



Board of Directors Meeting

November 20, 2025

Presentation



SAN DIEGO
**COMMUNITY
POWER**

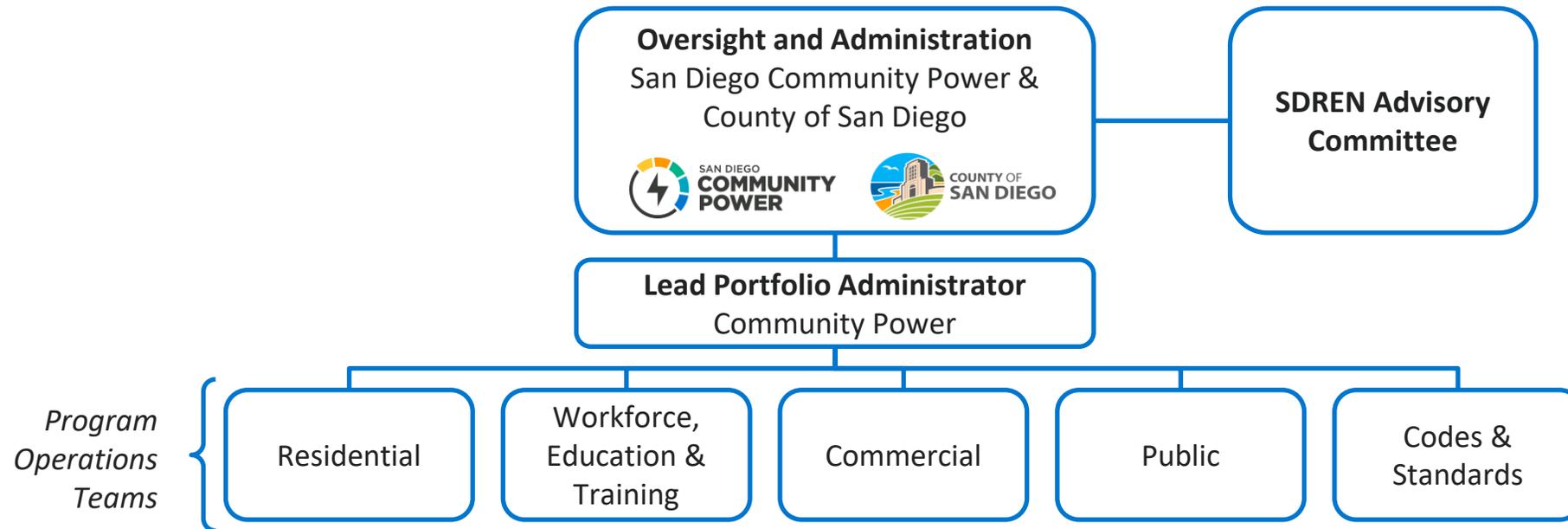
CEA Board of Directors

San Diego Regional Energy Network (SDREN) Update

November 20, 2025

San Diego Regional Energy Network (SDREN) Background

- Approval: SDREN was approved by the California Public Utilities Commission (CPUC) on August 1, 2024
- Budget: SDREN approved for \$124M to administer a portfolio of 10 energy efficiency programs (2024-2027)
- Target: Programs target underserved and hard-to-reach residents, businesses, public agencies, and Tribal governments across the region
- Primary focus to date: Program launch and CPUC compliance activities, SDREN Advisory Committee planning



January 2024

SDREN Business Plan
Application submitted

February 2025

Phase 1 RFPs released
*(cross-cutting sector
programs)*

May 2025

Phase 3 RFPs released
*(commercial sector
programs)*

Timeline

August 2024

SDREN Business Plan
Application approved by
CPUC

March 2025

Phase 2 RFPs released
*(public and residential sector
programs)*

Q1 – Q2 2026

Estimated program
launches



Program Solicitations

Phase 1

Workforce Development & Codes and Standards Programs

- Energy Pathways*
\$5,556,916
- Workforce Training and Capacity Building*
\$9,028,535
- Codes and Standards*
\$5,077,756

Phase 2

Public & Residential Programs

- Climate Resilience Leadership
\$9,740,641 (DI), \$7,442,846 (I)
- Tribal Engagement
\$1,389,551
- Single-Family
\$6,367,475 (DI), \$12,416,267 (I)
- Multifamily
\$3,492,276 (DI), \$6,539,071 (I)

Phase 3

Commercial Programs

- Efficient Refrigeration
\$2,028,045 (DI), \$4,074,678 (I)
- Market Access Program
\$4,597,330 (DI), \$9,006,228 (I)
- Small-Medium Business Energy Coach
\$6,567,110 (DI), \$2,016,518 (I)

DI = Direct Implementation, I = Incentive,
* = Contract executed with implementer



Workforce Development



Youth and Adult Workforce Development

Workforce Training and Capacity Building Program

- Train individuals for green careers and provide support to employers for ongoing training for employees
- Target audience
 - Job seekers, employers
- Program services
 - No cost training programs, job placement, wraparound services

Energy Pathways Program

- Connect high school students to green career opportunities
- Target audience
 - High school students, educators
- Program services
 - No cost courses, dual enrollment, internships, mentorship, wraparound services



Public Agencies



Public Agencies

Codes and Standards Program

- Improve regional compliance for Title 24 and support jurisdictions with reach codes
- Target audience
 - Jurisdictions and permitting officials
- Program services
 - Technical assistance, in-person energy code coach support, reach code support

Climate Resilience Leadership Program

- Remove barriers for public agencies to complete energy efficiency projects
- Target audience
 - Local governments, Tribal governments, school districts
- Program services
 - Technical assistance, incentives, project management support



Tribal Governments

Tribal Engagement Program

- Fund and support Tribal governments' energy efficiency initiatives
- Target audience
 - San Diego's 17 federally recognized Tribal governments
- Program services
 - Technical assistance, direct funding, referrals to other programs



Residential



Residential (Single-family and Multifamily)

Single-Family Program

- Provide low-to-no cost energy efficiency upgrades and technical assistance for single-family/mobile homeowners and renters
- Target audience
 - Residents of single-family and mobile homes
- Program services
 - Energy efficiency kits, technical assistance, no-cost energy efficiency measures & incentives

