



Board of Directors Meeting

April 24, 2025

Item 5: 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
- Statistics as of April 8, 2025:

City	Eligible Customers	Opt-Downs to 50% Renewable	Opt-Ups to 100% Renewable	Opt-Outs	Participation Rate
Oceanside	73,731	224	103	4,588	93.6%
Vista	39,438	97	318	1,897	95.2%
TOTAL	113,169	321	421	6485	94.3%

CEA Enrollment Stats

Member City	Clean Impact – 50% Renewable	Clean Impact Plus - 75% Carbon Free	Green Impact – 100% Renewable
Carlsbad	159	50,174	231
Del Mar	5	3,439	73
Escondido	151	53,671	71
Oceanside	200	69,154	100
San Marcos	120	34,790	80
Solana Beach	24	7,220	172
Vista	91	37,307	326
TOTAL ACCOUNTS	750	251,772	1,053

Solar Plus Update

- 16 Active / 4 Complete Contracts (as of 04/23/25)*
 - Solana Beach 1 Active, 0 Complete
 - Carlsbad 6 Active, 1 Complete
 - Escondido 2 Active, 0 Complete
 - San Marcos 1 Active, 1 Complete
 - Oceanside 1 Active, 1 Complete
 - Vista 5 Active, 1 Complete

*Actively onboarding Channel Partners for program expansion and increased marketing

Completed Community Events

DATE	DESCRIPTION
March 29, 2025	North County Climate Change Alliance
April 5, 2025	City of Escondido Earth Day
April 8, 2025	City of Vista City Council Meeting – Earth Day Proclamation
April 15, 2025	Carlsbad City Council: Legislative Committee Meeting Presentation
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

Upcoming Community Events

DATE	DESCRIPTION
April 24, 2025	GRAZE at the Fields
April 25, 2025	Dr. Bronner's Staff Earth Day Extravaganza
April 28, 2025	Del Mar Sustainability Advisory Committee Presentation

CUSTOMER OPINION SURVEY

CONDUCTED FOR THE
CLEAN ENERGY ALLIANCE

PRESENTED BY
TIMOTHY McLARNEY PH.D.

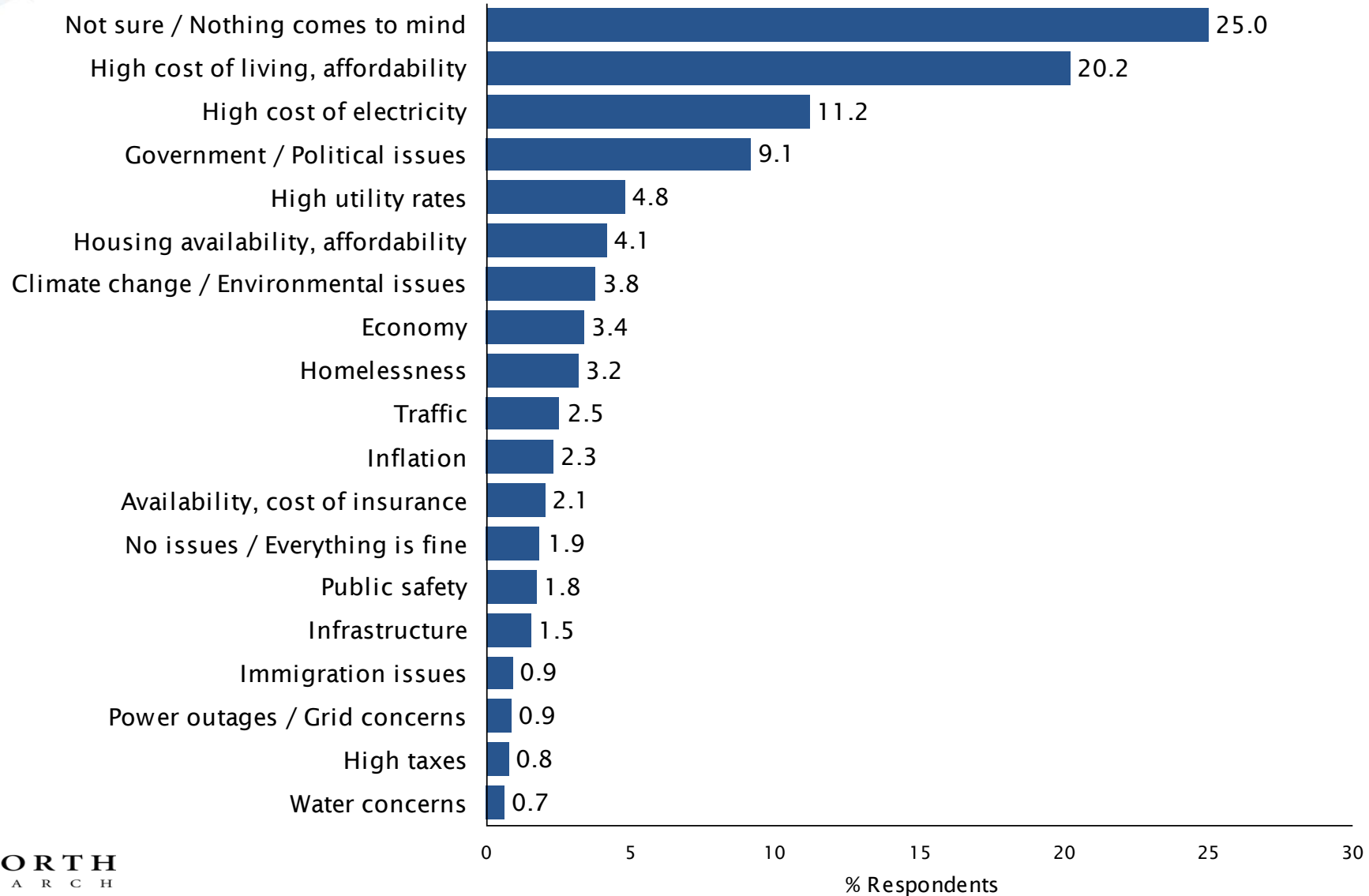
4/24/2025



METHODOLOGY

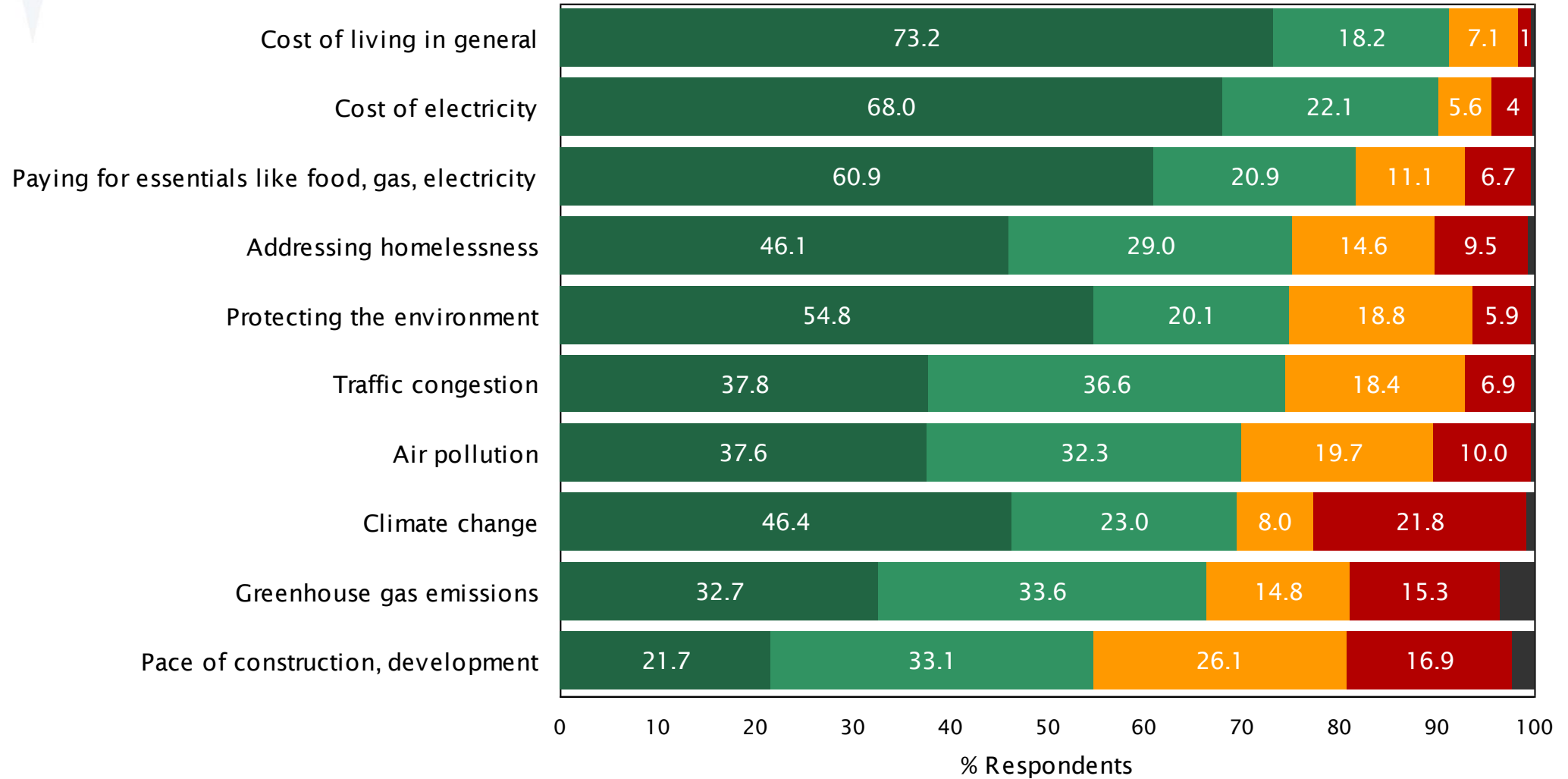
- **How did we select customers to survey?**
 - Stratified random sample of residential and commercial customers from CEA's customer database
 - Balanced, representative sample that aligns with customer type (residential vs commercial) and city
- **How did we recruit participation?**
 - Personalized email, text, and phone calls
 - PINs to restrict access and ensure one complete per respondent
- **How were customers able to share their opinions?**
 - Secure, PIN-protected website that scales to the device
 - Phone (land line or mobile)
 - English & Spanish
- **What was the sample size?**
 - 509 completed interviews
 - Overall margin of error of $\pm 4.3\%$ @ 95% level of confidence

