

**Board of Directors Regular Meeting Agenda
June 25, 2026, 2:00 p.m.
Leucadia Wastewater District, Board Room
1960 La Costa Ave, Carlsbad, CA 92009**

Members of the public can observe the livestream of the meeting via Teams by clicking:

<https://teams.microsoft.com/meet/247208529041647?p=So3AuESGY5ew0GFJcv>

or telephonically by dialing:

[+1 312-625-2555,,779604592#](tel:+13126252555779604592)

Phone Conference ID: 779 604 592#

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 Clerk. 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 Clerk before the Board Chair announces the item.

CALL TO ORDER

ROLL CALL

FLAG SALUTE

APPROVAL OF AGENDA

BOARD COMMENTS & ANNOUNCEMENTS

PUBLIC COMMENT

APPROVAL OF MINUTES

Minutes of the Regular Meeting held May 28, 2026

Presentations:

City of Carlsbad Proclamation

Consent Calendar

Item 1: Clean Energy Alliance Treasurer's Report for April 2026

RECOMMENDATION:

Receive and file the Clean Energy Alliance Treasurer's Report for April 2026.

Item 2: Consideration of Resolution No. 2026-029, Approving an Exception to Competitive Solicitation Requirements, Awarding a Professional Services Agreement to Pacific Energy Advisors and Authorizing the Chief Executive Officer to Execute the Agreement

RECOMMENDATION:

Adopt Resolution No. 2026-029, awarding a new Professional Services Agreement to Pacific Energy Advisors at a cost not to exceed \$300,000 per year through June 2029, authorizing the Chief Executive Officer to execute the agreement, and approving an exception to Policy CEA-07 (Non-Energy Procurement Policy) for competitive solicitation requirements.

Item 3: Consideration of Resolution No. 2026-030, Approving an Exception to Competitive Solicitation Requirements, Approving Amendment No. 4 to the Agreement with Andy Stern for Chief Financial Officer Consultant Services Effective July 1, 2026, through December 31, 2027 and Authorizing the Chief Executive Officer to Execute the Amendment

RECOMMENDATION:

Adopt Resolution 2026-030, approving Amendment No. 4 to the Agreement for Professional Services with Andy Stern for CFO Consultant Services for an amount not to exceed \$156,000 per fiscal year, effective July 1, 2026, through December 31, 2027, authorizing the Chief Executive Officer to sign all documents, subject to General Counsel approval, and approving an exception to Policy CEA-07 (Non-Energy Procurement Policy) for competitive solicitation requirements.

Item 4: Consider Adoption of Resolution No. 2026-031 approving the Edison Electric Institute Master Power Purchase and Sale Agreement, 10-year EEI Confirmations, and associated contract documents with Desert Community Energy and Authorizing Execution of the Agreements

RECOMMENDATION:

Adopt Resolution No. 2026-031 approving the proposed Edison Electric Institute (EEI) Master Power Purchase and Sale Agreement, 10-year EEI Confirmations, and associated contract documents with Desert Community Energy, referred to herein collectively as

“VAMO Agreements”, in near final form for California RPS-eligible electric energy and associate Green Attributes, and authorize the Chief Executive Officer to execute the agreements in forms acceptable to Transactions Counsel.

- Item 5: Consider Adoption of Resolution No. 2026-032 Approving Amendment No. 4 to the Professional Services Agreement with Maher Accountancy for CEA Accounting Services, Authorizing Execution of the Amendment and Approving an Exception to Competitive Solicitation Requirements**

RECOMMENDATION:

Adopt Resolution No. 2026-032, approving Amendment No. 4 to the Professional Services Agreement with Maher Accountancy for CEA Accounting Services, for an amount not to exceed \$172,400 for the period from July 1, 2026, through June 30, 2027, and \$178,800 for the period from July 1, 2027, through June 30, 2028, authorizing the Chief Executive Officer to sign all documents, subject to General Counsel approval, and approving an exception to competitive solicitation requirements.

Reports

- Item 6: Clean Energy Alliance Chief Executive Officer Operational and Administrative Report**

RECOMMENDATION:

Receive and file the report.

Public Hearings

- Item 7: AB 2561 - Status of Vacancies, Recruitment and Retention Efforts**

RECOMMENDATION:

- 1) Conduct the Public Hearing: Open the Public Hearing, Receive Public Testimony, and Close the Public Hearing
- 2) Accept report on the status of CEA employee vacancy rates and recruitment and retention efforts

New Business

- Item 8: Regulatory Update**

RECOMMENDATION:

Receive the Regulatory update from Keyes and Fox.



Item 9: Consider Adoption of Resolution No. 2026-033 Approving Clean Energy Alliance 2026 Integrated Resource Plan

RECOMMENDATION:

Adopt Resolution No. 2026-033 approving Clean Energy Alliance's 2026 Integrated Resource Plan.

Item 10: Consider Adoption of Resolution No. 2026-034 Approving the Fiscal Year 2026/2027 Budget

RECOMMENDATION:

Adopt Resolution No. 2026-034 Adopting the Fiscal Year 2026/2027 Budget.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS

NEXT MEETING: The Regular Board Meeting is scheduled for July 30, 2026, Leucadia Wastewater District, 1960 La Costa Ave., Carlsbad, CA 92009.

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.

**Board of Directors Regular Meeting Agenda
May 28, 2026, 2:00 p.m.
Leucadia Wastewater District, Board Room
1960 La Costa Ave, Carlsbad, CA 92009**

CALL TO ORDER: Chair Melendez called to order the Regular Meeting of the Clean Energy Alliance at 2:00 p.m.

ROLL CALL: Board Members: Spelich, Bhat-Patel, Nuñez, Becker, Garcia, Melendez.
Board Member Figueroa joined the meeting at 2:02 p.m.

FLAG SALUTE: Chair Melendez led the flag salute.

APPROVAL OF AGENDA: No changes.

**Motion by Board Member Nuñez, seconded by Board Member Becker, to approve the minutes as presented.
Motion carried, 6/0 (Figueroa - Absent).**

BOARD COMMENTS & ANNOUNCEMENTS: None.

PUBLIC COMMENT: None.

APPROVAL OF MINUTES:
Minutes of the Regular Meeting held April 30, 2026.

Motion by Board Member Bhat-Patel, seconded by Board Member Nuñez, to approve the minutes presented. Motion carried, 7/0.

Consent Calendar

Item 1: Clean Energy Alliance Treasurer's Report for March 2026

RECOMMENDATION:

Receive and file the Clean Energy Alliance Treasurer's Report for March 2026.

Item 2: Consideration of Resolution No. 2026-025 Amending and Adopting an Anti-Discrimination and Sustainability Policy, CEA-08

RECOMMENDATION:

Adopt Resolution No. 2026-025 Amending and Adopting an Anti-Discrimination and Sustainability Policy

Item 3: Consideration of Resolution No. 2026-026 Adopting an Electronic Communications Retention and Disposition Policy

RECOMMENDATION:

Adopt Resolution No. 2026-026, Adopting the Electronic Communications Retention and Disposition Policy and Authorizing Automatic Deletion of Certain Electronic Records

**Motion by Board Member Bhat-Patel, seconded by Board Member Spelich, to approve the Consent Calendar.
Motion carried, 7/0.**

Reports

Item 4: Clean Energy Alliance Chief Executive Officer Operational Report

RECOMMENDATION:

Receive and file the report.

CEO Greg Wade presented the report, providing an update on enrollment statistics, Solar Plus and Battery Bonus Program, Equitable Building Decarbonization Program and recent community outreach events.

CEA Board received report.

Item 5: 5-Year Anniversary Impact Report

RECOMMENDATION:

Receive and file the report.

Senior Key Accounts/Program Manager Kaitlin McGee presented the report & discussed CEA's progress towards a 100% clean energy future.

CEA Board received report.

Item 6: Consider Adoption of Resolution No. 2026-027 Setting Time and Place for Clean Energy Alliance Board Meetings July 2026 – June 2027

RECOMMENDATION:

Adopt Resolution No. 2026-027 Setting Time and Place for Clean Energy Alliance Board Meetings from July 2026 – June 2027.

Keyes and Fox Partner Tim Lindl provided the update.

**Motion by Board Member Nuñez, seconded by Board Member Becker, to adopt Resolution No. 2026-027.
Motion carried, 7/0.**

Public Hearing

Item 7: Consider Adoption of Resolution No. 2026-028 Setting Rates for Clean Energy Alliance Effective June 1, 2026.

RECOMMENDATION:

- 1) Conduct the Public Hearing: Open the Public Hearing, Receive Public Testimony, and Close the Public Hearing;
- 2) Adopt Resolution No. 2026-028 Setting Rates for Clean Energy Alliance Effective June 1, 2026.

Senior Key Accounts/Program Manager Kaitlin McGee presented the report.

Chair Melendez opened the Public Hearing at 2:31 p.m.

Discussion ensued amongst the Board Members.

Chair Melendez closed the Public Hearing at 2:40 p.m.

Motion by Board Member Becker, seconded by Vice Chair Garcia, to close the public hearing and adopt Resolution No. 2026-028. Motion carried, 7/0.

CEA Board received report.

New Business

Item 8: Regulatory Update

RECOMMENDATION:

Receive the Regulatory update from Keyes and Fox.

Keyes and Fox Partner, Tim Lindl presented the report.

CEA Board received the report.

Item 9: Review Clean Energy Alliance Fiscal Year 2026/2027 Proposed Budget and Schedule Budget Adoption for June 25, 2026

RECOMMENDATION:

The Clean Energy Alliance (CEA) Board of Directors review the proposed CEA Fiscal Year 2026/2027 Budget, provide direction on any additions/changes and schedule Budget Adoption for the June 25, 2026, Board Meeting.

Chief Finance Officer Andrew Stern presented the report.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS: None.

NEXT MEETING: Regular Board Meeting February 26, 2026, Leucadia Wastewater District, 1960 La Costa Ave, Carlsbad, CA 92009.

ADJOURN: Chair Melendez adjourned the meeting at 3:22 p.m.

Ana Marie Alarcon
Clerk to the Board/Executive Assistant

Staff Report

DATE: June 25, 2026

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 April 2026.

BACKGROUND AND DISCUSSION:

This report provides the Board with the following financial information through April 30, 2026:

- Statement of Financial Position (Unaudited and preliminary) – Reports assets, liabilities, and financial position of the CEA as of April 30, 2026.
- Statement of Revenues, Expenses and Changes in Net Position (Unaudited and preliminary) for the period ended April 30, 2026.
- Budget to Actuals Comparison Schedule (Unaudited and preliminary) – Reports actual revenues and expenditures compared to the annual amended budget as of April 30, 2026.
- List of Payments Issued – Reports payments issued for April 2026.

As of April 30, 2026, liabilities represent invoices and estimated accruals for energy and services received but not yet paid.

FISCAL IMPACT:

As of April 30, 2026, reported Unrestricted Net Position was \$74,735,204.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

- A. Treasurer's Report for April 2026

CLEAN ENERGY ALLIANCE STATEMENT OF NET POSITION As of April 30, 2026

ASSETS

Current assets

Cash and cash equivalents	\$ 61,797,016
Accounts receivable, net of allowance	31,456,258
Accrued revenue	12,745,879
Other receivables	107,513
Prepaid expenses	8,951,748
Deposits	<u>1,035,938</u>
Total current assets	116,094,352

Noncurrent assets

Deposits	<u>8,578</u>
Total noncurrent assets	<u>8,578</u>
Total assets	<u>116,102,930</u>

LIABILITIES

Current liabilities

Accrued cost of electricity	32,631,270
Accounts payable	1,066,696
Deferred revenue	785,280
Other accrued liabilities	397,618
Security deposits - energy suppliers	<u>288,462</u>
Total current liabilities	35,169,326

Noncurrent liabilities

Security deposits - energy suppliers	<u>6,198,400</u>
Total liabilities	<u>41,367,726</u>

NET POSITION

Unrestricted	<u>\$ 74,735,204</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
Ten Months Ended April 30, 2026

OPERATING REVENUES

Electricity sales, net	\$ 322,432,211
Miscellaneous income	2,993
Total operating revenues	<u>322,435,204</u>

OPERATING EXPENSES

Cost of electricity	260,511,175
Contract services	5,945,763
Staff compensation	2,144,088
Other operating expenses	1,081,173
Total operating expenses	<u>269,682,199</u>
Operating income (loss)	<u>52,753,005</u>

NONOPERATING REVENUES (EXPENSES)

Investment income	1,142,321
Interest expense	<u>(539,233)</u>
Nonoperating revenues (expenses), net	<u>603,088</u>

CHANGE IN NET POSITION

	53,356,093
Net position at beginning of year	<u>21,379,111</u>
Net position at end of period	<u><u>\$ 74,735,204</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 2025 board meeting, the CEA Board approved the Fiscal Year (FY) 2025/26 budget approving \$346,904,000 in total operating expenses. For the year-to-date, \$270,221,000 of operating expenses have been expended. Revenues from electricity sales for the year-to-date reached \$322,435,000. Nonoperating activity was a net expense of \$603,000. The overall change in net position for the year-to-date was an increase of \$53,356,000.

The Budget to Actuals Comparison Schedule is shown below.

**CLEAN ENERGY ALLIANCE
BUDGETARY COMPARISON SCHEDULE
Ten Months Ended April 30, 2026**

	Year-To-Date				Annual		
	Actual	Budget	Variance fav. (unfav.)		Annual Budget	Budget Less Actual YTD	Budget Remaining / Budget %
			Amount	%			
Electricity Sales, net	\$ 322,435,204	\$ 324,304,196	\$ (1,868,992)	-1%	383,146,909	60,711,705	16%
Operating Expenses							
Cost of Energy	260,511,175	285,382,303	24,871,128	9%	333,540,321	73,029,146	22%
Other Operating Expenses	9,171,024	11,162,665	1,991,641	18%	13,363,246	4,192,222	31%
Total Operating Expenses	269,682,199	296,544,967	26,862,768	9%	346,903,567	77,221,368	22%
Operating Income (Loss)	52,753,005	27,759,229	24,993,776	90%	36,243,342	(16,509,663)	
Total Nonoperating Income/(Expense)	603,088	(318,611)	921,699	289%	(380,692)	(983,780)	258%
Change in Net Position	\$ 53,356,093	\$ 27,440,618	\$ 25,915,475		\$ 35,862,650	\$ (17,493,443)	

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

Date	Amount	Vendor	Bill Memo
4/1/2026	(312.00)	BRAUN BLAISING SMITH WYNNE	FEB 2026 - General Matters
4/1/2026	(10,985.70)	BURKE, WILLIAMS & SORENSEN, LLP	February 2026 - Legal services - CEA Re:
4/1/2026	(1,400,000.00)	Chevron Power Holdings Inc.	June 2026 - RA Capacity prepayment for the month of June 2026
4/1/2026	(123,611.11)	JPMorgan	Bank Fees on unutilized balance 1/1/26-3/31/26
4/1/2026	(1,051.33)	MCGEE, KAITLIN	Mar 5, 2026 to Mar 6, 2026
4/1/2026	(4,000.00)	MOONLIGHT CULTURAL FOUNDATION	2026 Partner Sponsorship
4/1/2026	(345.80)	Neyenesch Printers	1,288 Move Notice Mailing 3/11 and 3/18
4/1/2026	(2,650.47)	WADE, GREG	March 2026 - Expense Reimbursement
4/2/2026	(510.00)	MCCAULEY, KAYLIN	MARCH 2026 2026 Consulting
4/2/2026	(327,000.00)	SAAVI ENERGY SOLUTIONS, LLC.	July 2026- Firm Resource Adequacy - (July 2026) Prepayment Adequacy
4/2/2026	(769,500.00)	SAAVI ENERGY SOLUTIONS, LLC.	July 2026- Firm Resource Adequacy - (July 2026) Prepayment Adequacy
4/2/2026	(363,310.30)	SDG&E	JUNE 2026 - RA Sales
4/3/2026	(296,500.15)	CALPINE ENERGY SOLUTIONS	February 2026 - Services
4/6/2026	(2,188.40)	BRENTech INCORPORATED	1 Ubiquiti Switch Pro Max 48 POE
4/6/2026	(2,470.00)	Hall Energy Law PC	FEB 2026 - Fees for Professional Services
4/6/2026	(1,560.20)	PARTICIPATE ENERGY FUND LLC	Feb'2026 PPA Period 02042026-03032026
4/6/2026	(3,362.20)	River City Bank CC	FEB 2026 CC Statement
4/6/2026	(76,204.98)	THE ENERGY AUTHORITY	March 2026 - CAISO Weekly Statement of Activity (3/13/26-3/19/26) Total
4/6/2026	(586,006.76)	THE ENERGY AUTHORITY	March 2026 - CAISO Weekly Statement of Activity (3/13/26-3/19/26) Total
4/7/2026	(11,476.36)	EMPOWER (401a)	Employee Retirement -04/05/26
4/7/2026	(6,459.68)	EMPOWER (457b)	Employee Retirement -04/06/2026
4/7/2026	(15,585.44)	STERN, ANDREW	For the period from March 1, 2026 through March 31, 2026
4/7/2026	(7,000.00)	Summit Advocacy LLC	March 2026 Lobbying Consulting Services Services
4/7/2026	(986.93)	USPS	First-Class Mail and First-Class Package Service
4/9/2026	(1,278.10)	Amy Williams	Expense Report Mar 18, 2026 to Apr 6, 2026
4/9/2026	(453.82)	BRENTech INCORPORATED	20 VEEAM Microsoft 365 Backup Protection (monthly subscription)
4/9/2026	(2,315.00)	New Gen Strategies & Solutions	March 2026 -Project: CEA SDG&E ERRA REGULATORY SUPPORT
4/9/2026	(761.40)	Neyenesch Printers	1,500 Battery Bonus/Solar Plus Combo Flyer & Green Energy Champions Flyer
4/9/2026	(425.00)	Reynolds, Tiffany	ER Mar 16, 2026 to Mar 25, 2026
4/9/2026	(2,318.75)	The Bayshore Consulting Group, Inc	MARCH 2026 - CEA Consulting
4/9/2026	(213.00)	Villaseñor, Karen	Expense Report - Oct 16, 2025, to Apr 5, 2025
4/10/2026	(8,209.10)	ATRIA WORKSPACE (AVANTI)	May 2026 Rent for 333,334 and 335
4/10/2026	(13,300.00)	BRENTech INCORPORATED	100 Support Agreement Amendment 6/15/2025Sales Tax
4/10/2026	(960.00)	ICAP ENERGY LLC	MARCH 2026 - Broker Fee - Calpine Energy RA
4/10/2026	(18,450.54)	SDRMA	May 2026 Benefits Coverage
4/13/2026	(38,994.74)	THE ENERGY AUTHORITY	March 2026 - CAISO Weekly Statement of Activity (3/20/26-3/26/26) Total
4/13/2026	(509,894.22)	THE ENERGY AUTHORITY	March 2026 - CAISO Weekly Statement of Activity (3/20/26-3/26/26) Total
4/14/2026	(383.87)	Neyenesch Printers	2,636 Move Notice Mailing 3/24 and 3/31
4/16/2026	(17,616.74)	Keyes & Fox LLP	November 2025 - Transactional legal services.
4/16/2026	(13,000.00)	Maher Accountancy	April 2026 - Accounting, cash disbursements and related tasks
4/16/2026	(179.94)	WADE, GREG	Feb 2026 - Expense Reimbursement
4/20/2026	(392,500.00)	EDF TRADING NORTH AMERICA	March 2026 - Capacity Purchase
4/20/2026	(108,360.00)	ES 1A Group 2 Opco, LLC	MAR 2026 - Resource Adequacy
4/20/2026	(3,913,928.85)	SDG&E	MAR 2026 - REC Sales
4/20/2026	(881,250.00)	SEMPRA	MAR 2026 - Capacity Purchases

June 25, 2026
CEA Treasurer's Report
Page 6 of 6

4/20/2026	(35,146.23)	THE ENERGY AUTHORITY	March 2026 - CAISO Weekly Statement of Activity (3/27/26-4/02/26) Total
4/20/2026	(361,662.86)	THE ENERGY AUTHORITY	March 2026 - CAISO Weekly Statement of Activity (3/27/26-4/02/26) Total
4/20/2026	(592,000.00)	WESTERN POWER & STEAM II, LLC	JUNE 2026 RA
4/21/2026	(11,476.36)	EMPOWER (401a)	Employee Retirement -04/20/26
4/21/2026	(6,459.68)	EMPOWER (457b)	Employee Retirement -04/20/2026
4/21/2026	(1,071.02)	USPS	First-Class Mail and First-Class Package Service
4/22/2026	(1,000.00)	Environmental Innovations, Inc.	Sponsorship for Carlsbad Recognition Mixer on 5/4/26.
4/22/2026	(120.00)	WREGIS	Transferred
4/23/2026	(2,005,467.25)	Citadel energy marketing llc	MARCH 2026 - CAISO DA SP-15 - 32,820
4/23/2026	(2,764,730.60)	Constellation Generation Company, LLC	FEB 2026 - Pow er Purchase
4/23/2026	(4,364.75)	Dennis Lyon	Refund to Participate Energy's customer paid tow ards Solar Plus PPA
4/23/2026	(122,857.50)	DYNASTY POWER	MAR 2026 - Environmental Attribute
4/23/2026	(1,156.73)	EMPOWER (FEES)	Expense Charges - 457(b) Plan Investment Management fees - 1/1/26-3/31/26
4/23/2026	(891.70)	EMPOWER (FEES)	Expense Charges - 401(a) Plan Investment Management fees - 1/1/26-3/31/26
4/23/2026	(1,636,214.00)	MORGAN STANLEY CAPITAL GROUP, INC	March 2025 - Energy
4/23/2026	(2,908,804.64)	NRG	February 2026 energy
4/23/2026	(2,900.00)	san diego human resources consulting inc	HR Services April HR Advisory Services(20 hours)
4/23/2026	(3,224,088.20)	Shell Oil North America	FEB 2026 - Pow er
4/23/2026	(131,625.00)	Tecolote Wind LLC	March 2026 - Resource Adequacy Benefits
4/23/2026	(4,687.74)	Tripepi, Smith & Associates, Inc.	March 2026 - Retainer Communications and Marketing Services
4/24/2026	(12,499.75)	Aurora Energy Research LLC	CAISO Pow er & Renew ables - 4/1/2026 - 6/30/2026
4/24/2026	(6,701.66)	BRENTECH INCORPORATED	2 Dell Pro 16 Laptop - 16" FHD+ accessories
4/24/2026	(130,000.00)	CalCCA	April-June 2026- FY 25-26 Operational Membership Dues Quarterly Payment
4/24/2026	(7,125.00)	ICAP ENERGY LLC	MARCH 2026 - Broker Fee - Pattern Energy RECs
4/24/2026	(31,042.22)	Keyes & Fox LLP	March 2026 - Transactional legal services, updated #30976 invoice.
4/24/2026	(17,921.80)	LEAPFROG POWER, INC.	April 2026 - RA
4/24/2026	(49,000.00)	Pacific Energy Advisors, Inc	MAR 2026 - Technical Consulting Advisors & Channelside
4/24/2026	(61,687.50)	Pow erex	April 2026 - PCC1 installment 5 of 12 (2026)
4/24/2026	(1,680.00)	Resi Station LLC (Renew Home)	MARCH 2026 - Proxy Demand Response CEA
4/24/2026	(21,440.03)	THE ENERGY AUTHORITY	March 2026 - Resource Management Monthly Fees
4/27/2026	(171,441.00)	CALIFORNIA DEPT TAX& FEE ADMIN	2026-Q1 Electric Energy Surcharge
4/27/2026	(9,288.00)	Fervo Energy Company	Refund to Fervo of a portion of the deposit for the PPA
4/27/2026	(103,784.06)	THE ENERGY AUTHORITY	April 2026 - CAISO Weekly Statement of Activity (4/3/26-4/9/26) Total
4/27/2026	(544,542.59)	THE ENERGY AUTHORITY	April 2026 - CAISO Weekly Statement of Activity (4/3/26-4/9/26) Total
4/28/2026	(15,026.00)	Tripepi, Smith & Associates, Inc.	April 2026 - Retainer Communications and Marketing Services
4/30/2026	(1,800.00)	Agua Hedionda Lagoon Foundation	Discovery Campus Rental
4/30/2026	(258.59)	Alcaraz, Sophia	ER Apr 21, 2026
4/30/2026	(554,858.50)	KARBONE INC.	REC purchase
4/30/2026	(17,505.50)	Keyes & Fox LLP	March 2026 - Transactional legal services, updated #30976 invoice.
4/30/2026	(1,487.90)	Neyenesch Printers	2,000 CEA Info Card
4/30/2026	(67.82)	Reynolds, Tiffany	ER Apr 9, 2026
4/30/2026	(62,223.30)	SDG&E	For services rendered under Schedule CCA for period March 2026.
Multiple	(176,742.67)	Multiple customers	NEM Cash Out

Staff Report

DATE: June 25, 2026

TO: Clean Energy Alliance Board of Directors

FROM: Greg Wade, Chief Executive Officer

ITEM 2: Consideration of Resolution No. 2026-029, Approving an Exception to Competitive Solicitation Requirements, Awarding a Professional Services Agreement to Pacific Energy Advisors and Authorizing the Chief Executive Officer to Execute the Agreement

RECOMMENDATION:

That the Clean Energy Alliance (CEA) Board of Directors (Board) adopt Resolution No. 2026-029, awarding a new Professional Services Agreement to Pacific Energy Advisors (PEA) at a cost not to exceed \$300,000 per year for Professional Services through June 2029, authorizing the Chief Executive Officer to execute the agreement, and approving an exception to Policy CEA-07 (Non-Energy Procurement Policy) for competitive solicitation requirements.

BACKGROUND AND DISCUSSION:

CEA has engaged PEA since 2020 to provide compliance and procurement support, which has been critical to CEA's energy supply and financial management from initial launch to the organization's current size and scope. As of June 2026, CEA has transitioned the majority of these services in-house. Staff's recommendation is to maintain a service agreement with PEA to serve as CEA's Energy Trading Risk Management (ETRM) service provider for at least the next Fiscal Year, as well as maintaining a relationship for ad hoc time and materials work as CEA continues its transition to in-house provision of these service responsibilities. CEA's existing agreement with PEA is scheduled to end as of this June 2026; with this significantly reduced set of services, CEA negotiated a new Professional Services Agreement (PSA) and reduced cost of service with PEA, presented herein for the Board's consideration and approval.

PEA's current contract cost with PEA has been a fixed \$49,000 per month from January through June 2026. This new proposed contract reduces the consultant scope and reduced CEA's fixed cost per month to \$18,500 (approximately \$250,000 for the coming Fiscal Year). CEA has also negotiated the ability to request ad hoc time and materials services under this contract, though Staff do not anticipate needing these services frequently. Approval of the PSA and a total annual cost not to exceed \$300,000 per year is presented for Board approval, with the understanding that ad hoc services are anticipated to be limited and that CEA will have the ability to terminate with 6 months' notice at any point after the first year – as early as June 2027. As the Agreement has a total annual cost greater than \$100,000, Board approval is

required for the Agreement. PEA has proven that it has the professional knowledge and experience to provide the services, its fee is fair and reasonable and PEA offers the best value.

Staff recommends approving an exception to competitive solicitation requirements under Section 4 of Policy CEA-07, awarding the PSA to PEA and authorizing the CEO to execute the PSA for an annual cost not to exceed \$300,000 through June 2029. If necessary, staff will return to the Board with any future modifications of this PSA.

FISCAL IMPACT:

The costs of this proposed PSA are included in the FY26-27 budget presented at this same Board meeting for approval. If the contract is terminated before the full three-year term, this cost will be removed for future Fiscal Year budgets.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

- A. Resolution No. 2026-029
- B. Professional Services Agreement with Pacific Energy Advisors

**CLEAN ENERGY ALLIANCE
RESOLUTION NO. 2026-029**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF CLEAN ENERGY
ALLIANCE, APPROVING AN EXCEPTION TO COMPETITIVE SOLICITATION
REQUIREMENTS, AWARDING A PROFESSIONAL SERVICES AGREEMENT
TO PACIFIC ENERGY ADVISORS AND AUTHORIZING THE CHIEF
EXECUTIVE OFFICER TO EXECUTE THE AGREEMENT**

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, as a load serving entity with a load that has grown from its conception in 2019 to its current service area in 2026, CEA has required compliance and procurement professional services; and

WHEREAS, Pacific Energy Advisors (PEA) has supported CEA with its procurement and compliance operations since CEA's inception under various Professional Services Agreements and respective amendments, most recently approved by the Board in January 2026; and

WHEREAS, as CEA's load has grown, CEA has developed the capabilities to perform most compliance and procurement operational activities in-house; and

WHEREAS, CEA has negotiated an amendment with PEA to reduce consulting services and costs to a limited subset of remaining tasks and ad hoc work for the forthcoming 1-3 years; and

WHEREAS, given the historical knowledge and context value provided by PEA, CEA staff did not issue a solicitation for these services for the next six months as, given the short-term and immediate need, there is a demonstrated need for compatibility with our existing service and because it is apparent that, with their familiarity with CEA and its portfolio needs and compliance obligations, this service is uniquely available from PEA, and for all practical purposes, is justifiable and in the best interest of CEA; and

WHEREAS, Policy CEA-07 requires a Request for Proposals if the aggregate anticipated value of a contract exceeds \$100,000 in any fiscal year, absent a Board approved exception, and these contracts are subject to Board approval before final execution; and

WHEREAS, PEA has the professional knowledge and experience to provide the services, its fee is fair and reasonable and PEA offers the best value.

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

Section 1. The foregoing recitals are true and correct and incorporated fully herein.

Section 2. The Board of Directors of Clean Energy Alliance hereby approves an exception to the competitive solicitation requirements set forth in Policy CEA-07 (Non-Energy Procurement Policy).

Section 3. The Board of Directors of Clean Energy Alliance hereby awards a Professional Services Agreement (Agreement) to Pacific Energy Advisors with an annual amount not to exceed \$300,000 per year, beginning Fiscal Year 2026/27.

Section 4. The Board of Directors of Clean Energy Alliance hereby authorizes and directs the Chief Executive Officer to execute the Agreement in a form substantially similar to that presented to the Board on June 25, 2026.

Section 5. This Resolution shall take effect immediately upon approval.

The foregoing Resolution was passed and adopted this 25th day of June 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Katie Melendez, Board Chair

ATTEST:

Ana Marie Alarcon, Clerk to the Board

**AGREEMENT BETWEEN THE CLEAN ENERGY ALLIANCE AND
PACIFIC ENERGY ADVISORS FOR
PORTFOLIO MANAGEMENT AND ENERGY CONSULTING SERVICES**

This *Agreement Between the Clean Energy Alliance and Pacific Energy Advisors for Portfolio Management and Energy Consulting Services* (“Agreement”), is entered into this ____ day of _____, 2026, by and between CLEAN ENERGY ALLIANCE, an independent joint powers authority (“Authority” or “CEA”), and Pacific Energy Advisors, Inc, a California Corporation (“Consultant”) (collectively referred to as the “Parties” or individually as a “Party”), with respect to the following essential facts:

RECITALS:

A. Authority is an independent public agency duly organized under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Sections 6500 *et seq.*) (“Act”) with the power to conduct its business and enter into agreements.

B. Consultant possesses the skill, experience, ability, background, and knowledge to provide the services described in this Agreement pursuant to the terms and conditions described herein and is duly authorized and registered to do business in the State of California.

C. On April 26, 2024, Authority and Consultant entered into an agreement for portfolio management and energy consulting services that terminated on December 31, 2025.

D. The Authority and Consultant desire to enter into this Agreement for portfolio management and energy consulting services.

NOW, THEREFORE, the Parties mutually agree as follows:

1. **TERM**

The term of this Agreement shall commence on July 1, 2026 for a minimum term of one (1) year concluding on June 30, 2027 with two (2) automatic one (1) year renewals unless terminated as provided herein.

2. **SERVICES TO BE PERFORMED**

Consultant shall perform each and every service set forth in Exhibit A attached hereto and incorporated herein fully by this reference.

3. **COMPENSATION TO CONSULTANT**

Consultant shall be compensated for services performed pursuant to Task 1 of Exhibit A of this Agreement in a total amount not to exceed Eighteen Thousand, Five Hundred Dollars (\$18,500) per month, which shall be escalated by three percent (3%) on January 1 of each year that the Agreement is in effect. Services performed pursuant to Task 2 of Exhibit A of this

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Agreement shall be billed based on the rates and terms set forth in Exhibit B, both of which are attached hereto and incorporated herein by this reference. Services billed under both Task 1 and Task 2 of Exhibit A shall not exceed Three Hundred Thousand Dollars (\$300,000) annually.

