

**Board of Directors Regular Meeting Agenda
October 30, 2025, 2:00 p.m.
Leucadia Wastewater District, Board Room
1960 La Costa Ave, Carlsbad, CA 92009**

Members of the public can observe the livestream of the meeting via Zoom by clicking:

<https://us06web.zoom.us/j/81376410530>

or telephonically by dialing:

(253) 215-8782

Meeting ID: 813 7641 0530

Members of the public can provide public comment in writing or orally in person as follows:

Written Comments: If you are unable to participate in person and you wish to make a comment, you may submit written comments prior to and during the meeting via email to: clerk@thecleanenergyalliance.org. All written comments will be posted online and become part of the meeting record. To ensure announcement of receipt of your written comments during the meeting, please submit all written comments by 12:00 p.m. prior to the commencement of the meeting. Public comments received in writing will not be read aloud at the meeting.

Oral Comments: Members of the public can address the Board on items on the agenda at the time the item is being addressed or during Public Comments for topics that are not listed on the agenda. Speakers are limited to three (3) minutes each. In conformance with the Brown Act, no Board action can occur on items presented during Public Comment.

If you desire to speak during Public Comment, please fill out a speaker card and submit it to the Board Secretary. When you are called to speak, please come forward to the podium and state your name. To address the Board regarding an item on the agenda, please fill out a speaker card and submit it to the Board Secretary before the Board Chair announces the item.

CALL TO ORDER

ROLL CALL

FLAG SALUTE

BOARD COMMENTS & ANNOUNCEMENTS

PUBLIC COMMENT

APPROVAL OF MINUTES

Minutes of the Regular Meeting held September 26, 2025

Presentations:

SDREN Update

Consent Calendar

Item 1: Clean Energy Alliance Treasurer's Report for July 2025

RECOMMENDATION:

Receive and file the Clean Energy Alliance Treasurer's Report for July 2025.

Item 2: Clean Energy Alliance Treasurer's Report for August 2025

RECOMMENDATION:

Receive and file the Clean Energy Alliance Treasurer's Report for August 2025.

Reports

Item 3: Clean Energy Alliance Chief Executive Officer Operational and Administrative Report

RECOMMENDATION:

Receive and file the report.

New Business

Item 4: Regulatory Update

RECOMMENDATION:

Receive the Regulatory update from Keyes and Fox.

Item 5: Receive Annual Audited Financial Report

RECOMMENDATION:

Receive and file Clean Energy Alliance Annual Audited Financial Report for the Fiscal Year Ended June 30, 2025.

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

RECOMMENDATION:

Receive the report on San Diego Gas & Electric's (SDG&E's) October Revisions to its 2026 Energy Resource Recovery Account (ERRA) Forecast for Power Charge Indifference Adjustments (PCIA's) and bundled generation rates.



BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS

NEXT MEETING: Regular Board Meeting November 20, 2025, Leucadia Wastewater District, 1960 La Costa Ave, Carlsbad, CA 92009.

If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act (“ADA”), please contact clerk@thecleanenergyalliance.org prior to the meeting for assistance.

**Board of Directors Regular Meeting Agenda
September 25, 2025, 2:00 p.m.
Leucadia Wastewater District, Board Room
1960 La Costa Ave, Carlsbad, CA 92009**

CALL TO ORDER: Chair Melendez called to order the Regular Meeting of the Clean Energy Alliance at 2:01 p.m.

ROLL CALL: Board Members: Nuñez, Becker, Spelich, Melendez.

Absent: Figueroa, Bhat-Patel, Garcia.

Board Member Figueroa, Board Member Bhat-Patel and Vice Chair Garcia arrived at 2:02 p.m.

FLAG SALUTE: Chair Melendez led the flag salute.

BOARD COMMENTS & ANNOUNCEMENTS: None.

PUBLIC COMMENT: *Lane Sharman spoke regarding the Big Beautiful Bill and its effects on Clean Energy.*

APPROVAL OF MINUTES:

Minutes of the Regular Meeting held July 31, 2025

**Motion by Board Member Becker, seconded by Board Member Nuñez, to approve the minutes presented.
Motion carried, 7/0.**

Consent Calendar

Item 1: Clean Energy Alliance Treasurer's Report for June 2025

RECOMMENDATION:

Receive and file the Clean Energy Alliance Treasurer's Report for June 2025.

Daniel Dominguez recommended that the treasurer's report include previous and current reporting period for comparison purposes.

Item 2: Consideration of Resolution No. 2025-040 Attesting to the Veracity of the 2024 Power Source Disclosure Reports Addressing the Clean Impact, Clean Impact Plus and Green Impact Power Retail Electric Service Offerings

RECOMMENDATION:

Adopt Resolution No. 2025-040 attesting to the veracity of the 2024 Power Source Disclosure Reports and Addressing the Clean Impact, Clean Impact Plus and Green Impact Retail Electric Service Offerings.

Motion by Board Member Bhat-Patel, seconded by Board Member Becker to adopt Resolution No. 2025-040. Motion carried, 7/0.

Reports

Item 3: Clean Energy Alliance Chief Executive Officer Operational and Administrative Report

RECOMMENDATION:

Receive and file the report.

CEO Greg Wade presented the presentation and provided information on enrollment statistics, community events and CEA programs.

CEO Greg Wade responded to questions from the Board.

CEA Board received report.

New Business

Item 4: Regulatory Update

RECOMMENDATION:

Receive the Regulatory update from Keyes and Fox.

Keyes and Fox Partner Tim Lindl provided the update and responded to questions from the Board.

CEA Board received report.

Item 5: Consider Adoption of Resolution No. 2025-041 Approving Amendment No. 1 to the Voluntary Allocation Market Offer Renewable Energy Confirm agreement with San Diego Gas & Electric

RECOMMENDATION:

Adopt Resolution No. 2025-041, approving Amendment No. 1 to the Voluntary Allocation Market Offer Renewable Energy Confirm agreement with San Diego Gas & Electric and authorize the Chief Executive Officer to sign all documents, subject to Transaction Counsel approval.

Senior Power Procurement Manager Dan Peckham presented the report.

Motion by Board Member Becker, seconded by Board Member Nuñez to adopt Resolution No. 2025-041. Motion carried, 7/0.

Item 6: Consideration of Resolutions Nos. 2025-042 and 2025-043 Amending CEA's Privacy and Customer Confidentiality Policy (Administrative Policy CEA-03) and Delegating Authority to the CEO to Adopt and Modify Administrative Policies, Respectively

RECOMMENDATION:

Consideration of Resolution No. 2025-0042 Amending CEA's Privacy and Customer Confidentiality Policy and 2025-043 Delegate Authority to the CEO to Adopt and Modify Administrative Policies.

CEO Greg Wade presented the report.

Motion by Chair Melendez, seconded by Vice Chair Garcia to adopt Resolution No.'s 2025-042 and 2025-043. Motion carried, 7/0.

Item 7: Long-Term Power Procurement Strategy

RECOMMENDATION:

Receive the presentation on Clean Energy Alliance's (CEA's) Long-Term Power Procurement Strategy and provide feedback.

CEO Greg Wade said a few words and introduced Senior Power Procurement Manager, Dan Peckham who presented the report.

Senior Power Procurement Manager Dan Peckham responded to questions from the Board.

CEA Board received report.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS: None.

NEXT MEETING: Regular Board Meeting October 30, 2025, Leucadia Wastewater District, 1960 La Costa Ave, Carlsbad, CA 92009.

ADJOURN: Chair Melendez adjourned the meeting at 3:26 p.m.

Ana Marie Alarcon
Clerk to the Board/Executive Assistant

Staff Report

DATE: October 30, 2025

TO: Clean Energy Alliance Board of Directors

FROM: Andy Stern, Interim Chief Financial Officer/Treasurer

ITEM 1: Clean Energy Alliance Treasurer's Report

RECOMMENDATION:

Receive and File Clean Energy Alliance (CEA) Interim Treasurer's Report for July 2025.

BACKGROUND AND DISCUSSION:

This report provides the Board with the following financial information through July 31, 2025:

- Statement of Financial Position (Unaudited and preliminary) – Reports assets, liabilities, and financial position of the CEA as of July 31, 2025.
- Statement of Revenues, Expenses and Changes in Net Position (Unaudited and preliminary) for the period ended July 31, 2025.
- Budget to Actuals Comparison Schedule (Unaudited and preliminary) – Reports actual revenues and expenditures compared to the annual amended budget as of July 31, 2025.
- List of Payments Issued – Reports payments issued for July 2025.

As of July 31, 2025, liabilities represent invoices and estimated accruals for energy and services received but not yet paid.

FISCAL IMPACT:

As of July 31, 2025, reported Unrestricted Net Position was \$32,017,478.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

- A. Treasurer's Report for June 2025

CLEAN ENERGY ALLIANCE
STATEMENT OF NET POSITION
As of July 31, 2025

ASSETS

Current assets

Cash and cash equivalents	\$ 16,195,715
Accounts receivable, net of allowance	39,576,718
Accrued revenue	25,443,745
Other receivables	827,431
Prepaid expenses	23,959,830
Deposits	<u>1,296,500</u>
Total current assets	107,299,939

Noncurrent assets

Deposits	<u>1,040,683</u>
Total noncurrent assets	<u>1,040,683</u>
Total assets	<u>108,340,622</u>

LIABILITIES

Current liabilities

Accrued cost of electricity	45,364,771
Accounts payable	1,616,240
Other accrued liabilities	303,526
Security deposits - energy suppliers	797,750
Interest and financing cost payable	<u>42,457</u>
Total current liabilities	48,124,744

Noncurrent liabilities

Security deposits - energy suppliers	6,198,400
Revolving line of credit	<u>22,000,000</u>
Total noncurrent liabilities	<u>28,198,400</u>
Total liabilities	<u>76,323,144</u>

NET POSITION

Unrestricted	<u><u>\$ 32,017,478</u></u>
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These financial statements do not contain note disclosures, have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

**CLEAN ENERGY ALLIANCE
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
One Month Ended July 31, 2025**

OPERATING REVENUES

Electricity sales, net	\$ 43,240,504
Miscellaneous income	543
Total operating revenues	<u>43,241,047</u>

OPERATING EXPENSES

Cost of electricity	31,513,692
Contract services	605,103
Staff compensation	180,555
Other operating expenses	98,130
Total operating expenses	<u>32,397,480</u>
Operating income (loss)	<u>10,843,567</u>

NONOPERATING REVENUES (EXPENSES)

Investment income	26,603
Interest expense	<u>(231,803)</u>
Nonoperating revenues (expenses), net	<u>(205,200)</u>

CHANGE IN NET POSITION

	10,638,367
Net position at beginning of year	<u>21,379,111</u>
Net position at end of period	<u><u>\$ 32,017,478</u></u>

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BUDGET TO ACTUALS COMPARISON SCHEDULE

At its June 2025 board meeting, the CEA Board approved the Fiscal Year (FY) 2025/26 budget approving \$346,904,000 in total operating expenses. For the year-to-date, \$32,629,000 of operating expenses have been expended. Revenues from electricity sales for the year-to-date reached \$43,241,000. Nonoperating activity was a net expense of \$205,000. The overall change in net position for the year-to-date was an increase of \$10,638,000.

The Budget to Actuals Comparison Schedules as of July 31, 2025, is shown below.

**CLEAN ENERGY ALLIANCE
BUDGETARY COMPARISON SCHEDULE
One Month Ended July 31, 2025**

	Year-To-Date				Annual		
	Actual	Budget	Variance fav. (unfav.) Amount	%	Annual Budget	Budget Less Actual YTD	Budget Remaining / Budget
Electricity Sales, net	\$43,241,047	\$48,931,080	\$ (5,690,033)	-12%	383,146,909	339,905,862	89%
Operating Expenses							
Cost of Energy	31,513,692	33,376,378	1,862,686	6%	333,540,321	302,026,629	91%
Other Operating Expenses	883,788	1,115,683	231,895	21%	13,363,246	12,479,458	93%
Total Operating Expenses	32,397,480	34,492,061	2,094,581	6%	346,903,567	314,506,087	91%
Operating Income (Loss)	10,843,567	14,439,018	(3,595,451)	-25%	36,243,342	25,399,775	
Total Nonoperating Income/(Expense)	(205,200)	(84,893)	(120,307)	-142%	(380,692)	(175,492)	46%
Change in Net Position	\$ 10,638,367	\$ 14,354,126	\$ (3,715,759)		\$ 35,862,650	\$ 25,224,283	

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LIST OF PAYMENTS ISSUED

The report on the following page provides the details of payments issued by CEA for the month. All payments were within approved budget.

