CLEAN ENERGY ALLIANCE

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. Please submit a Speaker's Slip to the Board Clerk prior to the announcement of the item to be heard. In conformance with the Brown Act, no Board action can occur on items presented during Public Comment.

CLEAN ENERGY ALLIANCE

Board of Directors Meeting

October 29, 2026

CLEAN ENERGY ALLIANCE

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Item 1:
PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957

Title: Chief Executive Officer

Presentation: Short- and Long-Term Renewable Energy, GHG-Free Contracting Options and CEA's Targets

Background

CEA's renewable content procurement strategy has impacts both short-term (Power Content Label, or PCL) and mid/long-term (evolution of product offerings, CEA's 2035 goals). **This presentation serves as a preview of the December Board retreat and provides context for discussion of CEA's 2025 PCL and near-term renewable targets.**

CEA must balance different priorities when developing our procurement strategy:

1. Contract for renewable energy to meet **100% renewable by 2035**
2. Minimum requirement of 50% renewable and greater renewable content than SDG&E outlined in our JPA
3. Procure for compliance products to meet state-mandated compliance requirements:
   - Resource Adequacy (RA) – **grid reliability**
   - Renewable Portfolio Standards (RPS) – **grid renewable content, today's focus**
4. Hedge against market price volatility by purchasing power ahead of time and **locking in power supply costs**

Short-term energy contracts are available to fill needs for these products as CEA builds its long-term portfolio. CEA's cost of Index+ renewable and carbon-free energy varies based on market prices, ranging from **$36m in 2025** to **$8m forecasted for 2027**.

CEA's 2025 PCL

Emissions, Power Sources, Unbundled RECs	GreenImpact (Retail Sales)	CleanImpact Plus (Retail Sales)	CleanImpact (Retail Sales)	Wholesale Market Access Tariff (Retail Sales)	Clean Energy Alliance Total (Retail Sales, Other End Uses, & Losses)	CA Utility Average (Retail Sales, Other End Uses, & Losses)
Greenhouse Gas Emissions Intensity (lbs of CO_2e emitted per megawatt hour)	0	216	615	965	322	384
Renewables and Zero-Carbon Resources	100%	81%	54%	13%	71%	67%
Fossil Fuels	0%	19%	46%	87%	29%	33%
Biomass & Biogas	0%	0%	0%	0%	0%	2%
Geothermal	0%	0%	0%	0%	0%	5%
Eligible Hydroelectric	0%	0%	0%	0%	0%	1%
Solar	50%	38%	50%	5%	34%	25%
Wind	50%	17%	0%	0%	15%	14%
RPS Eligible Renewables - Subtotal	100%	55%	50%	5%	49%	46%
Large Hydroelectric	0%	11%	0%	0%	10%	10%
Nuclear	0%	12%	0%	0%	10%	10%
Emerging Technologies	0%	0%	0%	0%	0%	0%
Other	0%	0%	0%	0%	0%	0%
Natural Gas	0%	0%	0%	0%	0%	11%
Coal & Petroleum	0%	0%	0%	0%	0%	2%
Unspecified Power (92% fossil fuels)	0%	21%	50%	95%	31%	21%
Total	100%	100%	100%	100%	100%	100%
Retail sales covered by retired unbundled RECs	0%	0%	0%	45%	N/A	N/A

Renewable

Carbon-Free

Primary Energy Contracting Options

	Contract Type	Energy	Resource Adequacy (RA)	Renewable/GHG Attribute (e.g., RECs)
Long-Term (10-30 years)	Power Purchase Agreement (PPA)	●	●	●
	Energy Storage Service Agreement (ESSA)	●	●	
Short-Term (0-5 years)	Wholesale Energy Hedge	●		
	Index + GHG-Free / Renewable Energy			●
	RA		●	

Fully "bundled" product

Additionality: Does CEA's money result in emissions reductions?

Same renewable MWh on paper. Different thing happens in the world.

NEW-BUILD PPA → additional

CEA's dollars
10 to 30 years, fixed price

→

A plant that does not exist yet
gets financed and built

→

New clean MWh on the grid

What CEA gets: energy, capacity and the REC, from a plant that would not be there without buyers like CEA.

What CEA gives: a long-term purchase commitment, whether or not today's customers stay.

