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# Board of Directors Meeting

June 27, 2024

# Item 3: CEO Report

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- CEA Outreach Efforts
  - Presence at Community Events
  - Enrollment Statistics
  - Solar Plus Update

# Completed Community Events

DATE	DESCRIPTION
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
May 29, 2024	Oceanside Chamber New Member Event
June 17, 2024	Spanish Speaking Community Outreach Event
June 25, 2024	Oceanside City Council Presentation

# Upcoming Community Events

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

# 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	64,159	121	51	2,498	96.1%
Vista	34,739	46	252	982	97.2%
<b>TOTAL</b>	<b>98,898</b>	<b>167</b>	<b>303</b>	<b>3,480</b>	<b>96.5%</b>

# CEA Enrollment Stats

POWER SUPPLY PRODUCT	MAY 2024	JUNE 2024	Net Change
Clean Impact – 50% Renewable	544	689	+145
Clean Impact Plus - 75% Carbon Free	242,682	242,327	-355
Green Impact – 100% Renewable	850	995	+145
<b>TOTAL ACCOUNTS</b>	<b>244,076</b>	<b>244,011</b>	<b>-65</b>

# Solar Plus Update

- 11 Enrolled Contracts (as of 6/20/24)
  - Carlsbad – 4
  - San Marcos – 3
  - Escondido – 3
  - Oceanside - 1



# Solar Plus Update

- Program Expansion Opportunities
  - Increased Marketing
  - Expansion of contractors to assist with outreach
    - Will expand eligibility to tile roofs and other roof types
  - Tesla providing additional consultation/sales resources

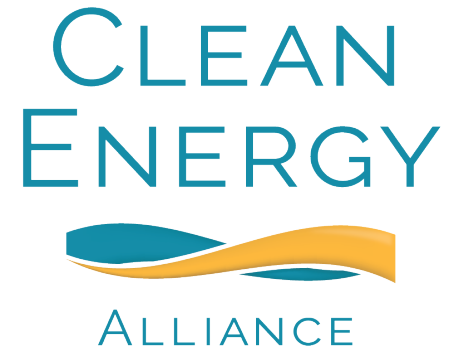
# Questions/Discussion



**Rate Public Hearing, FY2024-2025 Draft Budget  
And  
5-Year Outlook through June 2029**

# Board Recommended Actions

- Hold Public Hearing for Rate Change
- Select Rate Change Option
- Adopt Resolution Approving New Rate Schedule Based on Option selected
- Adopt Resolution Approving FY 2024/2025 Budget based on Rate Change Option Selected



# Rate Change Overview

# Background

- May 30, 2024 Staff Presented Financial Forecast Reflecting Rate Change is Needed
- Board Considered 3 Rate Change Options
- **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%

# Background

- Board Directed Staff Schedule Rate Public Hearing
  - Option 3 was preferred option
    - Least impact to customers and smoothing of bills between summer and winter seasons
  - Directed an additional option be presented
    - Further reduces customers impact and improves seasonal bill fluctuations
      - 40% Winter Change/10% Summer Change achieves this request

# 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



# Annualized Total Bill Impact

Includes SDG&E Charges

	Average Total Winter Bill	Average Total Summer Bill	Average Year-Long Monthly Bill	Annualized Percent Change
Current Monthly Rates	\$170.00	\$200.00	\$182.50	
Option 3	\$177.50	\$213.00	\$192.29	5.4%
Option 4	\$180.00	\$209.00	\$192.08	5.2%

Winter Rates: November – May (7 months)

Summer Rates: June – October (5 months)