Date	Vendor	Memo/Description	Amount
07/01/2025	JPMorgan	April-June 2025 - Facility Name: R/C COMMIT (2018799420000 - Fee Type: Unutilized	82,456.60
07/02/2025	SDG&E (Procurement)	Sep 2025 - RA Sales MCAM	596,887.90
07/02/2025	USPS	First-Class Mail and First-Class Package Service	9,644.19
07/02/2025	WREGIS	Transferred 12,928	51.71
07/03/2025	Pacific Gas & Electric	September 2025 RA purchases	5,008,000.00
07/07/2025	Pacific Gas & Electric	May 2025 GHG Purchases	2,245,994.66
07/07/2025	Pacific Gas & Electric	February 2025 Renew able Energy Certificates Sale	2,162,500.00
07/07/2025	PARTICIPATE ENERGY FUND LLC	May'2025 PPA Period - 05042025 06032025	2,536.62
07/07/2025	River City Bank CC	May 2025 CC Statement	5,613.16
07/07/2025	THE ENERGY AUTHORITY	June 2025 - CAISO Weekly Statement of Activity (6/13-6/19/25)	95,374.03
07/07/2025	THE ENERGY AUTHORITY	June 2025 - CAISO Weekly Statement of Activity (6/13/25-6/19/25) CHSD	53,114.76
07/08/2025	BRENTech INCORPORATED	18 VEEAM Microsoft 365 Backup Protection (monthly subscription)Sales Tax	180.00
07/08/2025	MCCAULEY, KAYLIN (contractor)	June 2025 Hours	2,762.50
07/08/2025	Neyenesch Printers	27,723 JOINT Rate Mailer 2025 - 3 versions	5,372.11
07/08/2025	Reynolds, Tiffany	Expense Report for June 27, 2025	14.61
07/08/2025	SDG&E(Service Fees)	For services rendered under Schedule CCA for period May 1, 2025 to May 31, 2025.	62,047.98
07/08/2025	Summit Advocacy LLC	June 2025 Lobbying Consulting Services	7,000.00
07/09/2025	BRENTech INCORPORATED	Support Agreement Amendment 6/15/2025Sales Tax	13,300.00
07/09/2025	The Bayshore Consulting Group, Inc	June 2025 - CEA Consulting	3,018.75
07/10/2025	EMPOWER (401a)	Employee Retirement - 07/05/2025	10,229.16
07/10/2025	EMPOWER (457b)	Employee Retirement -07/05/2025	6,007.30
07/11/2025	BRB Law LLP	07/07/2025 Flat Fee: Community Solar Split	198.00
07/11/2025	Maher Accountancy	Accounting, cash disbursements and related tasks during the month of July 2025	13,000.00
07/11/2025	Neyenesch Printers	500 Connect Programs Flyer	343.69
07/11/2025	WADE, GREG	June 2025 - Expense Reimbursement	253.19
07/14/2025	State Compensation Insurance Fund	Monthly - Worker's Comp AUTOPAY	564.42
07/14/2025	THE ENERGY AUTHORITY	June 2025 - CAISO Weekly Statement of Activity (6/20-25/25) CHSD	40,750.47
07/15/2025	ATRIA WORKSPACE (AVANTI)	July 2025 -Tenant Deposit	4,165.34
07/15/2025	Northern California Pow er Agency	June 2025 - Resource Adequacy Capacity Sale	145,200.00
07/15/2025	USPS	First-Class Mail and First-Class Package Service	840.97
07/16/2025	ATRIA WORKSPACE (AVANTI)	August 2025 -Rent	4,784.00
07/16/2025	ATRIA WORKSPACE (AVANTI)	June 2025 -Office Conference	605.00
07/18/2025	JPMorgan	18-Jun-2025 17-Jul-2025 30 10,000,000.00 7.864600% 65,538.33	65,538.33
07/21/2025	CALPINE ENERGY SERVICES L.P.	June 2025 - CAP-CAISO-LOCAL-SAN DIEGO	40,000.00

07/21/2025	EDF TRADING NORTH AMERICA	June 2025 - Capacity Purchase	588,750.00
07/21/2025	ES 1A Group 2 Opco, LLC	June 2025 - Resource Adequacy	108,360.00
07/21/2025	LEAPFROG POWER, INC.	July 2025 - CEA RA	22,758.20
07/21/2025	SDG&E (Procurement)	June 2025 - REC Sales VA	5,093,588.76
07/21/2025	SEMPRA	June 2025 - Capacity Purchases	912,500.00
07/21/2025	THE ENERGY AUTHORITY	June 2025 - CAISO Weekly Statement of Activity (06/26/2025 - 07/02/2025) Total CHSD	63,270.27
07/21/2025	THE ENERGY AUTHORITY	June 2025 - CAISO Weekly Statement of Activity (06/26/2025 - 07/02/2025) Total	6,228.41
07/21/2025	WESTERN POWER & STEAM II, LLC	Dec 2026 RA	592,000.00
07/22/2025	ATRIA WORKSPACE (AVANTI)	Admin Fee	11.56
07/22/2025	PECKHAM, DANIEL	Dan Peckham - June 30, 2025	77.40
07/22/2025	River City Bank CC	June 2025 CC Statement	3,475.20
07/22/2025	River City Bank CC	April 2025 - Expense Reimbursement	2,817.00
07/22/2025	River City Bank CC - GREGORY WADE	May 2025 Statement	999.00
07/23/2025	Boys & Girls Club Of San Marcos.	Flapjacks for Backpacks- August 9, 2025	500.00
07/23/2025	EMPOWER (FEES)	Expense Charges - 457(b) Plan Investment Management fees - APRIL 1, 2025 - JUNE 30,2025	995.02
07/23/2025	EMPOWER (FEES)	Expense Charges - 451(a) Plan Investment Management fees - APRIL 1, 2025 - JUNE 30,2025	745.67
07/23/2025	JPMorgan	23-Jun-2025 22-Jul-2025 30 6,000,000.00 7.871430% 39,357.15	39,357.15
07/23/2025	Orange County Pow er Authority	June 2025 - Sell System Flex	1,000,000.00
07/24/2025	CALPINE ENERGY SOLUTIONS (Data MGR)	May 2025 Services	293,277.80
07/24/2025	JPMorgan	July 2-23, 2025 - 22 Days - 14,000,000.00 9.950000%	83,961.63
07/24/2025	JPMorgan	Principal Repayment	14,000,000.00
07/24/2025	Tripepi, Smith & Associates, Inc.	June 2025 - Retainer Communications and Marketing Services	14,173.10
07/25/2025	ATRIA WORKSPACE (AVANTI)	Admin RevenueBooking of SpaceMail and Packages	146.56
07/25/2025	BRAUN BLAISING SMITH WYNNE	May 2025 - General Matters	2,531.74
07/25/2025	BRENTech INCORPORATED	BT Sales - 1 Apple iPad 11" - 128GB, A16, WiFi - SilverSales Tax	526.47
07/25/2025	Dow neyBrand	May 2025 - Professional Services - Re: Joint CCAS - Community Solar Proceeding	2,343.29
07/25/2025	EMPOWER (401a)	Employee Retirement -07/20/2025	10,229.16
07/25/2025	EMPOWER (457b)	Employee Retirement -07/20/2025	6,007.30
07/25/2025	Evolution Affairs, LLC	June 2025 - Professional Services	825.00
07/25/2025	Frontier Energy Inc	June 2025 - Professional Services from June 1, 2025 to June 30, 2025 Project#61750.000	3,019.75
07/25/2025	Hall Energy Law PC	May 2025 - Fees for Professional Services	10,205.00
07/25/2025	Keyes & Fox LLP	May 2025- Professional Services - In Reference To: 2022 SDG&E ERRRA Compliance	42,159.50
07/25/2025	Keyes & Fox LLP	June 2025- Professional Services	25,700.50
07/25/2025	New Gen Strategies & Solutions	June 2025 -Project: CEA SDG&E ERRRA REGULATORY SUPPORT 2024-2026	6,310.50
07/25/2025	Pacific Energy Advisors, Inc	June 2025 - Technical Consulting Advisors	40,170.00
07/25/2025	Pow erex	July 2025 transactions - Installment 8 of 12 (2025)	61,687.50
07/25/2025	Resi Station LLC	June 2025 - Proxy Demand Response CEA	10,840.50
07/25/2025	Reynolds, Tiffany	Expense Report for July 21, 2025	2,712.60
07/25/2025	SDG&E(Service Fees)	For services rendered under Schedule CCA for period June 1, 2025 to June 30, 2025.Description	62,335.66
07/25/2025	STERN, ANDREW	For the period from June 1, 2025 through June 30, 2025	14,424.82
07/25/2025	THE ENERGY AUTHORITY	June 2025 - Resource Management Monthly Fees	20,991.53
07/25/2025	Tripepi, Smith & Associates, Inc.	June 2025 - Communications and Marketing Services	1,275.79

07/25/2025	Villaseñor, Karen	Jun 18 - 21, 2025 Expense Report	28.42
07/25/2025	WREGIS	Retired 919,788	3,679.15
07/28/2025	CALIFORNIA DEPT TAX& FEE ADMIN	2025-Q2 Electric Energy Surcharge	150,699.00
07/28/2025	Neyenesch Printers	5,000 CEA Business Cards (5 Names @ 1,000 Each)	3,764.71
07/28/2025	THE ENERGY AUTHORITY	July 2025 - CAISO Weekly Statement of Activity (07/03/25-07/10/25) Total CHSD	71,342.11
07/29/2025	Ana Marie Alarcon	Display Ad Notice - Union Tribune PH Ad - WMAT Rate effective 8-1-25	2,663.65
07/29/2025	Ana Marie Alarcon	Weekly Meetings Meals for 4 weeks	144.63
07/29/2025	CalCCA	July-Sep 2025 - FY 25-26 Operational Membership Dues Quarterly Payment	130,000.00
07/29/2025	SDRMA	Coverage Month: August 2025	30,712.90
07/29/2025	USPS	First-Class Mail and First-Class Package Service	1,069.11
07/30/2025	USPS	First-Class Mail and First-Class Package Service	41.44
07/31/2025	JPMorgan	July 2025 - 6,000,000.00 7.876810%	40,696.85
07/31/2025	JPMorgan	AT 2 PCT P.A.PRORATA ON USD 3,750,000.00 FROM 01-APR-2025 TILL 30-JUN-2025 FOR 91 D	18,958.33
Multiple	MultipleCustomers	NEM Cashouts	242,921.84
		Total from Operating Account	34,537,360.93
07/23/2025	MORGAN STANLEY CAPITAL GROUP, INC.	June 2025 - Electricity	6,469,645.72
07/23/2025	NRG	May 2025 Pow er	3,205,889.17
07/23/2025	Shell Oil North America	May 2025 - Pow er	3,744,778.39
07/23/2025	Tecolote Wind LLC	June 2025 - Resource Adequacy Benefits	97,500.00
		Total from Lockbox Account	13,517,813.28

Staff Report

DATE: October 30, 2025

TO: Clean Energy Alliance Board of Directors

FROM: Andy Stern, Interim Chief Financial Officer/Treasurer

ITEM 2: Clean Energy Alliance Treasurer's Report

RECOMMENDATION:

Receive and File Clean Energy Alliance (CEA) Interim Treasurer's Report for August 2025.

BACKGROUND AND DISCUSSION:

This report provides the Board with the following financial information through August 31, 2025:

- Statement of Financial Position (Unaudited and preliminary) – Reports assets, liabilities, and financial position of the CEA as of August 31, 2025.
- Statement of Revenues, Expenses and Changes in Net Position (Unaudited and preliminary) for the period ended August 31, 2025.
- Budget to Actuals Comparison Schedule (Unaudited and preliminary) – Reports actual revenues and expenditures compared to the annual amended budget as of August 31, 2025.
- List of Payments Issued – Reports payments issued for August 2025.

As of August 31, 2025, liabilities represent invoices and estimated accruals for energy and services received but not yet paid.

