CLEAN ENERGY ALLIANCE

Staff Report

DATE: January 29, 2026

TO: Clean Energy Alliance Board of Directors

FROM: Gregory Wade, Chief Executive Officer

ITEM 14: Public Hearing to Consider Adoption of Resolution No. 2026-009 Approving a Rate Relief Credit for Residential and Non-Residential Customers and Adoption of Resolution No. 2026-010 Reducing Agriculture Rates

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RECOMMENDATION:

That the Clean Energy Alliance (CEA) Board of Directors (Board):

1) Conduct the Public Hearing: Open the Public Hearing, Receive Public Testimony, and Close the Public Hearing;
2) Adopt Resolution No. 2026-009 Approving Rate Relief Credits for Residential and Non-Residential Customers; and
3) Adopt Resolution No. 2026-010 Approving a 6.9% Rate Reduction for Agriculture Rates.

BACKGROUND AND DISCUSSION:

At the Board Meeting on November 20, 2025, staff presented information regarding the 2026 San Diego Gas & Electric (SDG&E) Energy Resource Recovery Account (ERRA) rate proceeding in which the preliminary Power Charge Indifference Adjustment (PCIA) rates were projected to increase dramatically from current levels. At that meeting, the rates were still preliminary, with final rates anticipated at the end of December 2025, with an effective date of January 1, 2026. The final 2026 PCIA rates were made official via an SDG&E Advice Letter (AL 4757-E) and, in general, continue to represent a significant increase in PCIA rates for all four vintage years (VY) in CEA's service territory, with only moderate changes for each customer class in each VY.

The Board directed staff to return to this meeting with the final adopted 2026 SDG&E PCIA rate impacts, and a Rate Relief Credit proposal that would achieve rate parity with SDG&E for CEA's highest PCIA vintage rate on the Clean Impact power supply product for residential rate TOU-DR1 and for the non-residential rate TOU-AS. These rates were selected due to the majority of customers being served on these rates.

The analysis of the bill comparisons between SDG&E's 2026 final rates and CEA's current rates for customers on rates TOU-DR1 and TOU-AS resulted in the following Rate Relief Credit per kilowatt-hour (kWh) to achieve the desired minimum rate parity results for the Clean Impact power supply product. If approved, the adjustments would apply for the 11-month period beginning on February 1, 2026 through December 31, 2026.

Residential Customers	$0.03871 per kWh
Non-Residential Customers	$0.02657 per kWh

The average bill comparisons for TOU-DR1 residential customers for the various vintage years after taking into account the proposed Rate Relief Credit are shown in the table below (negative value indicates rate savings):

Residential (Average Monthly Bill = $174.25)

Vintage Year	Cities	Avg Monthly Bill Variance to SDG&E for customers opted down to Clean Impact
2017	Solana Beach	($0.10) per month
2020	Carlsbad & Del Mar	Parity
2022	Escondido & San Marcos	($2.16) per month
2023	Oceanside & Vista	($2.80) per month

The average bill comparisons for non-residential customers for the various vintage years after taking into account the proposed Rate Relief Credit are shown in the tables below (negative value indicates savings):

Small Commercial (Average Monthly Bill = $447.67)

Vintage Year	Cities	Avg Monthly Bill Variance to SDG&E for customers opted down to Clean Impact
2017	Solana Beach	($0.24) per month
2020	Carlsbad & Del Mar	Parity
2022	Escondido & San Marcos	($6.38) per month
2023	Oceanside & Vista	($8.02) per month

Medium/Large Commercial (Average Monthly Bill = $9,665.38)

Vintage Year	Cities	Avg Monthly Bill Variance to SDG&E for customers opted down to Clean Impact
2017	Solana Beach	($247.67) per month
2020	Carlsbad & Del Mar	($241.62) per month
2022	Escondido & San Marcos	($441.06) per month
2023	Oceanside & Vista	($484.10) per month

Agricultural (Average Monthly Bill = $353.82)

Vintage Year	Cities	Avg Monthly Bill Variance to SDG&E for customers opted down to Clean Impact
2017	Solana Beach	$11.46 per month higher
2020	Carlsbad & Del Mar	$11.79 per month higher
2022	Escondido & San Marcos	$5.51 per month higher
2023	Oceanside & Vista	$3.69 per month higher

Lighting (Average Monthly Bill from SDG&E = $351.06)

Vintage Year	Cities	Avg Monthly Bill Variance to SDG&E for customers opted down to Clean Impact
2017	Solana Beach	($22.15) per month
2020	Carlsbad & Del Mar	($21.95) per month
2022	Escondido & San Marcos	($27.59) per month
2023	Oceanside & Vista	($28.77) per month

As shown above, the proposed non-residential Rate Relief Credit achieves cost parity, or better, for all PCIA vintages for all non-residential customer classes with the exception of the agricultural rate class.