# Annualized Total Bill Impact

Includes SDG&E Electric Delivery & Gas Charges

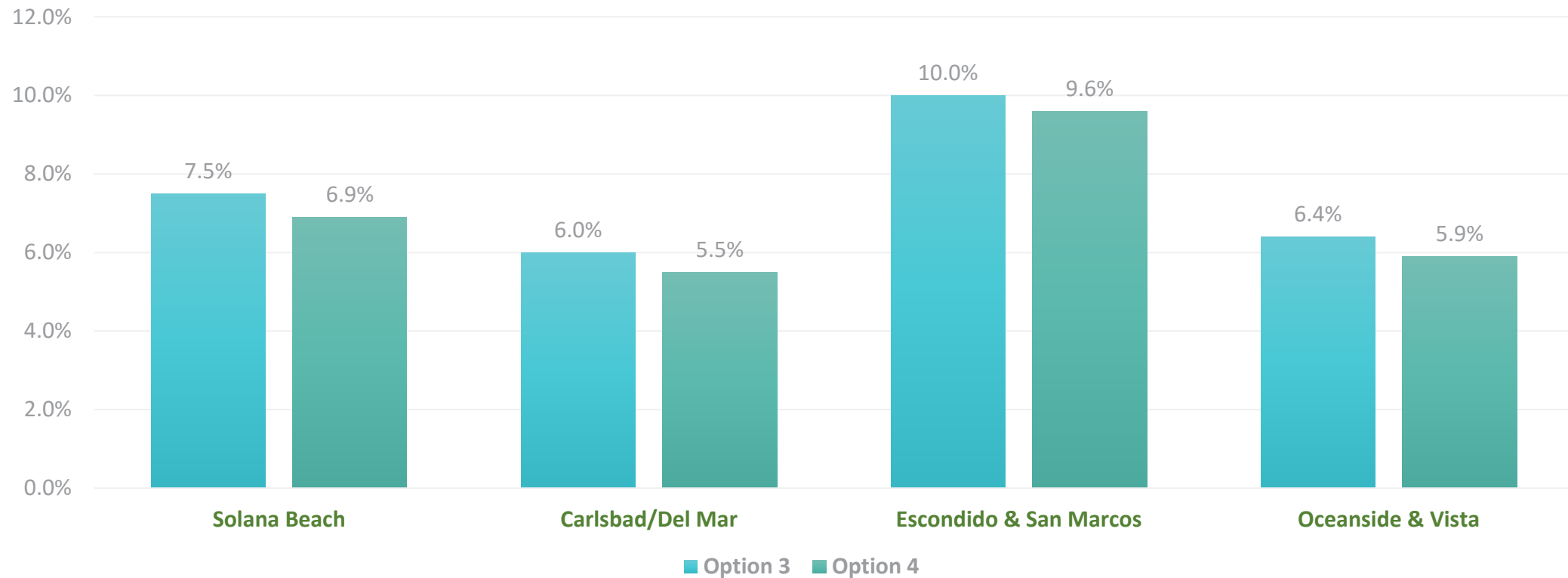
	Average Total SDG&E Winter Bill	Average Total SDG&E Summer Bill	Annualized Average SDG&E Bill	% Change
Current Rates	\$249.00	\$233.00	\$241.00	
Option 3	\$256.50	\$246.00	\$251.25	4.3%
Option 4	\$259.00	\$242.00	\$250.50	3.9%

Winter Rates: November – May (7 months)

Summer Rates: June – October (5 months)

# Annualized Total Bill Comparison to SDG&E Current Rates

Variance between communities due to difference PCIA Vintages



NOTE: Comparison based on current SDG&E Rates. SDG&E rates will be changing in January 2025, which will affect this comparison

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# Budget Overview

# Background

- May 30, 2024 Board Received Draft Budget Update
- Budget Priorities:
  - Financial Stability
    - Revenues Sufficient to Cover Costs and Reserve Contribution
  - Meet Regulatory Compliance Requirements
  - Meet JPMorgan Line of Credit Covenants
  - Achievement of Member Agency Climate Action Plan Goals

# Key Assumptions

- Power Supply Costs Based on Actual Executed Contracts and May 2024 Forward Price Curves
  - Reasonable Power Supply Cost Contingency to Address Price Volatility
- Consulting Services Based on Current Approved Contracts
- Full Fiscal Year of Staff Costs with Modest Increase for Future Needs
- Initial Program Funding of \$600,000 - Programs not yet identified

# Proposed FY 2024/2025 Budget Comparison of 2 Rate Change Options

	Option A Proposed Budget FY2024-2025	Option B Proposed Budget FY2024-2025
<b>Total Operating Revenues</b>	\$351,573,172	\$360,839,549
<b>Total Cost of Energy</b>	\$317,090,165	\$317,090,165
Communications and Outreach	\$605,164	\$605,164
General and Administrative	\$496,629	\$496,629
Consultants & Professional Services	\$5,798,262	\$5,798,262
Staff Compensation	\$1,878,595	\$1,878,595
Programs	\$600,000	\$600,000
Other Operating Expenses (excluding Energy)	\$9,378,650	\$9,378,650
<b>Total Operating Expenses</b>	\$326,468,815	\$326,468,815
<b>Operating Income (Loss)</b>	\$25,104,356	\$34,370,733
<b>Total Nonoperating Income/(Expense)</b>	(\$1,099,128)	(\$1,063,383)
<b>CHANGE IN NET POSITION</b>	\$24,005,228	\$33,307,350

# Reserve Requirement Analysis

- Board Policy to Contribute 5% of Revenue to Reserves

	Option A Proposed Budget FY 2024/2025	Option B Proposed Budget FY 2024/2025
Change in Net Position	\$24,005,228	\$33,307,350
Required Reserve Contribution	\$17,578,659	\$18,041,977
Remaining Net Position	\$6,426,569	\$15,265,373
Reserve Requirement Met?	Yes	Yes



# 5 Year Outlook – Change in Net Position

## Comparison of 2 Rate Change Options

	<b>Proposed Budget</b>	<b>Outlook</b>	<b>Outlook</b>	<b>Outlook</b>	<b>Outlook</b>
<b>11/1/24 and 6/1/25</b>	<b>FY2024-2025</b>	<b>FY2025-2026</b>	<b>FY2026-2027</b>	<b>FY2027-2028</b>	<b>FY2028-2029</b>
<b>Option A/3: 30/15</b>	<b>\$24,005,228</b>	<b>\$41,642,394</b>	<b>(\$1,396,481)</b>	<b>\$32,764,071</b>	<b>\$64,630,681</b>
<b>Option B/4: 40/10</b>	<b>\$33,307,350</b>	<b>\$43,195,358</b>	<b>\$164,169</b>	<b>\$34,368,841</b>	<b>\$66,280,550</b>