FISCAL IMPACT:

As of August 30, 2025, reported Unrestricted Net Position was \$43,409,190.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

- A. Treasurer's Report for August 2025

CLEAN ENERGY ALLIANCE
STATEMENT OF NET POSITION
As of August 31, 2025

ASSETS

Current assets

Cash and cash equivalents	\$ 14,351,251
Accounts receivable, net of allowance	41,912,582
Accrued revenue	29,403,356
Other receivables	265,336
Prepaid expenses	23,034,219
Deposits	<u>1,296,500</u>
Total current assets	110,263,244

Noncurrent assets

Deposits	<u>1,040,683</u>
Total noncurrent assets	<u>1,040,683</u>
Total assets	<u>111,303,927</u>

LIABILITIES

Current liabilities

Accrued cost of electricity	47,333,725
Accounts payable	1,119,576
Other accrued liabilities	413,870
Security deposits - energy suppliers	797,750
Interest and financing cost payable	<u>31,416</u>
Total current liabilities	49,696,337

Noncurrent liabilities

Security deposits - energy suppliers	6,198,400
Revolving line of credit	<u>12,000,000</u>
Total noncurrent liabilities	<u>18,198,400</u>
Total liabilities	<u>67,894,737</u>

NET POSITION

Unrestricted	<u><u>\$ 43,409,190</u></u>
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These financial statements do not contain note disclosures, have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

CLEAN ENERGY ALLIANCE
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Two Months Ended August 31, 2025

OPERATING REVENUES

Electricity sales, net	\$ 90,644,419
Miscellaneous income	543
Total operating revenues	<u>90,644,962</u>

OPERATING EXPENSES

Cost of electricity	66,492,418
Contract services	1,156,977
Staff compensation	391,932
Other operating expenses	195,472
Total operating expenses	<u>68,236,799</u>
Operating income (loss)	<u>22,408,163</u>

NONOPERATING REVENUES (EXPENSES)

Investment income	34,746
Interest expense	<u>(412,830)</u>
Nonoperating revenues (expenses), net	<u>(378,084)</u>

CHANGE IN NET POSITION

	22,030,079
Net position at beginning of year	<u>21,379,111</u>
Net position at end of period	<u><u>\$ 43,409,190</u></u>

These financial statements do not contain note disclosures, have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

BUDGET TO ACTUALS COMPARISON SCHEDULE

At its June 2025 board meeting, the CEA Board approved the Fiscal Year (FY) 2025/26 budget approving \$346,904,000 in total operating expenses. For the year-to-date, \$68,650,000 of operating expenses have been expended. Revenues from electricity sales for the year-to-date reached \$90,645,000. Nonoperating activity was a net expense of \$378,000. The overall change in net position for the year-to-date was an increase of \$22,030,000.

The Budget to Actuals Comparison Schedules as of August 31, 2025, is shown below.

CLEAN ENERGY ALLIANCE BUDGETARY COMPARISON SCHEDULE Two Months Ended August 31, 2025

	Year-To-Date				Annual		
	Actual	Budget	Variance fav. (unfav.) Amount	%	Annual Budget	Budget Less Actual YTD	Budget Remaining / Budget
Electricity Sales, net	\$ 90,644,962	\$ 100,836,929	\$ (10,191,967)	-10%	383,146,909	292,501,947	76%
Operating Expenses							
Cost of Energy	66,492,418	68,621,845	2,129,427	3%	333,540,321	267,047,903	80%
Other Operating Expenses	1,744,381	2,238,479	494,098	22%	13,363,246	11,618,865	87%
Total Operating Expenses	68,236,799	70,860,324	2,623,525	4%	346,903,567	278,666,768	80%
Operating Income (Loss)	22,408,163	29,976,605	(7,568,442)	-25%	36,243,342	13,835,179	
Total Nonoperating Income/(Expense)	(378,084)	(144,894)	(233,190)	-161%	(380,692)	(2,608)	1%
Change in Net Position	\$ 22,030,079	\$ 29,831,711	\$ (7,801,632)		\$ 35,862,650	\$ 13,832,571	

These financial statements do not contain note disclosures, have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

LIST OF PAYMENTS ISSUED

The report on the following page provides the details of payments issued by CEA for the month. All payments were within approved budget.

Date	Vendor	Memo/Description	Amount
08/01/2025	BRENTECH INCORPORATED	Equipment for Amy Williams	1,107.74
08/01/2025	BURKE, WILLIAMS & SORENSEN, LLP	June 2025 - Legal services	5,461.20
08/01/2025	HOWARD, ROB	Dec 5, 2024, to Jul 21, 2025 - Expense Reimbursement	4,004.43
08/01/2025	KARBONE INC.	Feb 2025 - CA PCC1 REC transaction	163,119.00
08/01/2025	Maher Accountancy	Bill.com fees	2,198.77
08/01/2025	Pacific Gas & Electric	March 2025 - Renew able Energy Certificates Sale	2,162,500.00
08/01/2025	PARTICIPATE ENERGY FUND LLC	June'2025 PPA Period - 06042025 - 07032025	1,274.33
08/01/2025	The Association of Women in Water	Membership application. Level: Organization Membership--Silver	1,300.00
08/04/2025	SDG&E (Procurement)	10/25 CEA - CEA 10-25 #145676 RA Sales MCAM	581,973.20
08/04/2025	THE ENERGY AUTHORITY	July 2025 - CAISO Weekly Statement of Activity (07/11/25-07/17/25) Total CHSD	58,874.55
08/05/2025	BRENTECH INCORPORATED	18 VEEAM Microsoft 365 Backup Protection (monthly subscription)	180.00
08/05/2025	Neyenesch Printers	55 Green Impact Champions Mailing Residential and Commercial	952.81
08/05/2025	University of San Diego	2023 Lesley K. McAllister Symposium Gold Level Sponsorship	2,500.00
08/06/2025	EMPOWER (401a)	Employee Retirement -08/05/2025	10,229.16
08/06/2025	EMPOWER (457b)	Employee Retirement - 08/05/2025	6,007.30
08/07/2025	Summit Advocacy LLC	July 2025 Lobbying Consulting Services	7,000.00
08/07/2025	Tripepi, Smith & Associates, Inc.	July 2025 - Retainer Communications and Marketing Services	15,026.00
08/08/2025	BURKE, WILLIAMS & SORENSEN, LLP	June 2025 - Legal services	9,045.10
08/08/2025	CALPINE ENERGY SOLUTIONS	June 2025 Services	294,194.10
08/08/2025	CINDY KREBS CONSULTING, INC.	Background Check	300.00
08/08/2025	MCCAULEY, KAYLIN (contractor)	July 2025 Hours	680.00
08/08/2025	Neyenesch Printers	500 Kids Coloring Book	537.21
08/08/2025	SDRMA	September 2025 Benefits Coverage	18,882.67
08/08/2025	The Bayshore Consulting Group, Inc	July 2025 - CEA Consulting	2,931.25
08/08/2025	University of San Diego	Energy Academy - Battery Level Sponsorship	5,000.00
08/11/2025	THE ENERGY AUTHORITY	July 2025 - CAISO Weekly Statement of Activity (07/18/25-07/24/25) Total CHSD	76,199.78
08/11/2025	USPS	First-Class Mail and First-Class Package Service	940.59
08/13/2025	River City Bank CC	August 2025 CC Statement	14,866.76
08/14/2025	Ana Marie Alarcon	CA Municipal Clerk Association Dues 7/25-6/26	300.00
08/14/2025	ATRIA WORKSPACE (AVANTI)	September 2025 Rent	4,796.44
08/14/2025	Evolution Affairs, LLC	July 2025 - Professional Services (C	275.00
08/15/2025	Northern California Pow er Agency	July 2025 - Resource Adequacy Capacity Sale:	392,040.00
08/15/2025	State Compensation Insurance Fund	Monthly - Worker's Comp	564.42
08/18/2025	JPMorgan	18-Jul-2025 17-Aug-2025 31 10,000,000.00	68,025.97
08/18/2025	THE ENERGY AUTHORITY	July 2025 - CAISO Weekly Statement of Activity (07/25/25-07/31/25) Total CHSD	28,998.06
08/18/2025	THE ENERGY AUTHORITY	June 2025 - CAISO Weekly Statement of Activity (07/25/2025-07/31/25) Total	79,992.64
08/19/2025	DYNASTY POWER	July 2025 - Environmental Attribute Preliminary balance	48,025.00
08/20/2025	CALPINE ENERGY SERVICES L.P.	July 2025 - CAP-CAISO-LOCAL-SAN DIEGO	40,000.00
08/20/2025	DYNASTY POWER	RECs Net balance due for period of 2025	4,000,000.00
08/20/2025	EDF TRADING NORTH AMERICA	July 2025 - Capacity Purchase	588,750.00
08/20/2025	ES 1A Group 2 Opco, LLC	July 2025 - Resource Adequacy	108,360.00
08/20/2025	LEAPFROG POWER, INC.	August 2025 - CEA RA	22,758.20
08/20/2025	Orange County Pow er Authority	System Flex - July 2025	1,000,000.00

08/20/2025	SDG&E (Procurement)	July 2025 - REC PCIA VA Revenues	5,167,250.92
08/20/2025	SEMPRA	July 2025 - Capacity Purchases	912,500.00
08/21/2025	ATRIA WORKSPACE (AVANTI)	September 2025 Rent	4,808.00
08/21/2025	BRENTECH INCORPORATED	1 Brother Color Laser Printer MFC-L3720CDW - Wi-Fi, document feeder	678.83
08/21/2025	Neyenesch Printers	Move notice Mailing 7/29-8/5	380.70
08/21/2025	PECKHAM, DANIEL	Dan Peckham - August 13, 2025	63.74
08/21/2025	Reynolds, Tiffany	Expense Report for August 03, 2025	836.94
08/22/2025	Amy Williams	Expense Report 8/20/2025	149.04
08/22/2025	Amy Williams	Expense Report 8/13/2025	33.45
08/22/2025	Amy Williams	Expense Report 8/14/2025	27.86
08/22/2025	BRENTECH INCORPORATED	1 Dell Latitude 3550 Laptop - 15.6" FHD Display, Intel Ultra 5-135U, other	1,708.39
08/22/2025	KARBONE INC.	Vintage 2025 - CA PCC1 REC transaction	169,983.00
08/22/2025	Maher Accountancy	Accounting, cash disbursements and related tasks during the month of August 2025	13,000.00
08/22/2025	MCGEE, KAITLIN	Jul 9, 2025 to Aug 18, 2025 Expense Report	405.14
08/22/2025	Neyenesch Printers	20,513 Battery Bonus Connect Eng & Span + Solar Plus Connect Eng	440.98
08/22/2025	Reynolds, Tiffany	Expense Report for August 13, 2025	28.00
08/22/2025	Villaseñor, Karen	Jul 19, 2025 to Aug 9, 2025	79.21
08/25/2025	BRAUN BLAISING SMITH WYNNE	June 2025 - General Matters	3,705.00
08/25/2025	DYNASTY POWER	July 2025 - Electrical Energy	1,974,396.00
08/25/2025	EMPOWER (401a)	Employee Retirement -08/20/2025	10,553.68
08/25/2025	EMPOWER (457b)	Employee Retirement - 08/20/2025	6,137.11
08/25/2025	Hall Energy Law PC	June 2025 - Fees for Professional Services	5,460.00
08/25/2025	JPMorgan	18-Jul-2025 17-Aug-2025 31 10,000,000.00	43,443.79
08/25/2025	OCEANSIDE CHAMBER OF COMMERCE	Heroes of Oceanside and Camp Pendleton Luncheon @ Seabird ResortSilver Sponsor	1,500.00
08/25/2025	Orange County Pow er Authority	2024 Vintage	1,325,535.19
08/25/2025	Pow er ex	August 2025 transactions - Installment 9 of 12 (2025) - \$61,687.50	61,687.50
08/25/2025	Resi Station LLC (Renew Home)	July 2025 - Proxy Demand Response CEA	19,208.00
08/25/2025	SDG&E(Service Fees)	July 2025 - For services rendered under Schedule CCA	62,751.03
08/25/2025	THE ENERGY AUTHORITY	July 2025 - CAISO Weekly Statement of Activity (08/01/25-08/07/25) Total CHSD	84,013.26
08/25/2025	THE ENERGY AUTHORITY	June 2025 - CAISO Weekly Statement of Activity (08/01/25-08/07/25) Total	179,884.57
08/25/2025	THE ENERGY AUTHORITY	July 2025 - Resource Management Monthly Fees	20,991.53
08/25/2025	Tripepi, Smith & Associates, Inc.	July 2025 - Graphic Arts Services	5,093.75
08/25/2025	USPS	First-Class Mail and First-Class Package Service	1,246.15
08/26/2025	JPMorgan	Principal Payment of \$10,000,000 on 8/26 to pay down part of the credit line	10,000,000.00
08/26/2025	JPMorgan	Principal Payment \$13,000,000 on 8/26 w hich w ill repay the short-term draw borrowed on 8/19	13,000,000.00
08/26/2025	JPMorgan	Principal Payment \$13,000,000 & Interest Expense	24,806.85
08/26/2025	JPMorgan	Principal Payment \$10,000,000 & Interest Expense	17,577.62
08/26/2025	New Gen Strategies & Solutions	July 2025 -Project: CEA SDG&E ERRA REGULATORY SUPPORT 2024-2026	9,281.25
08/26/2025	Pacific Energy Advisors, Inc	July 2025 - Technical Consulting Advisors & Channelside	40,170.00
08/26/2025	STERN, ANDREW	For the period from July 1, 2025 through July 31, 2025	13,000.00
08/27/2025	Keyes & Fox LLP	July 2025- Professional Services	52,061.00
08/27/2025	Tripepi, Smith & Associates, Inc.	August 2025 - Retainer Communications and Marketing Services	15,026.00
08/29/2025	JPMorgan	18-Jul-2025 17-Aug-2025 31 10,000,000.00	38,213.49
Multiple	Multiple	NEM Cash Out	488,223.34
		Total from Operating Account	43,606,511.99