Agriculture Customer Class Rate Reduction

To address the disparity for the agricultural rate class, staff recommends a 6.9% rate reduction for the agriculture rate schedules. The estimated financial impact of this rate reduction is approximately $38,000 annually.

The financial impact of the proposed Rate Relief Credit, under certain opt down assumptions, are shown in the table below:

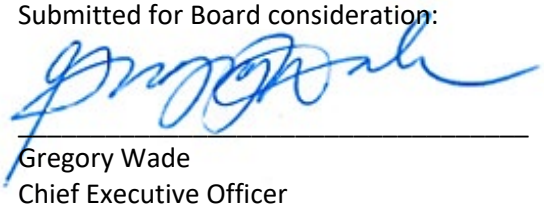
CUSTOMER CLASS	OPT DOWN ASSUMPTION	FINANCIAL IMPACT
Residential	30,000 customers (13% of total)	$5,156,000
Small Commercial	20% of customers	$1,778,000
Medium/Large Commercial	20% of customers	$3,589,000
Agriculture	20% of customers	$23,000
Lighting	20% of customers	$46,000
	TOTAL ESTIMATED FINANCIAL IMPACT	**$10,592,000**

Financial Impact of Recommended Amounts in the fiscal year ending June 30, 2026

The table below shows the estimated financial position and days liquidity on hand as of June 30, 2026 compared to the approved Budget, and the estimated position as of December 31, 2026. As shown, CEA would still be expected to meet its overall budget even if the assumed number of Opt Down customers is realized. Through June 30, 2026, the Change in Net Position is projected to be approximately $4.0 million better than Budget even if the resolutions are adopted in full.

	Through June 30, 2026			Through December 31, 2026	
		Financial Projection		Financial Projection	
	Budget	Before Proposal	After Proposal	Before Proposal	After Proposal
Change in Net Position	$ 35,862,650	$ 43,415,990	$ 39,981,217		
Ending Net Position	$ 50,649,916	$ 64,795,102	$ 60,360,330	$ 102,568,306	$ 92,842,129
Days Liquidity on Hand	81	88	84	135	126

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

A. Resolution No. 2026-009 Establishing the Rate Relief Credit
B. Resolution No. 2026-010 Reducing Agriculture Rates

CLEAN ENERGY ALLIANCE
RESOLUTION NO. 2026-009

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CLEAN ENERGY ALLIANCE ESTABLISHING RATE RELIEF CREDITS EFFECTIVE FEBRUARY 1, 2026 THROUGH DECEMBER 31, 2026

WHEREAS, the Clean Energy Alliance (CEA) is a joint powers agency formed on November 4, 2019, under the Joint Exercise of Power Act, California Government Code section 6500 *et seq*.; and

WHEREAS, Section 4.6 of the Joint Powers Authority (JPA) Agreement establishes the specific responsibility of the CEA Board of Directors to adopt retail rates for power; and

WHEREAS, the CEA Board desires to establish Rate Relief Credits to address impacts of increased San Diego Gas & Electric Power Charge Indifference Adjustment rate increases; and

WHEREAS, the Public Hearing Notice was published in the San Diego Union Tribune on January 19 and January 26, 2026 and posted on January 19, 2026.

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 adopts and approves the following Rate Reduction Credits:

Residential	$0.03871 per kWh
Non-Residential	$0.02657 per kWh

Section 2. Rate Reduction Credits in Section 1 above shall be effective February 1, 2026 through December 31, 2026.

The foregoing Resolution was passed and adopted this 29th day of January 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

_____
[VACANT], Board Chair

ATTEST:

_____
Ana Marie Alarcon, Clerk to the Board

CLEAN ENERGY ALLIANCE
RESOLUTION NO. 2026-010

A RESOLUTION OF THE BOARD OF DIRECTORS OF CLEAN ENERGY ALLIANCE REDUCING AGRICULTURE RATES EFFECTIVE FEBRUARY 1, 2026 THROUGH DECEMBER 31, 2026

WHEREAS, Clean Energy Alliance (CEA) is a joint powers agency formed on November 4, 2019, under the Joint Exercise of Power Act, California Government Code section 6500 *et seq*.; and

WHEREAS, Section 4.6 of the Joint Powers Authority (JPA) Agreement establishes the specific responsibility of the CEA Board of Directors to adopt retail rates for power; and

