

**Board of Directors Special Meeting Agenda
May 30, 2024, 2:15 p.m.
City of Oceanside, Council Chamber
300 North Coast Hwy, Oceanside CA 92054**

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 April 25, 2024

Presentations

Consent Calendar

Item 1: Clean Energy Alliance Treasurer's Report for March 2024

RECOMMENDATION:

Receive and file the Clean Energy Alliance Treasurer's Report for March 2024.

Item 2: Consideration of Resolution No. 2024-005 Setting Time and Place for Clean Energy Alliance Board Meetings July 2024 – June 2025

RECOMMENDATION

Adopt Resolution No. 2024-005 Setting Time and Place for Clean Energy Alliance Board Meetings July 2024 – June 2025.

Item 3: Consideration of Amendment No. 2 to Task Order No. 1 under the Professional Services Agreement (PSA) with The Energy Authority

RECOMMENDATION:

Adopt Resolution 2024-006 approving the amendment with The Energy Authority.

Item 4: Ratification of SDG&E Modified Cost Allocation Method Resource Adequacy Allocation

RECOMMENDATION:

Adopt Resolution No. 2024-007 ratifying the agreement with SDG&E

Reports

Item 5: Clean Energy Alliance Chief Executive Officer Operational Report

New Business

Item 6: Regulatory Update

RECOMMENDATION:

Receive the Regulatory update from Keyes and Fox.

Item 7: Fiscal Year 2024-25 Budget Discussion

RECOMMENDATION:

Discuss the Fiscal Year 2024-25 Budget.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS



NEXT MEETING: Regular Board Meeting June 27, 2024, City of Oceanside, 300 North Coast Highway, Oceanside, CA 92054

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.

Clean Energy Alliance Board of Directors Regular Meeting Minutes

April 25, 2024, 2:00 p.m.

City of Oceanside, Council Chamber

300 North Coast Hwy, Oceanside CA 92054

CALL TO ORDER: Chair Druker called to order the Regular Meeting of the Clean Energy Alliance at 2:02 p.m.

ROLL CALL: Board Members: Garcia, Becker, Musgrove, Chair Druker.

Vice Chair Melendez arrived at 2:20 p.m.

Alternate Board Member: Joyce arrived at 2:05

Board Member Bhat-Patel – Absent.

FLAG SALUTE: Board Member Garcia led the flag salute.

BOARD COMMENTS & ANNOUNCEMENTS: Board Member Becker announced that she attended the CalCCA Conference in San Jose on April 16-17, 2024.

Chair Druker announced that CEO Greg Wade will be participating remotely.

PUBLIC COMMENT: None.

APPROVAL OF MINUTES:

Minutes of the Regular Meeting held March 28, 2024

Motion by Board Member Musgrove, seconded by Board Member Becker, to approve the minutes as presented. Motion carried, 5/0/2 (Melendez, Bhat-Patel – Absent)

Presentations

Consent Calendar

Item 1: Clean Energy Alliance Treasurer's Report for February 2024

RECOMMENDATION:

Receive and file the Clean Energy Alliance Treasurer's Report for February 2024.

Item 2: Consideration of a Professional Services Agreement (PSA) with Pacific Energy Advisors

RECOMMENDATION:

Adopt Resolution 2024-003 approving a PSA with Pacific Energy Advisors.

Item 3: Consideration of a Professional Services Agreement (PSA) with NewGen

RECOMMENDATION:

Adopt Resolution 2024-004 approving a PSA with NewGen.

Motion by Board Member Becker, seconded by Board Member Musgrove, to approve the Consent Calendar. Motion carried, 5/0/2 (Bhat-Patel, Melendez – Absent).

Reports

Item 4: Clean Energy Alliance Chief Executive Officer Operational Report

CEO Greg Wade presented the report, provided an update on recent outreach efforts in response to the launch in the City of Oceanside and the City of Vista.

CEA Board received report.

New Business

Item 5: Regulatory Update

RECOMMENDATION:

Receive the Regulatory Update from Keyes & Fox.

Keyes and Fox partner Jacob Schlesinger provided the update.

CEA Board received report.

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

RECOMMENDATION:

Receive an information report on Financial Review & Forecasting through June 2024.

Interim Chief Financial Officer Andy Stern presented the report.

Discussion ensued amongst the Board Members.

CEA Board received report.

NEXT MEETING: Regular Board Meeting May 30, 2024, City of Oceanside, 300 North Coast Highway, Oceanside, CA 92054

ADJOURN: Chair Druker adjourned the meeting at 3:06 p.m.

Kaylin McCauley
Board Secretary/Administrative Assistant

Staff Report

DATE: May 30, 2024

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 March 2024.

BACKGROUND AND DISCUSSION:

This report provides the Board with the following financial information through March 31, 2024:

- Statement of Financial Position (Unaudited and preliminary) – Reports assets, liabilities, and financial position of the CEA as of March 31, 2024.
- Statement of Revenues, Expenses and Changes in Net Position (Unaudited and preliminary) for the twelve months ended March 31, 2024.
- Budget to Actuals Comparison Schedule (Unaudited and preliminary) – Reports actual revenues and expenditures compared to the annual amended budget as of March 31, 2024.
- List of Payments Issued – Reports payments issued for March 2024.

As of March 31, 2024, liabilities represent invoices and estimated accruals for energy and services received but not yet paid. The noncurrent liabilities relate to debt with JPMorgan as well as amounts due to the member cities of Carlsbad, Del Mar and Solana Beach. CEA is currently making interest only payments on the debt from JPMorgan. The amounts due to the member agency were for start-up costs and services provided to CEA for the period December 2019 to June 2020. These invoices are scheduled to be paid three years from the time CEA is operational.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

CLEAN ENERGY ALLIANCE
STATEMENT OF NET POSITION
As of March 31, 2024

ASSETS

Current assets

Cash and cash equivalents	\$ 7,235,596
Accounts receivable, net of allowance	12,628,843
Accrued revenue	6,795,567
Prepaid expenses	2,665,742
Deposits	<u>770,000</u>
Total current assets	30,095,748

Noncurrent assets

Restricted cash	187,000
Deposits	<u>55,376</u>
Total noncurrent assets	<u>242,376</u>
Total assets	<u>30,338,124</u>

LIABILITIES

Current liabilities

Accrued cost of electricity	21,644,312
Accounts payable	562,068
Other accrued liabilities	441,482
Interest payable	130,404
Due to member agencies	<u>504,017</u>
Total current liabilities	<u>23,282,283</u>

Noncurrent liabilities

Security deposits - energy suppliers	496,150
Debt - Revolving line of credit	<u>9,950,000</u>
Total noncurrent liabilities	<u>10,446,150</u>
Total liabilities	<u>33,728,433</u>

NET POSITION

Unrestricted (deficit)	<u><u>\$ (3,390,309)</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
Nine Months ended March 31, 2024

OPERATING REVENUES

Electricity sales, net	\$ 142,666,265
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OPERATING EXPENSES

Cost of electricity	134,804,312
Contract services	3,378,563
Staff compensation	352,803
Other operating expenses	293,952
Total operating expenses	<u>138,829,630</u>
Operating income (loss)	<u>3,836,635</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	201,077
Interest expense	<u>(975,737)</u>
Nonoperating revenues (expenses), net	<u>(774,660)</u>

CHANGE IN NET POSITION

	3,061,975
Net position at beginning of year	<u>(6,452,284)</u>
Net position at end of period	<u><u>\$ (3,390,309)</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 2023, board meeting, the CEA Board approved the Fiscal Year (FY) 2023/24 budget approving \$213,361,000 in total operating and nonoperating expenses. For the year-to-date, \$141,684,000 has been expended. Revenues from electricity sales for the year-to-date reached \$144,545,000. The overall change in available fund balance (ignoring loan proceeds) for the year-to-date was an increase of \$3,062,000.

The Budget to Actuals Comparison Schedules as of March 31, 2024, is shown on the next page.

CLEAN ENERGY ALLIANCE
BUDGETARY COMPARISON SCHEDULE
Nine Months ended March 31, 2024

	ANNUAL BUDGET	YEAR-TO- DATE ACTUAL	ANNUAL BUDGET VARIANCE
Operating Revenues			
Energy Sales	\$ 230,915,000	144,545,283	\$ 86,369,717
Operating Expenses			
Power Supply	200,000,000	134,804,312	65,195,688
Data Manager / Call Center	2,500,000	1,514,756	985,244
Staffing/Consultants	3,000,000	629,636	2,370,364
Legal Services	467,500	286,912	180,588
Professional Services	1,448,885	1,044,149	404,736
Audit Services	10,000	23,421	(13,421)
Software & Licenses	15,000	36,619	(21,619)
Membership Dues	292,040	217,959	74,081
G&A (includes Bad Debt expense)	4,927,780	2,150,884	2,776,896
Total Operating Expenses	212,661,205	140,708,648	71,952,557
Operating Income (Loss)	18,253,795	3,836,635	14,417,160
Financing			
Interest Income	50,000	201,077	(151,077)
Interest Expense	(750,000)	(975,737)	225,737
Net Interest Income (Expense)	(700,000)	(774,660)	74,660
Change in Net Position	\$ 17,553,795	\$ 3,061,975	\$ 14,491,820

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 detail of payments issued by CEA for the month. All payments were within approved budget.