INDEX+ FROM AN EXISTING PLANT → not additional*

CEA's dollars
1 to 3 years, attribute price only

→

A plant built years ago
keeps running as before

→

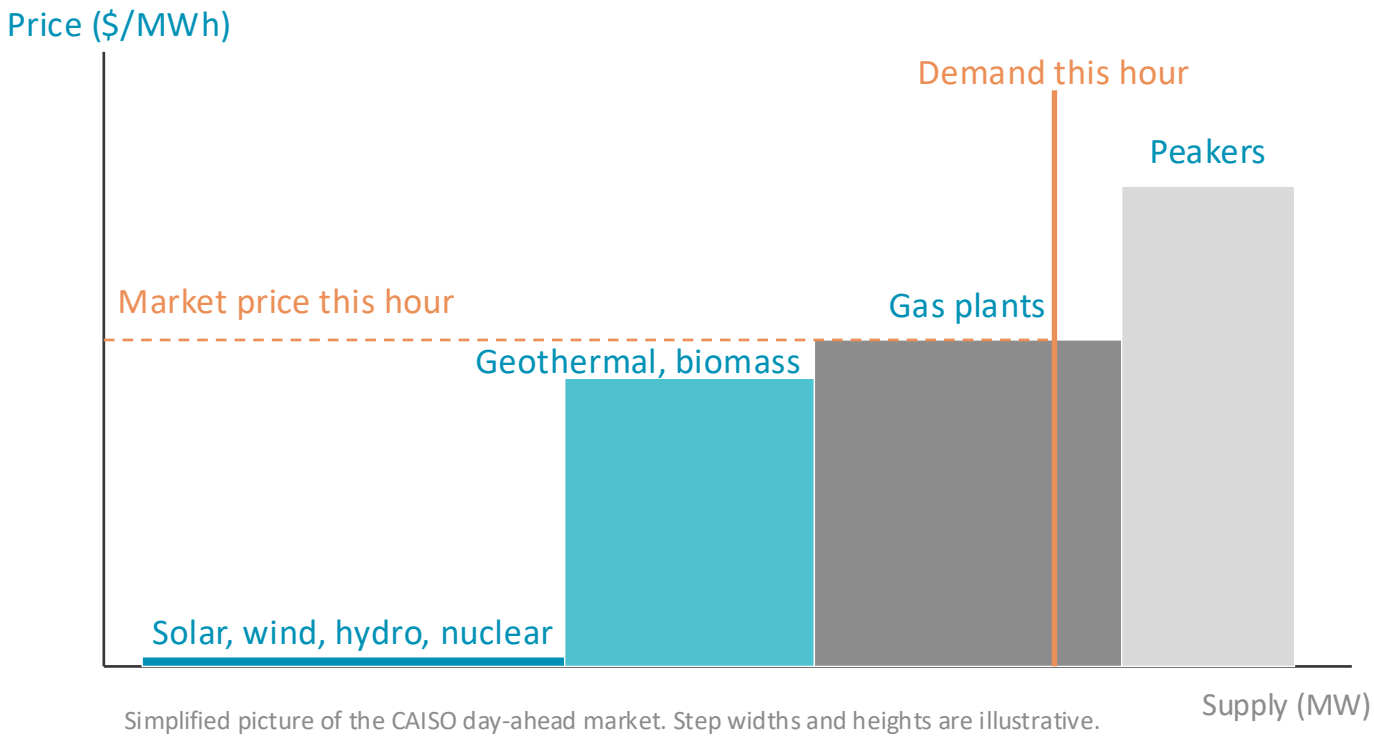
Same MWh, now with CEA's name on the REC

What CEA gets: the REC. It counts for the RPS and the Power Content Label. The plant keeps the energy.

What CEA gives: an "adder" price and a short commitment. Nothing new gets built.

*Further discussed on the subsequent slides.

Why cheap clean plants run first



Simplified picture of the CAISO day-ahead market. Step widths and heights are illustrative.

Every hour, the CAISO runs the cheapest plants first and adds more expensive ones until demand is met.

The last plant needed sets the price everyone is paid that hour. An Index+ payment to a renewable energy project lowers that facility's step but rarely would impact the market price.

This may cause a biomass facility to run over a gas plant, but solar or nuclear were going to be running regardless of additional Index+ revenue.

Additionality Considerations for Index+

Arguments For Index+

- Increasing demand for Index+ signals general market need for clean energy
- As prices for existing clean energy increase, new projects become comparatively attractive
- Projects with O&M costs may retire without enough revenue incentives to continue operating (biomass, geothermal)
- New LSEs need time to procure new build projects via PPAs

Arguments Against Index+

- Index+ pricing is too volatile to finance new projects cost-effectively; PPAs are needed regardless
- Existing wind/solar/nuclear/hydro would have generated regardless of this additional revenue
- Clean energy value is not the constraint preventing new construction of certain project types (nuclear, large hydro)
- No requirement for generation timing to match with CEA's customer load; hedges still needed, potential challenges for 24/7 targets

Key Takeaways & Next Steps

Short-Term: Staff recommends focusing procurement efforts on PPAs with clear additionality rather than Index+ deals that may temporarily improve the PCL.

Long-Term: Preview of implications to consider for December conversation of CEA's JPA goal of **100% renewable by 2035:**

- Hourly vs annual
- Short- vs long-term contracts
- GHG-free vs renewable
- Cost/competitiveness/risk tradeoffs and timing of achieving the 100% target

Appendix: Characteristics of PPAs/ESSAs

Long-term agreements:

1. Provide cost-certainty to CEA
2. Provide revenue-certainty to the Seller in energy markets with volatile prices
   - Depending on market prices, these may be cheaper or more expensive than buying the same products via a combination of short-term contracts.
3. Provide fixed pricing for all products combined
4. Require long-term payment obligations
5. Provide for penalties on Seller for underperformance during construction (e.g., delays) or operations (e.g., unavailability of the battery)
6. Provide limited "outs" for Seller or Buyer

Without these agreements, revenues too uncertain to cost-effectively finance new project construction – "**additionality**."

Appendix: Characteristics of Index+ Contracts

Short-term (0-5 year) agreements provide cost-certainty to CEA, and revenue-certainty to the Seller in energy markets with volatile prices.

1. Fixed pricing for the renewable attribute; generator keeps the wholesale energy value, though still considered "bundled"
2. Flexible generation timing within the delivery term
3. Specific resources identified in the contract – existing, already-operational facilities

Biomass project example: if the marginal cost of fuel is $30/MWh, a $10/MWh Index+ deal means that they would generate at market prices above $20/MWh.

