



Board of Directors Meeting

October 30, 2025

Item 3: CEO Operational and Administrative Report

CEA Enrollment Stats

Member City	Eligible Accounts	Clean Impact – 50% Renewable	Clean Impact Plus – 75% Carbon Free	Green Impact – 100% Renewable	Participation Rate
Carlsbad	55,165	159	49,341	660	91%
Del Mar	3,021	6	2,762	71	94%
Escondido	57,247	162	53,363	73	94%
Oceanside	74,347	207	68,921	103	93%
San Marcos	37,827	119	34,758	77	93%
Solana Beach	7,792	14	6,929	158	91%
Vista	39,554	81	37,007	327	95%
TOTAL	274,953	748	253,081	1,469	93%

CEA serves a total of 255,298 customer accounts across its seven member agencies

Completed Community Events

DATE	DESCRIPTION	CITY
Sept. 25, 2025	Girls Inc, She Leads	San Diego
Sept. 26, 2025	Oceanside Heroes Banquet	Oceanside
Sept. 27, 2025	NCAAWA Gentlemen's Gourmet	Oceanside
Sept. 27, 2025	Cyclovia	Vista
October 7, 2025	CPUC Small & Diverse Business Expo	Carson, CA
October 8, 2025	CPUC 23rd Annual Supplier Diversity En Banc	Carson, CA
October 9, 2025	SD Farm Bureau - Farmer of the Year	San Marcos
October 12, 2025	San Marcos Harvest Fest	San Marcos
October 15, 2025	Sierra Club Presentation	Online
October 16, 2025	Cleantech Talk	San Diego
October 19, 2025	Escondido Grand Avenue Fall Festival	Escondido

Upcoming Community Events

DATE	DESCRIPTION	CITY
November 2, 2025	Carlsbad Village Street Faire	Carlsbad
November 6, 2025	State of the Cleantech Industry in SD Panel	San Diego
November 7, 2025	17th Annual Lesley K. McAllister Climate & Law Symposium	San Diego
November 12, 2025	Solana Beach Climate & Resiliency Commission Presentation	Solana Beach
November 13, 2025	North County Climate Change Alliance Presentation	Online

Solar Plus & Battery Bonus Update

Member City	Solar Plus		Solar Plus Connect		Battery Bonus		Battery Bonus Connect	
Status	Active	Complete	Active	Complete	Active	Complete	Active	Complete
Carlsbad	4	1	3	0	0	0	10	0
Del Mar	0	0	1	0	0	0	1	0
Escondido	7	3	13	0	0	0	13	0
Oceanside	4	1	6	0	0	0	16	0
San Marcos	5	1	3	0	0	0	8	0
Solana Beach	2	0	1	0	0	0	1	0
Vista	3	1	7	0	0	0	12	0
TOTAL	25	7	34	0	0	0	61	0

Data as of 10/15/25

Connect Programs SGIP Funding

Member City	Solar Plus Connect	Battery Bonus Connect
Carlsbad	\$91,080	\$178,200
Del Mar	\$30,360	\$19,800
Escondido	\$408,480	\$237,600
Oceanside	\$188,520	\$328,267
San Marcos	\$90,685	\$158,400
Solana Beach	\$29,485	\$19,800
Vista	\$214,848	\$274,854
TOTAL	\$1,053,458	\$1,216,921

Data as of 10/17/25

Peak Smart Savers Update

Member City	Participants
Carlsbad	6
Del Mar	1
Escondido	5
Oceanside	3
San Marcos	0
Solana Beach	1
Vista	7
TOTAL	23

Data as of 10/20/25

Green Impact Champion Updates

- Carlsbad Unified School District
 - The District covers 42 square miles and serves a Carlsbad population of over 110,000, as well as portions of the communities of Oceanside and San Marcos.
- Sentyln Therapeutics Inc.
 - Located in Solana Beach, Sentyln is a U.S.-based biopharmaceutical company focused on bringing innovative therapies to patients living with rare diseases.