Clean Energy Alliance
PAYMENTS ISSUED DURING MARCH 2024

<u>Date</u>	<u>Type</u>	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
03/01/2024	ACH/CHECK	BUSINESS OFFICE OUTFITTERS INC.	Office Equipment	737.01
03/01/2024	Wire	JPMorgan	01-Feb-2024 29-Feb-2024 29	35,402.38
03/01/2024	ACH/CHECK	MCCAULEY, KAYLIN	February 2023 - Expense Reimbursement	53.59
03/01/2024	ACH/CHECK	Neyenesch Printers	Printing Services	1,847.33
03/01/2024	ACH/CHECK	SDG&E	Services rendered under Schedule CCA-Info data	1,008.00
03/01/2024	ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	553.11
03/01/2024	ACH/CHECK	Vista Chamber of Commerce	Vista Magazine Advertising Spring 2024	400.00
03/01/2024	ACH/CHECK	WADE, GREG	February 2023 - Expense Reimbursement	585.21
03/01/2024	ACH/CHECK	WADE, GREG	February 2023 - Expense Reimbursement	155.16
03/04/2024	Wire	SAAVI ENERGY SOLUTIONS, LLC.	Firm Resource Adequacy - (June 2024)	105,000.00
03/04/2024	Wire	THE ENERGY AUTHORITY	February 2024 - CAISO Weekly Settlement	74,020.50
03/04/2024	ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	3,468.00
03/05/2024	ACH/CHECK	Evolution Affairs, LLC	January 2024 - Professional Service	2,817.50
03/05/2024	ACH/CHECK	River City Bank CC	January 2024 - CC charges	6,922.79
03/06/2024	ACH/CHECK	OCEANSIDE CHAMBER OF	Best of Oceanside Magazine - QTR #1 through QTR#3	2,580.00
03/06/2024	ACH/CHECK	The Bayshore Consulting Group,	February 2024 - CEO transition, Operations Consulting	18,720.92
03/06/2024	ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	3,832.40
03/07/2024	ACH/CHECK	CALPINE ENERGY SOLUTIONS	January 2024 Services	175,765.00
03/07/2024	ACH/CHECK	EMPOWER (401a)	Employee Retirement - 03/05/2024	15,230.18
03/07/2024	ACH/CHECK	EMPOWER (457b)	Employee Retirement Contribution - 03/05/2024	5,380.47
03/07/2024	ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	3,497.40
03/08/2024	ACH/CHECK	BRENTECH INCORPORATED	Equipment Purchase	33.40
03/08/2024	ACH/CHECK	Evolution Affairs, LLC	February 2024 - Professional Service	4,042.50
03/08/2024	ACH/CHECK	MCCAULEY, KAYLIN	Expense Reimbursement	24.36
03/08/2024	ACH/CHECK	Neyenesch Printers	Printing Services	825.91
03/08/2024	ACH/CHECK	SPECIAL DISTRICT RISK MGMT	Coverage Month: February - April 2024	30,947.93
03/08/2024	ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	3,632.28
03/08/2024	ACH/CHECK	WADE, GREG	February 2023 - Expense Reimbursement	312.46
03/08/2024	ACH/CHECK	WADE, GREG	February 2023 - Expense Reimbursement	102.52
03/08/2024	ACH/CHECK	WADE, GREG	February 2023 - Expense Reimbursement	36.99
03/08/2024	ACH/CHECK	WADE, GREG	February 2023 - Expense Reimbursement	15.07
03/11/2024	Wire	THE ENERGY AUTHORITY	February 2024 - CAISO Weekly Settlement	43,870.39
03/14/2024	ACH/CHECK	BRENTECH INCORPORATED	UPS Delivery	24.10
03/14/2024	ACH/CHECK	BURKE, WILLIAMS & SORENSEN,	FEES FOR PROFESSIONAL SERVICES January, 2024	3,755.36
03/14/2024	ACH/CHECK	Maher Accountancy	March 2024 Services	9,500.00
03/14/2024	ACH/CHECK	Neyenesch Printers	Printing Services	857.76
03/14/2024	ACH/CHECK	Tripepi, Smith & Associates, Inc.	February 2024 - Communications and Marketing	13,498.19
03/15/2024	ACH/CHECK	Hall Energy Law PC	January 2024 - Energy Procurement Counsel Services	650.00
03/16/2024		State Compensation Insurance	Monthly - Worker's Comp	452.75
03/18/2024	Wire	Orange County Power Authority	February 2024 - System Flex -RA SWAP	7,000.00
03/18/2024	ACH/CHECK	PECKHAM, DANIEL	Travel to & from Vista Farmers Market event	9.57
03/18/2024	Wire	THE ENERGY AUTHORITY	February 2024 - CAISO Weekly Settlement	18,050.59
03/19/2024	ACH/CHECK	BRENTECH INCORPORATED	Equipment Purchase	49.57
03/19/2024	ACH/CHECK	BURKE, WILLIAMS & SORENSEN,	FEES FOR PROFESSIONAL SERVICES February 2024	7,082.80
03/19/2024	ACH/CHECK	BUSINESS OFFICE OUTFITTERS INC.	Office Equipment	587.24
03/19/2024	ACH/CHECK	MCCAULEY, KAYLIN	March 2023 - Expense Reimbursement	31.39
03/19/2024	ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	882.18
03/20/2024	Wire	EDF TRADING NORTH AMERICA	February 2024 - Capacity Purchase	706,500.00
03/20/2024	ACH/CHECK	EMPOWER (401a)	Employee Retirement - 03/20/2024	6,386.92
03/20/2024	ACH/CHECK	EMPOWER (457b)	Employee Retirement Contribution - 03/20/2024	4,117.32
03/20/2024	Wire	SDG&E	Feb 2024 REC Sales - LT Bundled & Unbundled	1,637,014.16
03/20/2024	Wire	SDG&E	Feb-24 Resource Adequacy Sales	113,729.87
03/20/2024	Wire	SEMPRA	February 2024 - Capacity Purchases	1,139,000.00
03/21/2024	ACH/CHECK	Neyenesch Printers	Printing Services	20,187.68
03/21/2024	ACH/CHECK	Neyenesch Printers	Printing Services	276.01
03/22/2024	ACH/CHECK	MCCAULEY, KAYLIN	March 2023 - Expense Reimbursement	162.35
03/22/2024	ACH/CHECK	MCCAULEY, KAYLIN	March 2023 - Expense Reimbursement	10.81
03/22/2024	ACH/CHECK	MCCAULEY, KAYLIN	March 2023 - Expense Reimbursement	40.55
03/22/2024	ACH/CHECK	MCCAULEY, KAYLIN	March 2023 - Expense Reimbursement	27.12

03/25/2024	Wire	Powerex	Transactions for the Period of March 2024	98,562.50
03/25/2024	Wire	Resi Station LLC	Proxy Demand Response CEA Feb2024	1,530.00
03/25/2024	ACH/CHECK	STERN, ANDREW	For the period from 2/22/24-3/21/24	7,500.00
03/25/2024	Wire	THE ENERGY AUTHORITY	March 2024 - CAISO Weekly Settlement	164,911.26
03/26/2024	ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	339.28
03/27/2024	Wire	LEAPFROG POWER, INC.	March 2024 RA (Quantity in kW)	6,897.00
03/28/2024	ACH/CHECK	AVANTI EXECUTIVE SUITES	April 2024 -Rent	2,399.16
03/28/2024	ACH/CHECK	Granicus, LLC	Mar 2024 - 2025 - DisclosureDocs Subscription &	497.94
03/28/2024	ACH/CHECK	Keyes & Fox LLP	February 2024 - Professional Services	14,177.25
03/28/2024	ACH/CHECK	Neyenesch Printers	Printing Services	819.57
03/28/2024	ACH/CHECK	NORTH COUNTY DAILY STAR	Advertising	675.00
03/28/2024	ACH/CHECK	Pacific Energy Advisors, Inc	February 2024 - Technical Consulting Advisors	34,925.14
03/28/2024	ACH/CHECK	PECKHAM, DANIEL	Flight for CalCCA conference	237.00
03/28/2024	ACH/CHECK	THE ENERGY AUTHORITY	February 2024 - Resource Management Monthly Fees	11,700.00
03/28/2024	ACH/CHECK	Tripepi, Smith & Associates, Inc.	February 2024 - Communications and Marketing	10,460.75
03/28/2024	ACH/CHECK	Z NEMS	NEM Cash Out	21,231.50
Total for Operating Account				4,608,568.40
03/25/2024	lockbox	Constellation Generation	January 2024 - Power Purchase	353,803.62
03/25/2024	lockbox	MORGAN STANLEY CAPITAL	Febuary 2024 - Power Purchase	1,309,321.78
03/25/2024	lockbox	NRG (Formerly DIRECT ENERGY)	January 2024 - Energy Purchases	2,450,637.48
03/25/2024	lockbox	Shell Oil North America	January 2024 - Energy Purchases	4,344,177.24
03/25/2024	lockbox	Tecolote Wind LLC	February 2024 - Resource Adequacy	62,687.50
Total for Lockbox Account				8,520,627.62

Staff Report

DATE: May 30, 2024

TO: Clean Energy Alliance Board of Directors

FROM: Greg Wade, Chief Executive Officer

ITEM 2: Consider Resolution No. 2024-005 Setting Time and Place for Clean Energy Alliance Board Meetings July 2024 – June 2025

RECOMMENDATION:

Adopt Resolution No. 2024-005 setting the time and place for Clean Energy Alliance Board Meetings for July 2024 - June 2025.