WHEREAS, on January 29, 2026, the CEA Board adopted Resolution No. 2026-009, adopting non-residential Rate Relief Credit that achieve cost parity, or better, for all PCIA vintages for all non-residential customer classes with the exception of the agricultural rate class; and

WHEREAS, the CEA Board desires to reduce Agriculture rates by 6.9%; and

WHEREAS, the resulting rates are attached as Exhibit A; and

WHEREAS, the Public Hearing Notice was published in the San Diego Union Tribune on January 19 and January 26, 2026 and posted on January 19, 2026; and

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 adopts and approves the reduced agriculture rates reflected in Exhibit A.

Section 2. The reduced agriculture rates reflected in Exhibit A shall be effective February 1, 2026 through December 31, 2026.

The foregoing Resolution was passed and adopted this 29th day of January 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

_____
[VACANT], Board Chair

ATTEST:

_____
Ana Marie Alarcon, Clerk to the Board

Exhibit A
Clean Energy Alliance
Proposed Amended Agriculture Rate Schedule
Effective February 1, 2026

CCA Rate Name	Season	Charge Type	Time of Use Period	per kWh New Rate	per kWh Current Rate	% Change
TOU-PA-S	Summer	Generation	On-Peak	0.33354	0.35826	-6.90%
TOU-PA-S	Summer	Generation	Off-Peak	0.16498	0.17721	-6.90%
TOU-PA-S	Winter	Generation	On-Peak	0.19366	0.20801	-6.90%
TOU-PA-S	Winter	Generation	Off-Peak	0.06654	0.07147	-6.90%
TOU-PA-P	Summer	Generation	On-Peak	0.33167	0.35625	-6.90%
TOU-PA-P	Summer	Generation	Off-Peak	0.16394	0.17609	-6.90%
TOU-PA-P	Winter	Generation	On-Peak	0.19248	0.20675	-6.90%
TOU-PA-P	Winter	Generation	Off-Peak	0.06608	0.07098	-6.90%
TOU-PA-2-S	Summer	Demand	On-Peak	17.47	18.76	-6.90%
TOU-PA-2-S	Summer	Generation	On-Peak	0.20464	0.21981	-6.90%
TOU-PA-2-S	Summer	Generation	Off-Peak	0.11449	0.12297	-6.90%
TOU-PA-2-S	Summer	Generation	Super Off-Peak	0.06264	0.06728	-6.90%
TOU-PA-2-S	Winter	Generation	On-Peak	0.22679	0.24360	-6.90%
TOU-PA-2-S	Winter	Generation	Off-Peak	0.10330	0.11096	-6.90%
TOU-PA-2-S	Winter	Generation	Super Off-Peak	0.06742	0.07242	-6.90%
TOU-PA-2-P	Summer	Demand	On-Peak	17.39	18.68	-6.90%
TOU-PA-2-P	Summer	Generation	On-Peak	0.20369	0.21879	-6.90%
TOU-PA-2-P	Summer	Generation	Off-Peak	0.11394	0.12238	-6.90%
TOU-PA-2-P	Summer	Generation	Super Off-Peak	0.06227	0.06689	-6.90%
TOU-PA-2-P	Winter	Generation	On-Peak	0.22552	0.24223	-6.90%
TOU-PA-2-P	Winter	Generation	Off-Peak	0.10264	0.11025	-6.90%
TOU-PA-2-P	Winter	Generation	Super Off-Peak	0.06702	0.07199	-6.90%
TOU-PA-3-S <20kW	Summer	Generation	On-Peak	0.38939	0.41825	-6.90%
TOU-PA-3-S <20kW	Summer	Generation	Off-Peak	0.19113	0.20530	-6.90%
TOU-PA-3-S <20kW	Summer	Generation	Super Off-Peak	0.06874	0.07383	-6.90%
TOU-PA-3-S <20kW	Winter	Generation	On-Peak	0.17606	0.18911	-6.90%
TOU-PA-3-S <20kW	Winter	Generation	Off-Peak	0.07484	0.08039	-6.90%
TOU-PA-3-S <20kW	Winter	Generation	Super Off-Peak	0.04543	0.04880	-6.90%