07/25/2025	Villaseñor, Karen	Jun 18 - 21, 2025 Expense Report	28.42
07/25/2025	WREGIS	Retired 919,788	3,679.15
07/28/2025	CALIFORNIA DEPT TAX& FEE ADMIN	2025-Q2 Electric Energy Surcharge	150,699.00
07/28/2025	Neyenesch Printers	5,000 CEA Business Cards (5 Names @ 1,000 Each)	3,764.71
07/28/2025	THE ENERGY AUTHORITY	July 2025 - CAISO Weekly Statement of Activity (07/03/25-07/10/25) Total CHSD	71,342.11
07/29/2025	Ana Marie Alarcon	Display Ad Notice - Union Tribune PH Ad - WMAT Rate effective 8-1-25	2,663.65
07/29/2025	Ana Marie Alarcon	Weekly Meetings Meals for 4 weeks	144.63
07/29/2025	CalCCA	July-Sep 2025 - FY 25-26 Operational Membership Dues Quarterly Payment	130,000.00
07/29/2025	SDRMA	Coverage Month: August 2025	30,712.90
07/29/2025	USPS	First-Class Mail and First-Class Package Service	1,069.11
07/30/2025	USPS	First-Class Mail and First-Class Package Service	41.44
07/31/2025	JPMorgan	July 2025 - 6,000,000.00 7.876810%	40,696.85
07/31/2025	JPMorgan	AT 2 PCT P.A.PRORATA ON USD 3,750,000.00 FROM 01-APR-2025 TILL 30-JUN-2025 FOR 91 D	18,958.33
Multiple	MultipleCustomers	NEM Cashouts	242,921.84
		Total from Operating Account	34,537,360.93
07/23/2025	MORGAN STANLEY CAPITAL GROUP, INC.	June 2025 - Electricity	6,469,645.72
07/23/2025	NRG	May 2025 Pow er	3,205,889.17
07/23/2025	Shell Oil North America	May 2025 - Pow er	3,744,778.39
07/23/2025	Tecolote Wind LLC	June 2025 - Resource Adequacy Benefits	97,500.00
		Total from Lockbox Account	13,517,813.28

Staff Report

DATE: October 30, 2025

TO: Clean Energy Alliance Board of Directors

FROM: Greg Wade, Chief Executive Officer

ITEM 3: Clean Energy Alliance Chief Executive Officer Operational and Administrative Report

RECOMMENDATION:

Receive and File the Chief Executive Officer (CEO) Operational and Administrative Report.

BACKGROUND AND DISCUSSION:

This report provides an update to the Clean Energy Alliance (CEA) Board regarding operational and administrative activity.

OPERATIONAL UPDATE

CEA in the Community

To provide opportunities for the customers and communities we serve to meet with CEA staff and have their questions answered, staff continues to attend many in-person community events and give presentations. CEA has been busy with many of these scheduled outreach efforts. Recent events and presentations that CEA participated in:

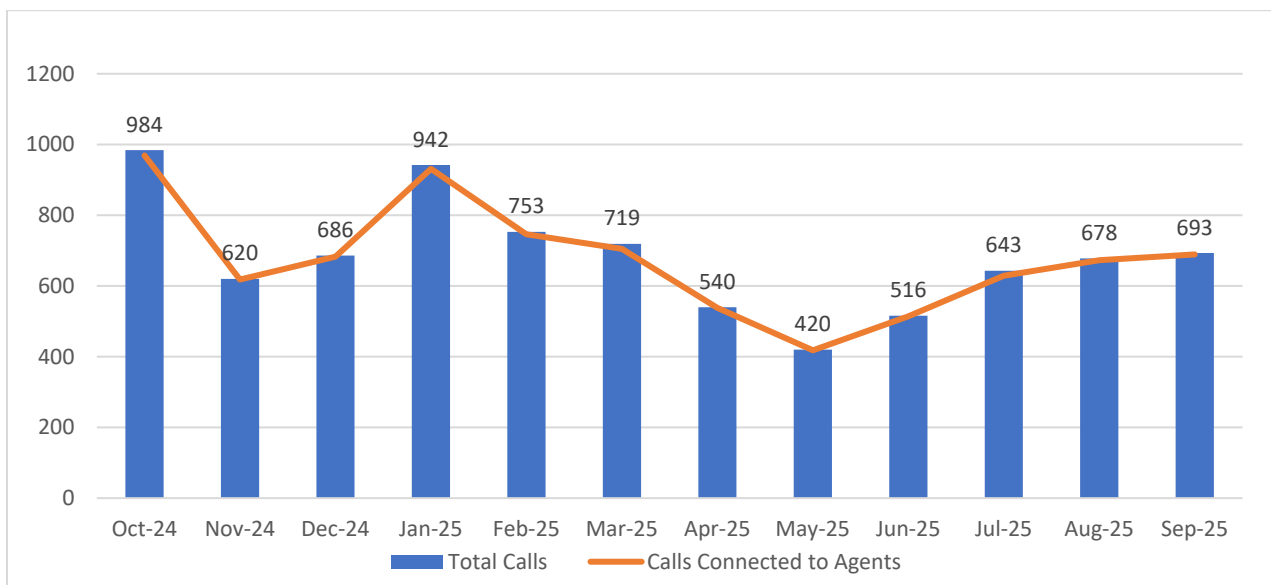
DATE	DESCRIPTION	CITY
Sept. 25, 2025	Girls Inc, She Leads	San Diego
Sept. 26, 2025	Oceanside Heroes Banquet	Oceanside
Sept. 27, 2025	NCAAWA Gentlemen's Gourmet	Oceanside
Sept. 27, 2025	Cyclovia	Vista
October 7, 2025	CPUC Small & Diverse Business Expo	Carson, CA
October 8, 2025	CPUC 23rd Annual Supplier 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 San Diego Presentation	Del Mar/San Diego
October 23, 2025	State of CCAs Presentation	Online
October 19, 2025	Escondido Grand Avenue Fall Festival	Escondido
October 20, 2025	Community Energy Planning Workshop	Vista
October 21, 2025	Carlsbad City Council Update Presentation	Carlsbad

Upcoming events in which CEA will be participating include:

DATE	DESCRIPTION	CITY
November 2, 2025	Carlsbad Village Street Faire	Carlsbad
November 5, 2025	Community Energy Planning Workshop	Oceanside
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

Call Center Activity and Participation Statistics

The following chart reflects customer activity through September 30, 2025.



Call volumes to CEA’s Call Center increased 2% from August 2025 to September 2025. The most common call topics for all customers (commercial and residential) were related to Billing inquiries, Net Energy Metering and General Information.

The total number of calls received, response times, and call duration through September 30, 2025, were as follows:

Call Center Monthly Summary – September 2025					
Stats by Month	Sept	Aug	July	June	Total
Total Calls	693	678	643	516	32,143
Total Calls Connected to Agents	689	673	629	514	31,503
Average Seconds to Answer	0:00:14	0:00:15	0:00:08	0:00:04	
Average Call Duration	0:09:33	0:10:25	0:10:21	0:09:17	

The chart below reflects enrollments in CEA's power supply products by City as of September 30, 2025:

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	92%
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%

Solar Plus and Battery Bonus Update

As of October 15, 2025, Solar Plus has 25 active applicants and seven operational participants, or participants who installed and received Permission to Operate for their solar and battery systems. Of the seven participants with operational systems, three received Permission to Operate as recently as June and July 2025 and were supported by a Channel Partner. Battery Bonus currently has no active applicants or operational participants. Battery Bonus and Battery Bonus Connect launched around the same time, but marketing efforts have focused primarily on the Connect program due to its limited funding. As a result, Battery Bonus has had a slower start. Now that Battery Bonus Connect is open primarily for a waitlist, CEA plans to increase outreach for the Battery Bonus program.

The table below includes a breakdown of active and complete projects by program and member city. Active projects include any applicants currently in the pipeline and complete projects include any applicants with projects that are complete and have received Permission to Operate.

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

Available funding through the Self-Generation Incentive Program (SGIP) for Solar Plus Connect and Battery Bonus Connect continues to be limited. CEA has scaled back marketing efforts for the Solar Plus Connect

and Battery Bonus Connect programs. All messaging about the programs includes a notice that applicants may be placed on a waitlist. Funding availability fluctuates daily as applications are approved and rejected. CEA will continue to monitor funding levels. Solar Plus Connect currently has a total of \$1,053,458 in SGIP funding, either approved or submitted for approval. Battery Bonus Connect currently has a total of \$1,216,921 in SGIP funding either approved or submitted for approval. A breakdown of SGIP funding by member cities is included below.

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

PeakSmart Savers Update

CEA has declared three PeakSmart Days since the programs launch in June 2025. Following the first PeakSmart Day on Aug. 7, 2025, two more events were declared in September on Sept. 16 and Sept. 23. On PeakSmart Days, participants pay a \$1.10 adder per kWh during on-peak hours (4 p.m. to 9 p.m.). This adder incentivizes participants to reduce energy use during periods of high demand. All participants received multiple notifications informing them about each PeakSmart Day. On non-PeakSmart Days, participants benefit from discounted on-peak and off-peak rates (up to a 30% discount).

As of October 14, 2025, the PeakSmart Savers program has 23 active participants.

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

CEA will continue to evaluate program performance and participant feedback to inform the program.

Commercial & Industrial (C&I) Behind the Meter (BTM) Solar + Storage RFP Update

After conducting interviews with four prospective developers and completing a comprehensive review of proposals, staff have been in negotiations with one of the firms to advance to the contracting stage. Staff are nearing completion of these negotiations and expect to bring a final agreement for Board consideration at the November meeting. This program will expand CEA's effort to promote locally distributed energy resources within our service territory.

Risk Oversight Committee (ROC)

The next quarterly Risk Oversight Committee (ROC) meeting is scheduled for December 4, 2025.

Administrative Sponsorship Policy

CEA recognizes the importance of strategic partnerships within our community and remains committed to supporting local organizations, businesses, and individuals, and also CEA funds are properly used to provide customer and/or community benefit and that resources are fairly distributed across our member agencies. To streamline the sponsorship requests staff receives from external organizations, an administrative sponsorship policy was drafted to guide objective evaluation of incoming requests from the community. Administrative policy CEA-025 outlines the administrative requirements for staff to review incoming sponsorship requests.

As outlined in the Sponsorship Policy CEA-025, staff will evaluate sponsorship requests based on several criteria aligned with CEA's Strategic Plan. These include the extent to which the sponsorship will provide community benefit and/or provide a community need, alignment with CEA's core guiding principles, relevance to renewable energy and sustainability, potential impact on our customers and the community, contribution to brand awareness, support for hard-to-reach communities, whether there are any perceived conflicts of interest, and financial considerations.


Contracts \$50,000 - \$100,000 entered into by Chief Executive Officer

VENDOR	DESCRIPTION	AMOUNT
None.		

FISCAL IMPACT:

There is no fiscal impact with this action.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

- A. Administrative Policy CEA-025 – Sponsorships



CEA-025

Sponsorship Policy

Background

Clean Energy Alliance (CEA) recognizes the value of strategic partnerships in our community through sponsorships and support of local organizations, businesses and individuals as a means to accomplish CEA's goals, mission and Strategic Plan objectives. The purpose of this policy is to ensure that sponsorships have a specific, identified public benefit that aligns with our organization's mission, values and Strategic Plan to ensure for the proper use of funds and resources and for their fair distribution across our member agencies, as well as to ensure CEA is properly, efficiently and objectively evaluating sponsorship opportunities and ensuring that such sponsorships provide an identified community benefit.