BACKGROUND AND DISCUSSION:

Pursuant to Section 4.8 of the Clean Energy Alliance (CEA) Joint Powers Agreement, the CEA Board shall establish the date, hour, and place of each regular meeting annually by resolution.

The proposed schedule sets meetings on the last Thursday of the month at 2 p.m. with the location at City of Oceanside City Council Chambers, 300 North Coast Hwy, Oceanside CA 92054.

Staff recommends the following exception to the meeting date:

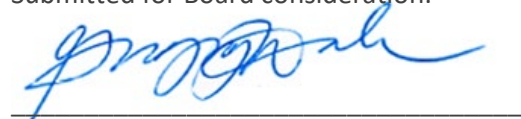
November Meeting – Schedule November 21, 2024 (3rd Thursday)
December Meeting – Cancelled

Adopting the Board meeting calendar by resolution meets the Brown Act requirements (Government Code §54954) and provides the CEA Board the opportunity to notify the public of its scheduled regular meetings. Special meetings may be called as needed by providing 24-hour notice before the time of the special meeting. The meeting schedule will be posted to the CEA website.

FISCAL IMPACT:

There is no fiscal impact associated with this item.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

- A. Resolution 2024-005, Setting Time and Place for Clean Energy Alliance Board Meetings July 2024 – June 2025

**CLEAN ENERGY ALLIANCE
RESOLUTION NO. 2024-005**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CLEAN ENERGY ALLIANCE
SETTING TIME AND PLACE FOR CLEAN ENERGY ALLIANCE BOARD MEETINGS
JULY 2024 – JUNE 2025**

WHEREAS, the Clean Energy Alliance (CEA) is a joint powers agency, formed in November 2019, whose members include the cities of Carlsbad, Del Mar, Escondido, Oceanside, San Marcos, Solana Beach and Vista; and

WHEREAS, the CEA Board of Directors has determined it will establish its regular meetings annually by resolution; and

WHEREAS, the Ralph M. Brown Act (Government Code §54954) provides for the establishment of an annual regular meeting calendar procedure; and

WHEREAS, special meetings of the Board of Directors will be called as necessary and following the requirements of the Brown Act (Government Code §54954).

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Clean Energy Alliance, as follows:

Section 1. The Board of Directors of the Clean Energy Alliance hereby establishes the following dates, times, and location, for regular Board meetings during fiscal year 2024/25:

Location: City of Oceanside, City Council Chambers
300 North Coast Hwy
Oceanside, CA 92054

July 25, 2024	2 p.m.
August 29, 2024	2 p.m.
September 26, 2024	2 p.m.
October 31, 2024	2 p.m.
November 21, 2024	2 p.m.
January 30, 2025	2 p.m.
February 27, 2025	2 p.m.
March 28, 2025	2 p.m.
April 24, 2025	2 p.m.
May 29, 2025	2 p.m.
June 27, 2025	2 p.m.

Section 2. That the fiscal year 2024-25 meeting calendar will be posted to the Clean Energy Alliance website.

The foregoing Resolution was passed and adopted this 30th day of May, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

David Druker, Board Chair

ATTEST:

Kaylin McCauley, Board Secretary

Staff Report

DATE: May 30, 2024

TO: Clean Energy Alliance Board of Directors

FROM: Gregory Wade, Chief Executive Officer

ITEM 3: Consider Adoption of Resolution No. 2024-00X Approving Amendment No. 2 to Task Order No. 1 under the Professional Services Agreement with The Energy Authority.

RECOMMENDATION:

Adopt Resolution No. 2024-00X approving Amendment No. 2 to Task Order No. 1 under the Professional Service Agreement for Scheduling Coordinator Services with The Energy Authority, for a fixed monthly fee not to exceed \$18,000, with an annual escalator and one-time set up fee of \$39,000, and authorize the Chief Executive Officer to execute all documents, subject to General Counsel approval.

BACKGROUND AND DISCUSSION:

The Clean Energy Alliance (CEA) Board of Directors approved a professional services agreement (PSA) with The Energy Authority (TEA) at its September 17, 2020 regular board meeting, pursuant to award through a Request for Qualifications process.

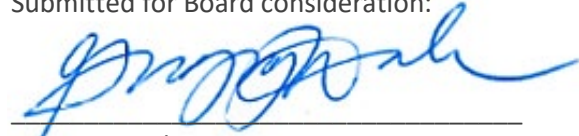
At its regular board meeting of October 26, 2023 the CEA Board approved the Wholesale Market Access Tariff (WMAT) Terms and Conditions and related forms of agreement. Pursuant to the WMAT Agreement, a unique SCID is established for customers served under the WMAT program, which results in a separate scheduling duties to manage the load for the customer in the California Independent Service Operator (CAISO) system. The costs of those scheduling coordinator services are included when developing the WMAT rate for the customer.

The proposed Amendment No. 2 to Task Oder No. 1 of the TEA agreement adds these services for the Channelside account, which will be enrolled with CEA under the WMAT program in January 2025. As part of serving the Channelside account, CEA is working with the San Diego County Water Authority to develop a Power Purchase Agreement (PPA) for procurement of energy generated at the Rancho Peñasquitos Hydroelectric Generating Facility as an energy source for the Channelside account. The proposed TEA amendment includes the scheduling services projected to be needed for the Rancho Peñasquitos facility.

FISCAL IMPACT:

Costs for the services provided under this amendment will be fully reimbursed by Channelside through the WMAT rate.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS

- A. Resolution No. 2024-006, approving Amendment No. 2 of Task Order No. 1 of the Professional Services Agreement with The Energy Authority
- B. The Energy Authority Professional Services Agreement Amendment No. 2 of Task Order No. 1

**CLEAN ENERGY ALLIANCE
RESOLUTION NO. 2024-006**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF CLEAN ENERGY ALLIANCE
APPROVING AMENDMENT NO. 2 OF TASK ORDER NO. 1 TO THE ENERGY
AUTHORITY PROFESSIONAL SERVICES AGREEMENT FOR SCHEDULING
COORDINATOR SERVICES**

WHEREAS, Clean Energy Alliance (CEA) is a Joint Powers Authority, formed in November 2019, whose members cities include Carlsbad, Del Mar, Escondido, Oceanside, San Marcos, Solana Beach and Vista; and

WHEREAS, CEA meets its service needs through a combination of in-house staff and consultants; and

WHEREAS, The Energy Authority (TEA) was selected to provide Scheduling Coordinator Services services through a Request for Qualifications process; and

WHEREAS, a professional services agreement with TEA for Scheduling Coordinator Services was approved by the CEA Board of Directors at its regular board meeting September 17, 2020; and

WHEREAS, additional services are desired to be added to that agreement.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Clean Energy Alliance, as follows:

Section 1. The Board of Directors of Clean Energy Alliance hereby approves Amendment No. 2 to Task Order No. 1 of the Professional Services Agreement with The Energy Authority for Scheduling Coordinator Services.

Section 2. This Resolution shall take effect immediately upon approval.

The foregoing Resolution was passed and adopted this 30th day of May, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

David Druker, Board Chair

ATTEST:

Kaylin McCauley, Board Secretary

**Amendment No. 2 to Task Order 1
(SDCWA Support Services)**

This Amendment No. 2 (this “Amendment”), effective as of _____, 2024 (the “Amendment Effective Date”), is made part of the Task Order 1 between The Energy Authority, Inc. (“TEA”) and Clean Energy Alliance (“CEA”) dated January 21, 2021, as amended June 18, 2021 (collectively with all prior amendments, the “Task Order 1”) and is subject to all terms and conditions of the Task Order 1 except as otherwise provided herein. TEA and CEA are sometimes referred to herein individually as a “Party,” or collectively as the “Parties.” Capitalized terms used in this Amendment and not defined herein shall have the meanings assigned to such terms in the Task Order 1.

Recitals

WHEREAS, the Parties have previously entered into the Task Order 1;

WHEREAS, CEA has requested TEA to perform scheduling coordinator and congestion revenue rights support for CEA’s new large load customer, Poseidon Resources (Channelside) LP (“Channelside”). Pursuant to that certain Water Purchase Agreement dated December 20, 2012 (“WPA”) between Channelside and San Diego County Water Authority (“SDCWA”), SDCWA has the sole authority and discretion to make decisions with respect to the Carlsbad Desalination Plant’s electricity supplier (the “Channelside Account”) until the expiration of that WPA on December 20, 2045, at which time the Channelside Desalination Plant transfers to SDCWA. The services CEA has requested TEA to perform will include but not be limited to scheduling Channelside’s load, Congestion Revenue Rights (“CRRs”) associated with Channelside’s load, scheduling the Rancho Peñasquitos Pressure Control & Hydroelectric Facility pursuant to a Power Purchase Agreement between CEA and SDCWA (the “Rancho Peñasquitos Project”) and scheduling the SDCWA WAPA Allocation Resource (the “WAPA Allocation”);

WHEREAS, under this Amendment, TEA has agreed to provide services that will support certain transactions between TEA and CEA, as mutually agreed upon by the Parties; and

WHEREAS, the Parties wish to amend the Task Order 1 to add services related to SDCWA, the Channelside Account, the Rancho Peñasquitos Project, and the WAPA Allocation as provided herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

Terms and Conditions

1. Task Order 1 Incorporated.

Except as modified by this Amendment, the terms and conditions of the Task Order 1 are incorporated fully by this reference as of the Amendment Effective Date, and this Amendment is made part of the Task Order 1.

