



# Regular Board Meeting

May 30, 2024

# Item 5: CEO Report

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- CEA Outreach Efforts
  - Presence at Community Events
  - Enrollment Statistics
  - Solar Plus Update
  - Long-Term Geothermal PPA Update

# Completed Community Events

Event	Date
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
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

# Completed Community Events

Event	Date
Vista Farmers Market	5/11/24 8am – 12pm
Hunter Industries Employee Resource Fair	5/14/24 5:30am – 2pm
Carlsbad Green Business Network Conference	5/15/24 11am – 11:30pm
California Efficiency & Demand Management Council	6/16/24 11am – 1:30pm
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	63,944	89	32	2,147	96.7%
Vista	34,707	28	249	806	97.7%
<b>TOTAL</b>	<b>98,651</b>	<b>117</b>	<b>281</b>	<b>2,953</b>	<b>97.0%</b>

# CEA Enrollment Stats

<b>POWER SUPPLY PRODUCT</b>	<b>APRIL 2024</b>	<b>MAY 2024</b>	<b>Net Change</b>
Clean Impact – 50% Renewable	537	544	+7
Clean Impact Plus - 75% Carbon Free	151,828	246,558	+94,730
Green Impact – 100% Renewable	674	850	+176
<b>TOTAL ACCOUNTS</b>	<b>153,039</b>	<b>247,952</b>	<b>94,913</b>

# Solar Plus Update

- 8 Enrolled Contracts
  - Carlsbad – 2
  - San Marcos – 4
  - Escondido – 2
- 8 Rejections
- 7 Customer initiated
- 1 Tesla initiated



# Solar Plus Update

- Program Expansion Opportunities
  - Oceanside and Vista are now launched
  - Increasing Solar Plus specific outreach
  - Tesla providing additional consultation/sales resources

# Long-Term PPA Update: Cape/Fervo Geothermal Project

- 15-Year PPA for Geothermal Project in Beaver County, UT
- Project meets CPUC Midterm Reliability Requirements
- PPA requires quarterly update reports be provided
- Report indicates no major hurdles encountered and the Project is on track to meet its Commercial Operation Date (COD) of June 1, 2026
- Will provide an average of 31,200 MWh per year

# Questions/Discussion

# Item 6: Regulatory Update

# Questions/Discussion

# Item 7: Fiscal Year 2024-25 Budget Discussion



**FY2024-2025 Draft Budget  
And  
5-Year Outlook through June 2029**  
Board Meeting May 30, 2024 Meeting



**FY 2023-2024 Year End Forecast  
&  
FY2024-2025 Draft Budget Detail**



# Financial Performance Projected through June 30, 2024

	YTD Actuals through 3/31/2024	Forecast through 6/30/2024	Budget FY2023-2024	Variance: Budget to FY Forecast Fav/(Unf)
Net Operating Revenues	\$142,666,265	\$199,237,067	\$228,415,000	(\$29,177,933)
Total Cost of Energy	\$134,804,312	\$191,716,170	\$200,000,000	\$8,283,830
Other Expenses (excluding Energy)	\$4,025,314	\$5,920,234	\$10,161,205	\$4,240,971
Total Operating Expenses	138,829,626	197,636,404	210,161,205	12,524,801
Total Non-operating Income/(Expense)	(774,660)	(1,177,736)	(700,000)	(477,736)
CHANGE IN NET POSITION	\$3,061,978	\$422,927	\$17,553,795	(\$17,130,868)
Net Position at the beginning of period	(\$6,452,287)	(\$6,452,287)	\$2,369,978	(\$8,822,265)
Net Position at the end of period	(\$3,390,308)	(\$6,029,360)	\$19,923,773	(\$25,953,133)
Total Cash	\$7,422,596	\$4,136,471		
Total Line of Credit Used	\$9,950,000	\$26,950,000		

# Key Assumptions

- Budgeting monthly going forward (annually before) will enable monthly YTD comparisons – will still adopt Annual Budget
- Channelside included starting January 2025
- Programs Budget
  - FY2025 - \$600K
  - FY2026 - \$2.0 million
  - FY2027 - \$4.0 million
  - FY2028 - \$6.0 million
  - FY2029 - \$8.0 million
- Staffing and Administration
  - No additional positions (yet)
  - Assumed costs increase ~25% per year over current level
  - Accounts for potential staff increases and associated office-related expenses