CAC Application Timeline

- CAC committee members serve staggered two-year terms
- Seven members (one from each City) have terms that are expiring December 2025
- CAC Members may reapply at the end of each term for consideration of reappointment by the Board

Task	Date
Application Period	October 27 - December 22
Review by Board Members	January 2 - January 16
Nominations Due to Clerk	January 19
Appointments Made	January 29 Board Meeting

CAC Member Terms

Member	Term Expiration	City
Lynda Daniels	2025	Carlsbad
Paige DeCino	2026	Carlsbad
Dolores Davies Jamison	2025	Del Mar
Jas Grewal	2026	Del Mar
Tracy Reed	2025	Escondido
Tracie Barham	2026	Escondido
Roger Davenport	2025	Oceanside
Daniel Dominguez	2026	Oceanside
John Mosher	2025	San Marcos
Kevin Norris	2026	San Marcos
Debra Schade	2025	Solana Beach
Mika Nagamine	2026	Solana Beach
Nanci Oechsle	2025	Vista
Joe Houde	2026	Vista

Administrative Sponsorship Policy

- Administrative Sponsorship Policy CEA-025 Purpose:
 - To strengthen strategic partnerships within our community, support local organizations and businesses, to streamline sponsorship requests and to guide objective evaluation of these requests from the community.
- Administrative Sponsorship Policy CEA-025:
 - Ensures that CEA funds are appropriately used to provide customer and/or community benefit and are fairly distributed across member agencies
 - Outlines the administrative requirements for staff to review incoming sponsorship requests

Administrative Sponsorship Policy

- Under Policy CEA-025, staff will evaluate sponsorship requests based on:
 - The extent to which the sponsorship will provide community benefit and/or provide a community need
 - Aligns with CEA's core guiding principles
 - Relevancy to renewable energy and sustainability
 - Potential impact on CEA customers and the community
 - Contribution to CEA brand awareness
 - Support for hard-to-reach communities
 - Whether there are any perceived conflicts of interest, and financial considerations.
- Sponsorship requests must be within Budget and will be approved by the following staff member depending on the requested amount:
 - \$2,000 or less – Sponsorship requires approval by an authorized manager
 - Over \$2,000 – Sponsorship requires approval by Chief Executive Officer