2. Amendments.

Pursuant to this Amendment, certain terms and conditions of the Task Order 1 are hereby modified and amended as follows:

A. Section 1.4 is hereby added to Task Order 1 as follows:

“Section 1.4 Channelside and SDCWA Scheduling Coordinator and Congestion Revenue Rights Support (“Support Services”)

CEA has requested and TEA agrees to provide segregated scheduling and CRR Services for CEA’s customers, Channelside and SDCWA, including the scheduling of the Channelside Account the Rancho Penasquitos Project, and the WAPA Allocation. The Scope of Work includes TEA coordinating with the SDCWA as needed, in collaboration with CEA, to effect the Services.

Section 1.4.1 CAISO Power Purchases

Subject to the RMA between the Parties, TEA shall provide Scheduling Coordinator (as defined by CAISO) (“SC”) Services on behalf of CEA as related to Channelside, the Rancho Peñasquitos Project, and the WAPA Allocation with TEA acting as principal in the CAISO Transactions with CAISO. “CAISO Transactions” means the purchase and sale of electricity products, including energy, CRR awards, ancillary services, and related attributes.

Section 1.4.2 Program Administration and Compliance.

1.4.2.1 Regulatory and CAISO Compliance.

TEA will follow CAISO market trends, issues and rules changes, and provide a summary related to Channelside and SDCWA to CEA of any issues or rules that TEA believes may impact CEA’s operations, including procurement decisions.

TEA will perform a cross audit of supplier resource adequacy (“RA”) plans on a monthly basis. As SC, TEA will collect all RA Supply Plans from the market and will settle any disputes in

the RA showings with the supplier, CAISO and/or California Public Utilities Commission (“CPUC”), as needed. As the SC, TEA will also perform the same cross audit function for the annual RA plan.

As needed, TEA will also make data available to CEA from its system(s) of record that is useful for preparing portfolio compliance reports such as Power Content Label Reporting and Renewables Portfolio Standard (“RPS”) Compliance Reporting.

1.4.2.2 Accounting Services.

During the term of this Task Order 1, TEA will support CEA by providing requested Channelside, SDCWA and CEA data and information in the possession of TEA necessary related to Operational Services for Channelside and SDCWA financial accounting, settlement, CEA audits, or to support ongoing Channelside, SDCWA and CEA operations.

1.4.2.3 Wholesale Power Procurement Operations.

TEA will be the SC in the CAISO market and will provide the following activities while performing its duties and responsibilities as SC on CEA’s behalf related to Channelside and SDCWA:

- **Maintain credit facilities with CAISO.** Subject to the requirements of Section 2 contained herein, TEA will maintain credit with the CAISO sufficient to make payments to, and receive payments from, the CAISO.
- **Provide daily forecast of CEA hourly loads.** Each business day, TEA will generate an hourly forecast of loads for Channelside and SDCWA for the next ten (10) days.
- **Submit demand bids to Day Ahead (“DA”) market.** TEA will submit Demand Bids to the CAISO Day Ahead Market to meet CEA’s forecasted load requirements as related to Channelside and SDCWA. TEA will monitor and compare Demand Bid information resident in the CAISO portal with submitted information and use commercially reasonable efforts to validate Day Ahead market data submissions.
- **Submit supply bids to DA market (both economic and self-schedule).** To the extent that CEA directly enters into agreements with power suppliers or generators (“CEA

Counterparties”) related to Channelside and SDCWA load to acquire the output of a specific generating resource, TEA will provide the scheduling and settlement activities required to schedule CEA’s supply agreements with CAISO. For any supply agreements linked to a specific generation source on behalf of Channelside or SDCWA, CEA will require CEA Counterparties to provide TEA with a forecast of expected hourly generation levels, and related information, that TEA will use in submitting DA supply offers to CAISO.

- **Register and maintain Commercial Model and Resource Adequacy (“RA”).** TEA shall assist CEA in identifying Channelside, SDCWA and CEA’s information required to register and maintain CEA’s assets, if any, in the CAISO commercial model. TEA shall assist CEA in identifying Channelside’s, SDCWA’s and CEA’s information required to comply with CAISO’s resource adequacy requirements in accordance with Section 40 of the Tariff and as related to Channelside and SDCWA.
- **Settlement validation and allocation of costs.** TEA shall use reasonable efforts to validate CAISO invoices related to Channelside and SDCWA. Should TEA and CEA elect to dispute a CAISO invoice amount related to Channelside or SDCWA, TEA will file an initial dispute with CAISO pursuant to the CAISO tariff. Once a dispute determination has been made by CAISO, further appeals or action from TEA on CEA’s behalf would be provided as requested and paid for by CEA on a time and materials basis using the billing rates provided in Section 8 herein.
- **CRR bid strategy development and implementation.** Unless otherwise directed by CEA, TEA will manage the annual CRR nomination and allocation process for CEA on behalf of Channelside and SDCWA. Annually, TEA will provide CEA with an estimate of the dollar value of the potential CRRs based upon historic and forecasted Locational Marginal Prices for the source and sink pricing nodes associated with the applicable source and load pricing nodes, and TEA will consult with CEA to select the CRRs to nominate. Selection of any CRRs to nominate will be at CEA’s sole discretion. TEA will nominate any CRRs selected by CEA and TEA will notify CEA of the CRRs awarded to TEA for CEA’s account. TEA will review the settlement statements and invoices associated with the CRRs for accuracy.

- **Perform Additional Tasks.** In addition to the above, TEA will provide the following:
 - Import schedule, as required, including preparing e-tags.
 - Coordination of Channelside and SDCWA unit outages with generation operators and CAISO.
 - Coordination of Inter-Scheduling Coordinator trades (“IST”) related to Channelside and SDCWA system power and ancillary services transactions.”

B. **Section 2 (Credit Support and Credit Solution)** of Task Order 1 is hereby modified to extend the “Interim Period” through March 31, 2025. The following is hereby added to the end of Section 2:

“Unless otherwise agreed to by the Parties in writing, TEA will extend the provision of the CRR Solution to enable CRR procurement for the Channelside and SDCWA load on behalf of CEA through the Interim Period.”

The remainder of Section 2 remains in full force and effect.

C. **Section 4.1.6** is hereby added to Task Order 1 as follows:

“4.1.6 Compensation for Channelside and SDCWA Support Services

For the Channelside and SDCWA Support Services described in Section 1.4:

1. CEA shall pay TEA a one-time setup fee of \$39,000 no later than December 31, 2024, which includes \$25,200 for the Channelside and SDCWA load, \$6,900 for the Rancho Peñasquitos Project, and \$6,900 for the WAPA Allocation; and

2. CEA shall pay TEA a recurring, fixed monthly fee of \$18,000, which includes \$12,300 for the Channelside and SDCWA load, \$3,200 for the Rancho Peñasquitos Project, and \$2,500 for the WAPA Allocation (“SDCWA Support Services Monthly Fee”) to commence January 1, 2025. For each subsequent year, beginning January 1, 2026, the SDCWA Support Services Monthly Fee shall be escalated up to the greater of three percent (3%) or CPI-U, San Diego Area.”

3. General.

A. **Headings.** Headings or captions contained in this Amendment are solely for the convenience of the Parties and shall not affect the construction or interpretation of any of the provisions of this Amendment.

B. **Amendment.** Except as otherwise modified under this Amendment, the terms and conditions of the Task Order 1 remain in full force and effect. This Amendment

may be amended by an instrument in writing signed by an authorized representative of each Party.

C. **Counterparts and Electronic Signatures.** This Amendment may be executed in counterparts, each of which shall constitute an original, but all of which shall constitute one agreement. Electronic signatures of authorized representatives of the Parties to this Amendment, in PDF or other mutually acceptable digital formats (e.g., DocuSign or Adobe Sign), shall be deemed originals for all purposes and shall have the same force and effect as manually executed original signatures.

[Signatures appear on following page]

IN WITNESS WHEREOF, this Amendment is executed by an authorized representative of each Party.

The Energy Authority, Inc.

Clean Energy Alliance

By: _____
Name: Joanie C. Teofilo
Title: President and CEO

By: _____
Name: Gregory Wade
Title: CEO

Staff Report

DATE: May 30, 2024

TO: Clean Energy Alliance Board of Directors

FROM: Gregory Wade, Chief Executive Officer

ITEM 4: Consider Adoption of Resolution No. 2024-007 Ratifying Execution of the First Amendment to the Edison Electric Institute (EEI) Transaction Confirmation Agreement Between San Diego Gas & Electric Company (SDG&E) and Clean Energy Alliance (CEA) for the Allocation and Purchase of Resource Adequacy (RA) Pursuant to the California Public Utilities Commission (CPUC) Decision D.23-12-014

RECOMMENDATION:

Adopt Resolution No. 2024-007 Ratifying approval and execution by the Chief Executive Officer (CEO) of the First Amendment to the Edison Electric Institute (EEI) Transaction Confirmation Agreement Between San Diego Gas & Electric Company (SDG&E) and Clean Energy Alliance (CEA) for the Allocation and Purchase of Resource Adequacy (RA) Pursuant to the California Public Utilities Commission (CPUC) Decision D.23-12-014.