Multifamily Program

- Provide low-to-no cost energy efficiency upgrades and technical assistance for multifamily property owners and renters
- Target audience
 - Residents multifamily properties w/ 2+ units
- Program services
 - Energy efficiency kits, technical assistance, no-cost energy efficiency measures & incentives



Commercial



Commercial

Small-to-Medium Business (SMB) Energy Coach Program

- No-cost energy coaching and energy efficiency upgrades that help businesses lower energy costs
- Target audience
 - Small and medium sized businesses
- Program services
 - Concierge-style advisory services, technical assistance and no-cost EE measures

Market Access Program

- Performance-based incentives for contractors that reduce demand through projects with verified energy savings
- Target audience
 - Small and medium sized businesses
- Program services
 - Clear incentive rates and flexible measures for contractors, cost savings for SMBs

Efficient Refrigeration Program

- No-cost efficient refrigeration equipment and technical assistance
- Target audience
 - Corner stores, small grocery stores, small businesses
- Program services
 - No-cost equipment, energy savings, improve access to fresh food



Item 3: CEO Operational and Administrative Report

CEA Enrollment Stats

Member City	Eligible Accounts	Clean Impact – 50% Renewable	Clean Impact Plus – 75% Carbon Free	Green Impact – 100% Renewable	Participation Rate
Carlsbad	55,211	152	49,380	662	91%
Del Mar	3,023	6	2,762	71	94%
Escondido	57,300	160	53,409	72	94%
Oceanside	74,397	206	68,993	104	93%
San Marcos	37,863	119	34,950	77	93%
Solana Beach	7,788	12	6,928	158	91%
Vista	39,565	82	36,993	329	95%
TOTAL	275,147	737	253,417	1,473	93%

CEA serves a total of 255,627 customer accounts across its seven member agencies

Completed Community Events

DATE	DESCRIPTION	CITY
November 2, 2025	Carlsbad Village Street Faire	Carlsbad
November 5, 2025	Community Energy Planning Workshop	Oceanside
November 6, 2025	Community Energy Planning Workshop	Solana Beach
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

Upcoming Community Events

DATE	DESCRIPTION	CITY
December 10, 2025	City Council Presentation	Solana Beach
December 12, 2025	Winterfaith Holiday Sponsor a Family	Escondido

Solar Plus and Battery Bonus Update

Member City	Solar Plus		Solar Plus Connect		Battery Bonus		Battery Bonus Connect	
	Active	Complete	Active	Complete	Active	Complete	Active	Complete
Carlsbad	5	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	15	0
San Marcos	4	1	3	0	0	0	8	0
Solana Beach	2	0	1	0	0	0	1	0
Vista	2	1	7	0	0	0	12	0
TOTAL	24	7	34	0	0	0	60	0

Metrics as of Nov. 4, 2025.

Connect Programs SGIP Funding

Member City	Solar Plus Connect	Battery Bonus Connect
Carlsbad	\$91,080	\$198,000
Del Mar	\$30,360	\$19,800
Escondido	\$408,480	\$257,400
Oceanside	\$188,520	\$308,467
San Marcos	\$90,685	\$158,400
Solana Beach	\$29,485	\$19,800
Vista	\$214,848	\$274,854
TOTAL	\$1,053,458	\$1,236,721

Metrics as of Nov. 4, 2025.

PeakSmart Savers Participants

Member City	PeakSmart Savers Participants
Carlsbad	7
Del Mar	1
Escondido	6
Oceanside	4
San Marcos	0
Solana Beach	0
Vista	8
TOTAL	26

Metrics as of Nov. 4, 2025.

Energy Academy Sponsorship

- Energy Academy launched in 2024 by Energy Policy Initiatives Center & San Diego Regional Climate Collaborative
- Energy Curriculum includes 4 in-person sessions with lectures & field trips
- Participation is free of charge, includes transport & lunch for field trips,
- Battery Level Sponsor for Fall 2025 and Spring 2026 Cohorts
 - Foundational sponsors – SDGE & SDCP



Bill Calculator Tool

- Developing a new bill comparison calculator embedded in the CEA website
- Differentiate CEA service offerings compared to SDG&E rates
- Customer will need a copy of their latest SDG&E bill to complete the comparison form.
 - Billing Month, Usage (kWh), Rate Schedule
- Targeted implementation is December/January

Questions/Discussion – Item 3

Item 4: Public Hearing: Resolution No. 2025-044 Setting Rates and Approving Agreements with Luminia BTM DevCo 1 LLC for CEA's Solar Plus Business Program

Item 4: Approve Execution of Luminia Agreements

RECOMMENDATION:

That the Clean Energy Alliance (CEA) Board of Directors (Board):

1. Conduct the Public Hearing: Open the Public Hearing, Receive Public Testimony, and Close the Public Hearing;
2. Adopt Resolution No. 2025-044 Setting Rates for Solar Plus Business; and
3. Approve Program Agreements with Luminia BTM DevCo 1 LLC (Luminia) and authorize the Chief Executive Officer (CEO) to execute all documents subject to General and Special Counsel approval.

Background

- Current Solar Plus Programs
 - Provides single family residential customers with:
 - Solar + Battery System
 - Batteries for existing solar systems
 - Low income solar and batteries available through the Connect program
 - Program does not require a credit check
 - Program does not require out-of-pocket payment to enroll
 - Current programs do not include commercial or industrial, multi-unit residences or municipal customers

Background

- RFP issued in March 2025 for BTM Commercial & Industrial services providers
- Received proposals from 5 interested parties
- Proposals were evaluated and staff selected Luminia as the program administrator for the Solar Plus Business Program

