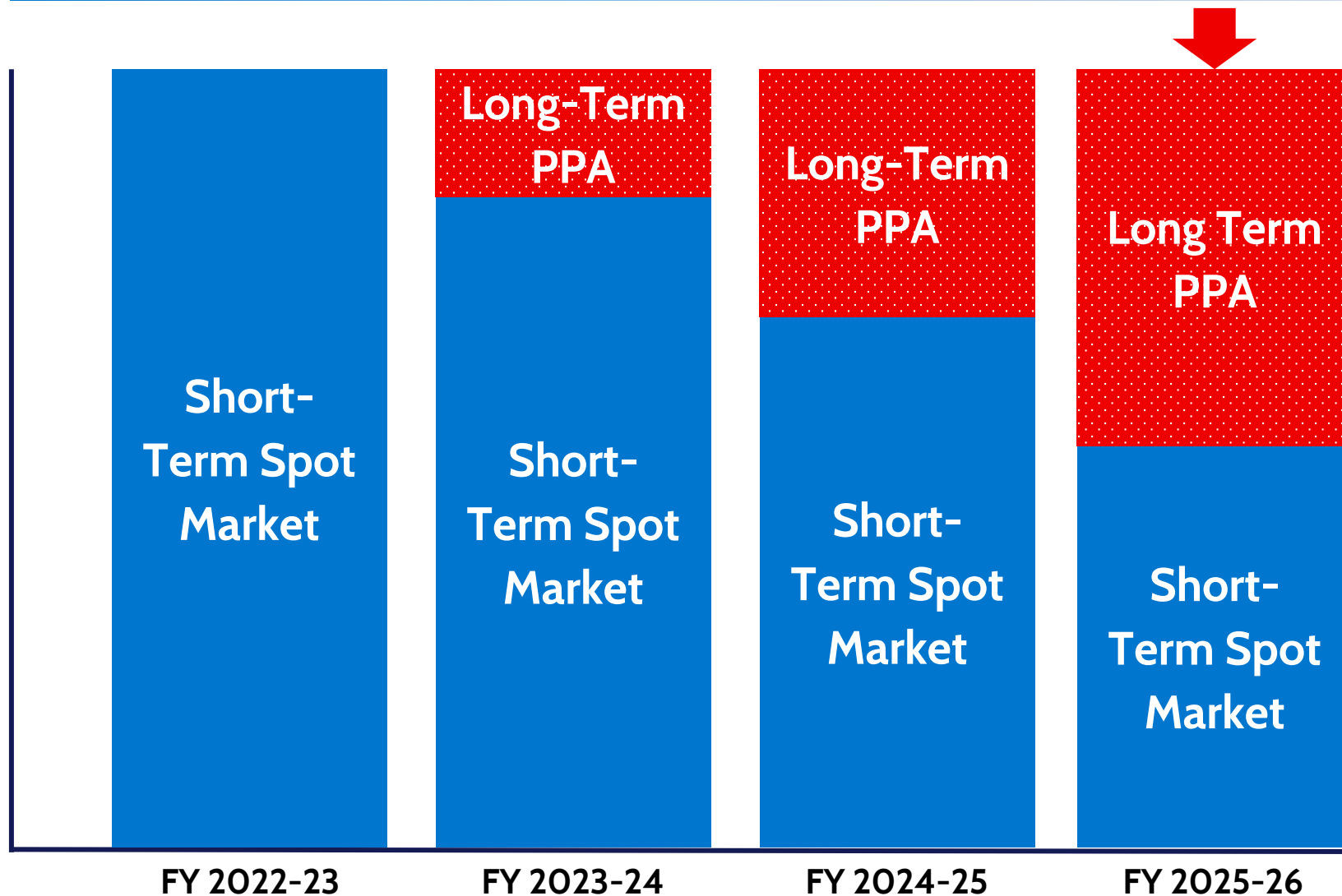
Cost of Energy

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

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



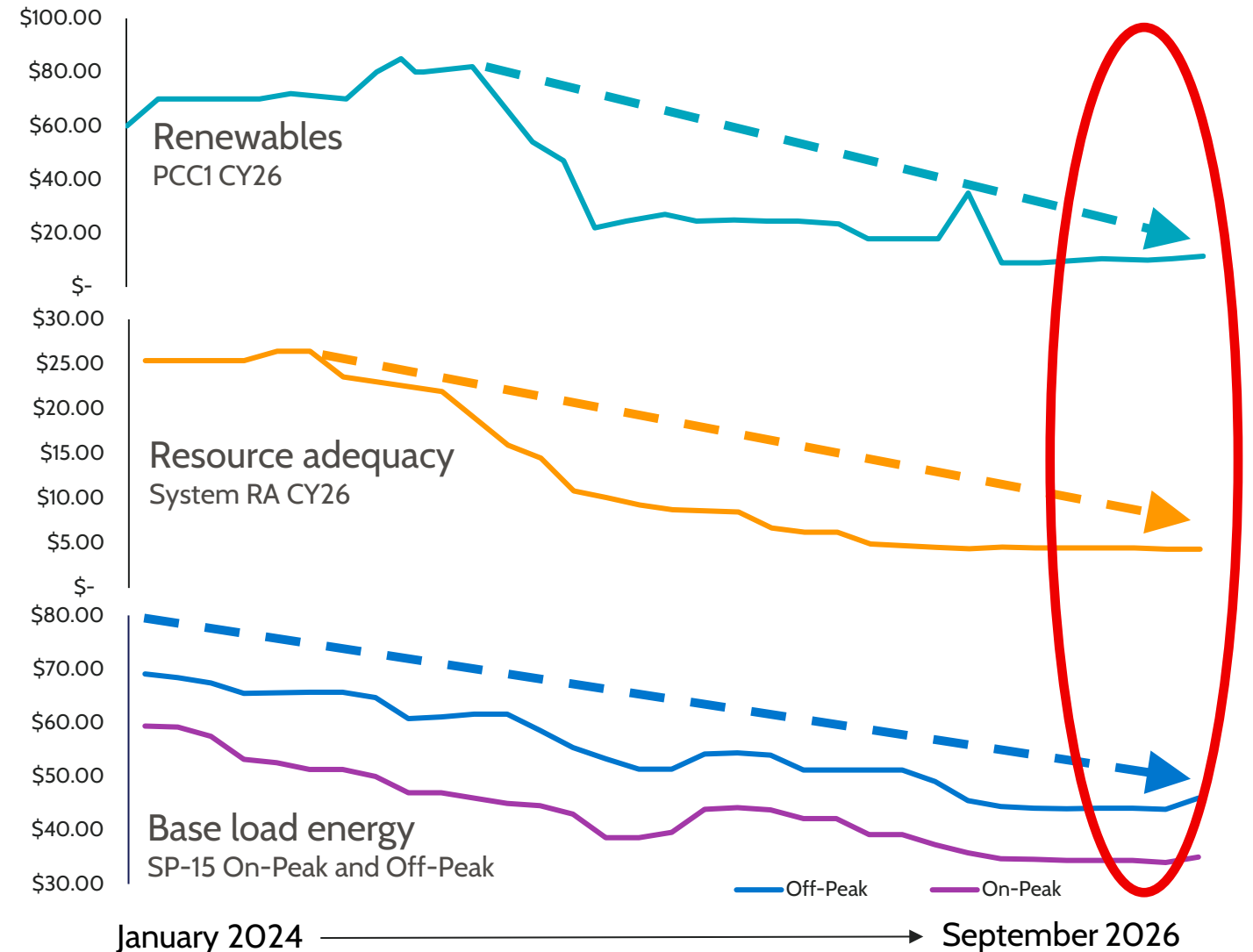
Cost of Energy



Significant part of portfolio is still short-term.

Cost of Energy

Energy and Renewables have dipped lower leading to energy savings.



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**Savings from
short-term energy
markets**



+\$50.4M

Net Revenue
with Rate Stabilization

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(\$84.1M)

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Savings

(\$5.7M)

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Reserve Contribution



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Less Uncollectibles	(19.4)	(12.2)	7.2
Rate Stabilization Transfer	-	(115.0)	(115.0)
Net Revenue	1,175.4	1,110.8	(64.6)
Cost of Energy	969.9	885.8	(84.1)
Non-Energy Costs	50.0	44.3	(5.7)
Subtotal Operating Expense	1,019.9	930.2	(89.7)
Interest Income	(18.3)	(19.2)	(0.9)
Debt Service	1.5	1.9	0.4
Capital Investment Plan	21.9	21.9	-
Total Expense	1,025.0	934.7	(90.3)
Net Position	150.4	176.0	25.6

+\$50.4M

Net Revenue

with Rate Stabilization

(\$84.1M)

Cost of Energy

Savings

3

(\$5.7M)