BACKGROUND AND DISCUSSION:

On December 21, 2021, Clean Energy Alliance (CEA) executed an EEI Master Power Purchase and Sale Agreement (Master Agreement) with San Diego Gas & Electric Company (SDG&E) establishing the general terms and conditions under which future energy transactions would be carried out. Subsequently, and as governed by the Master Agreement, an EEI Transaction Confirmation for Resource Adequacy (RA) Capacity Product was executed between CEA and SDG&E on September 28, 2022, providing for the purchase and/or sale of Local and Flexible RA between the parties.

In California Public Utilities Commission (Commission) Decision (D.) 22-05-015, certain load-serving entities, including CEA, were offered a one-time provision for the purchase of RA capacity at a point in time determined by the Commission to address any uncertainty and inequity created between the adoption of a prior Commission Decision (D.19-11-016) and D.22-05-015. Thereafter, D.23-12-014 clarified that the point in time to determine CEA and other buyer's share for the sale and purchase of eligible RA capacity should be based on the final 2023 RA year-ahead forecast for load served by each load-serving entity, which was finalized in August 2022.

Given CEA's RA needs, CEA has been working SDG&E to procure available RA subject to D.23-12-014. Shortly after the CEA's April Board Meeting, SDG&E made CEA aware of revised and additional allocations of RA to be made available in response to D.23-12-014 and indicated that immediate

execution of a First Amendment to our EEI Transaction Confirmation dated September 28, 2022, was needed. As such, on May 7, 2024, CEA executed the First Amendment for the purchase of additional RA capacity from SDG&E. The CEA Board's approval of Resolution of 2024-007 will ratify the actions taken by the CEO in execution of this First Amendment.

FISCAL IMPACT:

Costs for CEA's allocation of RA made available pursuant to this First Amendment to the EEI Transaction Confirmation dated September 28, 2022, have been accounted for in the Draft Fiscal Year 2024-2025 CEA Budget.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

- A. Resolution No. 2024-007, approving the First Amendment to the EEI Transaction Confirmation governed by the EEI Master Power Purchase & Sale Agreement, dated as of December 21, 2021
- B. First Amendment to the EEI Transaction Confirmation – Executed Copy

**CLEAN ENERGY ALLIANCE
RESOLUTION NO. 2024-007**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF CLEAN ENERGY ALLIANCE
RATIFYING APPROVAL AND EXECUTION BY THE CHIEF EXECUTIVE OFFICER
OF THE FIRST AMENDMENT TO THE EDISON ELECTRIC INSTITUTE (EEI)
TRANSACTION CONFIRMATION AGREEMENT BETWEEN SAN DIEGO GAS &
ELECTRIC COMPANY (SDG&E) AND CLEAN ENERGY ALLIANCE (CEA)**

WHEREAS, Clean Energy Alliance (CEA) is a Joint Powers Authority, formed in November 2019, whose members cities include Carlsbad, Del Mar, Escondido, Oceanside, San Marcos, Solana Beach and Vista; and

WHEREAS, San Diego Gas & Electric Company (SDG&E) and CEA are Parties to that certain EEI Transaction Confirmation between SDG&E and CEA, dated as of September 28, 2022, which is governed by the EEI Master Power Purchase & Sale Agreement, dated as of December 21, 2021, along with any amendments and annexes executed between the Parties thereto (the “Master Agreement”, and together with the Confirmation, the “Agreement”), under which, among other things, SDG&E will sell to CEA, and CEA will purchase from SDG&E, the Product as described therein; and

WHEREAS, the California Public Utilities Commission (“CPUC”) Decision (“D.”) 22-05-015 offered CEA, among others, a one-time provision for the purchase of resource adequacy capacity at a point in time determined by the Commission to address any uncertainty and inequity created between the adoption of CPUC D.19-11-016 and D.22-05-015; and

WHEREAS, in D.23-12-014 the CPUC clarified that the point in time to determine CEA’s allocation share for the sale and purchase of eligible resource adequacy capacity should be based on the final 2023 resource adequacy year-ahead forecast for load served by each load-serving entity, which was finalized in August 2022; and

WHEREAS, because CEA elects to purchase additional capacity in response to the clarification in D.23-12-014, SDG&E and CEA now desire to amend the Agreement under the terms and conditions set forth in this First Amendment.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Clean Energy Alliance, as follows:

Section 1. The Board of Directors of Clean Energy Alliance hereby Ratifies Approval and Execution by the Chief Executive Officer of the First Amendment to the Edison Electric Institute (EEI) Transaction Confirmation Agreement Between San Diego Gas & Electric Company (SDG&E) and Clean Energy Alliance (CEA) for the Allocation and Purchase of Resource Adequacy (RA) Pursuant to the California Public Utilities Commission (CPUC) Decision D.23-12-014.

Section 2. This Resolution shall take effect immediately upon approval.

The foregoing Resolution was passed and adopted this 30th day of May, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

David Druker, Board Chair

ATTEST:

Kaylin McCauley, Board Secretary

FIRST AMENDMENT
To the
EEI TRANSACTION CONFIRMATION

This First Amendment to the EEI Transaction Confirmation (“First Amendment”) is made and entered into by San Diego Gas & Electric Company (“SDG&E” or “Seller”), a California corporation, and Clean Energy Alliance (“CEA” or “Buyer”), a California joint powers authority, effective as of May 7, 2024 (the “First Amendment Effective Date”). Buyer and Seller are sometimes referred to herein individually as a “Party” and jointly as the “Parties.” All capitalized terms not otherwise defined in this First Amendment are used with the meanings ascribed to them in the Agreement (as defined below).

RECITALS

WHEREAS, Seller and Buyer are Parties to that certain EEI Transaction Confirmation between SDG&E and CEA, dated as of September 28, 2022, which is governed by the EEI Master Power Purchase & Sale Agreement, dated as of December 21, 2021, along with any amendments and annexes executed between the Parties thereto (the “Master Agreement”, and together with the Confirmation, the “Agreement”), under which, among other things, Seller will sell to Buyer, and Buyer will purchase from Seller, the Product as described therein.

WHEREAS, the California Public Utilities Commission (“CPUC”) Decision (“D.”) 22-05-015 offered Buyer, among others, a one-time provision for the purchase of resource adequacy capacity at a point in time determined by the Commission to address any uncertainty and inequity created between the adoption of D.19-11-016 and D.22-05-015.

WHEREAS, in D.23-12-014 the CPUC clarified that the point in time to determine Buyer’s allocation share for the sale and purchase of eligible resource adequacy capacity should be based on the final 2023 resource adequacy year-ahead forecast for load served by each load-serving entity, which was finalized in August 2022.

WHEREAS, because Buyer elects to purchase additional capacity in response to the clarification in D.23-12-014, Seller and Buyer now desire to amend the Agreement under the terms and conditions set forth in this First Amendment.

AGREEMENT

In consideration of the promises, mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration as set forth herein, the Parties agree as follows:

I. Effectiveness.

The effectiveness of this First Amendment is conditioned upon Seller having obtained final and non-appealable CPUC Amendment Approval no later than August 31, 2024. Prior to this deadline, should the CPUC issue an order approving this First Amendment with conditions or modifications that materially alter the commercial aspects of this First Amendment, the Parties agree to use good faith efforts to renegotiate this First Amendment

and file the amended First Amendment with the CPUC seeking approval thereof. If, no later than the earlier of (i) sixty (60) days after such order or (ii) the deadline date above, no agreement is reached, either Party may terminate this First Amendment upon delivery of Notice to the other Party. For purpose of this First Amendment, “CPUC Amendment Approval” shall mean a final, non-appealable order approving this First Amendment in its entirety issued by the CPUC.

II. Amendments.

The Agreement is amended as follows:

- a. The second sentence of Section 3.4 of the Agreement is be deleted in its entirety and the following inserted:

“Buyer’s Allocation mCAM Quantity’ means (i) 4.25% of Seller’s RA Total for the period commencing on the Delivery Start Date through the end of December 31, 2024, and (ii) 10.59% of Seller’s RA Total commencing at the beginning of January 1, 2025, through the end of the Delivery Term.”
- b. Appendix A is deleted in its entirety and the new Appendix A attached to this First Amendment is inserted.

III. Miscellaneous.

- a. Each Party expressly reserves all of its respective rights and remedies under the Agreement.
- b. Except as expressly set forth in this First Amendment, the Agreement remains unchanged and in full force and effect.
- c. The terms and provisions hereof shall be binding on, inure to the benefit of, and be enforceable by, the successors and assigns of the Parties, whether so expressed or not.
- d. If any provision of this First Amendment is held invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions hereof will not in any way be affected or impaired thereby.
- e. This First Amendment may be executed in one or more counterparts, each of which will be deemed to be an original of this First Amendment and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this First Amendment and of signature pages by facsimile transmission or by other electronic means shall constitute effective execution and delivery of this First Amendment as to the Parties and may be used in lieu of the original First Amendment for all purposes. Signatures of the Parties transmitted by facsimile or by other electronic means shall be deemed to be their original signatures for all purposes.
- f. Each Party represents and warrants that the execution, delivery and performance of this First Amendment are within its powers, have been duly authorized by all necessary action, and do not violate any of the terms and conditions in its governing

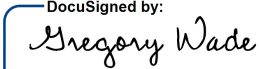
documents, any contracts to which it is a party, or any law, rule, regulation, order or the like applicable to it, and that the person who signs below on behalf of that Party has authority to execute this First Amendment on behalf of such Party and to bind such Party to this First Amendment.