MOST IMPORTANT ISSUES OR CHALLENGES

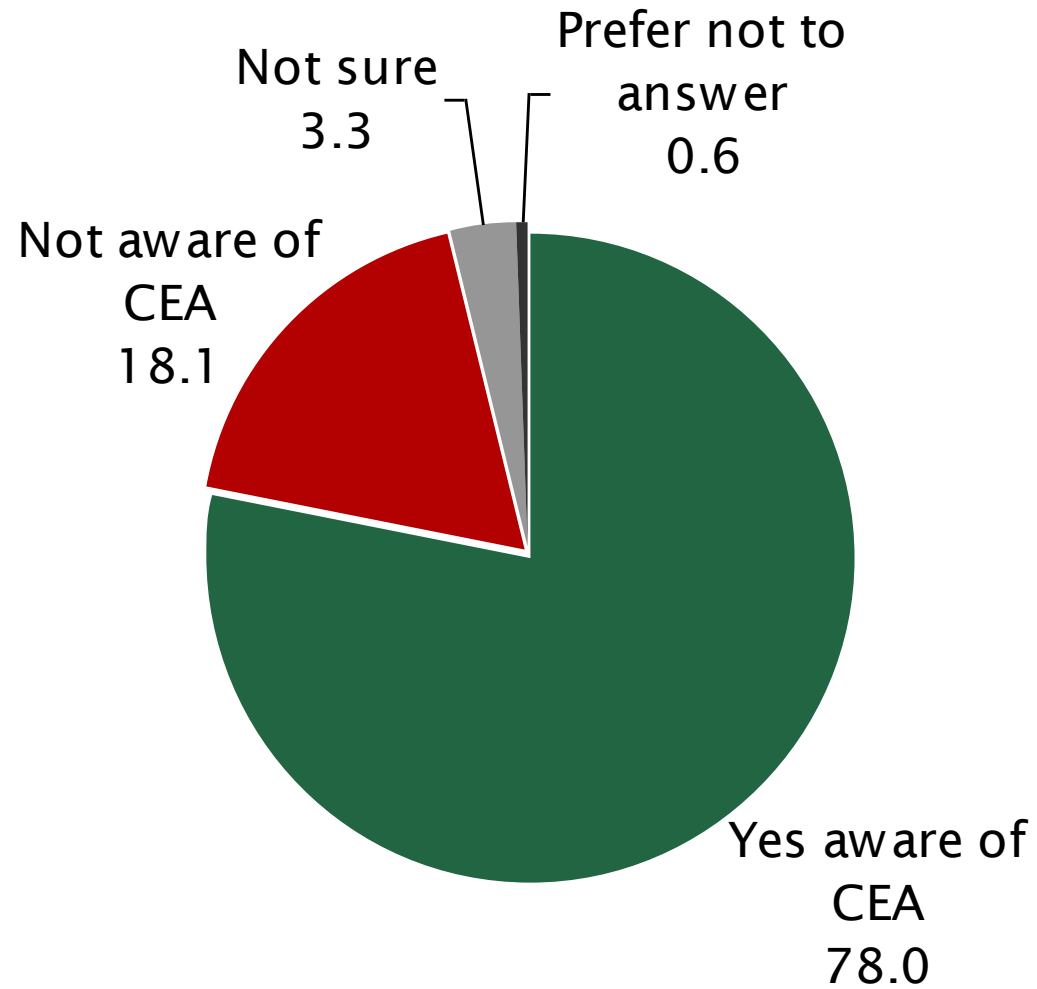


CONCERN ABOUT ISSUES

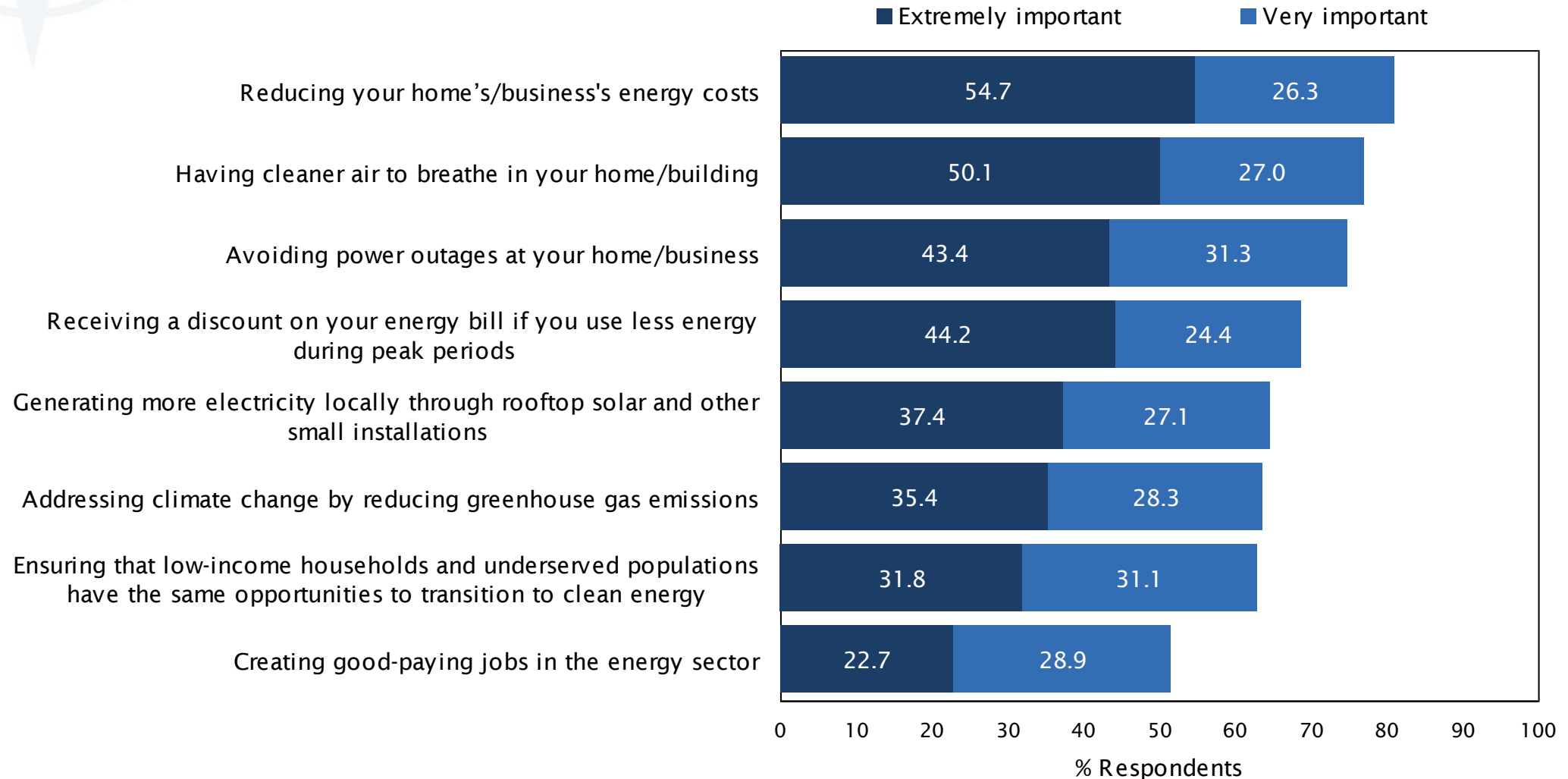
■ Very concerned
 ■ Somewhat concerned
 ■ Slightly concerned
 ■ Not at all concerned
 ■ DK/NA



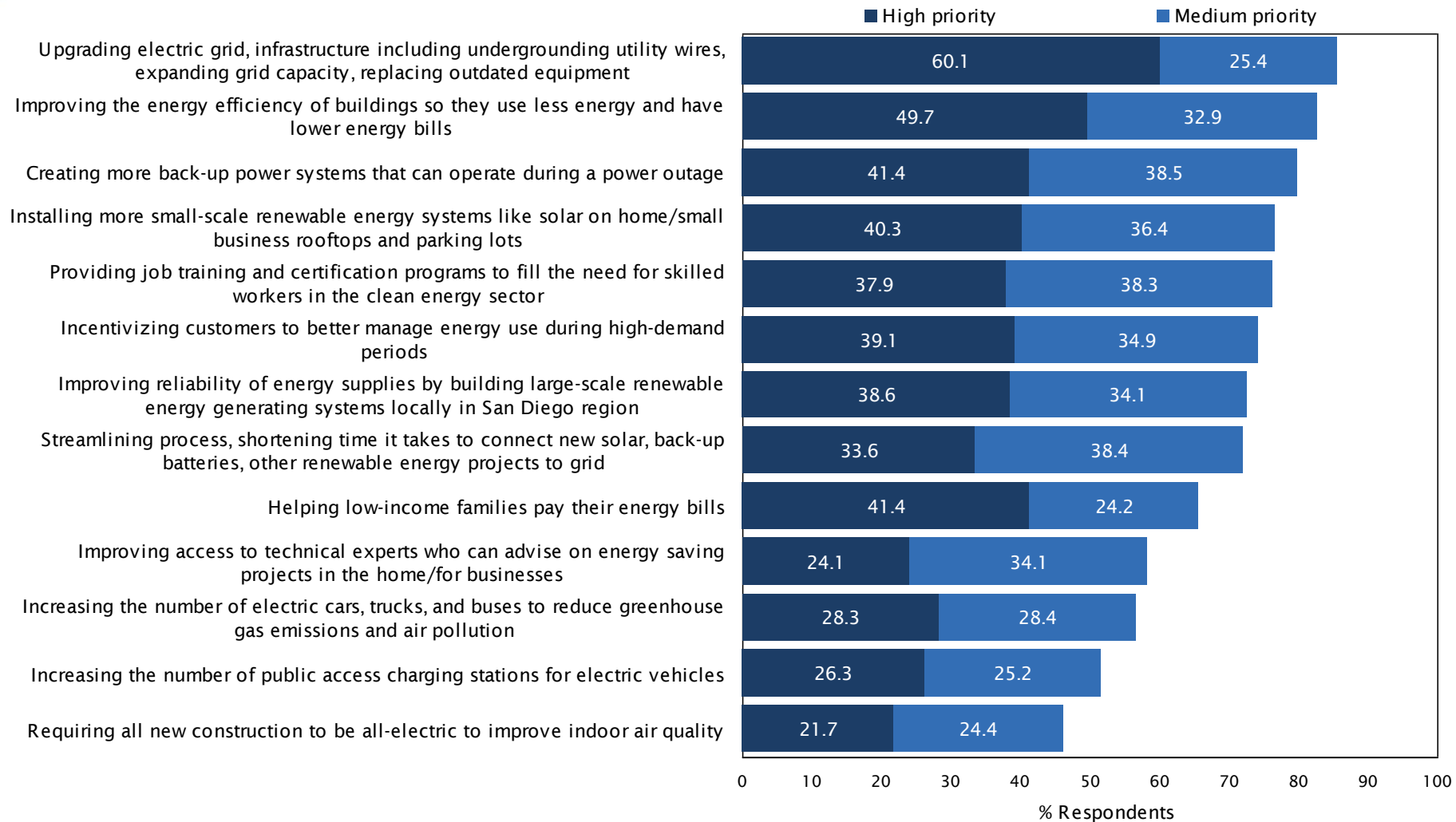
AWARE OF CLEAN ENERGY ALLIANCE?



