



Closed Session in Progress

The Regular Board Meeting will begin
at 2 p.m.



Board of Directors Meeting

March 27, 2025

Item 6: CEO Report

Oceanside & Vista Enrollment

- Pre-Enrollment of remaining Net Energy Metering (NEM) customers has concluded
- Enrolled approximately 1,800 NEM customers per month over the past 12 months
- Pre-enrollment notices mailed to last NEM customers
- Statistics as of February 28, 2025:

City	Eligible Customers	Opt-Downs to 50% Renewable	Opt-Ups to 100% Renewable	Opt-Outs	Participation Rate
Oceanside	73,950	219	98	4,822	94.0%
Vista	39,499	94	317	1,990	95.0%
TOTAL	113,449	313	415	6812	93.5%

CEA Enrollment Stats

Member City	Clean Impact – 50% Renewable	Clean Impact Plus - 75% Carbon Free	Green Impact – 100% Renewable
Carlsbad	156	49,490	227
Del Mar	4	2,772	72
Escondido	145	53,204	62
Oceanside	193	68,137	90
San Marcos	114	34,535	62
Solana Beach	15	6,911	157
Vista	84	36,723	312
TOTAL ACCOUNTS	711	251,772	982

Commercial BTM Solar & Battery RFP

- Program will be designed for commercial & municipal customers
 - Deploys Solar + Batteries
 - Deploys Battery Only Systems where applicable
 - Enhances peak load management
 - Increases local resiliency and reliability
 - Supports overall grid health
- Submissions due April 14, 2025, by 5PM PST

Commercial & Industrial (C&I) Solar Generation Plus Storage Behind-the-Meter (BTM) Request for Proposals (RFP)

Task:	Date:
Issue RFP	March 17, 2025
Deadline for written questions to be submitted	March 27, 2025, 5:00 PM PDT
Responses to written questions	April 7, 2025
Submittal due date	April 14, 2025, 5:00 PM PDT
Evaluate Proposals (oral interviews if needed)	April 14 – May 9, 2025
Results to Board for Selection	May 29, 2025

Green Impact Champions Program

- Launched in March 2024
- Welcome letters are sent to residential & commercial customers
- Business customers receive:
 - Promotion on CEA website with their logo and website link
 - Social media announcement recognizing the business
 - Customer must sign release waiver to participate
- 8 active Champions, representing 320+ accounts

Green Impact Champions Program



Completed Community Events

DATE	DESCRIPTION
February 24, 2025	The LEARN Program - Home Electrification Fair
February 24, 2025	City of Oceanside Senior Listening Session
March 5, 2025	NCAAWA 30th Anniversary Women's Conference

Upcoming Community Events

DATE	DESCRIPTION
March 27, 2025	Oceanside Chamber of Commerce: Meet the City
March 29, 2025	North County Climate Change Alliance
April 5, 2025	San Marcos Spring Festival
April 15, 2025	Carlsbad City Council: Legislative Committee Meeting
April 16, 2025	Carlsbad Chamber of Commerce: Green Business Expo
April 19, 2025	Alta Vista Botanical Gardens/City of Vista Earth Day
April 22, 2025	Sony Electronics Earth Day Fair
April 22, 2025	Del Mar Spring Climate Symposium
April 23, 2025	Vista Environmental Commission Presentation
April 24, 2025	GRAZE at the Fields
April 28, 2025	Del Mar Sustainability Advisory Committee Presentation

Solar Plus Update

- 14 Active / 4 Complete Contracts (as of 03/25/25)*
 - Solana Beach 1 Active, 0 Complete
 - Carlsbad 1 Active, 1 Complete
 - Escondido 2 Active, 0 Complete
 - San Marcos 3 Active, 1 Complete
 - Oceanside 3 Active, 1 Complete
 - Vista 4 Active, 1 Complete

*Actively focused on onboarding Channel Partners for program expansion and increased marketing

Questions/Discussion

Item 7: Regulatory Update

2025 Compliance Requirements

Supplier Diversity Report

- Submitted yearly on March 1 – promotes transparency and accountability regarding procurement practices
- Tracks the progress in engaging diverse suppliers and highlights efforts to support economic inclusion and opportunities for small and diverse businesses

Item #3 Load Management Standards (LMS) Compliance Report

- Initial draft report must be adopted by the Load Serving Entity's (LSE) rate approving body and submitted to the California Energy Commission (CEC) by April 1
 - Real Time Pricing (RTP) programs and Dynamic Rate Pilot (DRP) development obligations
 - CEC works with the CCAs on meeting compliance plan obligations