Non- Energy

Savings

+\$176.0M

Reserve Contribution



FY 2025-2026 Operating Budget

Item	FY 2025-2026 Amended Budget, \$M	FY 2025-26 Preliminary Actuals, \$M	Difference
Gross Revenue	1,194.8	1,238.0	43.2
Less Uncollectibles	(19.4)	(12.2)	7.2
Rate Stabilization Transfer	-	(115.0)	(115.0)
Net Revenue	1,175.4	1,110.8	(64.6)
Cost of Energy	994.8	944.8	(44.1)
Non-Energy Costs	50.0	51.3	(5.7)
Subtotal Operating Expense	1,044.8	996.1	(48.7)
Interest Income	(18.3)	(19.2)	(0.9)
Debt Service	1.5	1.9	0.4
Capital Investment Plan	21.9	21.9	-
Total Expense	1,025.0	934.7	(90.3)
Net Position	150.4	176.0	25.6

Overall savings in
non-energy costs

+\$50.4M

Net Revenue
with Rate Stabilization

(\$84.1M)

Cost of Energy
Savings

3

(\$5.7M)

Non- Energy
Savings

+\$176.0M

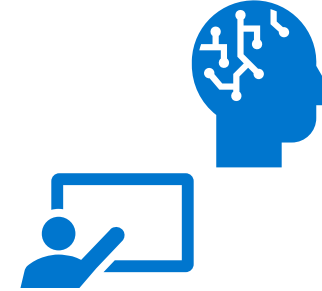
Reserve Contribution



FY 2025-2026 Operating Budget

Professional Services & Consultants

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



\$1 million savings



General & Administration

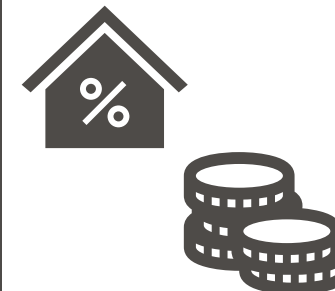
Higher costs in insurance, software and technology services, and utilities.



\$500K Rebalance

Debt Service

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



\$500K Rebalance



FY 2025-2026 Operating Budget

Item	FY 2025-2026 Amended Budget, \$M	FY 2025-26 Preliminary Actuals, \$M	Difference
Gross Revenue	1,194.8	1,238.0	43.2
Less Uncollectibles	(19.4)	(12.2)	7.2
Rate Stabilization	(176.0)	(15.0)	(115.0)
Net Revenue	1,019.5	930.2	(89.7)
Cost of Energy	869.9	885.8	(84.1)
Non-Energy Costs	205.5	244.2	(5.7)
Subtotal Operating Expense	1,019.5	930.2	(89.7)
Interest	1.5	1.9	0.4
Debt Service	21.9	21.9	-
Capital Investment Plan	1,025.0	934.7	(90.3)
Total Expense	1,025.0	934.7	(90.3)
Net Position	150.4	176.0	25.6

\$176.0 million

FY 2025-26

Reserve Contribution

1

+\$50.4M

Net Revenue
with Rate Stabilization

2

(\$84.1M)

Cost of Energy
Savings

3

(\$5.7M)