TOU-PA-3-P <20kW	Summer	Generation	On-Peak	0.38731	0.41601	-6.90%
TOU-PA-3-P <20kW	Summer	Generation	Off-Peak	0.19001	0.20409	-6.90%
TOU-PA-3-P <20kW	Summer	Generation	Super Off-Peak	0.06821	0.07326	-6.90%
TOU-PA-3-P <20kW	Winter	Generation	On-Peak	0.17502	0.18799	-6.90%
TOU-PA-3-P <20kW	Winter	Generation	Off-Peak	0.07430	0.07981	-6.90%
TOU-PA-3-P <20kW	Winter	Generation	Super Off-Peak	0.04510	0.04844	-6.90%
TOU-PA-3-S >=20kW	Summer	Demand	On-Peak	5.60	6.01	-6.90%
TOU-PA-3-S >=20kW	Summer	Generation	On-Peak	0.39697	0.42639	-6.90%
TOU-PA-3-S >=20kW	Summer	Generation	Off-Peak	0.20054	0.21540	-6.90%
TOU-PA-3-S >=20kW	Summer	Generation	Super Off-Peak	0.05795	0.06224	-6.90%
TOU-PA-3-S >=20kW	Winter	Generation	On-Peak	0.16559	0.17786	-6.90%
TOU-PA-3-S >=20kW	Winter	Generation	Off-Peak	0.06899	0.07410	-6.90%
TOU-PA-3-S >=20kW	Winter	Generation	Super Off-Peak	0.04090	0.04393	-6.90%
TOU-PA-3-P >=20kW	Summer	Demand	On-Peak	5.57	5.98	-6.90%
TOU-PA-3-P >=20kW	Summer	Generation	On-Peak	0.39509	0.42437	-6.90%
TOU-PA-3-P >=20kW	Summer	Generation	Off-Peak	0.19956	0.21435	-6.90%
TOU-PA-3-P >=20kW	Summer	Generation	Super Off-Peak	0.05746	0.06172	-6.90%
TOU-PA-3-P >=20kW	Winter	Generation	On-Peak	0.16453	0.17672	-6.90%
TOU-PA-3-P >=20kW	Winter	Generation	Off-Peak	0.06837	0.07344	-6.90%
TOU-PA-3-P >=20kW	Winter	Generation	Super Off-Peak	0.04044	0.04344	-6.90%
PA-T-1-S	Summer	Demand	On-Peak	10.12	10.87	-6.90%
PA-T-1-S	Summer	Generation	On-Peak	0.19774	0.21240	-6.90%
PA-T-1-S	Summer	Generation	Off-Peak	0.11149	0.11975	-6.90%
PA-T-1-S	Summer	Generation	Super Off-Peak	0.06967	0.07483	-6.90%
PA-T-1-S	Winter	Generation	On-Peak	0.24588	0.26410	-6.90%
PA-T-1-S	Winter	Generation	Off-Peak	0.11401	0.12246	-6.90%
PA-T-1-S	Winter	Generation	Super Off-Peak	0.07569	0.08130	-6.90%
PA-T-1-P	Summer	Demand	On-Peak	10.07	10.82	-6.90%
PA-T-1-P	Summer	Generation	On-Peak	0.19658	0.21115	-6.90%
PA-T-1-P	Summer	Generation	Off-Peak	0.11077	0.11898	-6.90%
PA-T-1-P	Summer	Generation	Super Off-Peak	0.06929	0.07443	-6.90%
PA-T-1-P	Winter	Generation	On-Peak	0.24449	0.26261	-6.90%