Questions/Discussion – Item 3

Item 4: Regulatory Update

Clean Energy Alliance: Regulatory Update

Tim Lindl – Keyes & Fox LLP

October 30, 2025

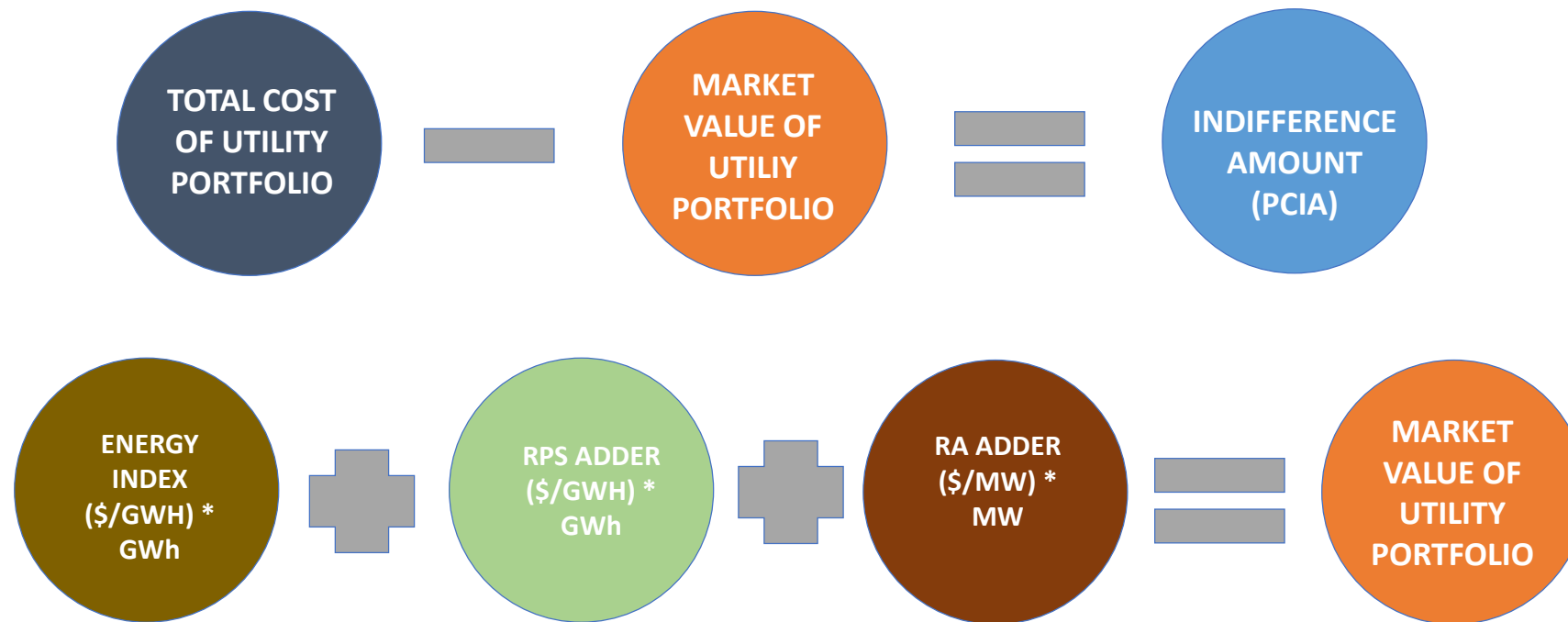
Overview

Only one case this time: SDG&E 2026 Energy Resource Recovery Account (ERRA) Forecast Case (A.25-05-012)