Non- Energy
Savings

4

+\$176.0M

Reserve Contribution



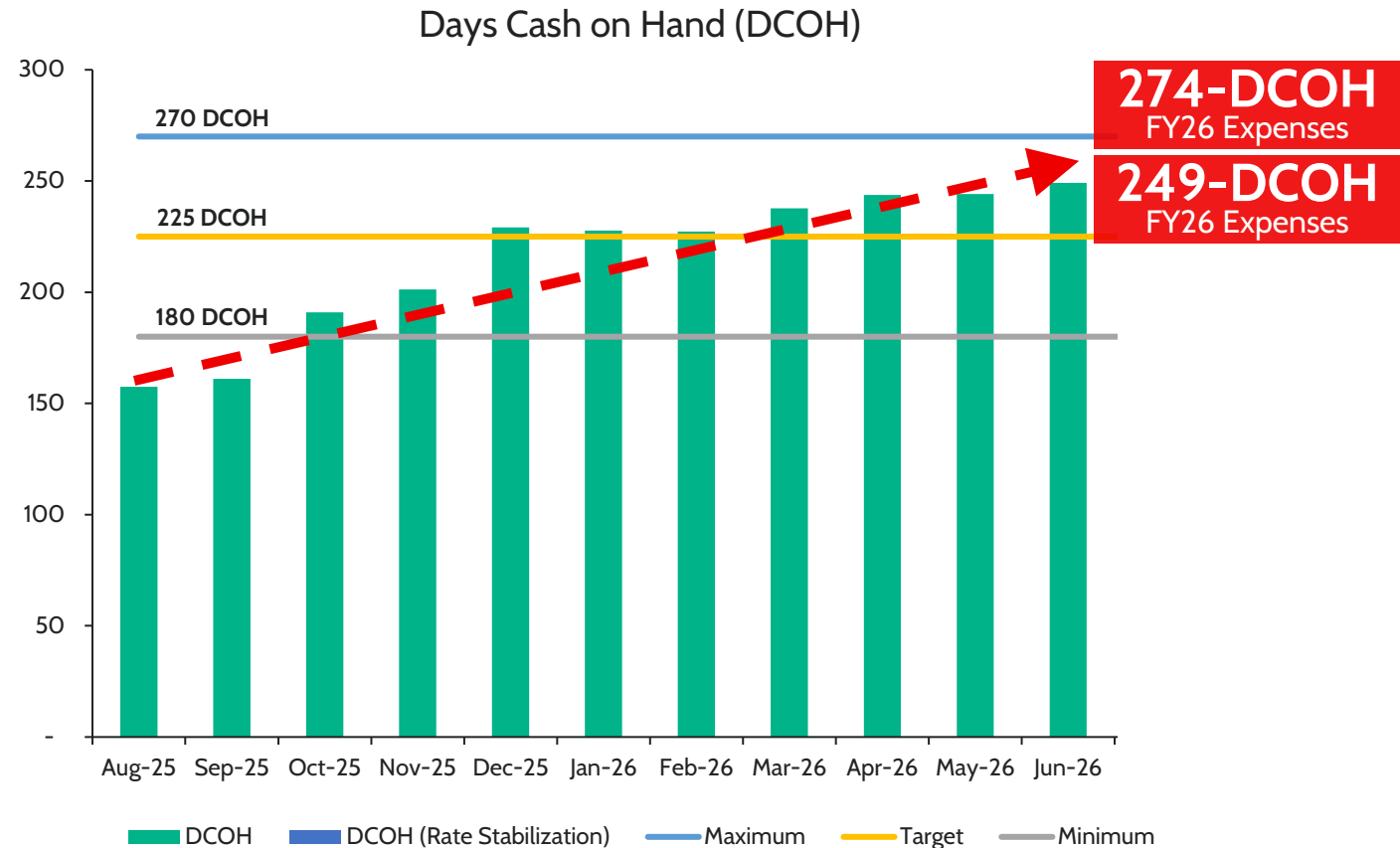
Financial Reserves



Growth of Financial Reserves in FY26

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

+\$176.0M
Reserve Contribution



Risks to Community Power Stability

Bottom-Up Risk Analysis

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

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



Risks to Community Power Stability

Bottom-Up Risk Analysis

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

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

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



Predicting Market Volatility

1 PCIA Snapback

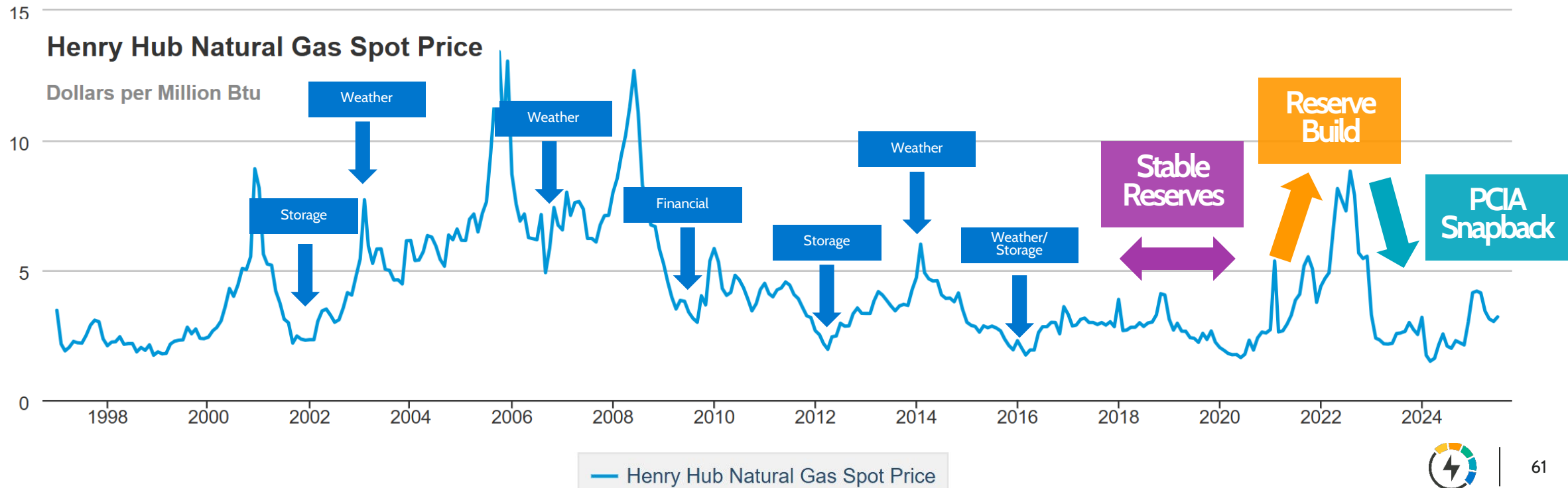
Period of high energy prices falling to low energy prices