# 5-Year Outlook – Current Rates

	Preliminary Budget FY2024-2025	Outlook FY2025-2026	Outlook FY2026-2027	Outlook FY2027-2028	Outlook FY2028-2029
<b>Total Operating Revenues</b>	\$314,043,070	\$342,024,196	\$349,099,350	\$354,556,941	\$360,241,315
<b>Total Cost of Energy</b>	\$317,403,431	\$351,223,210	\$399,620,179	\$368,237,937	\$339,309,865
<b>Other Operating Expenses (excluding Energy)</b>	\$9,402,131	\$12,203,744	\$15,817,361	\$19,825,809	\$24,336,608
<b>Total Operating Expenses</b>	\$326,805,563	\$363,426,954	\$415,437,540	\$388,063,746	\$363,646,474
<b>Operating Income (Loss)</b>	(\$12,762,493)	(\$21,402,758)	(\$66,338,190)	(\$33,506,805)	(\$3,405,158)
<b>Total Nonoperating Income/(Expense)</b>	(\$958,143)	(\$729,180)	(\$971,543)	(\$1,601,352)	(\$1,844,451)
<b>CHANGE IN NET POSITION</b>	(\$13,720,636)	(\$22,131,938)	(\$67,309,733)	(\$35,108,156)	(\$5,249,609)



# Rate Summary and Analysis

# Current Rates and Requirements

- Adopted January 2023 Effective February 2023
  - Current Average Monthly Residential **Winter CEA Charge** - \$25
  - Current Average Monthly Residential **Summer CEA Charge** - \$90
- JPMorgan covenant compliance
  - Resulted in revenues sufficient to recover costs
  - Met Debt Service Coverage Ratio & Days Liquidity on Hand
- Addressed cash flow needs
- Achieved Rate Stability
- Achieved Rate competitiveness to SDG&E

# Average Total Bill– Residential TOU-DR1

## Winter Rates

(Winter Avg Monthly) 338 kWh	Current SDG&E	Current CEA Solana Beach	Current CEA Carlsbad & Del Mar	Current CEA Escondido & San Marcos	Current CEA Oceanside & Vista
Generation	\$30.17	\$25.02	\$25.02	\$25.02	\$25.02
SDGE - PCIA		\$2.48	(\$.09)	\$7.97	0.70
SDGE - Franchise Fees	1.37	1.37	1.37	1.37	1.37
SDGE - Delivery Charges	139.01	139.01	139.01	139.01	139.01
<b>Total Avg Monthly Bill</b>	<b>\$170.55</b>	<b>\$167.88</b>	<b>\$165.31</b>	<b>\$173.37</b>	<b>\$166.10</b>

Winter Rates: November – May (7 months)

Summer Rates: June – October (5 months)

# Average Total Bill– Residential TOU-DR1

## Summer Rates

(Summer Avg Monthly) 377 kWh	Current SDG&E	Current CEA Solana Beach	Current CEA Carlsbad & Del Mar	Current CEA Escondido & San Marcos	Current CEA Oceanside & Vista
Generation	\$80.42	\$89.83	\$89.83	\$89.83	\$89.83
SDGE - PCIA		\$2.76	(\$.10)	\$8.89	\$0.78
SDGE - Franchise Fees	2.04	2.04	2.04	2.04	2.04
SDGE - Delivery Charges	105.22	105.22	105.22	105.22	105.22
<b>Total Avg Monthly Bill</b>	<b>\$187.68</b>	<b>\$199.85</b>	<b>\$196.99</b>	<b>\$205.98</b>	<b>\$197.87</b>

Winter Rates: November – May (7 months)

Summer Rates: June – October (5 months)

# Current Total Bill Comparisons – Residential TOU-DR1 Includes Generation & Delivery Costs

Winter – 338 kWh Summer – 377 kWh	Solana Beach VY 2017	Carlsbad & Del Mar VY 2020	Escondido & San Marcos VY 2022	Oceanside & Vista VY 2023
Avg CEA Cust Winter Bill	\$167.88	\$165.31	\$173.37	\$166.10
Avg SDGE Cust Winter Bill	\$170.54	\$170.54	\$170.54	\$170.54
<b>Winter \$ Difference</b>	<b>(\$2.66)</b>	<b>(\$5.23)</b>	<b>\$2.83</b>	<b>(\$4.46)</b>
<b>Winter % Variance</b>	<b>-1.6%</b>	<b>-3.2%</b>	<b>1.6%</b>	<b>-2.7%</b>
Avg CEA Cust Summer Bill	\$199.85	\$196.99	\$205.97	\$197.87
Avg SDGE Cust Summer Bill	\$187.68	\$187.68	\$187.68	\$187.68
<b>Summer \$ Difference</b>	<b>\$12.17</b>	<b>\$9.31</b>	<b>\$18.29</b>	<b>\$10.18</b>
<b>Summer % Variance</b>	<b>6%</b>	<b>4.7%</b>	<b>8.9%</b>	<b>5.1%</b>

