



Regular Board Meeting

April 25, 2024

Item 4: CEO Report

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- CEA Outreach Efforts
 - Presence at Community Events
 - Presentations to Community Groups
 - Enrollment Statistics

Completed Community Events

Event	Date
MainStreet Oceanside, Sunset Market	3/28/24 5pm – 9pm
Oceanside Country Club Senior Center	4/1/24 10:30 – 12:30pm
Vista Chamber of Commerce, Government Affairs Meeting	4/4/24 12pm – 1:30pm
MainStreet Oceanside, Farmers Market	4/4/24 9am – 1pm
San Marcos Chamber of Commerce, Spring Fling	4/7/24 9am – 5pm
City of Vista, Launch Reception & Presentation	4/9/24 3pm – 7pm
Vista Farmers Market	4/13/24 8am – 12pm

Completed Community Events Cont.

Event	Date
Vista Farmers Market	4/13/24 8am – 12pm
Progressive Labor Alliance	4/13/24 2:30pm – 4pm
Alta Vista Botanical Gardens, Earth Day	4/20/24 10am – 3pm
Vista Deputy Mayor Melendez Town Hall	4/22/24 6pm – 7pm
Sony Electronics, Earth Day Fair	4/23/24 11:30am – 1:30pm
Dr. Bronner's Staff Earth Day Extravaganza	4/26/24 9:30am – 1pm
Carlsbad Chamber of Commerce, Green Business Expo	4/27/24 9am – 1pm

Upcoming Community Events

Event	Date
City of Vista, Staff Lunch & Learn	5/1/24 12pm – 1pm
Vista Business Breakfast	5/2/24 8am – 10am
MainStreet Oceanside, Farmers Market	5/2/24 9am – 1pm
San Diego County Farm Bureau, Graze at the Fields	5/2/24 6pm – 8:30pm
Vista Councilmember O'Donnell Town Hall	5/10/24 6pm – 7:30pm
Vista Farmers Market	5/11/24 8am – 12pm
Hunter Industries Employee Resource Fair	5/14/24 5:30am – 2pm

Upcoming Community Events Cont.

Event	Date
Carlsbad Green Business Network Conference	5/15/24 11am – 11:30pm
San Diego Equality Awards	5/17/24 6pm – 8pm
Ocean Hills Country Club, Senior Expo	5/18/24 10am -2pm
Escondido Downtown Business Association, Street Festival	5/19/24 10am – 6pm
Vista Strawberry Festival	5/26/24 8am-6pm

Oceanside & Vista Enrollment Stats

City	# of Eligible Customers	# of Opt-Downs to 50% Renewable	# of Opt-Ups to 100% Renewable	# of Opt-Outs	Participation Rate
Oceanside	62,636	71	26	1,892	97.0%
Vista	33,969	24	242	711	98.1%
TOTAL	96,605	95	268	2,603	97.3%

CEA Enrollment Stats

POWER SUPPLY PRODUCT	FEBRUARY 2024	MARCH 2024	Net Change
Clean Impact – 50% Renewable	523	537	+14
Clean Impact Plus - 75% Carbon Free	150,480	151,828	+1,348
Green Impact – 100% Renewable	670	674	+4
TOTAL ACCOUNTS	151,673	153,039	1,366

Questions/Discussion

Item 5: Regulatory Update and Regulatory/Legislative Strategy

Questions/Discussion

Item 6: Financial Review Year to Date & Forecasting through June 2024

Topics for Financial Review (this meeting)

- Actual financial performance through February 2024
- Forecast through June 2024
- Revenue overview
- Expense overview
- JPM Morgan credit line compliance

Upcoming Board Meeting (May 30, 2024)