2 Reserve Build

Period of low energy prices building to high energy prices

3 Stable Reserves

Period of stable energy prices



Predicting Market Volatility

1

Falling Prices

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

2

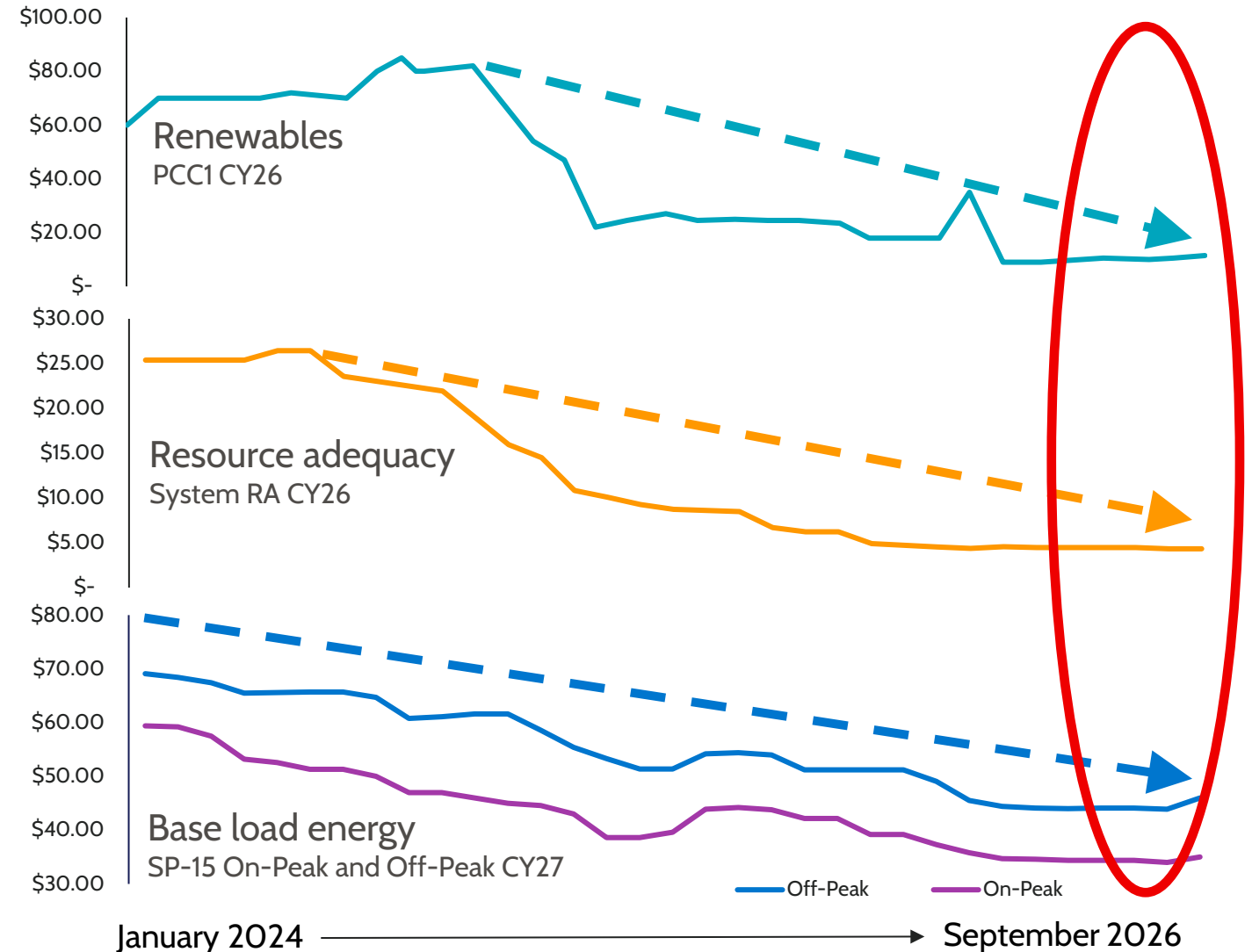
Energy Savings

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

3

PCIA Snapback

Period of high energy prices falling to low energy prices



PCIA Deep Dive – Renewables Example

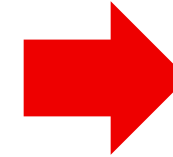
2024

2025

2026

1

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

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