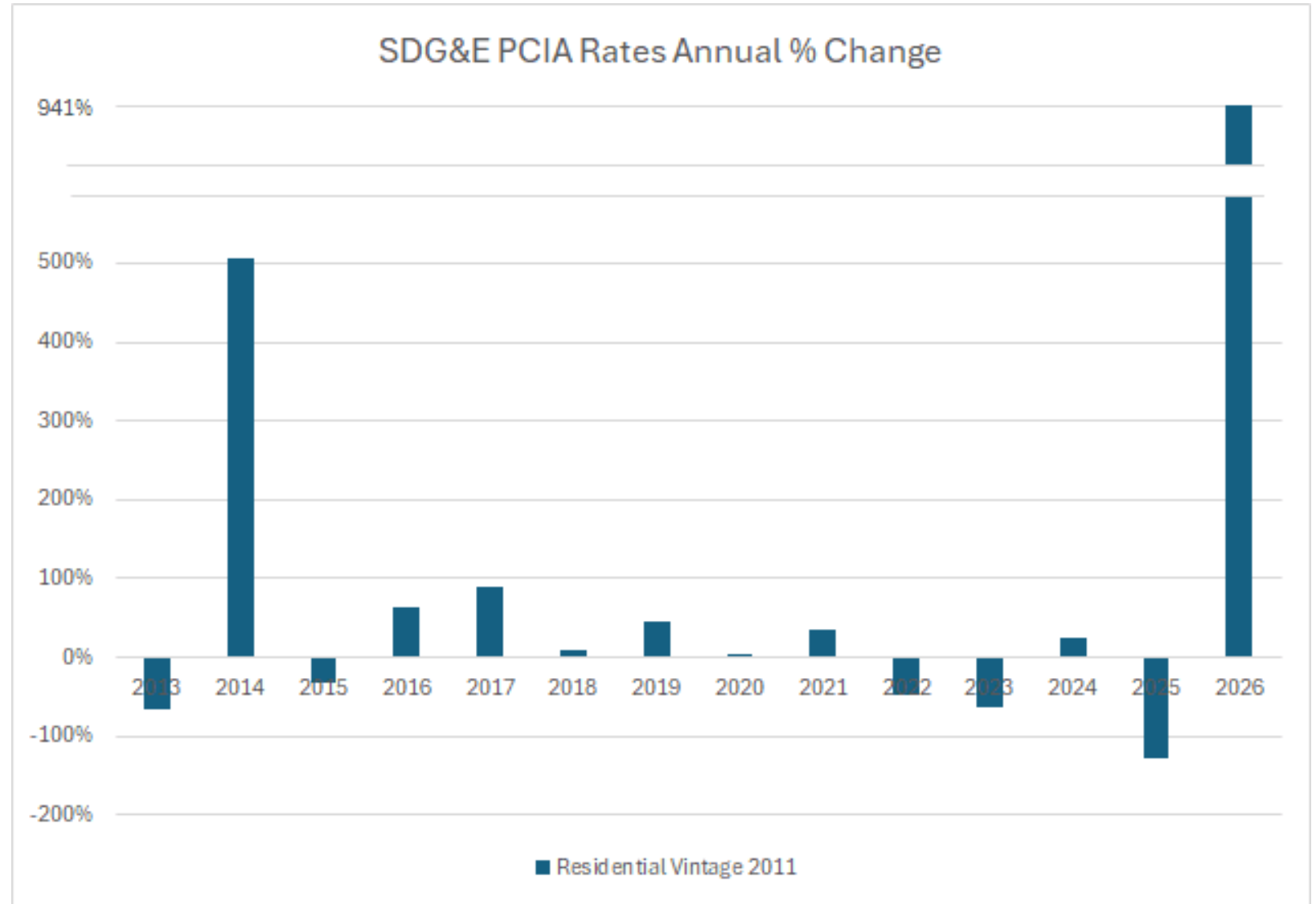
Setting PCIA Rates



Setting PCIA Rates

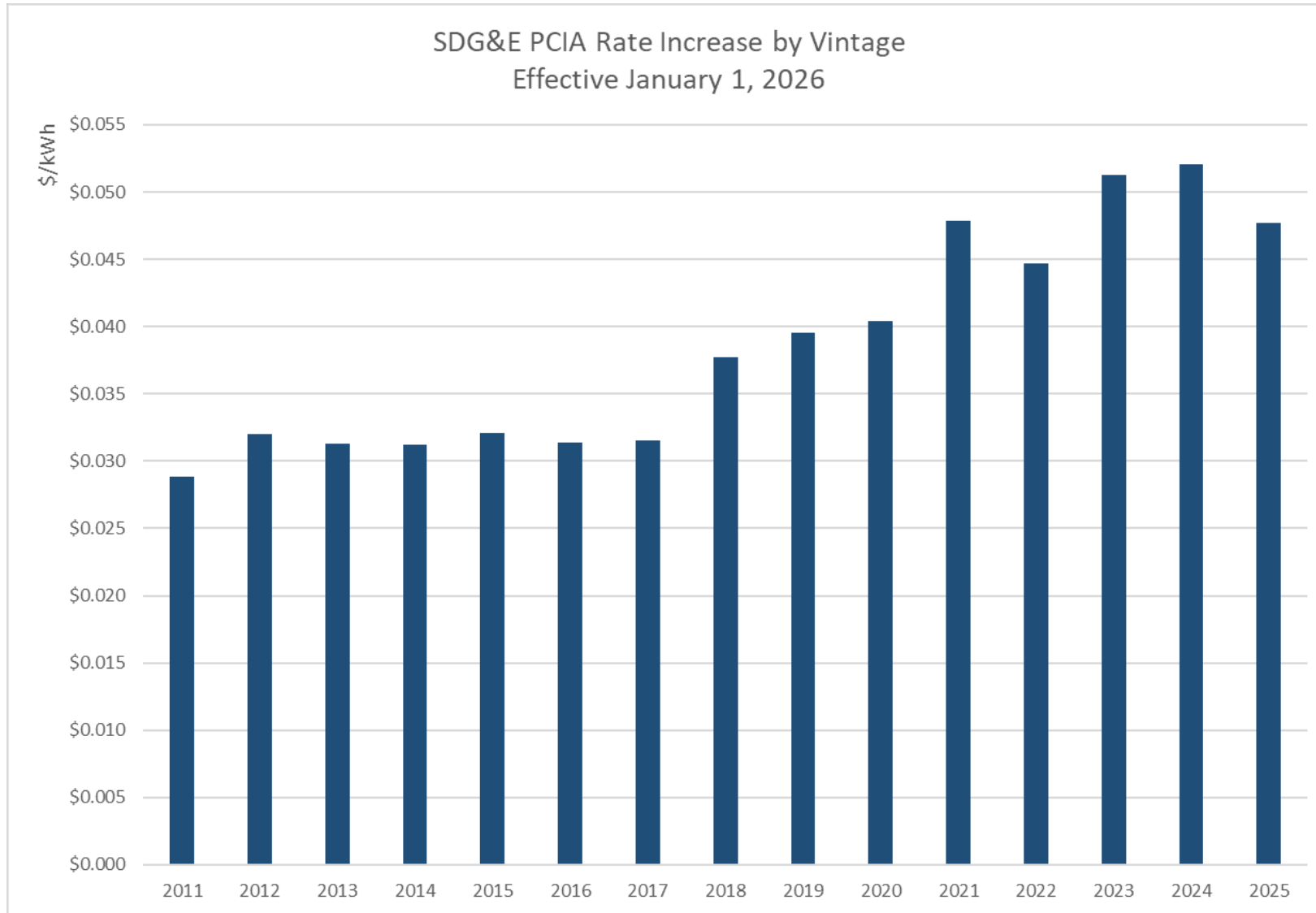


An Historic Increase in PCIA Rates



2025 Rates in the October Update *

Vintage	Current (2025)	October Update (2025)	Increase
Bundled Customer (Generation + PCIA)	\$0.15515/kWh	\$0.18453/kWh	\$0.02938/kWh
Solana Beach PCIA (Vintage 2017)	\$0.00004/kWh	\$0.03154/kWh	\$0.03150/kWh
Carlsbad & Del Mar PCIA (Vintage 2020)	(\$0.01109)/kWh	\$0.02934/kWh	\$0.04043/kWh
Escondido & San Marcos (Vintage 2022)	(\$0.01910)/kWh	\$0.02559/kWh	\$0.04469/kWh
Oceanside & Vista PCIA (Vintage 2023)	(\$0.03216)/kWh	\$0.01915/kWh	\$0.05130/kWh



**Large
Increases
Across the
Board**

Next Steps

One Outstanding Issue in the Case

- Whether “banked” renewable energy credits that were generated in 2018 and earlier should be credited at the RPS MPB
- SDG&E’s bait-and-switch advocacy
- Comments filed today; Proposed Decision around Thanksgiving

QUESTIONS?

Tim Lindl
tlindl@keyesfox.com
(510) 314-8385

Questions/Discussion – Item 4

Item 5: Receive Annual Audited Financial Report for the Fiscal Year Ended June 30, 2025



FY2024/2025 Audited Financials

October 30, 2025