4. **TIME IS OF THE ESSENCE**

Consultant and Authority agree that time is of the essence regarding the performance of this Agreement.

5. **STANDARD OF CARE**

Consultant agrees to perform all services required by this Agreement in a manner commensurate with or exceeding the prevailing standards for a Portfolio Management and Energy Consulting consultant in California and agrees that all services shall be performed by qualified and experienced personnel in conformity with the applicable requirements of federal, state and local laws in effect at the time that the services are being performed.

6. **INDEPENDENT PARTIES**

Authority and Consultant intend that the relationship between them created by this Agreement is that of an independent contractor. The manner and means of conducting the work are under the control of Consultant as an independent contractor and in pursuit of Consultant's independent calling, except to the extent that they are limited by statute, rule or regulation or the express terms of this Agreement. The Consultant has and shall retain the right to exercise full control and supervision of all persons assisting the Consultant in the performance of the services required by this Agreement, Authority only being concerned with the finished results of the work being performed. No civil service status or other right of employment will be acquired by virtue of Consultant's services. None of the benefits provided by Authority to its employees, including but not limited to, employer-paid payroll taxes, Social Security, retirement benefits, health benefits, unemployment insurance, workers' compensation plans, vacation and sick leave, nor any other benefits are available from Authority to Consultant, its employees or agents. Deductions shall not be made for any state or federal taxes, FICA payments, or other purposes normally associated with an employer-employee relationship from any fees due Consultant. Payments of the above items, if required, are the responsibility of Consultant. It is the intent of the Parties that neither Consultant nor its officers, employees or agents are to be considered employees of Authority, whether "common law" or otherwise, and Consultant shall indemnify, defend and hold Authority harmless from any such obligations related to its officers, employees and agents.

7. **NO RECOURSE AGAINST CONSTITUENT MEMBERS OF AUTHORITY.**

Authority is organized as a Joint Powers Authority in accordance with the Joint Powers Act of the State of California (Government Code Sections 6500 *et seq.*) pursuant to a Joint Powers Agreement dated November 4, 2019, as amended from time to time, and is a public entity separate from its constituent members. Authority shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Contractor shall have no rights and shall not make any claims, take any actions or assert any remedies against any of Authority's constituent members in connection with this Agreement.

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8. **NON-DISCRIMINATION**

Consultant agrees that it shall not harass or discriminate against a job applicant, an Authority employee or contractor, or Consultant's employee or subcontractor on the basis of race, religious creed, color, national origin, ancestry, handicap, disability, marital or veteran status, medical condition, pregnancy, sex, age, sexual orientation, genetic information, gender expression, or any other protected class. Consultant shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their sex, race, color, age, religion, ancestry, national origin, disability, military or veteran status, medical condition, genetic information, gender expression, marital status, or sexual orientation and shall make reasonable accommodation to qualified individuals with disabilities or medical conditions. Such action shall include, but not be limited to the following: employment, upgrading, demotion, transfer, recruitment, or recruitment advertising, layoff or termination, rates of pay, or other forms of compensation, and selection for training, including apprenticeship. Consultant agrees that any and all violations of this provision shall constitute a material breach of this Agreement.

9. **HOLD HARMLESS AND INDEMNIFICATION**

A. **General Indemnification.** Consultant shall, to the fullest extent allowed by law indemnify, defend, and hold harmless the Authority, its members, and their respective officers, officials, agents, employees and volunteers (collectively "Indemnitees") from and against any and all liabilities, claims, actions, causes of action, proceedings, suits, demands, damages, judgments, liens, levies, costs, expenses and losses whatsoever against any of them, including any injury to or death of any person or damage to property or other liability of any nature, whether physical, emotional, consequential or otherwise, arising out of or related to a breach of this Agreement or the negligence (whether active or passive) or willful misconduct of Consultant or Consultant's employees, officers, officials, agents or independent contractors in the performance of or failure to perform this Agreement, except where caused by the sole or active negligence or willful misconduct of any of the Indemnitees. Such costs and expenses shall include reasonable attorneys' fees of counsel of Authority's choice, expert fees and all other costs and fees of litigation.

B. **Employee Benefits Eligibility Indemnification.** In the event that Consultant's employee, subcontractor, independent contractor or other person providing services under this Agreement on Consultant's behalf (collectively, "Consultant's Personnel") claims or is determined by a court of competent jurisdiction or administrative agency to be eligible for enrollment in or entitled to any benefits of the Authority or its constituent members, Consultant shall indemnify, defend, and hold harmless Authority or its constituent members for the payment of any employer and employee contributions for such benefits on behalf of the employee as well as for payment of any penalties and interest on such contributions that would otherwise be the responsibility of the Authority or its constituent members. Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant's Personnel providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation and benefit including, but not limited to, eligibility to enroll in any benefit program as an employee of Authority or its constituent members and entitlement to any contributions to be paid by Authority or its constituent members for employer contributions and/or employee contributions for any employee benefits.

C. **Indemnification for Employee Payments.** Consultant agrees to defend and indemnify

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the Authority and its constituent members for any obligation, claim, suit or demand for tax, retirement contribution including any contribution to any retirement system, social security, salary or wages, overtime payment, or workers' compensation payment which the Authority or its constituent members may be required to make for work done under this Agreement.

D. The acceptance of the services provided by this Agreement by Authority shall not operate as a waiver of the right of indemnification. The provisions of this Section 9 shall not be limited by any provision of insurance coverage that the Consultant may have in effect or be required to obtain and maintain during the term of this Agreement. The provisions of this Section 9 are continuing obligations and survive the completion of the services or termination of this Agreement.

10. **INSURANCE:**

A. **General Requirements.** On or before the commencement of the term of this Agreement, Consultant shall furnish Authority with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with the requirements listed in Exhibit "D," which is attached hereto and incorporated herein by this reference. Such insurance and certificates, which do not limit Consultant's indemnification obligations under this Agreement, shall also contain substantially the following statement: "Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days' advance written notice to the Authority by certified mail, Attention: General Counsel. Ten (10) days advance written notice for cancellation due to non-payment of premium shall be provided by the insurer to the Authority in the same manner." Consultant shall maintain in force at all times during the performance of this Agreement all appropriate coverage of insurance required by this Agreement with an insurance company that is acceptable to Authority and licensed to do insurance business in the State of California. Endorsements naming the Authority as additional insured shall be submitted with the insurance certificates. All endorsements shall be on forms approved by Authority. Consultant shall provide certified copies of required insurance policies, which shall include the declaration pages, a schedule of forms listing all policy endorsements, and all policy forms, upon Authority's request.

B. **Subrogation Waiver.** Consultant agrees that in the event of loss due to any of the perils for which it has agreed to provide comprehensive general and automotive liability insurance, Consultant shall look solely to its insurance for recovery. Consultant hereby grants to Authority, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Consultant or Authority with respect to the services of Consultant herein, a waiver of any right to subrogation that any such insurer of Consultant may acquire against Authority by virtue of the payment of any loss under such insurance.

C. **Primary and Non-contributory.** The commercial general liability, including any excess or umbrella policies being used to meet the required limits of insurance, and automobile liability policies shall contain, or be endorsed to contain, a provision that such policies are primary and non-contributory to any insurance that may be carried by the Authority or its members, as reflected in an endorsement at least as broad as CG 20 01 04 13, which shall be submitted to the Authority. Any insurance or self-insurance maintained by the Authority, its members or their respective officers, officials, employees, or representatives shall be excess of the Consultant's insurance and shall not contribute with it.

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D. Failure to secure or maintain insurance. If Consultant at any time during the term hereof should fail to secure or maintain the foregoing insurance, Authority shall be permitted to obtain such insurance in the Consultant's name or as an agent of the Consultant and shall be compensated by the Consultant for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.

E. Additional Insured. Authority, its members, and their respective, officers, employees and volunteers shall be named as additional insureds under all insurance coverages, except any professional liability insurance, required by this Agreement. The naming of an additional insured shall not affect any recovery to which such additional insured would be entitled under this policy if not named as such additional insured. An additional insured named herein shall not be held liable for any premium, deductible portion of any loss, or expense of any nature on this policy or any extension thereof. Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance provided by this policy.

F. Self-Insured Retentions. Any self-insured retentions are the responsibility of the Consultant and must be declared to and approved by Authority. At the option of Authority, either (1) the insurer shall reduce or eliminate such self-insured retentions as respects the Authority, its members and their respective officers, officials, employees and volunteers, or (2) the Consultant shall provide a financial guarantee satisfactory to Authority guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

G. Sufficiency of Insurance. The insurance limits required by Authority are not represented as being sufficient to protect Consultant. Consultant is advised to confer with Consultant's insurance broker to determine adequate coverage for Consultant.

H. Maximum Coverage and Limits. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum Insurance coverage requirements and/or limits shall be available to the additional insureds. Furthermore, the requirements for coverage and limits shall be the minimum coverage and limits specified in this Agreement, or the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured, whichever is greater.

11. **CONFLICT OF INTEREST**

Consultant represents and warrants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, that would conflict in any way with the performance of this Agreement, and that it will not employ any person having such an interest. Consultant agrees to advise Authority immediately if any conflict arises and understands that it will be required to fill out a conflict of interest form under Authority's Conflict of Interest Code.

12. **PROHIBITION AGAINST TRANSFERS**

Consultant shall not assign, hypothecate, or transfer this Agreement, or any interest therein, directly or indirectly, by operation of law or otherwise, without prior written consent of Authority. Any attempt to do so without such consent shall be null and void, and any assignee, pledgee, or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. However, claims for money by Consultant from Authority under this Agreement may be assigned to a bank, trust company or other financial institution without prior written consent.

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Written notice of such assignment shall be promptly furnished to Authority by Consultant.

The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or managing member or joint venturer or syndicate member or cotenant, if Consultant is a partnership or limited liability company or joint venture or syndicate or cotenancy, which shall result in changing the control of Consultant, shall be construed as an assignment of this Agreement. Control means fifty percent (50%) or more of the voting power of the corporation or partnership or limited liability company or other entity.

13. **SUBCONTRACTOR APPROVAL**

A. Unless prior written consent from Authority is obtained, only those persons and subcontractors whose names are attached to this Agreement shall be used in the performance of this Agreement.

B. In the event that Consultant employs subcontractors, such subcontractors shall be required to furnish proof of workers' compensation insurance and shall also be required to carry general, automobile and professional liability insurance in substantial conformity to the insurance carried by Consultant. In addition, any work or services subcontracted hereunder shall be subject to each provision of this Agreement.

C. If Consultant subcontracts for any of the work to be performed under this Agreement, Consultant shall be as fully responsible to the Authority for the acts and omissions of Consultant's subcontractors and for the persons either directly or indirectly employed by the subcontractors, as Consultant is for the acts and omissions of persons directly employed by Consultant. Nothing contained in the Agreement shall create any contractual relationship between any subcontractors of Consultant and the Authority or its members. In any dispute between the Consultant and its subcontractor, neither the Authority nor any of its members shall be made a party to any judicial or administrative proceeding to resolve the dispute. The Consultant agrees to defend, hold harmless and indemnify the Indemnitees as described in Section 9 of this Agreement, should any of the Indemnitees be made a party to any judicial or administrative proceeding to resolve any such dispute.

D. Consultant agrees to include within their subcontract(s) with any and all subcontractors the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, to the extent they apply to the scope of the subcontractor's work. Subcontractors hired by Consultant shall agree to be bound to Consultant and Authority in the same manner and to the same extent as Consultant is bound to Authority under this Agreement. Subcontractors shall agree to include these same provisions within any sub-subcontract. Consultant shall provide a copy of the Indemnity and Insurance provisions of this Agreement to any subcontractor. Consultant shall require all subcontractors to provide valid certificates of insurance and the required endorsements prior to commencement of any work and will provide proof of compliance to Authority.

14. **REPORTS**

A. Each and every report, draft, work product, map, drawing, specification, record and other document, hereinafter collectively referred to as "Report", reproduced, prepared or caused to be prepared by Consultant pursuant to or in connection with this Agreement, shall be the exclusive property of Authority. Work products and work product drafts provided to Authority,

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along with any supplementary documents, explanations and instructions supporting these work products (for example, supporting calculations and spreadsheets that may be provided to Authority from time to time by Consultant as mutually agreed) shall be provided and kept in a mutually accessible shared online location in a manner and with the regularity requested by Authority. Consultant shall not copyright any Report prepared as part of the services required by this Agreement, except as may be requested on Authority's behalf. Consultant expressly waives and disclaims, any copyright in, and the right to reproduce all Reports, except upon the Authority's prior authorization regarding reproduction, which authorization shall not be unreasonably withheld. The Consultant shall, upon request of the Authority, execute any further document(s) necessary to further effectuate this waiver and disclaimer. Any Report, information and data acquired or required by this Agreement shall become the property of Authority, and all publication rights are reserved to Authority. Consultant may retain a copy of any Report furnished to the Authority pursuant to this Agreement.

B. Consultant shall, at such time and in such form as Authority may require, furnish reports concerning the status of services required under this Agreement.

C. All Reports also shall be provided in electronic format.

D. No Report, information or other data given to or prepared or assembled by Consultant pursuant to this Agreement that has not been publicly released shall be made available to any individual or organization by Consultant without prior approval by Authority.

15. **RECORDS**

Consultant shall maintain complete and accurate records with respect to costs, expenses, receipts and other such information required by Authority that relate to the performance of services under this Agreement, in sufficient detail to permit an evaluation of the services and costs. All such records shall be clearly identified and readily accessible. Consultant shall provide reasonable access to such books and records to the representatives of Authority or its designees at mutually agreeable times, and gives Authority the right to examine and audit same, and to make transcripts and copies therefrom as necessary, and to allow inspection of all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a minimum period of five (5) years after Consultant receives final payment from Authority for all services required under this Agreement.

16. **SUPPLIER DIVERSITY**

General Order 156 (GO 156) is a California Public Utilities Commission ruling that requires utility entities to procure at least 21.5% of their contracts with majority women-owned, minority-owned, disabled veteran-owned and LGBT-owned business enterprises' ("WMDVLGBTBEs") in all categories. Qualified businesses become GO 156 certified through the CPUC and are then added to the GO 156 Clearinghouse database.

The CPUC Clearinghouse can be found here: www.thesupplierclearinghouse.com. While CEA is not legally required to comply with GO 156, CEA's policies and commitment to diversity are consistent with the principles of GO 156, and CEA has an Inclusive and Sustainable Workforce Policy, which can be found at <https://thecleanenergyalliance.org/key-documents>.

CEA will provide a link to a survey annually to each of its contract vendors, which may ask for disclosure of (a) their GO 156 certification status, (b) their efforts to work with diverse business enterprises, including those owned or operated by women ("WBE"), minorities ("MBE"),

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disabled veterans (“DVBE”), and lesbian, gay, bisexual, or transgender people (“LGBTBE”); and (c) other information regarding inclusivity in their workforce or related to CEA’s goals as stated in CEA’s Inclusive and Sustainable Workforce Policy. CEA will use the information obtained solely to help evaluate how well it is conforming to its own policies and goals. Pursuant to California Proposition 209, CEA does not discriminate against nor grant preferential treatment based on race, sex, color, ethnicity, or national origin.

17. **CONFIDENTIALITY AND SECURITY**

A. **Confidential Information.** Consultant shall maintain in confidence and not disclose to any third party nor use in any manner not required or authorized under this Agreement any and all proprietary or confidential information held by Authority or provided to Consultant by Authority, including confidential information regarding Authority’s customers and employees, except as may be required by law.

B. **Security.**

1. **Implementation.** Consultant shall implement commercially reasonable administrative, technical and physical safeguards designed to: (a) ensure the security and confidentiality of data and information provided by Authority or used in connection with providing services under this Agreement, including data or information about third parties (“Authority’s Data”); (b) protect against any anticipated threats or hazards to the security or integrity of Authority’s Data; and (c) protect against unauthorized access to or use of Authority’s Data. Consultant shall review and test such safeguards on no less than an annual basis.

2. **Network.** If Consultant makes Authority’s Data accessible through the Internet or other networked environment, Consultant shall be solely responsible for all aspects of Internet use, and shall maintain, in connection with the operation or use of Authority’s Data, adequate technical and procedural access controls and system security requirements and devices, necessary for data privacy, confidentiality, integrity, authorization, authentication and non-repudiation and virus detection and eradication.

3. **Personal Data.** If Consultant processes or otherwise has access to any personal data or personal information on Authority’s behalf when performing Consultant’s services and obligations under this Agreement, then: (a) Authority shall be the data controller (where “data controller” means an entity which alone or jointly with others determines purposes for which and the manner in which any personal data are, or are to be, processed) and Consultant shall be a data processor (where “data processor” means an entity which processes the data only on behalf of the data controller and not for any purposes of its own); (b) Authority shall ensure that it has obtained all necessary consents and it is entitled to transfer the relevant personal data or personal information to Consultant so that Consultant may lawfully use, process and transfer the personal data and personal information in accordance with this Agreement on Authority’s behalf in order for Consultant to provide the services and perform its other obligations under this Agreement; (c) Consultant shall process the personal data and personal information only in accordance with any lawful and reasonable instructions given by Authority from time to time and in accordance with the terms of this Agreement; and (d) each Party shall take appropriate technical and organizational measures against unauthorized or unlawful processing of the personal data and personal information or its accidental loss,

destruction or damage so that, having regard to the state of technological development and the cost of implementing any measures, the measures taken ensure a level of security appropriate to the harm that might result from such unauthorized or unlawful processing or accidental loss, destruction or damage in relation to the personal data and personal information and the nature of the personal data and personal information being protected. If necessary, the Parties will cooperate to document these measures taken.

4. Information Security. Consultant represents and warrants that its collection, access, use, storage, disposal and disclosure of Confidential Information accessed and/or collected from Authority does and will comply with all applicable federal and state privacy and data protection laws. In the event of any security breach, Consultant shall: (a) Provide Authority with the name and contact information for an employee who shall serve as Authority's primary security contact and shall be available to assist Authority twenty-four (24) hours per day, seven (7) days per week as a contact in resolving obligations associated with a security breach; and (b) Notify Authority of a security breach as soon as practicable, but no later than twenty-four (24) hours after Consultant becomes aware of it. Immediately following Consultant's notification to Authority of a security breach, the Parties shall coordinate with each other to investigate the security breach. Consultant agrees to fully cooperate with Authority in Authority's handling of the matter. Consultant shall use best efforts to immediately remedy any security breach and prevent any further security breach at Consultant's own expense in accordance with applicable privacy rights, laws, regulations and standards. Consultant agrees to provide, at its expense, up to one year of credit monitoring services to third parties impacted by any data breach involving the loss of personally identifiable information.

C. Notice and Remedy of Breaches. Each Party shall promptly give notice to the other of any actual or suspected breach by it of any of the provisions of Section 16 of this Agreement, whether or not intentional, and the breaching Party shall, at its expense, take all steps reasonably requested by the other Party to prevent or remedy the breach.

D. Enforcement. Each Party acknowledges that any breach of any of the provisions of Section 16 of this Agreement may result in irreparable injury to the other for which money damages would not adequately compensate. If there is a breach, then the injured Party shall be entitled, in addition to all other rights and remedies which it may have, to have a decree of specific performance or an injunction issued by any competent court, requiring the breach to be cured or enjoining all persons involved from continuing the breach.

18. NOTICES

All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or on the second business day after the deposit thereof in the United States Mail, postage prepaid, registered or certified, addressed as hereinafter provided.

All notices, demands, requests, or approvals shall be addressed as follows:

TO AUTHORITY:
Clean Energy Alliance
Chief Executive Officer

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5857 Owens Ave, 3rd Floor
Carlsbad, CA 92008

TO CONSULTANT:

Kirby Dusel
Pacific Energy Advisors, Inc
300 University Avenue, Suite 220
Sacramento, CA 95825

19. **TERMINATION**

A. **Termination in Event of Default.** In the event Consultant fails or refuses to perform any of the provisions hereof at the time or in the manner required hereunder, Consultant shall be deemed in default in the performance of this Agreement. If Consultant fails to cure the default within the time specified (which shall be not less than 10 days) and according to the requirements set forth in Authority's written notice of default, and in addition to any other remedy available to the Authority by law, Authority may terminate the Agreement for cause by giving Consultant written notice thereof, which shall be effective immediately. Upon receipt of any notice of termination, Consultant shall immediately discontinue performance and within ten (10) working days: (1) assemble all documents owned by Authority and in Consultant's possession, and deliver said documents to Authority; and (2) place all work in progress in a safe and protected condition.

B. **Termination Without Cause.** Either Party may terminate this Agreement without cause at any time with six months' written notice after January 1, 2027.

C. Authority shall pay Consultant for services satisfactorily performed up to the effective date of termination. Upon termination, Consultant shall immediately deliver to the Authority any and all copies of studies, sketches, drawings, computations, and other material or products, whether or not completed, prepared by Consultant or given to Consultant, in connection with this Agreement. Such materials is the property of Authority pursuant to Section 14 hereof.

20. **COMPLIANCE**

Consultant shall comply with all applicable local, state and federal laws, now existing or hereafter amended or enacted.

21. **CONFLICT OF LAW**

This Agreement shall be interpreted under, and enforced by the laws of the State of California. The Agreement and obligations of the parties are subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this Agreement (or the successors of those authorities). Any suits brought related to this Agreement shall be filed with the Superior Court of the County of San Diego, State of California. Consultant hereby waives any and all objections to personal jurisdiction and venue in said forum.

22. **ADVERTISEMENT**

Consultant shall not post, exhibit, display or allow to be posted, exhibited, displayed any

PEA CEA Consultant Agreement - DRAFT Strikeout_PEA Redline_6.92026 4935-9087-3780 v.1.docx

signs, advertising, lithographs, posters or cards of any kind pertaining to the services performed under this Agreement unless prior written approval has been secured from Authority to do otherwise.

23. **WAIVER**

A waiver by Authority of any breach of any term, covenant, or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein, whether of the same or a different character.

24. **INTEGRATED CONTRACT**

This Agreement represents the full and complete understanding of every kind or nature whatsoever between the Parties, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions hereof. Any modification of this Agreement will be effective only by a written document signed by both Authority and Consultant.

25. **DRAFTING AMBIGUITIES**

The Parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms and conditions of this Agreement, and the decision of whether or not to seek advice of counsel with respect to this Agreement is a decision which is the sole responsibility of each Party. This Agreement shall not be construed in favor of or against either Party by reason of the extent to which each Party participated in the drafting of the Agreement.

26. **INSERTED PROVISIONS**

Each provision and clause required by law to be inserted into the Agreement shall be deemed to be incorporated herein, and the Agreement shall be read and enforced as though each were included herein. If through mistake or otherwise, any such provision is not inserted or is not correctly inserted, the Agreement shall be amended to make such insertion on application by either Party.

27. **CAPTIONS AND TERMS**

The captions in this Agreement are for convenience only, are not a part of the Agreement and in no way affect, limit or amplify the terms or provisions of this Agreement.

28. **CONSEQUENTIAL DAMAGES**

Neither Party shall be liable to the other for consequential damages, including, without limitation, loss of use or loss of profits, incurred by one another or their subsidiaries or successors, regardless of whether such damages are caused by breach of contract, willful misconduct, negligent act or omission, or other wrongful act of either of them.

29. **SEVERABILITY**

In the event that any part of this Agreement is found to be illegal or unenforceable under the law as it is now or hereafter in effect, either Party will be excused from performance of such portion or portions of this Agreement that is found to be illegal or unenforceable without affecting the remaining provisions of this AGREEMENT.

PEA CEA Consultant Agreement - DRAFT Strikeout_PEA Redline_6.92026 4935-9087-3780 v.1.docx

30. **COUNTERPARTS/ELECTRONIC SIGNATURES**

This Agreement may be executed electronically and in any number of counterparts, which together shall constitute one and the same agreement. A true and correct electronic copy of this Agreement may be used for all purposes as an original.

31. **SIGNATORY AUTHORITY**

The individual(s) executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed as of the date set forth above.

NAME OF CONSULTANT

CLEAN ENERGY ALLIANCE
A Joint Powers Authority

By: _____
Name: Christian Kirby Dusel
Title: Vice President & Secretary

By: _____
Name: Gregory Wade
Title: Chief Executive Officer

APPROVED AS TO FORM:

Counsel for Authority

ATTEST:

Authority Clerk

Exhibit A
Scope of Services

Consultant shall perform the following services for the Authority/CEA:

1. Power Resources Risk Management (Task 1)

Consultant shall maintain a managed energy trading and risk management system (ETRM) service encompassing deal capture, market valuation, credit monitoring, and reporting for CEA. Consultant shall perform the following activities as part of this service.

- Review and parse power-related contracts for key commercial and credit terms to be tracked in the system;
- Organize deals and map them to logical book and sub-book categories to facilitate position management;
- Monitor counterparty credit and exposures vs. assigned limits as provided by CEA;
- Create ad hoc or scheduled reports (pdf, csv, xls) for use by CEA;
 - Monthly and hourly position reports;
 - Mark-to-market reports;
 - Realized and unrealized value reports;
 - Counterparty credit reports;
 - Deal extract reports; and
- Create a standard set of data visualizations to assist CEA with its portfolio management operations. Provide online access to Power BI data visualizations for CEA's authorized users (may require Microsoft PowerBI subscription, which would be at CEA's expense).

Additional Services (Task 2)

Additional services not otherwise specified herein may be provided upon request by CEA, subject to a mutually agreeable schedule for completion. Fees for such services shall be billed on a time-and-materials basis at the hourly rates set forth in Exhibit B.

Exhibit B
Compensation

Authority shall compensate Consultant for professional services in accordance with the terms and conditions of this Agreement based on the rates and compensation schedule set forth below and not to exceed Three Hundred Thousand (\$300,000.00) annually pursuant to Section 3 .

Fee for Performance of Task 1 Services: Task 1 Services shall be billed at \$18,500/month. The total amount shall be escalated by three percent (3%) on January 1 of each year that the Agreement is in effect.

Fee for Performance of Task 2 Services:

PEA will provide the services described in Task 2 on a time-and-materials basis, billed monthly to the Authority. For all such work, the following hourly rates will apply:

Professional Service Rates

Staff	Hourly Rate*
Senior Executive Staff (examples of current staff: John Dalessi and Kirby Dusel)	\$410
Managing Director	\$390
Director (example, current staff: Alden Walden)	\$370
Associate Director	\$350
Managing Consultant (example, current staff: James Parker)	\$330
Senior Consultant	\$310
Consultant (example, current staff: John Sanchez)	\$290
Analyst II (example, current staff: Travis Thai)	\$275
Analyst (examples of current staff: Sabrina Saypanya and John "J.R." Dusel)	\$260
Junior Analyst/Intern	\$180

*Each Hourly Rate will be increased by 3% on January 1st of each year (e.g., the Managing Consultant rate will increase from \$330/hour to \$339.90/hour on January 1, 2027)

Any work performed or expenses incurred for which a subsequent payment would result in the aggregate payment total under this Agreement exceeding the maximum amount of compensation set forth herein shall be at no cost to Authority unless previously approved in writing by Authority.

Invoices

Monthly Invoicing: In order to request payment, Consultant shall submit monthly invoices to the Authority describing the services performed and the applicable charges (including a summary of the work performed during that period, personnel who performed the services and hours worked). Authority shall pay Consultant within thirty (30) days of invoice delivery.

Reimbursable Expenses

Administrative, overhead, secretarial time or overtime, word processing, photocopying, in house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. Travel expenses must be authorized in advance in writing by Authority and must include itemized receipts/documentation.

Additional Services

Consultant shall provide additional services outside of the services identified in Exhibit A only by advance written authorization from Authority prior to commencement of any additional services.

Exhibit C
Insurance Requirements and Proof of Insurance

Proof of insurance coverage described below is attached to this Exhibit, with Authority and its members and their respective officials, officers, employees, agents and volunteers named as additional insured.

Consultant shall maintain the following minimum insurance coverage:

A. **COVERAGE:**

(1) **Workers' Compensation:**

Statutory coverage as required by the State of California and providing, at minimum, \$1,000,000.00 employers' liability coverage.

(2) **Liability:**

Commercial general liability ("CGL") coverage with minimum limits of \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury and property damage, including ongoing and completed operations. ISO occurrence Form CG 0001 or equivalent is required. If limits apply separately to this Agreement (CG 25 03 or 25 04), the general aggregate limit shall not apply. There shall be no endorsement or modification of the CGL limiting the scope of coverage for either insured vs. insured claims or contractual liability. All defense costs shall be outside the limits of the policy. If Consultant or subcontractor maintains higher limits than the limits shown above, Authority shall be entitled to coverage for the higher limits maintained by the Consultant and their subcontractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Authority. Any excess or umbrella policies being used to meet the required limits of insurance will be evaluated separately and must meet the same qualifications as the Consultant's primary policy.

(3) **Automotive:**

Commercial Automobile Liability Insurance for all of the Consultant's automobiles including owned, hired and non-owned automobiles, automobile insurance written on an ISO form CA 00 01 12 90 or a later version of this form or an equivalent form providing coverage at least as broad for bodily injury and property damage for a combined single limit no less than \$1,000,000.00 per occurrence. Insurance certificate shall reflect coverage for any automobile (any auto).

(4) **Professional Liability**

Professional liability insurance that includes coverage for the professional acts, errors and omissions of Consultant in the amount of at least \$1,000,000 per claim and \$2,000,000 annual aggregate. Consultant shall ensure both that (1) the policy retroactive date is on or before the date of commencement of the services; and (2) the policy will be maintained in force for a period of three years after substantial

completion of the services or termination of this Agreement, whichever occurs last. Consultant agrees that for the time period defined above, there will be no changes or endorsements to the policy that increase Authority's exposure to loss. All defense costs shall be outside the limits of the policy. If Consultant maintains higher limits than the limits shown above, Authority shall be entitled to coverage for the higher limits maintained by Consultant. Any available proceeds in excess of the specified minimum limits of insurance and coverage shall be available to Authority.

Staff Report

DATE: June 25, 2026

TO: Clean Energy Alliance Board of Directors

FROM: Greg Wade, Chief Executive Officer

ITEM 3: Consideration of Resolution No. 2026-030, Approving an Exception to Competitive Solicitation Requirements, Approving Amendment No. 4 to the Agreement with Andy Stern for Chief Financial Officer Consultant Services Effective July 1, 2026, through December 31, 2027 and Authorizing the Chief Executive Officer to Execute the Amendment

RECOMMENDATION:

That the Clean Energy Alliance (CEA) Board of Directors (Board) adopt Resolution 2026-030, approving Amendment No. 4 to the Agreement for Professional Services (Agreement) with Andy Stern for CFO Consultant Services for an amount not to exceed \$156,000 per fiscal year (\$13,000 per month), effective July 1, 2026, through December 31, 2027, authorizing the Chief Executive Officer (CEO) to sign all documents, subject to General Counsel approval, and approving an exception to Policy CEA-07 (Non-Energy Procurement Policy) for competitive solicitation requirements.

BACKGROUND AND DISCUSSION:

Andy Stern has served as CEA's Chief Financial Officer (CFO) since August 2022 when the Board approved the Agreement for Interim CFO Consulting Services for CEA and extended the Agreement through June of 2023. The Agreement was again extended by Amendment No. 1 through June of 2024, by Amendment No. 2 through December 31, 2024, and again by Amendment No. 3 through June 30, 2026.

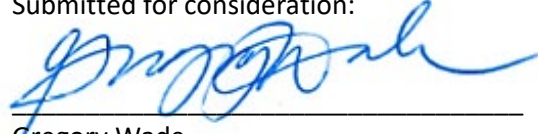
Mr. Stern's services, institutional knowledge and experience have been invaluable to CEA. The current Agreement expires on June 30, 2026. This Amendment No. 4 would allow these essential CFO Services to continue at a rate of \$13,000 per month through December 31, 2027.

As the amended Agreement has a total annual cost greater than \$100,000, Board approval is required for the Amendment. Mr. Stern has proven that he has the professional knowledge and experience to provide the services, his fee is fair and reasonable and he offers the best value. Staff recommends approving an exception to competitive solicitation requirements under Section 4 of Policy CEA-07 in connection with approving Amendment No. 4 to the Agreement with Mr. Stern.

FISCAL IMPACT:

Funds for CFO Services for the Fiscal Year (FY) 2026/27 and FY 2027/28 have been assumed in the CEA financial pro forma and are included in the proposed FY 2026/27 Budget. The CFO Consultant Services are to be billed at \$13,000 per month and will not exceed \$156,000 per fiscal year.

