



Community Advisory Committee

June 13, 2024

Item 1: CEO Update

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	63,994	89	32	2,147	96.7%
Vista	34,707	28	249	806	97.7%
TOTAL	98,651	117	281	2,953	97.0%

CEA Enrollment Stats

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

Solar Plus Update

- 14 Enrolled Contracts – Up from 8 in May
 - Carlsbad – 2
 - San Marcos – 6
 - Escondido – 4
 - Oceanside - 2
- Program Specific Marketing Increased This Week
 - Program Press Release
 - Social Media Marketing Push Scheduled

Questions/Discussion

Item 2: Subcommittee Updates

Questions/Discussion

Item 3: SB 350/SB 100 Overview

Renewables Portfolio Standard Program (RPS) Overview

SB 1078 (Sher, 2002)

- Established the RPS program, and initial requirement of 20% of electricity retails sales must be served by renewable resources by 2017.

SB 350 (de Leon, 2015)

- Established a 50% RPS by 2030. Included interim targets with 3-year compliance periods and long-term contract requirements.

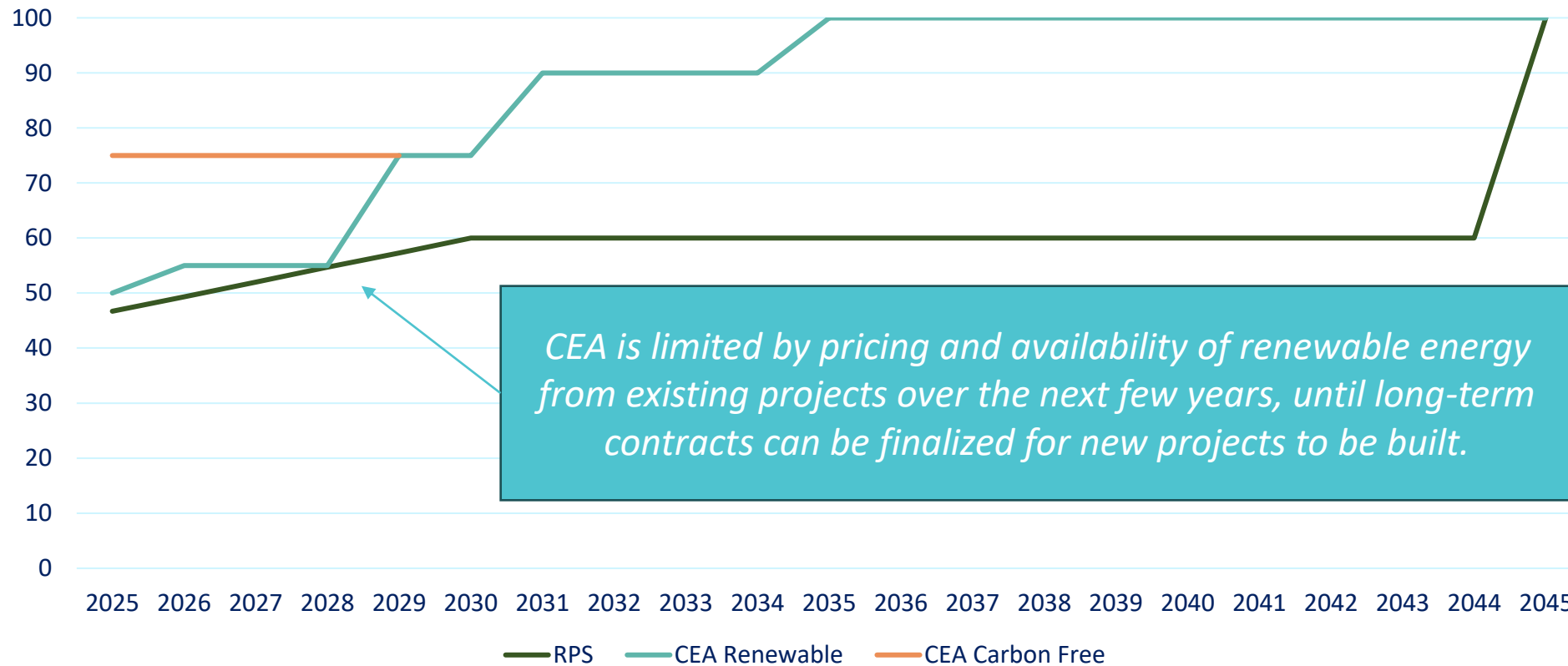
SB 100 (de Leon, 2018)

- Increased RPS to 60% by 2030 and requires all electricity to come from carbon-free resources by 2045.