Solar project example: an existing solar project has no marginal cost to generate; a $10/MWh Index+ deal means that they would *pay* up to $10/MWh to generation (participate at prices above -$10/MWh

Questions/Discussion – Presentation

Item 6: Clean Energy Alliance Chief Executive Officer Operational and Administrative Report

CEA Enrollment Statistics

Member City	Eligible Accounts	Clean Impact 50% Renewable	Clean Impact Plus 55% Renewable/ 75% Carbon Free	Green Impact 100% Renewable	Participation Rate
Carlsbad	55,515	319	49,543	659	91%
Del Mar	3,031	12	2,757	73	94%
Escondido	57,496	299	53,476	69	94%
Oceanside	75,209	391	69,554	107	93%
San Marcos	38,374	232	35,053	458	93%
Solana Beach	8,066	35	7,196	170	92%
Vista	39,682	20	36,889	355	94%
TOTAL	**277,373**	**1,488**	**254,468**	**1,891**	**93%**

CEA serves a total of 257,847 customer accounts across its seven member agencies

Metrics as of October 1, 2026.

Completed Community Events

Date	Description	City
September 24, 2026	She Leads Inc	San Diego
September 26, 2026	Cyclovia	Vista
September 30, 2026	CPUC Small & Diverse Business Expo	San Francisco
October 1, 2026	CPUC – GO 156 Supplier Diversity En Banc	San Francisco
October 2, 2026	US Marine Corps Fall Carnival	**Camp Pendleton**
October 3, 2026	CEA/Frontwave Day of Service	Carlsbad
October 7, 2026	San Diego Climate Week Clean Air Day	San Diego
October 7, 2026	Del Mar Climate Symposium	Del Mar
October 11, 2026	San Marcos Harvest Festival	San Marcos
October 11, 2026	San Marcos Elementary Food Pantry	San Marcos
October 17, 2026	NAACP Freedom Fund Gala	Carlsbad
October 27, 2026	Election Education Fair	San Marcos

Upcoming Community Events

Date	Description	City
November 4, 2026	Climate and Resiliency Commission Presentation	Solana Beach
November 6, 2026	Lesly McCallister Law Symposium	San Diego
November 13, 2026	Climate Action Campaign	San Diego
November 16, 2026	State of the County	San Diego
November 17, 2026	Frontwave Arena Booth (O'Side Shock)	Oceanside
December 3, 2026	CleanTech SD: Powering the Next Era	San Diego
December 11, 2026	Frontwave Arena Booth (SD Clippers)	Oceanside

Rate Relief Credit Opt-Downs

Member City	Commercial	Residential	Total
Carlsbad	6	160	166
Del Mar	0	6	6
Escondido	7	155	162
Oceanside	9	206	215
San Marcos	1	129	130
Solana Beach	0	20	20
Vista	7	123	130
TOTAL	**30**	**799**	**829**

- As of September 2026, the percentage breakdown of customer opt-downs by method:
  - 61% via Call Center
    - Of the call center opt-downs, 47% specifically mentioned Rate Relief Credit as the reason
  - 37% via self-service Web form
  - 2% through self-service Interactive Voice Response (IVR)

Metrics as of October 12, 2026.

Solar Plus and Battery Bonus Update

Member City	Solar Plus		Solar Plus Connect		Battery Bonus		Battery Bonus Connect	
Status	Active	Complete	Active	Complete	Active	Complete	Active	Complete
Carlsbad	2	4	3	0	0	3	3	7
Del Mar	1	0	1	0	0	0	1	0
Escondido	10	5	13	0	0	0	3	9
Oceanside	9	5	6	0	0	0	3	11
San Marcos	4	4	3	0	1	1	2	6
Solana Beach	0	1	1	0	0	0	1	1
Vista	5	3	7	0	1	3	3	10
TOTAL	**31**	**22**	**34**	**0**	**2**	**7**	**16**	**44**
MoM CHANGE	**+2**	**+1**	**0**	**0**	**0**	**+2**	**0**	**0**

Metrics as of Oct. 5, 2026.

MoM refers to Month-over-Month Change.

PeakSmart Savers Participants

Member City	PeakSmart Savers Participants
Carlsbad	18
Del Mar	1
Escondido	24
Oceanside	26
San Marcos	4
Solana Beach	1
Vista	18
TOTAL	**92**
MoM Change	**+16**

Metrics as of September 30, 2026.
MoM = Month-over-Month

Equitable Building Decarbonization (EBD)

- As of October 12, CEA has conducted outreach at 15 events, resulting in approximately 60 leads and 30 enrollment forms submitted.
- Enrollment forms were submitted by residents living in Oceanside, Vista, San Marcos, and Escondido, the four CEA member cities currently identified as Initial Community Focus Areas (ICFAs) by the EBD program.
- To date, four CEA enrollments have been deemed eligible to move forward, all other enrollment forms are pending review.