- Draft FY2024-2025 Budget and 5-year Outlook

Financial Performance through February 29, 2024

	YTD Actuals through 2/29/2024
Total Operating Revenues	133,926,839
Total Cost of Energy	121,690,692
Other Operating Expenses (excluding Energy)	3,446,210
Total Operating Expenses	125,136,902
Operating Income (Loss)	8,789,937
Total Nonoperating Income/(Expense)	(697,715)
CHANGE IN NET POSITION	8,092,222
Net Position at the beginning of period	(6,452,287)
Net Position at the end of period	1,639,935
Total Cash	6,415,457
	-
Total Line of Credit Used	4,950,000

Financial Performance Projected through June 30, 2024

	YTD Actuals through 2/29/2024	Forecast through 6/30/2024
Total Operating Revenues	133,926,839	200,209,558
Total Cost of Energy	121,690,692	191,744,333
Other Operating Expenses (excluding Energy)	3,446,210	5,980,347
Total Operating Expenses	125,136,902	197,724,680
Operating Income (Loss)	8,789,937	2,484,878
Total Nonoperating Income/(Expense)	(697,715)	(1,151,063)
CHANGE IN NET POSITION	8,092,222	1,333,816
Net Position at the beginning of period	(6,452,287)	10,689,949
Net Position at the end of period	1,639,935	12,023,765
Total Cash	6,415,457	3,444,766
Letter of Credit	-	-
Total Line of Credit Used	4,950,000	24,950,000

FY2023-2024 Revenue Shortfall

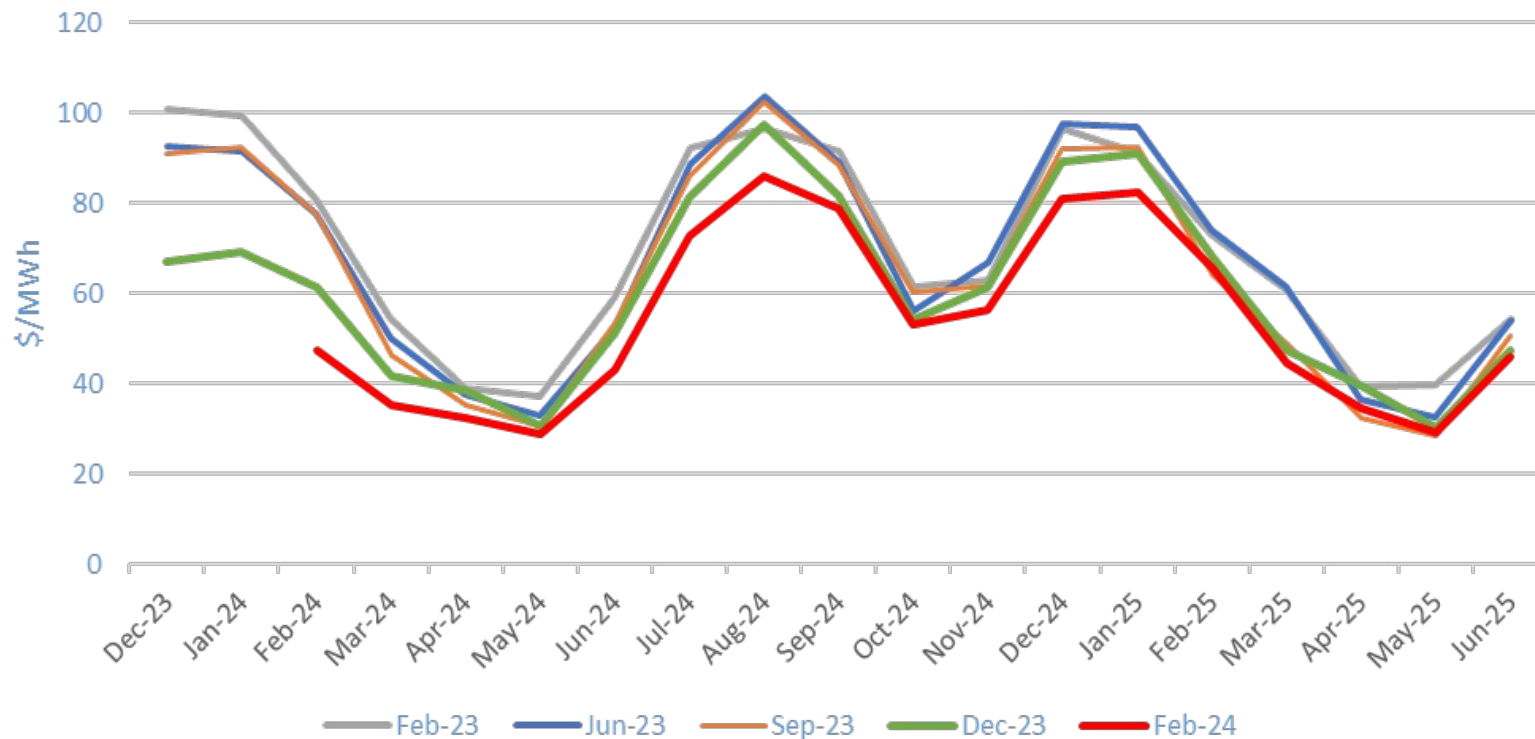
- Revenues (billing to Customers) are expected to be approximately 12% lower than the budgeted level:
 - Equal to \$28.2 million shortfall
 - Actual loads are approximately 3% lower than budgeted mostly due to “softer” use across the state.
 - Cooler-than-average Summer temps
 - Historical datasets provided by SDG&E for the expansion communities (Encinitas/San Marcos and Oceanside/Vista) appear to have been overstated which led us to project higher usage than we have seen
 - Current full-year FY2024 load forecast is approximately 12% lower than the original budget – in line with revenue shortfall