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

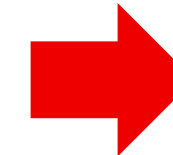
Lower prices means lower
rates in CY27

2

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

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

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

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

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

Lower prices means SDG&E
paid back in CY27



Predicting Market Volatility

1 PCIA Snapback

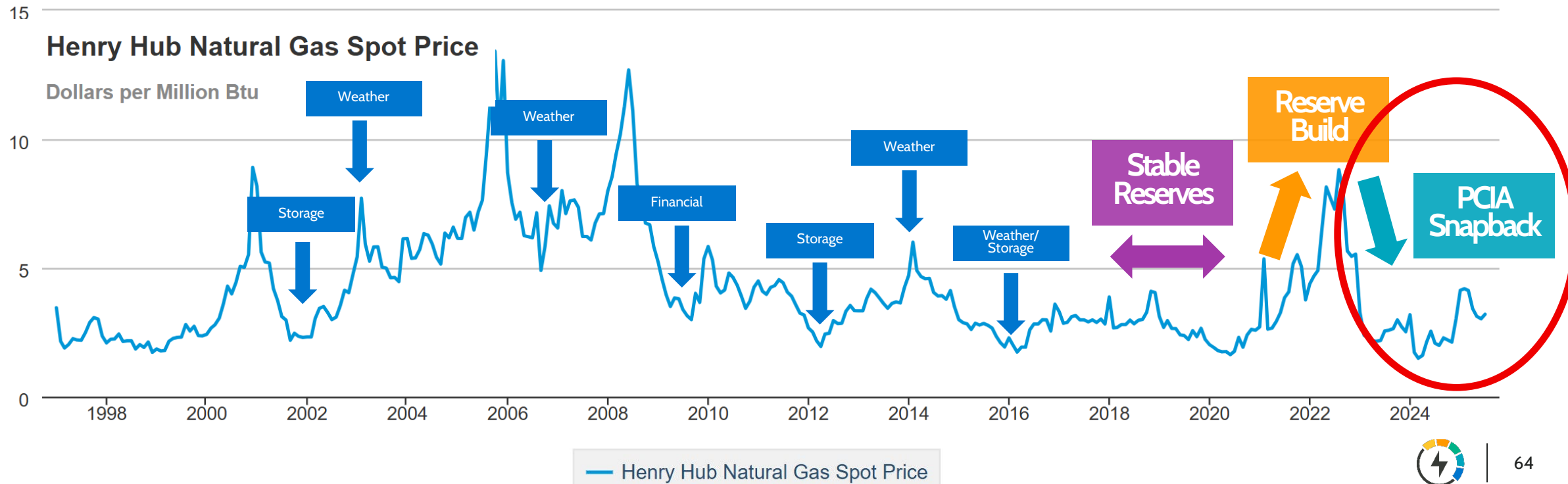
Period of high energy prices falling to low energy prices