CEA JPA Exceeds State Goals

- Section 6.4 Renewable Portfolio Standard:
 - “The Authority’s ultimate objective shall be to achieve – and sustain – a renewable energy portfolio with 100 percent renewable energy availability and usage, at competitive rates, within the Authority service territory by no later than 2035, and then beyond.
- Section 6.5 Power Supply Requirements:
 - The Authority’s power supply base product will be greater than or equal to 50% qualified renewable resources.
 - In no event will the Authority’s power supply base product contain a lesser amount of renewable resources than the base product provided by SDG&E to its customers.

CEA Procurement Targets & State RPS Requirements



How do we get there?

- Track emerging technology developments and seek out renewable generation that matches better to CEA's load (or can be paired with storage)
 - Long duration storage critical to retire gas resources.
 - Improving health outcomes for communities most impacted by air pollution.
- Procurement to optimize local system resource needs.
- Energy Efficiency & Load Flexibility
- Regulation and Policy for Grid Capacity - Transmission Planning & Interconnection Backlogs

Questions/Discussion

Item 4: Fiscal Year 24/25 Budget



**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
Total Operating Revenues	\$314,043,070	\$342,024,196	\$349,099,350	\$354,556,941	\$360,241,315
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)	(\$12,762,493)	(\$21,402,758)	(\$66,338,190)	(\$33,506,805)	(\$3,405,158)
Total Nonoperating Income/(Expense)	(\$958,143)	(\$729,180)	(\$971,543)	(\$1,601,352)	(\$1,844,451)
CHANGE IN NET POSITION	(\$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
Total Avg Monthly Bill	\$170.55	\$167.88	\$165.31	\$173.37	\$166.10

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
Total Avg Monthly Bill	\$187.68	\$199.85	\$196.99	\$205.98	\$197.87

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
Winter \$ Difference	(\$2.66)	(\$5.23)	\$2.83	(\$4.46)
Winter % Variance	-1.6%	-3.2%	1.6%	-2.7%
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
Summer \$ Difference	\$12.17	\$9.31	\$18.29	\$10.18
Summer % Variance	6%	4.7%	8.9%	5.1%

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
Total Average Annual Difference	\$42.12	\$9.85	\$111.20	\$19.76
Average Monthly Diff	\$3.51	\$0.82	\$9.27	\$1.65
Average % Diff to SDG&E	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