Submitted for consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

- A. Resolution 2026-030 approving Amendment No. 4 for CFO Consultant Services
- B. Amendment No. 4 for CFO Consultant Services

**CLEAN ENERGY ALLIANCE
RESOLUTION NO. 2026-030**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF CLEAN ENERGY ALLIANCE,
APPROVING AN EXCEPTION TO COMPETITIVE SOLICITATION REQUIREMENTS,
APPROVING AMENDMENT #4 TO AGREEMENT BETWEEN THE CLEAN ENERGY
ALLIANCE AND ANDY STERN FOR INTERIM CHIEF FINANCIAL OFFICER SERVICES
AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE
AMENDMENT**

WHEREAS, Clean Energy Alliance (CEA) is a joint powers authority established on November 4, 2019, and organized under the Joint Exercise of Powers Act (Government Code Section 6500 *et seq.*); and

WHEREAS, Andy Stern has served as CEA's interim Chief Financial Officer (CFO) pursuant to a written agreement dated August 22, 2022, which was amended by Amendment #1 thereto dated July 1, 2023, Amendment #2 thereto dated June 1, 2024, and Amendment #3 thereto dated January 1, 2025 which now expires on June 30, 2026; and

WHEREAS, Mr. Stern's services and institutional knowledge are needed while CEA's recently hired Finance Manager is prepared to assume permanent management responsibilities, he is uniquely qualified to perform the services and his fee is fair and reasonable; and

WHEREAS, Policy CEA-07 requires a Request for Proposals if the aggregate anticipated value of a contract exceeds \$100,000 in any fiscal year, absent a Board approved exception, and these contracts are subject to Board approval before final execution.

NOW, THEREFORE, BE IT RESOLVED the Board of Directors of Clean Energy Alliance hereby finds, determines and resolves as follows:

Section 1. The foregoing recitals are true and correct and incorporated fully herein.

Section 2. The Board of Directors of Clean Energy Alliance hereby approves an exception to the competitive solicitation requirements set forth in Policy CEA-07 (Non-Energy Procurement Policy).

Section 3. Amendment #4 to the agreement with Andy Stern for interim CFO services, effective July 1, 2026 through December 31, 2027, is hereby approved.

Section 4. The Chief Executive Officer is hereby authorized and directed to execute Amendment #4 with Andy Stern for an amount not to exceed \$156,000 per fiscal year in a form substantially similar to that presented to the Board of Directors on June 25, 2026, with any changes subject to General Counsel approval.

Section 5. The Chief Executive Officer is hereby authorized and directed to execute such other documents and take such other and further actions as may be necessary and proper to accomplish the purposes of this resolution.

The foregoing Resolution was passed and adopted this 25th day of June, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Katie Melendez, Chair

ATTEST:

Ana Marie Alarcon, Clerk to the Board



**AMENDMENT #4 TO
AGREEMENT BETWEEN THE CLEAN ENERGY ALLIANCE AND
ANDY STERN FOR INTERIM CHIEF FINANCIAL OFFICER SERVICES
EFFECTIVE JULY 1, 2026**

The Agreement between Clean Energy Alliance (CEA) and Andy Stern dated August 22, 2022, as amended by Amendment #1 thereto dated July 1, 2023, Amendment #2 thereto dated June 1, 2024 and Amendment #3 thereto dated January 1, 2025 is further amended as follows:

Section 1. TERM is amended to reflect termination on December 31, 2027.

Section 3. Compensation to Consultant is amended to reflect a total not to exceed amount of \$156,000 per fiscal year for fiscal year 2026-2027.

Exhibit B. Compensation is amended to reflect a total not to exceed amount of \$156,000 per fiscal year for fiscal year 2026-2027.

All other provisions of the original Agreement dated August 22, 2022, as amended by Amendment #1 thereto dated July 1, 2023 and Amendment #2 thereto dated June 1, 2024, and Amendment #3 thereto dated January 1, 2025 shall remain in full force and effect.

CLEAN ENERGY ALLIANCE

ANDY STERN

Gregory Wade
Chief Executive Officer

Andy Stern

Date

Date

APPROVED AS TO FORM

Johanna Canlas
General Counsel

Staff Report

DATE: June 25, 2026

TO: Clean Energy Alliance Board of Directors

FROM: Gregory Wade, Chief Executive Officer

ITEM 4: Consider Adoption of Resolution No. 2026-031 approving the Edison Electric Institute (EEI) Master Power Purchase and Sale Agreement (Master Agreement), 10-year EEI Confirmations, and associated contract documents with Desert Community Energy (DCE) and Authorizing Execution of the Agreements

RECOMMENDATION:

That the Clean Energy Alliance (CEA) Board of Directors (Board) Adopt Resolution No. 2026-031 approving the proposed Edison Electric Institute (EEI) Master Power Purchase and Sale Agreement (Master Agreement), 10-year EEI Confirmations, and associated contract documents with Desert Community Energy (DCE), referred to herein collectively as “VAMO Agreements”, in near final form for California RPS-eligible electric energy and associate Green Attributes, and authorize the Chief Executive Officer (CEO) to execute the agreements in forms acceptable to Transactions Counsel.

BACKGROUND AND DISCUSSION:

Municipal electric, gas utilities, and tax-exempt entities such as community choice aggregators (CCAs) in the United States have the ability to prepay for a supply for their retail end-users of electricity or natural gas from a taxable (corporate) entity and fund that prepayment with tax-exempt municipal bonds (“prepayments”). Prepayments have saved utility ratepayers (natural gas, electricity from gas fired power plants and energy from renewable power projects) billions of dollars in reduced rates and energy charges and are anticipated to continue to do so over the 30-year life of these transactions.

In order to execute prepayment transactions, CCAs must have substantial volumes of long-term power purchase contracts which can be included under the bond transactions to be prepaid – Power Purchase Agreements (PPAs) are often the core volumes underlying prepayment transactions, supplemented with other long-term contracts. Voluntary Allocation Market Offer (VAMO) transactions between CCAs and their respective Investor-Owned Utilities (IOUs) – such as San Diego Gas & Electric (SDG&E) in CEA’s case – are one such supplemental long-term transaction which CCAs have included in prepayment transactions. In order for these volumes to be included in a prepayment transaction, the seller must agree to its inclusion; since IOUs have not been receptive to this structure, CCAs have executed VAMO trades of respective allocations which can be included in each other’s prepayment transactions.

CEA’s existing VAMO agreement currently sources over 800,000 MWh of renewable energy and associated Green Attributes (i.e., Renewable Energy Certificates or RECs) each year through an EEI Master Agreement and Confirmation with San Diego Gas and Electric (SDG&E) executed in December 2021. This

agreement was entered into after CEA's participation in the VAMO mechanism adopted by the California Public Utilities Commission's (CPUC's) Decision in D.21-05-030. DCE has a similar set of agreements with Southern California Edison for renewable energy and Renewable Energy Certificates (RECs).

Similar to a past agreement between CEA and Orange County Power Authority (OCPA) which was approved by the Board at its January 29th meeting, DCE contacted CEA to propose a potential VAMO trade between the organizations to facilitate a prepayment bond issuance that DCE is targeting for summer or fall 2026. CEA and DCE would swap up to 70,000 MWh each year from their respective VAMO volumes between October 2026 and December 2034 to enable both parties to secure prepayment of such volumes through their respective and independent prepayment bonds. CEA and DCE will each retain California Independent System Operator (CAISO) revenues associated with the delivery of energy and pay each other the same administratively set REC price, which mirrors the prices paid by CEA and DCE to the IOUs under their respective VAMO contracts, such that there is no fiscal impact from the VAMO swap itself. While CEA does not have an immediate prepayment bond issuance underway, following recent Board approval of a professional services agreement to support implementation of a prepayment bond issuance at the April 2026 meeting, CEA anticipates executing its own similar prepayment transaction in the near future.

Along with CEA's existing and future PPAs, this transaction under Board consideration would facilitate a future prepayment deal with anticipated cost savings for CEA. Staff recommends that the Board adopt Resolution No. 2026-031 authorizing the CEO to execute the VAMO Agreements, subject to CEA's Transactions Attorney approval of the form.

FISCAL IMPACT:

There will be no direct fiscal impact from the VAMO Agreements. However, these agreements are intended to enable a future municipal prepayment bond transaction, which CEA anticipates can drive material power supply portfolio cost savings for CEA and its customers.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

- A. Resolution No. 2026-031, approving the EEI Master Power Agreement, 10-year EEI Confirmation, and associated contract documents, and Authorizing Execution of the Amendment
- B. Redacted VAMO Agreements Package

**CLEAN ENERGY ALLIANCE
RESOLUTION NO. 2026-031**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CLEAN ENERGY ALLIANCE APPROVING EDISON ELECTRIC INSTITUTE (EEI) MASTER POWER PURCHASE AND SALE AGREEMENT (MASTER AGREEMENT), 10-YEAR EEI CONFIRMATIONS, AND ASSOCIATED CONTRACT DOCUMENTS WITH DESERT COMMUNITY ENERGY (DCE) AND AUTHORIZING EXECUTION OF THE AGREEMENTS

WHEREAS, the Clean Energy Alliance (CEA) is a joint powers authority established on November 4, 2019, and organized under the Joint Exercise of Powers Act (Government Code Section 6500 *et seq.*); and

WHEREAS, many Community Choice Aggregators (CCAs) have issued tax-exempt municipal bonds to prepay supply for their retail end customers to achieve cost savings, and CEA anticipates that it may desire to execute a similar transaction in the near future; and

WHEREAS, the proposed EEI Master Power Purchase and Sale Agreement, 10-year EEI Confirmations for Voluntary Allocation Market Offer (VAMO) renewable energy volumes, and associated contract documents with DCE, referred to herein collectively as “VAMO Agreements”, will facilitate a future prepayment issuance without financial risk or fiscal impact to CEA and are in the best interests of CEA and its customers.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of Clean Energy Alliance hereby finds, determines and resolves as follows:

Section 1. The foregoing recitals are true and correct and incorporated fully herein.

Section 2. The VAMO Agreements are hereby approved.

Section 3. The Chief Executive Officer is hereby authorized and directed to execute such VAMO Agreements as presented to the Board on January 29, 2026 with any revisions approved by Transactions Counsel.

Section 4. The Chief Executive Officer is hereby further authorized and directed to execute such other documents and take such other and further actions as may be necessary and proper to accomplish the purposes of this resolution.

The foregoing Resolution was passed and adopted this 25th day of June, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Katie Melendez, Board Chair

ATTEST:

Ana Marie Alarcon, Clerk to the Board

MASTER POWER PURCHASE AND SALE AGREEMENT

COVER SHEET

This *Master Power Purchase and Sale Agreement* ("**Master Agreement**") is made as of the following date: [____], 2026 ("**Effective Date**"). The *Master Agreement*, together with the exhibits, schedules and any written supplements hereto, the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any confirmations accepted in accordance with Section 2.3 hereto) shall be referred to as the "**Agreement**." The Parties to this *Master Agreement* are the following:

Name: Clean Energy Alliance, a California joint powers authority ("**CEA**" or "**Party A**")

[REDACTED]

Name: Desert Community Energy, a California joint powers authority ("**Counterparty**" or "**Party B**")

[REDACTED]

The Parties hereby agree that the General Terms and Conditions of the EEI Master Agreement - Version 2.1 (modified 4/25/00) are incorporated herein, and to the following provisions as provided for in the General Terms and Conditions:

Party A Tariff Not Applicable

Party B Tariff Not Applicable

Article Two

Transaction Terms and Conditions ☒ Optional provision in Section 2.4. If not checked, inapplicable.

Article Four

Remedies for Failure to Deliver or Receive ☒ Accelerated Payment of Damages. If not checked, inapplicable.

Article Five

Events of Default; Remedies

☒ Cross Default for Party A:

☒ Party A: CEA

Cross Default Amount: \$25,000,000

☐ Other Entity:

Cross Default Amount:

☒ Cross Default for Party B:

☒ Party B: Desert Community Energy

Cross Default Amount: \$25,000,000

☐ Other Entity: _____

Cross Default Amount \$ _____

5.6 Closeout Setoff

☒ Option A (Applicable if no other selection is made.)

☐ Option B - Affiliates shall have the meaning set forth in the Agreement unless otherwise specified as follows: _____

☐ Option C (No Setoff)

Article Eight

Credit and Collateral Requirements

8.1 Party A Credit Protection:

(a) Financial Information:

☐ Option A Specify: _____

☐ Option B Specify: _____

☒ Option C Specify: The annual report containing audited financial statements for such fiscal year of Party B as soon as practicable after demand, but in no event later than 180 days after the end of each annual period and such request will be deemed to have been filled if such financial statements are available at https://desert_community_energy.org/, and (2) quarterly unaudited financial statements for Party B for the first three quarters of its fiscal year as soon as practicable upon demand, but in no event later than 90 days after the applicable quarter. Should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the relevant entity diligently pursues the preparation, certification and

delivery of the statements. The first quarterly unaudited statement will be provided within 90 days after the fiscal quarter during which Party A begins deliveries under a Transaction. Such request will be deemed to have been filled if such financial statements are available at <https://desertcommunityenergy.org/>.

(b) Credit Assurances:

- ☒ Not Applicable
- ☐ Applicable

(c) Collateral Threshold:

- ☒ Not Applicable.
- ☐ Applicable

If applicable, the provisions of Section 8.1(c) of the Agreement shall be replaced by the provisions of the Collateral Annex attached hereto.

(d) Downgrade Event:

- ☒ Not Applicable
- ☐ Applicable

(e) Guarantor for Party B: N/A

Guarantee Amount: N/A

8.2 Party B Credit Protection:

(a) Financial Information:

- ☐ Option A Specify: _____
- ☐ Option B Specify: _____
- ☒ Option C Specify: The annual report containing audited financial statements for such fiscal year of Party A as soon as practicable after demand, but in no event later than 180 days after the end of each annual period and such request will be deemed to have been filled if such financial statements are available at <https://thecleanenergyalliance.org/>, and (2) quarterly unaudited financial statements for Party A for the first three quarters of its fiscal year as soon as practicable upon demand, but in no event later than 90 days after the applicable quarter. Should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the relevant entity diligently pursues the preparation, certification and delivery of the statements. The first quarterly unaudited statement will be provided within 90 days after the fiscal quarter during which Party B begins deliveries under a Transaction. Such request will be deemed to have been filled if such financial statements are available at <https://thecleanenergyalliance.org/>.

(b) Credit Assurances:

- ☒ Not Applicable
☐ Applicable

(c) Collateral Threshold:

- ☒ Not Applicable
☐ Applicable

If applicable, the provisions of Section 8.2(c) of the Agreement shall be replaced by the provisions of the Collateral Annex attached hereto.

(d) Downgrade Event:

- ☒ Not Applicable
☐ Applicable

(e) Guarantor for Party A: N/A

Guarantee Amount: N/A

Article Ten

Confidentiality

☒ Confidentiality Applicable

If not checked, inapplicable.

Schedule M

- ☒ Party A is a Governmental Entity or Public Power System
☒ Party B is a Governmental Entity or Public Power System
☒ Add Section 3.6. If not checked, inapplicable
☒ Add Section 8.4. If not checked, inapplicable

Other Changes

This Master Power Purchase and Sale Agreement incorporates, by reference, the changes published in the EEI Errata, Version 1.1, dated July 18, 2007.

ARTICLE ONE: GENERAL DEFINITIONS.

1. Section 1.1 is amended by adding the following sentence at the end of the definition of “Affiliate”:

“Notwithstanding the foregoing, the Parties hereby agree and acknowledge that (i) with respect to Party A, the public entities designated as members or participants under the Joint Powers Agreement creating Party A shall not constitute or otherwise be deemed an “Affiliate” for the purposes of this Master Agreement or any Confirmation executed in connection therewith, and (ii) with respect to Party B the public entities designated as members or participants under the Joint Powers Agreement creating Party B shall not constitute or otherwise be deemed an “Affiliate” for the purposes of this Master Agreement or any Confirmation executed in connection therewith.”

2. Section 1.4 is amended by deleting the first sentence and replacing it to read as follows: “Business Day” means any day except a Saturday, Sunday, the Friday immediately following the Thanksgiving holiday or a Federal Reserve Holiday.”
3. Section 1.12 is amended by deleting in the fourth line the word “issues” and replacing it with word “issuer”.

4. Section 1.23(ii) is amended in the second sentence by inserting the following text after the word “hereunder”: “or to obtain the Product at a more advantageous price or under more advantageous terms and conditions.”
5. Section 1.23(iv) is amended by inserting the following text after the phrase “Contract Price”: “or under more advantageous terms to a third party purchaser.”
6. Section 1.23 is amended by inserting in the thirteenth line of this subsection before the phrase “foregoing factors” the word “two.”
7. Section 1.24 is amended by adding before the period at the end thereof the following: “in accordance with Section 5.2” and by adding at the end: “based on the prime rate of interest as published from time to time under The Wall Street Journal for such period.”
8. A new Section 1.26A is added as follows:

“1.26A “Joint Powers Agreement” means the Joint Powers Agreement, effective as of November 4, 2019, as amended, providing for the formation of Party A, as such agreement may be further amended or amended and restated.”
9. A new Section 1.26B is added as follows:

“1.26B “Joint Powers Agreement” means the Joint Powers Agreement, effective as of October 30, 2017, as amended, providing for the formation of Party B, as such agreement may be further amended or amended and restated.”
10. Section 1.27 is amended by deleting the phrase “or a foreign bank with a U.S. branch” and replacing it with the phrase “or a U.S. branch of a foreign bank.”
11. Section 1.28 is amended by adding to the end thereof: “based on the prime rate of interest as published from time to time under The Wall Street Journal for such period.”
12. Section 1.30 is amended by deleting “Investor Services” and replacing it with “Investors Service”.
13. Section 1.50 is amended by deleting the reference to section “2.4” and replacing it with “2.5”.
14. Section 1.51 is amended by inserting “for delivery” in the second line after the text “at the Delivery Point” and replacing “at Buyer’s option” with “absent a purchase” in the fifth line.
15. Section 1.52 is amended by (i) deleting the words “Rating” and “Group” from the first line and replacing with “Financial Services LLC” and (ii) by replacing the words in the parenthetical with “a subsidiary of McGraw-Hill Companies, Inc.”
16. Section 1.53 is amended by (i) deleting the phrase “at the Delivery Point” from the second line, (ii) deleting the phrase “at Seller’s option” from the fifth line and replacing it with the phrase “absent a sale”, and (iii) inserting after the word “liability” in the ninth line the following: “provided, further, if the Seller is unable after using commercially reasonable efforts to resell all or a portion of the Product not received by the Buyer, the Sales Price with respect to such unsold Product shall be deemed equal to zero (0).”
17. Section 1.56 is amended by deleting the words “pursuant to Section 5.2” and adding before the period at the end thereof the following: “, as determined in accordance with Section 5.2.”
18. Section 1.60 is amended by inserting the words “in writing” immediately following the words “agreed to”.
19. The following definition is added to Article 1:

“Member” means the city, county or joint powers authority which is a member of Party A or Party B, as applicable.

ARTICLE TWO: TRANSACTION TERMS AND CONDITIONS.

20. Section 2.1 is deleted in its entirety and replaced with the following:

“A Transaction, or an amendment, modification or supplement thereto, shall be entered into only upon a writing signed by both Parties.”

21. Section 2.3 is deleted in its entirety and replaced with the following:

“Confirmation. A Transaction shall be entered into only by a written confirmation in a form mutually agreeable to both Parties and signed by both Parties (“Confirmation”). Notwithstanding anything to the contrary in this Master Agreement, this Master Agreement and any and all Confirmations may not be amended or modified except by an instrument in writing signed by both of the Parties.”

22. Section 2.4 is amended by deleting the phrase “either orally or” in the sixth and seventh lines and adding “a” before the word “writing”.

23. Section 2.5 is deleting in its entirety and replaced with the following:

“Unless a Party expressly objects to a Recording (defined below) at the beginning of a telephone conversation, each Party consents to the creation of a tape or electronic recording (“Recording”) of all telephone conversations between the Parties to this Master Agreement, and that any such Recordings will be retained in confidence and secured from improper access; provided, however, that both Parties acknowledge and agree that any such recording may not be submitted as evidence in any proceeding or action relating to this Agreement. Each Party waives any further notice of such monitoring or recording, and agrees to notify its officers and employees of such monitoring or recording and to obtain any necessary consent of such officers and employees.”

ARTICLE THREE: OBLIGATIONS AND DELIVERIES.

24. Section 3.2 shall be amended by adding the following at the end thereof:

“Product deliveries shall be scheduled in accordance with the then-current applicable tariffs, protocols, operating procedures and scheduling practices for the relevant region.”

ARTICLE FOUR: REMEDIES FOR FAILURE TO DELIVER/RECEIVE

25. Insert the following provision as a new Section 4.3:

“4.3 Suspension of Performance. Notwithstanding, and in addition to the remedies provided pursuant to Sections 4.1 and 4.2, if Seller or Buyer fails to schedule and/or deliver/receive all or part of the Product pursuant to a Transaction for a period of three (3) or more consecutive days during any Delivery Period, and such failure is not excused under the terms of the Product, by the other Party’s failure to perform or by agreement of the Parties, then upon one (1) Business Day prior notice, and for so long as the non-performing Party fails to perform, the performing Party shall have the right to suspend its performance under such Transaction. In the event the performing Party suspends performance pursuant to this Section 4.3, it shall not be obligated to resume performance until it has received notice from the non-performing Party at least one (1) Business Day prior to the date upon which the non-performing Party intends to resume its performance.”

26. Insert the following provision as a new Section 4.4:

“4.4 Mitigation. Each Party has a duty to mitigate damages under this Agreement and will use commercially reasonable efforts to minimize any damages it may incur resulting from the other Party’s performance or nonperformance hereunder.”

ARTICLE FIVE: EVENTS OF DEFAULT; REMEDIES.

27. Section 5.1(a) is amended by changing “three (3) Business Days” to “five (5) Business Days”.

28. Section 5.1(b) is amended by deleting the words “or repeated” at the end of that section.

29. Section 5.1(c) is amended by changing “three (3) Business Days” to “thirty (30) days”.

30. Section 5.1(g) is deleted in its entirety and replaced with the following:

“(g) if the applicable cross default section in the Cover Sheet is indicated for such Party, the occurrence and continuation of a default, event of default or other similar condition or event in respect of such Party or any other party specified in the Cover Sheet for such Party under one or more agreements or instruments, individually or collectively, relating to indebtedness for borrowed money in an aggregate amount of not less than the applicable Cross Default Amount (as specified in the Cover Sheet), which results in such indebtedness becoming immediately due and payable; provided, however, that it shall not constitute an Event of Default under this Section 5.1(g) if (i) such event, condition or failure is a failure to pay caused by an error or omission of an administrative or operational nature, (ii) funds were available to such Party to enable it to make the relevant payment when due, and (iii) such event, condition or failure is remedied on or before the third Business Day after receipt of written notice of its occurrence;”

31. Section 5.1 is further amended by adding a new subsection (i) which reads as follows:

“(i) Party A commits an Event of Default under or otherwise defaults under one or more of Party A’s Security Documents (as defined below in Schedule M) and such Event of Default or default continues after giving effect to any applicable notice requirement or cure or grace period.”

32. Section 5.1(h)(v) is amended by adding “made in connection with this Agreement” after “any guaranty”.

33. Section 5.2 is deleted in its entirety and replaced with the following:

“5.2 Effect of Event of Default. If at any time an Event of Default with respect to a Defaulting Party has occurred and is continuing, the Non-Defaulting Party may do one or more of the following: (a) withhold any payments due to the Defaulting Party under this Agreement; (b) suspend performance due to the Defaulting Party under this Agreement; and/or (c) by giving not more than twenty days’ notice, designate a day not earlier than the day such notice is effective as an “Early Termination Date” in respect of all outstanding Transactions (each referred to as a “Terminated Transaction”). The Non-Defaulting Party shall calculate in a commercially reasonable manner a Settlement Amount for each such Terminated Transaction as of the Early Termination Date (or, to the extent that in the reasonable opinion of the Non-Defaulting Party certain of such Terminated Transactions are commercially impracticable to liquidate and terminate or may not be liquidated and terminated under applicable law on the Early Termination Date, then each such Transaction (individually, an “Excluded Transaction”) shall be terminated as soon thereafter as reasonably practicable, and upon termination shall be deemed to be a Terminated Transaction and the Termination Payment payable in connection with all such Transactions shall be calculated in accordance with Section 5.3 below. The Gains and Losses for each Terminated Transaction shall be determined by calculating the amount that would be incurred or realized to replace or to provide the economic equivalent of the remaining payments or deliveries in respect of that Terminated Transaction. The Non-Defaulting Party (or its agent) may determine its Gains and Losses by reference to information either available to it internally or supplied by one or more third parties including, without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets. Third parties supplying such information may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors and other sources of market information. If the Non-

Defaulting Party's aggregate Gains exceeds its aggregate Losses and Costs, if any, resulting from the termination of this Agreement, the Settlement Amount shall be zero dollars (\$0.00)."

34. Section 5.3 is amended by adding "plus, at the option of the Non-Defaulting Party, any cash or other form of liquid security then in the possession of the Defaulting Party or its agent pursuant to Article 8," after the first use of the phrase "due to the Non-Defaulting Party" in the sixth line.

35. Section 5.4 is amended by deleting the words "two (2)" and inserting the words "five (5)".

36. The following shall be added to the end of Section 5.4:

"The Termination Payment shall bear interest at the Interest Rate from the date upon which notice is effective until paid. Notwithstanding any provision to the contrary contained in this Agreement, the Non-Defaulting Party shall not be required to pay to the Defaulting Party any amount under Article Five until the Non-Defaulting Party receives confirmation satisfactory to it in its reasonable discretion (which may include an opinion of its counsel) that all other obligations of any kind whatsoever of the Defaulting Party and any of its Affiliates to make any payments to the Non-Defaulting Party or any of its Affiliates under this Agreement or otherwise which are due and payable as of the Early Termination Date (including for these purposes amounts payable pursuant to Excluded Transactions) have been fully and finally performed and that the Defaulting Party has returned any Performance Assurance of the Non-Defaulting Party's that is held simultaneously or before the Non Defaulting Party makes any Termination Payment hereunder."

37. Section 5.7 is deleted in its entirety and replaced with the following:

"5.7 Suspension of Performance. Notwithstanding any other provision of this Master Agreement, if an Event of Default shall have occurred and be continuing, the Non-Defaulting Party, upon written notice to the Defaulting Party, shall have the right (i) to suspend performance under any or all Transactions; provided, however, in no event shall any such suspension continue for longer than twenty (20) NERC Business Days with respect to any single Transaction unless an Early Termination Date shall have been declared and notice thereof pursuant to Section 5.2 given, (ii) to suspend payment until the Event of Default is cured, and (iii) to the extent an Event of Default shall have occurred and be continuing to exercise any remedy available at law or in equity."

ARTICLE SIX: PAYMENT AND NETTING

38. In Section 6.3, in the first, seventh and eighth sentences, delete the words, "twelve (12) months" and insert "two (2) years".

39. In Section 6.3, in the fifth sentence, delete the words "two (2)" and insert the words "five (5)".

ARTICLE SEVEN: LIMITATIONS

40. Section 7.1 is hereby revised as follows:

"7.1 Limitation of Remedies, Liability and Damages. EXCEPT AS SET FORTH HEREIN, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL

OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. ~~UNLESS EXPRESSLY HEREIN PROVIDED,~~ NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION SET FORTH IN THIS AGREEMENT OR OTHERWISE, PROVIDED, HOWEVER, NOTHING IN THIS SECTION SHALL AFFECT THE ENFORCEABILITY OF THE PROVISIONS OF THIS AGREEMENT EXPRESSLY ALLOWING FOR SPECIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, REMEDIES FOR FAILURE TO DELIVER/RECEIVE IN SECTIONS 4.1 AND 4.2, AND CALCULATION AND PAYMENT OF THE TERMINATION PAYMENT IN SECTIONS 5.2 AND 5.3. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS AND ARE NOT PENALTIES.”

ARTICLE TEN: MISCELLANEOUS.

41. In Section 10.2, delete the phrase “(including any Confirmation accepted in accordance with Section 2.3)” from Sections 10.2(ii), (iii), (iv), (vi), (vii), (viii), (x) and (xi) and replace it with “(including any Confirmation executed in accordance with Section 2.3)”.
42. After Section 10.2(xii) add the following:

“(xiii) each Transaction that is not executed or traded on a trading facility, as defined in the Commodity Exchange Act, is subject to individual negotiation by the Parties;

(xiv) it intends that all payments made or to be made by one Party to the other Party pursuant to this Agreement constitute “settlement payments”;

(xv) it intends that all transfers of Performance Assurance by one Party to the other Party under this Agreement constitute “margin payments”;

(xvi) it intends that each Party’s rights under Section 5.2, Declaration of an Early Termination Date and Calculation of Settlement Amounts, and Section 5.3, Net Out of Settlement Amounts constitute a “contractual right to liquidate” Transactions;

(xvii) it is an “eligible commercial entity” within the meaning of Section 1a (17) of the Commodity Exchange Act, as amended (the “Commodity Exchange Act”); and

(xviii) it is an “Eligible Contract Participant” as defined in Section 1a(18) of the Commodity Exchange Act, as amended, 7 U.S.C. § 1a(18).”
43. Section 10.2(ix) is deleted in its entirety and replaced with the following:

“Each Party intends that it is a “forward contract merchant” within the meaning of the Title 11 of the United States Code, as amended (the “Bankruptcy Code”), all payments made or to be made by one Party to the other Party pursuant to this Agreement constitute a “settlement payment” within the meaning of the Bankruptcy Code, all transfers of Performance Assurance by one Party to the other Party under this Agreement constitute a “margin payment” within the meaning of the Bankruptcy Code, each Party shall have the “contractual right” to terminate, liquidate, accelerate, or offset the transaction as a “master netting agreement participant” within the meaning of the Bankruptcy Code, electricity delivered hereunder

constitutes a “good” under Section 503(b)(9) of the Bankruptcy Code, and the Parties are entities entitled to the rights under, and protections afforded by, Sections 362, 546, 553, 556, 560, 561 and 562 of the Bankruptcy Code.”

44. Section 10.5 is amended by (i) changing the section number to 10.5(a); (ii) deleting the words “which consent may be withheld in the exercise of its sole discretion” and replacing them with the words “which consent shall not be unreasonably withheld”, (iii) moving the parenthetical “(and without relieving itself from liability hereunder)” that appears in the fourth line so that it follows immediately after the text that follows subsection 10.5(i), and (iv) deleting the words from the beginning of clause (v) through the words prior to “provided, however, that in each such case, any such assignee” and replacing them with:

“(ii) transfer or assign this Agreement to an Affiliate of such Party so long as (x) such Affiliate’s creditworthiness is equal to or higher than that of such Party or the Guarantor, if any, for such Party, or (y) the obligations of such Affiliate are guaranteed or otherwise supported by such Party or its Guarantor, if any, in accordance with a guaranty agreement or other credit support, in form, substance and amount and from a Guarantor or other credit support provider, in each case that is satisfactory to the other Party in its sole discretion, and (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets of such Party whose creditworthiness is equal to or higher than that of such Party or its Guarantor, if any; provided, however, that in the case of any assignment pursuant to subsections (ii) or (iii) above, regardless of whether the assigning party is Party A or Party B, any such assignee (1) can make all of the representations and warranties of the assignor set forth herein after giving effect to such transfer, (2) complies with the non-assigning party’s know-your-customer and anti-money laundering internal rules, policies and procedures as reasonably and consistently applied, and (3) such transferee has satisfied all of the credit support requirements of such Party under this Agreement.”

45. A new Section 10.5(b) is hereby added:

“10.5(b) Special Financing Arrangements. Either Party A or Party B, when acting as a buyer, may negotiate a financing arrangement for its obligations under one or more Confirmations pursuant to this Agreement by which the buyer would prepay its obligations for all or a portion of the term of such Confirmations (the “Prepay Period”) to a third party financial intermediary, which intermediary would then assume (i) the right to take delivery of Product during the Prepay Period; and (ii) the obligation to make payments to the seller during the Prepay Period. Actual scheduling and delivery of Product pursuant to the Confirmations would remain unchanged and no additional risks or obligations will be placed on the seller. It is further understood that the creditworthiness of the third party financial intermediary (or its parent) will be the same or better than that of the buyer and that if the third party financial intermediary is a special purpose entity, the parent entity will provide a guaranty of the payment obligations. Either Party A or Party B, when acting as a seller, agrees to cooperate with the buyer in connection with the limited assignment of rights and obligations under the Agreement in connection with such financing arrangement, subject to confirming (i) the creditworthiness of the third party financial intermediary and any parent guarantor; and (ii) that the contractual documents related to the arrangement do not impose any substantial additional contractual risk on the seller.”