Policy Definitions

Sponsorship: A sponsorship is any financial or in-kind support from CEA (including CEA administrative time) to a business, organization, or individual that helps offset the costs of an event hosted by the business, organization, or individual.

Sponsorship Agreement: A negotiated agreement between CEA and a company, organization, or individual to pay a sponsorship fee, provide services, share products or any combination thereof, including advertising, digital marketing, and promotional opportunities.

Event Type

This sponsorship policy shall apply but is not limited to the following types of sponsorship and events:

1. Community workshops
2. Community events
3. Fundraisers
4. Luncheons/ Dinners
5. Educational forums/symposiums

Eligibility Criteria

1. Sponsorship must demonstrate a direct or foreseeable indirect benefit to CEA customers or communities in CEA's service territory (Carlsbad, Del Mar, Escondido, San Marcos, Solana Beach, Oceanside, and Vista).
2. Sponsorship shall not be considered for organizations whose primary purpose is to support or oppose specific political parties or a political office.
3. Sponsorship shall not be considered for organizations whose primary product or core business model includes firearms, tobacco, fossil fuels or does not align with CEA's mission or goals.
4. Sponsorship request form has been completed by the organization or individual requestor.

Review Process

The following qualifications shall be considered by CEA staff when evaluating a sponsorship request.

- I. Sponsorship request meets the eligibility criteria outlined above.
- II. Sponsorship has a specific, identified public benefit.
- III. Sponsorship aligns with CEA's mission and guiding principles as outlined in CEA's Strategic Plan.
- IV. Does the sponsorship have clear ties to renewable energy, community choice aggregation, or sustainability?
- V. Does the sponsorship make a meaningful impact on the CEA customers, the community or target audience?
- VI. Does the sponsorship contribute to CEA brand awareness and recognition?
- VII. Does the sponsorship support hard to reach groups, smaller organizations, or underserved communities?
- VIII. Are there any reputational concerns, conflicts of interest, or risks associated with the sponsorship?
- IX. Does the sponsorship provide reasonable value for the amount of funding requested?
- X. Does the sponsorship fall within the approved budget for what is proposed?

Administrative Requirements

Approval Thresholds

A sponsorship request shall be approved by the following staff member depending on the requested amount:

- a. \$2,000 or less – Sponsorship requires approval by an authorized manager.
- b. Over \$2,000 – Sponsorship requires approval by Chief Executive Officer.

Staff shall maintain an updated list of all sponsorship activities to facilitate informed decision making and manage incoming sponsorship requests.

Submission Timeline

To ensure sufficient time for review and consideration, sponsorship requests should be submitted at least **45 days prior** to the event or sponsorship opportunity. While submissions received with less than 45 days' notice may still be reviewed, early submission increases the likelihood of thorough evaluation and timely approval.

Policy Restrictions

CEA reserves the right to decline or withdraw from any sponsorship agreement for any reason or for no reason or if the requesting organization or its representatives fail to meet the criteria outlined above, or if CEA determines that a conflict of interest — or the appearance of one — exists or becomes apparent or there is any other violation or potential violation of any applicable law. This right may be exercised at CEA's sole discretion.

Staff Report

DATE: October 30, 2025

TO: Clean Energy Alliance Board of Directors

FROM: Gregory Wade, Chief Executive Officer

ITEM 4: Receive Regulatory Update from Keyes & Fox

RECOMMENDATION:

Receive the Regulatory Update from Keyes & Fox.

BACKGROUND AND DISCUSSION:

Clean Energy Alliance (CEA) contracts with Keyes & Fox for Regulatory Advocacy related activities. Each month Keyes & Fox provides an update to the CEA Board on key items of interest. This month's update will focus on San Diego Gas & Electric's (SDG&E's) October revisions to their 2026 Energy Resource Recovery Account (ERRA) forecast for Power Charge Indifference Adjustments (PCIA) and bundled generation rates.

FISCAL IMPACT:

There is no fiscal impact from this action.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

- A. Keyes & Fox Regulatory Report

Clean Energy Alliance

Regulatory Monitoring Report

To: Clean Energy Alliance (CEA) Board of Directors

From: Tim Lindl, Partner, Keyes & Fox LLP
Jacob Schlesinger, Partner, Keyes & Fox LLP
Jason Hoyle, Director of Research, EQ Research LLC

Subject: Monthly Regulatory Memo

Date: October 20, 2025

Keyes & Fox LLP and EQ Research LLC are pleased to provide CEA's Board of Directors with this informational memo describing recent developments in key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC). Additional information is available in CEA's [Digest of Regulatory Updates](#).

IRP Rulemaking (R.25-06-019)

- At the September 29 pre-hearing conference ([Transcript](#)), the ALJs discussed a potential April 2026 filing deadline for the next IRP and options for using data sources besides the filed IRPs to prepare the Preferred System Plan portfolio for use in the 2027/2028 Transmission Planning Process recommendation to the CAISO. A scoping memo is expected soon and final filing requirements, including the filing deadline, are also expected soon.
- On September 30, the ALJ issued a [Ruling](#) inviting comments on staff's analysis on the need for additional incremental reliability procurement, including the need for new system-wide reliability procurement of 1,500 MW per year for each year in the 2029-2032 timeframe for a total of 6,000 MW.
- On September 24, the CPUC issued [Draft Comment Resolution E-5426](#) to replace the IRP Filing Citation Program established in [Resolution E-5080](#). The Draft Resolution would expand CPUC authority to fine LSEs for failing to meet any mandatory filing or reporting deadlines related to procurement. This Draft Resolution may be heard as soon as the October 30 Commission meeting.
- In the previous IRP proceeding (R.20-05-003), the CPUC issued [D.25-09-007](#) on September 26 granting and expanding upon SCE's Petition for Modification (PFM) seeking a waiver of the requirements for bridge contracts for resources required by D.21-06-035 and D.23-02-040. The Decision goes beyond SCE's requested relief and eliminates the option for LSEs to use bridge contracts to meet the long-lead time procurement requirements and those for Diablo Canyon replacement resources. The Decision allows fulfillment of month-ahead resource adequacy requirements as a compliance mechanism, clarifies that long-term (i.e., 10 years or longer) generic capacity may also be used to demonstrate compliance, and that a staff proposal providing clarification on compliance and enforcement, including the "good faith-effort standard", will be provided for party comment. Finally, the Decision also clarifies that bridge contracts used for compliance deadlines prior to this Decision being approved will remain valid, but future compliance deadlines will be subject to this Decision.

NEW Resource Adequacy Rulemaking (R.25-10-003)

- On October 15, the CPUC issued an [Order Instituting Rulemaking](#) (OIR) establishing a new Resource Adequacy (RA) proceeding to determine procurement obligations for the 2027 compliance year and consider program reforms. The proceeding may also consider updates to the 2028 and 2029 planning reserve margin, accreditation methodologies for long-duration energy storage, and evaluation of transactability issues within the slide-of-day framework.
- Comments on the OIR are due November 4 and reply comments are due November 14. Following a prehearing conference on November 17, a scoping memo is expected in December, and party proposals are expected to be due in late January.

NEW Demand Response Rulemaking ([R.25-09-004](#))

- On September 29, the CPUC issued an [Order Instituting Rulemaking](#) (OIR) establishing a new Demand Response (DR) proceeding to consider guiding principles, standardize DR program metrics and governance, and consider standardized technology and communication protocols. The proceeding will include several staff proposals and workshops, starting with the [Staff Proposal on Guiding Principles](#) attached to the OIR.
- Comments on the OIR are due on November 13 and reply comments are due December 1. A scoping memo is expected in early 2026, followed by a Staff Proposal of data systems and processes.

Climate Credit OIR ([R.25-07-013](#))

- Opening comments on the Climate Credit [OIR](#) were filed September 26. In their comments, parties generally supported incorporating changes made by [AB 1207](#), particularly with regard to addressing the 15% clean energy program funding sunset. CalCCA's [comments](#) recommended incorporating AB 1207 requirements, formally setting policy objectives and priorities, and developing a standardized tool or rubric to evaluate bill impacts from party proposals. A pre-hearing conference is expected in mid-November.

SDG&E 2024 Erra Compliance ([A.25-06-002](#))

- On October 14, the Assigned Commissioner issued a [Scoping Memo and Ruling](#) in SDG&E's 2024 Errra Compliance proceeding. Intervenor testimony is due December 12, rebuttal testimony is due February 13, opening briefs are due April 10, and reply briefs are due May 1.

SDG&E 2026 Erra Forecast ([A.25-05-012](#))

- On October 14, SDG&E filed its [October Update](#) that includes a \$270 million increase above its initial forecast revenue requirement, bringing the total revenue requirement to \$824 million. CCA customers are expected to see a 25.5%, or \$0.047/kWh, increase on average when new rates take effect in January 2026. Comments on the October Update are due October 30. A proposed decision is expected in November.

Provider of Last Resort ([R.21-03-011](#))

- On September 19, CalCCA filed an [Advice Letter](#) ([Substitute Sheet](#)) – including CEA AL 14-E – on CCA financial monitoring and reporting guidelines in response to [Resolution E-5406](#). The revised document removes the terms “letters of credit” and “credit agreements”, specifies that reporting is due within 10 business days of a trigger event, and clarifies that CCAs are not required to meet with Commission staff before submitting a trigger event letter.

Demand Flexibility Rates ([R.22-07-005](#))

- On September 29, SDG&E submitted an [Application for Rehearing](#) of [D.25-08-049](#) requesting the Decision be repealed and the proceeding be re-opened for further development of the record, including consideration of the costs of implementing the required rate designs.

Staff Report

DATE: October 30, 2025

TO: Clean Energy Alliance Board of Directors

FROM: Andy Stern, Chief Financial Officer

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

RECOMMENDATION:

Receive and File Clean Energy Alliance's (CEA) Annual Audited Financial Report (Attachment A) for the Fiscal Year Ended June 30, 2025.

BACKGROUND AND DISCUSSION:

Clean Energy Alliance's (CEA) annual audit, and preparation of the Annual Audited Financial Report, for the period July 1, 2024, through June 30, 2025, has been completed.

CEA engaged Pimenti & Brinker, LLP, to complete the audit. Pimenti was the firm that performed the annual independent audit in each of the prior two years. In June 2025, Pimenti joined with several other accounting firms to form Sorren CPAs. The goal of the independent audit is to provide reasonable assurance that the financial statements of CEA for the Fiscal Year (FY) 2024/2025 are free of material misstatements. As part of CEA's annual audit, reviews are made to determine the adequacy of the internal control structure as well as to determine that CEA has complied with applicable laws and regulations.

The independent auditor concluded there was a basis for rendering an unmodified opinion and CEA's financial statements are fairly presented in conformity with Generally Accepted Accounting Standards (GAAS).

Statement of Auditing Standards (SAS) No. 114

The auditor's standard communication to the Board is to comply with Statement of Auditing Standards (SAS) No. 114 - Communication to Those Charged with Governance. That document (Attachment B) includes the Internal Control Memorandum which details any internal control deficiencies.

The internal control memo, included as a part of the SAS 114 attachment, confirmed that there were no material instances of noncompliance, no material weaknesses in internal controls, and no reportable conditions. The Report to the Board of Directors also indicates there were no other items of concern to report.

The full independent auditor's report is presented as the first attachment to this Report (Attachment A).

Net Position as of June 30, 2025

	June 30, 2025	June 30, 2024
Total Assets	\$ 93,852,135	\$ 56,003,726
Total Liabilities	72,473,024	72,968,560
Net Position	\$ 21,379,111	\$ (16,964,834)

CEA's assets increased by more than 67% due to increases in all asset categories with the largest increases in cash, accounts receivable and prepaid expenses.

Total Liabilities remained little changed as they fell by \$496,000. Despite an increase of \$4,752,000 in accrued cost of electricity as a result of higher load and more CEA customers, significant decreases in security deposits received from suppliers and significantly less debt outstanding from the company's credit line with JPMorgan Chase Bank offset the increase in accrued costs.

CEA improved financial operations have resulted in a positive net position for the first time in the Company's operating history. In addition, the results have enabled continued repayment of the company's credit line. During the fiscal year just ended, CEA was able to pay down the balance of the credit line from \$33,950,000 to \$22,000,000 outstanding at year-end. CEA has repaid all of that amount as of the date of this report and has the full \$40,000,000 available for future cash flow needs. The date of expiration of the line of credit was extended earlier this year and is currently set to expire in February 2029.