Solar Plus Business Program

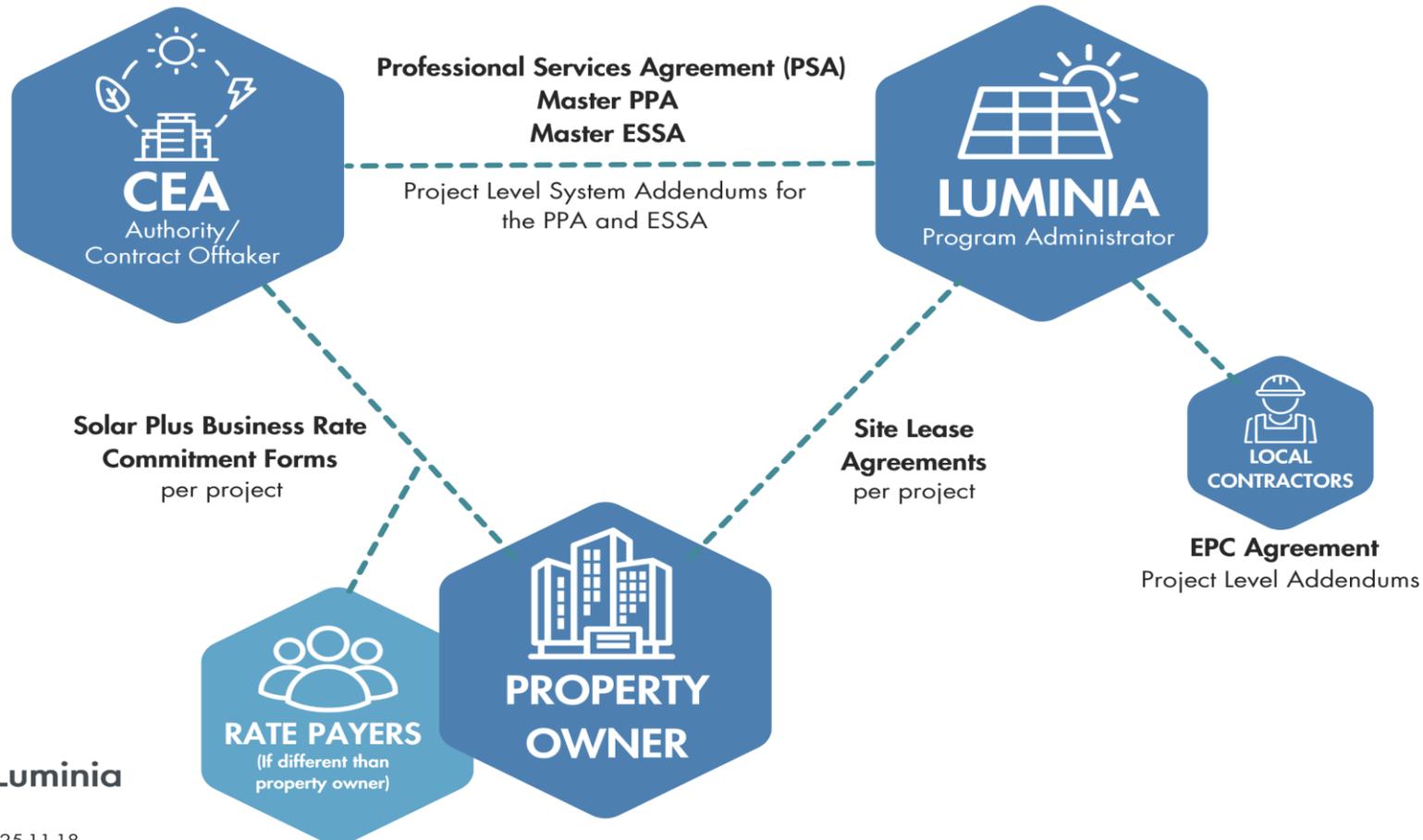
- As the program Administrator, Luminia will be responsible for:
 - Day to Day Program Management with turnkey execution
 - Program Administration
 - Marketing and Outreach
 - Project Origination and Development
 - Asset Management including Operations & Maintenance
 - Program Reporting and Compliance

Solar Plus Business Program

- Program is open to CEA commercial, industrial, multifamily dwellings, and municipal customers.
- Local, clean, reliable energy and storage
- Solar plus battery systems with replacement and warranty coverage for 25 years with a 1% escalator
- Battery only systems with replacement and warranty coverage for 10 years with a 0% escalator
- Program provides energy cost savings due to avoided transmission and delivery charges when using solar energy and energy from the battery storage system
- Growing distributed assets for future DR program(s)

Solar Plus Business Program

Solar Plus Business Program Contract Flow



Version 2025-11-18

Solar Plus Business Program

- Program offers blended per kWh rates for solar + battery systems
- Solar + battery rates range from \$0.25/kWh to \$0.50/kWh
- Rate based on baseline project cost, adjusted for project variables
- Variables include:
 - Rooftop vs Carport solar
 - Installation Complexity
 - Utility service upgrades
 - Distance to Point of Interconnection

Solar Plus Business Program

Solar + Storage System Estimates

Solar + Storage System Size	Avg. Bill Savings, Yr 1	Avg. Bill Savings, Term	Savings Source
Small Commercial 100 kW PV + 200kWh ESS	5-10%	15-20%	Rate Switch CEA Generation Offset SDG&E Delivery Offset SDG&E Peak Shaving
Medium Commercial 300 kW PV + 600kWh ESS	5-10%	20-25%	
Large Commercial 600 kW PV + 1,200kWh ESS	5-10%	20-25%	

*Estimated, varies based on load consumption profile and site-specific attributes. Assumes rate shift from AL-TOU to DG-R.

Solar Plus Business Program

- Local Storage rates range from \$5.00/kWh to \$15.00/kWh of Installed Capacity per Month
- Rate based on baseline project cost, adjusted for project variables
- Variable include:
 - Battery Size
 - Indoor vs Outdoor placement
 - Utility upgrades and switchgear capacity
 - Installation complexity
 - Distance to Point of Interconnection

Solar Plus Business Program

Storage Estimates

Standalone Storage System Size	Avg. Bill Savings, Yr 1	Avg. Bill Savings, Term	Savings Source
Small Commercial 200kWh ESS	0-6%	0-8%	Rate Switch CEA Generation Offset
Medium Commercial 600kWh ESS	0-8%	5-10%	SDG&E Delivery Offset
Large Commercial 1,200kWh ESS	0-10%	5-12%	SDG&E Peak Shaving

*Estimated, varies based on load consumption profile and site-specific attributes.