Advanced Metering Infrastructure (AMI) Triennial Audit

- An audit of Internal privacy and data security policies

Legislative & Regulatory Platform

2025 Legislative & Regulatory Platform Update

Key Updates:

- No major changes for 2025
- Added opening paragraph highlighting main priorities for the 2025 legislative year

Annual Platform Updates:

- Proposing updates each year after February bill introductions

New Submission Process:

- **Timeline:** Platform to be submitted for Board approval in March, at the start of each legislative year
- **Purpose:** Aligns planning and strategy with legislative timelines as bills are introduced

Bill Submission Deadline:

- Late February each year

PCIA/ERRA OIR (R.25-02-005)

Order Instituting Rulemaking (OIR) to Update and Reform Energy Resource Recovery Account (ERRA) and Power Charge Indifference Adjustment (PCIA) Policies and Processes.

Key Details:

- CPUC issued OIR on Feb 26, 2025
- CCAs are respondents; opening comments due March 18, reply comments due April 2

Track 1: Expedited Process

- Revises RA Market-Price Benchmark (MPB) calculation methodology
- Proposed decision expected May 2025; methodology to be used for October 2025 MPBs

Track 2: Comprehensive Review

- Focus on RA-related ERRA guidance, bundled procurement plans, and strategies to reduce rate volatility
- Includes guidance on vintaging resources and PCIA mechanisms

October 2025 MPBs

- Evaluates changes to MPB calculations:
 - Consider all RA transactions, including long-term contracts
 - Exclude transactions between affiliated companies and swap/sleeve deals
 - Use monthly values for MPBs and consolidate flexible, local, and system RA into a single RA value

Regulatory: Resolution ESRB - ESS

➤ Resolution ESRB-13 Highlights (Electric Safety and Reliability Branch of the CPUC)

- **Overview:**

- Approved on March 13, adopts General Order (GO) 167-C.
- Establishes maintenance and operation standards for Electric Generating Facilities and Energy Storage Systems (ESS).
- Requires ESS emergency plans developed in coordination with local authorities.

- **New Requirements Introduced:**

- **Safety Incident Reporting:** ESS owners must report injuries, fatalities, fires, thermal runaways, and other failures to CPUC.
- **Emergency Plans:** ESS emergency plans must include local authority coordination.
- **Audits & Inspections:** Introduces programs for facility audits, inspections, and investigations.
- **Compliance Updates:** Requires improved incident reporting and regular compliance filings.

- **Significance:**

- Ensures higher safety standards for ESS.
- Addresses gaps in prior General Orders.

➤ Monitoring newly introduced legislation focused on enhancing safety standards for Battery Energy Storage Systems (BESS)

- SB 283 – safety protocols and compliance; local fire authority coordination
- AB 303 – prohibits large BESS projects near sensitive sites, stricter development restrictions

Questions/Discussion

Item 8: Development Framework, Power Purchase and Energy Storage Agreements with Luminia CA DevCo 2, LLC & Luminia CA DevCo 3, LLC