Results of Operations June 30, 2025

	June 30, 2025	June 30, 2024
Total Revenues	\$ 352,477,963	\$ 198,067,134
Total Expenses	314,134,018	204,494,872
Net Results	\$ 38,343,945	\$ (6,427,738)

CEA's revenues have increased significantly in each of the past 2 years. Revenues in the fiscal year ending June 30, 2025, increased 78% compared to the fiscal year ending June 30, 2024, following a 127% increase in the prior year. The latest increase is due to three primary factors including the expansion to Oceanside and Vista in April 2024, addition of the Channelside Water Treatment Plant in January 2025, and the first rate increase in two and a half years approved by the Board in June 2024. Expenses increased nearly 54% compared to 2024, due to significantly higher power supply costs in FY 2024/2025 compared to the prior year. CEA's net result was a net positive of \$38,343,945, approximately \$5,037,000 better than the approved budget. The adopted FY 2024/2025 approved budget projects a net positive result of operations of \$33,307,350, which would eliminate the deficit net position that existed as of June 30, 2024. Looking beyond FY 2024/2025, a preliminary analysis shows the following for the next three years:

Forecast of Operations – Next 3 Fiscal Years (FY2026 to FY2028)

	June 30, 2025 (Actual)	June 30, 2026	June 30, 2027	June 30, 2028
Total Revenues	\$ 352,477,963	\$ 375,916,514	\$ 396,583,201	\$ 398,576,670
Total Expenses	314,134,018	345,511,486	362,291,125	327,345,453
Net Results	\$ 38,343,945	\$ 30,405,208	\$ 34,292,076	\$ 71,231,217
Days Liquidity on Hand	35	58	86	170

Based on current assumptions, CEA's Net Change in Position will be positive for at least the next 3 years as shown above. The estimates assume that there is no change in rates and that energy costs remain relatively low consistent with recent trends.

FISCAL IMPACT:

There is no fiscal impact associated with these items.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

- A. Clean Energy Alliance Annual Audited Financial Report for the Fiscal Year ended June 30, 2025
- B. Statement of Auditing Standards No. 114, Communication to Those Charged with Governance



FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 & 2024

WITH REPORT OF

INDEPENDENT AUDITORS

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Independent Auditor's Report

To the Board of Directors
Clean Energy Alliance

Report on the Audits of the Financial Statements

Opinion

We have audited the accompanying financial statements of Clean Energy Alliance (CEA), which comprise the statements of net position as of June 30, 2025 and 2024, the related statements of revenue, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CEA as of June 30, 2025 and 2024, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CEA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CEA's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CEA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CEA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

Required Supplementary Information (continued)

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Sorren CPAs P.C.

Santa Rosa, California

October 15, 2025

**CLEAN ENERGY ALLIANCE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2025 AND 2024**

The purpose of management's discussion and analysis (MD&A) is to help stakeholders and other readers understand what the financial statements and notes in this report say about Clean Energy Alliance's (CEA) financial health and why it has changed since last year. It contains information drawn from other parts of the report, accompanied by explanations informed by the finance staff's knowledge of CEA's finances.

If you have questions about this report or require further information, please contact CEA at askcea@thecleanenergyalliance.org.

Overview of the Financial Statements

CEA's financial report contains basic financial statements, which include:

- The *Statements of Net Position* include all of CEA's assets, liabilities, and net position and provides information about the nature and amounts of resources and obligations at a specific point in time.
- The *Statements of Revenues, Expenses, and Changes in Net Position* report all of CEA's revenue and expenses for the years shown.
- The *Statements of Cash Flows* report the cash provided and used by operating activities, as well as other sources and uses, such as capital and investing activities.
- The notes to the Basic Financial Statements provide additional details and information related to the basic financial statements.

CLEAN ENERGY ALLIANCE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2025 AND 2024

Financial Summary

CEA's Net Position

	2025	2024	2023
Current assets	\$ 92,814,822	\$ 55,948,350	\$ 32,926,762
Noncurrent assets	1,037,313	55,376	978,376
Total assets	93,852,135	56,003,726	33,905,138
Current liabilities	44,274,624	38,522,410	25,996,084
Noncurrent liabilities	28,198,400	34,446,150	18,446,150
Total liabilities	72,473,024	72,968,560	44,442,234
Net position			
Unrestricted (deficit)	21,379,111	(16,964,834)	(10,537,096)
Total net position	\$ 21,379,111	\$ (16,964,834)	\$ (10,537,096)

As of June 30, 2025, CEA's total net position was approximately \$21,379,000, an increase in net position of \$38,344,000 as compared to June 30, 2024. The increase in net position was the result of CEA's increase in operating income as discussed below.

CEA's Changes in Net Position

	2025	2024	2023
Operating revenues	\$ 352,477,963	\$ 198,067,134	\$ 86,873,952
Nonoperating revenues	319,034	218,449	323,223
Total income	352,796,997	198,285,583	87,197,175
Operating expenses	313,128,523	203,233,184	92,752,374
Nonoperating expenses	1,324,529	1,480,137	1,207,902
Total expenses	314,453,052	204,713,321	93,960,276
Change in net position	\$ 38,343,945	\$ (6,427,738)	\$ (6,763,101)

During the year ended June 30, 2025, CEA's operating revenues expanded by 75% as a result of (a) growth of the volume of energy delivered to customers in its expanded territory and (b) price increases made in response to changes in the prices paid to energy suppliers. While the cost of energy increased due to factors similar to those affecting revenue, total operating costs rose less than revenue, resulting in an operating surplus.

**CLEAN ENERGY ALLIANCE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2025 AND 2024**

Detailed Analysis

CEA experienced significant financial growth during fiscal year 2025, driven primarily by continued territory expansion and increased customer load. As a result, CEA's statements of net position and statements of revenues, expenses and changes in net position reflect both a higher net position balance and higher revenues, while also demonstrating prudent financial management through reductions in outstanding credit balances.

Current assets increased from \$55,948,000 at the end of fiscal year 2024 to \$92,815,000 at the end of fiscal year 2025. The growth was largely attributable to higher cash balances and accounts receivable, reflecting CEA's expanding customer base. At the close of fiscal year 2025, current assets were composed of:

- Cash and cash equivalents: \$11,823,000
- Accounts receivable, net of allowance: \$32,562,000
- Accrued revenue: \$24,252,000
- Prepaid expenses: \$19,349,000

Noncurrent assets increased to \$1,037,000 in fiscal year 2025, compared to \$55,000 in 2024. This increase was primarily related to performance assurance deposits required under power purchase agreements.

CEA's largest current liability continues to be the cost of electricity delivered to customers but not yet paid at year-end. Current liabilities rose slightly during fiscal year 2025, reflecting:

- Changes in payment terms for certain energy products
- Increases in market prices, particularly for renewable energy and resource adequacy

Noncurrent liabilities consist of supplier security deposits and the portion of CEA's revolving line of credit due after one year. The outstanding balance of the revolving line of credit decreased by \$11,950,000 from fiscal year 2024 to fiscal year 2025, reflecting stronger cash availability from increased operating income.

**CLEAN ENERGY ALLIANCE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2025 AND 2024**

Detailed Analysis (continued)

CEA recorded revenue growth each year from fiscal 2023 through 2025, with expansion efforts as the key driver.

- April 2023: Onboarding of the cities of Escondido and San Marcos more than doubled CEA's existing customer load, contributing significantly to fiscal year 2024 revenues.
- April 2024: Onboarding of Oceanside and Vista increased customer load by approximately 70%, driving additional revenues in fiscal year 2025.

Operating expenses also rose during the same period, reflecting higher electricity volumes associated with increased load and higher energy market prices. The largest expense across all periods remained the cost of electricity. CEA continued to mitigate risk by procuring energy from diverse sources and maintaining a balanced renewable portfolio.

Significant Capital Asset and Long-Term Financing Activity

CEA does not own generation or distribution assets. Financing activities were limited to revolving line of credit transactions and repayments of member agency loans.

- Fiscal Year 2025: Borrowings totaled \$58,300,000, with repayments of \$70,250,000, resulting in a net decrease of \$11,950,000.
- Fiscal Year 2024: Borrowings totaled \$30,000,000, with repayments of \$19,000,000, for a net increase of \$11,000,000. Additionally, CEA repaid \$504,000 in loans from member agencies.

See Note 4 to the financial statements for further discussion regarding debt.

Currently Known Facts, Decisions, or Conditions

CEA's financial position continues to strengthen as new communities are integrated and customer load grows. Future performance will depend on energy market dynamics, customer adoption, and ongoing management of supply and financing costs. CEA remains focused on expanding its renewable energy portfolio, maintaining financial flexibility, and ensuring reliable service to its communities.

BASIC FINANCIAL STATEMENTS

CLEAN ENERGY ALLIANCE
STATEMENTS OF NET POSITION
JUNE 30, 2025 AND 2024

ASSETS	2025	2024
Current assets		
Cash and cash equivalents	\$ 11,822,779	\$ 5,453,758
Accounts receivable, net of allowance	32,562,347	21,681,984
Accrued revenue	24,251,823	20,914,382
Other receivables	1,829,991	33,000
Prepaid expenses	19,348,919	7,095,226
Deposits	2,998,963	770,000
Total current assets	92,814,822	55,948,350
Noncurrent assets		
Deposits	1,037,313	55,376
Total assets	93,852,135	56,003,726
LIABILITIES		
Current liabilities		
Accrued cost of electricity	41,816,876	37,065,092
Accounts payable	1,257,688	886,739
Other accrued liabilities	362,102	363,791
Security deposits - energy suppliers	797,750	-
Interest and financing cost payable	40,208	206,788
Total current liabilities	44,274,624	38,522,410
Noncurrent liabilities		
Security deposits - energy suppliers	6,198,400	496,150
Revolving line of credit	22,000,000	33,950,000
Total noncurrent liabilities	28,198,400	34,446,150
Total liabilities	72,473,024	72,968,560
NET POSITION		
Unrestricted (deficit)	\$ 21,379,111	\$ (16,964,834)

CLEAN ENERGY ALLIANCE
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
Electricity sales, net	\$ 352,477,963	\$ 198,067,134
OPERATING EXPENSES		
Cost of electricity	303,710,341	197,129,829
Contract services	6,824,080	4,914,137
Staff compensation	1,627,734	780,082
Other operating expenses	966,368	409,136
Total operating expenses	<u>313,128,523</u>	<u>203,233,184</u>
Operating income (loss)	<u>39,349,440</u>	<u>(5,166,050)</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income	319,034	218,449
Interest expense	<u>(1,324,529)</u>	<u>(1,480,137)</u>
Nonoperating revenues (expenses), net	<u>(1,005,495)</u>	<u>(1,261,688)</u>
CHANGE IN NET POSITION	38,343,945	(6,427,738)
Net position at beginning of year	<u>(16,964,834)</u>	<u>(10,537,096)</u>
Net position at end of year	<u><u>\$ 21,379,111</u></u>	<u><u>\$ (16,964,834)</u></u>

CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 338,914,734	\$ 178,837,630
Receipts of supplier security deposits	6,500,000	345,000
Receipts from wholesale sales and other operating activities	8,900,724	1,654,371
Payments to suppliers for electricity	(321,676,472)	(182,928,997)
Payments for other goods and services	(7,628,058)	(5,000,777)
Payments for deposits and collateral	(3,210,900)	(345,000)
Payments for staff compensation	(1,640,384)	(679,423)
Payments for state surcharges	(619,543)	(362,008)
Net cash provided (used) by operating activities	<u>19,540,101</u>	<u>(8,479,204)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from revolving line of credit	58,300,000	30,000,000
Principal payments - revolving line of credit	(70,250,000)	(19,000,000)
Principal payments - loan	-	(504,017)
Interest and related expense payments	(1,491,110)	(1,443,868)
Net cash provided (used) by noncapital financing activities	<u>(13,441,110)</u>	<u>9,052,115</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	<u>270,030</u>	<u>218,449</u>
Net change in cash and cash equivalents	6,369,021	791,360
Cash and cash equivalents at beginning of year	<u>5,453,758</u>	<u>4,662,398</u>
Cash and cash equivalents at end of year	<u><u>\$ 11,822,779</u></u>	<u><u>\$ 5,453,758</u></u>

CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2025 AND 2024

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

	<u>2025</u>	<u>2024</u>
Operating income (loss)	\$ 39,349,440	\$ (5,166,050)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
(Increase) decrease in:		
Accounts receivable, net	(10,880,363)	(12,016,995)
Accrued revenue	(3,337,441)	(7,622,821)
Other receivables	(1,747,987)	946,621
Prepaid expenses	(12,253,693)	(2,959,033)
Deposits	(3,210,900)	345,000
Increase (decrease) in:		
Accrued cost of electricity	4,653,612	17,511,695
Accounts payable	370,950	293,091
Other accrued liabilities	96,483	189,288
Supplier security deposits	6,500,000	-
Net cash provided (used) by operating activities	<u><u>\$ 19,540,101</u></u>	<u><u>\$ (8,479,204)</u></u>

CLEAN ENERGY ALLIANCE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Clean Energy Alliance (CEA) is a California Joint Powers Authority created on November 4, 2019. As of June 30, 2025, parties to its Joint Powers Agreement consist of the following local governments:

Cities and Towns	
Carlsbad	San Marcos
Del Mar	Solana Beach
Escondido	Vista
Oceanside	

CEA is separate from and derives no financial support from its members. CEA is governed by a Board of Directors (Board) whose membership is composed of elected officials of the member governments.