Winter Rates: November – May (7 months)  
Summer Rates: June – October (5 months)



# Average Annual Variance to SDG&E

Winter – 338 kWh Summer – 377 kWh	Solana Beach VY 2017	Carlsbad & Del Mar VY 2020	Escondido & San Marcos VY 2022	Oceanside & Vista VY 2023
<b>Total Average Annual Difference</b>	\$42.12	\$9.85	\$111.20	\$19.76
<b>Average Monthly Diff</b>	\$3.51	\$0.82	\$9.27	\$1.65
<b>Average % Diff to SDG&amp;E</b>	1.9%	0.5%	5.0%	0.9%

Winter Rates: November – May (7 months)  
Summer Rates: June – October (5 months)

# Rate-Setting Priorities

- JPMorgan covenant compliance
  - Result in revenues sufficient to recover costs and fund reserves
  - Meet Debt Service Coverage Ratio & Days Liquidity on Hand
- Address cash flow needs
- Provide funds to meet Climate Action Goals
  - Increasing Renewable Energy to achieve 100% Renewable by 2035
- Rate Stability
- Meet Board-set financial reserve policy (5% of revenues)
- Financial stability and credit rating
- Rate competitive to SDG&E

# Rate Change Options Considered

- **Option 1:** 10% Effective 7/1/2024 & 10% Effective 7/1/2025
  - Results in annualized total bill increase of 6.0%
- **Option 2:** 20% Effective 11/1/2024
  - Results in annualized total bill increase of 5.7%
- **Option 3:** 30% Winter Rate Change & 15% Summer Rate Change Effective 11/1/2024
  - Results in annualized total bill increase of 5.4%
- All three options result in meeting rate setting priorities and JPMorgan covenants

# Rate Change Option Considerations

- Rate Change effective 7/1 impacts customers during summer months
  - Bills already increase by average \$30 beginning in June
  - 10% CEA rate increase would add an additional \$9 per month in July 2024 and an additional \$10 in July 2025
- Change from summer rates to winter rates on 11/1 results in average Total bill reduction of \$30
  - Softens impact of rate change on 11/1
- Changing summer rates by a lower percentage than winter rates results in smoothing electric bills throughout the year