Item 5: Audited Financials Summary

RECOMMENDATION:

That the Board receive and file Clean Energy Alliance (CEA) Annual Audited Financial Report for the Fiscal Year Ended June 30, 2025.

Item 5: Audited Financials Summary

- Sorren, CPAs
 - Kellin Gilbert, partner (replaced Brett Bradford)
 - 3rd year as independent auditors
 - Audit completed as of October 15, 2025
- Audit Results
 - Clean opinion
 - No Material Weaknesses

Audited Financials Compared to Budget

	Full Year FY2024-2025		
	Full Year Results FY2024-2025	Full Year Budget FY2024-2025	Variance: Favorable / (Unfavorable)
OPERATING REVENUES			
Total Operating Revenues	\$352,477,963	\$360,839,549	(\$8,361,586)
OPERATING EXPENSES			
Total Cost of Goods Sold (Energy Expense)	303,710,341	317,090,165	13,379,824
Other Operating Expenses (excluding COGS)	9,418,182	9,378,650	(39,532)
Total Operating Expenses	\$313,128,523	\$326,468,815	\$13,340,292
OPERATING INCOME/(LOSS)	\$39,349,440	\$34,370,733	\$4,978,707
NON-OPERATING REVENUES (EXP.)			-
Total Nonoperating Income/(Expense)	(1,005,495)	(1,063,383)	57,888
CHANGE IN NET POSITION	\$38,343,945	\$33,307,350	\$5,036,595
Ending Net Position	21,379,111		