Joint Rate Mailer

- CEA has published its annual Joint Rate Mailer (JRM). The JRM is required annually by the California Public Utilities Commission (CPUC) and helps customers understand how CEA rates compare to SDG&E.
- Customers were notified in early October 2026, either via email, if they have an email on file, or by a mailed postcard.
- The JRM can be found on the CEA website under Key Documents. https://thecleanenergyalliance.org/key-documents/

Joint Rate Mailer - Residential

UNDERSTANDING YOUR ENERGY CHOICES

TOU-DR1 - Residential Rate Comparison*	SDGE	Clean Energy Alliance		
	SDG&E 41% Renewable	CEA Clean Impact 50% Renewable	CEA Clean Impact Plus 55% Renewable/ 75% carbon-free	CEA Green Impact 100% Renewable
Generation Rate ($/kWh)	$0.12968	$0.13621	$0.17592	$0.18243
SDG&E Delivery Rate ($/kWh)	$0.29307	$0.29312	$0.29312	$0.29312
SDG&E PCIA ($/kWh)	$0.04772	$0.02613	$0.02613	$0.02613
Franchise Fees ($/%)	$0.00356	$0.00356	$0.00356	$0.00356
Total Electricity Cost ($/kWh)	$0.47403	$0.45903	$0.49874	$0.50524
Average Monthly Bill ($)	**$164.01**	**$158.82**	**$172.56**	**$174.81**

Average Monthly Usage: 346 kWh

Rates as of August 1, 2026.

** This comparison illustrates the estimated electricity costs for a typical residential TOU-DR1 customer within the Clean Energy Alliance with an average monthly consumption of 346 kilowatt-hours (kWh). This is based on 12-months of billing history for all customers on a TOU-DR1 rate plan and published rates as of August 1, 2026.*

Electric Power Generation Mix*	SDG&E 41.4% Renewable	CEA Clean Impact 50% Renewable	CEA Clean Impact Plus 55% Renewable/ 75% carbon-free	CEA Green Impact 100% Renewable
Specific Purchases	**Percent of Total Retail Sales (kWh)**			
Eligible Renewables	**41%**	**50%**	**55%**	**100%**
· Biomass	1%	0%	0%	0%
· Geothermal	0%	0%	0%	0%
· Eligible Hydroelectric	0%	0%	0%	0%
· Solar	24%	50%	38%	50%
· Wind	16%	0%	17%	50%
Coal	**0%**	**0%**	**0%**	**0%**
Large Hydroelectric	**0%**	**0%**	**11%**	**0%**
Natural Gas	**59%**	**0%**	**0%**	**0%**
Nuclear	**0%**	**0%**	**12%**	**0%**
Other	**0%**	**0%**	**0%**	**0%**
Unspecified Power Sources**	**0%**	**50%**	**21%**	**0%**
Total	**100%**	**100%**	**100%**	**100%**

Joint Rate Mailer - Commercial

UNDERSTANDING YOUR ENERGY CHOICES

TOU-A Commercial Rate Comparison*	SDG&E 41% Renewable	CEA Clean Impact 50% Renewable	CEA Clean Impact Plus 55% Renewable/ 75% carbon-free	CEA Green Impact 100% Renewable
Generation Rate ($/kWh)	$0.12218	$0.12085	$0.14842	$0.15492
SDG&E Delivery Rate ($/kWh)	$0.25190	$0.25196	$0.25196	$0.25196
SDG&E PCIA ($/kWh)	$0.03638	$0.01745	$0.01745	$0.01745
Franchise Fees ($/%)	$0.00452	$0.00452	$0.00452	$0.00452
Total Electricity Cost ($/kWh)	$0.41499	$0.39478	$0.42235	$0.42885
Average Monthly Bill ($)	**$425.78**	**$405.04**	**$433.33**	**$440.00**

Average Monthly Usage: 1,026 kWh
Average Monthly Demand: 5.1 kW

Rates as of August 1, 2026.

** This comparison illustrates the estimated electricity costs for a typical TOU-A commercial customer within the Clean Energy Alliance with an average monthly consumption of 1,026 kilowatt-hours (kWh). This is based on 12-months of billing history for all customers on a TOU-A rate plan and published rates as of August 1, 2026.*

Electric Power Generation Mix*	SDG&E 41.4% Renewable	CEA Clean Impact 50% Renewable	CEA Clean Impact Plus 55% Renewable/ 75% carbon-free	CEA Green Impact 100% Renewable
Specific Purchases	**Percent of Total Retail Sales (kWh)**			
Eligible Renewables	**41%**	**50%**	**55%**	**100%**
• Biomass	1%	0%	0%	0%
• Geothermal	0%	0%	0%	0%
• Eligible Hydroelectric	0%	0%	0%	0%
• Solar	24%	50%	38%	50%
• Wind	16%	0%	17%	50%
Coal	**0%**	**0%**	**0%**	**0%**
Large Hydroelectric	**0%**	**0%**	**11%**	**0%**
Natural Gas	**59%**	**0%**	**0%**	**0%**
Nuclear	**0%**	**0%**	**12%**	**0%**
Other	**0%**	**0%**	**0%**	**0%**
Unspecified Power Sources**	**0%**	**50%**	**21%**	**0%**
Total	**100%**	**100%**	**100%**	**100%**

Energy Efficiency Programs Proceeding

- In October 2026, the CPUC denied SDG&E's request to modify its energy efficiency business plan and withdraw from administering regional energy efficiency programs, for both electric and natural gas customers.
- CEA was active in this proceeding alongside SDCP and SDREN, advocating that energy efficiency is an important tool for affordability.
- The CPUC decision:
  - Directs SDG&E to continue administering its regional energy efficiency programs and its codes and standards programs.
  - Requires a comprehensive plan for replacement if SDG&E plans to withdraw again in the future.
  - Preserves customer access to SDG&E programs and does not inhibit CEA customers from accessing SDREN programs, ensuring holistic and equitable access to energy efficiency programs.