Item 8: Approve Execution of Luminia Agreements

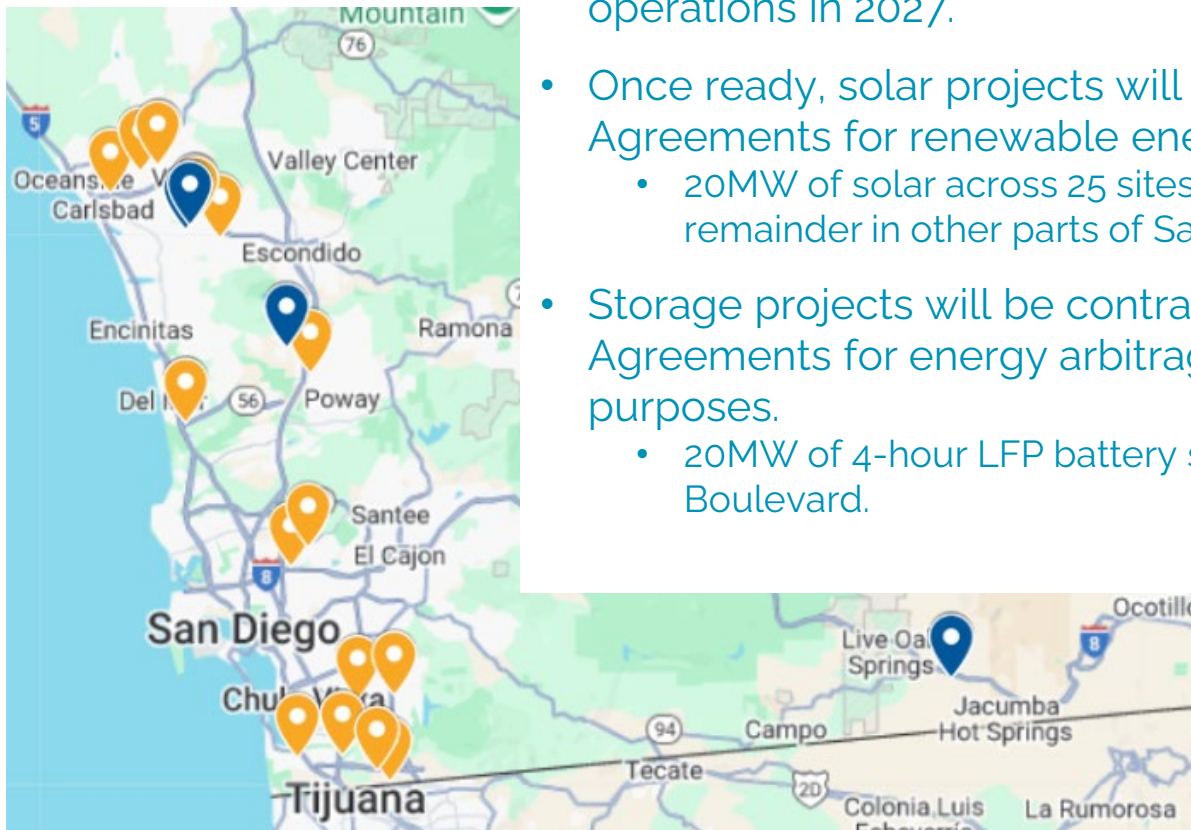
- Recommendation:
 - That the CEA Board approve Development Framework Agreements and a portfolio of 20-Year Power Purchase Agreements (PPAs) and 10-Year Energy Storage Service Agreements (ESSAs) with Luminia CA DevCo 2, LLC and Luminia CA DevCo 3, LLC.
 - Authorize the Chief Executive Officer to execute all documents, subject to Transactions Attorney approval.

Background

- Long-term agreements for new-build renewable energy and storage projects are critical to CEA's environmental goals, while also providing financial value to CEA by locking in power supply costs
- Local projects can provide additional benefits, including Local Resource Adequacy (RA) capacity, grid services during times of grid stress, and load shifting that is strongly representative of CEA's local supply and demand considerations
- To facilitate receipt of these projects, CEA developed a Local Developer RFQ and an Open Offer Form process – Luminia submitted a portfolio of smaller-scale front-of-the-meter projects across CEA territory and San Diego County

Luminia Project Portfolio Structure

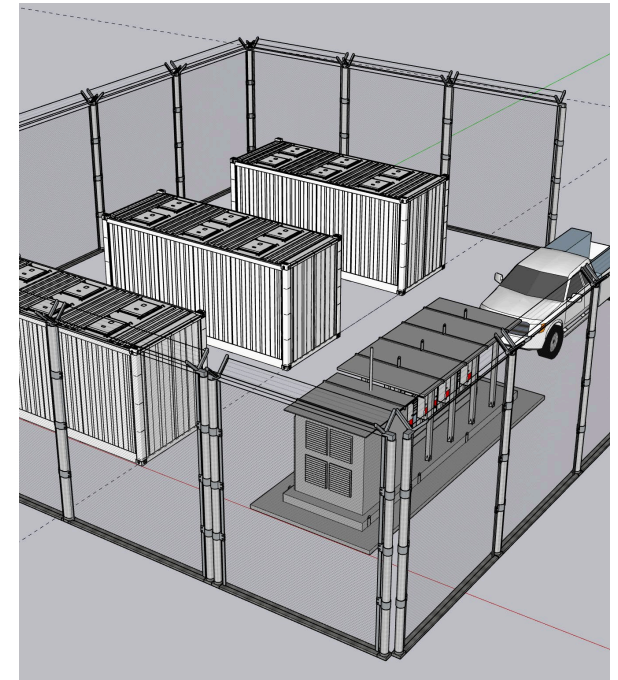
- Framework Agreements provide a mechanism for each site in the portfolio to advance through permitting process. Most projects are anticipated to reach operations in 2027.
- Once ready, solar projects will be contracted to CEA under 20-year Power Purchase Agreements for renewable energy generation.
 - 20MW of solar across 25 sites – four in Oceanside, one in San Marcos, six in Vista, and the remainder in other parts of San Diego County.
- Storage projects will be contracted under 10-year Energy Storage Services Agreements for energy arbitrage purposes and potential Local Resource Adequacy purposes.
 - 20MW of 4-hour LFP battery storage across 4 sites – two in Vista, one in 4S Ranch, one in Boulevard.