Solar Plus Business

- Fiscal Impact:
 - Intent of the program is to have no fiscal impact to CEA by structuring each customer agreement to pay for full system cost;
 - However, there are three potential financial risk that staff believes to be relatively low and manageable:
 1. Tenant could vacate and not make payments. Most of this risk is mitigated due to negotiated detailed contract terms with Luminia.
 2. Customer does not pay their bill. Risk is inherent in CEA's business and mitigated by CEA's Bad Debt Reserve policies and procedures.
 3. Anticipated small administrative fees for billing support and implementation. Exact amount TBD but is expected to be similar to the existing rates for CEA's Solar Plus Residential program.

Item 4: Approve Execution of Luminia Agreements

RECOMMENDATION:

That the Clean Energy Alliance (CEA) Board of Directors (Board):

1. Conduct the Public Hearing: Open the Public Hearing, Receive Public Testimony, and Close the Public Hearing;
2. Adopt Resolution No. 2025-044 Setting Rates for Solar Plus Business; and
3. Approve Program Agreements with Luminia BTM DevCo 1 LLC (Luminia) and authorize the Chief Executive Officer (CEO) to execute all documents subject to General and Special Counsel approval.

Questions/Discussion – Item 4

Item 5: Public Hearing:
Resolution No. 2025-045
Amending CEA Rate Schedule to
Update the Wholesale Market
Access Tariff Rate Effective
January 1, 2026

Wholesale Market Access Tariff Rate Update

RECOMMENDATION:

That the CEA Board:

1. Conduct the Public Hearing: Open the Public Hearing, Receive Public Testimony, close the Public Hearing.
2. Approve Resolution No. 2025-045 Amending Clean Energy Alliance Rate Schedule to update the Wholesale Market Access Tariff Rate Effective January 1, 2026.

Wholesale Market Access Tariff Rate Update

BACKGROUND:

- Available to Non-Residential CEA Customers with annual load greater than 150 GWh
- Separate portfolio for the WMAT load
- Rates set to recover costs of portfolio, including CEA administrative costs
- Requires Positive Enrollment Form
- Minimum 3-Year Opt-Out Notice
- Protects CEA's other customers

Wholesale Market Access Tariff Rate Update

DISCUSSION:

- On October 26, 2023 the Board approved the Wholesale Market Access Tariff (WMAT) Program and Terms and Conditions establishing the methodology for calculating the WMAT rate
- On July 31, 2025, the Board adopted Resolution No. 2025-035 amending the WMAT rate to \$0.11350 per kWh effective August 1, 2025
- The action before the Board is to set the rate for the 2026 calendar year, sufficient to cover the power supply and administrative expenses of the WMAT portfolio
- Based on current assumptions for those expenses, staff is recommending updating the WMAT rate to \$0.11759 per kWh