Energy Costs – deeper dive

- With revenue lower than budget mostly due to lower load, we would have expected energy costs to also be lower.
- However,
 - Resource Adequacy prices are significantly higher
 - Renewable/GHG-Free Energy prices are significantly higher

CAISO Energy Prices

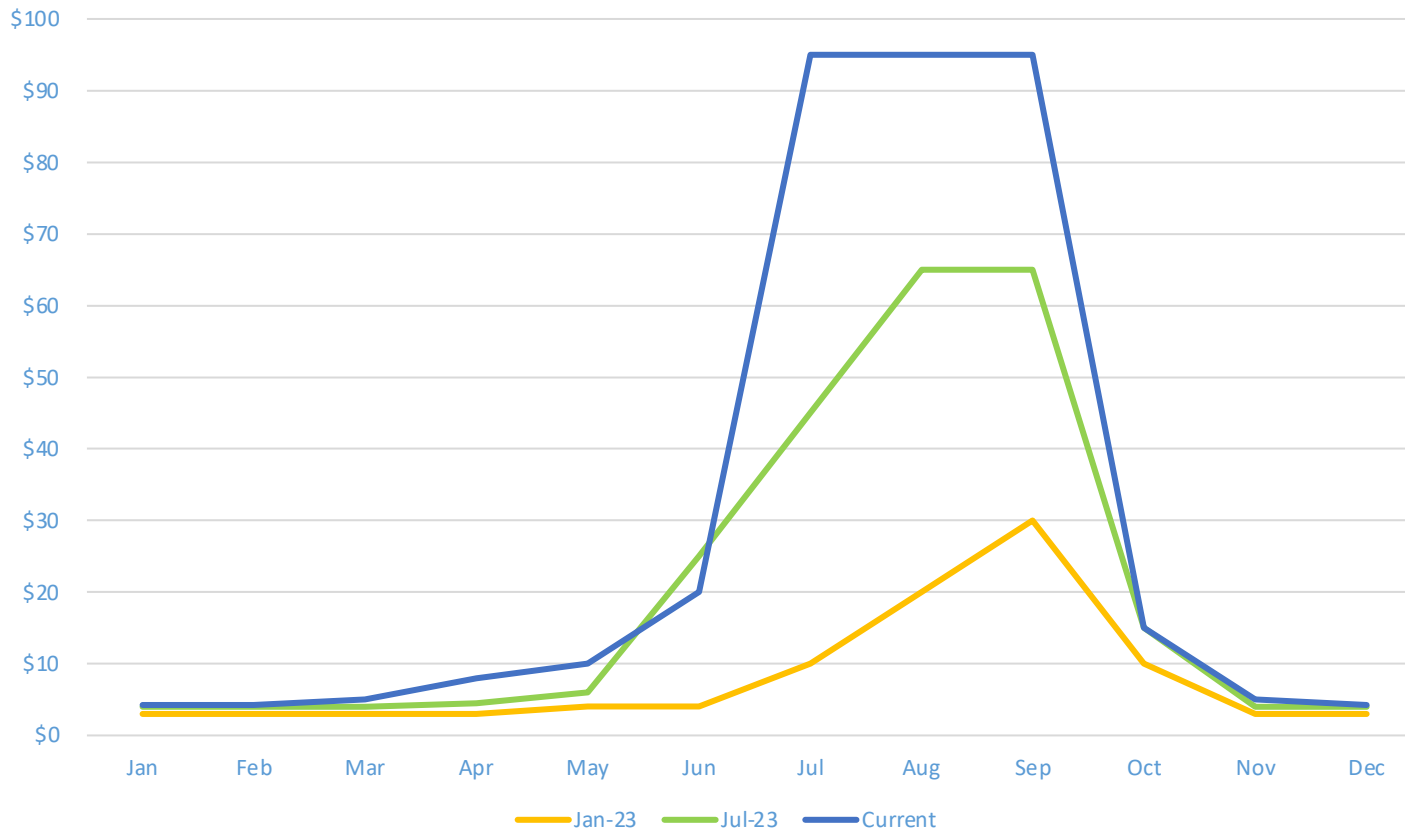
Southern California Energy Prices (SP 15)