A core function of CEA is to provide electric service that includes renewable sources under the Community Choice Aggregation Program under California Public Utilities Code Section 366.2.

CEA began its energy delivery operations in May 2021. Electricity is acquired from electricity suppliers and delivered through existing physical infrastructure and equipment managed by San Diego Gas and Electric (SDG&E).

BASIS OF ACCOUNTING

CEA's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements.

CEA's operations are accounted for as a governmental enterprise fund and are reported using the economic resources measurement focus and the accrual basis of accounting – similar to business enterprises. Accordingly, revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred. Enterprise fund-type operating statements present increases (revenues) and decreases (expenses) in total net position. Reported net position is segregated into three categories, if applicable – investment in capital assets, restricted and unrestricted.

When both restricted and unrestricted resources are available for use, it is CEA's policy to use restricted resources first, and then unrestricted resources as they are needed.

CLEAN ENERGY ALLIANCE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CASH AND CASH EQUIVALENTS

CEA defines cash and cash equivalents to include cash on hand, demand deposits and short-term investments with an original maturity of three months or less.

ACCOUNTS RECEIVABLE AND ACCRUED REVENUE

CEA invoices customers for energy delivered each month on staggered billing cycles. Each reporting period, management records revenue for energy delivered but not yet invoiced based on energy volume and applicable rate.

PREPAID EXPENSES

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid expenses.

DEPOSITS

Contracts to purchase energy may require CEA to provide a supplier with advanced payments or security deposits. Security deposits are generally held for the term of the contract and are classified as current or noncurrent assets depending on the length of time the deposits will be outstanding.

SECURITY DEPOSITS - ENERGY SUPPLIERS

Various energy contracts require the supplier to provide CEA with a security deposit. These deposits are generally held for the term of the contract or until the completion of certain benchmarks. Deposits are classified as current or noncurrent, depending on the length of time the deposits will be held.

NET POSITION

Net position is presented in the following components:

Investment in capital assets: This component of net position consists of capital assets, net of accumulated depreciation. CEA did not have any capital assets as of June 30, 2025 and 2024.

Restricted: This component of net position consists of constraints placed on the use of net assets through external constraints, such as those imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. CEA did not have any restrictions as of June 30, 2025 and 2024.

Unrestricted: This component of net position consists of net position that does not meet the definition of “investment in capital assets” or “restricted.”

CLEAN ENERGY ALLIANCE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

OPERATING AND NONOPERATING REVENUES

Operating revenues include energy sales to customers.

Investment income and grants that are not earned from the delivery of program activities are considered “nonoperating revenue.”

REVENUE RECOGNITION

CEA recognizes revenue according to the accrual basis. This includes invoices issued to customers during the reporting period and electricity estimated to have been delivered but not yet invoiced. Management estimates that a portion of the invoiced amounts will be uncollectible. Accordingly, an allowance for uncollectible accounts has been recorded.

OPERATING AND NONOPERATING EXPENSES

Operating expenses include the cost of sales and services, and administrative expenses. Operating expenses are expenses other than nonoperating expenses. Nonoperating expenses are expenses related to financing.

ELECTRICAL POWER PURCHASED

During the normal course of business, CEA purchases electrical power from numerous suppliers. Cost of electricity includes the cost to purchase electricity and capacity arising from bilateral contracts with energy suppliers, the cost of generation credits, and load and other charges arising from CEA’s participation in the California Independent System Operator’s (CAISO) centralized market. The cost of electricity and capacity is recognized as “Cost of Electricity” in the Statements of Revenues, Expenses and Changes in Net Position.

To comply with the State of California’s Renewable Portfolio Standards (RPS) and self-imposed benchmarks, CEA acquires RPS eligible renewable energy evidenced by Renewable Energy Certificates (Certificates) recognized by the Western Renewable Energy Generation Information System. CEA obtains Certificates with the intent to retire them and does not sell or build surpluses of Certificates with a profit motive.

CEA purchases capacity commitments from qualifying generators to comply with the California Public Utilities Commission’s Resource Adequacy Program. The goals of the Resource Adequacy (RA) Program are to provide sufficient resources to the CAISO to ensure the safe and reliable operation of the electricity grid in real-time and to provide appropriate incentives for the construction of new resources needed for reliability in the future.

CLEAN ENERGY ALLIANCE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

STAFFING COSTS

CEA pays employees on a semi-monthly basis and fully pays its monthly obligations for health benefits and contributions to its defined contribution retirement plan.

CEA provides a Retiree Health Reimbursement Arrangement for its Chief Executive Officer. Under this plan, CEA credits an annual amount to a notional account with 4% compounded earnings, which may be used after retirement to reimburse qualified medical expenses. CEA does not provide post-employment healthcare or other benefits to any other employees.

CEA provides for compensated absences, including paid time off, which is accrued when earned and recorded as part of other accrued liabilities. The liability includes leave that is attributable to services already rendered, accumulates, and is more likely than not to be used or paid. The liability is measured using the employee's pay rate as of the financial statement date.

INCOME TAXES

CEA is a joint powers authority under the provision of the California Government Code and is not subject to federal or state income or franchise taxes.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

RECLASSIFICATIONS

Certain amounts reported in the prior year's financial statements have been reclassified for comparison purposes to conform to the presentation of the current year financial statements. These reclassifications did not result in any changes to previously reported net position or change in net position.

CLEAN ENERGY ALLIANCE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

2. CASH AND CASH EQUIVALENTS

CEA maintains its cash in both interest-bearing and non-interest-bearing accounts at River City Bank. CEA's deposits are subject to California Government Code Section 16521, which requires banks to collateralize public funds in excess of the Federal Deposit Insurance Corporation limit of \$250,000 by 110%. CEA does not have an investment policy that addresses a specific type of risk that would impose restrictions beyond this code. Accordingly, the amount of risk is not disclosed. CEA monitors its risk exposure on an ongoing basis.

3. ACCOUNTS RECEIVABLE

Accounts receivable were as follows as of June 30:

	2025	2024
Accounts receivable from customers	\$39,764,370	\$24,977,984
Allowance for uncollectible accounts	(7,202,023)	(3,296,000)
Net accounts receivable	<u>\$32,562,347</u>	<u>\$21,681,984</u>

The majority of account collections occur within the first few months following the issuance of customer invoices. CEA estimates that a portion of the invoiced accounts will not be collected. CEA continues collection efforts on accounts in excess of *de minimis* balances regardless of the age of the account. The allowance for uncollectible accounts at the end of a year includes amounts invoiced during the current and prior fiscal years. Amounts estimated to be uncollectible are reported as a reduction in electricity sales on the Statement of Revenues, Expenses, and Changes in Net Position.

4. DEBT

BANK NOTE PAYABLE

In February 2021, CEA arranged to borrow up to \$6,000,000 through a revolving credit agreement from JPMorgan Chase to provide cash for working capital until sufficient revenue was to be collected from customers. An amendment in March 2024 increased the available amount to \$40,000,000. In April 2025, an amendment extended the maturity date to February 2, 2029. At June 30, 2025 and 2024, CEA outstanding balances were \$22,000,000 and \$33,950,000, respectively. CEA granted a security interest in all customer revenues to the lender.

Funds may be drawn as needed and interest is accrued on the outstanding balance. The stated maturity date is February 2, 2029, with interest payable each month. The interest rate is computed at the three-month Chicago Mercantile Exchange (CME) Term Secured Overnight Financing Rate (SOFR) plus 2.25% per annum, subject to a floor of 2.25% per annum. As of June 30, 2025 and 2024, the interest rate was approximately 7.9% and 8.8%, respectively .

CLEAN ENERGY ALLIANCE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

4. DEBT (continued)

DUE TO MEMBER AGENCIES

During its initial year ended June 30, 2020, CEA borrowed \$504,017 from the cities of Carlsbad, Del Mar and Solana Beach to be used as working capital associated with CEA's launch. The non-interest-bearing loans were repaid during fiscal year 2024.

Changes in debt are summarized in the table below:

	Beginning	Additions	Payments	Ending
Year ended June 30, 2025				
Revolving line of credit	\$ 33,950,000	\$ 58,300,000	\$ (70,250,000)	\$ 22,000,000
Amounts due within one year				-
Amounts due after one year				\$ 22,000,000
	Beginning	Additions	Payments	Ending
Year ended June 30, 2024				
Due to member agencies	\$ 504,017	\$ -	\$ (504,017)	\$ -
Revolving line of credit	22,950,000	30,000,000	(19,000,000)	33,950,000
Total	\$ 23,454,017	\$ 30,000,000	\$ (19,504,017)	33,950,000
Amounts due within one year				-
Amounts due after one year				\$ 33,950,000

5. DEFINED CONTRIBUTION RETIREMENT PLAN

The Clean Energy Alliance Plan (Plan) is a defined contribution retirement plan established by CEA to provide benefits at retirement to its employees. The Plan is administered by Empower Retirement. As of June 30, 2025, there were 10 plan members. CEA is required to contribute up to 12.5% of annual covered payroll (5% contingent on employee matching) to the Plan. CEA contributed \$164,000 and \$66,000 during the fiscal years ended June 30, 2025 and 2024, respectively. The Plan includes vesting provisions intended to encourage employee retention. Plan provisions and contribution requirements are established and may be amended by the Board.

CLEAN ENERGY ALLIANCE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

6. RISK MANAGEMENT

CEA is exposed to various risks of loss related to torts and errors and omissions. During each year, CEA purchased insurance policies from investment-grade commercial carriers to mitigate risks associated with general liability, and errors and omissions. There were no significant reductions in coverage compared to the prior year. There is no self-insured retention amount in CEA's insurance policies.

CEA maintains risk management policies, procedures and systems that help mitigate credit, liquidity, market, operating, regulatory and other risks that arise from participation in the California energy market. Credit guidelines include a preference for transacting with investment-grade counterparties, evaluating counterparties' financial condition and assigning credit limits as applicable. These credit limits are established based on risk and return considerations under terms customarily available in the industry. In addition, CEA enters into netting arrangements whenever possible and where appropriate obtains collateral and other performance assurances from counterparties.

7. PURCHASE COMMITMENTS

In the ordinary course of business, CEA enters into various power purchase agreements to acquire renewable and other energy and electric capacity. The price and volume of purchased power may be fixed or variable. Variable pricing is generally based on the market price of electricity at the date of delivery. Variable volume is generally associated with contracts to purchase energy from as-available resources such as solar, wind, and hydroelectric facilities.

The following table details the obligations to purchase existing energy, renewable, and resource adequacy (RA) contracts as of June 30, 2025:

Year ending June 30,	
2026	\$ 276,374,000
2027	226,993,000
2028	159,473,000
2029	106,495,000
2030	74,072,000
2031-2047	302,746,000
Total	<u>\$ 1,146,153,000</u>

CLEAN ENERGY ALLIANCE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

8. RECENTLY ADOPTED AND FUTURE ACCOUNTING PRONOUNCEMENTS

CEA adopted GASB Statement No. 101, Compensated Absences, which establishes revised guidance for the presentation of compensated absences in financial statements by state and local governments. The adoption of this statement did not have a material effect on CEA's financial statements.

CEA also implemented GASB Statement No. 102, Certain Risk Disclosures, which requires additional disclosures regarding concentrations and constraints that could impact CEA's financial position or results of operations. Implementation of this statement did not have a material effect on the financial statements.

