CLEAN ENERGY ALLIANCE

Community Advisory Committee Meeting

June 12, 2025

Item 1: CEO Update

Oceanside & Vista Enrollment

- Enrollment of remaining Net Energy Metering (NEM) customers has concluded
- Enrolled approximately 1,800 NEM customers per month over the past 12 months
- Statistics as of June 10, 2025:

City	Eligible Customers	Opt-Downs to 50% Renewable	Opt-Ups to 100% Renewable	Opt-Outs	Participation Rate
Oceanside	74,038	200	96	4,665	93.7%
Vista	39,424	83	323	1,956	95.0%
TOTAL	113,462	**283**	**419**	**6,621**	**94.2%**

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CEA Enrollment Stats

CEA Phase 1 - 4 Active Accounts by Energy Program per City				
Town or Territory	**Clean Impact**	**Clean Impact Plus**	**Green Impact**	**Total Count**
City of Carlsbad	173	49295	229	49697
City of Del Mar	7	2751	73	2831
City of Solana Beach	14	6887	160	7061
City of Escondido	149	53281	69	53499
City of San Marcos	112	34404	75	34591
City of Oceanside	200	68773	96	69069
City of Vista	83	36927	323	37333
TOTAL ACCOUNTS	738	252318	1025	254081

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Staffing Update & Introductions

- Recruitment for Five (5) positions completed and positions filled:
  - Ana Alarcon – Clerk to the Board/Executive Assistant
  - Karen Villasenor – Programs Analyst
  - Tiffany Reynolds – Key Accounts Analyst
  - Sophia Alcazar – Energy Contracts & Compliance Analyst
  - Wunnam Yakubu – Energy Analytics & Risk Manager
- Ten (10) full-time employees (FTEs)
- Budget anticipates 16 FTEs in FY2026

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Completed Community Events

DATE	DESCRIPTION
April 24, 2025	GRAZE at the Fields
April 25, 2025	Dr. Bronner's Staff Earth Day Extravaganza
April 26, 2025	Oceanside Earth Day Community Event
May 25, 2025	Vista Strawberry Festival
May 30, 2025	San Diego Equality Awards
June 4, 2025	Escondido City Council Presentation

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Upcoming Community Events

DATE	DESCRIPTION
June 18, 2025	Coastal Business Expo – Oceanside Chamber
June 21, 2025	North County NAACP Juneteenth Festival
August 14, 2025	North County Health & Wellness Fair - Ocea

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Questions/Comments

- CAC Member comments on CEA activities
- Other events, actions or announcements in Member Cities

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Item 2: FY 25/26 Budget

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FY2025-2026 Draft Budget
And
5-Year Outlook through June 2030

Financial Performance Projected through June 30, 2025

	YTD Actuals through 3/31/2025	Forecast through 6/30/2025	Budget FY2024-2025	Variance Fav/(Unf)
Total Operating Revenues	$273,668,520	$352,035,391	$360,839,549	($8,804,157)
Total Cost of Energy	232,762,908	310,160,685	317,090,165	6,929,480
Other Expenses (excluding Energy)	6,850,183	9,293,860	9,381,926	88,066
Total Operating Expenses	239,613,091	319,454,546	326,472,091	7,017,546
Operating Income (Loss)	34,055,429	32,580,846	34,367,457	(1,786,612)
Total Nonoperating Income/(Expense)	(882,164)	(1,081,752)	(1,063,383)	(18,369)
CHANGE IN NET POSITION	$33,173,265	$31,499,094	$33,304,074	($1,804,981)
Net Position at the beginning of period	($16,964,834)	($16,964,834)		
Net Position at the end of period	$16,208,431	$14,534,259		

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Key Observations for Full Year (FY2025)

- Current forecast is to end the year with positive Change in Net Assets of $31.4 million
  - $1.9 million below Budget
  - Several likely positive upsides could improve the outcome to better than Budgeted level
  - Current forecast is to end with positive $14.5 million of Net Position (after 3 successive negative years)
- Revenues in second half of the year lower than expected
  - Full year $8.8 million below Budget
  - Significantly lower customer usage than expected during mid-day hours due to high rooftop solar installations
- Energy expenses
  - $6.9 million below Budget
  - But used approximately half of $14.4 million contingency
- Sum of all other expenses very close to Budget
- Total Operational Expenses – close to budget and just 2.9% of total expenses