- g. This First Amendment sets forth the entire agreement of the Parties with respect to the subject matter herein, supersedes all previous understandings, written or oral, with respect thereto, and may not be amended, modified, abrogated or superseded by a subsequent agreement unless such subsequent agreement is in the form of a written instrument executed by each Party.

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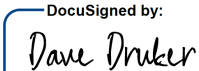
IN WITNESS WHEREOF the Parties hereto have caused this First Amendment to be duly executed as of the effective date of this First Amendment.

CLEAN ENERGY ALLIANCE,
a California joint powers authority

By: 
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Name: Gregory Wade

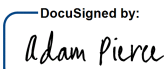
Title: Chief Executive Officer

By: 
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Name: Dave Druker


Title: Board Chair

SAN DIEGO GAS & ELECTRIC
COMPANY, a California corporation

By: 
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Name: Adam D. Pierce

Title: Vice President – Energy
Procurement & Rates

APPROVED as to legal form 

Staff Report

DATE: May 30, 2024

TO: Clean Energy Alliance Board of Directors

FROM: Gregory Wade, Chief Executive Officer

ITEM 5: Clean Energy Alliance Chief Executive Officer Operational and Administrative Report

RECOMMENDATION:

Receive and File Chief Executive Officer 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

Oceanside & Vista May 2024 Enrollment

As previously reported, the City Councils of Oceanside and Vista have selected Clean Impact Plus, 75% Carbon Free, as the default power supply in which customers will be automatically enrolled. In addition, the City of Vista City Council approved enrolling all municipal accounts in CEA's Green Impact, 100% renewable power supply, in support of meeting its Climate Action Plan goals.

Enrollment mailers were sent out to Oceanside and Vista customers beginning in early February in preparation for the automatic enrollments in April 2024. The February mailers were the first of four mailers to be sent out. The schedule of mailers were and are as follows:

February 2024:	60-Day pre-enrollment mailer - Complete
March 2024:	30-Day pre-enrollment mailer – Complete
March 2024:	Letter to NEM customers being enrolled in April 2024
May 2024:	30-Day post-enrollment welcome letter
June 2024:	60-Day post-enrollment mailer

With the February, March and May mailings, CEA continues to receive calls and opt out requests from Oceanside and Vista residents and businesses.

The statistics as of May 8, 2024, are as follows:

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%
TOTAL	98,651	117	281	2,953	97.0%

CEA staff and Oceanside and Vista staff have continued to meet regularly to prepare and carry out our marketing and communications strategy for ongoing enrollment. This includes identifying community events to participate in, key community groups to reach out to, and key customers to contact. The goal of the marketing and communications strategy is to meet with affected residents and businesses to answer questions they may have about CEA, address concerns related to their enrollment and to minimize opt-outs.

To provide opportunities for the communities to meet with CEA staff and have their questions answered, staff has and is planning to attend several in person community events.

CEA in the Community

CEA has been busy with many of the scheduled outreach efforts. Recent events that CEA participated in:

DATE	DESCRIPTION
April 26, 2024	Dr. Bronner's Staff Earth Day Extravaganza
April 27, 2024	Carlsbad Chamber Green Business Expo
May 1, 2024	City of Vista, Staff Lunch & Learn
May 2, 2024	Vista Business Breakfast
May 2, 2024	MainStreet Oceanside, Farmers Market
May 2, 2024	San Diego County Farm Bureau Graze at the Fields
May 10, 2024	Vista Councilmember O'Donnell Town Hall
May 11, 2024	Vista Farmers Market
May 14, 2024	Hunter Industries Employee Resource Fair
May 15, 2024	California Green Business Network Conference
May 16, 2024	California Efficiency & Demand Management Council Spring Symposium
May 18, 2024	Ocean Hills Country Club, Senior Expo
May 19, 2024	Escondido Street Festival
May 21, 2024	El Camino Rotary Club
May 23, 2024	North County African American Women's Association (NCAAWA)
May 26, 2024	Vista Strawberry Festival

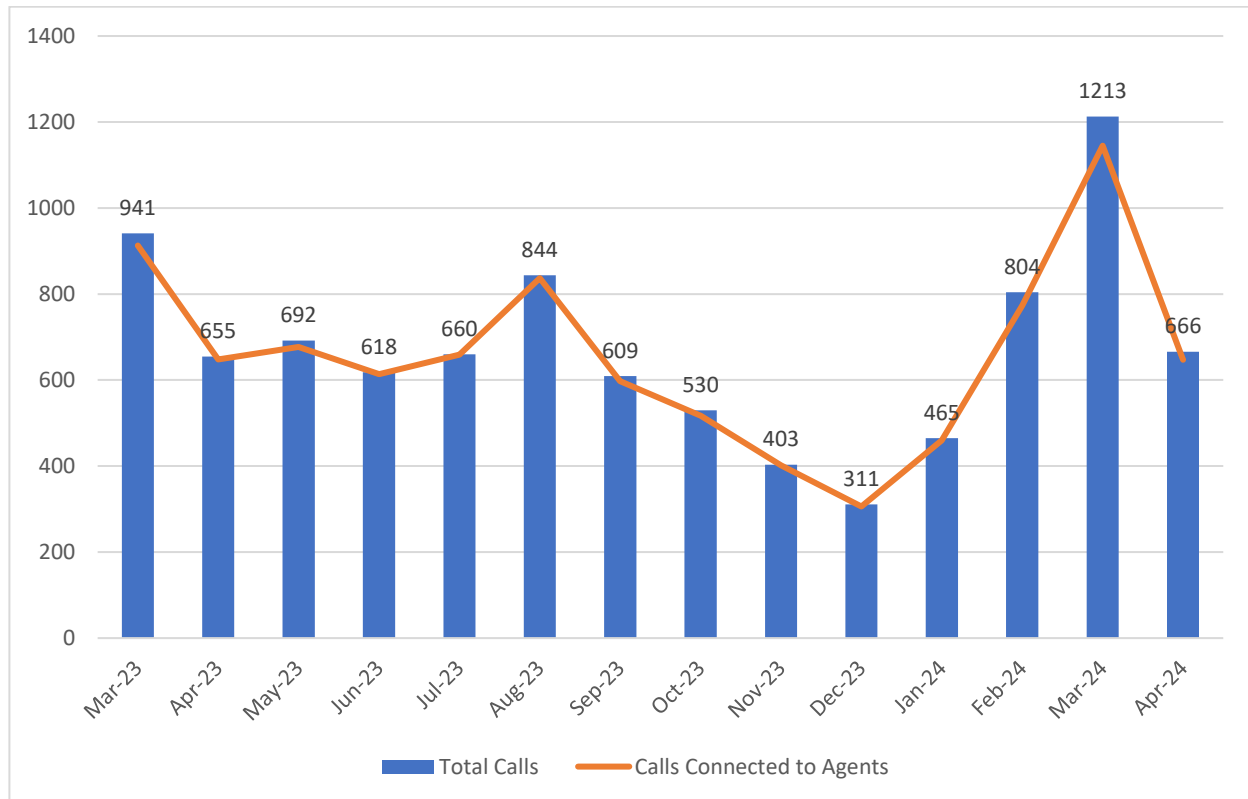
Upcoming events that CEA will be participating in:

DATE	DESCRIPTION
July 11, 2024	San Diego County Farm Bureau, Board Meeting
July 17, 2024	Escondido City Council Presentation
August 1, 2024	Oceanside Chamber of Commerce, Emerging Issues Forum

CEA staff is also currently coordinating with the cities of Oceanside and Vista to schedule a community outreach event specifically for Spanish-speaking customers and business owners.

Call Center Activity and Participation Statistics

The following chart reflects customer activity through April 30, 2024.



Call volumes to CEA's Call Center decreased 46% from March to April 2024, which is to be expected following the April launch in Oceanside and Vista as no enrollment notices are sent in April and most customers have, for the most part, opted in or out. The most common call topics for all customers (commercial and residential) were related to General Information and Net Energy Metering with Opt Out Inquiries dropping down the list.

The total number of calls received, response times and call duration through May 8, 2024, are in the following table:

Monthly Summary – CEA May 8, 2024					
Stats by Month	8-May	Apr	Mar	Feb	Total
Total Calls	217	666	1213	804	18,693
Total Calls Connected to Agents	198	647	1145	774	18,290
Average Seconds to Answer	0:01:22	0:00:35	0:00:48	0:00:35	
Average Call Duration	0:10:17	0:10:37	0:11:22	0:10:56	

The following chart reflects enrollments in CEA’s power supply products through May 8, 2024:

POWER SUPPLY PRODUCT	APRIL 2024	MAY 2024	Net Change
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
TOTAL ACCOUNTS	153,039	247,952	94,913

The increase in total accounts is related to the enrollment of customers during the launch in Oceanside and Vista.