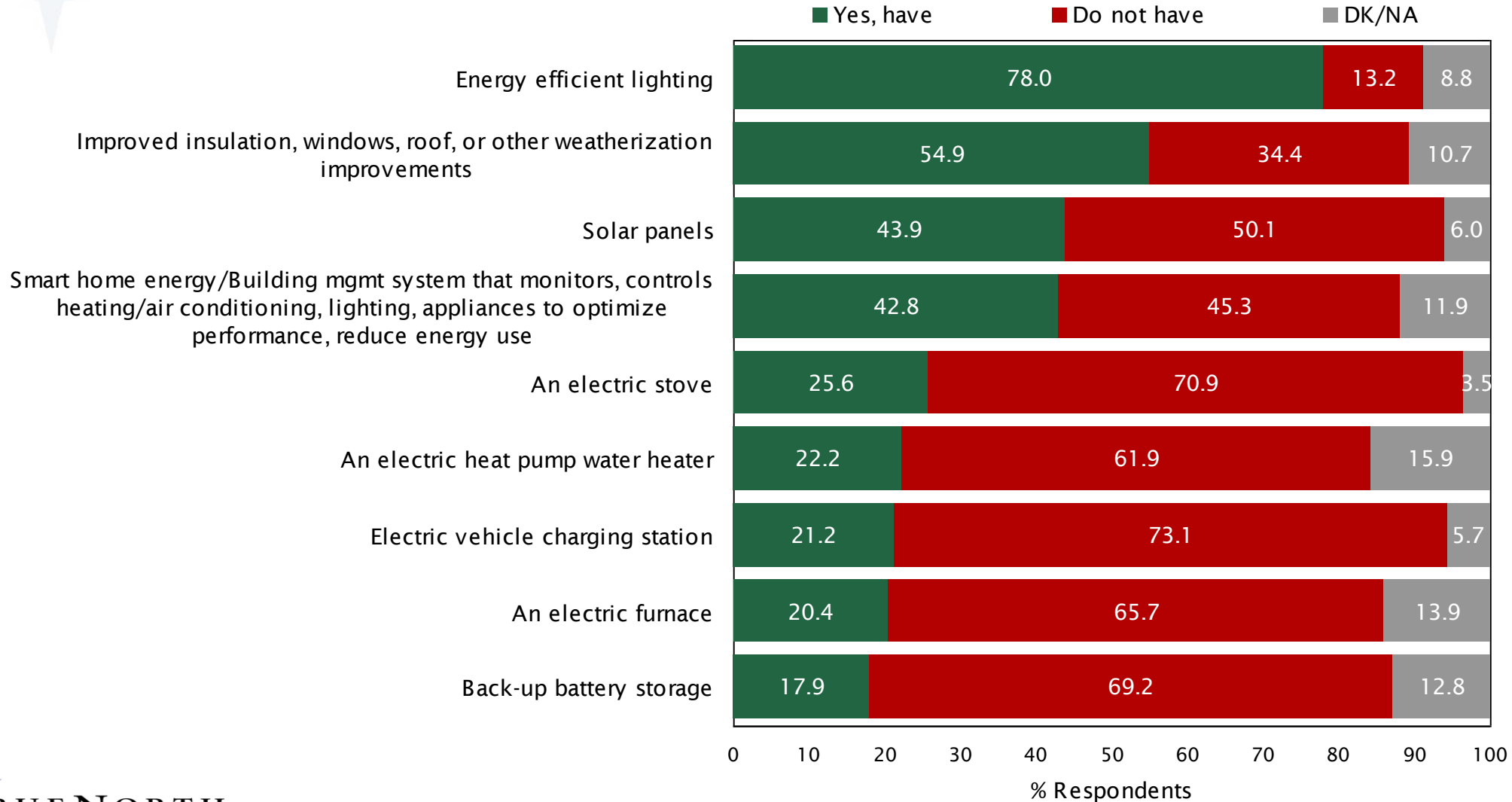
IMPORTANCE OF ENERGY ISSUES



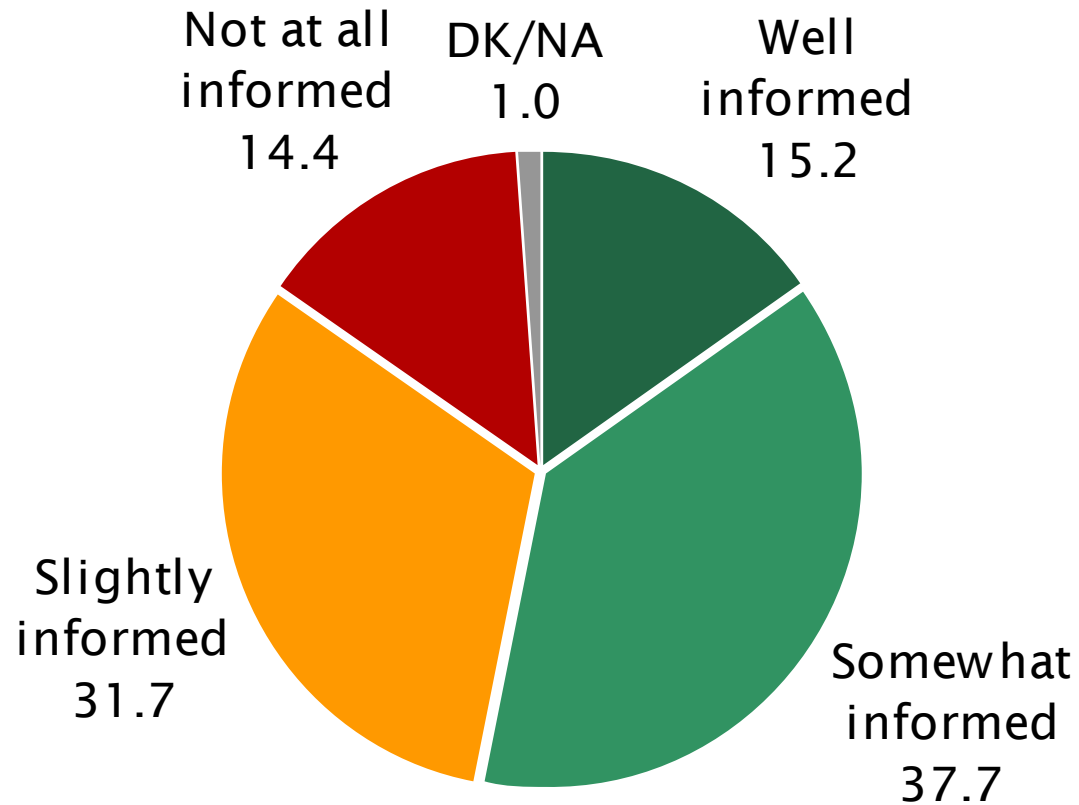
PRIORITY ENERGY ACTIONS



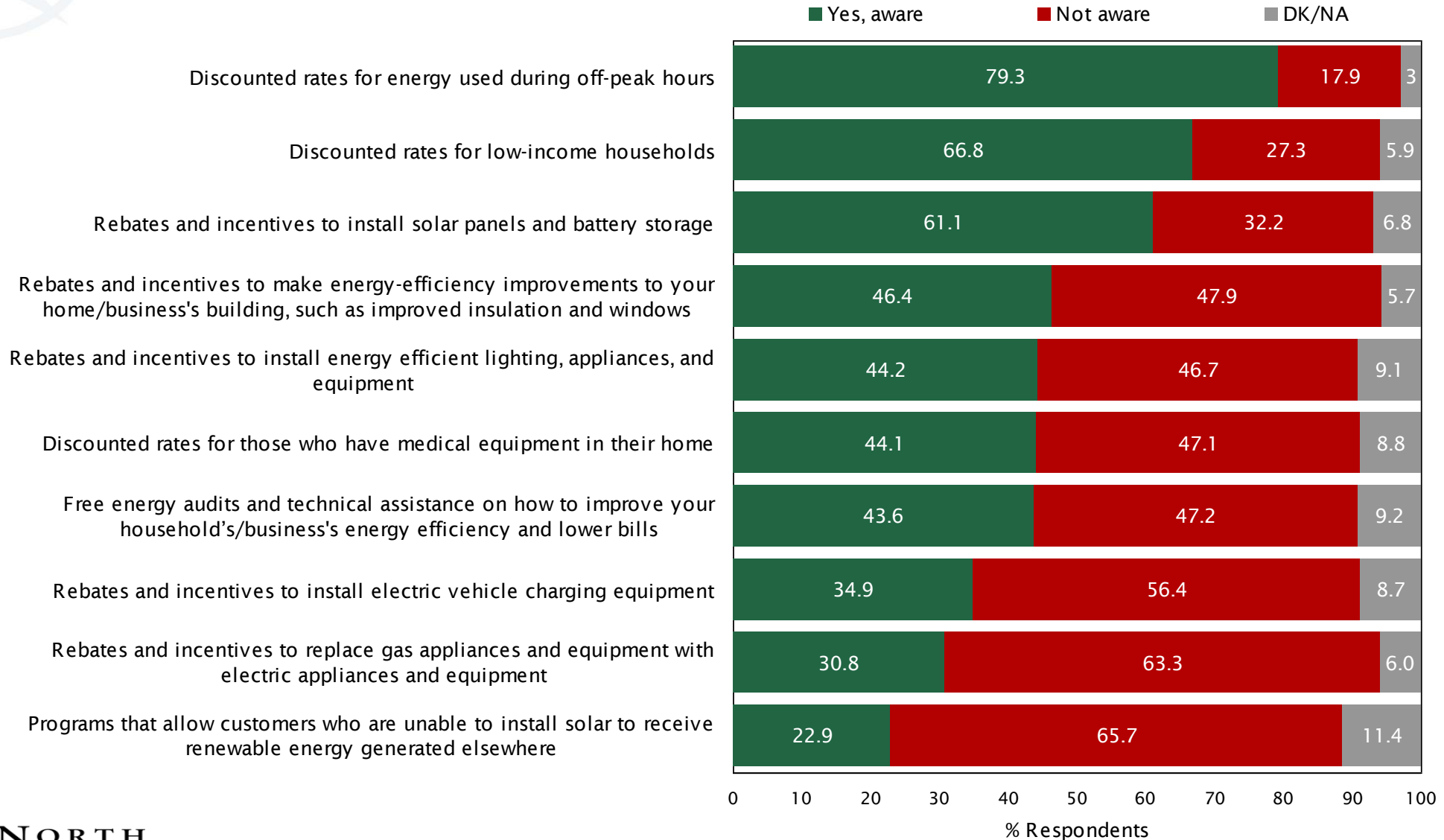
HOME/BUSINESS ENERGY IMPROVEMENTS



HOW INFORMED ABOUT ENERGY-RELATED PROGRAMS?



AWARENESS OF PROGRAMS



INTEREST IN PROGRAMS

■ Very interested
 ■ Somewhat interested
 ■ Already participating
 ■ Not interested
 ■ DK/NA

Rebates and incentives to install energy efficient lighting, appliances, and equipment

Discounted rates for energy used during off-peak hours

Rebates and incentives to make energy-efficiency improvements to your home/business's building, such as improved insulation and windows

Free energy audits and technical assistance on how to improve your household's/business's energy efficiency and lower bills

Rebates and incentives to install solar panels and battery storage

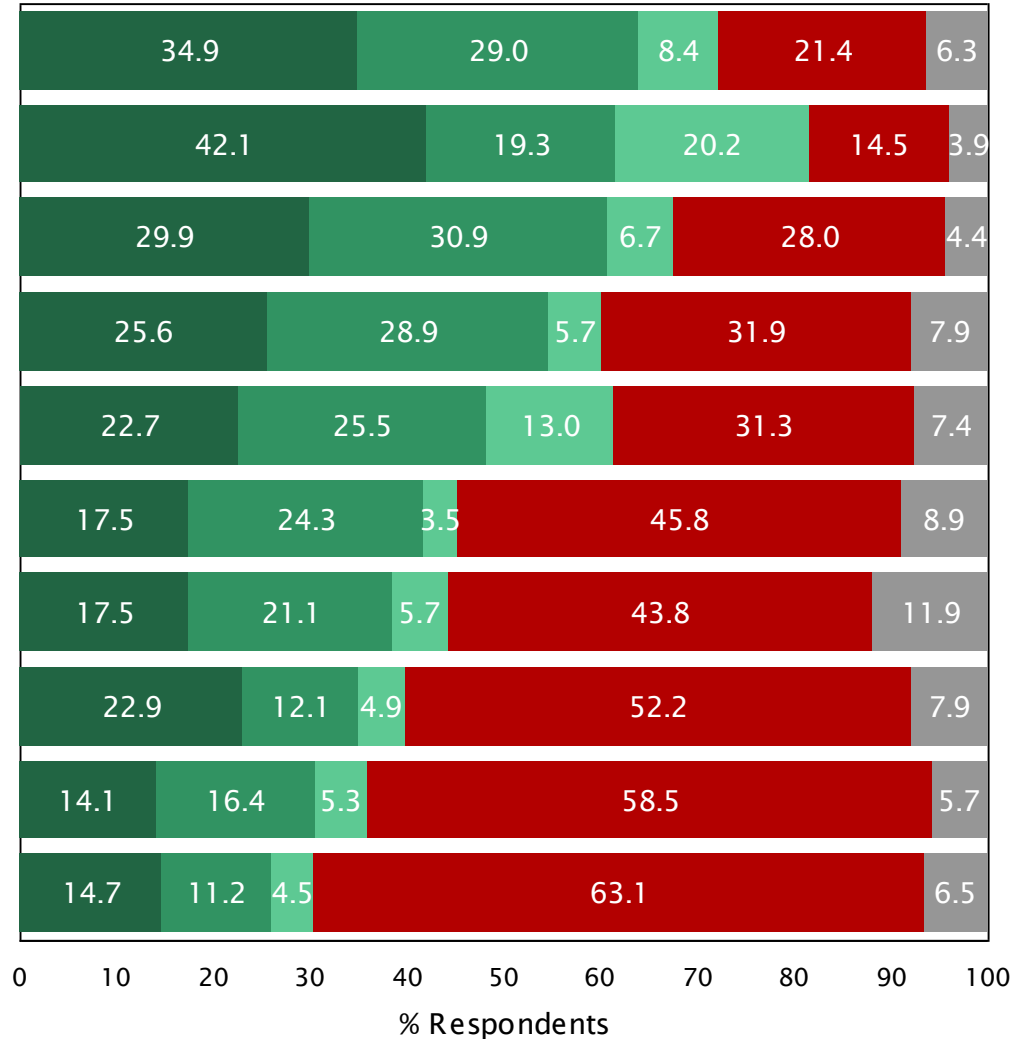
Rebates and incentives to replace gas appliances and equipment with electric appliances and equipment