46. Section 10.6 shall be deleted in its entirety and replaced with the following:

“10.6 Governing Law and Venue; Waiver of Jury Trial. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HEREBY (i) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING

WAIVER, AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. (b) EACH PARTY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN LOS ANGELES, CALIFORNIA, FOR ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY TRANSACTION, AND EXPRESSLY WAIVES ANY OBJECTION IT MAY HAVE TO SUCH JURISDICTION OR THE CONVENIENCE OF SUCH FORUM.

The Parties intend for the foregoing waiver to be enforced to the fullest extent permitted under applicable law as in effect from time to time. To the extent that the waiver in clause (a) above is not enforceable at the time that any action or proceeding is filed in a court of the State of California by or against any Party, then (i) the court shall, and is hereby directed to, make a general reference pursuant to California Code of Civil Procedure Section 638 to a referee (who shall be a single active or retired judge) to hear and determine all of the issues in such action or proceeding (whether of fact or of law) and to report a statement of decision, provided that at the option of any Party, any such issues pertaining to a “provisional remedy” as defined in California Code of Civil Procedure Section 1281.8 shall be heard and determined by the court, and (ii) the Parties shall share equally all fees and expenses of any referee appointed in such action or proceeding.”

47. Section 10.8 is amended by adding the following at the end of the second to last sentence: “and the rights of either Party pursuant to (i) Article 5, (ii) Section 7.1, (iii) Section 10.11, (iv) Waiver of Jury Trial provisions, if applicable, (v) the obligation of either Party to make payments hereunder, (vi) Section 10.6 (vii) Section 10.13 and (viii) section 10.4 shall also survive the termination of the Agreement or any Transaction.”

48. Section 10.10 is amended by adding the following after the last sentence:

“Each Party further agrees that, for purposes of this Agreement, the other Party is not a “utility” as such term is used in 11 U.S.C. Section 366, and each Party waives and agrees not to assert the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding wherein such Party is a debtor. In any such proceeding, each Party further waives the right to assert that the other Party is a provider of last resort.”

49. Section 10.11 is deleted in its entirety and replaced with the following:

“10.11 Confidentiality. If the Parties have elected on the Cover Sheet to make this Section 10.11 applicable to this Master Agreement, neither Party shall disclose the terms or conditions of a Transaction under this Master Agreement or the completed Cover Sheet to this Master Agreement to a third party (other than the Party’s Affiliates, employees, lenders, counsel, insurers, accountants or advisors, or any such representatives of a Party’s Affiliates, who have a need to know such information and have agreed to keep such terms confidential) except in order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding or to the extent such information is delivered to such third party for the sole purpose of calculating a published index applicable to such Party or any of its Affiliates; provided, however, each Party shall, to the extent practicable, use reasonable efforts to prevent or limit the disclosure. The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation. The Parties agree and acknowledge that nothing in this Section 10.11 prohibits a Party from disclosing any one or more of the commercial terms of a Transaction (other than the name of the other Party unless otherwise agreed to in writing by the Parties) to any industry price source for the purpose of aggregating and reporting such information in the form of a published energy price index.

Party A and Party B acknowledge and agree that the Master Agreement and any Confirmations executed in connection therewith are subject to the requirements of the California Public Records Act (Government Code Section 7920 et seq.). In order to designate information as confidential, the disclosing party must clearly stamp and identify the specific portion of the material designated with the word “Confidential.” The Parties agree not to over-designate material as confidential. Over-designation would include stamping whole

agreements, entire pages or series of pages as Confidential that clearly contain information that is not confidential.

Upon request or demand of any third person or entity not a Party hereto to a Party ("Receiving Party") pursuant to the California Public Records Act for production, inspection and/or copying of Confidential Information ("Requested Confidential Information"), Receiving Party will as soon as practical notify the other Party ("Disclosing Party") in writing via email that such request has been made. Disclosing Party will be solely responsible for taking at its sole expense whatever legal steps are necessary to prevent release of the Requested Confidential Information to the third party by Receiving Party. If Disclosing Party takes no such action after receiving the foregoing notice from Receiving Party, Receiving Party shall, at its discretion, be permitted to comply with the third party's request or demand and is not required to defend against it. If Disclosing Party does take or attempt to take such action, Receiving Party shall provide timely and reasonable cooperation to Disclosing Party, if requested by Disclosing Party, and Disclosing Party agrees to indemnify and hold harmless Receiving Party, its officers, employees and agents ("Receiving Party Indemnified Parties"), from any claims, liability, award of attorneys' fees, or damages, and to defend any action, claim or lawsuit brought against any of Receiving Party Indemnified Parties for Receiving Party's refusal to disclose any Requested Confidential Information."

50. The following provision is added as Section 10.12:

"10.12 Imaged Documents. Any document generated by the Parties with respect to this Agreement, including this Agreement, may be imaged and stored electronically ("Imaged Documents"). Imaged Documents may be introduced as evidence in any proceeding as if such were original business records."

51. The following provision is added as Section 10.13:

"10.13 FERC Standard of Review; Certain Covenants and Waivers

(a) Absent the agreement of all Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any waiver in subsection (c) below is unenforceable or ineffective as to such Party), a non-party or FERC acting sua sponte, shall solely be the "public interest" application of the "just and reasonable" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) and clarified by *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish*, 128 S. Ct. 2733 (2008) and *NRG Power Marketing, LLC v. Maine Public Utilities Commission*, 130 S. Ct. 693 (2010) ("Mobile-Sierra doctrine").

(b) In addition, and notwithstanding the foregoing subsection (a), to the fullest extent permitted by applicable law, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives any rights it can or may have, now or in the future, whether under §§ 205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC or PUC by any means, directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC or PUC changing any section of this Agreement specifying the rate, charge, classification, or other term or condition agreed to by the Parties, it being the express intent of the Parties that, to the fullest extent permitted by applicable law, neither Party shall unilaterally seek to obtain from FERC or PUC any relief changing the rate, charge, classification, or other term or condition of this Agreement, notwithstanding any subsequent changes in applicable law or market conditions that may occur. In the event it were to be determined that applicable law precludes the Parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then this subsection (c) shall not apply, provided that, consistent with the foregoing subsections (a) and (b), neither Party shall seek any such changes except solely under the "public interest" application of the "just and reasonable" standard of review and otherwise as set forth in the foregoing subsection (a).

(c) The Parties agree that in the event that any portion of this Section 10.14 is determined to be invalid, illegal or unenforceable for any reason, the provisions of subsections (a) and (b) shall be unaffected and

unimpaired thereby, and shall remain in full force and effect, to the fullest extent permitted by applicable law.”

52. The following provision is added as Section 10.14:

“10.14 Cyber Attack. In addition to the provisions of Section 3.3, the parties hereby agree that a Cyber Attack (as defined below) that causes (i) the failure to perform a Firm obligation or (ii) a breach of a Party’s confidentiality obligations arising under Section 10.11 will constitute an event of Force Majeure. In addition, notwithstanding the provisions of Section 5.1, the parties agree that a failure to pay that is solely the result of a Cyber Attack will not constitute an Event of Default; provided that (a) sufficient funds were available for such party to fulfill its obligations hereunder on the relevant date, and (b) the payment is made as soon as practicable but in no event later than 15 days after the occurrence of the Cyber Attack. “Cyber Attack” means a third-party attack that compromises the integrity or availability of information from an information system or systems required to perform the obligations under this Master Agreement that is outside the Party’s control.”

53. The following provision is added as Section 10.15:

“10.15 Counterparts. This Agreement may be executed in counterparts, each of which will be considered an original, but all of which together will constitute the same instrument. Without limiting the foregoing, a facsimile copy of this Agreement or copy of this Agreement sent via electronic mail in a portable document format (“PDF”) will be considered an original.”

54. The following provision is added as Section 10.16:

“10.16 No Recourse Against Members of Party A. Party A is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Cal. Government Code § 6500, *et seq.*) and is a public entity separate from its Members. Party A will solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement in accordance with, and subject to, the terms and conditions of each Transaction. Party B will have no rights and will not make any claims, take any actions or assert any remedies against any of Party A’s Members, or the officers, directors, advisors, contractors, consultants or employees of Party A or Party A’s Members, in connection with this Agreement. The Parties agree that Party A’s obligations to make payments with respect to this Master Agreement and each Transaction, are to be made solely from Party A, and not from the individual Members of Party A.”

55. The following provision is added as Section 10.17:

“10.17 No Recourse Against Members of Party B. Party B is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Cal. Government Code § 6500, *et seq.*) and is a public entity separate from its Members. Party B will solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement in accordance with, and subject to, the terms and conditions of each Transaction. Party A will have no rights and will not make any claims, take any actions or assert any remedies against any of Party B’s Members, or the officers, directors, advisors, contractors, consultants or employees of Party B or Party B’s Members, in connection with this Agreement. The Parties agree that Party B’s obligations to make payments with respect to this Master Agreement and each Transaction, are to be made solely from Party B, and not from the individual Members of Party B.”

56. The following provision is added as Section 10.18:

“10.18 Generally Accepted Accounting Principles. Any reference to “generally accepted accounting principles” shall mean, with respect to an entity and its financial statements, generally accepted accounting principles, consistently applied, adopted or used in the jurisdiction of the entity whose financial statements are being considered for the purposes of this Agreement. Party A acknowledges that Party B is governed by the Governmental Accounting Standards Board with respect to generally accepted accounting principles.”

57. The following provision is added as Section 10.19:

“10.19 Index Transactions. If the Contract Price for a Transaction is determined by reference to a third-party information source, then the following provisions shall be applicable to such Transaction:

(a) Market Disruption. If a Market Disruption Event occurs during a Determination Period, the Floating Price for the affected Trading Day(s) shall be determined by reference to the Floating Price specified in the Transaction for the first Trading Day thereafter on which no Market Disruption Event exists; provided, however, if the Floating Price is not so determined within three (3) Business Days after the first Trading Day on which the Market Disruption Event occurred or existed, then the Parties shall negotiate in good faith to agree on a Floating Price (or a method for determining a Floating Price), and if the Parties have not so agreed on or before the twelfth Business Day following the first Trading Day on which the Market Disruption Event occurred or existed, then the Floating Price shall be determined in good faith by taking the average of two dealer quotes obtained from dealers of the highest credit standing which satisfy all the criteria that the Seller applies generally at the time in deciding to offer or to make an extension of credit. Notwithstanding the foregoing and subject to time limitations set forth in subsection (b) below, if the Parties have determined a Floating Price pursuant to this subsection (a) and at a later date the responsible Price Source announces or publishes the relevant Floating Price, then such Floating Price shall be treated as a corrected price pursuant to subsection (b) below.

Defined terms used in this Section 10.20 will have the following meaning:

“Determination Period” means each calendar month, a part or all of which, is within the Delivery Period of a Transaction.

“Exchange” means, in respect of a Transaction, the exchange or principal trading market specified in the relevant Transaction.

“Floating Price” means a Contract Price specified in a Transaction that is based upon a Price Source.

“Market Disruption Event” means, with respect to any Price Source, any of the following events: (a) the failure of the Price Source to announce or publish the specified Floating Price or information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading in the relevant options contract or commodity on the Exchange or in the market specified for determining a Floating Price; (c) the temporary or permanent discontinuance or unavailability of the Price Source; (d) the temporary or permanent closing of any Exchange specified for determining a Floating Price; or (e) a material change in the formula for or the method of determining the Floating Price.

“Price Source” means, in respect of a Transaction, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the specified price (or prices from which the specified price is calculated) specified in the relevant Transaction.

“Trading Day” means a day in respect of which the relevant Price Source published the Floating Price.

(b) Corrections to Published Prices. For purposes of determining a Floating Price for any day, if the price published or announced on a given day and used or to be used to determine a relevant price is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within three (3) years of the original publication or announcement, either Party may notify the other Party of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If, not later than thirty (30) days after publication or announcement of that correction, a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount will, not later than three (3) Business Days after the effectiveness of that notice, pay, subject to any applicable conditions precedent, to the other Party that amount, together with interest at the Interest Rate for the period from and including the day on which payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction.

(c) Calculation of Floating Price. For purposes of calculating a Floating Price, all numbers shall be rounded to four (4) decimal places. If the fifth (5th) decimal number is five (5) or greater, then the fourth (4th) decimal number shall be increased by one (1), and if the fifth (5th) decimal number is less than five (5), then the fourth (4th) decimal number shall remain unchanged.”

58. The following provision is added as Section 10.20:

“10.20 Physical Transactions. Except for any Transactions for environmental attributes such as renewable energy certificates, resource adequacy or other regulatory products, the Parties understand and agree that the Transactions under this Agreement are physical transactions for deferred delivery, and that the Parties contemplate making or taking physical delivery of electric energy. Party A and Party B are each a California community choice aggregator engaged in the business of delivering electric energy to its retail load and routinely makes or takes delivery of electric energy in order to provide service to its retail electric customers.”

59. The following provision is added as Section 10.21:

“10.21 Data Privacy. The Parties may provide each other with information related to an identified or identifiable individual (“Personal Data”), the processing and transfer of which will be done in accordance with data protection laws applicable to such Party.”

SCHEDULE M: GOVERNMENTAL ENTITY OR PUBLIC POWER SYSTEMS.

Schedule M is amended, with respect to Party A, as follows:

(a) Paragraph A is amended by deleting the term “Act” and replacing it with the following:

“Act” means the Joint Exercise of Powers Act of California (Government Code § 6500 *et seq.*).”

(b) The text of Section 3.4 within Section D of Schedule M shall be deleted in its entirety and replaced with the following:

“Section 3.4 Reserved.”

(c) The following definitions will be added to Schedule M:

“Account Control Agreement” means, in the case of Party A, the Account Control Agreement among the Collateral Agent, Depositary Bank, and Party A, dated March 16, 2021.

“Collateral Agent” has the meaning given it in the Security Documents.

“Depositary Bank” has the meaning given it in the Security Documents.

“Intercreditor and Collateral Agency Agreement” means (a) in the case of Party A, the Intercreditor and Collateral Agency Agreement, dated as of March 16, 2021, among the Collateral Agent, Party A and the PPA Providers party thereto from time to time.

“Minimum Credit Rating” has the meaning given it in Section 3.6.

“PPA Providers” has the meaning given it in the Security Documents.

“Secured Account” means the Lockbox Account (as that term is defined in the Security Agreement).

“Secured Creditors” has the meaning given it in the Security Documents.

“Security Agreement” means, in the case of Party A, the Security Agreement, dated March 16, 2021, among Party A and the Collateral Agent.

“Security Documents” means, collectively, the Intercreditor and Collateral Agency Agreement, the Security Agreement and the Account Control Agreement.

- (d) The “Special Fund” definition in Schedule M shall be deleted in its entirety and replaced with:

“Special Fund” means the Secured Account.

- (e) In paragraph E of Schedule M, the text of Section 3.6 shall be deleted in its entirety and replaced with the following:

“Section 3.6 Party A Security. The Parties agree that Party A’s obligations to make payments with respect to this Master Agreement and each Transaction are to be made solely from the Special Fund; *provided* that upon notice from Party A that Party A has obtained a Credit Rating of at least BBB- with an outlook designation of “stable” from S&P or Fitch, or Baa3 with an outlook designation of “stable” from Moody’s (each a “Minimum Credit Rating”), upon the request of Party A, Party B shall terminate its status as PPA Provider under the Intercreditor and Collateral Agency Agreement, or, upon request from Party A, cooperate with Party A to terminate the Intercreditor and Collateral Agency Agreement.”

- (f) In Paragraph F of Schedule M, the text of Section 8.4 shall be deleted in its entirety and replaced with the following:

“Section 8.4 Party A Security. As credit protection to Party B, and as a condition to the effectiveness of the Master Agreement and all Transactions, Party A and Party B have entered into the Security Documents through execution and delivery of a Joinder (as defined in the Intercreditor and Collateral Agency Agreement). Party B shall have the rights and remedies specified in the Security Documents and Party A shall comply with its duties, obligations and responsibilities as specified therein, and such Security Documents have been duly executed and delivered by the Parties and by all third party signatories as contemplated therein and shall be in full force and effect.”

- (g) In Paragraph G, the text following the colon shall be deleted in its entirety and replaced with the following:

“NOTWITHSTANDING THE FOREGOING, IN RESPECT OF THE APPLICABILITY OF THE ACT AS HEREIN PROVIDED, THE LAWS OF THE STATE OF CALIFORNIA SHALL APPLY.”

SCHEDULE P: PRODUCTS AND RELATED DEFINITIONS.

- (a) The Parties agree to add the following definitions to Schedule P:

“**CAISO Energy**” means with respect to a Transaction, a Product under which the Seller shall sell and the Buyer shall purchase a quantity of energy equal to the hourly quantity without Ancillary Services (as defined in the California Independent System Operator (“CAISO”) Tariff) that is or will be scheduled as a schedule coordinator to schedule coordinator transaction pursuant to the applicable tariff and protocol provisions of the CAISO tariff, as amended from time to time for which the only excuse for failure to deliver or receive is an “Uncontrollable Force” as defined in the CAISO Tariff.

“**West Firm**” or “**WSPPC-Firm**” means with respect to a Transaction, a Product defined by the WSPP Agreement as amended, in Service Schedule C as Firm Capacity/Energy Sale or Exchange Service.

“**WSPP Agreement**” means the Western States Power Pool Agreement, as amended from time to time.

- (b) The Parties agree to add the following new Section 7 to Schedule P:

“**Other Products and Service Levels**: The Parties may agree to use a product/service level defined by a different agreement (i.e., the WSPP Agreement, the CAISO Tariff, etc.) for a particular Transaction. Unless

the Parties expressly state and agree that all the terms and conditions of such other agreement will apply to any such Transaction, the Transaction shall be subject to all the terms of this Agreement, except that (1) all service level/product definitions; (2) the regional reliability requirements and guidelines; and (3) Force Majeure/Uncontrollable Force definitions shall have the meaning ascribed to them in the different agreement in effect on the date the Transaction was entered into. Provided, however, with respect to Transactions subject to the WSPP Agreement, the methodology for calculating the payments for failure to deliver or receive, under Sections 4.1 and 4.2 hereto, shall be in accordance with Section 21.3 of the WSPP Agreement; provided further, that the “Accelerated Payment of Damages” addressed in Sections 4.1 and 4.2 hereto shall continue to apply to such payments if such election is made on the Cover Sheet.”

End of Cover Sheet

IN WITNESS WHEREOF, the Parties have caused this Master Agreement to be duly executed as of the Effective Date.

CLEAN ENERGY ALLIANCE,
a California joint powers authority

DESERT COMMUNITY ENERGY,
a California joint powers authority

By: _____
Name: _____
Title: _____

By: _____
Name: Tom Kirk
Title: Executive Director

CONFIRMATION LONG-TERM RPS ENERGY AND GREEN ATTRIBUTES

This confirmation (“Confirmation”) confirms the Transaction between Clean Energy Alliance, a California joint powers authority (“Party A”) and Desert Community Energy, a California joint powers authority (“Party B”), each individually a “Party” and together the “Parties”, dated as of [____], 2026 (the “Effective Date”), by which Seller agrees to sell and deliver, and Buyer agrees to purchase and receive, the Product (the “Transaction”). This Transaction is governed by, constitutes part of, and is subject to the terms and provisions of the Edison Electric Institute Master Power Purchase and Sale Agreement dated [____] between the Parties (the “Master Agreement”). In the event of a conflict between the provisions of the Master Agreement and this Confirmation, this Confirmation shall control. This Confirmation and the Master Agreement, including any appendices, exhibits or amendments hereto or thereto, shall collectively be referred to as the “Agreement” and will constitute a single agreement between the Parties with respect to the Transaction. Terms capitalized but not defined herein shall have the meaning as set forth in the Master Agreement or the CAISO Tariff.

The Parties agree as follows:

Seller: Party B		Buyer: Party A	
Product:		The “<u>Product</u>” is Energy and associated Green Attributes generated from the Project. During the Delivery Term, Seller shall deliver and sell, and Buyer shall purchase and receive, the Contract Quantity of this Product, subject to the terms and conditions of this Confirmation. Seller shall not substitute or attempt to deliver any Product, including Green Attributes, from any generating resource other than the Project except as expressly permitted in Section 1.1 (Seller Delivery Obligation).	
Contract Price:		The “<u>Contract Price</u>” means the Index Price plus the Green Attributes Price. The “<u>Green Attributes Price</u>” means the “RPS Adder” for the calendar year in which the RECs are generated, published by the Energy Division of the CPUC as the “Calculation of the Market Price Benchmarks for the Power Charge Indifference Adjustment Forecast and True Up”, which may be revised in future publications by the CPUC as the final “RPS Adder”.	
Contract Quantity (MWh):		REC Vintage 2026: 21,000 MWh REC Vintage 2027: 70,000 MWh REC Vintage 2028: 70,000 MWh REC Vintage 2029: 70,000 MWh REC Vintage 2030: 70,000 MWh REC Vintage 2031: 70,000 MWh REC Vintage 2032: 70,000 MWh REC Vintage 2033: 60,000 MWh REC Vintage 2034: 60,000 MWh	
Delivery Term:		October 1, 2026 through December 31, 2034; provided that, for the sole purpose of matching delivery of RECs with Energy, such period will extend through the date that all RECs associated with such Energy have been delivered from Seller to Buyer in accordance with this Confirmation.	
Delivery Point:		Ref. to sample: SP15 (TH_SP15_GEN_APND)	

Payment Terms:	See Section 2
Collateral:	None

This Confirmation is subject to the General Terms and Conditions and Exhibits identified below and attached hereto:
Exhibit A – Projects
Exhibit B – Form of Limited Assignment Agreement

IN WITNESS WHEREOF, the Parties have signed this Confirmation effective as of the Effective Date.

DESERT COMMUNITY ENERGY,
a California joint powers authority

CLEAN ENERGY ALLIANCE,
a California joint powers authority

By: _____
Name: Tom Kirk
Title: Executive Director

By: _____
Name: Gregory Wade
Title: Chief Executive Officer

GENERAL TERMS AND CONDITIONS

1. PRODUCT.

1.1 Seller Delivery Obligation.

(a) Seller's Conveyance of Energy.

- (i) Beginning on the first day of the Delivery Term and throughout all applicable months of the Delivery Term, Seller shall deliver and sell, and Buyer shall purchase and receive, the Product, subject to the terms and conditions of this Confirmation. Seller will not be obligated to sell or replace any Product that is not or cannot be delivered as a result of Force Majeure or which is not received by Seller pursuant to the Upstream Agreement.
- (ii) The Energy transferred hereunder is transferred immediately to Buyer upon receipt of such Energy by Seller. Should any Energy provided by Seller under this Confirmation be determined to not have been transferred to Buyer immediately or to have originated from a resource other than a Project (except as permitted under Section 1.1), Seller shall remedy such failure in a manner reasonably acceptable to Buyer within a reasonable period of time after written notice of such failure is given to Seller by Buyer.
- (iii) In the event that Energy being transferred from Seller to Buyer originates from a Project located outside of the state of California that does not have a pseudo-tie arrangement with the applicable California balancing authority, Seller shall provide Buyer a reconciliation consisting of hourly meter data, tag data and associated calculations, lesser of each by hour, for each vintage month of RECs delivered to Buyer under this Confirmation.

(b) Seller's Conveyance of Green Attributes.

- (i) During the Delivery Period, Seller, at its own cost and expense, shall maintain its registration with WREGIS. All Green Attributes transferred by Seller hereunder shall be California RPS-compliant, subject to confirmation by the CEC. Seller shall, at its sole expense, use WREGIS as required pursuant to the WREGIS Operating Rules to effectuate the transfer of Green Attributes to Buyer in accordance with WREGIS reporting protocols and WREGIS Operating Rules.
- (ii) For each applicable month of the Delivery Period, Seller shall deliver and convey the Green Attributes associated with the California RPS-Eligible Electric Energy delivered pursuant to 1.1(a) above within five (5) days of Seller's receipt of the WREGIS Certificates for the Green Attributes pursuant to the Upstream Agreement. Seller shall deliver and convey such Green Attributes by properly transferring such WREGIS Certificates, in accordance with the rules and regulations of WREGIS, equivalent to the quantity of Green Attributes, to Buyer into Buyer's WREGIS account such that all right, title and interest in and to the WREGIS Certificates shall transfer from Seller to Buyer; provided further, that if Seller fails to properly transfer such WREGIS Certificates to Buyer in accordance with the above due to an error or omission of an administrative or clerical nature and if such failure can be cured with no harm to Buyer, then Seller may cure such failure within thirty (30) days after notice of such failure.

- (iii) In addition to its other obligations under this Section 1.1, Seller shall convey to Buyer WREGIS Certificates from the Projects that are of the same Vintage Year as the Product that was provided under Section 1.1(a) of this Confirmation.
- (c) Modification of Projects. All Product sold by Seller to Buyer hereunder shall be from the facilities listed in Exhibit A, or subsequently identified pursuant to the Upstream Agreement and the requirements of this Confirmation and otherwise meeting the Seller representations, warranties and covenants set forth herein (each such facility, a “Project” and collectively, the “Projects”). Buyer acknowledges and agrees that under the Upstream Agreement, SCE has the right, at any time and in its sole discretion, to reducing the quantity from a Project or removing a Project from the Upstream Agreement. If a Project is removed from the Upstream Agreement, the Project shall cease to be a Project under this Confirmation. Seller shall provide prompt notice to Buyer upon receipt of any notice to Seller from SCE of any such reduction or termination has occurred. Seller has the right to amend the list of Projects in Exhibit A from time to time with written notice prior to the delivery of Energy from such Project or Projects to reflect SCE’s removal of one or more Projects from the Upstream Agreement. Notwithstanding any provision herein to the contrary, Seller may only deliver Product to Buyer from non-emitting, zero-emission generating facilities. Further, Seller agrees to deliver Product that is hundred percent (100%) from solar generating resources only. Notwithstanding the foregoing, upon the occurrence of (i) a removal or reduction of a Project under the Upstream Agreement, or (ii) another event that reduces Seller’s ability to deliver Product from a Project (other than due to Seller’s breach), Seller may, upon prior written notice to Buyer, substitute Energy and associated Green Attributes from one or more other generating facilities; provided that such substitute Product:
 - (A) is from non-emitting, solar generating resources;
 - (B) qualifies as California RPS-compliant and meets all requirements of this Confirmation applicable to the original Product;
 - (C) is delivered at the same Delivery Point; and
 - (D) does not otherwise materially adversely affect Buyer’s regulatory, compliance, or accounting treatment of the Product.

Any such substitution shall not constitute a failure to deliver, provided the foregoing conditions are satisfied.

- (d) Quantity of Product. Buyer acknowledges that the quantities of Product available to Seller under the Upstream Agreement is dependent on Seller’s load share percentage with SCE, which is subject to adjustment on an annual basis. In the event that a reduction in the load share percentage of Seller under the Upstream Agreement results in a change in the amount of Product available to Seller from each Project that is less than the amount that Seller is obligated to deliver to Buyer pursuant to this Confirmation, then the quantity of Product that Seller is obligated to deliver pursuant to this Confirmation will be reduced accordingly.
- (e) Obligation to Deliver; Remedies for Shortfall. Seller’s obligation to deliver the Product is a firm obligation, subject only to Force Majeure and Seller’s failure to receive such Product under the Upstream Agreement. In the event that Seller is prevented from delivering the quantity of Product set forth in this Confirmation for a reason set forth in this Section 1.1 and not an event of default by Seller, then Buyer

will have the right to make a corresponding reduction in volume of Product pursuant to that certain swap confirmation between Buyer and Seller of even date herewith ("Swap Confirmation"), it being understood that this Confirmation and the Swap Confirmation are intended to match in terms of price and quantity.

1.2 Reserved.

1.3 Change in Law.

- (a) If due to any action by the CPUC or any Governmental Authority, or any change in Applicable Law occurring after the Effective Date that modifies the California RPS such that this Confirmation no longer meets the requirements of the California RPS for this Product (a "Change in Law"), Seller shall use commercially reasonable efforts to obtain compliance with such Change in Law provided that such costs should not be greater than \$25,000 (the "Capped Amount"). This requirement shall not apply to any Product that was delivered prior to any Change in Law if such Product complied with the California RPS that existed when it was delivered.
- (b) The Parties acknowledge that the CEC and/or CPUC may be modifying mandatory contract language, altering the procurement and product qualification rules, and updating the relevant RPS Eligibility Guidebook in a manner consistent with that legislation. If any statutes, rules, regulations, permits or authorizations are enacted, amended, granted or revoked which have the effect of changing the transfer and sale procedure set forth in this Confirmation so that the implementation of this Transaction becomes impossible or impracticable, or otherwise revokes or eliminates the California RPS or language required to conform to the California RPS, subject to Seller's obligation to use commercially reasonable efforts to obtain compliance with a Change in Law up to the Capped Amount, the Parties hereto agree to negotiate in good faith to amend this Confirmation to conform with such new statutes, regulations, or rules in order to maintain the original intent of the Parties under this Confirmation; provided, however, pending any amendment to this Confirmation, to the extent practicable and lawful, the Parties shall perform their respective obligations hereunder in accordance with Applicable Laws as they existed prior to the effectiveness of such new statutes, regulations, or rules; provided, further, that notwithstanding the foregoing or anything to the contrary herein, neither Party shall be obligated to perform any obligation hereunder (other than payment obligations) to the extent that doing so would cause such Party to be materially adversely affected. If, after use of commercially reasonable efforts by Seller to obtain compliance with a Change in Law and within thirty (30) days after initiating discussions to amend this Confirmation in accordance with the preceding sentence ("Negotiation Period"), the Parties have not agreed upon any amendments to this Confirmation or other agreed measures such that the Confirmation and/or the Product meet(s) the requirements of the California RPS, either Party may terminate this Confirmation within thirty (30) days after the Negotiation Period upon written notice to the other Party, which shall be effective the next Business Day after such notice is received, and any such termination shall be without liability to either Party, except that Buyer shall remain liable to Seller for any Product delivered prior to the effective date of such termination (including for any RECs associated with Energy already delivered to Buyer).

1.4 RPS Non-Modifiable Standard Terms and Conditions (STC).

STC 6: Eligibility. Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource ("ERR") as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project's output delivered

to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. [STC 6, Non-modifiable. D.07-11-025, Attachment A, D.0804009]

STC REC-1: Transfer of Renewable Energy Credits. Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. [STC REC-1, Non-modifiable. D.11-01-025]

STC REC-2: Tracking of RECs in WREGIS. Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract. [STC REC-2, Non-modifiable. D.11-01-025]

STC 17: Applicable Law. This Agreement and the rights and duties of the parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement. [STC 17, Nonmodifiable. D.07-11-025, Attachment A, D.08-04-009]

The aggregate “commercially reasonable efforts” expenditures for Eligibility (STC 6), Transfer of RECS (STC REC-1), and Change of Law (Section 1.3) are limited to the Capped Amount.

1.5 Reserved.

1.6 Seller Representations, Warranties and Covenants.

- (a) Seller represents, warrants and covenants, as of the Effective Date and throughout the Delivery Term, that:
 - (i) Seller has the contractual rights to sell all right, title, and interest in the Product agreed to be delivered hereunder, subject to the terms of Section 1.1;
 - (ii) Seller has not sold the Product to be delivered under this Confirmation to any other person or entity;
 - (iii) at the time of delivery, all rights, title, and interest in the Product to be delivered under this Confirmation are free and clear of all liens, taxes, claims, security interests, or other encumbrances of any kind whatsoever;
 - (iv) The facilities included in the Project each: (a) have a first point of interconnection with a California balancing authority, or (b) have a first point of interconnection with distribution facilities used to serve end users within a California balancing authority area, or (c) are scheduled from the eligible

renewable energy resource into a California balancing authority without substituting electricity from another source;

- (v) This Confirmation transfers only Energy and Green Attributes that have been generated during the Delivery Term; and
 - (vi) All Product sold hereunder will be from Long-Term Contracts.
- (b) Seller makes no representation, warranty or covenant with respect to any portfolio content category designation pursuant to California Public Utilities Code Section 399.16, nor any eligibility of the Product to qualify as excess procurement pursuant to California Public Utilities Code Section 399.13(a)(4)(B).
- (c) For the avoidance of doubt, during the Delivery Term, Seller shall act on Buyer's behalf with respect to Energy deliveries to the CAISO and CAISO settlement.