Long Term Power Purchase Agreement Update

On September 22, 2022, the CEA Board of Directors approved a 15-Year Power Purchase Agreement (PPA) with Cape Generating Stations 1, LLC, a subsidiary of Fervo Energy, for geothermal renewable energy located in Beaver County, Utah. This PPA was the result of a joint solicitation with Desert Community Energy and California Choice Energy Authority. The project meets the procurement requirements as established by the CPUC Midterm Reliability Procurement requirement and deliveries were expected to be received beginning June 1, 2026.

Pursuant to Section 2.3 of the PPA, Fervo is required to provide quarterly progress reports to CEA regarding the anticipated schedule for development of the geothermal facility and expected deliveries. The Cape Modern Geothermal Station is a major development that includes project work conducted by Cape Generating Station 1, LLC as well as other Fervo subsidiaries. Work has progressed as anticipated and no major hurdles have been encountered since execution of the PPA. In their quarterly report, Fervo indicated progress in Engineering, Permitting, Construction and Interconnection all of which indicates a timely completion of the project and an expected Commercial Operation Date of June 1, 2026.

Risk Oversight Committee

Pursuant to CEA’s Energy Risk Management Policy, the Risk Oversight Committee met in a Special Meeting on May 16, 2024. The Committee reviewed CEA’s proposed Fiscal Year (FY) 2024/2025 Budget as well as current energy market prices, CEA load forecast and their impact to CEA’s 5-year budgetary outlook. Recent procurement activity, current portfolio positions and future procurement targets, and portfolio

market to market and counterparty exposure was also discussed. The next regular meeting of the Committee is scheduled for June 6, 2024.

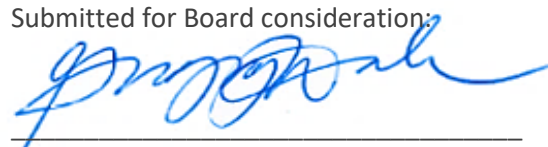
Contracts \$50,000 - \$100,000 entered into by Chief Executive Officer

VENDOR	DESCRIPTION	AMOUNT
None		

FISCAL IMPACT:

There is no fiscal impact with this action.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

None.

Staff Report

DATE: May 30, 2024

TO: Clean Energy Alliance Board of Directors

FROM: Gregory Wade, Chief Executive Officer

ITEM 6: Receive Regulatory Update from Keyes & Fox

RECOMMENDATION:

Receive the Regulatory Update from Keyes & Fox.

BACKGROUND AND DISCUSSION:

Clean Energy Alliance contracts with Keyes and Fox for Regulatory Advocacy related activities. Each month Keyes and Fox provides an update to the CEA Board on key items of interest.

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, Principal Analyst, EQ Research, LLC

Subject: Monthly Regulatory Memo

Date: May 20, 2024

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](#).

RPS ([R.24-01-017](#))

- On May 9, the Assigned Commissioner issued a [Scoping Memo and Ruling](#) setting forth the initial issues and schedule for the RPS proceeding. Some specific issues within these categories that are scoped include: (1) Establishing a cost containment mechanism for utility RPS procurement, (2) Coordinating the RPS, IRP, and RA proceedings, (3) Potential increases in the RPS procurement percentage in later compliance periods, (4) Possible integration of greenhouse gas emissions (GHG) reduction goals and metrics into RPS procurement methods, and (5) Consideration of extending the BioMAT program end date.
- A May 17 [Ruling](#) from the Assigned Commissioner and ALJ identified content requirements, filing deadlines, and the schedule of review for 2024 RPS Procurement Plans. **Initial Draft RPS Plan filings are due July 12**, comments on RPS plans are due August 12, reply comments are due August 26, and motions to update RPS Plans are also due August 26.

Resource Adequacy/Slice-of-Day Framework ([R.23-10-011](#))

- On May 17, the ALJ issued a [Proposed Decision](#) (PD) on adopting local capacity requirements for 2025-2027, flexible capacity obligations for 2025, and slice-of-day and other Resource Adequacy (RA) program refinements. The matter may be heard as early as the **June 20** Commission meeting. Comments on the PD are due **June 6** and reply comments are due **June 11**.
- Under the PD, the Slice-of-Day (SOD) framework will be implemented, as planned, for the 2025 RA Compliance Year. The PD would also adopt a 17% planning reserve margin (PRM) for all months for the initial implementation rather than use an adjusted PRM for individual months. The Commission would not adopt a system-RA waiver process but would provide, on an interim basis, an extended cure period for delays in new resources coming online. The PD also provides expanded opportunities for RA imports and clarifies some resource counting rules under SOD.

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

- [D.24-05-028](#), issued on May 15, approved the income-graduated fixed charges (IGFC) and other requirements of AB 205 (Stats. 2022, ch. 61.).
- IGFCs will be implemented in three income-based tiers by the large electric utilities via advice letter. SCE and SDG&E are directed to implement the IGFC starting in Q4 2025 and other utilities must implement the IGFC starting in Q1 2026. Although fixed charges are intended to result in slightly lower bills for customers whose usage is unchanged, the actual bill impacts are estimated to vary based on whether a customer is billed on CARE, FERA, or standard rates; the customer's climate zone; and the extent to which customers are engaged in home or vehicle electrification activities, as described in Appendices A and B of the Decision.

Diablo Canyon Cost Recovery (A.24-03-018)

- PG&E submitted an [Amended Application](#) (April 8) for the recovery of its costs through electric rates for extended operations at the Diablo Canyon Power Plant (DCPP) for the period September 1, 2023 through December 31, 2025, and it hosted a stakeholder discussion ([webinar slides](#)) on April 24. A May 15 ALJ [Ruling](#) scheduled the prehearing conference for May 31 at 10 a.m.
- PG&E estimates a total net 2025 revenue requirement of \$418.4 million, of which SDG&E territory is allocated a revenue requirement of \$35.5 million, or 8.5%, including franchise fees and uncollectibles. The revenue requirement and per-customer charges in SDG&E's territory are estimated at about \$0.87/month per average non-CARE customer and \$0.57/month per average CARE customer.
- These costs will be allocated to all retail electric customers in the state as a non-bypassable public purpose charge, and in exchange load-serving entities (LSEs) such as CCAs will be allocated resource adequacy and GHG-free benefits in the same proportion as their customers are allocated costs. However, PG&E customers were allocated an additional \$79.8 million in costs as a PG&E-specific volumetric performance fee, and in response PG&E proposed to adjust the allocation of these benefits to reflect the additional PG&E-specific costs. If approved, this adjustment would reduce the allocation of benefits to customers in SCE and SDG&E territory in proportion to the additional costs allocated to PG&E customers.

SDG&E 2025 ERRF Forecast (A.24-05-010)

- SDG&E filed its 2025 ERRF Forecast [Application](#) on May 15 in which its requested revenue requirement is \$469.4 million - a \$284.9 million or 37.8% decrease from rates currently in effect. This revenue requirement forecast would reduce the system average bundled rate, including the impact of the Greenhouse Gas (GHG) revenue return, by 3.3¢/kWh, or a decrease of about 9.9%. The system average rate for CCA customers, including the GHG revenue return, is projected to decrease by 1.4¢/kWh or 7.7%.
- SDG&E expects to serve its Fall Update on October 14, which will include any adjustments to its expected 2025 rates. Among potential adjustments in its Fall Update, SDG&E may include alternative scenarios for its treatment of the Resource Adequacy Market-Price Benchmark (RA MPB) similar to the alternative treatment proposed by PG&E.
- PG&E's 2025 ERRF Forecast [Application](#) includes a proposal that in the event that any Commission-issued Forecast 2025 or Final 2024 RA MPB products exceeds the level of the 2024 Forecast System RA MPB of \$15.23 per kilowatt-month (kW-month), the adoption of an alternative ratesetting scenario that would continue the use of the Forecast 2024 System RA MPB for any RA MPB exceeding \$15.23/kW-month for 2025 ratesetting purposes. SDG&E indicated that it may also request an alternative ratesetting scenario similar to PG&E's proposal that would allow SDG&E to continue the use of the 2024 system RA MPB for 2025 ratesetting purposes.

Staff Report

DATE: May 30, 2024

TO: Clean Energy Alliance Board of Directors

FROM: Andy Stern, Chief Financial Officer

ITEM 7: Review Proposed Clean Energy Alliance Fiscal Year 2024/2025 Budget and Schedule Rate Public Hearing and Rate and Budget Adoption for June 27, 2024

RECOMMENDATION:

Review proposed Clean Energy Alliance (CEA) Fiscal Year (FY) 2024/2025 Budget, provide direction on any additions/changes and schedule Rate Public Hearing and Rate and Budget Adoption for June 27, 2024.

BACKGROUND AND DISCUSSION:

The proposed FY 2024/2025 Budget (detail below) reflects a full year of service for all member cities, including the recent expansion into Oceanside and Vista, a full year of staffing costs related to recent employee hires, projected power supply costs based on current forward price curves and existing contracts, on-going regulatory compliance requirements and professional and legal services required to support operations.