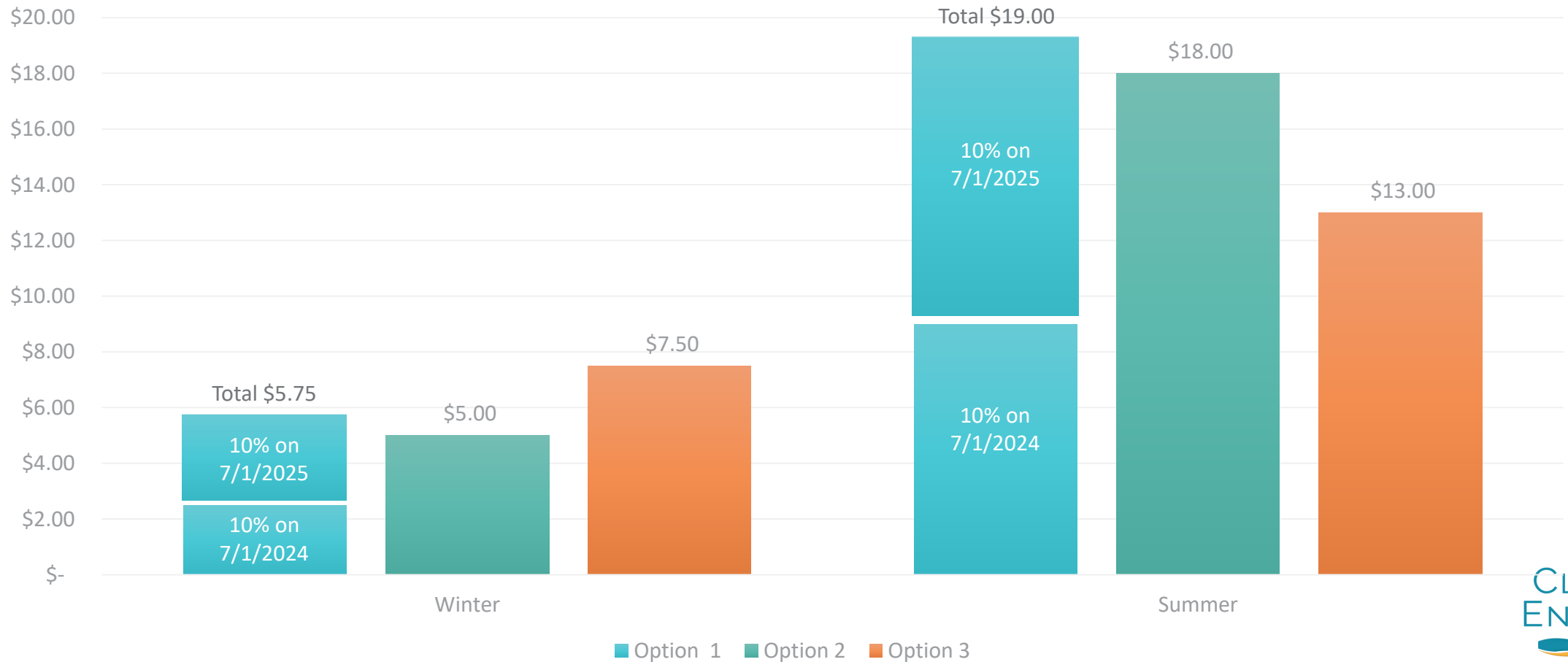
Annualized Total Bill Impact

	Average Total Winter Bill	Average Total Summer Bill	Annualized Average Monthly Bill	Annualized % Change
Current 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%

Winter Rates: November – May (7 months)

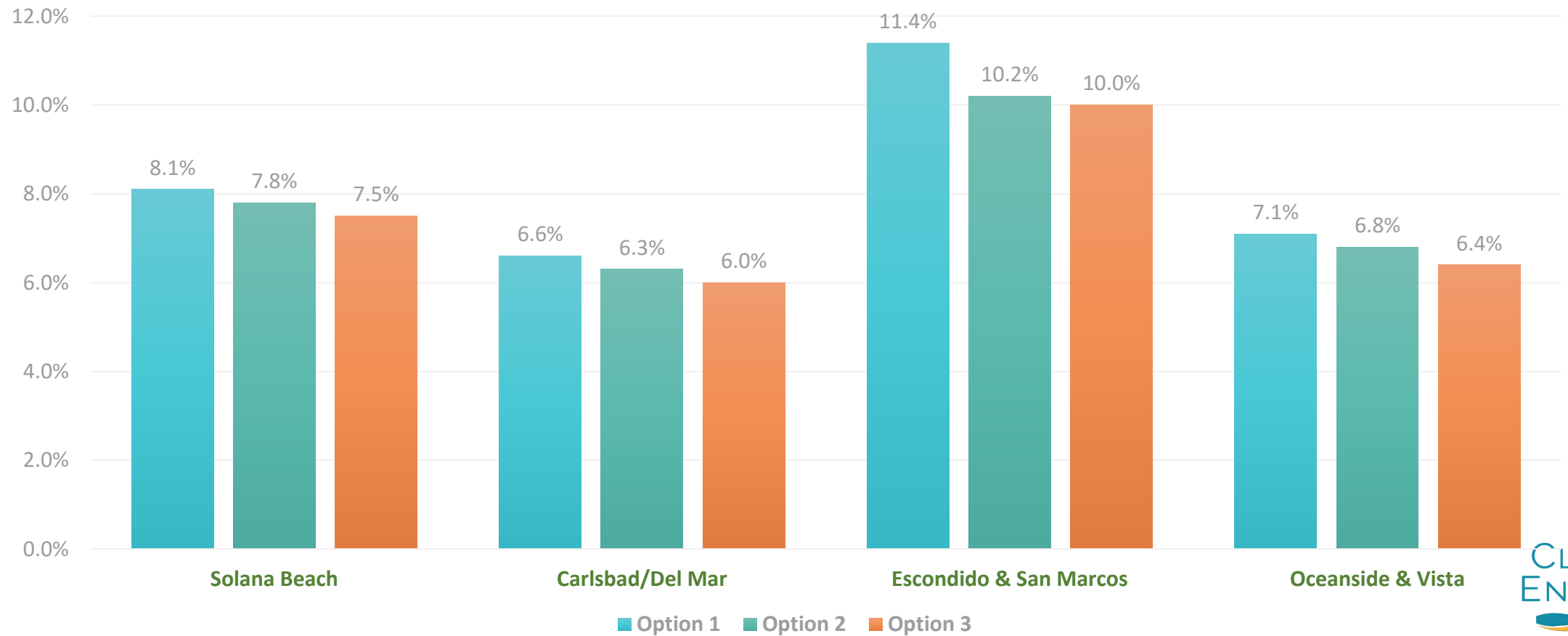
Summer Rates: June – October (5 months)