2. **MONTHLY BILLING SETTLEMENT.**

2.1 **Monthly Cash Settlement Amount.** Buyer shall pay Seller the "**Monthly Cash Settlement Amount**", in arrears, for each Calculation Period in the amount equal to the sum, of (A) plus (B) minus (C), where:

A = the sum, over all hours of the Calculation Period, of (i) the applicable Energy Price for each hour of Delivered Energy within the applicable CAISO market (i.e. integrated forward market, fifteen minute, and/or Real-Time Market) multiplied by (ii) the quantity of Delivered Energy during the time interval in each respective market; and

B = the Green Attributes Price multiplied by the quantity of Green Attributes (in MWhs) that will be conveyed as described in Section 2.1 and that are associated with the Delivered Energy in the Calculation Period; and

C = the sum, over all hours of the Calculation Period, of (i) the applicable Energy Price for each hour of Delivered Energy within the applicable CAISO market (i.e. integrated forward market, fifteen minute, and/or Real-Time Market) multiplied by (ii) the quantity of Delivered Energy during the time interval in each respective market.

Such Monthly Cash Settlement Amount constitutes payment for the Product, including the Green Attributes, for such applicable Calculation Period. Buyer shall be obligated to make such payments with respect to each applicable Calculation Period notwithstanding the fact that the Green Attributes associated with a particular Calculation Period may be delivered or credited to Buyer's WREGIS account subsequent to the conclusion of the applicable Calculation Period in accordance with 1.1(b)(ii), provided that if Seller fails to comply with the provisions of Section 1.1(b)(ii), Buyer shall be entitled to exercise all rights and remedies available to Buyer under this Confirmation for Seller's failure to deliver the Product.

2.2 **Annual True-Up.** If the CPUC publishes the "Calculation of the Market Price Benchmarks for the Power Charge Indifferent Adjustment Forecast and True Up" which has a final "RPS Adder" for a calendar year that differs from the Green Attributes Price invoiced to and paid by the Buyer for the Product for that same calendar year, Seller will adjust future invoices to account for such differences. Subject to the other terms of this Confirmation, no interest shall be paid on the amount of any adjustments due to the publishing of a final "RPS Adder."

- 2.3 **Monthly Billing.** The calendar month shall be the standard period for all payments under this Confirmation (other than Termination Payments and as otherwise specified in this Confirmation). As soon as practicable after the end of each month, Seller will render to the Buyer an invoice for the payment obligations, if any, determined hereunder for the preceding month.
- 2.4 **Payment Due Date.** The Parties hereby agree that all invoices under this Confirmation shall be due and payable on the later of (a) the twentieth (20th) day of the month in which Seller delivered such invoice, provided that if such day is not a Business Day, then such invoice will be due and payable on the next Business Day, and (b) the tenth (10th) Business Day after Buyer's receipt of Seller's invoice. The Parties acknowledge that, due to the timing of their creation in WREGIS, Green Attributes may not have been delivered to Buyer at the time of the invoice or payment for the Calculation Period with which they are associated. Seller shall promptly transfer Green Attributes to Buyer after their creation in accordance with Section 1.1(b)(ii).
3. **LIMITED ASSIGNMENT.** Notwithstanding anything in the Agreement to the contrary, Buyer may make a limited assignment in connection with a municipal prepayment financing transaction to an entity (such entity, "Limited Assignee") that has, or that provides a parent guaranty in a form and substance reasonably acceptable to Seller from an entity with, an Investment Grade Credit Rating, of Buyer's right to receive Product (which shall not be for retail sale) and its obligation to make payments to Seller, which assignment (x) shall be expressly subject to the Limited Assignee's timely payment of amounts due under this Confirmation and (y) shall not relieve Buyer of any of its obligations under this Confirmation in any respects, at any time upon not less than thirty (30) days' Notice by delivering a written request for such assignment, which request must include a proposed form of agreement substantially in the form attached hereto as Exhibit B (subject to the Parties' good faith negotiation to finalize such agreement), or as otherwise reasonably acceptable to Seller. Seller agrees to (i) comply with Limited Assignee's reasonable requests for know-your-customer and similar account opening information and documentation with respect to Seller, including but not limited to information related to forecasted generation, credit rating, and compliance with antimoney laundering rules, the Dodd-Frank Act, the Commodity Exchange Act, the Patriot Act and similar rules, regulations, requirements and corresponding policies; and (ii) in good faith cooperate and work with Buyer and Limited Assignee to agree on such assignment agreement.
4. **TAXES AND FEES.** Seller shall pay or cause to be paid all taxes on or with respect to the Product or this Transaction arising prior to the Delivery Point. Buyer shall pay or cause to be paid all taxes on or with respect to the Product or this Transaction at and from the Delivery Point. As used herein "taxes" means, but is not limited to, any or all ad valorem, property, occupation, severance, first use, conservation, gross receipts, privilege, sales, use, consumption, excise, lease, transaction, and other taxes, governmental charges, licenses, fees, permits and assessments, or increases therein.
5. **FORCE MAJEURE.** To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Confirmation and such Party (the "Claiming Party") gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure). The Claiming Party shall remedy the Force Majeure with all reasonable dispatch. The non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.
6. **REMEDIES FOR FAILURE TO DELIVER/RECEIVE.**
- 6.1 If Seller fails to deliver all or part of the Product under this Confirmation, and such failure is not excused under the terms of the Product or by Buyer's failure to perform, then Seller shall pay Buyer within ten 10 Business Days of invoice receipt, an amount for such deficiency equal

to the positive difference, if any, obtained by subtracting the Green Attributes Price from the Replacement Price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

- 6.2 If Buyer fails to receive all or part of the Product pursuant to this Confirmation and such failure is not excused under the terms of the Product or by Seller's failure to perform, then Buyer shall pay Seller within ten 10 Business Days of invoice receipt, an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the Sales Price from the Green Attributes Price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.
- 6.3 In addition to Seller's remedies under Section 6.2 above, Seller's obligation to deliver the Contract Quantity may be reduced at Seller's option in the event Buyer fails to deliver, for any reason, any portion of the contract quantity of product set forth in that certain confirmation between Party A and Party B of even date herewith ("Related Confirmation"); provided, however, that Seller's obligation to deliver the Contract Quantity of Product may not be reduced by an amount greater than the contract quantity of product that Buyer failed to deliver under the Related Confirmation. Seller's rights under this provision are cumulative and in addition to Seller's rights under the Related Confirmation.

7. **REMEDIES UPON DEFAULT.**

- 7.1 Liquidated Damages. Buyer and Seller agree this Section 7 in its entirety represents the liquidated damages of each, and no part hereof represents a penalty.
- 7.2 Remedies. If either Party is subject to an Event of Default, then the other Party (the "Non-Defaulting Party") may select any or all of the following remedies: (i) to designate a day, no earlier than the day such notice is effective and no later than twenty (20) days after such notice is effective, as an early termination date ("Early Termination Date") on which the Transaction will be terminated (the "Terminated Transaction"), accelerate all amounts owing between the Parties and liquidate and terminate the Transaction (ii) withhold any payments due in respect of this Confirmation to the extent of its damages pursuant to this Section 7, (iii) suspend performance, and (iv) exercise such remedies as provided in this Confirmation, including an action for damages (except as limited by Section 7.5).
- 7.3 Termination Payment. With respect to any Terminated Transaction:
- (a) The Non-Defaulting Party shall aggregate into a single liquidated amount expressed in U.S. Dollars payable by the Defaulting Party or the Non-Defaulting Party, as applicable: (i) its Losses or Gains, and Costs, in each case solely in respect of the undelivered portion of the Contract Quantity for each year of the Delivery Term, *minus* (ii) any and all other amounts due and owing to the Defaulting Party under this Confirmation, *plus* (iii) any and all other amounts due and owing to the Non-Defaulting Party under this Confirmation (the "Termination Payment"). If the Termination Payment is a positive number, the Defaulting Party will pay it to the Non-Defaulting Party; if it is a negative number, the Non-Defaulting Party will pay the absolute value of the Termination Payment to the Defaulting Party.
 - (b) Any Termination Payment due under subsection (a) shall be due within ten (10) Business Days following the Defaulting Party's receipt of notice of the Termination Payment.
 - (c) Any Non-Defaulting Party shall be obligated to use commercially reasonable efforts to mitigate its Costs, Losses and damages resulting from any Event of Default of the other Party under this Confirmation; provided, that in no event will the Non-

Defaulting Party be required to use or change its utilization of its owned or controlled assets or market positions to mitigate its Costs, Losses and damages.

7.4 Calculation Disputes. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party will, within five (5) Business Days of receipt of the Non-Defaulting Party's calculation, provide the Non-Defaulting Party a detailed written explanation of the basis for such dispute.

7.5 Limitation on Damages. The Defaulting Party's liability will be limited to the Termination Payment as set forth in Section 7.3.

7.6 Exclusive Remedy. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS. ALL OTHER REMEDIES OR DAMAGES FOR FAILURE TO SELL OR PURCHASE PRODUCT AT LAW OR IN EQUITY ARE HEREBY WAIVED.

8. CREDIT TERMS. Notwithstanding anything herein or in the Master Agreement to the contrary, Performance Assurance shall not be required from either Party in connection with this Transaction.

9. WAIVER. No delay or omission by a Party in the exercise of any right under this Confirmation shall be taken, construed or considered as a waiver or relinquishment thereof, and any such right may be exercised from time to time and as often as may be deemed expedient. If any of the terms and conditions hereof are breached and thereafter waived by a Party, such waiver shall be limited to the particular breach so waived and is not deemed to waive any other breach hereunder.

10. COUNTERPARTS. This Confirmation may be signed in any number of counterparts with the same effect as if the signatures to the counterparts were upon a single instrument. The Parties may rely on electronic or scanned signatures as originals under this Confirmation. Delivery of an executed signature page of this Confirmation by electronic mail transmission (including PDF) shall be the same as delivery of a manually executed signature page.

11. ENTIRE AGREEMENT. This Confirmation sets forth the terms of the Transaction into which the Parties have entered and the Agreement shall constitute the entire agreement between the Parties relating to the contemplated purchase and sale of the Product. Notwithstanding any other provision of the Agreement, this Transaction may be entered into only through a written instrument executed by both Parties, and no amendment or modification to this Confirmation shall be enforceable except through a written instrument executed by both Parties.

12. DEFINITIONS.

“Applicable Law” means any statute, law, treaty, rule, tariff, regulation, ordinance, code, permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction by a court or Governmental Authority of competent

jurisdiction, or any binding interpretation of the foregoing, as any of them is amended or supplemented from time to time, that apply to either or both of the Parties, the Generating Facilities, the California RPS, or the terms of the Agreement.

“CAISO” means the California Independent System Operator Corporation or the successor organization to the functions thereof.

“CAISO Energy” has the meaning set forth in the CAISO Tariff.

“CAISO Tariff” means the California Independent System Operator Corporation Agreement and Tariff, Business Practice Manuals (BPMs), and Operating Procedures, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time-to-time and approved by the Federal Energy Regulatory Commission or any successor entity performing similar functions.

“Calculation Period” means each calendar month, or portion thereof, during the Delivery Term.

“California RPS” or “California Renewables Portfolio Standard” means the California renewables portfolio standard, as set forth in Cal. Pub. Util. Code §§ 399.11 et seq. and requiring that a specified percentage of a retail seller’s retail sales should be supplied with electricity generated by eligible ERRs, as administered by the CPUC as set forth in applicable CPUC Decisions (“D”), including D.11-12-052, and as may be modified by subsequent decision of the CPUC or by subsequent legislation, and regulations promulgated with respect thereto.

“CEC” means the California Energy Commission or any successor entity performing similar functions.

“Change in Law” has the meaning set forth in Section 1.3 hereof, and “change in law” when used herein means Change in Law.

“Contract Price” has the meaning set forth on page 1 of this Confirmation.

“Contract Quantity” has the meaning set forth on page 1 of this Confirmation.

“CPUC” means the California Public Utilities Commission or any successor entity performing similar functions.

“Delivery Point” has the meaning set forth on page 2 of this Confirmation.

“Delivery Term” has the meaning set forth on page 1 of this Confirmation.

“Energy” means electrical energy, measured in MWh, generated by the Project.

“Exhibit(s)” shall be those certain Exhibit(s), which are attached hereto and made a part hereof.

“Force Majeure” means an event or circumstance which prevents one Party from performing its obligations under this Confirmation, which event or circumstance was not anticipated as of the Effective Date, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (i) the loss of Buyer’s markets; (ii) Buyer’s inability economically to use or resell the Product purchased hereunder; or (iii) Seller’s ability to sell the Product at a price greater than the Contract Price.

“Governmental Authority” means any federal, state, local or municipal government, governmental department, commission, board, bureau, agency, or instrumentality, or any judicial, regulatory or

administrative body, or the CAISO or any other transmission authority, having or asserting jurisdiction over a Party or the Agreement.

“Green Attributes” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (a) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (b) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere; (c) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser’s discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy. Green Attributes do not include (i) any Energy, capacity, reliability or other power attributes from the Project, (ii) production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions, or allowances associated with the Project that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or “tipping fees” that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits. If the Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Project.

“Green Attributes Price” has the meaning set forth on page 1 of this Confirmation.

“Index Price” means the CAISO Integrated Forward Market Day-Ahead price (as such term is defined in the CAISO Tariff) at the Pricing Node for each applicable hour of a Project as published by the CAISO on the CAISO website; or any successor thereto, unless a substitute publication and/or index is mutually agreed to by the Parties.

“Investment Grade Credit Rating” means a Credit Rating of BBB- or higher by S&P, BBB- or higher by Fitch, or Baa3 or higher by Moody’s.

“Long-Term Contract” means any RPS power purchase and sale agreement between SCE and a third party generator which has at least ten (10) years remaining in its delivery term as of the Start Date or, for facilities added to Exhibit A after the Start Date, the date when its generation facilities are added to Exhibit A, which Product has been sold by SCE to Seller pursuant to the Upstream Agreement, and from which Seller shall re-sell Product to Buyer under this Confirmation, and which otherwise meets the Seller representations and warranties set forth in Section 1.6 of this Confirmation.

“MW” means megawatt.

“MWh” means megawatt-hour.

“Project” as used herein has the same meaning as “Generating Facility.”

“REC Vintage” means the date of Energy generation found on a WREGIS Certificate.

“Related Confirmation” means that certain Confirmation for Energy and Associated Green Attributes between Party B (as Buyer) and Party A (as Seller) dated as of the date hereof.

“Renewable Energy Credits” or “REC” has the meaning set forth in California Public Utilities Code Section 399.12(h) and CPUC Decision D.08-08-028, as applicable to the specific RECs transferred hereunder. Each REC conveys the right to claim title to all attributes corresponding to one megawatt of electric energy generated by an ERR and is evidenced by the transfer of one WREGIS Certificate.

“Replacement Price” means (a) the price at which Buyer, acting in a commercially reasonable manner, purchases at the Delivery Point a replacement for any Product specified in a Transaction but not delivered by Seller, plus (i) costs reasonably incurred by Buyer in purchasing such substitute Product and (ii) additional transmission charges, if any, reasonably incurred by Buyer to the Delivery Point, or (b) at Buyer’s option, the market price at the Delivery Point for such Product not delivered as determined by Buyer in a commercially reasonable manner; provided, however, in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall Buyer be required to utilize or change its utilization of its owned or controlled assets or market positions to minimize Seller’s liability. For the purposes of this definition, Buyer shall be considered to have purchased replacement Product to the extent Buyer shall have entered into one or more arrangements in a commercially reasonable manner whereby Buyer repurchases its obligation to sell and deliver the Product to another party at the Delivery Point.

“Reporting Year” means the period beginning January 1 and continuing until December 31 of the subject year (e.g., Reporting Year 2026 means January 1, 2026 through December 31, 2026).

“Sales Price” means (a) the price at which Seller, acting in a commercially reasonable manner, resells at the Delivery Point any Product not received by Buyer, deducting from such proceeds any (i) costs reasonably incurred by Seller in reselling such Product and (ii) additional transmission charges, if any, reasonably incurred by Seller in delivering such Product to the third party purchasers, or (b) at Seller’s option, the market price at the Delivery Point for such Product not received as determined by Seller in a commercially reasonable manner; provided, however, in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall Seller be required to utilize or change its utilization of its owned or controlled assets, including contractual assets, or market positions to minimize Buyer’s liability. For purposes of this definition, Seller shall be considered to have resold such Product to the extent Seller shall have entered into one or more arrangements in a commercially reasonable manner whereby Seller repurchases its obligation to purchase and receive the Product from another party at the Delivery Point. Notwithstanding anything herein or in the Master Agreement to the contrary, the Sales Price shall not be less than zero dollars (\$0.00).

“SCE” means Southern California Edison.

“Upstream Agreement” means that certain Voluntary Allocation Agreement effective as of [DATE], between Party B and Southern California Edison (and any subsequent related agreements).

“WECC” means the Western Electricity Coordinating Council or its successor organizations.

“WREGIS” means the Western Renewable Energy Generation Information System or any successor renewable energy tracking program.

“WREGIS Certificate” means “Certificate” as defined by WREGIS in the WREGIS Operating Rules and designated by law as eligible for complying with the California RPS Program and for evidencing the RECs associated with the Product.

“WREGIS Operating Rules” means the operating rules and requirements adopted by WREGIS.

EXHIBIT A
PROJECTS

EXHIBIT B
FORM OF LIMITED ASSIGNMENT AGREEMENT

CONFIRMATION LONG-TERM RPS ENERGY AND GREEN ATTRIBUTES

This confirmation (“Confirmation”) confirms the Transaction between Clean Energy Alliance, a California joint powers authority (“Party A”) and Desert Community Energy, a California joint powers authority (“Party B”), each individually a “Party” and together the “Parties”, dated as of [____], 2026 (the “Effective Date”), by which Seller agrees to sell and deliver, and Buyer agrees to purchase and receive, the Product (the “Transaction”). This Transaction is governed by, constitutes part of, and is subject to the terms and provisions of the Edison Electric Institute Master Power Purchase and Sale Agreement dated [____] between the Parties (the “Master Agreement”). In the event of a conflict between the provisions of the Master Agreement and this Confirmation, this Confirmation shall control. This Confirmation and the Master Agreement, including any appendices, exhibits or amendments hereto or thereto, shall collectively be referred to as the “Agreement” and will constitute a single agreement between the Parties with respect to the Transaction. Terms capitalized but not defined herein shall have the meaning as set forth in the Master Agreement or the CAISO Tariff.

The Parties agree as follows:

Seller: Party A		Buyer: Party B	
Product:		The “<u>Product</u>” is Energy and associated Green Attributes generated from the Project. During the Delivery Term, Seller shall deliver and sell, and Buyer shall purchase and receive, the Contract Quantity of this Product, subject to the terms and conditions of this Confirmation. Seller shall not substitute or attempt to deliver any Product, including Green Attributes, from any generating resource other than the Project except as expressly permitted in Section 1.1 (Seller Delivery Obligation).	
Contract Price:		The “<u>Contract Price</u>” means the Index Price plus the Green Attributes Price. The “<u>Green Attributes Price</u>” means the “RPS Adder” for the calendar year in which the RECs are generated, published by the Energy Division of the CPUC as the “Calculation of the Market Price Benchmarks for the Power Charge Indifference Adjustment Forecast and True Up”, which may be revised in future publications by the CPUC as the final “RPS Adder”.	
Contract Quantity (MWh):		REC Vintage 2026: 21,000 MWh REC Vintage 2027: 70,000 MWh REC Vintage 2028: 70,000 MWh REC Vintage 2029: 70,000 MWh REC Vintage 2030: 70,000 MWh REC Vintage 2031: 70,000 MWh REC Vintage 2032: 70,000 MWh REC Vintage 2033: 60,000 MWh REC Vintage 2034: 60,000 MWh	
Delivery Term:		October 1, 2026 through December 31, 2034; provided that, for the sole purpose of matching delivery of RECs with Energy, such period will extend through the date that all RECs associated with such Energy have been delivered from Seller to Buyer in accordance with this Confirmation.	
Delivery Point:		Ref. to sample: SP15 (TH_SP15_GEN_APND)	

Payment Terms:	See Section 2
Collateral:	None

This Confirmation is subject to the General Terms and Conditions and Exhibits identified below and attached hereto:

Exhibit A – Projects

Exhibit B – Form of Limited Assignment Agreement

IN WITNESS WHEREOF, the Parties have signed this Confirmation effective as of the Effective Date.

DESERT COMMUNITY ENERGY,
a California joint powers authority

CLEAN ENERGY ALLIANCE,
a California joint powers authority

By: _____
Name: Tom Kirk
Title: Executive Director

By: _____
Name: Gregory Wade
Title: Chief Executive Officer

GENERAL TERMS AND CONDITIONS

1. PRODUCT.

1.1 Seller Delivery Obligation.

(a) Seller's Conveyance of Energy.

- (i) Beginning on the first day of the Delivery Term and throughout all applicable months of the Delivery Term, Seller shall deliver and sell, and Buyer shall purchase and receive, the Product, subject to the terms and conditions of this Confirmation. Seller will not be obligated to sell or replace any Product that is not or cannot be delivered as a result of Force Majeure or which is not received by Seller pursuant to the Upstream Agreement.
- (ii) The Energy transferred hereunder is transferred immediately to Buyer upon receipt of such Energy by Seller. Should any Energy provided by Seller under this Confirmation be determined to not have been transferred to Buyer immediately or to have originated from a resource other than a Project (except as permitted under Section 1.1), Seller shall remedy such failure in a manner reasonably acceptable to Buyer within a reasonable period of time after written notice of such failure is given to Seller by Buyer.
- (iii) In the event that Energy being transferred from Seller to Buyer originates from a Project located outside of the state of California that does not have a pseudo-tie arrangement with the applicable California balancing authority, Seller shall provide Buyer a reconciliation consisting of hourly meter data, tag data and associated calculations, lesser of each by hour, for each vintage month of RECs delivered to Buyer under this Confirmation.

(b) Seller's Conveyance of Green Attributes.

- (i) During the Delivery Period, Seller, at its own cost and expense, shall maintain its registration with WREGIS. All Green Attributes transferred by Seller hereunder shall be California RPS-compliant, subject to confirmation by the CEC. Seller shall, at its sole expense, use WREGIS as required pursuant to the WREGIS Operating Rules to effectuate the transfer of Green Attributes to Buyer in accordance with WREGIS reporting protocols and WREGIS Operating Rules.
- (ii) For each applicable month of the Delivery Period, Seller shall deliver and convey the Green Attributes associated with the California RPS-Eligible Electric Energy delivered pursuant to 1.1(a) above within five (5) days of Seller's receipt of the WREGIS Certificates for the Green Attributes pursuant to the Upstream Agreement. Seller shall deliver and convey such Green Attributes by properly transferring such WREGIS Certificates, in accordance with the rules and regulations of WREGIS, equivalent to the quantity of Green Attributes, to Buyer into Buyer's WREGIS account such that all right, title and interest in and to the WREGIS Certificates shall transfer from Seller to Buyer; provided further, that if Seller fails to properly transfer such WREGIS Certificates to Buyer in accordance with the above due to an error or omission of an administrative or clerical nature and if such failure can be cured with no harm to Buyer, then Seller may cure such failure within thirty (30) days after notice of such failure.

- (iii) In addition to its other obligations under this Section 1.1, Seller shall convey to Buyer WREGIS Certificates from the Projects that are of the same Vintage Year as the Product that was provided under Section 1.1(a) of this Confirmation.
- (c) Modification of Projects. All Product sold by Seller to Buyer hereunder shall be from the facilities listed in Exhibit A, or subsequently identified pursuant to the Upstream Agreement and the requirements of this Confirmation and otherwise meeting the Seller representations, warranties and covenants set forth herein (each such facility, a “Project” and collectively, the “Projects”). Buyer acknowledges and agrees that under the Upstream Agreement, SDG&E has the right, at any time and in its sole discretion, to reducing the quantity from a Project or removing a Project from the Upstream Agreement. If a Project is removed from the Upstream Agreement, the Project shall cease to be a Project under this Confirmation. Seller shall provide prompt notice to Buyer upon receipt of any notice to Seller from SDG&E of any such reduction or termination has occurred. Seller has the right to amend the list of Projects in Exhibit A from time to time with written notice prior to the delivery of Energy from such Project or Projects to reflect SDG&E’s removal of one or more Projects from the Upstream Agreement. Notwithstanding any provision herein to the contrary, Seller may only deliver Product to Buyer from non-emitting, zero-emission generating facilities. Further, Seller agrees to deliver Product that is hundred percent (100%) from solar generating resources only. Notwithstanding the foregoing, upon the occurrence of (i) a removal or reduction of a Project under the Upstream Agreement, or (ii) another event that reduces Seller’s ability to deliver Product from a Project (other than due to Seller’s breach), Seller may, upon prior written notice to Buyer, substitute Energy and associated Green Attributes from one or more other generating facilities; provided that such substitute Product:
 - (A) is from non-emitting, solar generating resources;
 - (B) qualifies as California RPS-compliant and meets all requirements of this Confirmation applicable to the original Product;
 - (C) is delivered at the same Delivery Point; and
 - (D) does not otherwise materially adversely affect Buyer’s regulatory, compliance, or accounting treatment of the Product.

Any such substitution shall not constitute a failure to deliver, provided the foregoing conditions are satisfied.

- (d) Quantity of Product. Buyer acknowledges that the quantities of Product available to Seller under the Upstream Agreement is dependent on Seller’s load share percentage with SDG&E, which is subject to adjustment on an annual basis. In the event that a reduction in the load share percentage of Seller under the Upstream Agreement results in a change in the amount of Product available to Seller from each Project that is less than the amount that Seller is obligated to deliver to Buyer pursuant to this Confirmation, then the quantity of Product that Seller is obligated to deliver pursuant to this Confirmation will be reduced accordingly.
- (e) Obligation to Deliver; Remedies for Shortfall. Seller’s obligation to deliver the Product is a firm obligation, subject only to Force Majeure and Seller’s failure to receive such Product under the Upstream Agreement. In the event that Seller is prevented from delivering the quantity of Product set forth in this Confirmation for a reason set forth in this Section 1.1 and not an event of default by Seller, then Buyer

will have the right to make a corresponding reduction in volume of Product pursuant to that certain swap confirmation between Buyer and Seller of even date herewith ("Swap Confirmation"), it being understood that this Confirmation and the Swap Confirmation are intended to match in terms of price and quantity.

1.2 Reserved.

1.3 Change in Law.

- (a) If due to any action by the CPUC or any Governmental Authority, or any change in Applicable Law occurring after the Effective Date that modifies the California RPS such that this Confirmation no longer meets the requirements of the California RPS for this Product (a "Change in Law"), Seller shall use commercially reasonable efforts to obtain compliance with such Change in Law provided that such costs should not be greater than \$25,000 (the "Capped Amount"). This requirement shall not apply to any Product that was delivered prior to any Change in Law if such Product complied with the California RPS that existed when it was delivered.
- (b) The Parties acknowledge that the CEC and/or CPUC may be modifying mandatory contract language, altering the procurement and product qualification rules, and updating the relevant RPS Eligibility Guidebook in a manner consistent with that legislation. If any statutes, rules, regulations, permits or authorizations are enacted, amended, granted or revoked which have the effect of changing the transfer and sale procedure set forth in this Confirmation so that the implementation of this Transaction becomes impossible or impracticable, or otherwise revokes or eliminates the California RPS or language required to conform to the California RPS, subject to Seller's obligation to use commercially reasonable efforts to obtain compliance with a Change in Law up to the Capped Amount, the Parties hereto agree to negotiate in good faith to amend this Confirmation to conform with such new statutes, regulations, or rules in order to maintain the original intent of the Parties under this Confirmation; provided, however, pending any amendment to this Confirmation, to the extent practicable and lawful, the Parties shall perform their respective obligations hereunder in accordance with Applicable Laws as they existed prior to the effectiveness of such new statutes, regulations, or rules; provided, further, that notwithstanding the foregoing or anything to the contrary herein, neither Party shall be obligated to perform any obligation hereunder (other than payment obligations) to the extent that doing so would cause such Party to be materially adversely affected. If, after use of commercially reasonable efforts by Seller to obtain compliance with a Change in Law and within thirty (30) days after initiating discussions to amend this Confirmation in accordance with the preceding sentence ("Negotiation Period"), the Parties have not agreed upon any amendments to this Confirmation or other agreed measures such that the Confirmation and/or the Product meet(s) the requirements of the California RPS, either Party may terminate this Confirmation within thirty (30) days after the Negotiation Period upon written notice to the other Party, which shall be effective the next Business Day after such notice is received, and any such termination shall be without liability to either Party, except that Buyer shall remain liable to Seller for any Product delivered prior to the effective date of such termination (including for any RECs associated with Energy already delivered to Buyer).

1.4 RPS Non-Modifiable Standard Terms and Conditions (STC).

STC 6: Eligibility. Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource ("ERR") as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project's output delivered

to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. [STC 6, Non-modifiable. D.07-11-025, Attachment A, D.0804009]

STC REC-1: Transfer of Renewable Energy Credits. Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. [STC REC-1, Non-modifiable. D.11-01-025]

STC REC-2: Tracking of RECs in WREGIS. Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract. [STC REC-2, Non-modifiable. D.11-01-025]

STC 17: Applicable Law. This Agreement and the rights and duties of the parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement. [STC 17, Nonmodifiable. D.07-11-025, Attachment A, D.08-04-009]

The aggregate “commercially reasonable efforts” expenditures for Eligibility (STC 6), Transfer of RECS (STC REC-1), and Change of Law (Section 1.3) are limited to the Capped Amount.

1.5 Reserved.

1.6 Seller Representations, Warranties and Covenants.

(a) Seller represents, warrants and covenants, as of the Effective Date and throughout the Delivery Term, that:

(i) Seller has the contractual rights to sell all right, title, and interest in the Product agreed to be delivered hereunder, subject to the terms of Section 1.1;

(ii) Seller has not sold the Product to be delivered under this Confirmation to any other person or entity;

(iii) at the time of delivery, all rights, title, and interest in the Product to be delivered under this Confirmation are free and clear of all liens, taxes, claims, security interests, or other encumbrances of any kind whatsoever;

(iv) The facilities included in the Project each: (a) have a first point of interconnection with a California balancing authority, or (b) have a first point of interconnection with distribution facilities used to serve end users within a California balancing authority area, or (c) are scheduled from the eligible

renewable energy resource into a California balancing authority without substituting electricity from another source;

- (v) This Confirmation transfers only Energy and Green Attributes that have been generated during the Delivery Term; and
 - (vi) All Product sold hereunder will be from Long-Term Contracts.
- (b) Seller makes no representation, warranty or covenant with respect to any portfolio content category designation pursuant to California Public Utilities Code Section 399.16, nor any eligibility of the Product to qualify as excess procurement pursuant to California Public Utilities Code Section 399.13(a)(4)(B).
- (c) For the avoidance of doubt, during the Delivery Term, Seller shall act on Buyer's behalf with respect to Energy deliveries to the CAISO and CAISO settlement.

2. **MONTHLY BILLING SETTLEMENT.**

2.1 **Monthly Cash Settlement Amount.** Buyer shall pay Seller the "**Monthly Cash Settlement Amount**", in arrears, for each Calculation Period in the amount equal to the sum, of (A) plus (B) minus (C), where:

A = the sum, over all hours of the Calculation Period, of (i) the applicable Energy Price for each hour of Delivered Energy within the applicable CAISO market (i.e. integrated forward market, fifteen minute, and/or Real-Time Market) multiplied by (ii) the quantity of Delivered Energy during the time interval in each respective market; and

B = the Green Attributes Price multiplied by the quantity of Green Attributes (in MWhs) that will be conveyed as described in Section 2.1 and that are associated with the Delivered Energy in the Calculation Period; and

C = the sum, over all hours of the Calculation Period, of (i) the applicable Energy Price for each hour of Delivered Energy within the applicable CAISO market (i.e. integrated forward market, fifteen minute, and/or Real-Time Market) multiplied by (ii) the quantity of Delivered Energy during the time interval in each respective market.

Such Monthly Cash Settlement Amount constitutes payment for the Product, including the Green Attributes, for such applicable Calculation Period. Buyer shall be obligated to make such payments with respect to each applicable Calculation Period notwithstanding the fact that the Green Attributes associated with a particular Calculation Period may be delivered or credited to Buyer's WREGIS account subsequent to the conclusion of the applicable Calculation Period in accordance with 1.1(b)(ii), provided that if Seller fails to comply with the provisions of Section 1.1(b)(ii), Buyer shall be entitled to exercise all rights and remedies available to Buyer under this Confirmation for Seller's failure to deliver the Product.