Programs that allow customers who are unable to install solar to receive renewable energy generated elsewhere

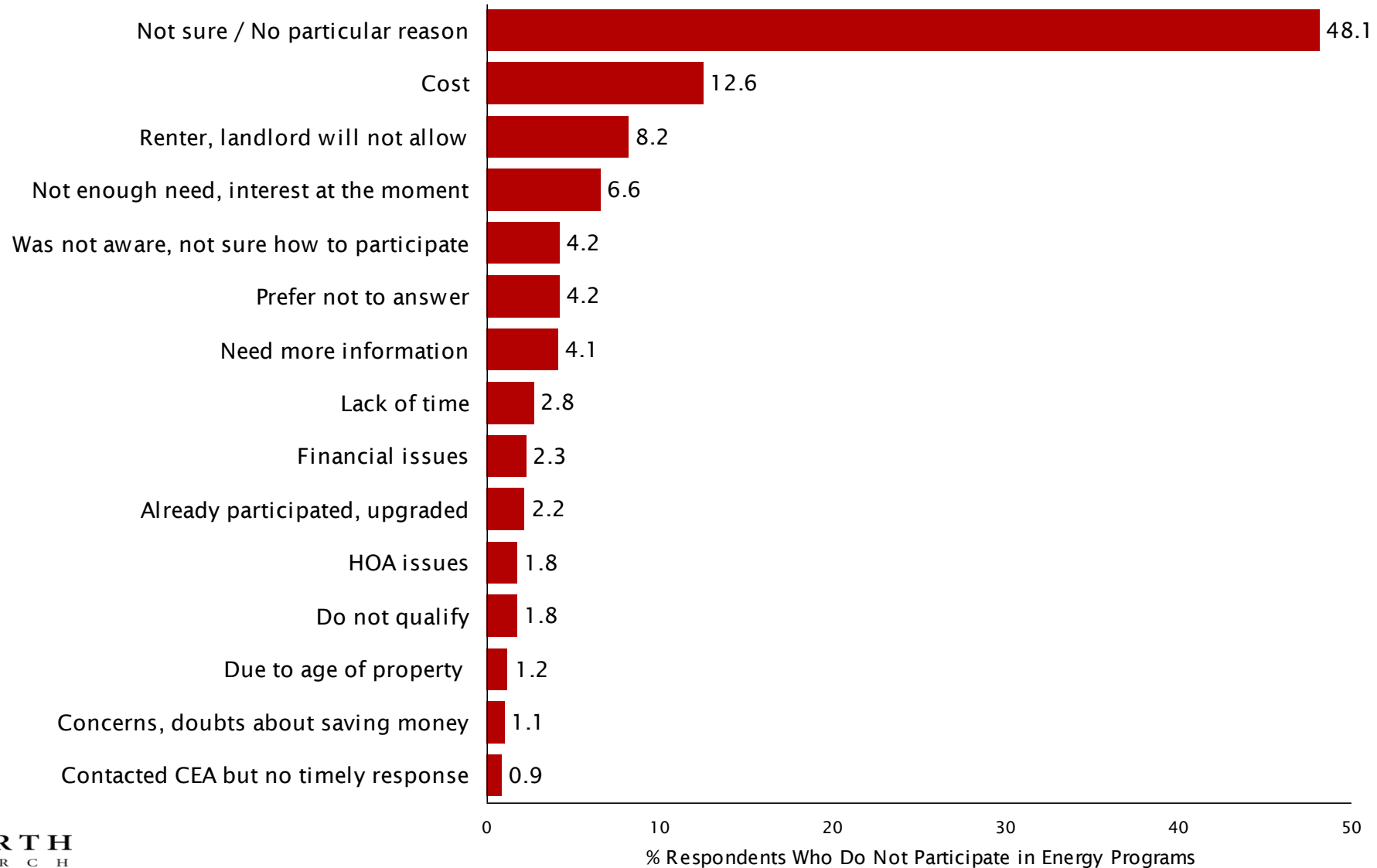
Discounted rates for low-income households

Rebates and incentives to install electric vehicle charging equipment

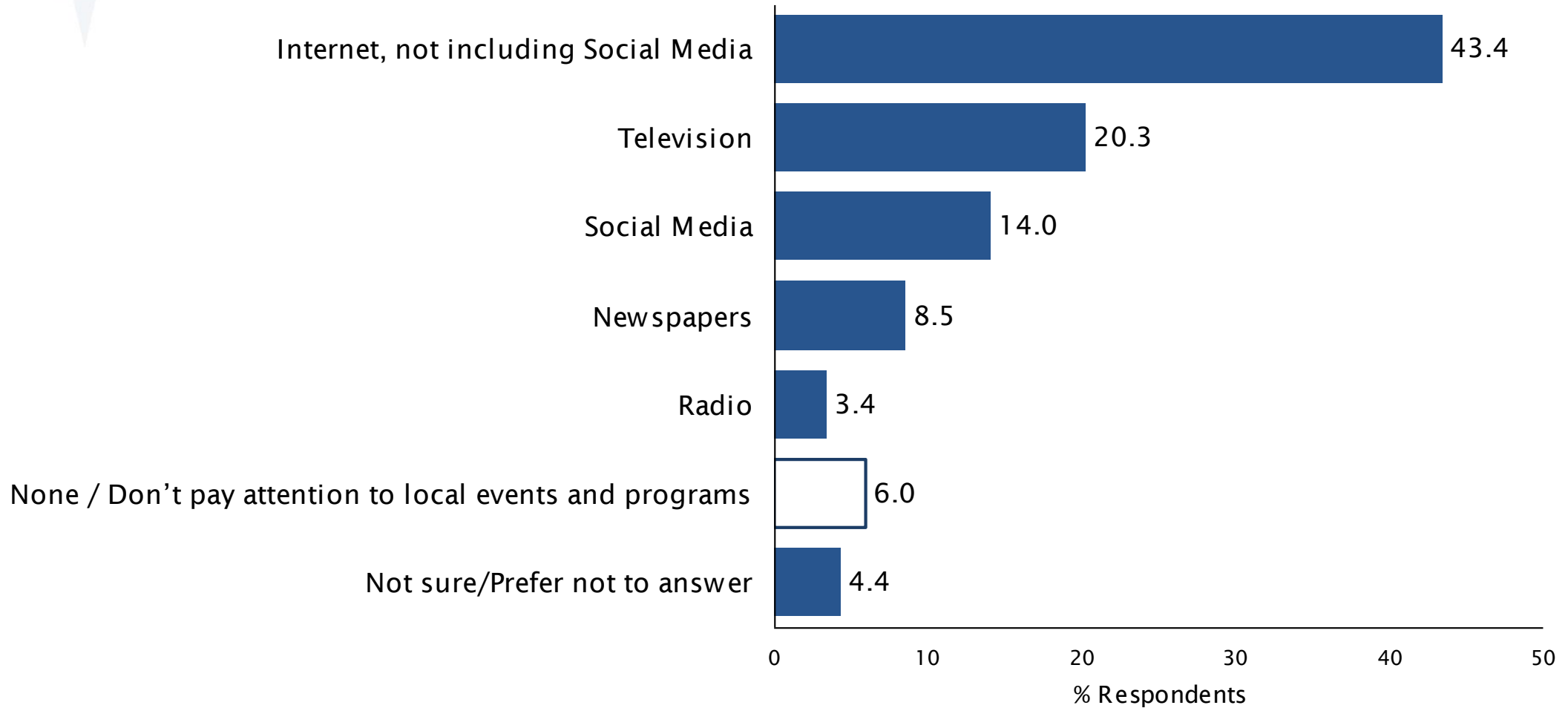
Discounted rates for those who have medical equipment in their home



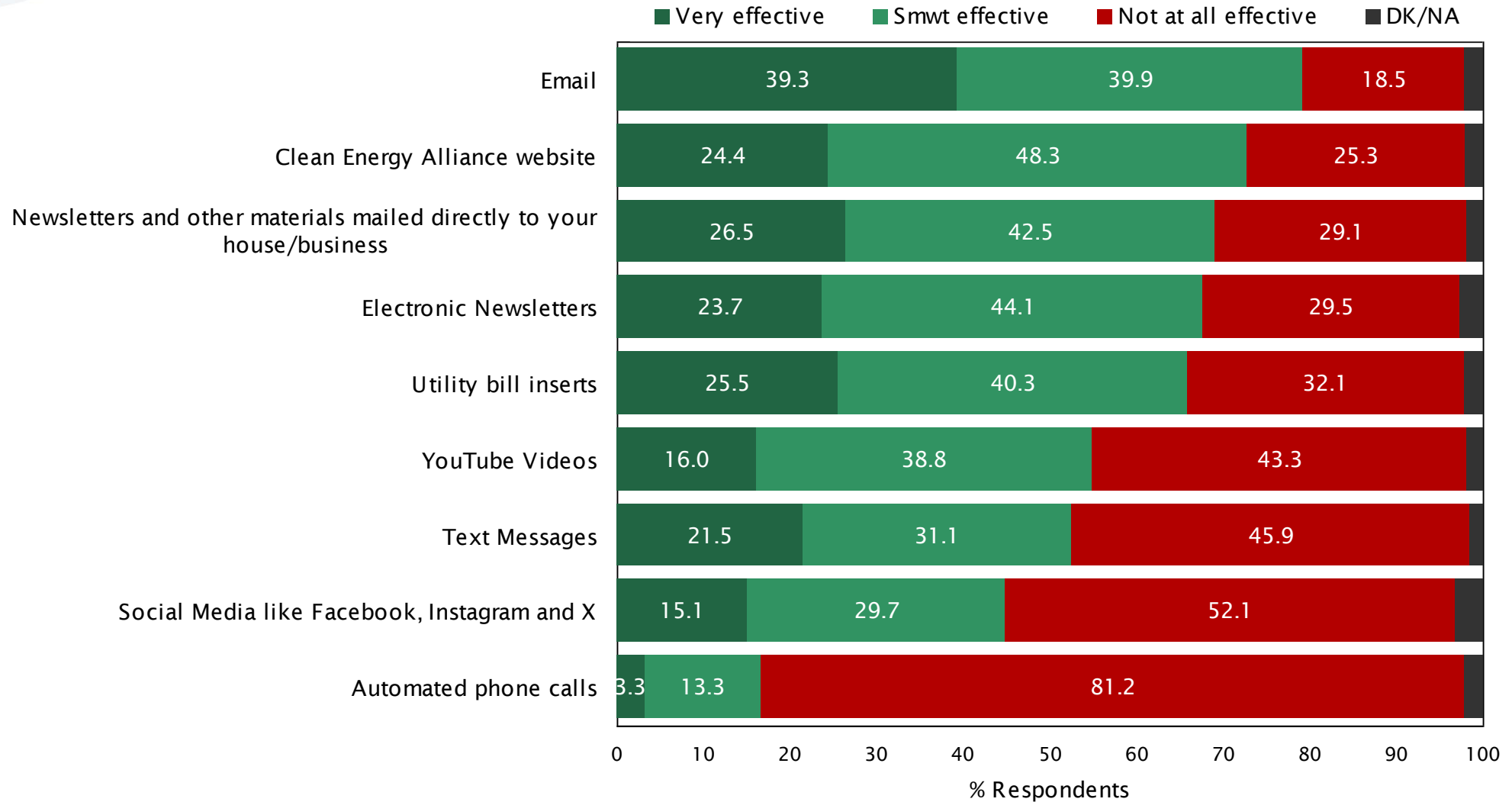
REASONS FOR NOT PARTICIPATING IN ENERGY PROGRAMS