The following key assumptions were used to develop the proposed Budget:

- Revenue based on current adopted rates and projected usage
- Inclusion of a recommended customer rate increase to be considered by the Board
- Power supply costs based on actual executed contracts and May 2024 forward price curves
- Reasonable power supply cost contingency based on historical volatility
- Consulting services based on approved contracts

Fiscal Year 2023/2024 Year End Estimates

As part of developing the FY 2024/2025 proposed budget, staff has made projections for the current FY 2023/2024 ending net results. For several reasons discussed at the April 27th Board Meeting and below, the ending Change in Net Position is expected to be nearly \$18.0 million below the budgeted level. The table below summarizes the expected year-end results:

	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)

Revenues are expected to end the year 12.8% or \$29.2 million below budget. Revenues are expected to be lower than the budget for the full year as a result of mild weather throughout the year and a load forecast provided by SDG&E for recent expansion territories which turned out to be much higher than the actual levels experienced.

On the other hand, Total Expenses are also expected to end the year \$12.5 million below budget partially mitigating the revenue shortfall. Energy expenses are expected to be \$8.3 million below budget despite historically high prices for Resource Adequacy and Renewable Energy. The budgets included a significant contingency amount which has proved prudent given the surprisingly high prices for these energy categories. Other expense categories were, in total, also below the budgeted level as the organization had a slower-than-expected ramp up in staffing.

Finally, non-operating costs, which are mostly financing, and interest costs related to use of the line of credit facility, is expected to end the fiscal year approximately \$0.5 million above Budget as additional borrowing was needed to support the early purchases of energy related to the recent expansion and the delayed collection of revenues associated with that expansion.

Proposed Fiscal Year 2024/2025 Operating Budget

The FY 2024/2025 proposed budget is based on the following priorities and goals:

- Financial Stability
- Meeting Regulatory Compliance

A. Energy Expenses

The biggest expense category for CEA is in Energy procurement. Costs are expected to increase significantly in the upcoming fiscal year relative to the current year. While much of the increase is related to recent expansion to Oceanside and Vista, and the initiation of service to Channelside (the desalination plant) in January 2025, increasing costs for Resource Adequacy and Renewable Energy account for a significant amount of the additional costs that are expected to be incurred. Renewable energy expenses are necessary to meet CEA's climate action goals. In addition, the Preliminary Budget includes an assumption of 5% Contingency (\$14.4 million) of Energy expenses to ensure against unforeseen spikes in potentially volatile energy markets.

B. Other Operating Expenses

The Preliminary Budget also reflects an increase of approximately \$3.5 million in the total of Other Operating Expenses. The biggest increases are in expenses related directly to the increase in customer accounts as a result of expanded territory. Expected expenses for Calpine and SDG&E administrative fees make up \$1.2 million of the overall increase. Other significant increases include Staff Compensation related to a full year of staffing costs in the FY2024/2025 year and funding to begin implementing new programs and to enhance existing programs.

	Forecast through 6/30/2024	Preliminary Budget FY2023-2024
Communications and Outreach	\$492,376	\$595,583
General and Administrative	\$416,824	\$499,017
Data Manager (Calpine)	\$2,204,756	\$3,120,000
Service Fees - SDG&E	\$496,653	\$741,600
Other Costs	\$1,576,131	\$1,928,873
Consultants & Professional Services	\$4,277,540	\$5,790,473
Staff Compensation	\$733,495	\$1,917,059
Programs	\$0	\$600,000
Other Operating Expenses (excluding Energy)	\$5,920,234	\$9,402,131

C. Revenues

The primary source of revenue comes from payment of customer electricity rates. CEA sets customer rates based on the following priorities:

- JPMorgan credit line 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
- Rate Stability
- Financial stability and credit rating
- Fund Board established operating reserve policy
- Sufficient funding to support increased renewable energy procurement to achieve climate goals and implement local programs
- Rate competitive to SDG&E

Based on current assumptions, it is anticipated that the Board will need to consider a rate increase to ensure that projected revenues are sufficient to cover costs, to comply with our reserve policy and to meet credit line covenants. Key to what is driving CEA's need to increase rates is the current historic high prices for Resource Adequacy and Renewable Energy. Pursuant to CEA's Joint Powers Authority (JPA) Agreement, CEA's energy purchases must be from a minimum 50% renewable sources, increasing to achieve 100% renewable sources by 2035.

Staff evaluated a number of options for how and when to implement rate increases. These options included:

- Option 1: 10% Rate Change effective 7/1/2024 with another 10% rate change 7/1/2025
- Option 2: 20% Rate Change effective 11/1/2024
- Option 3: 30% Rate Change to winter rates effective 11/1/2024, and 15% rate change to summer rates effective 6/1/2025 with the shift to summer rates

For rate TOUD-DR1, which is the rate most residential customers are served under, the current average residential customer's electric summer bill is \$200 per month and the current average winter electric bill is \$170 per month. This is based on monthly energy use of 377 kWh in winter and 338 kWh in summer.

The impact of the three options on residential bills are summarized below:

	Average Winter \$ Change % Total Bill Change	Average Summer \$Change % Total Bill Change
Option 1	\$5.25 3.1%	\$19.00 9.5%
Option 2	\$5.00 3%	\$18.00 9%
Option 3	\$7.50 4.5%	\$13.00 6.5%

The total bill change based on the two options above are reflected below:

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

To reduce the impact on customers during the upcoming summer months, staff recommends the Board consider a rate change that would not be effective until November 1, 2024. Doing so would result in the new rates being implemented in the month where electric bills are already going down by an average of \$30 per month with the change from summer to winter rates. Customers would continue to see lower winter electric bills compared to the summer months with either of the two rate options above – Option 1 or Option 3 – that are implemented on November 1, 2024.

Option 3 results in the lower overall bill increase compared to the other two options over the course of the year and provides greater bill stability throughout the course of the year. Based on these factors, staff recommends that the Board adopt Option 3.

Staff will return with the revised rate schedules for adoption, based on the rate change option the Board directs, at a Public Hearing on June 27, 2024.

Implementation of the rate increase structure shown above, Option 3 results in a net positive budgeted results of operations in the amount of approximately \$24 million as shown in table below.

The following table provides the line-item detail of FY 2023/2024 Year End Estimates and FY 2024/2025 Preliminary Budget, including the impact of the Staff-recommended Option 3 rate change.

Clean Energy Alliance

FY 2023/2024 Year End Estimates and FY 2024/2025 Proposed Budget

	Forecast through 6/30/2024	Preliminary Budget FY2024-2025
Total Operating Revenues	\$199,237,067	\$351,573,172
Total Cost of Energy	\$191,716,170	\$317,403,431
Communications and Outreach	\$492,376	\$595,583
General and Administrative	\$416,824	\$499,017
Consultants & Professional Services	\$4,277,540	\$5,790,473
Staff Compensation	\$733,495	\$1,917,059
Programs	\$0	\$600,000
Other Operating Expenses (excluding Energy)	\$5,920,234	\$9,402,131
Total Operating Expenses	\$197,636,404	\$326,805,563
Operating Income (Loss)	\$1,600,663	\$24,767,609
Total Nonoperating Income/(Expense)	(\$1,177,736)	(\$858,003)
CHANGE IN NET POSITION	\$422,927	\$23,909,606

The proposed budget will be brought back to the Board for formal adoption at the June 27, 2024 regular Board meeting.

5-Year Outlook

Managing energy purchases and providing electricity generation for the customers in CEA's territories requires a long-term view to ensure financial stability. To that end, a 5-year outlook has been prepared based on expected energy costs and assumption of the adoption of the Staff-recommended rate increase (Option 3).

The outlook includes an assumption for a rate change based on the options provided to the Board above.

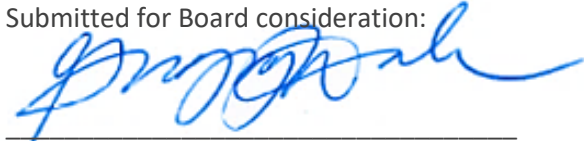
	Preliminary Budget FY2024-2025	Outlook FY2025-2026	Outlook FY2026-2027	Outlook FY2027-2028	Outlook FY2028-2029
Total Operating Revenues	\$351,573,172	\$404,711,328	\$413,164,663	\$419,756,210	\$426,594,611
Total Cost of Energy	\$317,403,431	\$351,223,210	\$399,620,179	\$368,237,937	\$339,309,865
Other Operating Expenses (excluding Energy)	\$9,402,131	\$12,203,744	\$15,817,361	\$19,825,809	\$24,336,608
Total Operating Expenses	\$326,805,563	\$363,426,954	\$415,437,540	\$388,063,746	\$363,646,474
Operating Income (Loss)	\$24,767,609	\$41,284,374	(\$2,272,877)	\$31,692,464	\$62,948,138
Total Nonoperating Income/(Expense)	(\$858,003)	\$28,860	\$558,670	\$725,077	\$1,301,557
CHANGE IN NET POSITION	\$23,909,606	\$41,313,234	(\$1,714,207)	\$32,417,541	\$64,249,695

The adoption of a rate increase and the current projection of expenses over the following 5 years is forecast to generate reasonable positive net positions and should contribute to increasing financial stability. Such growth should position CEA to be better able to consider achieving an investment grade credit rating which would yield lower energy prices and better credit terms with energy suppliers.

FISCAL IMPACT:

With the adoption of a rate increase, revenues from energy sales to customers would provide sufficient funds for the proposed expenditures and the required contribution to reserves.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

None.