2.2 **Annual True-Up.** If the CPUC publishes the "Calculation of the Market Price Benchmarks for the Power Charge Indifferent Adjustment Forecast and True Up" which has a final "RPS Adder" for a calendar year that differs from the Green Attributes Price invoiced to and paid by the Buyer for the Product for that same calendar year, Seller will adjust future invoices to account for such differences. Subject to the other terms of this Confirmation, no interest shall be paid on the amount of any adjustments due to the publishing of a final "RPS Adder."

- 2.3 **Monthly Billing.** The calendar month shall be the standard period for all payments under this Confirmation (other than Termination Payments and as otherwise specified in this Confirmation). As soon as practicable after the end of each month, Seller will render to the Buyer an invoice for the payment obligations, if any, determined hereunder for the preceding month.
- 2.4 **Payment Due Date.** The Parties hereby agree that all invoices under this Confirmation shall be due and payable on the later of (a) the twentieth (20th) day of the month in which Seller delivered such invoice, provided that if such day is not a Business Day, then such invoice will be due and payable on the next Business Day, and (b) the tenth (10th) Business Day after Buyer's receipt of Seller's invoice. The Parties acknowledge that, due to the timing of their creation in WREGIS, Green Attributes may not have been delivered to Buyer at the time of the invoice or payment for the Calculation Period with which they are associated. Seller shall promptly transfer Green Attributes to Buyer after their creation in accordance with Section 1.1(b)(ii).
3. **LIMITED ASSIGNMENT.** Notwithstanding anything in the Agreement to the contrary, Buyer may make a limited assignment in connection with a municipal prepayment financing transaction to an entity (such entity, "Limited Assignee") that has, or that provides a parent guaranty in a form and substance reasonably acceptable to Seller from an entity with, an Investment Grade Credit Rating, of Buyer's right to receive Product (which shall not be for retail sale) and its obligation to make payments to Seller, which assignment (x) shall be expressly subject to the Limited Assignee's timely payment of amounts due under this Confirmation and (y) shall not relieve Buyer of any of its obligations under this Confirmation in any respects, at any time upon not less than thirty (30) days' Notice by delivering a written request for such assignment, which request must include a proposed form of agreement substantially in the form attached hereto as Exhibit B (subject to the Parties' good faith negotiation to finalize such agreement), or as otherwise reasonably acceptable to Seller. Seller agrees to (i) comply with Limited Assignee's reasonable requests for know-your-customer and similar account opening information and documentation with respect to Seller, including but not limited to information related to forecasted generation, credit rating, and compliance with antimoney laundering rules, the Dodd-Frank Act, the Commodity Exchange Act, the Patriot Act and similar rules, regulations, requirements and corresponding policies; and (ii) in good faith cooperate and work with Buyer and Limited Assignee to agree on such assignment agreement.
4. **TAXES AND FEES.** Seller shall pay or cause to be paid all taxes on or with respect to the Product or this Transaction arising prior to the Delivery Point. Buyer shall pay or cause to be paid all taxes on or with respect to the Product or this Transaction at and from the Delivery Point. As used herein "taxes" means, but is not limited to, any or all ad valorem, property, occupation, severance, first use, conservation, gross receipts, privilege, sales, use, consumption, excise, lease, transaction, and other taxes, governmental charges, licenses, fees, permits and assessments, or increases therein.
5. **FORCE MAJEURE.** To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Confirmation and such Party (the "Claiming Party") gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure). The Claiming Party shall remedy the Force Majeure with all reasonable dispatch. The non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.
6. **REMEDIES FOR FAILURE TO DELIVER/RECEIVE.**
- 6.1 If Seller fails to deliver all or part of the Product under this Confirmation, and such failure is not excused under the terms of the Product or by Buyer's failure to perform, then Seller shall pay Buyer within ten 10 Business Days of invoice receipt, an amount for such deficiency equal

to the positive difference, if any, obtained by subtracting the Green Attributes Price from the Replacement Price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

- 6.2 If Buyer fails to receive all or part of the Product pursuant to this Confirmation and such failure is not excused under the terms of the Product or by Seller's failure to perform, then Buyer shall pay Seller within ten 10 Business Days of invoice receipt, an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the Sales Price from the Green Attributes Price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.
- 6.3 In addition to Seller's remedies under Section 6.2 above, Seller's obligation to deliver the Contract Quantity may be reduced at Seller's option in the event Buyer fails to deliver, for any reason, any portion of the contract quantity of product set forth in that certain confirmation between Party A and Party B of even date herewith ("Related Confirmation"); provided, however, that Seller's obligation to deliver the Contract Quantity of Product may not be reduced by an amount greater than the contract quantity of product that Buyer failed to deliver under the Related Confirmation. Seller's rights under this provision are cumulative and in addition to Seller's rights under the Related Confirmation.

7. **REMEDIES UPON DEFAULT.**

- 7.1 Liquidated Damages. Buyer and Seller agree this Section 7 in its entirety represents the liquidated damages of each, and no part hereof represents a penalty.
- 7.2 Remedies. If either Party is subject to an Event of Default, then the other Party (the "Non-Defaulting Party") may select any or all of the following remedies: (i) to designate a day, no earlier than the day such notice is effective and no later than twenty (20) days after such notice is effective, as an early termination date ("Early Termination Date") on which the Transaction will be terminated (the "Terminated Transaction"), accelerate all amounts owing between the Parties and liquidate and terminate the Transaction (ii) withhold any payments due in respect of this Confirmation to the extent of its damages pursuant to this Section 7, (iii) suspend performance, and (iv) exercise such remedies as provided in this Confirmation, including an action for damages (except as limited by Section 7.5).
- 7.3 Termination Payment. With respect to any Terminated Transaction:
- (a) The Non-Defaulting Party shall aggregate into a single liquidated amount expressed in U.S. Dollars payable by the Defaulting Party or the Non-Defaulting Party, as applicable: (i) its Losses or Gains, and Costs, in each case solely in respect of the undelivered portion of the Contract Quantity for each year of the Delivery Term, *minus* (ii) any and all other amounts due and owing to the Defaulting Party under this Confirmation, *plus* (iii) any and all other amounts due and owing to the Non-Defaulting Party under this Confirmation (the "Termination Payment"). If the Termination Payment is a positive number, the Defaulting Party will pay it to the Non-Defaulting Party; if it is a negative number, the Non-Defaulting Party will pay the absolute value of the Termination Payment to the Defaulting Party.
 - (b) Any Termination Payment due under subsection (a) shall be due within ten (10) Business Days following the Defaulting Party's receipt of notice of the Termination Payment.
 - (c) Any Non-Defaulting Party shall be obligated to use commercially reasonable efforts to mitigate its Costs, Losses and damages resulting from any Event of Default of the other Party under this Confirmation; provided, that in no event will the Non-

Defaulting Party be required to use or change its utilization of its owned or controlled assets or market positions to mitigate its Costs, Losses and damages.

7.4 Calculation Disputes. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party will, within five (5) Business Days of receipt of the Non-Defaulting Party's calculation, provide the Non-Defaulting Party a detailed written explanation of the basis for such dispute.

7.5 Limitation on Damages. The Defaulting Party's liability will be limited to the Termination Payment as set forth in Section 7.3.

7.6 Exclusive Remedy. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS. ALL OTHER REMEDIES OR DAMAGES FOR FAILURE TO SELL OR PURCHASE PRODUCT AT LAW OR IN EQUITY ARE HEREBY WAIVED.

8. CREDIT TERMS. Notwithstanding anything herein or in the Master Agreement to the contrary, Performance Assurance shall not be required from either Party in connection with this Transaction.

9. WAIVER. No delay or omission by a Party in the exercise of any right under this Confirmation shall be taken, construed or considered as a waiver or relinquishment thereof, and any such right may be exercised from time to time and as often as may be deemed expedient. If any of the terms and conditions hereof are breached and thereafter waived by a Party, such waiver shall be limited to the particular breach so waived and is not deemed to waive any other breach hereunder.

10. COUNTERPARTS. This Confirmation may be signed in any number of counterparts with the same effect as if the signatures to the counterparts were upon a single instrument. The Parties may rely on electronic or scanned signatures as originals under this Confirmation. Delivery of an executed signature page of this Confirmation by electronic mail transmission (including PDF) shall be the same as delivery of a manually executed signature page.

11. ENTIRE AGREEMENT. This Confirmation sets forth the terms of the Transaction into which the Parties have entered and the Agreement shall constitute the entire agreement between the Parties relating to the contemplated purchase and sale of the Product. Notwithstanding any other provision of the Agreement, this Transaction may be entered into only through a written instrument executed by both Parties, and no amendment or modification to this Confirmation shall be enforceable except through a written instrument executed by both Parties.

12. DEFINITIONS.

“Applicable Law” means any statute, law, treaty, rule, tariff, regulation, ordinance, code, permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction by a court or Governmental Authority of competent

jurisdiction, or any binding interpretation of the foregoing, as any of them is amended or supplemented from time to time, that apply to either or both of the Parties, the Generating Facilities, the California RPS, or the terms of the Agreement.

“CAISO” means the California Independent System Operator Corporation or the successor organization to the functions thereof.

“CAISO Energy” has the meaning set forth in the CAISO Tariff.

“CAISO Tariff” means the California Independent System Operator Corporation Agreement and Tariff, Business Practice Manuals (BPMs), and Operating Procedures, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time-to-time and approved by the Federal Energy Regulatory Commission or any successor entity performing similar functions.

“Calculation Period” means each calendar month, or portion thereof, during the Delivery Term.

“California RPS” or “California Renewables Portfolio Standard” means the California renewables portfolio standard, as set forth in Cal. Pub. Util. Code §§ 399.11 et seq. and requiring that a specified percentage of a retail seller’s retail sales should be supplied with electricity generated by eligible ERRs, as administered by the CPUC as set forth in applicable CPUC Decisions (“D”), including D.11-12-052, and as may be modified by subsequent decision of the CPUC or by subsequent legislation, and regulations promulgated with respect thereto.

“CEC” means the California Energy Commission or any successor entity performing similar functions.

“Change in Law” has the meaning set forth in Section 1.3 hereof, and “change in law” when used herein means Change in Law.

“Contract Price” has the meaning set forth on page 1 of this Confirmation.

“Contract Quantity” has the meaning set forth on page 1 of this Confirmation.

“CPUC” means the California Public Utilities Commission or any successor entity performing similar functions.

“Delivery Point” has the meaning set forth on page 2 of this Confirmation.

“Delivery Term” has the meaning set forth on page 1 of this Confirmation.

“Energy” means electrical energy, measured in MWh, generated by the Project.

“Exhibit(s)” shall be those certain Exhibit(s), which are attached hereto and made a part hereof.

“Force Majeure” means an event or circumstance which prevents one Party from performing its obligations under this Confirmation, which event or circumstance was not anticipated as of the Effective Date, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (i) the loss of Buyer’s markets; (ii) Buyer’s inability economically to use or resell the Product purchased hereunder; or (iii) Seller’s ability to sell the Product at a price greater than the Contract Price.

“Governmental Authority” means any federal, state, local or municipal government, governmental department, commission, board, bureau, agency, or instrumentality, or any judicial, regulatory or

administrative body, or the CAISO or any other transmission authority, having or asserting jurisdiction over a Party or the Agreement.

“Green Attributes” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (a) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (b) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere; (c) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser’s discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy. Green Attributes do not include (i) any Energy, capacity, reliability or other power attributes from the Project, (ii) production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions, or allowances associated with the Project that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or “tipping fees” that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits. If the Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Project.

“Green Attributes Price” has the meaning set forth on page 1 of this Confirmation.

“Index Price” means the CAISO Integrated Forward Market Day-Ahead price (as such term is defined in the CAISO Tariff) at the Pricing Node for each applicable hour of a Project as published by the CAISO on the CAISO website; or any successor thereto, unless a substitute publication and/or index is mutually agreed to by the Parties.

“Investment Grade Credit Rating” means a Credit Rating of BBB- or higher by S&P, BBB- or higher by Fitch, or Baa3 or higher by Moody’s.

“Long-Term Contract” means any RPS power purchase and sale agreement between SDG&E and a third party generator which has at least ten (10) years remaining in its delivery term as of the Start Date or, for facilities added to Exhibit A after the Start Date, the date when its generation facilities are added to Exhibit A, which Product has been sold by SDG&E to Seller pursuant to the Upstream Agreement, and from which Seller shall re-sell Product to Buyer under this Confirmation, and which otherwise meets the Seller representations and warranties set forth in Section 1.6 of this Confirmation.

“MW” means megawatt.

“MWh” means megawatt-hour.

“Project” as used herein has the same meaning as “Generating Facility.”

“REC Vintage” means the date of Energy generation found on a WREGIS Certificate.

“Related Confirmation” means that certain Confirmation for Energy and Associated Green Attributes between Party B (as Buyer) and Party A (as Seller) dated as of the date hereof.

“Renewable Energy Credits” or “REC” has the meaning set forth in California Public Utilities Code Section 399.12(h) and CPUC Decision D.08-08-028, as applicable to the specific RECs transferred hereunder. Each REC conveys the right to claim title to all attributes corresponding to one megawatt of electric energy generated by an ERR and is evidenced by the transfer of one WREGIS Certificate.

“Replacement Price” means (a) the price at which Buyer, acting in a commercially reasonable manner, purchases at the Delivery Point a replacement for any Product specified in a Transaction but not delivered by Seller, plus (i) costs reasonably incurred by Buyer in purchasing such substitute Product and (ii) additional transmission charges, if any, reasonably incurred by Buyer to the Delivery Point, or (b) at Buyer’s option, the market price at the Delivery Point for such Product not delivered as determined by Buyer in a commercially reasonable manner; provided, however, in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall Buyer be required to utilize or change its utilization of its owned or controlled assets or market positions to minimize Seller’s liability. For the purposes of this definition, Buyer shall be considered to have purchased replacement Product to the extent Buyer shall have entered into one or more arrangements in a commercially reasonable manner whereby Buyer repurchases its obligation to sell and deliver the Product to another party at the Delivery Point.

“Reporting Year” means the period beginning January 1 and continuing until December 31 of the subject year (e.g., Reporting Year 2026 means January 1, 2026 through December 31, 2026).

“Sales Price” means (a) the price at which Seller, acting in a commercially reasonable manner, resells at the Delivery Point any Product not received by Buyer, deducting from such proceeds any (i) costs reasonably incurred by Seller in reselling such Product and (ii) additional transmission charges, if any, reasonably incurred by Seller in delivering such Product to the third party purchasers, or (b) at Seller’s option, the market price at the Delivery Point for such Product not received as determined by Seller in a commercially reasonable manner; provided, however, in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall Seller be required to utilize or change its utilization of its owned or controlled assets, including contractual assets, or market positions to minimize Buyer’s liability. For purposes of this definition, Seller shall be considered to have resold such Product to the extent Seller shall have entered into one or more arrangements in a commercially reasonable manner whereby Seller repurchases its obligation to purchase and receive the Product from another party at the Delivery Point. Notwithstanding anything herein or in the Master Agreement to the contrary, the Sales Price shall not be less than zero dollars (\$0.00).

“SDG&E” means San Diego Gas & Electric.

“Upstream Agreement” means that certain Voluntary Allocation Agreement effective as of [DATE], between Party B and Southern California Edison (and any subsequent related agreements).

“WECC” means the Western Electricity Coordinating Council or its successor organizations.

“WREGIS” means the Western Renewable Energy Generation Information System or any successor renewable energy tracking program.

“WREGIS Certificate” means “Certificate” as defined by WREGIS in the WREGIS Operating Rules and designated by law as eligible for complying with the California RPS Program and for evidencing the RECs associated with the Product.

“WREGIS Operating Rules” means the operating rules and requirements adopted by WREGIS.

EXHIBIT A
PROJECTS

EXHIBIT B
FORM OF LIMITED ASSIGNMENT AGREEMENT

**LIMITED ASSIGNMENT AGREEMENT
(CEA PPA FOR LONG-TERM RPS ENERGY AND GREEN ATTRIBUTES)**

This Limited Assignment Agreement (this “**Agreement**”) is entered into as of [____], 2026 (the “**Assignment Agreement Effective Date**”) by and among Clean Energy Alliance, a California joint powers authority (“**PPA Seller**”), Desert Community Energy, a California joint powers authority (“**PPA Buyer**”), and J. Aron & Company LLC, a New York limited liability company (“**J. Aron**”).

RECITALS

WHEREAS, PPA Buyer and PPA Seller are parties to that certain PPA identified on Appendix 1 hereto;

WHEREAS, in connection with one or more prepaid Energy transactions entered into between the Issuer, and a Prepay Seller, and with effect from and including the Assignment Period Start Date, PPA Buyer wishes to transfer by limited assignment to J. Aron, and J. Aron wishes to accept the transfer by limited assignment of, the Assigned Rights and Obligations with respect to any and all Assignment Appendices during the Assignment Period;

WHEREAS, pursuant to this Agreement, during the Assignment Period, J. Aron will receive the Assigned Products specified in any and all Assignment Appendices in effect from time to time and J. Aron will deliver such Assigned Products to Prepay Seller(s), which will deliver such Assigned Products to Issuer for ultimate delivery to PPA Buyer; and

WHEREAS, pursuant to this Agreement, during the Assignment Period, J. Aron will assume responsibility for the Delivered Product Payment Obligation with respect to any and all Assignment Appendices then in effect.

THEREFORE, in consideration of the premises above and the mutual covenants and agreements herein set forth, PPA Seller, PPA Buyer and J. Aron (the “**Parties**” hereto and each individually a “**Party**”) agree as follows:

AGREEMENT

1. Definitions.

Unless the context otherwise specifies or requires, or defined below, capitalized terms used but not defined in this Agreement have the meanings set forth in the PPA. The following terms, when used in this Agreement and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

“**Agreement**” has the meaning specified in the first paragraph above.

“**Assigned Products**” means the Product under and as defined in the PPA.

“Assigned Rights and Obligations” means (i) the right of PPA Buyer under the PPA to receive the Assigned Products in each Month as specified in any and all Assignment Appendices then in effect during the Assignment Period, and (ii) the Delivered Product Payment Obligation, which rights and obligations are transferred and conveyed to J. Aron hereunder, but which shall not relieve PPA Buyer of its obligations under the PPA in any respects.

“Assignment Agreement Effective Date” has the meaning set forth in the first paragraph above.

“Assignment Appendix” means each Assignment Appendix in the form attached hereto as Appendix 2 and delivered by J. Aron hereunder pursuant to Section 11(f).

“Assignment Appendix End Date” has, with respect to each Assignment Appendix, the meaning specified therein.

“Assignment Appendix Period” means, with respect to each Assignment Appendix, the period from the Assignment Appendix Start Date to the Assignment Appendix End Date; provided that no Assignment Appendix Period may commence prior to the Assignment Period Start Date and no Assignment Appendix Period may extend beyond the Assignment Period End Date.

“Assignment Appendix Start Date” has, with respect to each Assignment Appendix, the meaning specified therein.

“Assignment Early Termination Date” has the meaning specified in Section 5(b).

“Assignment Period” has the meaning specified in Section 5(a).

“Assignment Period End Date” means 11:59:59 p.m. pacific prevailing time on [____], 20[____].

“Assignment Period Start Date” means [____], 2026.

“Business Day” has the meaning specified in the Prepaid Agreement.

“Claims” means all claims or actions, threatened or filed, and the resulting losses, damages, expenses, attorneys’ fees, experts’ fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement, in each case arising under, in respect of or related in any way to the PPA or any transaction thereunder, except for the Delivered Product Payment Obligation.

“Custodian” has, with respect to each Assignment Appendix, the meaning specified therein.

“Custody Agreement” has, with respect to each Assignment Appendix, the meaning specified therein.

“Day-Ahead Average Price” has the meaning specified in Appendix 1.

“Delivered Product Payment Obligation” has the meaning specified in Section 3(a).

“Delivery Point” has the meaning specified in Appendix 1.

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in megawatt hours (“MWh”).

“Government Agency” means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

“Issuer” has, with respect to each Assignment Appendix, the meaning specified therein.

“J. Aron” has the meaning specified in the first paragraph of this Agreement.

“Month” means a calendar month.

“Person” means any individual, corporation, partnership, joint venture, trust, unincorporated organization, or Government Agency.

“PPA Buyer” has the meaning specified in the first paragraph of this Agreement.

“PPA Seller” has the meaning specified in the first paragraph of this Agreement.

“Prepaid Agreement” has, with respect to each Assignment Appendix, the meaning specified therein.

“Prepay Power Supply Contract” has, with respect to each Assignment Appendix, the meaning specified therein.

“Prepay Seller” has, with respect to each Assignment Appendix, the meaning specified therein.

“Receivables” has the meaning given to such term in Section 3(e).

“Retained Rights and Obligations” has the meaning specified in Section 3.

2. Transfer and Undertakings.

- (a) PPA Buyer hereby assigns, transfers and conveys to J. Aron all right, title and interest in and to the rights of PPA Buyer under the PPA to receive delivery of the Assigned Products specified in any and all Assignment Appendices then in effect during the Assignment Period. In connection with this assignment, PPA Buyer hereby delegates to J. Aron the Assigned Rights and Obligations during the Assignment Period.
- (b) PPA Seller hereby consents to PPA Buyer’s assignment, transfer and conveyance of all right, title and interest in and to the Assigned Products specified in any and

all Assignment Appendices then in effect and, subject to Section 3(a), the delegation of the Assigned Rights and Obligations to J. Aron and the exercise and performance by J. Aron of the Assigned Rights and Obligations during the Assignment Period.

- (c) J. Aron hereby accepts such assignment, transfer and conveyance of PPA Buyer's right, title and interest in and to the Assigned Products specified in any and all Assignment Appendices then in effect during the Assignment Period, PPA Buyer's delegation of the Assigned Rights and Obligations during the Assignment Period and agrees to perform any such Assigned Rights and Obligations due from it during the Assignment Period to the extent expressly set forth in this Agreement.

3. Limited Assignment.

The Parties acknowledge and agree that (i) the Assigned Rights and Obligations include only a portion of PPA Buyer's and PPA Seller's rights and obligations arising under the PPA, and that all rights and obligations arising under the PPA that are not expressly included in the Assigned Rights and Obligations shall be "**Retained Rights and Obligations**", and (ii) the Retained Rights and Obligations include all rights and obligations of PPA Buyer and PPA Seller arising during the Assignment Period except the rights and obligations expressly included in the Assigned Rights and Obligations. In this regard:

(a) **Limited to Delivered Product Payment Obligation.** J. Aron's sole payment obligation hereunder will be to pay the Floating Price Payments into the Custodial Account as such terms are defined in and described on Appendix 1 (the "**Delivered Product Payment Obligation**"), which Delivered Product Payment Obligation shall credit against and reduce the amounts otherwise due from PPA Buyer to PPA Seller under the PPA for each Month of the Assignment Period. J. Aron and PPA Buyer each agree to instruct the Custodian in accordance with Section 3(c) hereof to pay PPA Seller for the Assigned Products delivered during each Month of the Assignment Period specified in any and all Assignment Appendices then in effect on each applicable payment date under the "Payment" section of the PPA. PPA Buyer shall remain responsible for any payment obligations under the PPA during the Assignment Period specified in any and all Assignment Appendices then in effect, including in the event that either (i) J. Aron does not make the payments into the Custodial Account or (ii) the Custodian does not make the payments to the PPA Seller from the Custodial Account as described above.

(b) **Retained Rights and Obligations.** Any Claims (other than the Delivered Product Payment Obligation or a failure to perform the same) arising or existing in connection with or related to the PPA, whether related to performance by PPA Seller, PPA Buyer or J. Aron, and whether arising before, during or after the Assignment Period, in each case excluding the Delivered Product Payment Obligation, will be included in the Retained Rights and Obligations and any such Claims will be resolved exclusively between PPA Seller and PPA Buyer in accordance with the PPA. For the avoidance of doubt, the Parties acknowledge and agree that any invoice adjustments or reconciliations occurring after the initial settlement of amounts due under a monthly invoice shall be resolved solely between PPA Seller and PPA Buyer pursuant to the terms of the PPA.

(c) **Invoicing.** During the Assignment Period specified in any and all Assignment Appendices then in effect, PPA Seller shall continue to provide PPA Buyer a monthly invoice of amounts owing under the PPA, which invoice shall show the total amount due to PPA Seller under the PPA for such Month (the “**Monthly Gross Amount**”). Promptly following PPA Buyer’s receipt of each monthly invoice from PPA Seller during the Assignment Period specified in any and all Assignment Appendices then in effect and, in any event, no later than five (5) Business Days thereafter, PPA Buyer shall deliver (i) a copy of such monthly invoice and the related supporting data to J. Aron and (ii) a statement to each of J. Aron and the Custodian indicating (A) the Monthly Gross Amount; (B) the Delivered Product Payment Obligation; and (C) the “**Retained Payment Obligation**”, which shall be an amount equal to the Monthly Gross Amount minus the Delivered Product Payment Obligation. PPA Buyer and J. Aron covenant and agree to instruct the Custodian to pay the Monthly Gross Amount to PPA Seller on or before the applicable payment date in the PPA; provided that (x) the liability of J. Aron hereunder to PPA Seller is limited as described on Appendix 1 and (y) the Monthly Gross Amount payable to PPA Seller shall be reduced to the extent that PPA Buyer disputes any of the invoiced amounts pursuant to Section 6.3 of the PPA Master Agreement. PPA Buyer and J. Aron may agree in a separate writing as to the allocation of the Monthly Gross Amount between PPA Buyer and J. Aron of amounts paid by the Custodian to PPA Seller hereunder. At all times, PPA Buyer remains liable to PPA Seller for all amounts due and owing under the PPA.

(d) **Scheduling.** All scheduling of Energy included in the Assigned Products and other communications related to the PPA shall take place between PPA Buyer and PPA Seller pursuant to the terms of the PPA; provided that during any Assignment Period specified in any and all Assignment Appendices then in effect (i) PPA Buyer will provide copies of all billing statements and generation reports provided by PPA Seller to PPA Buyer in accordance with the PPA delivered during the Assignment Period specified in any and all Assignment Appendices then in effect to J. Aron and Issuer promptly upon PPA Buyer’s receipt; (ii) title to Assigned Products specified in any and all Assignment Appendices then in effect will pass to J. Aron upon delivery by PPA Seller at the Delivery Point in accordance with the PPA; (iii) immediately thereafter, title to such Assigned Products will pass to one or more Prepay Sellers (as set forth in the applicable Assignment Appendix), Issuer (as set forth in the applicable Assignment Appendix) and then to PPA Buyer upon delivery by J. Aron at the same point where title is passed to J. Aron pursuant to clause (ii) above; and (iv) PPA Buyer will be deemed to be acting as J. Aron’s agent with regard to scheduling Assigned Products.

(e) **Amendments.** PPA Buyer will provide written notice (including copies thereof) of any proposed or actual amendment, waiver, supplement, modification, or other changes to the PPA to J. Aron relating to the Assigned Rights and Obligations, and the Parties hereby acknowledge and agree that an amendment, waiver, supplement, modification or other change will not have any effect on J. Aron’s rights or obligations under this Agreement unless J. Aron receives prior written notice thereof.

(f) **Setoff of Receivables.** Pursuant to the applicable Prepaid Agreement(s), Prepay Seller(s) has agreed to purchase the rights to payment of the net amounts owed by PPA Buyer under the applicable Prepay Power Supply Contract (“**Receivables**”) in the case of non-payment by PPA Buyer. To the extent any such Receivables relate to Assigned Products purchased by J. Aron pursuant to the Assigned Rights and Obligations, the applicable Prepay Seller may sell such

Receivables to J. Aron and J. Aron may transfer such Receivables (excluding any penalties, late payment fees, late payment interest or other fees, costs or interest included in such Receivables) to PPA Seller and apply the face amount of such Receivables (excluding any penalties, late payment fees, late payment interest or other fees, costs or interest included in such Receivables) as a reduction to any Delivered Product Payment Obligation; provided, however, that (1) at no time shall PPA Seller be required to pay J. Aron for any amounts by which such Receivables exceed any Delivered Product Payment Obligation then due and owed to PPA Seller and (2) at all times, PPA Buyer remains liable to PPA Seller for all amounts due and owing under the PPA. To effect such transfer, J. Aron shall deliver to PPA Seller a notice of intent to transfer Receivables not later than the payment due date for the Delivered Product Payment Obligation and shall deliver to PPA Seller a bill of sale signed by J. Aron not later than five Business Days thereafter.

4. Forward Contract.

The Parties acknowledge and agree that this Agreement is intended to constitute a “forward contract” and that the Parties are intended to constitute “forward contract merchants” within the meaning of the United States Bankruptcy Code.

5. Assignment Period; Assignment Early Termination.

(a) **Assignment Period.** The “**Assignment Period**” under an Assignment Appendix shall begin on the Assignment Appendix Start Date and extend until the Assignment Appendix End Date or as otherwise terminated early pursuant to Section 5(b); provided that in no event shall the Assignment Period extend beyond an Assignment Early Termination Date with respect to such Assignment Appendix; provided further that the Assignment Period under an Assignment Appendix will automatically terminate upon the expiration or early termination of either the Delivery Period (as defined in the PPA) or the PPA.

(b) **Early Termination.** An “**Assignment Early Termination Date**” will occur under the following circumstances and as of the dates and for the applicable Assignment Appendices specified below:

- (1) the assignment of a Prepay Power Supply Contract by PPA Buyer or Issuer pursuant to Article XIII thereof shall result in an Assignment Early Termination Date for the Assignment Period under the relevant Assignment Appendix, which Assignment Early Termination Date for the applicable Assignment Period(s) shall occur immediately as of the time of such assignment;
- (2) the suspension, expiration, or termination of performance of the PPA by either PPA Buyer or PPA Seller for any reason other than the occurrence of an Uncontrollable Force under and as defined in the PPA shall result in an Assignment Early Termination Date for all Assignment Appendices then in effect, which Assignment Early Termination Date shall occur immediately as of the time of PPA Seller’s last performance under the PPA following such suspension, expiration, or termination;

- (3) the election of J. Aron in its sole discretion to declare an Assignment Early Termination Date as a result of (a) any event or circumstance that would give either PPA Buyer or PPA Seller the right to terminate or suspend performance under the PPA (regardless of whether PPA Buyer or PPA Seller exercises such right) or (b) the execution of an amendment, waiver, supplement, modification or other change to the PPA that affects the Assigned Rights and Obligations or J. Aron's rights or obligations under this Agreement (provided that J. Aron shall not have a right to terminate under this Section 5(b)(3) to the extent that J. Aron (i) receives prior notice of such change and (ii) provides its written consent thereto), which Assignment Early Termination Date shall occur under all Assignment Appendices then in effect upon the date set forth in a written notice of such election delivered by J. Aron to PPA Buyer and PPA Seller;
- (4) termination or suspension of deliveries for any reason other than force majeure under the applicable Prepaid Agreement or the applicable Prepay Power Supply Contract shall result in an Assignment Early Termination Date for the Assignment Period under the relevant Assignment Appendix, which Assignment Early Termination Date for the applicable Assignment Period(s) shall occur immediately as of the time of the last deliveries under the relevant contract following such suspension or termination;
- (5) the election of PPA Seller in its sole discretion to declare an Assignment Early Termination Date if J. Aron fails to pay when due any amounts owed to PPA Seller in respect of any Delivered Product Payment Obligation and such failure continues for five Business Days following receipt by J. Aron of written notice thereof, which Assignment Early Termination Date shall occur under all Assignment Appendices then in effect upon the date set forth in a written notice of such election delivered by PPA Seller to J. Aron and PPA Buyer; or
- (6) the election of PPA Seller in its sole discretion to declare an Assignment Early Termination Date if either (a) an involuntary case or other proceeding is commenced against J. Aron seeking liquidation, reorganization or other relief with respect to it or its debts under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar law now or hereafter in effect or seeking the appointment of a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed, or an order or decree approving or ordering any of the foregoing is entered and continued unstayed and in effect, in any such event, for a period of 60 days, or (b) J. Aron commences a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar law or any other case or proceeding to be adjudicated as bankrupt or insolvent, or J. Aron consents to the entry of a decree or order for relief in an involuntary case or proceeding under any

applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, files a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or consents to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of J. Aron or any substantial part of its property, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due, which Assignment Early Termination Date shall occur under all Assignment Appendices then in effect immediately on the date of PPA Seller's delivery of notice of its election to J. Aron and PPA Buyer.