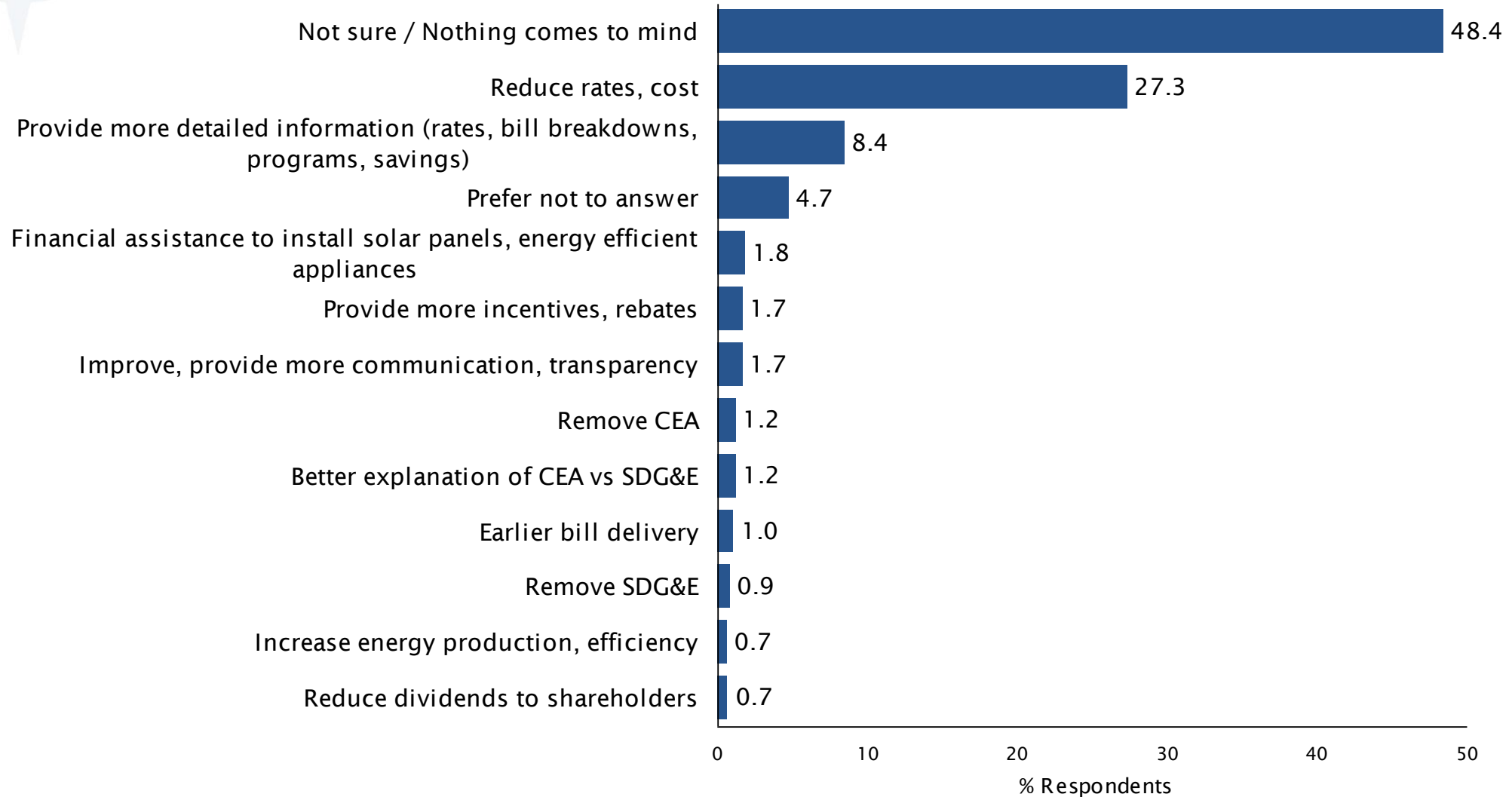
PRIMARY SOURCE OF INFORMATION



CEA COMMUNICATION METHODS



ONE THING CEA COULD DO TO BETTER SERVE CUSTOMERS?





INITIAL TAKEAWAYS

Customers are cost sensitive & this is their primary motivation

- Cost-related items rise to the top of the list when asked about local issues, their home/business energy improvements, program interest, and support for future energy initiatives/actions.
- Customers are primarily motivated to make changes that can improve their energy efficiency and reduce their bills. Programs/actions that have a direct link to cost reduction for the customer generate strong interest/support.

Customers are generally pro-environment and pro-clean energy, but these are often 2nd tier concerns/motivations.

- Broad issues of protecting the environment, climate change, reducing green house gas emissions, and air pollution are important, 2nd tier concerns
- Programs that focus on broad environmental benefits, community benefits, the energy sector generally, or underserved populations typically receive softer priority ratings.



INITIAL TAKEAWAYS

Most customers have made modest energy improvements

- Energy efficient lighting and weatherization improvements are common among a majority of customers
- A sizeable minority (4-in-10) have invested in solar panels and smart home/building management systems.
- Electrification is not common (approximately 1-in-5 customers)

A majority of customers expressed interest in incentive programs

- Rebates for energy efficient lighting, appliances and equipment
- Rebates for weatherization improvements
- Discounted rates for off-peak energy use
- Free energy audits and technical assistance

Item 6: Regulatory Update

Clean Energy Alliance: Regulatory Update

Jake Schlesinger – Keyes & Fox LLP

April 24, 2025

Overview

1) PCIA OIR and Scoping Memo

2) SDG&E's Anticipated Split Billing Application

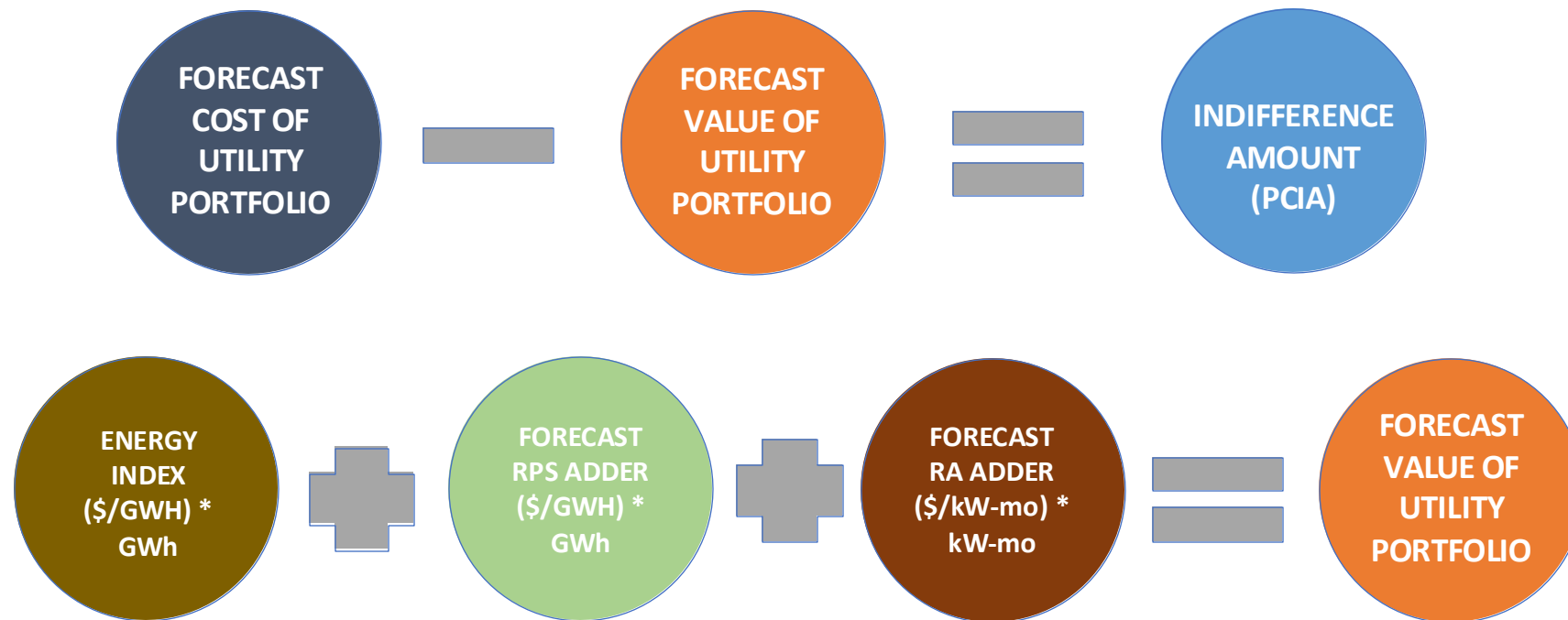
I) PCIA OIR: Track I Scoping Ruling

Track I will revise the resource adequacy (RA) market-price benchmark (MPB)

- IOUS sought to include RPS MPBs
- CCAs and others opposed

Track 2 – TBD

Setting PCIA Rates – Forecast Component



2) Upcoming Application on Split Billing

- Cal Pub. Util. Code § 366.2(c)(9) requires the IOUS “to provide all metering, billing, collection, and customer service” to CCA customers.
- SDG&E’s tariffed Rule 27 (approved in 2006 after R.03-10-003) requires that SDG&E use the “Utility Consolidated Billing process.”
- D.23-11-068, Ordering Paragraph 16: to work with CCAs, to begin to develop recommendations for long-term improvements **to bundled and unbundled net energy metering and net billing tariff customer bill presentment.**

IOU Letters in re: D.23-11-068

SDG&E

- Calls for Bill Separation: One bill for SDG&E services and one bill for CCA services.”
- Says it will resolve NEM/NBT issues, but will impact 1.2 million unbundled customers
- Current law limits a CCA’s ability to perform this function for themselves, therefore SDG&E would continue to provide billing as a service to the CCAs.”

PG&E

- PG&E believes enhancements should not be limited to solar customers.
- Working to improve the digital experience by developing tools that clarify charges.
- Discusses changes to separate CCA charges from PG&E charges on separate pages with color-coded distinctions

Concerns With Separation of Bills

- Customer confusion.
- Material costs to ratepayers/affordability.
- Increase in customer arrearages and risk of disconnections.
- Equity concerns

QUESTIONS?

Jake Schlesinger
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Item 7: Strategic Plan, Draft Work Plan & Programs Budget Discussion



Clean Energy Alliance Strategic Plan

FY 2024/25 – FY 2026/27



PURPOSE

To establish a strategic plan including guiding principles, and goals for Clean Energy Alliance through FY2026/27

Strategic Plan

PURPOSE

To establish a strategic plan including guiding principles and goals for Clean Energy Alliance through FY2026/27



OUTCOMES

- Gather background information on CEA's goals based on foundational documents, Community Advisory Committee input, and Board direction, and consolidate into core guiding principles.
- Formalize CEA's Core Guiding Principles, Goals, and Mission Statement and determine Strategic Objectives.
- Establish a process for updating a Work Plan, incorporating into the budget, and regularly reporting on its progress.

Strategic Plan Development



Foundation

**Core Guiding
Principles and Goals**

**Mission
Statement**

Strategic Objectives

Work Plan



Core Guiding Principles and Goals

1. Promote Use & Development of Clean Energy

– reduce GHG emissions by providing 100% renewable energy as the default product for all CEA customers by 2035.

2. Build & Maintain Financial Sustainability

– achieve financial sustainability and build reserves.