CEA early adopted GASB Statement No. 103, Financial Reporting Model Improvements, which establishes revised guidance for the presentation of financial statements by state and local governments. The adoption of this statement did not have a material effect on CEA's financial statements.

In addition, CEA adopted GASB Statement No. 104, Disclosure of Certain Capital Assets. Implementation of this statement did not have a material effect on the financial statements.

Report to the Board of Directors

Clean Energy Alliance

For the year ended June 30, 2025





To the Board of Directors
Clean Energy Alliance
5857 Owens Ave, 3rd Floor
Carlsbad, CA

We are pleased to present this report related to our audit of the financial statements of Clean Energy Alliance ("CEA") as of and for the year ended June 30, 2025. Our report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for CEA's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management of CEA and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to Clean Energy Alliance.

Sorren CPAs P.C.

Santa Rosa, California
October 15, 2025

cc: Andy Stern, CFO

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REQUIRED COMMUNICATIONS

The following required communications summarize our responsibilities regarding the financial statement audit as well as observations from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities

We described our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our engagement letter dated July 25, 2023. Our audit of the financial statements does not relieve management or you of your responsibilities, which are also described in that letter.

Planned Scope and Timing

We previously issued a separate communication dated August 15, 2025 regarding the planned scope and timing of our audit and identified significant risks.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Under accounting principles generally accepted in the United States of America, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by CEA. CEA did not change any existing significant accounting policies. As disclosed in Note 8, CEA adopted GASB 101-104 which did not have a significant effect on the financial statements.

Significant Accounting Policies

We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant or Unusual Transactions

We did not identify any significant unusual transactions.

Management's Judgments and Accounting Estimates

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.

Audit Adjustments and Uncorrected Misstatements

Management chose to pass on one adjustment related to GASB 96 which management concluded wasn't material. We are not aware of any other passed adjustments that were not trivial.

Departure From the Auditor's Standard Report

Reporting – Expected Other-Matter Paragraph

Accounting principles generally accepted in the United States of America and the Governmental Accounting Standards Board require that the management's discussion and analysis be presented to supplement the financial statements. We do not express an opinion or provide any assurance on the information. In light of this matter, we will include an other-matter paragraph in the auditor's report. This matter will not modify the opinion. Below is the paragraph included in the auditor's report:

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Observations About the Audit Process

Disagreements With Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

Consultations With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed With Management

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

Shared Responsibilities for Independence

Auditor independence is a joint responsibility and is managed most effectively when management, audit committees, and audit firms work together in considering compliance with applicable independence rules. For Sorren CPAs P.C. (the Firm) to fulfill its professional responsibility to maintain and monitor independence, management, the Board of Directors, and the Firm each play an important role.

Our Responsibilities

- We are required to maintain both independence of mind and in appearance when providing audit and other attestation services. It is our responsibility to ensure that the general requirements for performing nonattest services are adhered to and included in all letters of engagement.
- We are required to maintain a system of quality management over compliance with independence rules and firm policies.

CEA's Responsibilities

- Timely inform the Firm, before the effective date of transactions or other business changes, of the following:
 - New affiliates, directors, or officers.
- Understand and conclude on the permissibility, prior to CEA's, officers, directors, or persons in a decision-making capacity, engaging in business relationships with the Firm.
- Not entering into relationships resulting in close family members of the Firm covered persons, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the Company.

Significant Written Communications Between Management and Our Firm

Copies of significant written communications between our firm and the management of CEA, including the representation letter provided to us by management, are attached as Appendix A.

SIGNIFICANT ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following summarizes the significant accounting estimates reflected in CEA's June 30, 2025 financial statements.

Significant Accounting Estimates

Accrued Revenue

Accounting policy/ Management's estimation process	Management's estimate of accrued revenue includes historical trends and anticipated energy usage.
---	---

Basis for our conclusion on the reasonableness of the estimate	We tested management's estimate analytically and determined management's estimate to be reasonable in relation to the financial statements taken as a whole.
---	--

Cost of Electricity

Accounting policy/ Management's estimation process	Management's estimate of accrued cost of electricity includes historical trends and anticipated energy usage.
---	---

Basis for our conclusion on the reasonableness of the estimate	We tested management's estimate through subsequent disbursements and analytical procedures and determined management's estimate to be reasonable in relation to the financial statements taken as a whole.
---	--

Allowance for Uncollectible Accounts

Accounting policy/ Management's estimation process	Management's estimate of the allowance for uncollectible accounts includes historical collection trends and anticipated future collections.
---	---

Basis for our conclusion on the reasonableness of the estimate	We evaluated the key factors and assumptions used to develop the estimate in determining that the allowance is reasonable in relation to the financial statements taken as a whole.
---	---

APPENDIX A

Significant Written Communications Between Management and Our Firm



October 15, 2025

Sorren CPAs P.C.
3562 Round Barn Circle, Suite 200
Santa Rosa, CA 95403

This representation letter is provided in connection with your audit of the basic financial statements of Clean Energy Alliance (CEA) as of and for the years ended June 30, 2025 and 2024 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, that as of October 15, 2025:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated July 25, 2023 for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
7. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
9. Management has followed applicable laws and regulations in adopting, approving and amending budgets.

10. Risk disclosures associated with deposit and investment securities and derivative transactions are presented in accordance with GASB requirements.
11. Provisions for uncollectible receivables have been properly identified and recorded.
12. The government properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in the debt agreements related to significant default or termination events with finance-related consequences and significant subjective acceleration clauses in accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.
13. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
14. Leases have been properly identified, recorded, and disclosed in accordance with GASB Statement No. 87, *Leases*.
15. Subscription-based technology information arrangements (SBITAs) have been properly identified, recorded, and disclosed in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.
16. There are no concentrations or constraints requiring disclosure in accordance with GASB Statement No. 102, *Certain Risk Disclosures*.
17. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, or to special assessment bond holders, that is not disclosed in the financial statements.
18. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
19. We have no knowledge of any uncorrected misstatements in the financial statements.

Information Provided

20. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within CEA from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
21. All transactions have been recorded in the accounting records and are reflected in the basic financial statements.
22. We have disclosed to you the results of our assessment of risk that the basic financial statements may be materially misstated as a result of fraud.

23. We have no knowledge of allegations of fraud or suspected fraud affecting CEA's basic financial statements involving:
- a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the basic financial statements.
24. We have no knowledge of any allegations of fraud or suspected fraud affecting the CEA's basic financial statements received in communications from employees, former employees, analysts, regulators, or others.
25. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
26. We are not aware of any pending or threatened litigation, claims or assessments; unasserted claims or assessments that are probable of assertion and must be disclosed in accordance with Accounting Standards Codification (ASC) Topic 450, Contingencies; violations or possible violations of laws and regulations; or other matters, including gain or loss contingencies, whose effects should be considered when preparing the financial statements.
27. We have disclosed to you the identity of all of CEA's related parties and all the related-party relationships and transactions of which we are aware.
28. We are aware of no significant deficiencies in internal control over financial reporting, including significant deficiencies or material weaknesses, in the design or operation of internal controls that could adversely affect CEA's ability to record, process, summarize and report financial data.
29. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

Supplementary Information

30. With respect to the Management's Discussion and Analysis presented as required by GAAP and the Governmental Accounting Standards Board to supplement the basic financial statements:
- a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.



Andrew Stern, Chief Financial Officer
Clean Energy Alliance



Mike Maher, Accountant

Staff Report

DATE: October 30, 2025

TO: Clean Energy Alliance Board of Directors

FROM: Gregory Wade, Chief Executive Officer

ITEM 6: SDG&E's 2026 Energy Resource Recovery Account (ERRA) Forecast October Revisions & CEA Rate Impacts

RECOMMENDATION:

That the Clean Energy Alliance (CEA) Board of Directors (Board) receive a report from staff on San Diego Gas & Electric's (SDG&E's) October Revisions to its 2026 Energy Resource Recovery Account (ERRA) Forecast for Power Charge Indifference Adjustments (PCIA) rates and bundled generation rates.

BACKGROUND AND DISCUSSION:

Each year, investor-owned utilities (IOUs) participate in a regulatory proceeding used to project the future costs of purchasing fuel, energy and capacity and, in the process, to set PCIA rates and bundled generation rates. The forecast is submitted to the California Public Utilities Commission (CPUC) for approval and determines the revenue required from customers to cover these expenses for the upcoming year as well as to true-up forecasted expenses from the prior year. Key aspects of the ERRA forecast process includes the submittal of the annual ERRA forecast application to the CPUC with the final, approved forecast setting the electric procurement revenue requirement that is used to set customer rates, including PCIA rates for the upcoming year. Other elements of the ERRA Forecast process include the following True-up and balancing accounts:

- **Forecast vs. actual costs:** Because the ERRA revenue is based on a forecast, a "true-up" mechanism is used to compare the forecasted costs with the actual expenses recorded during the year.
- **Balancing account:** An ERRA balancing account and the Portfolio Allocation Balancing Account (PABA) are used to track the difference between forecasted bundled generation rates (ERRA balancing account) and forecasted PCIA rates (PABA) and actual costs. If the actual costs are higher than the forecast, the utility has an under-collection. If actual costs are lower, it has an overcollection.
- **Annual compliance review:** The ERRA regulatory process includes a separate annual compliance proceeding to conduct an audit-like review of the utility's contract administration, least-cost dispatch, and the balancing account activities.

- **Rate adjustments:** The over or under-collection in the ERRR and PABA balancing accounts are included in the revenue requirement for the following year and factored into new rates. This ensures customers are credited for any prior overcollection or that they pay for a prior under-collection.

The ERRR Forecast also affects Community Choice Aggregators (CCAs), including CEA, which rely on the IOUs for certain procurement-related costs and whose customers must pay the PCIA rates established through the ERRR Forecast proceeding.

Initial/May Filing and October Revisions

SDG&E filed its initial 2026 ERRR Forecast in May of this year. Although this filing forecasted increases in PCIA rates for all of CEA's vintages (2017, 2020, 2022 and 2023), the October Revisions to the 2026 ERRR Forecast have increased the projected 2026 PCIA rates for all vintages well beyond what had been initially forecasted. These increases are due in large part to a significant reduction in the value of capacity in the market; smaller but still significant reductions in the value of energy and renewable energy in the market; and the CPUC's recent decision on the methodology for calculating PCIA (Decision 25-06-049 on June 26, 2025).

That updated methodology 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 forecast 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):

	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)
2025 ERRR Oct Update PCIA Rate	\$ 0.03516	\$ 0.03280	\$ 0.02870	\$ 0.02215
Change	\$ 0.03533	\$ 0.04387	\$ 0.04648	\$ 0.05376

For further background, the breakdown of total customer accounts for each VY is presented on the following page.

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%

Rate Impacts

As a result of these PCIA increases, staff is assessing the overall rate impacts to CEA customers with the objective of meeting CEA's goal of rate competitiveness. This assessment will include an analysis of potential rate reductions for CEA customers to achieve that goal. Alternatively, CEA could also consider a credit to customers to offset the increased PCIA's. This, too, would be a part of staff's analysis on cost and budget impact.

Preliminary FY2025/26 Fiscal Budget Projection

So that the Board may provide meaningful and informed direction to staff, it is important to understand where CEA stands from a budget standpoint and how and to what extent CEA could absorb any proposed rate decrease. To that end, staff has prepared a preliminary Fiscal Year (FY) 2025/26 Budget Projection to show where we expect to finish the current 2025/26 fiscal year. As discussed in the Audit Report under Item #5 of this Board Agenda, the results of these preliminary projections are as follows:

Forecast of Operations – Next 3 Fiscal Years (FY2026 to FY2028)

	June 30, 2025 (Actual)	June 30, 2026	June 30, 2027	June 30, 2028
Total Revenues	\$ 352,477,963	\$ 375,916,514	\$ 396,583,201	\$ 398,576,670
Total Expenses	314,134,018	345,511,486	362,291,125	327,345,453
Net Results	\$ 38,343,945	\$ 30,405,208	\$ 34,292,076	\$ 71,231,217
Days Liquidity on Hand	35	58	86	170

Based on current assumptions, CEA's Net Change in Position will be positive for at least the next 3 years as shown above. The estimates assume that there is no change in rates and that energy costs remain relatively low consistent with recent trends.

FISCAL IMPACT:

There is no direct fiscal impact with this item. However, depending on the direction provided by the Board and the ultimate decision on whether to reduce rates or provide a customer credit, these discussions and Board direction could lead to budget impacts that will be provided to the Board at the next Board Meeting.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

None.