2 Reserve Build

Period of low energy prices building to high energy prices

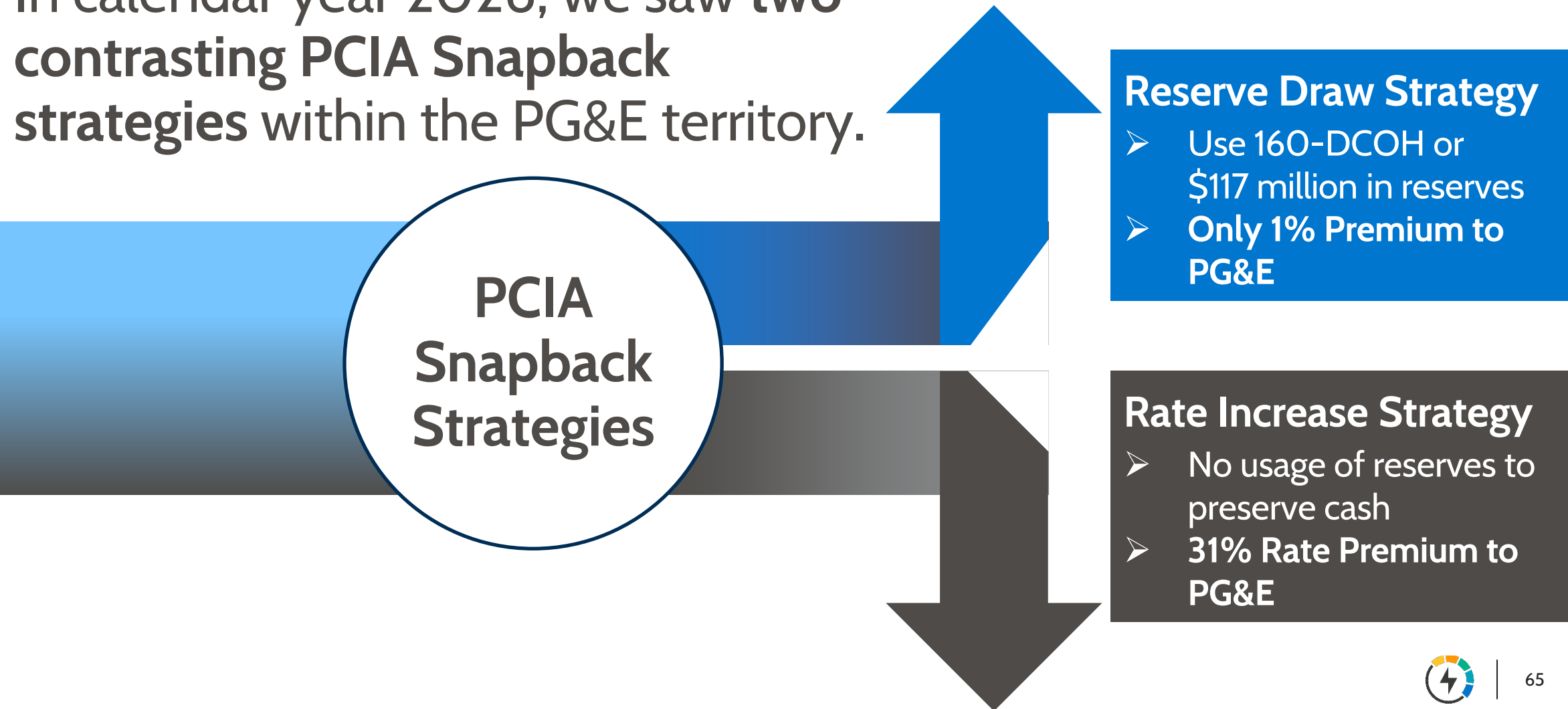
3 Stable Reserves

Period of stable energy prices



Reserve Strategies

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



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

PCIA Snapback Strategies

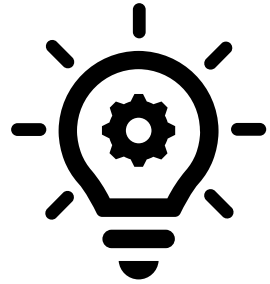
Reserve Draw Strategy

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

Rate Increase Strategy

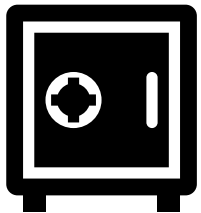
- No usage of reserves to preserve cash
- 31% Rate Premium to PG&E