(c) **Reversion of Assigned Rights and Obligations.** The Parties acknowledge and agree that upon the occurrence of an Assignment Early Termination Date the Assigned Rights and Obligations under each applicable Assignment Appendix will revert from J. Aron to PPA Buyer. Any Assigned Rights and Obligations under an Assignment Appendix that would become due for payment or performance on or after such Assignment Early Termination Date with respect to such Assignment Appendix shall immediately and automatically revert from J. Aron to PPA Buyer; provided that (i) J. Aron shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Products delivered to J. Aron prior to the Assignment Early Termination Date, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the occurrence of the Assignment Early Termination Date.

6. Representations and Warranties.

(a) **Copy of the PPA.** As of the Assignment Agreement Effective Date, PPA Seller and PPA Buyer represent and warrant to J. Aron that a true, complete, and correct copy of the PPA is attached hereto as Appendix 4.

(b) **No Default.** As of the Assignment Agreement Effective Date, PPA Seller and PPA Buyer represent and warrant to J. Aron that no event or circumstance exists (or would exist with the passage of time or the giving of notice) that would give either of them the right to terminate the PPA or suspend performance thereunder.

(c) **Other.** As of the Assignment Agreement Effective Date, each of PPA Buyer and PPA Seller represents and warrants to each other and to J. Aron that:

- (1) it has made no prior transfer (whether by way of security or otherwise) of any interest in the Assigned Rights and Obligations; and
- (2) all obligations of PPA Buyer and PPA Seller under the PPA required to be performed on or before the Assignment Period Start Date have been fulfilled.

(d) **Representations.** Each Party represents to each of the other Parties as of the Assignment Agreement Effective Date:

- (1) **Status.** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing;
- (2) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance;
- (3) **No Violation or Conflict.** Such execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its obligations under this Agreement, will not result in any violation of, or conflict with: (i) any term of any material contract or agreement applicable to it; (ii) any of its charter, bylaws, or other constitutional documents; (iii) any determination or award of any arbitrator applicable to it; or (iv) any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, law, ordinance, rule or regulation of any Government Agency presently in effect, applicable to it or any of its assets or properties or to any obligations incurred by it or by which it or any of its assets or properties or obligations are bound or affected, and shall not cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets;
- (4) **Consents.** All consents, approvals, orders or authorizations of, registrations, declarations, filings or giving of notice to, obtaining of any licenses or permits from, or taking of any other action with respect to, any Person or Government Agency that are required to have been obtained by such Party with respect to this Agreement and the transactions contemplated hereby, including the due authorization of such Party and its governing body and any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party, have been obtained and are in full force and effect and all conditions of any such consents have been complied with;
- (5) **Obligations Binding.** Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law));
- (6) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether this

Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other Parties as investment advice or as a recommendation to enter into this Agreement, it being understood that information and explanations related to the terms and conditions of this Agreement shall not be considered investment advice or a recommendation to enter into this Agreement. It is entering into this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by all Parties, considers this Agreement a legally enforceable contract. No communication (written or oral) received from any of the other Parties shall be deemed to be an assurance or guarantee as to the expected results of this Agreement;

- (7) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Agreement. It is also capable of assuming, and assumes, the risks of this Agreement; and
- (8) **Status of Parties.** None of the other Parties is acting as a fiduciary for or an adviser to it in respect of this Agreement.

7. Counterparts.

This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by email), each of which will be deemed an original.

8. Costs and Expenses.

The Parties will each pay their own costs and expenses (including legal fees) incurred in connection with this Agreement and as a result of the negotiation, preparation, and execution of this Agreement.

9. Amendments.

No amendment, modification, or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile or electronic transmission) and executed by each of the Parties.

10. Notices.

Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another shall be in writing, except as otherwise expressly provided herein. It shall be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses for each of the other Parties designated in Appendix 3 hereto. Any such notice, demand, or request shall be deemed to be given (i) when sent by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon written 10 days' prior written

notice to the other Parties, to change its address at any time, and to designate that copies of all such notices be directed to another Person at another address. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods. Notwithstanding the foregoing, a Party may at any time notify the other Parties that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during such time shall be ineffective.

11. Miscellaneous.

(a) **Governing Law.** This Agreement and the rights and duties of the Parties under this Agreement will be governed by and construed, enforced and performed in accordance with the laws of the State of California, without reference to any conflicts of laws provisions that would direct the application of another jurisdiction's laws.

(b) **Jurisdiction.** Each Party irrevocably submits to the exclusive jurisdiction of the federal courts of the United States located in the Southern District of California, sitting in the City and County of San Diego; provided that, if such courts lack subject matter jurisdiction, each Party irrevocably submits to the exclusive jurisdiction of the state courts located in such City and County, and waives any objection to the laying of venue in such court.

(c) **U.S. Resolution Stay Protocol.** The Parties hereby confirm that they are adherents to the ISDA 2018 U.S. Resolution Stay Protocol ("ISDA U.S. Stay Protocol"), the terms of the ISDA U.S. Stay Protocol are incorporated into and form a part of this Agreement, and this Agreement shall be deemed a Protocol Covered Agreement for purposes thereof. For purposes of incorporating the ISDA U.S. Stay Protocol, J. Aron shall be deemed to be a Regulated Entity, and PPA Buyer and PPA Seller each shall be deemed to be an Adhering Party. In the event of any inconsistencies between this Agreement and the ISDA U.S. Stay Protocol, the ISDA U.S. Stay Protocol will prevail.

(d) **Assignment Appendix Prepaid Transaction Details.** From time to time, J. Aron may deliver one or more completed Assignment Appendices to the other Parties hereto completing the terms that are currently bracketed therein, and each such Assignment Appendix shall be binding upon each of the Parties hereto; provided that the aggregate sum of the Assigned Products under all Assignment Appendices then in effect will not exceed the Contract Quantity under and as defined in the PPA. As set forth in Appendix 1 hereto, J. Aron's payment obligations are limited to any Assigned Products delivered pursuant to the Assignment Appendices then in effect. Each Assignment Appendix will set forth certain details relating to the commodity prepayment transaction pursuant to which all or a portion of the Assigned Products shall be delivered; provided that J. Aron may, by written notice to PPA Seller and PPA Buyer, at any time and without the consent of PPA Seller or PPA Buyer, (i) rescind any Assignment Appendix or (ii) update or amend any Assignment Appendix to change any or all of the terms specified therein, including: an increase or decrease of the volume of Assigned Products to be delivered into the applicable commodity prepayment transaction (including without limitation a change thereto to reflect that all MWh of Assigned Products delivered in accordance with the PPA by PPA Seller shall be delivered into one commodity prepayment transaction, subject only the aggregate quantity limit specified above); a change in the relevant commodity prepayment transaction (i.e., the "Prepaid

Agreement”) pursuant to which the Assigned Products shall be delivered; a change in the identity of the Prepay Seller; or a change to the Assignment Appendix Start Date and / or the Assignment Appendix End Date. For the avoidance of doubt, (I) more than one Assignment Appendix may be in effect at any time, and (II) at any given time, less than one hundred percent (100%) of the Contract Quantity under and as defined in the PPA may be assigned pursuant to the Assignment Appendices then in effect.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first set forth above.

CLEAN ENERGY ALLIANCE

By: _____
Name: _____
Title: _____

DESERT COMMUNITY ENERGY

By: _____
Name: _____
Title: _____

J. ARON & COMPANY LLC

By: _____
Name: _____
Title: _____

Appendix 1

Assigned Rights and Obligations

“PPA” that certain Confirmation (Long-Term RPS Energy and Green Attributes), dated as of [____], 2026, together with any and all exhibits, schedules or supplements thereto or incorporated therein by reference, by and between PPA Buyer as “Buyer” and PPA Seller as “Seller” under the Edison Electric Institute Master Power Purchase and Sale Agreement (the “PPA Master Agreement”), dated as of [____], 2026, between PPA Buyer and PPA Seller, as may be amended from time to time.

“Delivery Point” has the definition set forth in the PPA.

Floating Price Payments. J. Aron has separately agreed with PPA Buyer and Custodian pursuant to the Custody Agreement to pay the “Day-Ahead Average Price” as defined below into the custodial account specified in the Custody Agreement (the “Custodial Account”) for the portion of the Assigned Products delivered to the Delivery Point during each Month of the Assignment Period pursuant to all Assignment Appendices then in effect (the “Floating Price Payments”). J. Aron agrees to pay the Floating Price Payments into the Custodial Account, and J. Aron’s payment obligations under this Agreement are limited to making such payments into the Custodial Account, for application as provided in the Custody Agreement, which also provides for payment by (i) PPA Buyer of any other amounts due under the PPA for each Month of the Assignment Period and (ii) the Custodian of the net amount due to PPA Seller for each Month of the Assignment Period from the amounts received from J. Aron and PPA Buyer, as applicable. J. Aron’s Floating Price Payments shall credit against and reduce the amounts otherwise due from PPA Buyer to PPA Seller under the PPA for each Month of the Assignment Period for all Assignment Appendices then in effect; provided that PPA Seller and PPA Buyer acknowledge and agree that the making of Floating Price Payments into the Custodial Account by J. Aron shall not entitle (A) J. Aron to any payments from PPA Seller or (B) PPA Seller to payments in excess of the net amount that would otherwise be due from PPA Buyer to PPA Seller pursuant to the terms of the PPA. At all times, PPA Buyer remains liable to PPA Seller for all amounts due and owing under the PPA. For the avoidance of doubt, J. Aron’s obligations hereunder are limited to only the Assignment Appendices then in effect.

“Day-Ahead Average Price” means the result of (i) (x) the sum of the Day-Ahead Market Prices for each Pricing Interval in a Month divided by (y) the number of Pricing Intervals in such Month plus (ii) the Index Adder (as set forth in an applicable Assignment Appendix) for the relevant Month. As used in this definition, “Pricing Interval” means the unit of time for which CAISO (or other entity that publishes such prices) establishes a separate price; and “Day-Ahead Market Price” means the Day Ahead Market or Locational Marginal Price for SP15 for each applicable hour as published by CAISO, or as such price may be corrected or revised from time to time by CAISO in accordance with its rules. For the avoidance of doubt, the Day-Ahead Average Price can be a negative number.

Appendix 2

Assignment Appendix - [A][B][C]

Date: [_____]

“**Assignment Appendix End Date**” means 11:59:59 p.m. pacific prevailing time on [____], 20[____].

“**Assignment Appendix Start Date**” means [____] 1, 20[____].

“**Custodian**” means [____], a [____].

“**Custody Agreement**” means the Custodial Agreement dated as of [____] among the Issuer, PPA Buyer, J. Aron, each applicable Prepay Seller and the Custodian, as from time to time amended, restated, supplemented or otherwise modified.

“**Index Adder**” means \$[____]/MWh.

“**Issuer**” means California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 *et seq.* of the California Government Code, as amended).

“**Prepaid Agreement**” means that certain Prepaid Energy Sales Agreement, dated as of [____] by and between Prepay Seller and Issuer, as from time to time amended, restated, supplemented or otherwise modified.

“**Prepay Power Supply Contract**” means that certain Power Supply Contract, dated as of [____] by and between Prepay Seller and Issuer, as from time to time amended, restated, supplemented or otherwise modified.

“**Prepay Seller**” means [____], a [____], or any other Person that is the prepay seller under the terms of the Prepaid Agreement from time to time.

Assigned Products subject to this Assignment Appendix: As set forth immediately below, [the percentage of Assigned Products]/[the monthly quantities of Assigned Products] delivered to the Delivery Point: [____]

Appendix 3

Notice Information

IF TO J. Aron:

IF TO PPA SELLER: As set forth in the PPA.

IF TO PPA BUYER: As set forth in the PPA.

Appendix 4
Copy of the PPA
[To be attached.]

Staff Report

DATE: June 25, 2026

TO: Clean Energy Alliance Board of Directors

FROM: Greg Wade, Chief Executive Officer

ITEM 5: Consider Adoption of Resolution No. 2026-032 Approving Amendment No. 4 to the Professional Services Agreement with Maher Accountancy for CEA Accounting Services, Authorizing Execution of the Amendment and Approving an Exception to Competitive Solicitation Requirements

RECOMMENDATION:

That the Clean Energy Alliance (CEA) Board of Directors (Board) adopt Resolution No. 2026-032, approving Amendment No. 4 to the Professional Services Agreement (“Agreement”) with Maher Accountancy (“Maher”) for CEA Accounting Services, for an amount not to exceed \$172,400 for the period from July 1, 2026, through June 30, 2027, and \$178,800 for the period from July 1, 2027, through June 30, 2028, authorizing the Chief Executive Officer to sign all documents, subject to General Counsel approval, and approving an exception to competitive solicitation requirements.

BACKGROUND AND DISCUSSION:

Maher has served as Clean Energy Alliance’s (CEA’s) outside accounting services provider since March 1, 2022. The services provided include accounts payable, payroll, accounts receivable, monthly general ledger accounting, processing Net Energy Metering (NEM) checks, providing monthly treasury reports and GAAP-compliant compiled financial statements including balance sheet, income statement and cash flows. In addition, Maher also manages the annual financial audit by coordinating with CEA’s selected independent auditor. Other services include the filing of various government reports and payroll tax returns. Maher has deep experience as it also provides similar accounting support services to a number of other California-based CCAs.

The initial Agreement with Maher covered the period from March 1, 2022, through February 28, 2023. The Agreement was subsequently amended three times. The most recent amendment covered the period from July 1, 2025, to June 30, 2026, and provided for a monthly fee of \$13,000 plus a fee of \$10,000 for annual audit support. This proposed Amendment No. 4 extends the agreement for two years through June 30, 2028. The fees for the first annual period ending on June 30, 2027 include a monthly fee of \$13,500 plus a fee of \$10,400 for annual audit support. The fees for the first annual period ending on June 30, 2027 include a monthly fee of \$14,000 plus a fee of \$10,800 for annual audit support. The increases each year reflect standard COLA increases.

Maher’s services have been invaluable. The current Agreement with Maher will expire on June 30, 2026. The proposed amendment would allow those services to continue through June 30, 2028.

As the Agreement has a total annual cost greater than \$100,000, Board approval is required for the Agreement. Maher has proven that it has the professional knowledge and experience to provide the services, its fee is fair and reasonable and Maher offers the best value. Staff recommends approving an exception to competitive solicitation requirements under Section 4 of Policy CEA-07 in connection with approving Amendment No. 4 to Maher's Agreement.

FISCAL IMPACT:

Funds for the Fiscal Year (FY) 2026/2027 and 2027/2028 amendment are included in the proposed FY 25/26 Budget and the 5-year Outlook.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

- A. Resolution No. 2026-032, approving Amendment No. 4 between CEA and Maher Accountancy for CEA Accounting Services
- B. Amendment No. 4 between CEA and Maher Accountancy for CEA Accounting Services

**CLEAN ENERGY ALLIANCE
RESOLUTION NO. 2026-032**

A RESOLUTION OF THE BOARD OF DIRECTORS OF CLEAN ENERGY ALLIANCE APPROVING AMENDMENT NO. 4 TO THE AGREEMENT WITH MAHER ACCOUNTANCY FOR CEA ACCOUNTING SERVICES FOR AN AMOUNT NOT TO EXCEED \$172,400 FOR THE PERIOD FROM JULY 1, 2026, THROUGH JUNE 30, 2027, AND \$178,800 FOR THE PERIOD FROM JULY 1, 2027, THROUGH JUNE 30, 2028, AUTHORIZING EXECUTION OF THE AMENDMENT AND APPROVING AN EXCEPTION TO COMPETITIVE SOLICITATION REQUIREMENTS

WHEREAS, Clean Energy Alliance (CEA) is a joint powers authority established on November 4, 2019, and organized under the Joint Exercise of Powers Act (Government Code Section 6500 *et seq.*); and

WHEREAS, Maher Accountancy has provided accounting services to CEA since March 1, 2022; and

WHEREAS, Maher Accountancy's services are needed on a continuing basis to provide general accounting services including accounts payable, payroll, and financial statement preparation; and

WHEREAS, Maher Accountancy's fees are fair and reasonable;

WHEREAS, given the historical knowledge and context value provided by Maher Accountancy, a solicitation for these services was not issued and given the demonstrated expertise of Maher Accountancy and its familiarity with CEA, for all practical purposes, Maher Accountancy would be most efficient and offers the best value for these services, and the amendment is justifiable and in the best interest of CEA; and

WHEREAS, Policy CEA-07 requires a Request for Proposals if the aggregate anticipated value of a contract exceeds \$100,000 in any fiscal year, absent a Board approved exception, and these contracts are subject to Board approval before final execution.

NOW, THEREFORE, BE IT RESOLVED the Board of Directors of Clean Energy Alliance hereby finds, determines and resolves as follows:

Section 1. The foregoing recitals are true and correct and incorporated fully herein.

Section 2. The Board of Directors of Clean Energy Alliance hereby approves an exception to the competitive solicitation requirements set forth in Policy CEA-07 (Non-Energy Procurement Policy).

Section 3. Amendment No. 4 with Maher Accountancy for CEA Accounting Services effective July 1, 2026 through June 30, 2028 is hereby approved.

Section 4. The Chief Executive Officer is hereby authorized and directed to execute Amendment No. 4 with Maher Accountancy for an amount not to exceed \$172,400 for the period from July 1, 2026, through June 30, 2027, and \$178,800 for the period from July 1, 2027, through June 30, 2028 in a form substantially similar to that presented to the Board of Directors on June 25, 2026, with any changes subject to General Counsel approval.

Section 5. The Chief Executive Officer is hereby authorized and directed to execute such other documents and take such other and further actions as may be necessary and proper to accomplish the purposes of this resolution.

The foregoing Resolution was passed and adopted on this 25th day of June, 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Katie Melendez, Board Chair

ATTEST:

Ana Marie Alarcon, Clerk to the Board



Amendment #4 to
 Agreement Between Clean Energy Alliance and
 Maher Accountancy for Financial Accounting Services
 Effective July 1, 2026

Pursuant to the approval by the Clean Energy Alliance Board of Directors at its meeting on June 25, 2026, the Agreement between Clean Energy Alliance (CEA) and Maher Accountancy dated March 1, 2022, as previously amended, is further amended as follows:

Section 1. TERM is amended to reflect termination on June 30, 2028.

Section 3. Compensation to Consultant is amended to reflect total amount not to exceed of \$172,400 for the period from July 1, 2026, through June 30, 2027, and \$178,800 for the period from July 1, 2027, through June 30, 2028.

Exhibit C. Compensation is amended to reflect

- a. Monthly Financial Operations Assistance to be \$13,500 per month for the period from July 1, 2026, through June 30, 2027, and \$14,000 for the period from July 1, 2027, through June 30, 2028; and
- b. Annual Audit Assistance to be \$10,400 as a one-time fixed fee for the period from July 1, 2026, through June 30, 2027, and \$10,800 as a one-time fixed fee for the period from July 1, 2027, through June 30, 2028.

All other provisions of the Agreement dated March 1, 2022, as previously amended, shall remain in full force and effect.

CLEAN ENERGY ALLIANCE

MAHER ACCOUNTANCY

 Greg Wade
 Chief Executive Officer

 Michael Maher

 Date

 Date

Staff Report

DATE: June 25, 2026

TO: Clean Energy Alliance Board of Directors

FROM: Greg Wade, Chief Executive Officer

ITEM 6: Clean Energy Alliance Chief Executive Officer Operational and Administrative Report

RECOMMENDATION:

Receive and File the Chief Executive Officer (CEO) Operational and Administrative Report.

BACKGROUND AND DISCUSSION:

This report provides an update to the Clean Energy Alliance (CEA) Board of Directors (Board) regarding operational and administrative activity.

OPERATIONAL UPDATE

Rate Relief Credit Update

On January 29, 2026, the CEA Board approved a temporary Rate Relief Credit designed to achieve rate parity between CEA's Clean Impact power product and SDG&E's bundled customers, mitigating the impacts of the Power Charge Indifference Adjustment (PCIA) rates that went into effect on January 1, 2026.

The following table reflects customer opt-downs to our Clean Impact product since February 1, 2026, when the Rate Relief Credit went into effect. As of June 9, 2026, CEA has a total of 148 customer accounts that have opted down.

Member City	Commercial	Residential	Total
Carlsbad		44	44
Del Mar		2	2
Escondido	1	27	28
Oceanside		39	39
San Marcos	1	17	18
Solana Beach		2	2
Vista		15	15
TOTAL	2	146	148

Since its adoption by the CEA Board, the Rate Relief Credit has been adjusted for specific rate classes in response to rate and PCIA changes made by SDG&E since February 1, 2026. These adjustments have been made so that the intended impact of this CEA credit – to provide CEA's

Clean Impact customers to realize monthly average bills that are the same or better than SDG&E's bundled customers – can be achieved and maintained.

CEA in the Community

To provide opportunities for the customers and communities we serve to meet with CEA staff and have their questions answered, staff continues to attend many in-person community events, organize and hold community workshops and give presentations. CEA has been busy with many of these scheduled outreach efforts. Recent events and presentations that CEA participated in:

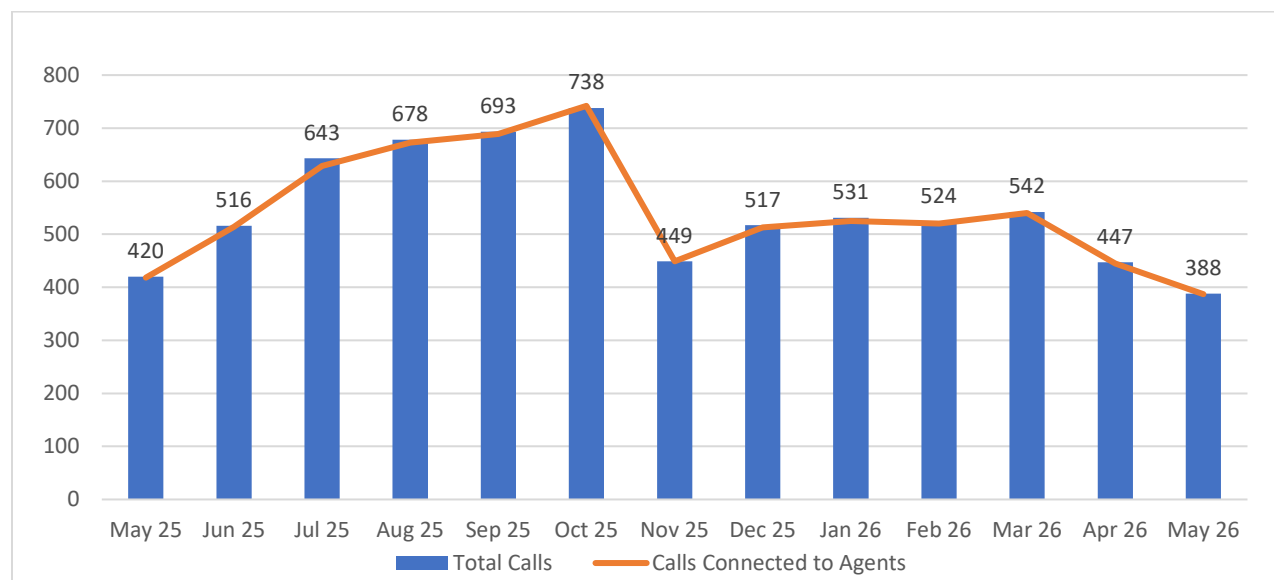
DATE	DESCRIPTION	CITY
May 28, 2026	CEA 5 -Year Anniversary	Carlsbad
May 30-31, 2026	Fiesta del Sol	Solana Beach
June 2, 2026	City of Del Mar City Council Presentation	Del Mar
June 9, 2026	City of Vista Proclamation	Vista
June 10, 2026	City of Solana Beach Proclamation	Solana Beach
June 18, 2026	San Onofre Tour	Pendleton
June 20, 2026	NSDC NAACP Juneteenth Festival	Oceanside
June 20, 2026	AD 76 Family Palooza	Escondido
June 23, 2026	City of San Marcos Proclamation	San Marcos

Upcoming events in which CEA will be participating include:

DATE	DESCRIPTION	CITY
July 25, 2026	Carlsbad Food and Wine Festival	Carlsbad
August 4, 2026	National Night Out	Oceanside
August 8, 2026	Flapjacks for Backpacks	San Marcos
August 11, 2026	City of Vista City Council Presentation with Luminia	Vista

Call Center Activity and Participation Statistics

The following chart reflects customer activity through June 1, 2026.



Call volumes to CEA’s Call Center decreased 14% from April 2026 to May 2026. The most common call topics for all customers (commercial and residential) were related to billing inquiries, Net Energy Metering, and general information.

The total number of calls received, response times, and call duration through June 1, 2026, were as follows:

Call Center Monthly Summary - May 2026					
Stats by Month	May	Apr	Mar	Feb	Total
Total Calls	388	447	542	524	36,279
Total Calls Connected to Agents	387	445	540	520	35,624
Average Seconds to Answer	0:00:04	0:00:08	0:00:04	0:00:08	
Average Call Duration	0:09:40	0:09:35	0:09:18	0:09:12	

The following table reflects enrollments in CEA’s power supply products by city. As of June 1, 2026, CEA has a total of 257,016 enrolled customer accounts as follows:

Member City	Eligible Accounts	Clean Impact – 50% Renewable	Clean Impact Plus - 75% Carbon Free	Green Impact – 100% Renewable	Participation Rate
Carlsbad	55350	208	49449	659	91%
Del Mar	3027	9	2758	71	94%
Escondido	57321	182	53503	69	94%
Oceanside	74800	238	69381	103	93%
San Marcos	38157	131	35412	70	93%
Solana Beach	7994	18	7143	164	92%
Vista	39588	98	37007	343	94%
TOTAL	276237	884	254653	1479	93%

Solar Plus and Battery Bonus Update

As of June 9, 2026, Solar Plus has 30 active applicants and 12 participants with fully installed systems that have received Permission to Operate (PTO). Battery Bonus has four participants with operational systems and 2 active applicants. Solar Plus Connect has 34 active applicants and Battery Bonus Connect has 42 systems installed with PTO. Self-Generation Incentive Program (SGIP) funding has been nearly exhausted and new Solar Plus Connect and Battery Bonus Connect applications are limited to the waitlist.

In the following chart, “Complete” means a system has been installed and has received PTO.

Member City	Solar Plus		Solar Plus Connect		Battery Bonus		Battery Bonus Connect	
Status	Active	Complete	Active	Complete	Active	Complete	Active	Complete
Carlsbad	5	1	3	0	0	3	3	7
Del Mar	0	0	1	0	0	0	1	0
Escondido	5	5	13	0	0	0	3	9
Oceanside	6	2	6	0	0	0	3	11
San Marcos	7	2	3	0	1	0	2	5
Solana Beach	2	0	1	0	0	0	1	1
Vista	5	2	7	0	1	1	4	9
TOTAL	30	12	34	0	2	4	17	42

SGIP funding for Solar Plus Connect and Battery Bonus Connect totals \$970,490 and \$1,131,996 respectively, in either approved or submitted funding. SGIP funding applied to Connect program customers may fluctuate as applications are reviewed, adjusted and approved. A breakdown of SGIP funding by member city is provided in the following table.

Member City	Solar Plus Connect	Battery Bonus Connect
Carlsbad	\$85,120	\$178,200
Del Mar	\$26,032	\$0
Escondido	\$398,748	\$237,600
Oceanside	\$180,315	\$246,599
San Marcos	\$89,877	\$158,400
Solana Beach	\$25,426	\$39,600
Vista	\$164,972	\$271,596
TOTAL	\$970,490	\$1,131,996

PeakSmart Savers Update

As of June 5, 2026, the PeakSmart Savers program has 55 active participants. Since the program’s launch, CEA has enrolled an average of approximately four customers per month. The highest number of enrollments occurred in November and December of 2025, primarily due to the end of the bill protection eligibility period, which was set to end at the end of 2025 and was later extended to the end of 2026. To date, no PeakSmart Days have been called in 2026. PeakSmart enrollment by member city is as follows:

Member City	PeakSmart Savers Participants
Carlsbad	12
Del Mar	1
Escondido	8
Oceanside	16
San Marcos	3
Solana Beach	0
Vista	15
TOTAL	55

Understanding Your Bill Webinars

On May 21, 2026, CEA hosted the Understanding Your Bill Webinars via Zoom in both English and Spanish. The webinars provided an overview of electric rates, a review of how customers can find and read their electric bill, bill assistance and discount options, and CEA program offerings.

The English webinar had 33 attendees while the Spanish version had 4. The overall registration had a similar ratio with 93 English webinar registrations and 7 Spanish webinar registrations.

CEA ran a boosted a social media post for the webinar with the following results:

English:

- Reach: 7,579
- Engagements: 219
- Clicks: 206

Spanish:

- Reach: 8,520
- Engagements: 216
- Clicks: 211

The webinar recordings are now available on YouTube:

English: <https://youtu.be/FUrFiCapH20?si=P7zMw7k01pMQ0LmU>

Spanish: https://youtu.be/M4A_xFOY4al?si=55NvJnyowyBr3UA3

Webinar Language	Webinar Registrations	Webinar Participants
English	93	33
Spanish	7	4

Risk 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: June 25, 2026

TO: Clean Energy Alliance Board of Directors

FROM: Greg Wade, Chief Executive Officer

ITEM 7: AB 2561 Public Hearing – Status of Vacancies, Recruitment and Retention Efforts by Clean Energy Alliance

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; and
- 2) Accept report on the status of CEA employee vacancy rates and recruitment and retention efforts.

BACKGROUND:

Assembly Bill (AB) 2561 (McKinnor) amended the Myers-Milias-Brown Act (MMBA) to add Government Code Section 3502.3, which created a new obligation for public agencies to present the status of vacancies and recruitment and retention efforts. The public hearing must be held at least once per fiscal year prior to adopting an annual budget. During the hearing, the public agency is required to identify any necessary changes to policies, procedures, and recruitment activities that may lead to obstacles in the hiring process. The law also allows recognized employee organizations an opportunity to present at the public hearing, however, CEA does not have a recognized employee organization. The new law took effect on January 1, 2025, and applies to all public agencies.

DISCUSSION:

Status of Job Vacancies

For the Fiscal Year (FY) 2025/2026, five (5) vacancies were filled and one (1) position was created as a result of the recruitment during the last quarter of FY 2024/2025 with no current vacancies as shown in Table 1 below. In the next fiscal year, the CEA Board is anticipated to authorize four (4) additional positions with approval of the FY 2026/2027 Budget. These include a Rates Specialist or Analyst, a Marketing Specialist or Analyst and an HR position with the fourth position as yet undetermined. These vacancies and recruitments will be reported on periodically during the next fiscal year as well as during the required annual public hearing for FY 2026/2027.

Table 1

Position	Department	Posted	Hired	Reason for Vacancy
Executive Assistant/Office Manager	Operations	3/5/2025	Yes	New Position
Account Services & Data Analyst	Programs/Key Accounts	1/12/2026	Yes	New Position
Contracts & Compliance Analyst	Power Supply	1/12/2026	Yes	New Position
Finance Manager	Finance	1/12/2026	Yes	New Position
Programs Analyst	Programs/Key Accounts	1/12/2026	Yes	New Position
Programs Specialist	Programs/Key Accounts	1/12/2026	Yes	New Position
Regulatory & Legislative Affairs Analyst	Regulatory/Legislative	1/12/2026	Yes	New Position

Recruitment and Retention Efforts

CEA's recruitment process for the filled positions consisted of three interview stages including an initial virtual meeting and two in-person interviews. Candidates were shortlisted for interviews following the initial virtual meeting and final candidates were selected following the first panel interview. Final candidates were then interviewed prior to selecting the preferred candidate.

There has been no employee turnover at CEA this past fiscal year. CEA began FY 2025/2026 with ten (10) full-time employees and, with the addition of seven (7) new employees, now has a total of seventeen (17) full-time employees. CEA's retention efforts include offering competitive wages, generous retirement benefits including an employer contribution of 7.5% of base pay to a 401(a) retirement account, employer match of up to 5% of employees' contribution to a 457(b) retirement plan, a technology allowance, flexible spending account, generous vacation and sick time, and 11 paid holidays including a winter break. Because CEA has been successful in filling vacant positions this past fiscal year and retaining its employees, no changes are being recommended to its recruitment process and retention efforts.

FISCAL IMPACT:

There is no fiscal impact from this action.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

None.

Staff Report

DATE: June 25, 2026

TO: Clean Energy Alliance Board of Directors

FROM: Gregory Wade, Chief Executive Officer

ITEM 8: Receive Regulatory Update from Keyes & Fox

RECOMMENDATION:

Receive the Regulatory Update from Keyes & Fox.