Questions/Discussion – Item 5

Item 6: Regulatory Update

Clean Energy Alliance: Regulatory Update

Tim Lindl – Keyes & Fox LLP

November 20, 2025

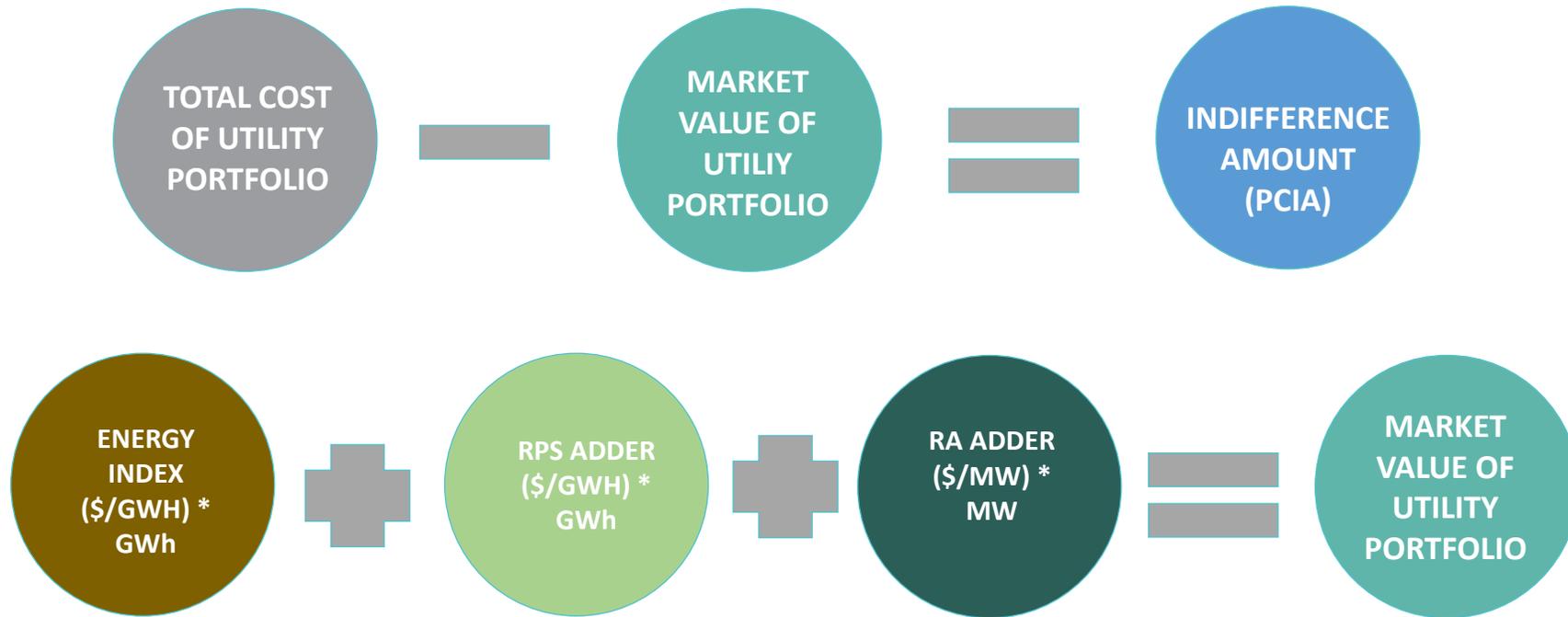
Overview

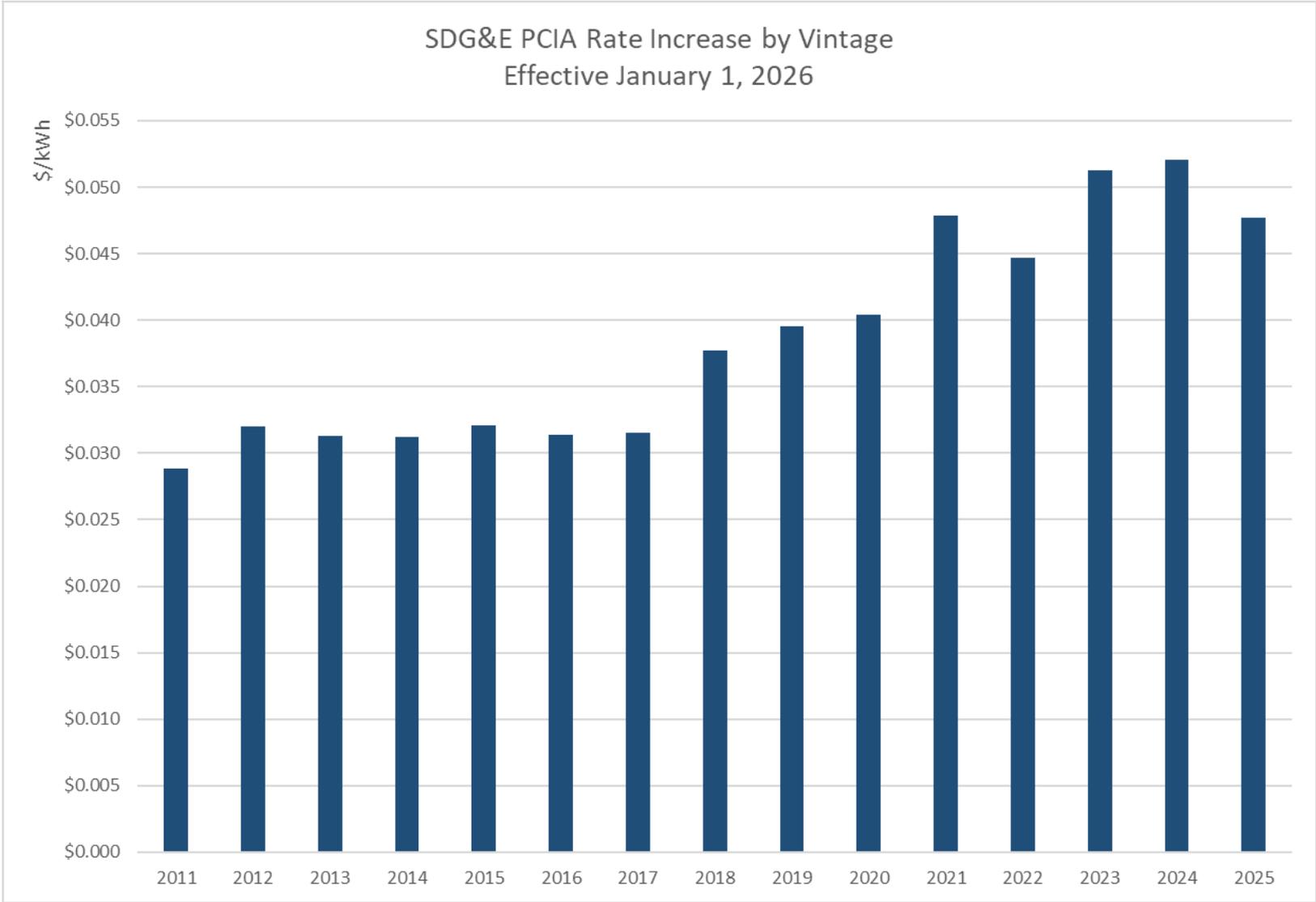
Update on SDG&E's 2026 Energy Resource Recovery Account (ERRA) Forecast Case (A.25-05-012)

Setting PCIA Rates



Setting PCIA Rates





**Large
Increases
Across the
Board**

Proposed Decision

- CPUC issued a Proposed Decision (PD) on November 10 resolving the one outstanding issue in the case: Whether “banked” renewable energy credits (RECs) that were generated in 2018 and earlier should be credited at the RPS MPB
- The PD sides with CEA and condemns SDG&E’s bait-and-switch advocacy
- Orders the utility to use RECs generated after 2018 and value those at the RPS MPB

2026 Rates in the October Update *

Vintage	Current (2025)	October Update (2026)	November 17 Advice Letter (2026)	Increase Over Current Rates
Bundled Customer (Generation + PCIA)	\$0.15515/kWh	\$0.18453/kWh	\$0.17394/kWh	\$0.01879/kWh
Solana Beach PCIA (Vintage 2017)	\$0.00004/kWh	\$0.03154/kWh	\$0.03423/kWh	\$0.03419/kWh
Carlsbad & Del Mar PCIA (Vintage 2020)	(\$0.01109)/kWh	\$0.02934/kWh	\$0.03375/kWh	\$0.04484/kWh
Escondido & San Marcos (Vintage 2022)	(\$0.01910)/kWh	\$0.02559/kWh	\$0.02714/kWh	\$0.04624/kWh
Oceanside & Vista PCIA (Vintage 2023)	(\$0.03216)/kWh	\$0.01915/kWh	\$0.02412/kWh	\$0.05628/kWh

QUESTIONS?