University of San Diego Energy Academy

- CEA Staff and CAC members joined Cohort 5 of the Energy Academy hosted by USD's Energy Policy Initiatives Center (EPIC) and the San Diego Regional Climate Collaborative (SDRCC).
- The Energy Academy provided an opportunity for attendees to increase their Energy IQ and connect with fellow energy enthusiasts.
- CEA sponsored this year's four-day Energy Academy and Staff participated in the CCA Panel on October 1, 2026.



Energy Academy attendees at the SDG&E Skills Training Center on September 24, 2026.

Questions/Discussion – Item 6

Item 7: Risk Oversight Committee Report

ROC Discussion Topics

- Market Update
- Current Portfolio Planning and Position Management
- JPM/POLR Covenants
- Energy Prepayment Transaction Update
- Anticipated Q3/Q4 2026 ROC Agenda Topics

CAISO Local Capacity Requirements Studies Over Time

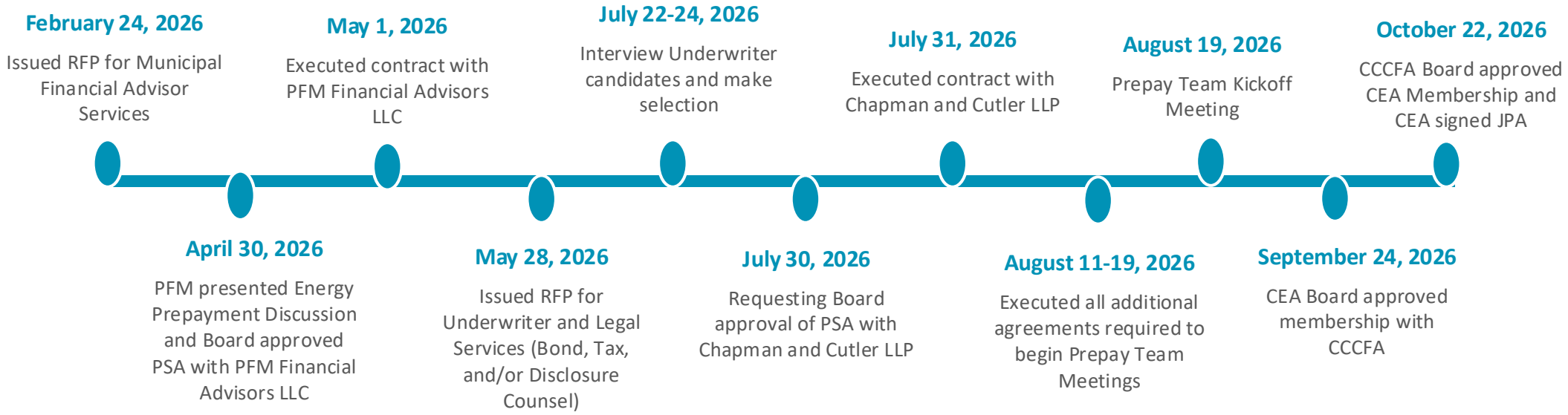
- Requirements from CAISO have consistently decreased as the prompt year approaches
- Regulatory avenues are being explored to helps CEA better manage out-year requirements, including only having an 85% procurement requirement for two years out (rather than 100%)

2025-2027 Local Capacity Requirements	
Year	SD-IV Requirement
2025	2709
2026	3812
2027	2915

2026-2028 Local Capacity Requirements	
Year	SD-IV Requirement
2026	2631
2027	2800
2028	2968

2027-2029 Local Capacity Requirements	
Year	SD-IV Requirement
2027	2006
2028	2014
2029	2022

Prepayment Transaction - Timeline



Prepayment Transaction Next Steps

- October 29-November 5: Prepay Team finalizes all deal documents
- November 19: CEA will request Board review and approval of the transaction
- December 3: CEA will request CCCFA Board review and approval of the transaction
- Week of December 7: First pricing window
- Week of December 14: Finalize and close deal (option to close in January if needed)

Questions/Discussion – Item 7

Item 8: Regulatory Update

Clean Energy Alliance: Regulatory Update

Tim Lindl – Keyes & Fox LLP

October 29, 2026

KEYES & FOX LLP

Overview

SDG&E 2027 Energy Resource Recovery Account (ERRA) Forecast Case (A.26-05-009)