3. Provide Beneficial Customer Programs

– offer a variety of programs that serve the needs of our customers, promote affordability, and further reduce GHG emissions.

4. Actively Engage in Customer Advocacy

– engage and advocate for CEA and its customers in regulatory and legislative matters.

5. Provide Exceptional Customer Service & Community Engagement

– provide highly responsive and helpful customer service and opportunities for our staff to engage with our customers.

6. Promote Organizational Development

– create an organization that fosters employee creativity and engagement in meeting CEA's goals, recognizes employee achievements and supports employee development and growth.

Mission Statement



Mission
Statement

“To empower **local** communities with the choice of sustainable and affordable energy **for all customers, accelerating the transition to clean energy and** fostering local economic growth, environmental responsibility, **inclusivity** and community well-being.”

Strategic Plan Development



Foundation

Core Guiding
Principles and Goals

Mission
Statement

Strategic Objectives

Work Plan

1. Promote Use & Development of Clean Energy

- Achieve 100% renewable energy by 2035
- Highlight customers that have opted up to CEA's 100% renewable energy Green Impact product
- Support customer access to grant-funded and/or ratepayer-funded energy efficiency programs
- Pursue local generation projects



Strategic Objectives



2. Build & Maintain Financial Stability

- Achieve sufficient financial reserves to support rate stability
- Achieve an investment-grade credit rating
- Analyze and adjust the rate premiums for the Clean Impact Plus and Green Impact energy products to ensure appropriate cost recovery
- Offer competitive rates while maintaining financial stability
- Reduce costs by reducing peak load through energy demand management programs



Strategic Objectives



3. Provide Beneficial Customer Programs

- Provide all customers with access to programs that reduce energy use and address high electric bills
- Provide access to solar and battery storage to all segments of the community
- Expand access to solar and battery systems at significantly reduced costs to low-income customers
- Encourage participation in State funded income-based assistance programs
- Identify and design energy programs for government
- Collaborate to expand programs offered to CEA customers



Strategic Objectives



**Transform Your Home
with Money-Saving
Electric Upgrades!**


CLEAN ENERGY ALLIANCE

4. Actively Engage in Customer Advocacy

- Maintain participation in legislative and regulatory proceedings
- Actively advocate for CEA and its customers in issues such as affordability, renewable energy procurement, and local control
- Monitor and advocate for fair and reasonable charges
- Engage with local elected officials to communicate benefits CEA provides its customers and influence legislative decisions



Strategic Objectives

5. Provide Exceptional Customer Service & Community Engagement

- Increase CEA's presence in the communities served
- Promote CEA as the preferred customer-focused renewable energy service provider in North San Diego County
- Engage with CEA customers to provide information about CEA's programs, services and benefits
- Develop a comprehensive customer communications strategy to reach CEA's diverse communities.



6. Promote Organizational Development



Strategic Objectives

- Expand upon key operational processes and procedures such as key workflows, performance evaluations, and recruitment and onboarding
- Support employee development
- Encourage employee participation in professional education opportunities



Draft FY 2026-27 Work Plan



Foundation

Core Guiding Principles and Goals

Mission Statement

Strategic Objectives

Work Plan



Draft Work Plan

1. Draft Work Plan for FY2026-27 includes the goals and objectives of the Strategic Plan and adds implementation measures and key performance indicators to track progress
2. Informs FY 2026 Budget for upcoming Board consideration

CEA FY26-27 Work Plan							
Guiding Principle	#	Objective	Measure	KPI	Staff Lead	Key Partners	Funding Source
Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8
1. CLEAN ENERGY	a)	Gradually increase CEA's Renewable Portfolio Standard (RPS) to achieve 100% renewable energy	Increase base RPS to 55% in 2026, 60% in 2027, 75% for 2028-2030, and 100% by 2035.	Meet or exceed the aforementioned RPS targets for each calendar year.	Dan P	PEA	Operational Budget
	b)	Support customer retention and engagement by highlighting customers that have opted up to CEA's 100% renewable energy Green Impact product	- Continue implementation of Green Impact Champion Program	- Add at least one more member agency to our Green Impact Champions list per year - Add two new Green Impact Champion businesses per year - Host one Green Impact Champions recognition event to recognize commercial participants	Kaitlin M & Rob H	Tripepi Smith	Operational Budget
	c)	Support achievement of member agencies' CAP goals for building decarbonization and energy efficiency goals through customer access to grant-funded and/or ratepayer-funded energy efficiency programs	- Pursue programs through the SoCal EBD Grant Coalition or SDREN - Tap into existing ratepayer funds to implement energy efficiency programs - Support member cities in achieving their CAP GHG Reduction Goals	- Monitor each member agency CAP for compliance with its goals - Submit application to Elect to Administer Energy Efficiency funds - Establish a policy for member cities to adjust their default energy product - Present a draft policy for Board Adoption by May 2026	Kaitlin M & Rob H	Member Agency Staff, Frontier Energy. PEA	Operational Budget
	d)	Pursue local generation and dispatchable capacity projects, including in partnership with member agencies to utilize publicly owned facilities for solar and energy storage projects	- Total MW of local generation and dispatchable capacity projects - Number of relevant program offerings for publicly owned facilities	- 15MW of local PPAs or ESSAs executed by 2026 - 10MW of local PPAs or ESSAs operational by 2028 - 1-2 program offerings for publicly owned generation and/or capacity by 2026	Dan P (PPAs/ESSAs) Rob H / Kaitlin M (program)	Program partner (TBD)	Operational Budget

Draft Work Plan

CEA FY26-27 Work Plan

Guiding Principle	#	Objective	Measure	KPI	Staff Lead	Key Partners	Funding Source Column1
2. FINANCIAL STABILITY	a)	Achieve sufficient financial reserves with a minimum of one hundred twenty (120) days liquidity on hand (DLOH) to mitigate the impact of energy cost volatility on customer rates and support rate stability.	- End FY2025 with positive Net Position - Extend JP Morgan Line of Credit - Build reserves to meet all applicable targets	- End FY2025 with positive Net Position - Extend JP Morgan Line of Credit - Build reserves to meet all applicable targets	Greg W/Andy S		Operational Budget
	b)	Minimize procurement and financing costs through achievement of investment grade credit rating	Obtain investment grade credit rating by 2028	Obtain investment grade credit rating by 2028	Greg W/Andy S	JPMorgan	Operational Budget
	c)	Analyze and adjust the rate premiums for the Clean Impact Plus and Green Impact energy products to ensure appropriate cost recovery.	- Biannually calculate difference between cost of each rate product and the corresponding premium.	Ensure rates are covering costs annually	Dan P	PEA	Operational Budget
	d)	Support customer retention by offering competitive rates while maintaining financial stability and achieving renewable/clean energy goals.	- Focus on building financial reserves	Maintain rate competitiveness including lower PCIA's	Staff	Keyes & Fox	Operational Budget
	e)	Reduce Resource Adequacy (RA) costs by reducing peak load through energy demand management programs.	- Participate in RA Proceedings - Develop/Implement demand response programs		Staff	PEA	Operational Budget

Draft Work Plan

CEA FY26-27 Work Plan

Guiding Principle	#	Objective	Measure	KPI	Staff Lead	Key Partners	Funding Source Column1
3. CUSTOMER PROGRAMS	a)	Provide customers with access to programs that reduce energy use and address high electric bills	- Continue to implement Solar Plus and Battery Bonus Programs - Implement PeakSmartSavers Program	- Implement PeakSmart Savers Program - Implement Grid Services for battery dispatch	Kaitlin M & Rob H	P.E	Operational & Programs Budget
	b)	Provide access to solar and battery storage (and other Energy Programs) to all segments of the community that contributes to cost savings and decreases energy usage during peak periods while increasing the availability of and reliance upon clean energy.	- Establish a policy that creates a fair and effective distribution of programs that benefits all segments of the community and supports CEA's broader goals of sustainability and equity	Present a draft policy for Board Adoption by May 2026	Kaitlin M & Rob H	P.E, Calpine, TBD	Operational & Programs Budget
	c)	Expand access to solar and battery systems at significantly reduced costs to low-income customers	- Implement Solar Plus Connect Program - Implement Battery Bonus Program	Achieve a 1% conversion rate for the Battery Bonus Program.	Kaitlin M & Rob H	P.E	SGIP/Operational Budget/Programs Budget
	d)	Retain customers and encourage participation in State funded income-based assistance programs	Apply for SGIP assistance for eligible customers	- Enroll 50-100 customers in Solar Plus Connect the first year of funding availability - Enroll 50 customers in Battery Bonus Program	Kaitlin M & Rob H	P.E	SGIP/Operational Budget
	e)	Work with member agencies to identify and design energy programs for government on City-owned properties or community hubs	Participate in SDREN to develop and implement programs	Regularly report out CPUC required participation metrics tracked by SDREN	Kaitlin M & Rob H	SDCP	SDREN/Operational Budget
	f)	Collaborate with San Diego Regional Energy Network (SDREN) and Southern California Regional Energy Network (SoCal REN) to expand programs offered to CEA customers	Develop and Implement programs		Kaitlin M & Rob H	SDCP	SDREN/Operational Budget
4. CUSTOMER ADVOCACY	a)	Maintain participation in legislative and regulatory proceedings that support CEA's guiding principles and goals	Work with Regulatory Counsel and hired lobbyist		Emily F	Keyes & Fox	Operational Budget
	b)	Actively advocate for CEA and its customers in issues such as affordability, renewable energy procurement, and local control	Hire a lobbyist to assist Legislative advocacy		Emily F	Keyes & Fox	Operational Budget
	c)	Monitor and advocate for fair and reasonable Power Charge Indifference Adjustment (PCIA) charges	Work with Regulatory Counsel on PCIA/ERRA proceeding		Emily F	Keyes & Fox	Operational Budget
	d)	Engage with local elected officials to communicate benefits CEA provides its customers and influence legislative decisions that support CEA's goals.	Annual City Council presentations to Member Agency's Councils		Greg W/Staff	CalCCA	Operational Budget

Draft Work Plan

CEA FY26-27 Work Plan

Guiding Principle	#	Objective	Measure	KPI	Staff Lead	Key Partners	Funding Source Column1
5. CUSTOMER SERVICE/ENGAGEMENT	a)	Increase CEA's presence in the communities served and provide accurate information to customers	<ul style="list-style-type: none"> - Continue marketing, education and outreach efforts - Directed social media effort 	<ul style="list-style-type: none"> - Increase social media followers by [] % annually - Develop a toolkit for CBOs to share information about CEA & programs. 	Staff	Tripepi Smith	Operational Budget
	b)	Promote CEA as the preferred customer-focused renewable energy service provider in North San Diego County and add value to the community and the environment	<ul style="list-style-type: none"> - Continue marketing, education and outreach efforts. Improve strategic account management and stakeholder relationships - Develop strategic relationships with large and/or under-represented commercial customers and community based organizations - Directed social media effort 	<ul style="list-style-type: none"> - Develop relationships with 20% of the top 50 highest users by July 2026 - Establish a bench of partner CBOs by July 2026. 	Staff	Tripepi Smith	Operational Budget
	c)	Engage with CEA customers to provide information about CEA's programs, services and benefits; maintain strong customer participation and communication; and, gather feedback from customers and community members	<ul style="list-style-type: none"> - Co-host or host informational sessions, workshops, and community forums to educate residents and businesses about CEA - Collaborate with local organizations, businesses, and government agencies to expand outreach efforts - Work with newspapers, radio stations, and local TV channels to feature stories and advertisements about the CEA program - Develop brochures, flyers, and FAQs that explain how CEA works and its benefits and introduce educational programs in local schools to raise awareness among students and their families - Improve trust and communication with CEA's customers 	<ul style="list-style-type: none"> - Increase external advertising partnerships by [] % in FY 2026. - Partner with at least 2 spanish language media outlets 	Staff	Tripepi Smith	Operational Budget
	d)	Develop a comprehensive customer communications strategy to reach CEA's diverse communities.	<ul style="list-style-type: none"> - Develop brochures, flyers, and FAQs that explain how CEA works and its benefits and introduce educational programs in local schools to raise awareness among students and their families - Improve trust and communication with CEA's customers, particularly hard-to-reach customers 	<ul style="list-style-type: none"> - Develop a plan in FY 2026. Complete a review of marketing collateral. 	Kaitlin M & Rob H	Tripepi Smith	Operational Budget