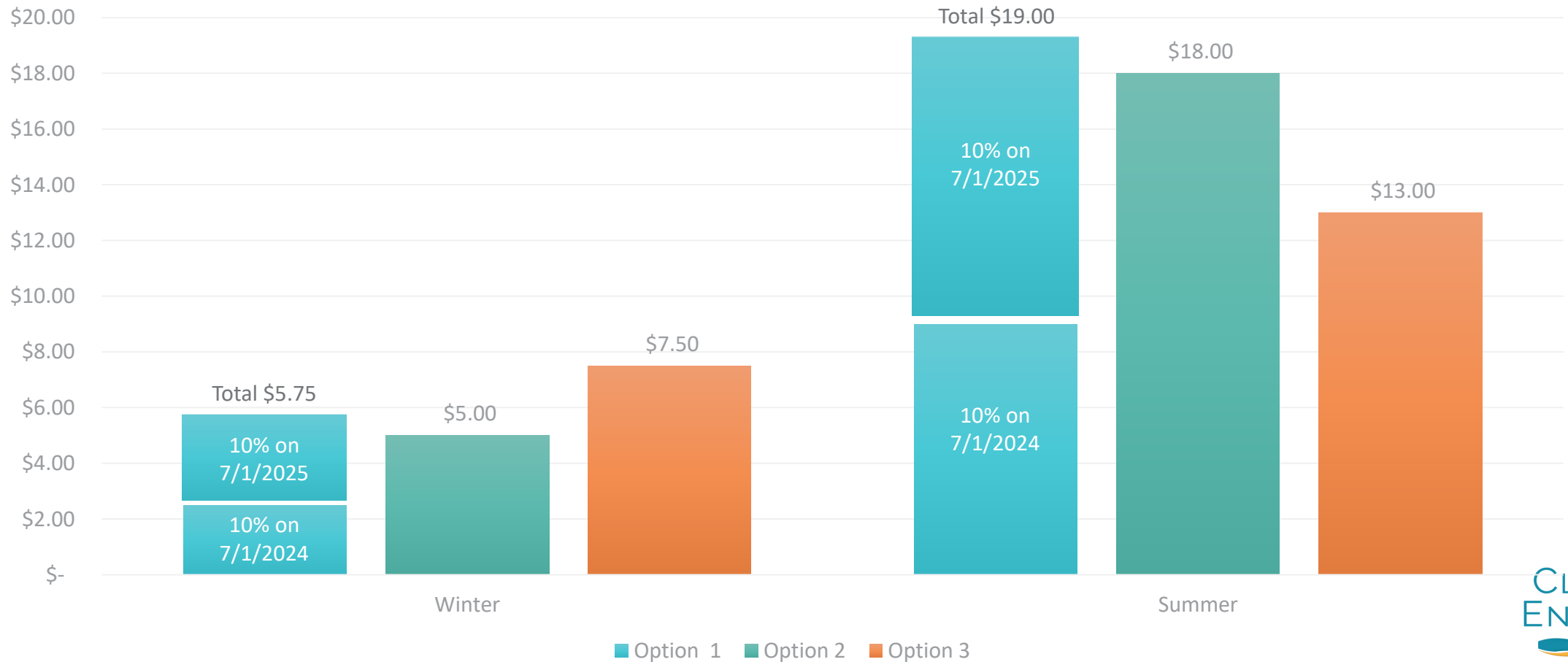
# Annualized Total Bill Impact

	Average Total Winter Bill	Average Total Summer Bill	Annualized Average Monthly Bill	Annualized % Change
<b>Current Rates</b>	\$170	\$200	\$182.50	
<b>Option 1</b>	\$175.25	\$219	\$193.48	6.0%
<b>Option 2</b>	\$175	\$218	\$192.92	5.7%
<b>Option 3</b>	\$177.50	\$213	\$192.29	5.4%

Winter Rates: November – May (7 months)

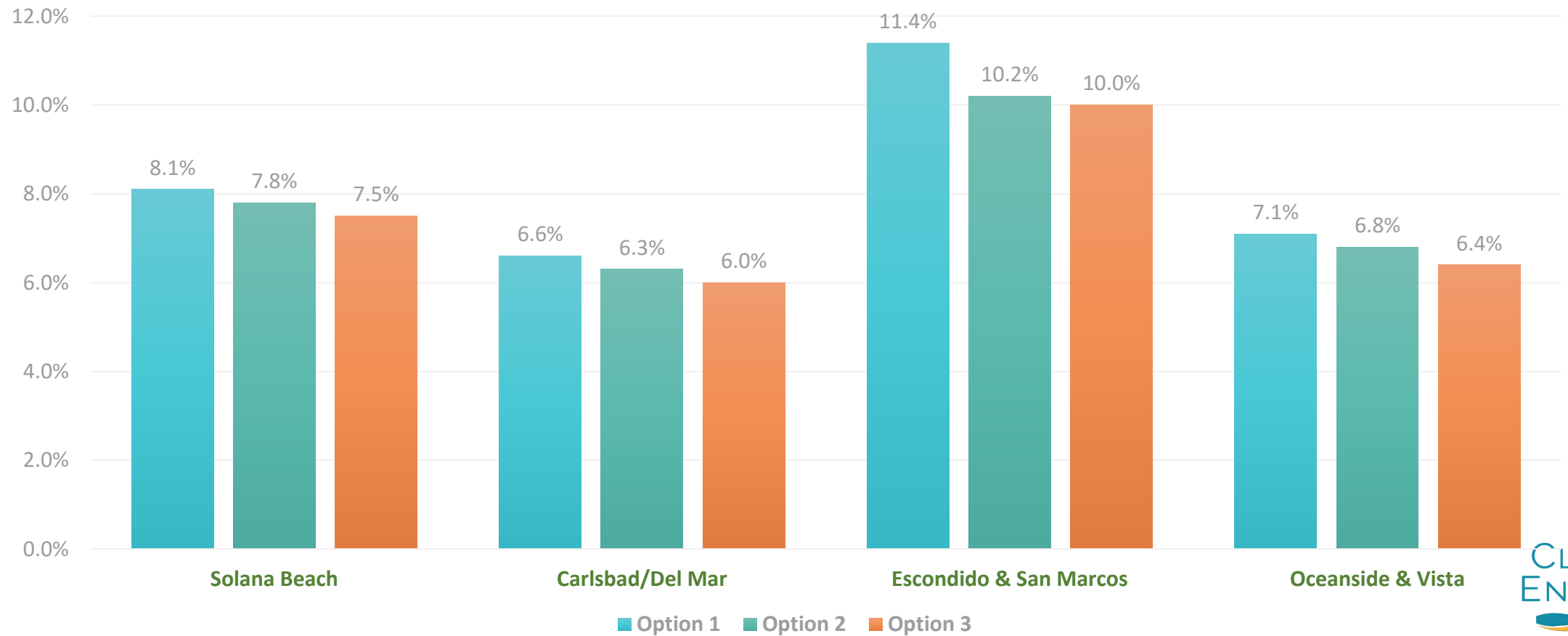
Summer Rates: June – October (5 months)