- CAISO forward energy prices for the next 12-month period (Bold **RED** line) have recently declined and are now 18% lower compared to one year ago
- Reductions are primarily the result of sharp declines in natural gas prices
- For conservatism, CEA has consistently been hedged well in advance which locked in prices at higher rates

Resource Adequacy Prices

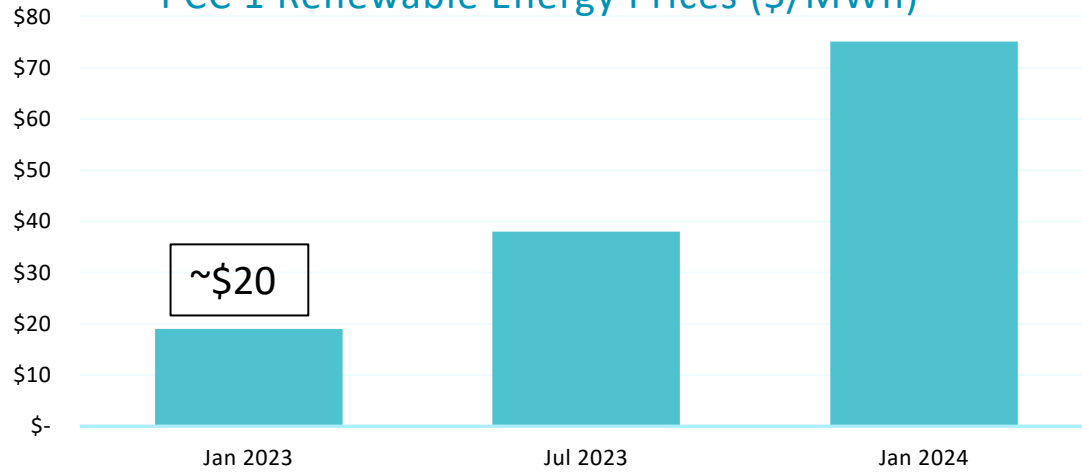
Resource Adequacy Prices (\$/kW-mo)