Draft Work Plan

CEA FY26-27 Work Plan							
Guiding Principle	#	Objective	Measure	KPI	Staff Lead	Key Partners	Funding Source Column1
6. ORGANIZATIONAL DEVELOPMENT	a)	Achieve continuity in operations by developing or expanding upon key operational processes and procedures such as key workflows, performance evaluations, and recruitment and onboarding	Expand staff per Board-approved Position Control Plan	- Hire four employees in FY 2025 per Position Control Plan - Hire two employees in FY 2026 per Position Control Plan	Greg W	Recruiting Consultant	Operational Budget
	b)	Support employee development through participation in California Community Choice Association's committees, workshops and conferences.	- Assign/Attend CalCCA Committees - Attend Annual CalCCA Conference (all staff)		Greg W/Staff		Operational Budget
	c)	Encourage employee participation in professional education opportunities.	- New CEA staff participation in the upcoming USD EPIC Energy Academy Cohort (3).		Greg W/Staff		Operational Budget

Draft Work Plan Programs Budget

- JPA Agreement states that the Board “shall endeavor to achieve a balanced distribution of program and project benefits substantially commensurate with each Member Agency’s energy load”
- In compliance with the JPA Agreement, staff has evaluated the proportional share of the currently budgeted \$600,000 program funds based on load and determined the following allocations:

MEMBER AGENCY	12-MONTHS USAGE (MWh)	Percentage (%) of Load	Allocation of Funds
City of Carlsbad	624,440	27%	\$164,000
City of Del Mar	26,474	1%	\$7,000
City of Escondido	477,502	21%	\$125,000
City of Oceanside	527,584	23%	\$138,000
City of San Marcos	279,878	12%	\$73,000
City of Solana Beach	58,273	3%	\$15,000
City of Vista	296,363	13%	\$78,000
Total Territory	2,290,515	100%	\$600,000

Draft Work Plan Programs Budget

- Current Program funds remain limited at \$600,000
- Five-Year Budget Outlook estimated Programs funding as follows:
 - FY 2026 – \$2 million
 - FY 2027 – \$4 million
 - FY 2028 – \$6 million
 - FY 2029 – \$8 million
- Even with \$2 million, allocating these funds now to Programs may spread funds too thin for most if not all cities
- Energy Programs Plan (and survey information) will provide additional insight for Board to better allocate these funds
- Seeking Board input on whether to wait until we complete the Energy Programs Plan and build stronger net position and reserves before allocating Programs funds

Recommendation

That the Board:

- Provide additional feedback and adopt Resolution No. 2025-018 approving the FY 2025/26 – 2026/27 Clean Energy Alliance Strategic Plan
- Provide feedback and input on the FY 2025/26 – 2026/27 Draft Clean Energy Alliance Work Plan
- Provide feedback on Programs Budget

Board Feedback/Input

Questions/Discussion

Item 8: Rate Design & Premium Discussion

Energy Products for CCAs

- **Electric Energy:** procured through term energy contracts (which mitigate price risk) or market purchases (which may reduce near-term costs but also expose CCAs to market volatility).
- **Renewable Energy:** procured to meet RPS mandates, support voluntary targets and supply specific retail product offerings.
- **Other Specified Energy Products:** GHG-free energy (typically hydro) and non-RPS-eligible renewable energy; generally procured to meet internally defined policy objectives.
- **Resource Adequacy Capacity:** procured to meet reserve capacity requirements.

Renewable Energy Products

- Various contracting mechanisms/products are permissible under RPS rules, subject to specified minimums/maximums:
 - Bucket 1 – Located in-state or dynamically scheduled into CA (RECs delivered contemporaneously with electric energy); 75% minimum RPS requirement
 - Bucket 2 – Firmed/shaped imports into CA (REC and substitute energy quantities are balanced annually); zero-25% permitted under RPS rules
 - Bucket 3 – Unbundled RECs (RECs are sold separately from energy); up to 10% under RPS rules
- 65% minimum long-term RPS contracting requirement (delivery term must be at least 10 years)

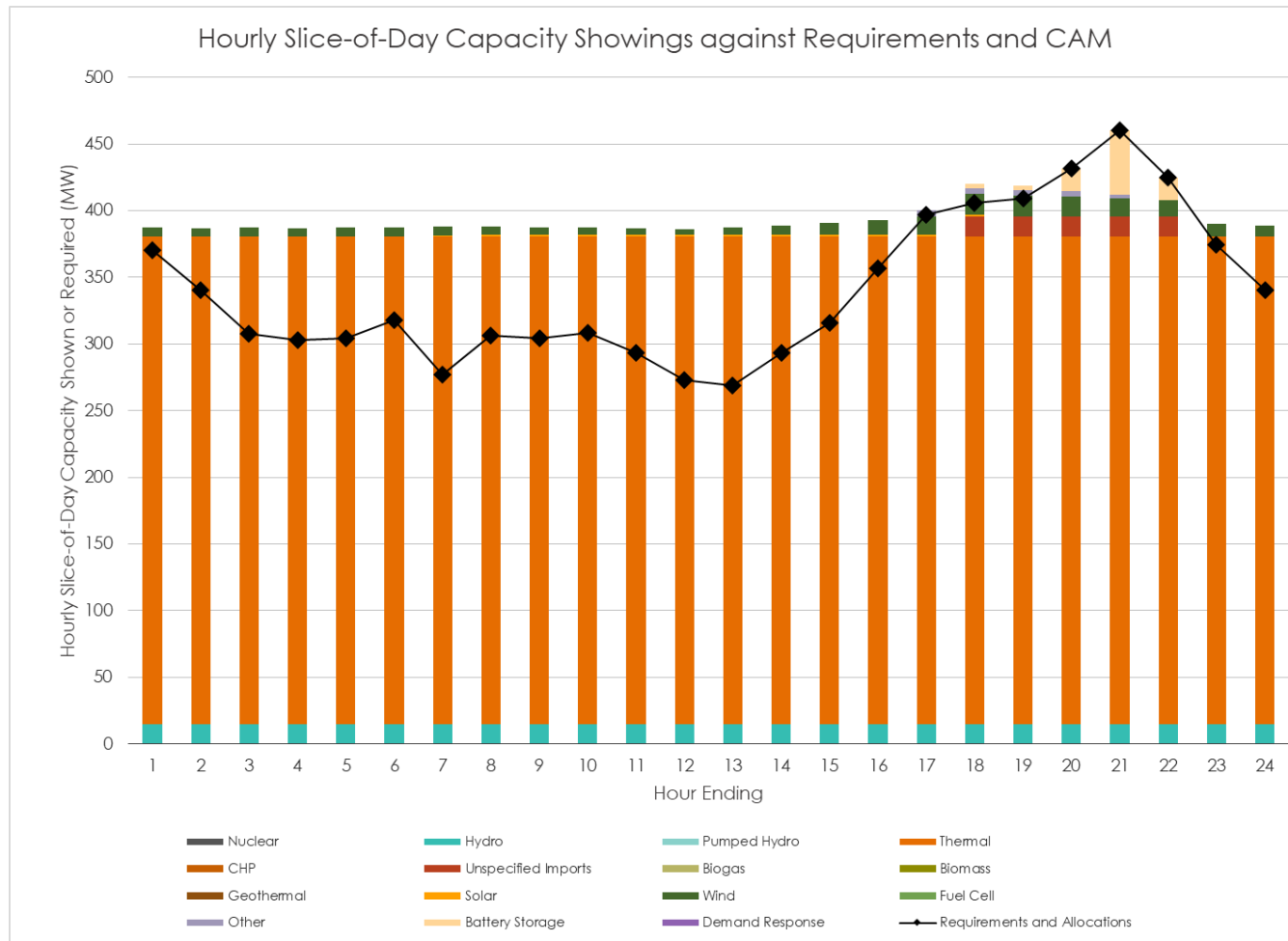
Resource Adequacy

- Compliance product intended to promote grid reliability.
- Obligation is based on forecasted peak demand plus planning reserve.
- RA products are purchased from generators located within CA and elsewhere in WECC, subject to interconnection and import requirements.
- Compliance is measured through two distinct cycles: year-ahead (recurring October 31st deadline); and month-ahead (recurring mid-month deadlines throughout year).
- Slice-of-Day framework implemented in 2025: compliance measured across 24-hours for peak day of each month.
- Decentralized market: brokered and bilateral transactions are commonly used to secure RA.
- RA is sold in full and fractional MWs and is priced on a \$/kW-month basis.

Resource Adequacy Compliance

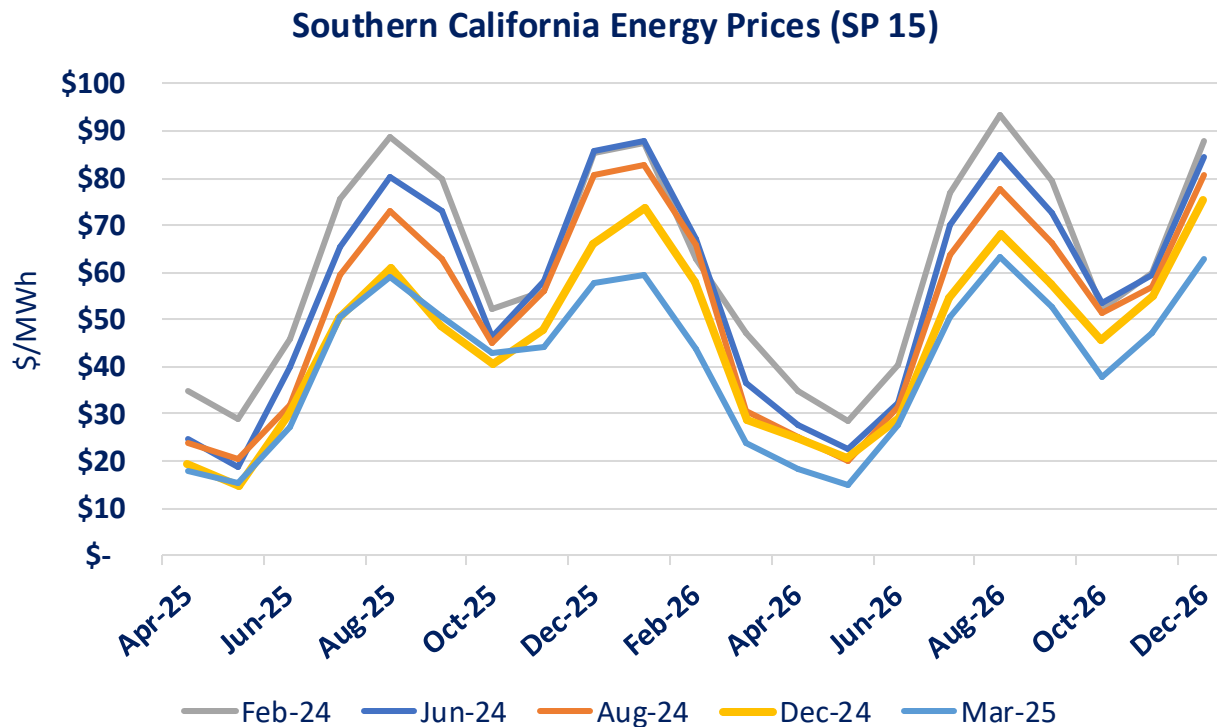
- RA compliance is segregated into two phases: year-ahead (YA) and month-ahead (MA)
 - 90% of total RA procurement obligation for summer months (May-September) must be demonstrated in the YA process
 - 90% of annual flexible capacity obligation must also be demonstrated in the YA process
 - 3-year local compliance obligation may also apply in YA process (applies to LSEs in SDG&E's service territory; 100% in year 1, 100% in year 2, 50% in year 3)
 - 100% of total RA procurement obligation must be demonstrated in the MA process
- RA procurement obligations vary by month (consistent with forecasted load variations)