Reserve Strategy



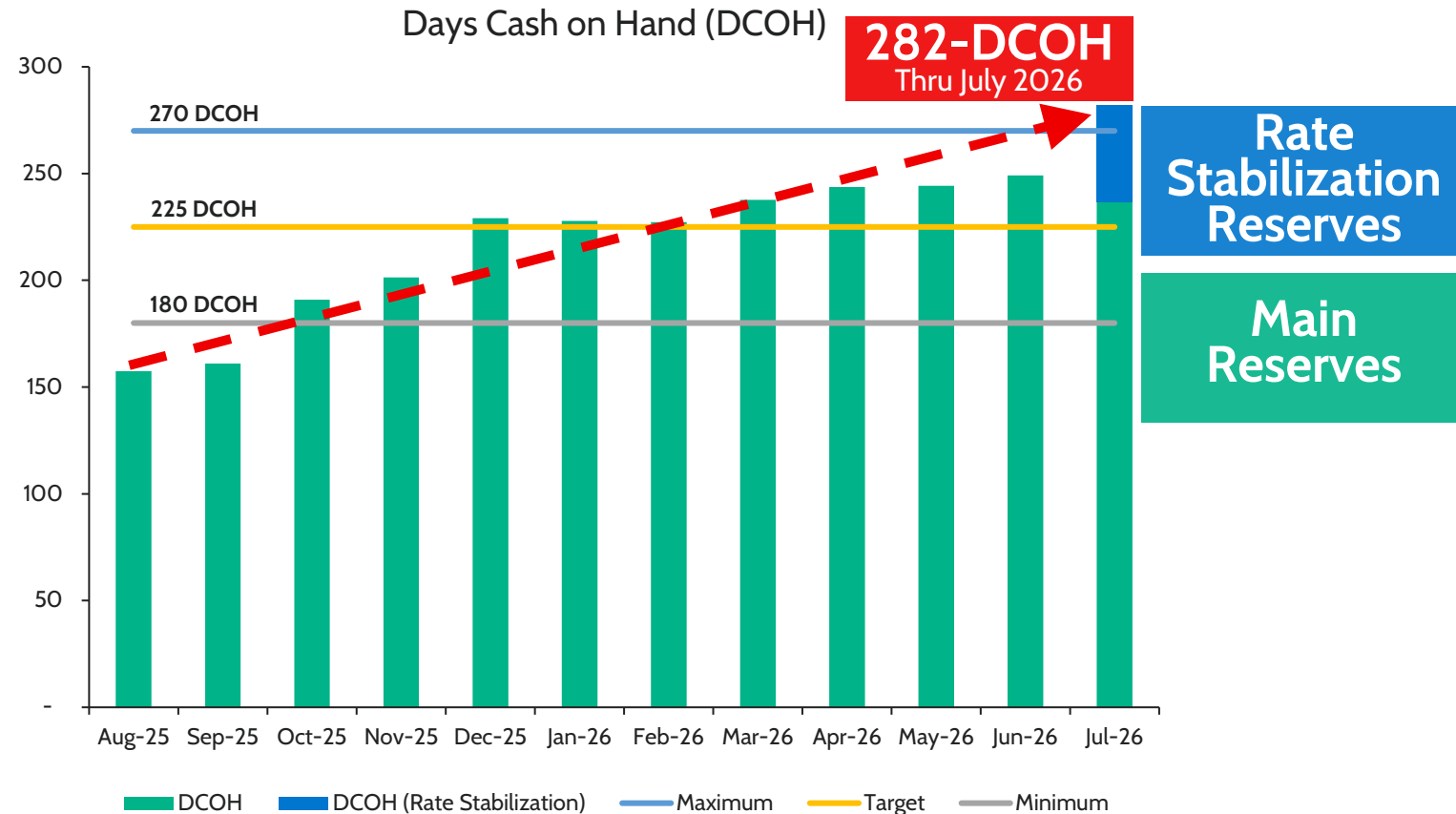
Rate Stabilization Reserves

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



Main Reserves

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



Rate Stabilization Reserve – Future Recognition

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



Projected Use of Reserves in FY27 and FY28

FY27: Managing the anticipated PCIA “snapback”

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

FY28 and beyond: Preliminary outlook

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



Capital Investment Plan



FY26 Results and Outlook

Purpose of the CIP:

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

CIP vs Operating Budgets:

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



FY26 Results

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

Funded via external
sources, not supported by
the operating budget

Funded by internal
transfers from the
operating budget



CIP FY26 Major Accomplishments



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

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

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

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

CIP FY26 Major Accomplishments



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

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

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

FY27-31 Capital Investment Plan

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

Updated FY27-31 Capital Investment Plan:

- Updated beginning carry forward balances reflecting actuals through the end of the fiscal year.
- No change to the adopted FY27 Capital Budget.
- No change to the outlook years.



Public Comment on Item No. 5

Item No. 5

Committee Members Comments or Questions



Recommendation:

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

1. Recommend Board Adoption of a Resolution 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

Committee Member Announcements

Adjournment



Next Regular Finance and Risk Management Committee Meeting December 3, 2026

CustomerService@SDCommunityPower.org