- Revenue was lower than expected – mild weather in CY2025 and high NEM adoption
- Cost of Energy was lower than Budget
- Positive Net Position will start to enable building of reserves

Financial Projection – FY2025-2028

	Actual	Forecast	Forecast	Forecast
	Total Year FY25	Total Year FY26	Total Year FY27	Total Year FY28
Total Operating Revenues	352,477,963	375,916,514	396,583,201	398,576,670
OPERATING EXPENSES				
Total Cost of Energy	303,710,341	332,475,066	346,010,829	307,548,546
Other Operating Expenses (excluding COGS)	9,418,182	12,747,578	16,850,210	20,903,768
Total Operating Expenses	313,128,524	345,222,644	362,861,039	328,452,313
Total Nonoperating Income/(Expense)	(1,005,494)	(288,841)	569,914	1,106,861
CHANGE IN NET POSITION	38,343,945	30,405,028	34,292,076	71,231,217
Net Position at the beginning of period	(16,964,834)	21,379,111	51,784,139	86,076,215
Net Position at the end of period	21,379,111	51,784,139	86,076,215	157,307,432
Days Liquidity on Hand	35	58	86	170

- Positive Financial Performance last year and for the next few years
- Improved Net Position and Improved Balance Sheet
- Growing Reserves (DLOH) will enable Investment Grade Credit Rating in ~2 years



***Clean Energy Alliance
Board of Directors Meeting
October 30, 2025***



Kellin Gilbert, CPA

Audit Partner

17 years in public accounting and performing audits of government entities

Currently working with several CCA's throughout California

Alauna Rico

Audit Senior Associate

4 years in public accounting and performing audits of governments (CCA's)



Transition to Sorren CPAs P.C.

As of May 2025, legacy Pimenti & Brinker combined practices with several other like-sized firms and rebranded as one unified firm “Sorren.”

By combining resources with the strategic merger, we can make even greater investments in technology as well as our greatest assets, our people and clients.

Sorren is a new national top 50 firm and currently has over twenty office locations and almost a thousand employees.

The Santa Rosa office will continue to be the lead office for Clean Energy Alliance. No changes to the current engagement team, costs or timing of the services we provide to CEA.

Results of Current Year Audit

The audit is complete. We reported the following:

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

Audit of the year ended June 30, 2025

Financial Statements

Relative Roles & Responsibilities

- **Management** is responsible for preparing the Financial Statements and establishing a system of internal control.
- **Auditor** is responsible for auditing the Financial Statements
 - Considering risks of material misstatement in the Financial Statements
 - Considering internal controls relevant to the Financial Statements
 - Performing tests of year-end balances based on risk assessment
 - Evaluating adequacy of disclosures

Risk Assessment for the year ended June 30, 2025

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

- Gain an understanding of the entity's operating characteristics, practices, and procedures.
- Compare to our knowledge of similar entities, industry, and professional guidance.
- Review procedures and controls surrounding significant transaction cycles and business processes.

Risk Assessment for the year ended June 30, 2025

Significant areas of focus for the audit:

- 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)
- Cash
 - Confirmations sent to financial institutions
- Accrued Cost of Electricity
 - Review subsequent bills from electricity providers and cash payments
- Financial Statement Note Disclosures – Complete and without bias

Required Board Communications

- As discussed in Note 8, CEA adopted GASB 101 through 104 which did not have a material effect on the financial statements.
- No alternative treatments of accounting principles for material items in the financial statements have been discussed with management.
- We did not propose any adjustments to the financial statements.
- We did not identify 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 and we have not encountered any difficulties in dealing with management during the performance of our audit.
- We issued a letter to the board dated October 15th detailing these required communications.



Thank You



Kellin Gilbert



Partner



kgilbert@sorren.com



(707) 577-1511



sorren.com

Questions/Discussion – Item 5

Item 6: SDG&E's 2026 Energy Resource Recovery Account (ERRA) Forecast October Revisions

Item 6: SDG&E's October Revisions to 2026 ERRRA Forecast

RECOMMENDATION:

That the Board receive an update regarding SDG&E's October Revisions to their 2026 ERRRA Forecast and provide direction to staff.