Slice-of-Day Example



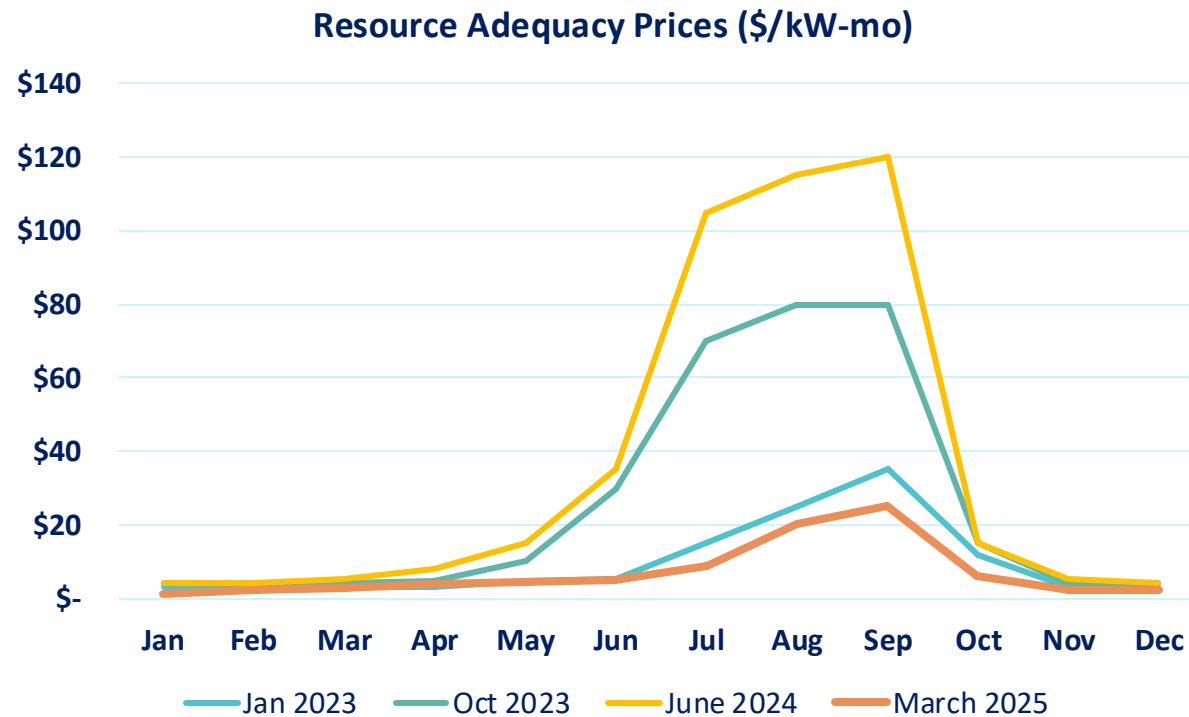
- Sufficient capacity must cover RA requirements across all hours of peak day.
- Pre-2025 RA framework focused on single peak hour for each month

CAISO Energy Prices



- CAISO forward energy prices continue a declining trend related to stable natural gas prices and improving outlook on the ability of the growing supply stack to meet demand.
- As a result, prices for the next 12-month period are approximately 34% lower on average compared to one year ago.

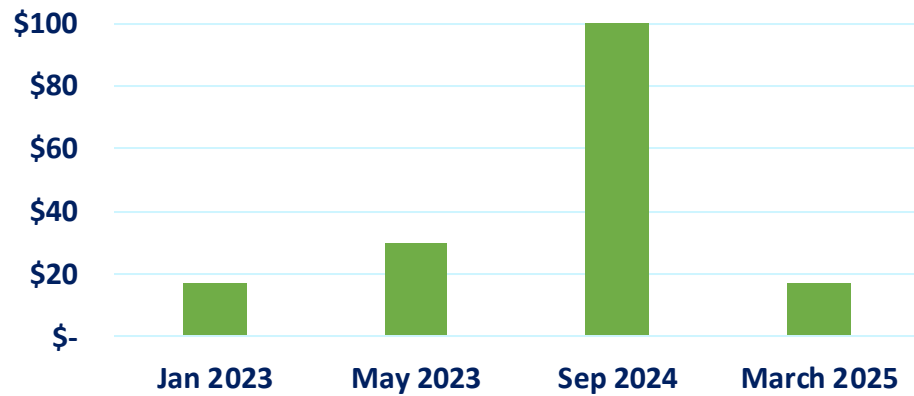
Resource Adequacy Pricing



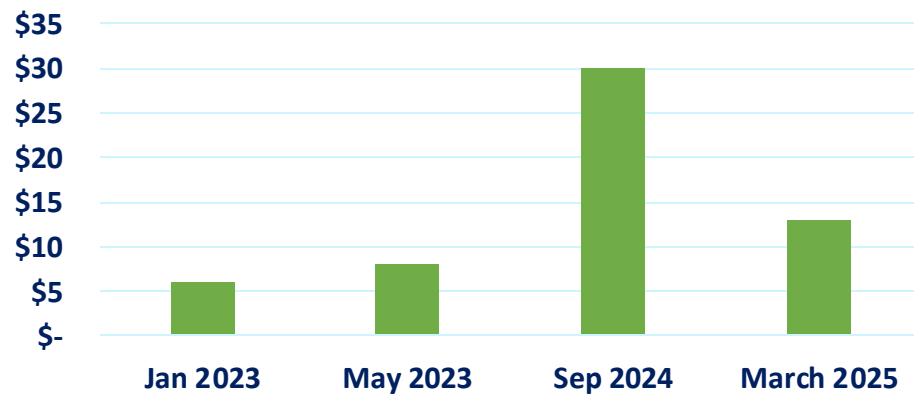
- Chart shows how cost of 2025 RA contracts have changed since beginning of 2023, reflecting tremendous volatility surrounding peak 2024 levels.
- Year-ahead prices have also come off significantly, however continue to be offered at levels higher than current month-ahead 2025 offers, despite expectations of an increasing supply stack year-over-year.

Clean Energy Pricing

PCC1 Renewable Energy Prices (\$/MWh)



Large Hydro Energy Prices (\$/MWh)



Current Product Pricing

Product	Premium (\$/MWh)
PCC 1 Renewable	\$17 to \$25
PCC 2 Renewable	\$12 to \$15
PCC 3 Renewable	\$5 to \$6
Large Hydro	\$12 to \$20

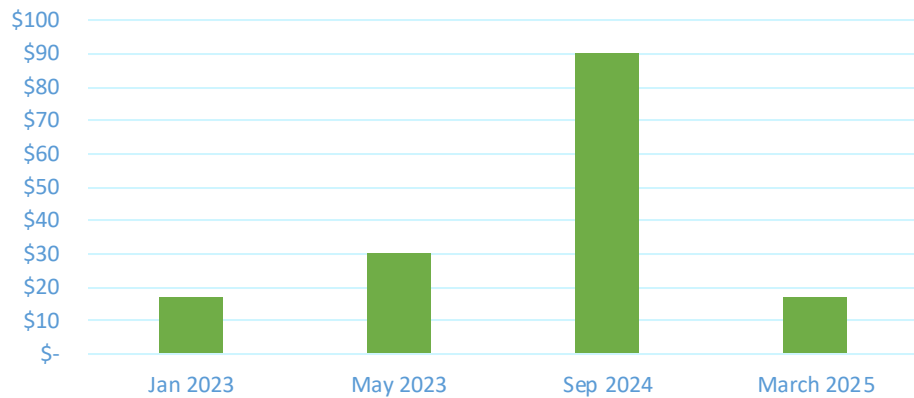
Current Product Rate Design

- Clean Impact (CI) – base CEA rate schedule.
- Clean Impact Plus (CIP) – base CEA rate schedule plus 0.1 cents per kWh.
- Green Impact (GI) – base CEA rate schedule plus 0.75 cents per kWh.

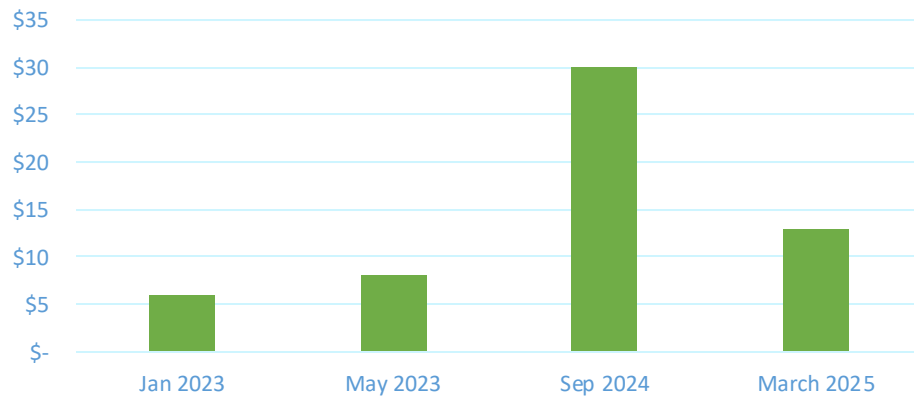
As shown in the following slide, renewable and carbon free energy prices have increased since the time these rates were set, but recent price reductions have narrowed the gap between rates and costs of service

Clean Energy Pricing

PCC1 Renewable Energy Prices (\$/MWh)



Large Hydro Energy Prices (\$/MWh)



Current Product Pricing

Product	Premium (\$/MWh)
Renewable Energy	\$12 to \$25
Large Hydro (Carbon Free)	\$12 to \$20

Example – Translating Costs to Rates:

- *Green Impact customers are purchasing 100% renewable energy, 50% more than Clean Impact*
- *(50% more renewable energy) x (\$20/MWh renewable energy cost premium) = \$10/MWh*
- **\$10/MWh = 1 cent / kWh**
 - *Slightly higher than current 0.75 cent / kWh adder for Green Impact*

Proposed Rate Design

- Clean Impact Plus – base CEA rate schedule (current rates including 0.1 cents per kWh adder).
- Clean Impact – base CEA rate schedule minus 0.34 cents per kWh.
- Green Impact – base CEA rate schedule plus 0.65 cents per kWh.

Residential Monthly Bill Impact, Schedule TOUDR1

	Clean Impact	Clean Impact Plus	Green Impact
Current	\$153.13	\$153.48	\$155.78
Proposed	\$152.28	\$153.48	\$155.78
Change	-\$0.85	\$0.00	\$0.00
Percentage Change	-0.6%	0%	0%

Questions/Discussion

Item 9: Third Amendment to CEO Contract

Item 3: Approve Execution of Lobbyist Services PSA

Item 3: Approve Execution of Lobbyist Services PSA

- Recommendation:
 - That the CEA Board adopt resolution no. 2025-016 for Legislative Lobbyist Support Services and award a one-year Professional Services Agreement (PSA) to Consultant, with up to three one-year extensions available annually.
 - Authorize the CEO to execute the PSA in an amount not to exceed \$95,000 per year.
 - Base the agreement on the PSA form presented to the Board of Directors on April 24, 2025.
 - Allow modifications as needed, approved by the CEO and General Counsel.

Lobbyist Services RFP Recap

- Request for Proposals (RFP) released: March 2025
- Proposal Deadline: April 1, 2025
- **Total Proposals Received: 8**
- Proposal Evaluation Process:
 - Proposals were reviewed and scored based on CEA's evaluation criteria.
 - Oral interviews conducted after initial proposal selection.
- Consultant Proposal Fees:
 - Ranged from **\$84,000-\$120,000 per year**
- **Final Selection:**
 - After careful consideration, **Summit Advocacy, LLC** was chosen for lobbying services.