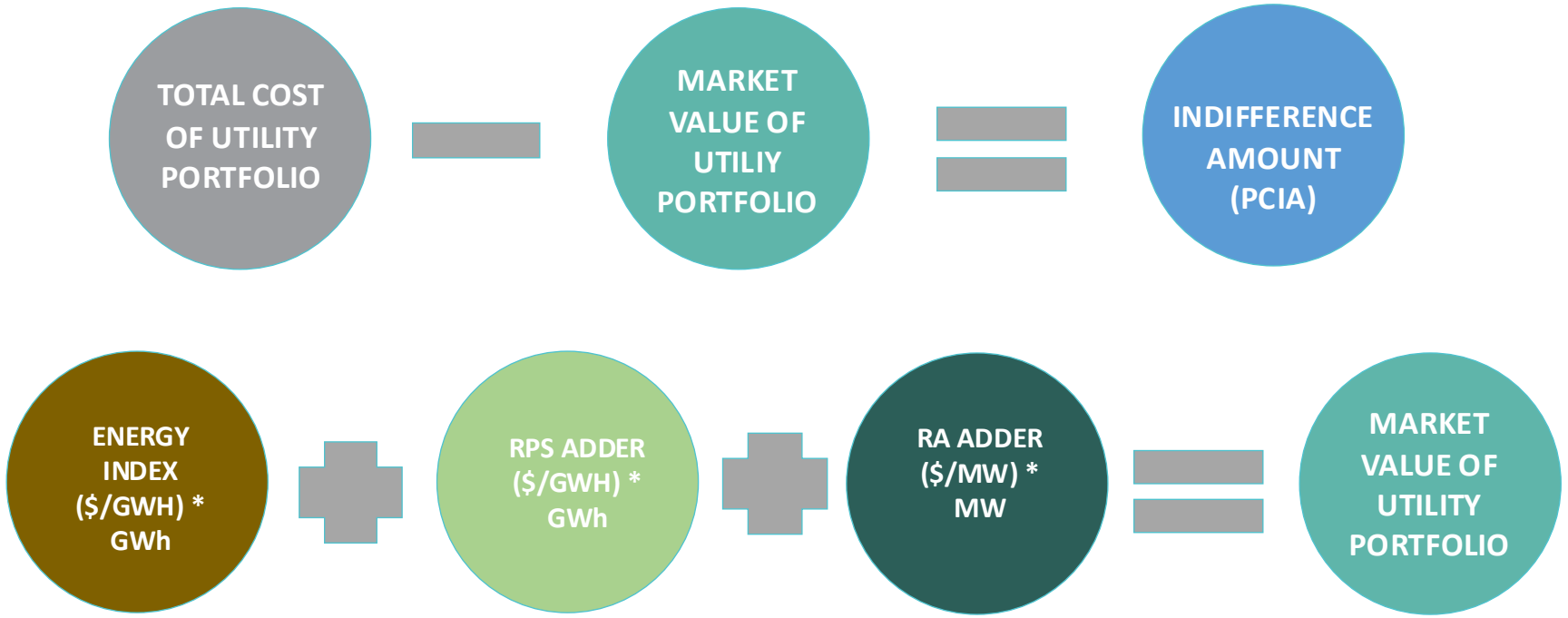
Track 2 PCIA Decision (D.26-09-047): CalCCA Application for Rehearing

SDG&E 2026 ERRA Forecast Case: Rehearing Denied (D.26-10-038)