Item 6: SDG&E's October Revisions to 2026 ERRRA Forecast

- CPUC's June 26, 2025 Decision on the methodology for calculating PCIA (Decision 25-06-049)
- Revised how the Resource Adequacy (RA) Market Price Benchmark (MPB) is calculated, specifically, the CPUC directed its Energy Division to use:
 - A single, combined RA MPB instead of a separate RA MPB for System RA, Flex RA and Local RA
 - Three years of transaction data for the annual forecasted RA MPB instead of one year
 - Four years of transaction data for the annual final RA MPB instead of two years
- As a result of these market forces and regulatory changes, PCIA rates for all of CEA's vintages are increasing dramatically, particularly as 2025's PCIA rates were negative for all CEA customers
- These PCIA increases are as follows by Vintage Year (VY):

Item 6: SDG&E's October Revisions to 2026 ERRRA Forecast

	VY 2017 Solana Beach	VY 2020 Carlsbad & Del Mar	VY 2022 Escondido & San Marcos	VY 2023 Oceanside & Vista
Current PCIA Rate	\$(0.00017)	\$(0.01107)	\$(0.01778)	\$(0.03161)
May Initial Filing PCIA Rate	\$0.02449	\$0.02054	\$(0.01744)	\$(0.02971)
October Revisions PCIA Rate	\$0.03516	\$0.03280	\$0.02870	\$0.02215
Change in PCIA May to October	\$0.01067	\$0.01226	\$0.04614	\$0.05186
Change in PCIA Current to October	\$0.03533	\$0.04387	\$0.04648	\$0.05376

Item 6: SDG&E's October Revisions to 2026 ERRR Forecast

- If the October 2026 ERRR Forecast remains as-is, average CEA Residential customers will see an increase in the premium currently paid for CEA's higher 50% renewable/75% carbon-free energy product (SDG&E is 41.4% renewable per the most recent Power Content Label)
- Rate premium paid varies by vintage year (VY)
- Current rate premiums have not resulted in opt outs

Item 6: SDG&E's October Revisions to 2026 ERRA Forecast

Average Monthly Comparison of CEA's Clean Impact Plus vs SDG&E for Residential rate TOUDR-1

	Average Monthly Residential Bill Comparison to SDG&E			
	VY 2017 Solana Beach	VY 2020 Carlsbad & Del Mar	VY 2022 Escondido & San Marcos	VY 2023 Oceanside & Vista
Current (Savings)/Premium	\$8.98	\$5.04	\$2.63	\$(2.37)
2026 ERRA October Update Impact	\$9.96	\$9.11	\$7.63	\$5.27

Item 6: SDG&E's October Revisions to 2026 ERRA Forecast

- Board Considerations:
 - Maintain CEA's current rates;
 - Based on October 2026 ERRA Forecasted PCIA Rates, PCIA rates paid by CEA customers will increase
 - Maintains CEA Strategic Plan/Work Plan's Financial Sustainability goals by continuing to build reserves and obtaining an investment grade credit rating in or around FY2027/2028
 - Balance rate competitiveness with renewable portfolio content, financial, and environmental sustainability/climate action plan goals and objectives

Item 6: SDG&E's October Revisions to 2026 ERRRA Forecast

- Board Considerations:
 - Consider CEA rate decrease when SDG&E's 2026 ERRRA Forecast has been finalized to improve rate competitiveness
 - Any rate decrease would also decrease CEA's Forecasted Annual Net Position and would delay ability to obtain credit rating
 - Delays CEA Strategic Plan/Work Plan's Financial Sustainability goals of continuing to build reserves and obtaining an investment grade credit rating in or around FY2027/2028