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FY2025-2026 Budget Detail

Key Assumptions

- Rates
  - Assuming no change in rates from current levels through the 5-year projection
  - Note: CalCCA rate projections show potential for significant SDG&E generation rate decreases
- No load growth
  - Customers – number, mix and usage all flat
- Programs Budget
  - FY2026 - $2.0 million
  - FY2027 - $4.0 million
  - FY2028 - $6.0 million
  - FY2029 - $8.0 million
  - FY2030 - $12.0 million
- Staffing and Administration
  - Today – 6 positions
  - At June 30, 2025 – 10 positions
  - At June 30, 2026 – 16 positions

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Key Assumptions – Energy Costs

- Energy and Energy Attribute Prices
  - Forward energy price forecasts appear to be continuing recent declines
  - REC prices have declined from recent historical highs, but remain above historical norms
  - Resource Adequacy prices expected to be significantly lower than recent historical highs
- Contingency
  - Prior year's budget included 5% contingency
  - Concerns:
    - Recent significant declines in forward price expectations leave significant room for upward surprises
    - Recent tariff and supply chain issues have created potential volatility
  - Staff proposes a 10% contingency of Total Energy Costs for FY2025-2026 Budget and 5-year outlook. Adds $12-14 million annually over prior outlook and 5-year plan

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FY2025-2026 Energy Expense Detail

No change in rates through June 2030	Forecast through 6/30/2025	Preliminary Budget FY2025-2026	Outlook FY2026-2027	Outlook FY2027-2028	Outlook FY2028-2029	Outlook FY2029-2030
Resource Adequacy	49,085,981	69,054,700	76,753,866	65,956,090	60,814,582	61,775,114
Energy Purchases	160,810,860	157,078,636	152,957,019	141,133,811	131,086,965	127,389,984
Energy Carbon Free	6,257,778	7,860,061	7,555,535	3,568,117	-	-
Congestion Revenue Rights	(2,189,261)	-	-	-	-	-
RECS Purchases PCC1	72,187,960	65,056,940	62,654,062	68,217,676	73,859,392	74,551,557
RECS Purchases PCC2	4,000	-	-	-	-	-
CAISO	17,655,314	3,164,522	3,286,944	3,258,369	3,309,388	3,361,309
CAISO Chg/Credit Other	305,652	-	-	-	-	-
Broker Fees	419,197	-	-	-	-	-
VAMO Adjustment	-	-	-	-	-	-
Contingency	3,449,326	28,716,809	28,506,775	26,739,017	25,325,644	25,177,665
Total Cost of Energy	307,986,807	330,931,667	331,714,201	308,873,081	294,395,972	292,255,630
NEM Expense	2,173,878	2,608,654	3,130,385	3,756,462	4,507,754	5,409,305
Total Cost of Energy	**310,160,685**	**333,540,321**	**334,844,585**	**312,629,543**	**298,903,726**	**297,664,935**

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FY2025-2026 Other Expense Detail

No change in rates through June 2030	Forecast through 6/30/2025	Preliminary Budget FY2025-2026	Outlook FY2026-2027	Outlook FY2027-2028	Outlook FY2028-2029	Outlook FY2029-2030
Communications and Outreach	373,899	409,791	450,770	495,847	545,432	599,975
General and Administrative	966,058	1,080,635	1,155,496	1,233,545	1,204,816	1,038,840
Consultants & Professional Services	6,388,325	7,142,001	7,536,285	8,270,113	9,077,324	9,767,257
Staff compensation	1,565,578	2,817,342	3,868,026	5,421,443	6,875,701	8,720,051
Programs	-	2,000,000	4,000,000	6,000,000	8,000,000	12,000,000
Other Expenses (excluding Energy)	**9,293,860**	**13,449,769**	**17,010,576**	**21,420,949**	**25,703,274**	**32,126,123**

Preliminary Budget – FY2025/2026

Biggest Increases over prior year Forecast:

- Consultants and Professional Services – increase of $0.8 million
  - Data Manager (Calpine) – increase of $0.4 million related to full year of expanded territory
- Staffing – increase of $1.2 million
  - Full year of increased staff
- Programs – increase of $2.0 million

Total Operational Expenses –3.9% of total expenses (3.3% excluding Programs)