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

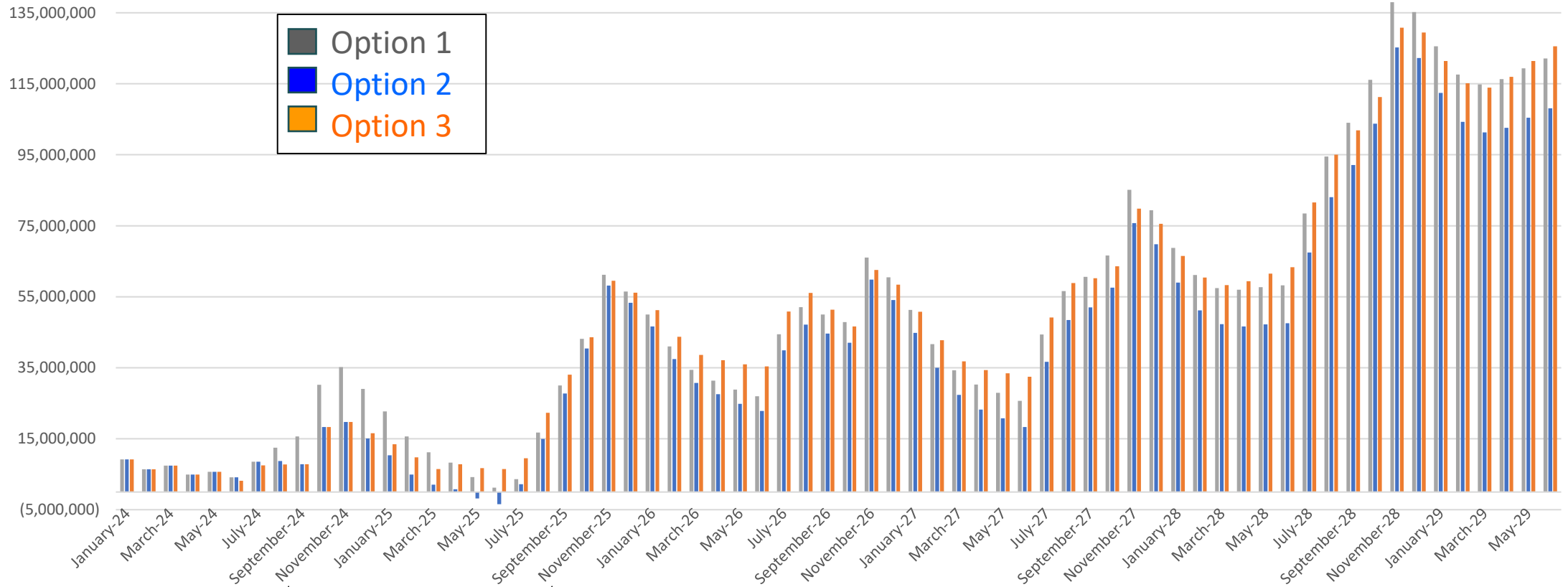


Change in Net Position

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
 - Board Reviewed Draft Budget & Updated financial results through March 2024
 - Supported Option 3 Rate Adjustment
 - Directed Staff to Analyze Additional Rate Options that “smooth” or lessen rate change between summer and winter rates
- Board Meeting June 27, 2024 – Final Budget Approval and approval of any rate change
 - With updated financial results through April 2024

Questions/Discussion

Item 5: Website Review

Questions/Discussion