Financial Projection – FY2025-2028

	Actual	Forecast	Forecast	Forecast
	Total Year FY25	Total Year FY26	Total Year FY27	Total Year FY28
Total Operating Revenues	352,477,963	375,916,514	396,583,201	398,576,670
OPERATING EXPENSES				
Total Cost of Energy	303,710,341	332,475,066	346,010,829	307,548,546
Other Operating Expenses (excluding COGS)	9,418,182	12,747,578	16,850,210	20,903,768
Total Operating Expenses	313,128,524	345,222,644	362,861,039	328,452,313
Total Nonoperating Income/(Expense)	(1,005,494)	(288,841)	569,914	1,106,861
CHANGE IN NET POSITION	38,343,945	30,405,028	34,292,076	71,231,217
Net Position at the beginning of period	(16,964,834)	21,379,111	51,784,139	86,076,215
Net Position at the end of period	21,379,111	51,784,139	86,076,215	157,307,432
Days Liquidity on Hand	35	58	86	170

- Positive Financial Performance last year and for the next few years
- Improved Net Position and Improved Balance Sheet
- Growing Reserves (DLOH) will enable Investment Grade Credit Rating in ~2 years

Item 6: Customer Accounts by Member Agency

Vintage Year (VY)	Total Accounts	Total Accounts Per VY	% of Total
2017			
Solana Beach	7,101	7,101	2.8%
2020			
Carlsbad	50,159		
Del Mar	2,839	52,998	20.7%
2022			
Escondido	53,598		
San Marcos	34,954	88,552	34.7%
2023			
Oceanside	69,231		
Vista	37,416	106,647	41.8%
TOTAL CEA	255,298	255,298	100%

Questions/Discussion – Item 6

Questions/Discussion – Item 6

Item 6: SDG&E's October Revisions to 2026 ERRRA Forecast

Rate Decrease Scenarios:	Average Monthly Residential Bill Premiums - TOUDR-1			
	VY 2017	VY 2020	VY 2022	VY 2023
Current (Savings)/Premium	\$8.98	\$5.04	\$2.63	\$(2.37)
No Rate Change	\$9.96	\$9.11	\$7.63	\$5.27
3% Rate Decrease	\$8.03	\$7.18	\$5.70	\$3.34
5% Rate Decrease	\$6.74	\$5.89	\$4.41	\$2.05
7.5% Rate Decrease	\$5.12	\$4.27	\$2.79	\$0.43

	Forecast	Forecast	Forecast	Forecast	Forecast
	Total Year FY26	Total Year FY27	Total Year FY28	Total Year FY29	Total Year FY30
Current Plan					
Change in Net Position	30,405,028	34,292,076	71,231,217	83,021,916	82,147,574
DLOH Year-ending	58	86	170	218	302
Met all quarters- Y/N (How many)	Yes	Yes	Yes	Yes	Yes
DSCR 4th quarter measurement	30.4	68.6	142.5	166.0	164.3
Met all quarters- Y/N (How many)	Yes	Yes	Yes	Yes	Yes
3% Decrease					
Change in Net Position	25,941,288	22,286,310	59,020,905	70,462,531	69,231,335
DLOH Year-ending	54	70	140	173	244
Met all quarters- Y/N (How many)	Yes	Yes	Yes	Yes	Yes
DSCR 4th quarter measurement	26.0	44.6	118.0	140.9	138.5
Met all quarters- Y/N (How many)	Yes	Yes	Yes	Yes	Yes
5% Decrease					
Change in Net Position	22,965,461	14,282,466	50,880,696	62,089,607	60,620,509
DLOH Year-ending	52	60	119	143	206
Met all quarters- Y/N (How many)	Yes	No (1)	Yes	Yes	Yes
DSCR 4th quarter measurement	23.1	28.6	101.8	124.2	121.2
Met all quarters- Y/N (How many)	Yes	Yes	Yes	Yes	Yes
7.5% Decrease					
Change in Net Position	19,245,678	4,277,662	40,705,436	51,623,453	49,856,977
DLOH Year-ending	49	47	94	105	157
Met all quarters- Y/N (How many)	No (1)	No (1)	Yes	Yes	Yes
DSCR 4th quarter measurement	19.5	8.6	81.4	103.2	99.7
Met all quarters- Y/N (How many)	Yes	No (2)	Yes	Yes	Yes