Tim Lindl
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(510) 314-8385

Questions/Discussion – Item 6

Item 7: Review Options for Customer Electricity Rate Relief

Background: Strategic Plan

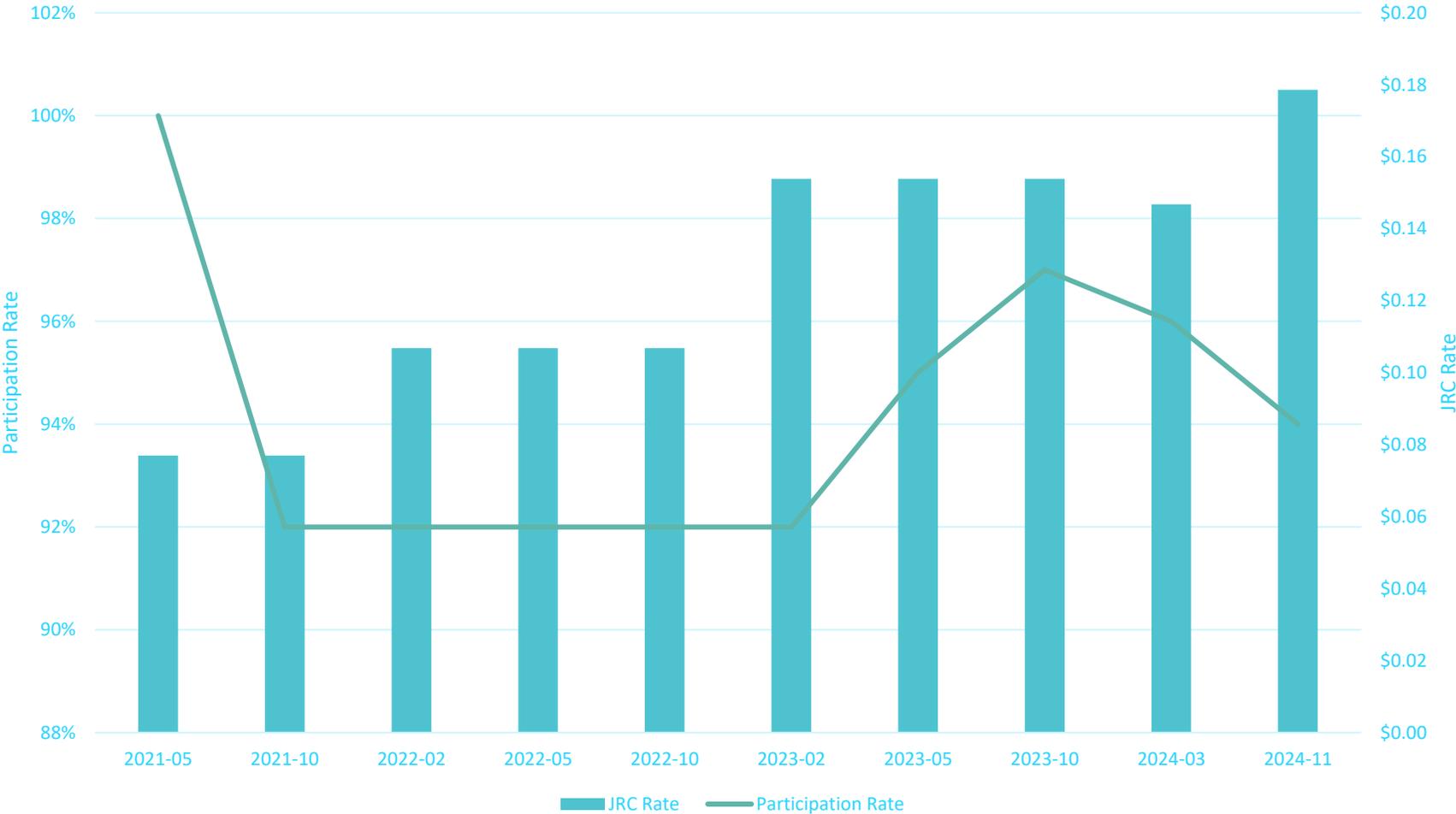
- Core Guiding Principle #2
 - Build and Maintain Financial Stability
- Strategic/Work Plan Goal
 - Achieve an Investment Grade Rating
- Key Benefits of an Investment Grade rating
 - Best practice for CCAs – Energy Suppliers expect it
 - Confirmation by an independent 3rd party that CEA is financially stable and creditworthy
 - Expectation of the ability to withstand inherent volatility of energy markets
 - Minimize or eliminate substantial collateral requirements
 - Achieve lower pricing for energy products
- Would require Days Liquidity on Hand (DLOH) of 150-180 days on a sustained basis
- Staff estimates that based on current projections, based on CEA's current rates, in investment grade rating is likely in the middle of FY2028

Background: October ERRA Update

- SDG&E publishes expected electricity generation and PCIA rates
 - The recent October release indicated that for the applicable 4 CEA vintages:
 - SDG&E's Bundled Generation Rates are expected to increase by 19% on average (up by 2-3 cents per kWh)
 - PCIA rates are expected to increase significantly more – an average of 3.1 to 5.1 cents per kWh
 - The increase in residential PCIA rates is higher than the average – 3.5 to 5.4 cents per kWh
- SDG&E Issued Advice Letter (AL) 4758-E on November 17, 2025 adjust PCIA and bundled rate forecasts; impacts have not yet been analyzed
- Final rates will be published on December 31, 2026
- Based on CEA's current rates, all of CEA's customers will be paying more than the SDG&E rates in 2026

Rates vs. Opt-Out Correlation

Historical TOU-DR1 Rate vs Participation Rate



Comparison of Residential (TOU-DR1) Rates

		SDG&E	CEA Products		
		Bundled Residential Customers	<u>Clean Impact (Base)</u>	<u>Clean Impact Plus (Default)</u>	<u>Green Impact (Premium)</u>
		41.4% Renewable	50% Renewable	50% Renewable + 75% Carbon Free	100% Renewable
Average Monthly Bill	Vintage				
SDG&E		\$ 180.46			
Solana Beach	2017		\$ 190.06	\$ 190.42	\$ 192.77
Carlsbad/Del Mar	2020		\$ 189.21	\$ 189.57	\$ 191.92
Escondidos/San Marcos	2022		\$ 187.73	\$ 188.09	\$ 190.44
Oceanside/Vista	2023		\$ 185.37	\$ 185.73	\$ 188.08
Average Monthly Premium as Compared to SDG&E					
SDG&E		\$ -			
Solana Beach	2017		\$ 9.60	\$ 9.96	\$ 12.31
Carlsbad/Del Mar	2020		\$ 8.75	\$ 9.11	\$ 11.46
Escondidos/San Marcos	2022		\$ 7.27	\$ 7.63	\$ 9.98
Oceanside/Vista	2023		\$ 4.91	\$ 5.27	\$ 7.62

- Solana Beach has the highest expected PCIA, so its customers would pay the most
- Most of CEA's residential customers are enrolled in the TOU-DR1 rate class