Setting PCIA Rates



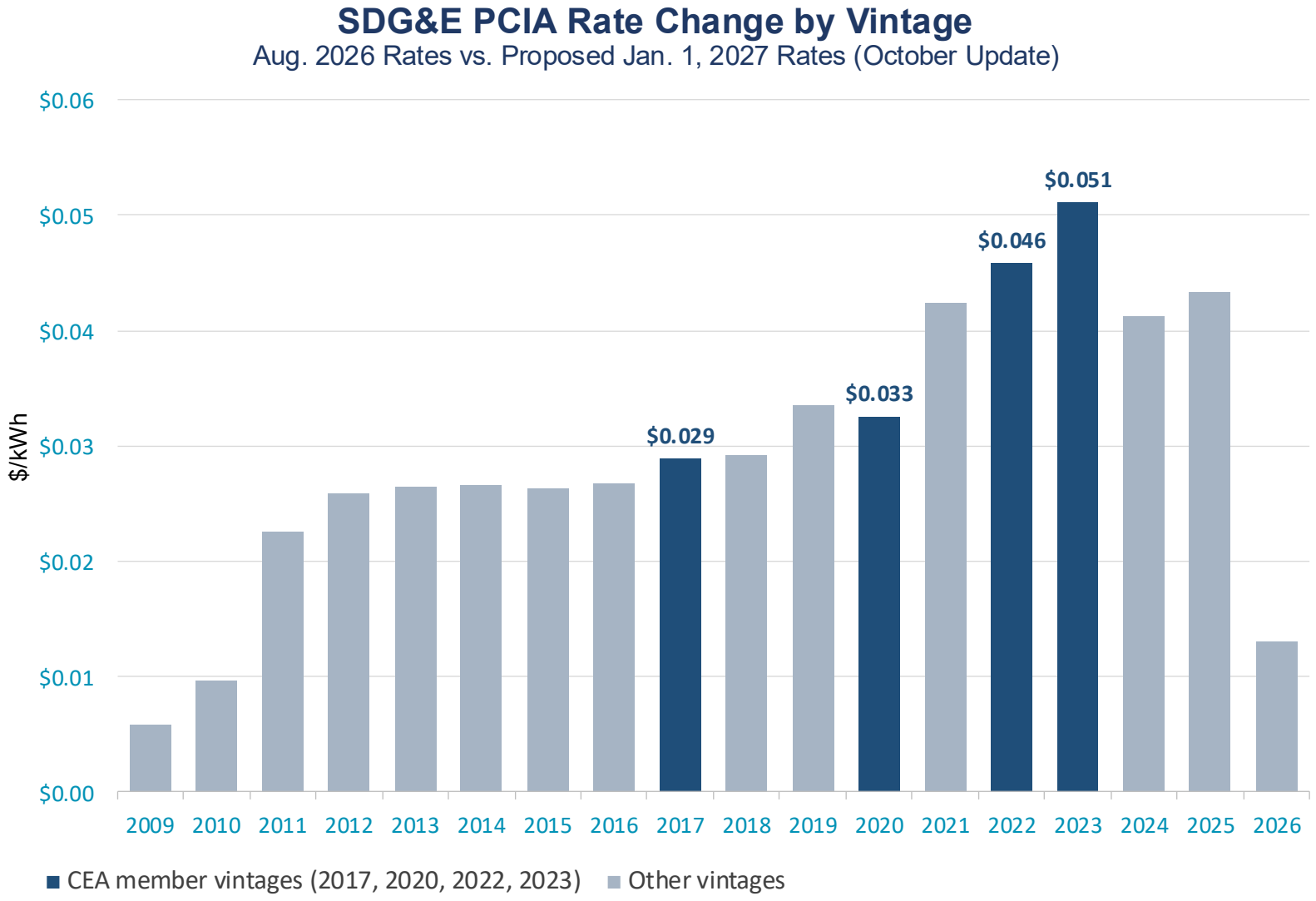
Setting PCIA Rates



2027 Rates in the October Update *

Vintage	Current (Aug. 2026)	October Update (2027)	Change
Bundled Customer (Generation + PCIA)	$0.18193/kWh	$0.16211/kWh	($0.01982)/kWh
Solana Beach PCIA (Vintage 2017)	$0.03124/kWh	$0.06016/kWh	$0.02892/kWh
Carlsbad & Del Mar PCIA (Vintage 2020)	$0.03152/kWh	$0.06408/kWh	$0.03256/kWh
Escondido & San Marcos (Vintage 2022)	$0.02454/kWh	$0.07039/kWh	$0.04585/kWh
Oceanside & Vista PCIA (Vintage 2023)	$0.02274/kWh	$0.07388/kWh	$0.05114/kWh

* These rates will change twice more between now and January 1.



Large Increases Across the Board

KEYES & FOX LLP

Issue 1: Forecasting RA Sales

SDG&E forecasts 2027 RA sales by holding recent actual sales flat

- SDG&E assumes 2027 sales equal its most recent year of actual sales
- But SDG&E will offer more RA in 2027, so its implied sales rate falls below recent history
- RA offered but not sold gets zero value, inflating PCIA rates for all customers
- SD CCA proposal: apply SDG&E's recent actual sales rate to the RA it will offer

Issue 2: The RA "Buffer"

SDG&E holds back some RA from sale as a "buffer" to make sure it can meet bundled customers' RA obligations

- SDG&E excludes the buffer from "Retained RA," so it receives no value in the forecast
- D.19-10-001: Retained RA includes RA not offered or forecast to be offered for sale
- Buffer was included in Retained RA in SDG&E's 2025 and 2026 ERRA cases, consistent with SCE's practice
- If SDG&E later sells the buffer, the year-end true-up reconciles it

Issues Resolved with SDG&E

Two issues we raised were resolved before briefing

- PCIA “normalizing factor”: SDG&E agreed to our vintage-specific fix to how PCIA costs are allocated among customer classes
- General Rate Case Memorandum Account: SDG&E removed ~$29 million that should have rolled off rates August 1, 2026

Recent and Next Steps

- Opening (Oct. 2) and Reply (Oct. 14) Briefs filed
- SDG&E October Update filed Oct. 15 (amended Oct. 16)
- Next: comments on October Update; Proposed Decision expected in November

Pre-2019 Banked RECs: Rehearing

Track 2 PCIA Decision (D.26-09-047): CalCCA filed for rehearing Oct. 22

- Zero value for pre-2019 banked RECs violates indifference, giving bundled customers a windfall
- Laches, timeliness, and missing findings, including on CalCCA's cost-neutral alternative, are legal error
- Requests RPS MPB valuation or REC allocation, plus a stay or tracking meanwhile

2026 ERRA Case: Rehearing Denied

D.26-10-038 (Oct. 8): Rehearing of SDG&E 2026 ERRA decision denied

- Retroactive ratemaking claim is a collateral attack on the RA MPB decision (D.25-06-049)
- Applying the revised RA MPB simply implements a prior Commission order
- CalCCA's direct challenge to D.25-06-049 remains pending in court

QUESTIONS?

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

KEYES & FOX LLP

Questions/Discussion – Item 8

Item 9: Receive Annual Audited Financial Report for the Fiscal Year Ended June 30, 2026

CLEAN ENERGY ALLIANCE

FY2025/2026 Audited Financials

October 29, 2026

Item 5: Audited Financials Summary

- Sorren, CPAs
  - Kellin Gilbert, partner
  - 4th year as independent auditors
  - Audit completed as of October 22, 2026
- Audit Results
  - Clean opinion
  - No Material Weaknesses

Audited Financials Compared to Budget

	Full Year		
	Full Year Results FY2025-2026	Full Year Budget FY2025-2026	Variance: Favorable / (Unfavorable)
Total Operating Revenues	$383,597,717	$383,146,909	$450,808
OPERATING EXPENSES			
Total Cost of Goods Sold (Energy Expense)	295,791,456	333,540,321	37,748,865
Other Operating Expenses (excluding COGS)	11,226,267	13,363,246	2,136,978
Total Operating Expenses	$307,017,723	$346,903,567	$39,885,843
OPERATING INCOME/(LOSS)	$76,579,994	$36,243,342	$40,336,652
NON-OPERATING REVENUES (EXP.)			-
Total Nonoperating Income/(Expense)	895,784	(380,692)	1,276,475
			-
CHANGE IN NET POSITION	$77,475,778	$35,862,650	$41,613,127
Ending Net Position	$98,854,890	$50,649,916	
Days Liquidity on Hand	113	81	