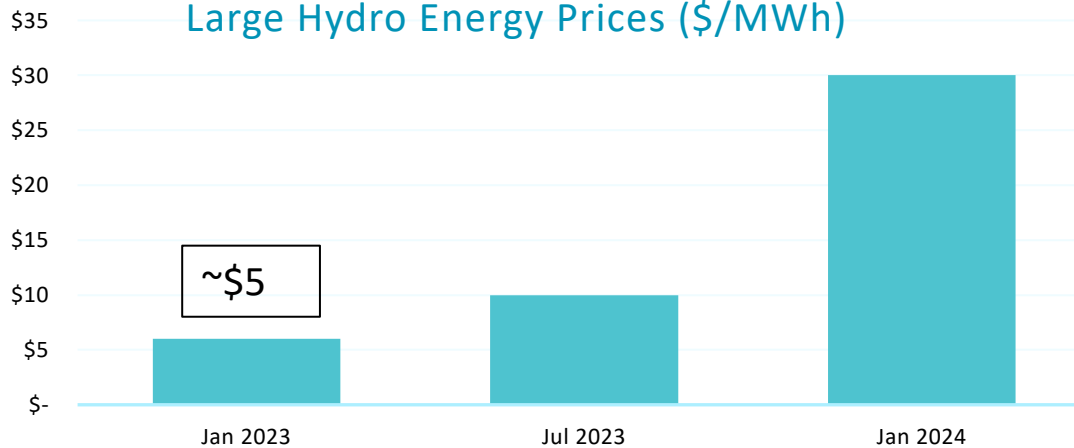
- 2025 RA markets remain extremely tight
- Sellers are reluctant to transact pending new slice of day framework implementation for 2025
- 2025 RA prices are projecting higher than the heights of 2024
- CEA has been mitigating some of the cost increases by paying penalties in high summer months
- Possible relief in 2026-27 as delayed storage projects reach commercial operation

Clean Energy Prices

PCC 1 Renewable Energy Prices (\$/MWh)



Large Hydro Energy Prices (\$/MWh)



Current Product Pricing

Product	Premium (\$/MWh)
PCC 1 Renewable	\$70 to \$85
PCC 2 Renewable	\$60 to \$75
PCC 3 Renewable	\$5 to \$10
Large Hydro	\$25 to \$35
Nuclear	TBD

FY2023-2024 Expenses Below Budget – *But not enough to make up for revenue shortfall*

- Energy expenses expected to be \$8.2 million less than budget
- Other expenses expected to be \$4.2 million less than budget
- Interest expense/income expected to \$0.5 more than budget

- Net result is that Total Expenses are expected to be approximately \$12.0 million less than budget
 - Not enough to make up for the \$28.2 million revenue shortfall

Financial Performance Projected through June 30, 2024

	Forecast through 6/30/2024	Budget FY2023-2024	Variance Fav/(Unf)
Total Operating Revenues	200,209,558	228,415,000	(28,205,442)
Total Cost of Energy	191,744,333	200,000,000	8,255,667
Other Operating Expenses (excluding Energy)	5,980,347	10,161,205	4,180,858
Total Operating Expenses	197,724,680	210,161,205	12,436,525
Operating Income (Loss)	2,484,878		
Total Nonoperating Income/(Expense)	(1,151,063)	(700,000)	(451,063)
CHANGE IN NET POSITION	1,333,816	17,553,795	(16,219,979)
Net Position at the beginning of period	(6,452,287)	2,369,978	(8,822,265)
Net Position at the end of period	(5,118,471)	19,923,773	(25,042,244)

FY2024-2025 Budget Timeline

- Board Meeting May 30, 2024 – Draft Budget Review
- Board Meeting June 27, 2024 – Final Budget Approval

Questions/Discussion