Options Considered for Rate Relief

- 3% Rate Reduction across all rate classes (Commercial and Residential)
- 5% Rate Reduction across all rate classes (Commercial and Residential)
- CARE/FERA Customer Credit
- Adjust the rate for CEA's Base Product (Clean Impact) to Parity with SDG&E for Vintage Year with highest PCIA (VY 2017)
 - Solana Beach average monthly customer bill would be equal to SDG&E's
 - Other CEA customer monthly bills would be below SDG&E's
 - 2 possible implementations
 - a) Residential customers only
 - b) All customers – Residential and Commercial

3% Decrease for all CEA Rates

- Would reduce CEA's revenues by approximately \$12-12.5 million per year
- Would extend the likely timing for an Investment Grade Rating by approximately one year

	Total Year FY26	Total Year FY27	Total Year FY28	Total Year FY29	Total Year FY30
Change in Net Position	\$ 33,787,049	\$ 29,115,842	\$ 68,963,157	\$ 78,196,765	\$ 77,498,841
DLOH	62	86	169	211	291

Note: Residential Customers would still pay more on average than SDG&E

TOU-DR1	SDG&E	VY 2017	VY 2020	VY 2022	VY 2023
No Rate Change	\$ 180.46	\$ 190.42	\$ 189.57	\$ 188.09	\$ 185.73
3% Rate Decrease	\$ 180.46	\$ 188.49	\$ 187.64	\$ 186.16	\$ 183.80

5% Decrease for all CEA Rates

- Would reduce CEA's revenues by approximately \$20-22.5 million per year
- Would extend the likely timing for an Investment Grade Rating by approximately 18 months

	Total Year FY26	Total Year FY27	Total Year FY28	Total Year FY29	Total Year FY30
Change in Net Position	\$ 31,252,939	\$ 21,064,265	\$ 60,815,721	\$ 69,925,598	\$ 69,089,924
DLOH	61	76	149	181	253

Note: Residential Customers would still pay more than SDG&E

TOU-DR1	SDG&E	VY 2017	VY 2020	VY 2022	VY 2023
No Rate Change	\$ 180.46	\$ 190.42	\$ 189.57	\$ 188.09	\$ 185.73
5% Rate Decrease	\$ 180.46	\$ 187.20	\$ 186.35	\$ 184.87	\$ 182.51

CARE/FERA Customer Credit

- Would have provided a monthly or one-time credit to CARE/FERA customer bills
- Unfortunately, SDG&E's billing system has some limitations on passing credits to customer bills; SDG&E working on this issue
- Still exploring modifications to this idea that might be permitted, but not likely

Adjust Clean Impact Rate to SDG&E Parity

- CEA has 3 options for Customer Enrollment
- New CEA Customers are automatically enrolled in Clean Impact Plus

<u>Product</u>	<u>Product Content</u>	<u>Customers</u>
Clean Impact (Base)	50% Renewable	737
Clean Impact Plus (Default)	50% Renewable 75% Carbon Free	253,417
Green Impact (Premium)	100% Renewable	1,473
	Total	255,627

- Proposal:
 - Adjust the rate for Clean Impact for 12 months as customer retention/rate relief option
 - Residential customers could elect to “Opt Down” to Clean Impact
 - Receive an overall electricity rate that, in most cases, provides savings relative to SDG&E
 - Working with Calpine on implementation timeline

Adjust Clean Impact Rate to SDG&E Parity

		SDG&E	CEA Products		
		Bundled Residential Customers	<u>Clean Impact (Base)</u>	<u>Clean Impact Plus (Default)</u>	<u>Green Impact (Premium)</u>
		41.4% Renewable	50% Renewable	50% Renewable + 75% Carbon Free	100% Renewable
Average Monthly Bill	Vintage				
SDG&E		\$ 180.46			
Solana Beach	2017		\$ 180.46	\$ 190.42	\$ 192.77
Carlsbad/Del Mar	2020		\$ 179.61	\$ 189.57	\$ 191.92
Escondidos/San Marcos	2022		\$ 178.13	\$ 188.09	\$ 190.44
Oceanside/Vista	2023		\$ 175.77	\$ 185.73	\$ 188.08
Avg Monthly Premium/(Savings) Relative to SDG&E					
SDG&E		\$ -			
Solana Beach	2017		\$ (0.00)	\$ 9.96	\$ 12.31
Carlsbad/Del Mar	2020		\$ (0.85)	\$ 9.11	\$ 11.46
Escondidos/San Marcos	2022		\$ (2.33)	\$ 7.63	\$ 9.98
Oceanside/Vista	2023		\$ (4.69)	\$ 5.27	\$ 7.62

- Customer Savings of \$9.96 per month relative to current Clean Impact Plus rate
- Customer Savings of up to \$4.69 per month compared to SDG&E

Financial Comparison of Rate Relief Options

Current Plan							
Change in Net Position		\$ 37,588,214	\$ 41,193,206	\$ 81,184,311	\$ 90,603,516	\$ 90,112,218	
DLOH		65	101	199	256	349	
3% Decrease							
Change in Net Position		\$ 33,787,049	\$ 29,115,842	\$ 68,963,157	\$ 78,196,765	\$ 77,498,841	
DLOH		62	86	169	211	291	
5% Decrease							
Change in Net Position		\$ 31,252,939	\$ 21,064,265	\$ 60,815,721	\$ 69,925,598	\$ 69,089,924	
DLOH		61	76	149	181	253	
Parity 1 year (February 1 to January 31)							
Change in Net Position		\$ 36,112,310	\$ 39,126,941	\$ 81,184,311	\$ 90,603,516	\$ 90,112,218	
DLOH		64	97	195	252	345	

Note: Parity option assumes that 30,000 customers elect to Opt Down

Staff Recommendation

That the CEA Board support adjusting the rate for CEA's Base Product (Clean Impact) to Parity with SDG&E for PCIA Vintage Year 2017 (Option 4)

- Offers an opportunity to any customer to reduce average monthly costs to at or below SDG&E's average monthly bill
- Limit time period to 12 months – could be extended
- Minimal impact on financial projections and rating timeline
- Staff will report to Board at the end of CY 2026 on SDG&E's 2027 ERRR Forecast

Include Commercial in Rate Relief?