# Comparison of Average Monthly Impact Rate Change Options



# Annualized Total Bill Comparison to SDG&E Current Rates

3 Rate Change Options – Variance based on PCIA Vintage



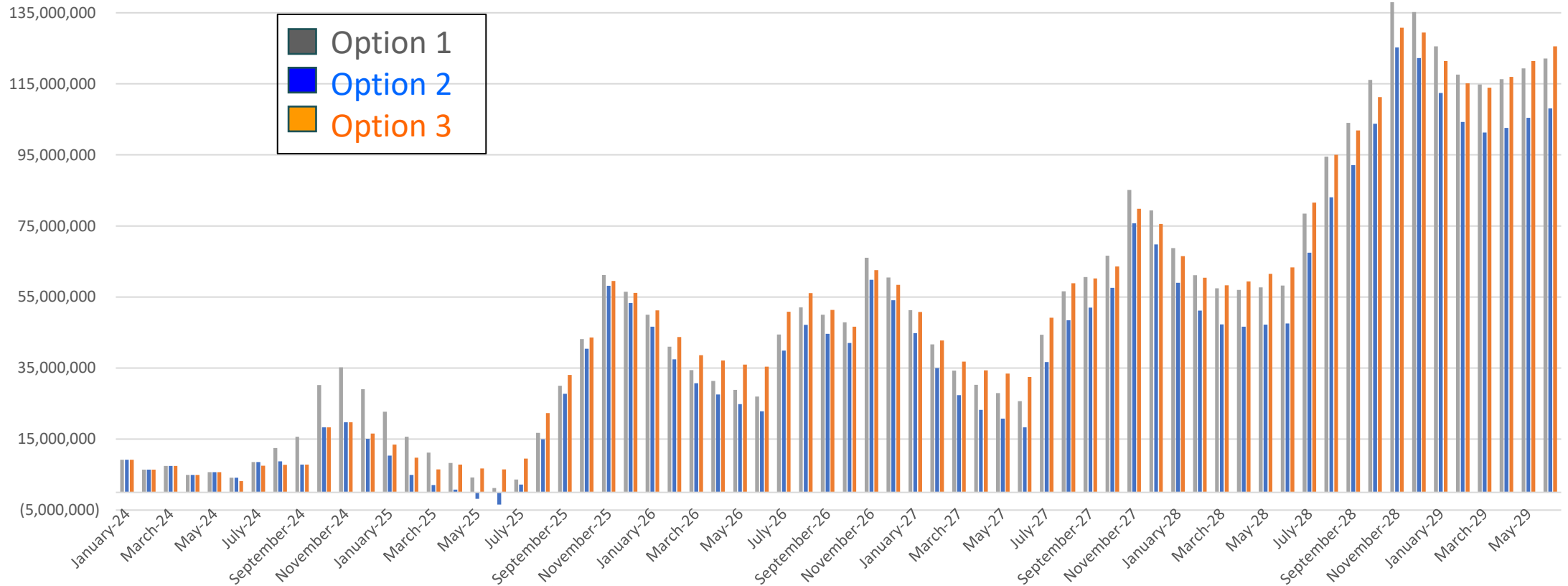
# Change in Net Position

## Comparison of 3 Rate Options

	Preliminary Budget	Outlook	Outlook	Outlook	Outlook
	FY2024-2025	FY2025-2026	FY2026-2027	FY2027-2028	FY2028-2029
Option 1	\$16,023,845	\$42,858,479	(\$73,071)	\$34,108,861	\$65,992,341
Option 2	\$14,609,849	\$39,760,299	(\$3,274,828)	\$30,812,800	\$62,599,855
Option 3	\$23,909,606	\$41,313,234	(\$1,714,207)	\$32,417,541	\$64,249,695



# Cash Balance Comparison



Credit Line fully repaid in Sept 2024 and Sept 2025 under all scenarios. No drawdowns are required after Sept 2025.

Note: Negative balance would require higher credit line drawdown.

# FY2024-2025 Budget Timeline

- Board Meeting May 30, 2024 – Draft Budget Review
  - Updated financial results through March 2024
- Board Meeting June 27, 2024 – Final Budget Approval and approval of any rate change
  - With updated financial results through April 2024

# Questions/Discussion