■ = solar
■ = storage

Battery Storage Siting and Safety

- Siting prioritized previously developed land with limited prospects for other high priority uses and distance from residential areas (e.g., existing commercial rooftops and excess commercial parking lot space).
- Containerized energy storage equipment, meeting the latest requirements and guidelines from the National Fire Protection Association (NFPA), California Fire Code.
- Implemented in close coordination with local jurisdictions and Fire Departments, with Emergency Response Plans that meet or exceed CA requirements.
- 24/7 ongoing digital monitoring, with monthly visual inspection and quarterly operational maintenance, software updates, thermal imaging and fire suppression checks.



Questions/Discussion

Item 9: Employee Retirement Plan Changes

Requests for Board Approval

- Adopt Resolution No. 2025-014, which would:
 - Increase CEA's contribution to each employee's 401(a) Retirement Plan from 5% of base salary to 7.5% of base salary starting on April 1, 2025
(Note: CEO is not part of this request since the CEO has separate contract and structure already approved by the Board)
 - Authorize Revisions to the CEA Employee Handbook to eliminate Social Security (FICA) tax participation by employees and CEA (except where required by law)
 - Ratify and authorize CEA staff to file documents and take actions necessary and proper to seek reimbursement of overpayment of taxes

Current Retirement Benefits

- Company contribution of 5% of each employee's salary to a 401(a)-retirement plan (subject to vesting over 5 years)
- The opportunity for employees to voluntarily elect pre-tax contributions to a 457(b) retirement plan
- Company match up to 5% of each employee's voluntary contribution (subject to vesting over 5 years)
- Participation in Social Security in which CEA and each employee pays Social Security taxes equal to 6.2% of the employee's wages, up to the Social Security wage base (total of 12.4% on salary up to \$176,100 in 2025)

Summary of Current Status

- CEA's outside Human Resources attorney informed us that, under CEA's current structure, CEA should not be participating in Social Security for any of its current employees
 - Regulations exclude municipal employees if total retirement contributions are at least 7.5%
 - All employees currently exceed that threshold
 - Example:
 - Voluntary Contribution of 4%
 - Company Match of 4%
 - Company Contribution of 5%
 - Total of 13%
- Recent Actions
 - Stopped all deductions and company contributions in Q1 2025
 - Refunded all contributions to employees back to start of 2024
 - Requested refund from Federal government for all contributions (in process)

Potential Implications and Proposal

- Possibility for an Employee to be below the 7.5% threshold
 - If an employee elected not to participate in the voluntary contribution
 - The total contribution would be just 5%
 - Would require re-initiating FICA withholding for any such employee and would add administrative time/cost
- Elimination of the Social Security participation
 - CEA now contributing less on behalf of each employee than “promised” as part of the hiring and Employee Handbook commitment
 - Results in a savings to CEA of 6.2% of employee salaries (up to the SS limit)
- Proposal: Increase CEA's 401(a) contribution from 5% to 7.5%
 - Offsets some of each employee's “loss” of overall CEA retirement contribution
 - Ensures that each employee would not fall below the 7.5% threshold to minimize ongoing administration (even if they elected not to voluntarily contribute)

Fiscal Impact

- The net fiscal impact of increasing CEA's contribution to the 401(a) retirement plan from 5% to 7.5% and eliminating social security contributions would be an annual savings to CEA of approximately \$39,600 per year

Other Details

- CEO benefits structure is different
 - Would not participate in the retirement contribution increase because retirement contributions are as set forth in separate employment agreement already approved by the Board
 - FICA deductions and contributions were also terminated along with other employees
- Possibility that some future employees could be subject to FICA deductions in limited circumstances
 - For example, Part-time employees or Intern employees if not eligible for full CEA benefits

Requests for Board Approval

- Adopt Resolution No. 2025-014, which would:
 - Increase CEA's contribution to each employee's 401(a) Retirement Plan from 5% of base salary to 7.5% of base salary starting on April 1, 2025
 - Revise Employee Handbook to eliminate Social Security (FICA) tax participation by employees and CEA (except where required by law)
 - Ratify and authorize CEA staff to file documents and take actions necessary and proper to seek reimbursement of overpayment of taxes