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5-Year Outlook

Rates Stable at Current Levels

	Preliminary Budget FY2025-2026	Outlook FY2026-2027	Outlook FY2027-2028	Outlook FY2028-2029	Outlook FY2029-2030
Total Operating Revenues	$383,146,909	$388,089,267	$383,501,212	$383,507,082	$383,513,055
Total Cost of Energy	333,540,321	334,844,585	312,629,543	298,903,726	297,664,935
Other Expenses (excluding Energy)	13,363,246	16,646,758	20,674,112	25,379,524	31,715,530
Total Operating Expenses	346,903,567	351,491,343	333,303,655	324,283,250	329,380,465
Operating Income (Loss)	36,243,342	36,597,923	50,197,557	59,223,832	54,132,590
Total Nonoperating Income/(Expense)	(380,692)	(3,635)	444,240	1,481,379	2,703,573
CHANGE IN NET POSITION	$35,862,650	$36,594,289	$50,641,797	$60,705,211	$56,836,163
Net Position at the beginning of period	$14,468,108	$50,330,758	$86,925,047	$137,566,844	$198,272,055
Net Position at the end of period	$50,330,758	$86,925,047	$137,566,844	$198,272,055	$255,108,218
Days Liquidity on Hand	75	110	170	207	269

Days Liquidity on Hand

Reserve Policy – annual target met every year, but don't meet cumulative until end of FY2028

Investment Grade Credit Rating – Targeting mid-to-late 2027 based on expected DLOH levels

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FY2025-2026 Budget Timeline

- Presentation to the CAC on June 12, 2025
- Board Meeting June 26, 2024 – Final Budget Approval
  - With updated financial results through April 2025

FY2025-2026 Budget Staffing

- The Proposed Budget allows for 4 new positions in FY2025-2026 in addition to the 2 previously authorized by the Board
- Amendments to CEA's Position Control Listing will be presented at the June 26th Board Meeting

Item 3: Programs Update

Solar Plus Update

- 15 Active / 4 Complete Contracts (as of 05/14/25)*
  - Carlsbad 3 Active, 1 Complete
  - Escondido 6 Active, 0 Complete
  - Oceanside 1 Active, 1 Complete
  - San Marcos 0 Active, 1 Complete
  - Solana Beach 1 Active, 0 Complete
  - Vista 4 Active, 1 Complete

*Channel Partners have 5 active customers in process.

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Solar Plus Connect Update

- Participate.Energy (PE) selected to administer CEA's Solar Plus Connect Program
  - Program benefits income qualified customers including CARE/FERA customers
  - Program funded by the Self Generation Incentive Program (SGIP)
- Marketing in progress:
  - 41 forms submitted, 3 signed agreements

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Battery Bonus Program

- Numerous Customers have Solar and no Battery
- Batteries provide:
  - Backup Power
  - Time of Use (TOU) Optimization
  - Increased Use of Renewable Energy from Solar System
  - Supports Grid Reliability

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Battery Bonus Program

- Participate.Energy (PE) selected to administer CEA's Battery Bonus Program
- The Battery Bonus Program provides battery retrofits for CEA customers with existing Solar Systems and no battery
- Program will be integrated with the current Solar Plus Program administered by PE
- Like Solar Plus, this Program has no upfront cost or credit check

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Battery Bonus Proposed Rates

- Customers fee ranges from: $50 - $115 per battery per month
  - Rates based on several factors:

Installation Complexity	Installer Costs	Customer Preference
• **Main service panel upgrade** • **Relocating critical loads** • **Fire or local code compliance**	• Union labor / prevailing wages • Larger installation crews • Sales and marketing costs	• Equipment selection • Additional batteries to extend back-up capabilities • Preferred installation location • Trenching vs external conduit

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Battery Bonus Connect Program

- Haven Energy Services, Inc. selected to administer CEA's Battery Bonus Connect Program
  - Program benefits income qualified customers including CARE/FERA customers
  - Program funded by the Self Generation Incentive Program (SGIP)
  - Haven's Professional Services Agreement (PSA) provides battery retrofits at no cost to CEA Customers

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Battery Bonus Connect Program

- Project Status: (As of 6/11/25)
  - Open Deals: 58
  - Documents Signed: 27
  - Documents Verified: 23
  - SS Ready for Scheduling: 20
  - Forms Submitted: 3

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Battery Bonus Connect Program

- Project Status by City: (As of 6/11/25)
  - Carlsbad: 4
  - Escondido: 4
  - Oceanside: 4
  - San Marcos: 5
  - Solana Beach: 1
  - Vista: 5

PeakSmart Savers

- 11 active participants as of 6/1/25
  - Sent welcome email on 6/2/15
    - Open rate of 73%
- Planned Outreach
  - Standard on-going communication with participants
  - Targeted Emails to previous TOU-DR-P Participants
    - In English & Spanish, based on language preference
  - Social Media Posts
  - Postcards, direct mail

Questions/Discussion