- Restrictions and Timing of Rate Relief Implementation for Clean Impact Only
 - Most streamlined approach would include all CEA customers (commercial and residential)
 - Most streamlined approach would apply a single kWh credit to all customers
 - Parity for all customer classes would be achieved with different kWh adjustments (based on current ERRRA forecast)
 - Residential – 2.6 cents per kWh
 - Small Commercial – 1.8 cents per kWh
 - Large Commercial – 1.9 cents per kWh
 - Applying a single kWh adjustment to all customers would provide costs BELOW SDG&E for Commercial customers who Opt Down

Clean Impact Rate = SDG&E (Residential)

		SDG&E	Clean Impact (Base) Product	
		Bundled Residential Customers	FORECAST ERRA	Parity
RESIDENTIAL				
Average Monthly Bill	Vintage	361 KWh		
SDG&E		\$ 180.46		
Solana Beach	2017		\$ 190.06	\$ 180.46
Carlsbad/Del Mar	2020		\$ 189.21	\$ 179.61
Escondidos/San Marcos	2022		\$ 187.73	\$ 178.13
Oceanside/Vista	2023		\$ 185.37	\$ 175.77
Average Monthly Premium as Compared to SDG&E				
SDG&E				
Solana Beach	2017		\$ 9.60	\$ -
Carlsbad/Del Mar	2020		\$ 8.75	\$ (0.85)
Escondidos/San Marcos	2022		\$ 7.27	\$ (2.33)
Oceanside/Vista	2023		\$ 4.91	\$ (4.69)
Rate Reduction			\$ -	\$ (0.02660)

- All customers save up to \$4.69 per month relative to SDG&E

- If 30,000 of 224,000 customers Opt-Down, cost would be approximately \$3.5 million for 1 year

Clean Impact Rate = SDG&E (Small Commercial)

		SDG&E	Clean Impact (Base) Product			
		Bundled Residential Customers	FORECAST ERRA		Parity	Using Residential Parity
SMALL COMMERCIAL						
Average Monthly Bill	Vintage	1056 kWh				
SDG&E		\$ 496.97				
Solana Beach	2017		\$ 515.55	\$ 496.97	\$ 487.46	
Carlsbad/Del Mar	2020		\$ 513.63	\$ 495.05	\$ 485.54	
Escondidos/San Marcos	2022		\$ 511.71	\$ 493.13	\$ 483.62	
Oceanside/Vista	2023		\$ 505.88	\$ 487.30	\$ 477.79	
Average Monthly Premium as Compared to SDG&E						
SDG&E						
Solana Beach	2017		\$ 18.58	\$ -	\$ (9.51)	
Carlsbad/Del Mar	2020		\$ 16.65	\$ (1.92)	\$ (11.44)	
Escondidos/San Marcos	2022		\$ 14.73	\$ (3.84)	\$ (13.36)	
Oceanside/Vista	2023		\$ 8.90	\$ (9.67)	\$ (19.19)	
Rate Reduction			\$ -	\$ (0.01759)	\$ (0.02660)	

- All customers save up to \$9.67 per month relative to SDG&E
- Using Fixed Residential kWh credit all customers save up to \$19.19 per month

If 20% of 27,000 customers Opt-Down

- Cost would be approx. \$1.2 million for 1 year at Parity
- Using single/Residential adjustment, cost would be approx. \$1.9 million

Clean Impact Rate = SDG&E (Med/Large Commercial)

		SDG&E	Clean Impact (Base) Product		
		Bundled Residential Customers	FORECAST ERRA	Parity	Using Residential Parity
MEDIUM/LARGE					
Average Monthly Bill	Vintage	21,631 KWh			
SDG&E		\$ 10,895.10			
Solana Beach	2017		\$ 11,314.09	\$ 10,895.10	\$ 10,738.71
Carlsbad/Del Mar	2020		\$ 11,266.29	\$ 10,847.30	\$ 10,690.91
Escondidos/San Marcos	2022		\$ 11,185.61	\$ 10,766.61	\$ 10,610.22
Oceanside/Vista	2023		\$ 11,037.65	\$ 10,618.66	\$ 10,462.27
Average Monthly Premium as Compared to SDG&E					
SDG&E					
Solana Beach	2017		\$ 418.99	\$ -	\$ (156.39)
Carlsbad/Del Mar	2020		\$ 371.19	\$ (47.80)	\$ (204.20)
Escondidos/San Marcos	2022		\$ 290.50	\$ (128.49)	\$ (284.88)
Oceanside/Vista	2023		\$ 142.55	\$ (276.44)	\$ (432.84)
Rate Reduction			\$ -	\$ (0.01937)	\$ (0.02660)

- All customers save - up to \$276.44 per month on average relative to SDG&E
- Using Fixed Residential KWh credit all customers save up to \$432.84 per month on average

If 20% of 2,500 customers Opt-Down

- Cost would be approx. \$2.6 million for 1 year at Parity
- Using single/Residential adjustment, cost would be approx. \$3.6 million

Summary

					<u>Clean Impact (Base) Parity</u>	<u>Clean Impact (Base) Using Residential Parity</u>
					Multiple Adjustments	Single KWh Adjustment
<u>Estimated Cost</u>						
	Residential				\$ 3,543,129	\$ 3,543,129
	Small Commercial				\$ 1,235,582	\$ 1,868,475
	Medium/Large Commercial				\$ 2,616,524	\$ 3,593,162
	Total				\$ 7,395,235	\$ 9,004,766
<u>Estimated Ending Net Position December 31, 2026</u>					\$ 87,377,173	\$ 85,767,642
<u>Estimated Ending DLOH December 31, 2026</u>					108	107
<u>Current Projection (without any Rate Relief)</u>						
	Estimated Ending Net Position December 31, 2026				\$ 94,772,408	
	Estimated Ending DLOH December 31, 2026				114	

Board Considerations

- Balance financial stability/credit worthiness with all options for rate relief and/or customer retention
- Balance CEA's obligation to provide higher renewable and carbon-free energy while meeting member agencies' CAP goals to reduce GHG emissions with the potential for Opt Downs
- Whether to make Option 4 available to residential customers only or to apply it to all customers including commercial

Next Steps

- Board direction
- Confirm implementation timeline from Calpine
- Monitor SDG&E's final 2026 ERRRA Forecast for PCIA and Bundled Rates
- Hold Public Hearing at January 2026 Board meeting if directed by the Board

Questions/Discussion – Item 7