- Revenue was very close to Budget – mild weather in throughout the year and high NEM adoption
- Cost of Energy significantly below Budget – mild weather and historically low prices throughout the year
- Change in Net Position significantly better than Budget
- Positive Ending Net Position enables building of reserves

Item 9

Clean Energy Alliance
Board of Directors Meeting
October 29, 2026



Introduction



Kellin Gilbert, CPA

Audit Partner

- 18 years in public accounting, performing audits of government entities
- Currently working with several CCAs throughout California



Alauna Rico

Audit Supervisor

- 5 years in public accounting, performing audits of governments (CCAs)

Results of Current Year Audit

The audit is complete. We reported the following:

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

Relative Roles and Responsibilities

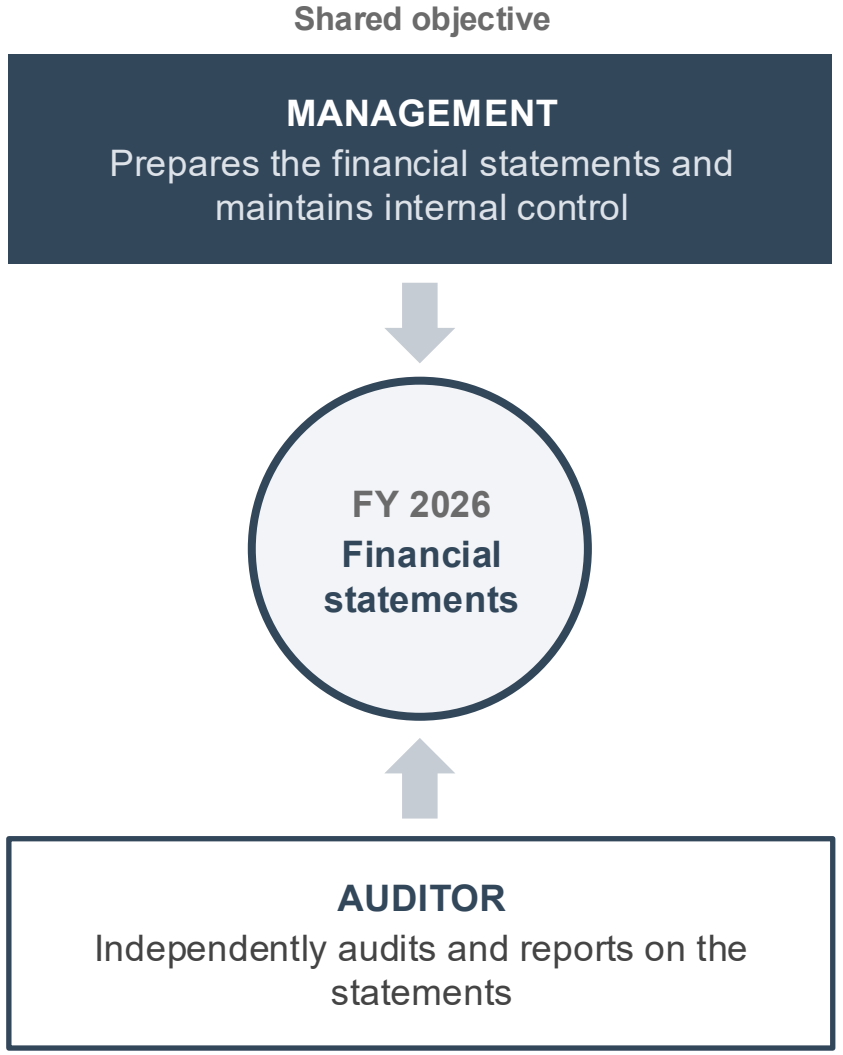
Management

Responsible for preparing the financial statements and establishing a system of internal control.

Auditor

Responsible for auditing the financial statements including:

- Considering risks of material misstatement
- Considering internal controls relevant to the financial statements
- Performing tests of year-end balances based on risk assessment
- Evaluating adequacy of disclosures



Risk Assessment

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

1. **Understand the entity**
   Gain understanding of Clean Energy Alliance's operating characteristics, practices, and procedures.

2. **Benchmark**
   Compare to our knowledge of similar entities, industry, and professional guidance.

3. **Evaluate controls**
   Review procedures and controls surrounding significant transaction cycles and business processes.



Significant Audit Areas of Focus



Revenue recognition – accounts receivable and accrued revenue

- Test a sample of customer billings
- Relate total cash received during the year to revenue
- Review revenue recognition through year-end and method for determining accrued revenue



Financial statement note disclosures

- Verify complete and without bias



Cash and investments

- Confirmations sent to financial institutions



Accrued cost of electricity

- Review subsequent bills from electricity providers
- Review related cash payments

Required Board Communications

- As discussed in Note 8, CEA implemented and adopted GASB 102 through 104 which did not have a material effect on the financial statements.
- No alternative treatments of accounting principles for material items in the financial statements have been discussed with management.
- We did not propose any material adjustments to the financial statements.
- We did not identify any significant or unusual transactions or applications of accounting principles where a lack of authoritative guidance exists.
- There have been no disagreements with management concerning the scope of our audit and we have not encountered any difficulties in dealing with management during the performance of our audit.
- We issued a letter to the board dated October 22 detailing these required communications.

Thank You

Kellin Gilbert

Partner

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Questions/Discussion – Item 9

Item 10:

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Whether to initiate litigation pursuant to Government Code section 54956.9(d)(2)
Number of Cases: 1

ADJOURNMENT