PA-T-1-P	Winter	Generation	Off-Peak	0.11332	0.12172	-6.90%
PA-T-1-P	Winter	Generation	Super Off-Peak	0.07526	0.08084	-6.90%
PA-T-1-T	Summer	Demand	On-Peak	9.65	10.36	-6.90%
PA-T-1-T	Summer	Generation	On-Peak	0.18627	0.20008	-6.90%
PA-T-1-T	Summer	Generation	Off-Peak	0.10424	0.11197	-6.90%
PA-T-1-T	Summer	Generation	Super Off-Peak	0.06476	0.06956	-6.90%
PA-T-1-T	Winter	Generation	On-Peak	0.23188	0.24907	-6.90%
PA-T-1-T	Winter	Generation	Off-Peak	0.10642	0.11431	-6.90%
PA-T-1-T	Winter	Generation	Super Off-Peak	0.07003	0.07522	-6.90%
G-PA-T-1-S	Summer	Demand	On-Peak	2.83	3.04	-6.90%
G-PA-T-1-S	Summer	Generation	On-Peak	0.09980	0.10720	-6.90%
G-PA-T-1-S	Summer	Generation	Semi-Peak	0.09751	0.10474	-6.90%
G-PA-T-1-S	Summer	Generation	Off-Peak	0.05806	0.06236	-6.90%
G-PA-T-1-S	Winter	Generation	On-Peak	0.32172	0.34556	-6.90%
G-PA-T-1-S	Winter	Generation	Semi-Peak	0.12199	0.13103	-6.90%
G-PA-T-1-S	Winter	Generation	Off-Peak	0.12187	0.13090	-6.90%
G-PA-T-1-P	Summer	Demand	On-Peak	2.80	3.01	-6.90%
G-PA-T-1-P	Summer	Generation	On-Peak	0.09351	0.10044	-6.90%
G-PA-T-1-P	Summer	Generation	Semi-Peak	0.09125	0.09801	-6.90%
G-PA-T-1-P	Summer	Generation	Off-Peak	0.05199	0.05584	-6.90%
G-PA-T-1-P	Winter	Generation	On-Peak	0.31989	0.34360	-6.90%
G-PA-T-1-P	Winter	Generation	Semi-Peak	0.12122	0.13020	-6.90%
G-PA-T-1-P	Winter	Generation	Off-Peak	0.12110	0.13007	-6.90%
G-PA-T-1-T	Summer	Demand	On-Peak	2.69	2.89	-6.90%
G-PA-T-1-T	Summer	Generation	On-Peak	0.09276	0.09964	-6.90%
G-PA-T-1-T	Summer	Generation	Semi-Peak	0.09067	0.09739	-6.90%
G-PA-T-1-T	Summer	Generation	Off-Peak	0.05307	0.05700	-6.90%
G-PA-T-1-T	Winter	Generation	On-Peak	0.31774	0.34129	-6.90%
G-PA-T-1-T	Winter	Generation	Semi-Peak	0.12027	0.12918	-6.90%
G-PA-T-1-T	Winter	Generation	Off-Peak	0.12015	0.12905	-6.90%
G-TOU-PA-S	Summer	Generation	On-Peak	0.37659	0.40450	-6.90%
G-TOU-PA-S	Summer	Generation	Semi-Peak	0.14527	0.15604	-6.90%
G-TOU-PA-S	Summer	Generation	Off-Peak	0.06545	0.07030	-6.90%
G-TOU-PA-S	Winter	Generation	On-Peak	0.17912	0.19240	-6.90%
G-TOU-PA-S	Winter	Generation	Semi-Peak	0.05510	0.05918	-6.90%
G-TOU-PA-S	Winter	Generation	Off-Peak	0.05501	0.05909	-6.90%
G-TOU-PA-P	Summer	Generation	On-Peak	0.37439	0.40214	-6.90%

G-TOU-PA-P	Summer	Generation	Semi-Peak	0.14429	0.15498	-6.90%
G-TOU-PA-P	Summer	Generation	Off-Peak	0.06488	0.06969	-6.90%
G-TOU-PA-P	Winter	Generation	On-Peak	0.17790	0.19109	-6.90%
G-TOU-PA-P	Winter	Generation	Semi-Peak	0.05452	0.05856	-6.90%
G-TOU-PA-P	Winter	Generation	Off-Peak	0.05444	0.05848	-6.90%
G-TOU-PA-2-S	Summer	Demand	On-Peak	3.16	3.39	-6.90%
G-TOU-PA-2-S	Summer	Generation	On-Peak	0.11476	0.12327	-6.90%
G-TOU-PA-2-S	Summer	Generation	Semi-Peak	0.10385	0.11155	-6.90%
G-TOU-PA-2-S	Summer	Generation	Off-Peak	0.06283	0.06749	-6.90%
G-TOU-PA-2-S	Winter	Generation	On-Peak	0.35230	0.37841	-6.90%
G-TOU-PA-2-S	Winter	Generation	Semi-Peak	0.13628	0.14638	-6.90%
G-TOU-PA-2-S	Winter	Generation	Off-Peak	0.13620	0.14629	-6.90%
G-TOU-PA-2-P	Summer	Demand	On-Peak	3.15	3.38	-6.90%
G-TOU-PA-2-P	Summer	Generation	On-Peak	0.11419	0.12265	-6.90%
G-TOU-PA-2-P	Summer	Generation	Semi-Peak	0.10329	0.11094	-6.90%
G-TOU-PA-2-P	Summer	Generation	Off-Peak	0.06244	0.06707	-6.90%
G-TOU-PA-2-P	Winter	Generation	On-Peak	0.35034	0.37631	-6.90%
G-TOU-PA-2-P	Winter	Generation	Semi-Peak	0.13545	0.14549	-6.90%
G-TOU-PA-2-P	Winter	Generation	Off-Peak	0.13536	0.14539	-6.90%