BACKGROUND AND DISCUSSION:

Clean Energy Alliance (CEA) contracts Keyes & Fox for regulatory advocacy activities. Each month, Keyes & Fox provides an update to the CEA Board on key items of interest. This month's update will focus on the recent Power Charge Indifference Adjustment (PCIA) Track 3 workshops, hosted by the CPUC and held in San Francisco on June 8, 9, and 15, which covered alternative indifference approaches, modifications to the current PCIA methodology, and data access and confidentiality. In addition, the update will include a high-level overview of San Diego Gas & Electric's (SDG&E's) Phase 1 General Rate Case (GRC) application, filed on June 15, 2026, including a summary of the proposed revenue requirement and other key elements of the application.

FISCAL IMPACT:

There is no fiscal impact from this action.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

- A. Keyes & Fox June Regulatory Memo

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, Director of Research, EQ Research LLC

Subject: Monthly Regulatory Memo

Date: June 16, 2026

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](#).

NEW SDG&E Phase 1 GRC ([A.26-06-015](#))

- On June 15, SDG&E filed its Phase 1 Test Year 2028 General Rate Case [Application](#) ([Documents](#)). This proceeding addresses SDG&E's base revenue requirement for the years 2028-2031. In its Application, SDG&E requests a base electric revenue requirement increase for 2028 \$72 million over its expected 2027 revenue requirement, which would increase its total electric revenue requirement to \$2.9 billion. If approved, a typical SDG&E bundled electric customer would see an average annual increase of \$14.03 per month, or 7.1%, in rates effective January 1, 2028. Included in SDG&E's Application is a proposal to harden approximately 600 miles of distribution infrastructure over the course of the GRC cycle, including 400 miles of strategic undergrounding and 200 miles of covered conductor.

NEW SDG&E 2025 Erra Compliance ([A.26-06-001](#))

- On June 1, SDG&E filed its 2025 Erra Compliance [Application](#) for January 1 through December 31, 2025. Protests and responses are due June 26.

Resource Adequacy ([R.25-10-003](#))

- On June 1, the CPUC issued a [Proposed Decision](#) (PD) adopting local capacity obligations for 2027-2029, flexible capacity obligations for 2027, and program refinements. The Proposed Decision will be heard at the earliest at the Commission's July 2 meeting. Comments are due by June 22 and reply comments are due by June 29. The PD declines to adopt CalCCA's hourly load obligation trading concept at this time.
- Among the program refinements are several adjustments to storage resources. The first clarifies that a storage resource's qualifying capacity is counted as only the output level that can be sustained for four or more continuous hours without being affected by non-linearity (i.e., significant declines in output as the resource nears its state-of-charge limit). Although the Commission declined to implement proposals allowing energy-only resources to count towards charging sufficiency of off-site storage resources, the PD adds an exception when an energy-only resource (e.g., solar) is co-located and shares a single point of interconnection with a storage resource. Under the exception, output from the energy-only resource that exceeds the co-located storage resource's charging need may count towards off-site charging up to the deliverability limit at the shared point of interconnection. Additionally, the PD includes guidance defining a long-duration energy storage resource (LDES) as any storage resource that can discharge continuously at maximum capacity for at least eight hours. A charging sufficiency for LDES resources uses multipliers, initially incrementing by 4-hour blocks, but with 24-hour or larger blocks for multi-day LDES resources.
- Finally, the PD maintains the zero-dollar bid requirement for RA products in the recently opened Extended Day-Ahead Market for CPUC-jurisdictional participants although other participants are not subject to the same requirement, and on an interim basis beginning with the 2028 RA compliance year the IOUs must provide

CCAs with information on large load-/data center-type customers expected to interconnect in the CCA's service area the following year.

Shared Renewables ([A.22-05-022](#))

- On June 11, the Commission adopted the [Revised Proposed Decision](#) as D.26-06-006 (not yet issued) which establishes a process to implement Community Renewable Energy (CRE) programs such as a new Community Renewable Energy Tariff, the modified Green Tariff, the Disadvantaged Communities Green Tariff (DAC-GT), and program reporting requirements.
- A group of Joint CCAs (including CEA and SDGP) filed comments in the proceeding highlighting the importance of CRE, particularly given the termination of federal funding for the state's Solar for All award. The Decision establishes that CCAs can participate in the Community Renewable Energy tariff program at any time via a Tier 1 advice letter (AL), but they are expected to align pricing and procurement structures with the IOUs' Renewable Energy Market Adjusting Tariff-(ReMAT) based framework. CCAs may now also propose new DAC-GT programs through Tier 2 ALs, which have a lower administrative burden than the Tier 3 ALs previously required.
- The Decision also defers the issue of stranded legacy Green Tariff costs, especially those arising from customer departures to CCAs, to individual IOU ERRR compliance proceedings. Within 30 days of the date the Decision is issued, IOUs must update their DAC-GT program to be funded using public purpose program funds. Within 60 days, IOUs must propose a new customer CRE tariff including a program implementation and marketing plan. Within 90 days, the IOUs must modify their Green Tariffs, including a timeline and transition plan for moving legacy Green Tariff customers to the modified Green Tariff.

Long-Term Gas Planning ([R.24-09-012](#))

- On May 29, the CPUC issued a [Proposed Decision](#) (PD) establishing an application process for the SB 1221 neighborhood decarbonization pilot program. This matter may be heard as soon as the July 2 Commission meeting. Comments on the PD are due June 18 and reply comments are due June 23.
- The PD establishes a process for gas corporations to apply for neighborhood decarbonization pilot projects, subject to a limit of 30 pilot projects across the state. Applications are due December 16 of 2026 and 2027 and June 1, 2028. Each application must enable decommissioning of gas infrastructure, generate sufficient cost savings to pay for the pilot, alone or in combination with other funding identified in the application, and comply with other requirements of SB1221.
- Up to 16 pilot projects may be implemented statewide in the first round of applications, due December 15, 2026. SDG&E and SoCalGas are allocated 7 projects based on their share of demand in each of the first two application rounds. Although there is no geographic limitation of project size restriction on a project pilot area during the first round, the Commission has previously designated [Priority Neighborhood Decarbonization Zones](#), several of which are located within CEA's member agency areas. These projects are required to replace gas-fueled appliances, evaluate impacts on both the gas and electric infrastructure, and include financial and other protections for participants. Outreach and other marketing and support activities may be conducted by community-based organizations and funded as part of a gas corporation's application.

SOMAH ([R.25-01-005](#))

- On May 28, the ALJ issued a [Proposed Decision](#) (PD) modifying the Solar on Multifamily Affordable Housing (SOMAH) program and establishing reporting and wind-down requirements ahead of the program's statutorily mandated conclusion on December 31, 2032. Comments are due June 17, reply comments are due June 22, and the PD may be heard at the CPUC's July 2 meeting at the earliest.
- The PD declines to expand SOMAH eligibility to newly constructed or under-construction affordable multifamily properties and master-metered affordable multifamily properties, with or without submeters. The IOUs are required to file a 2026 SOMAH funding status update in January 2027, and to first apply accrued interest on SOMAH funds to offset 2026 SOMAH budget allocations. The SOMAH program has accumulated more than \$100 million in accrued interest across all participating utilities, the balance of which will be returned to customers upon the disposition of a budget expenditure report due by the end of 2033.

Staff Report

DATE: June 25, 2026

TO: Clean Energy Alliance Board of Directors

FROM: Greg Wade, Chief Executive Officer

ITEM 9: Consider Adoption of Resolution No. 2026-033 Approving the Clean Energy Alliance 2026 Integrated Resource Plan

RECOMMENDATION:

That the Clean Energy Alliance (CEA) Board of Directors (Board) adopt Resolution No. 2026-033 approving CEA's 2026 Integrated Resource Plan.

BACKGROUND AND DISCUSSION:

Senate Bill 350 (SB 350), approved by the Governor on October 7, 2015, added, among other actions, Public Utilities Code (PUC) Section 454.52 which established the requirement for load-serving entities (LSEs), including CCAs, to file an Integrated Resource Plan (IRP) with the California Public Utilities Commission (CPUC) for certification. These IRPs ensure that over the planning horizon – which is through 2045 in this 2026 IRP – LSEs, including CCAs, have a plan to meet the Renewable Portfolio Standards (RPS) and greenhouse gas (GHG) reduction targets established by SB 350.

PUC Section 454.52(b)(3) requires that the IRP of a CCA be submitted to its governing board for approval and shall achieve the following:

(A) Economic, reliability, environmental, security, and other benefits and performance characteristics that are consistent with the goals of achieving 40% reduction in GHG emissions from 1990 levels by 2030 and procure 60% renewable energy resources by December 31, 2030.

(B) A diversified procurement portfolio consisting of both short-term and long-term electricity and electricity-related and demand reduction products.

(C) Resource Adequacy requirements.

As both the Legislature and the CPUC have recognized, the Legislature has granted CCAs broad authority to procure resources on behalf of their respective customers, an authority limited only where “other generation procurement arrangements have been expressly authorized by statute”. Likewise, the Legislature has granted CCAs autonomy in setting their own rates and managing interactions with their customers. The IRP is strictly a forecasted plan and does not commit CEA to the specific actions identified to meet the RPS and GHG reduction targets. As CEA's experience in the market may result in updates to

the organization's plan to achieve internal and State goals, CEA will have the opportunity to update its IRP. Indeed, the CPUC typically requires each LSE to revise its IRP every two years. The Board approved CEA's initial IRP on August 20, 2020, and approved CEA's second IRP on October 20th, 2022. This is CEA's third IRP as one was not required between 2022 and 2026, and future IRPs will be brought for Board approval typically every two years.

CEA and its technical consultants have been working closely to ensure the IRP meets all requirements as established by the CPUC. The proposed IRP, a complete copy of which is provided in Attachment B, includes a Narrative Template, Resource Data Template, and the Clean Power Supply System Calculator in line with the CPUC-provided instructions and templates. The IRP is required to be filed by August 10, 2026, and must include:

- Written IRP Narrative
- 2045 8 million metric ton (MMT) GHG target portfolio Resource Data Template and Clean System Power Calculator
- IRP Verification

Assumptions for CEA's IRP include a renewable energy portfolio target of 50% increasing to 100% by 2035 and maintaining 100% renewable supply through 2045, diversity in planned generation mix (solar, wind, geothermal, battery storage, etc.) for energy and resource adequacy, assumptions regarding new buildout vs. use of existing resources and geographic regions for planned resources. Noting that the load growth forecast required for this IRP filing is significantly higher than CEA's direct experience to date, commentary on how procurement needs would be reduced under a lower load growth forecast was also provided in CEA's narrative.

CEA's Resolution makes the following determinations:

- CEA's Preferred Conforming Portfolio (PCP) is expected to achieve economic, reliability, environmental, security, and other benefits and performance characteristics that are consistent with the goals set forth in PUC Section 454.52(a)(1)(A-J).
- CEA's PCP includes a diversified procurement portfolio consisting of both short-term and long-term electricity and electricity-related and demand reduction products.
- CEA's PCP achieves the resource adequacy requirements established pursuant to PUC Section 380.
- CEA's PCP is consistent with the procurement timing, resource mix, and operational attributes of the 2025-2026 Transmission Planning Process Portfolio with updates ("System Reference Plan" or "TPP Portfolio").
- CEA's PCP is compliant with all CEA Board-adopted procurement directives.

Staff is continuing to make final minor edits, but these edits will not make material changes to the data reflected in the attached draft IRP. The IRP will be submitted to the CPUC by the due date of August 10, 2026.

FISCAL IMPACT:

There is no fiscal impact associated with this item.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

- A. Resolution No. 2026-033 Approving Clean Energy Alliance Integrated Resource Plan
- B. Draft 2026 Clean Energy Alliance Integrated Resource Plan

**CLEAN ENERGY ALLIANCE
RESOLUTION NO. 2026-033**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF CLEAN ENERGY
ALLIANCE APPROVING THE 2026 CEA INTEGRATED RESOURCE PLAN**

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, Senate Bill 350, approved October 7, 2015, establishes a requirement for Community Choice Aggregation (CCA) Programs to develop an Integrated Resource Plan (IRP) and submit it to the California Public Utilities Commission (CPUC) for certification; and

WHEREAS, CEA's 2026 Integrated Resource Plan was reviewed by CEA's Board of Directors at its regular meeting of June 25, 2026.

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

Section 1. That based upon and in consideration of staff reports, presentations, public testimony and comment, if any, and such other matters presented to the Board of Directors during the public meeting on this matter, the Board of Directors finds and declares the foregoing recitals to be true and correct and incorporates the same as substantive findings herein.

Section 2. That the 2026 Integrated Resource Plan (IRP) for CEA has been developed in compliance with applicable law, including SB 350 and California Public Utilities Commission direction, and is hereby approved. Staff is authorized and directed to continue making final minor edits to the IRP so long as those edits do not make any material change to the data reflected in the IRP as presented to the Board on June 25, 2026. Staff is further authorized and directed to submit the IRP to the CPUC by the due date of August 10, 2026.

Section 3. That CEA's Preferred Confirming Portfolio (PCP) is expected to achieve economic, reliability, environmental, security, and other benefits and performance characteristics that are consistent with the goals set forth in Public Utilities Code Section 454.52(a)(1)(A-J).

Section 4. That CEA's PCP includes a diversified procurement portfolio consisting of both short-term and long-term electricity and electricity-related and demand reduction products.

Section 5. CEA's PCP achieves the resource adequacy requirements established pursuant to Public Utilities Code Section 380.

Section 6. CEA's PCP is consistent with the procurement timing, resource mix, and operational attributes of both the Commission's Preferred System Portfolio.

Section 7. CEA's PCP is compliant with all CEA board-adopted procurement directives and all provisions of applicable law.

Section 8. That the Board Secretary shall certify to the adoption of this Resolution, and it shall become effective immediately upon adoption.

The foregoing Resolution was passed and adopted this 25th day of June 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Katie Melendez, Board Chair

ATTEST:

Ana Marie Alarcon, Clerk to the Board

Standard LSE Plan

CLEAN ENERGY ALLIANCE

2025 INTEGRATED RESOURCE PLAN

AUGUST 10, 2026

Table of Contents

I.	Executive Summary.....	3
	Plan Summary	3
II.	Study Design	5
	c. Objectives.....	5
	c. Methodology	5
	i. Modeling Tool(s).....	5
	ii. Modeling Approach.....	6
	iii. Alternative Assumptions	8
III.	Study Results.....	8
	c. Conforming and Alternative Portfolios	8
	c. Preferred Conforming Portfolio	12
	c. GHG Emissions Results.....	16
	a. Local Air Pollutant Minimization and Disadvantaged Communities	16
	i. Local Air Pollutants	16
	iv. Focus on Disadvantaged Communities.....	17
	c. Cost and Rate Analysis	18
	b. System Reliability Analysis.....	20
	d. Hydro Generation Risk Management.....	23
	e. Long-Duration Storage Planning	23
	f. Clean Firm Power Planning	24
	g. Non-CAISO, including Out-of-State, Wind Planning.....	24
	h. Offshore Wind Planning.....	24
	i. Transmission Planning	24
IV.	Action Plan	25
	a. Proposed Procurement Activities and Potential Barriers.....	25
	i. Resources to meet IRP mandated procurement requirements	27
	ii. Non-candidate in CPUC's IRPs not described above	27

iii.	Other renewable and/or zero carbon resources.....	27
iv.	Other energy storage not described above.....	27
v.	Other demand response not described above	27
vi.	Other energy efficiency not described above.....	28
vii.	Other distributed generation not described above	28
viii.	Transportation electrification	28
ix.	Building electrification	28
x.	Potential Centralized Procurement.....	28
xi.	Other	29
b.	Disadvantaged Communities (DACs).....	29
c.	LSEs' Tribal Customers.....	30
d.	Procurement Products.....	30
e.	Commission Direction of Actions	30
V.	Lessons Learned.....	31
	<i>Glossary of Terms</i>	33

I. Executive Summary

Description of CEA

Clean Energy Alliance is a Joint Powers Authority (“JPA”) formed by the communities of Carlsbad, Del Mar and Solana Beach in November 2019, and subsequently expanded to include the cities of Escondido, Oceanside, San Marcos, and Vista.

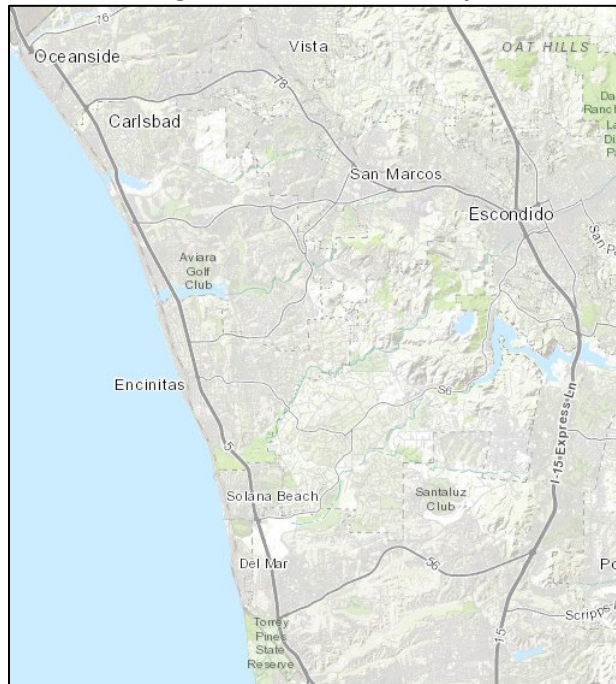
As a JPA, CEA is a local government agency. CEA is governed by a seven-member board composed of representatives of its member local governments. Through these representatives CEA is controlled by and accountable to the communities CEA serves.

CEA provides retail electric generation services and complementary energy programs to customers within the municipal boundaries of the following communities:

- a. City of Carlsbad
- b. City of Del Mar
- c. City of Escondido
- d. City of Oceanside
- e. City of San Marcos
- f. City of Solana Beach
- g. City of Vista

CEA began serving load in May 2021 and currently serves a customer base of approximately 257,000 service accounts. CEA is the default power provider for the communities it serves.

Figure 1: Service Area Map



CEA provides retail generation service to a variety of customer classes, including residential, small and medium commercial, large industrial, and agricultural and pumping facilities. CEA's current service area has a population of approximately 644,000, the majority of which live in households or work at businesses that receive generation service from CEA. In 2025, CEA had an estimated peak load of 544 MW, and energy usage of 2,320 GWh.

CEA's Mission

CEA's mission is to "empower local communities with the choice of sustainable and affordable energy for all customers, accelerating the transition to clean energy and fostering local economic growth, environmental responsibility, inclusivity and community well-being." CEA is an energy services provider, which benefits the community through the delivery of cleaner and more locally produced electricity, demand reduction, economic investment and competitive rates for residents, businesses, and municipal facilities in the service territory. CEA's formation agreements outline an organizational goal to achieve 100% renewable energy by 2035. Consistent with Public Utilities Code Sections 366.2(a)(5) and 454.52 (b)(3),¹ all procurement by CEA, including the portfolios set forth in this Integrated Resource Plan ("IRP"), must comply with policy direction provided by CEA's governing board.

Introduction to CEA's IRP

In accordance with the requirements of California Public Utilities Code ("PUC") Sections 454.51 and 454.52 and California Public Utilities Commission ("Commission") Decision ("D.") D.22-02-004, *Administrative Law Judge's Ruling Finalizing Load Forecasts and Greenhouse Gas Emissions Benchmarks*

¹ All further citations to statute are to the California Public Utilities Code unless otherwise noted.

for 2022 Integrated Resource Plan Filings,² and guidance provided by the Commission’s Energy Division³, CEA is providing its load-serving entity (“LSE”)-specific IRP to the Commission for certification and use in the Commission’s statewide planning process.

In addition to this narrative, CEA’s IRP includes the following documents:

- CEA’s Resource Data Template
- CEA’s Clean System Power Calculator
- CEA’s IRP Verification

CEA is submitting a single Preferred Conforming Portfolio in this IRP, which achieves emissions that are equal to or less than the LSE’s proportional share of the 8 million metric ton (“MMT”) greenhouse gas (“GHG”) target by 2045. CEA has also considered an alternative scenario exploring a “low load growth” future and has provided narrative commentary in various sections herein which outline the potential portfolio impacts of this change. This alternative is more consistent with CEA’s experience with load growth since the organization’s inception, though CEA recognizes that electrification trends may change this observed trend in the future.

Projecting resource needs over the planning horizon covered by the IRP is a dynamic process and CEA expects changes over time. The future resources identified in CEA’s IRP represent CEA’s current good-faith projection of the resource mix that will be procured over the IRP planning horizon. Such projections are based on best available information regarding planning directives, CEA policy, resource availability and other key considerations. The resources identified in future iterations of CEA’s IRP may change due to new information and evolving circumstances, and the ultimate resource mix that CEA actually procures (in future years) may differ from what is reflected in this plan due to a number of variables, including availability of supply, technology changes, price of supply, and/or other market or regulatory considerations.

Board Council Approval of IRP

In compliance with PUC Section 454.52(b)(3), this IRP was formally submitted to the CEA’s governing board for approval based on the IRP’s compliance with Sections 454.51 and 454.52 (the “IRP Statute”) and all relevant board-adopted procurement requirements of CEA’s governing board. On June 25th, 2026, the CEA’s Board of Directors (“Board”) adopted a Resolution which formally approved this IRP and adopted CEA’s Preferred Conforming Portfolio (“PCP”). This Resolution also made the following determinations regarding CEA’s PCP:

- CEA’s PCP is expected to achieve economic, reliability, environmental, security, and other benefits and performance characteristics that are consistent with the goals set forth in Section 454.52(a)(1)(A-J).

² Rulemaking (“R.”) 20-05-003, *Administrative Law Judge’s Ruling Finalizing Load Forecasts and Greenhouse Gas Emissions Benchmarks for 2022 Integrated Resource Plan Filings* (“Final Ruling”), June 15, 2022.

³ Energy Division Guidance can be accessed at: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/long-term-procurement-planning/2022-irp-cycle-events-and-materials>.

- CEA's PCP includes a diversified procurement portfolio consisting of both short-term and long-term electricity and electricity-related and demand reduction products.
- CEA's PCP achieves the resource adequacy requirements established pursuant to PUC Section 380.
- CEA's PCP is consistent with the procurement timing, resource mix, and operational attributes of the 2025-2026 Transmission Planning Process Portfolio with updates ("System Reference Plan" or "TPP Portfolio").⁴
- CEA's PCP is compliant with all CEA Board-adopted procurement directives.

A copy of the final Resolution is available on the CEA website.⁵

Request for Certification

CEA respectfully requests that the Commission certify this IRP.

As both the Legislature and the Commission have recognized, the Legislature has granted CCAs broad authority to procure resources on behalf of their respective customers, an authority limited only where "other generation procurement arrangements have been expressly authorized by statute."⁶ Likewise, the Legislature has granted CCAs autonomy in setting their own rates and managing interactions with their customers.⁷ CEA understands that the Commission has three primary interests in the CCA IRP process:

- Ensuring that CCA IRPs provide requisite procurement information needed by the Commission to develop its statewide plan.⁸
- Ensuring that CCAs' current and planned procurement is consistent with the Resource Adequacy ("RA") requirements established pursuant to PUC Section 380.5.⁹
- Ensuring that CCAs' current and planned procurement satisfies the CCA's share of renewables integration resources identified in the Commission's System Reference Plan, and that the CCA

⁴ In Decision 22-02-004 at 105 and Ordering Paragraph ("OP") 8, the Commission adopted the 30 MMT Core Portfolio with 2020 IEPR Demand and High Electric Vehicle ("EV") Penetration Scenario.

⁵ [To insert].

⁶ PUC Section 366.2(a)(5).

⁷ D.05-12-041 at 9-11 ("Nothing in the statute directs the CPUC to regulate the CCA's program except to the extent that its programs may affect utility operations and the rates and services to other customers. For example, the statute does not require the CPUC to set CCA rates or regulate the quality of its services... We are confident that existing law protects CCA customers. Entities of local government, such as CCAs, are subject to numerous laws that will have the effect of protecting CCA customers and promoting accountability by CCAs...").

⁸ D.19-04-040 at 17-18 ("The Commission's portfolio aggregation and evaluation process, which relies of fulfillment of IRP filing requirements by LSEs, is the only process capable of assessing the overall needs of the CAISO grid and meeting the statewide GHG, reliability, and least-cost goals collectively. While LSEs may use their IRP process to meet local planning needs as well, the statewide planning function is the statutorily required process . . .").

⁹ Section 454.52(b)(3)(C).

either self-provides or pays for investor-owned utility (“IOU”) procurement to support its share of any renewable integration shortfall.¹⁰

CEA has prepared its IRP with these interests in mind, and thanks the Commission for recognizing and preserving CCA procurement autonomy as well as the benefits of a collaborative planning approach with CCA organizations in its certification review of CEA’s IRP.

Plan Summary

This narrative provides a detailed description of the development and content of CEA’s PCP, the portfolio’s compliance with applicable requirements, and an action plan detailing CEA’s next steps to promote conformance with such requirements.

CEA developed its IRP through the following steps:

- CEA compiled data for its existing energy contracts, including Voluntary Allocation Market Offer (“VAMO”) contracts from San Diego Gas & Electric (SDG&E) and greenhouse gas (“GHG”)-free allocations from the Diablo Canyon Nuclear Power Plant, as well as RA capacity contracts and its share of capacity for allocated Cost Allocation Mechanism (“CAM”) resources.
- For each IRP planning year, CEA identified its short positions relative to known planning targets and its assigned load forecast.
- CEA populated the Resource Data Template with all current contracts.
- CEA compiled detailed information on projects for which it is currently negotiating power purchase agreements, including information regarding project status and timing.
- CEA identified future contracts it would aim to secure for new solar, storage, geothermal, hybrid and wind generation. CEA prioritized the selection of future resources to ensure that CEA’s overall portfolio of new resources is varied, is feasible in terms of anticipated resource availability, meets all regulatory goals, meets the goals expressed by CEA’s Board, and is estimated to minimize costs to customers, subject to applicable mandates. CEA added generic future contracts with existing renewable resources to help fill its remaining open positions.
- CEA used the Commission’s Clean System Power Calculator Tool to check the GHG emissions associated with the resulting portfolio to ensure that these emissions are less than CEA’s assigned GHG emissions benchmarks in 2035 and 2045; CEA added planned purchases of additional energy from renewable or GHG-free resources in sufficient volume to ensure that portfolio emissions were less than CEA’s assigned GHG benchmark.
- CEA evaluated the portfolio for reliability by comparing the total portfolio capacity against CEA’s RA requirements as shown in the Reliability tab in the Resource Data Template (RDT) and adding sufficient RA capacity contracts to ensure reliability. CEA further established that its planned incremental capacity procurement met or exceeded its assigned shares of the various incremental capacity procurement obligations.
- CEA identified the resulting portfolio as its PCP.

CEA reached the following findings regarding its PCP:

¹⁰ Section 454.51.

- CEA's PCP includes the procurement of the following new resources throughout the planning period:
 - New solar resources totaling 1,395 MW
 - New battery storage resources totaling 1,104 MW
 - New wind resources totaling 213 MW
 - New geothermal resources totaling 97 MW
- CEA's PCP provides for the following overall resource mix in 2045:
 - 1,003 GWh of Geothermal
 - 687 GWh of Wind
 - 2,992 GWh of Solar
 - 6,886 MWh of Battery Storage Discharge Capability
 - 160 MW of Natural Gas (Capacity-Only)
 - 175 MW of utility capacity resources allocated under the Cost Allocation Mechanism
- CEA's PCP is consistent with procurement timing, resource quantities, and general resource attributes identified in the System Reference Plan.
- CEA's PCP would have GHG emissions of 0.22 MMT, 0.17 MMT, 0.12 MMT, and 0.06 MMT in 2030, 2035, 2040, and 2045, respectively, which is equivalent to or less than CEA's assigned GHG emission benchmarks for those years.
- CEA's PCP meets all relevant reliability metrics.
- CEA's PCP is consistent with the Commission's System Reference Plan and can be used in an 8 MMT (2045) consolidated statewide portfolio.

To implement its PCP, CEA is adopting the action plan described in Section IV, below. This action plan consists of the following steps:

- CEA will periodically solicit offers for new renewable generation and storage projects. These resources are typically secured through long-term power purchase agreements. CEA expects to secure power purchase agreements for new projects in multiple solicitations conducted over the coming years.
- Periodically throughout the year, CEA will solicit offers for short-term renewable energy, RA, system energy, and other products needed to balance the portfolio and adhere to position limits established through CEA's risk management policy and practices. These solicitations may take the form of a formal request for offers processes, bilateral discussions, and/or transactions arranged through broker markets.
- CEA will continue to procure resources to meet any remaining assigned requirements from D.19-11-016, D.21-06-035, D.23-02-040, and D.26-02-057 as well as the specific sub-categories from those decisions.

II. Study Design

c. Objectives

CEA had the following objectives in performing the analytical work to develop its IRP:

1. Identify a PCP with lower emissions than CEA's assigned GHG emissions benchmarks, as determined using the Commission's emissions calculator.
2. Identify a PCP that achieves economic, reliability, environmental, security, and other benefits and performance characteristics that are consistent with the goals set forth in Section 454.52(a)(1)(A-J).
3. Identify diverse and balanced PCP that includes both short-term and long-term electricity products as well as electricity-related demand reduction products.
4. Identify a PCP that achieves the resource adequacy requirements established pursuant to PUC Section 380 and provide CEA's share of system reliability and renewable integration resources.
5. Identify a PCP that complies with all of CEA's Board-adopted procurement directives.
6. Identify a PCP that is compliant with CEA's obligations under the Renewables Portfolio Standard ("RPS") program.
7. Identify a PCP that is cost-effective and minimizes rate impacts on CEA's customers.

c. Methodology

i. Modeling Tool(s)

In developing its planned portfolios, CEA used the inputs, assumptions, and modeling performed by the Commission's Energy Division using RESOLVE and SERVIM to identify candidate resources and portfolio characteristics needed to meet the GHG benchmarks in 2035 and 2045. Internal models were used to assess open positions and to incorporate RESOLVE/SERVIM planning assumptions to specify a mix of planned resources, including considerations relating to the timing of resource acquisition, the type of resources acquired, and the assumed mix of procurement of new vs. existing resources. The RDTv3 and Clean System Power ("CSP") templates were used to test the portfolio for reliability and GHG emissions. CEA assessed its resulting physical and financial positions for conformance with CEA's risk management policies and business practices.

CEA utilizes a commercial energy trading and risk management system to monitor its positions, market exposure, credit exposure, value-at-risk, and other risk management metrics. CEA used the outputs of its energy trading and risk management system to develop reports and data which were then analyzed to assess annual, monthly, and hourly open positions by considering all forecasted electric loads and expected deliveries from CEA's resource portfolio. CEA also used a proprietary financial model to project power supply costs based on existing and planned procurements as well as an overall financial assessment of revenues, costs, and cash flows. Current market conditions were considered when compiling any costs associated with expected/planned purchases; actual costs, based on existing procurement contracts, were incorporated as appropriate, and RESOLVE cost assumptions were used for new candidate resources.

ii. Modeling Approach

The modeling approach was to identify a portfolio of resources that meets the objectives outlined above and that considers resource availability under the assumption that other LSE's would procure in a manner consistent with the 2025-2026 TPP Portfolio with updates. CEA relied on the 2025 Inputs and Assumptions documentation for information on expected cost and availability of new candidate resources and used this information to guide selection of technology types and timing of procurement for the new resources in the portfolio. Overall renewable energy and carbon-free energy content follows a trajectory towards 100% by 2035 and continuing through 2045, which meets or exceeds the assigned GHG emissions limits and meets CEA's own renewable content targets.

Load Forecast

CEA developed this IRP using its assigned load forecast from the file Load Forecasts + GHG Benchmarks document published by the Commission on 1/16/26¹¹ (also contained in the CSP templates), as directed in the *Final Ruling*. This forecast is shown in Table 2 below.

CEA has also reviewed its load growth trends to date, which are significantly less aggressive than the Final Ruling. If CEA's growth rate were 1.6% per year – which is still healthy growth but more in line with CEA's direct experience and observations to date – CEA's 2045 load would be forecasted at 3,187GWh instead of 4,477GWh. CEA has provided narrative commentary in various locations in this IRP estimating the potential reductions in procurement need as of 2045 under these lower load growth assumptions.

Table 2: CEA's 2026-2045 Load Forecast (GWh)

Year	Load Forecast
2026	2,364.42
2027	2,461.48
2028	2,594.55
2029	2,728.54
2030	2,876.74
2031	3,010.70
2032	3,149.24
2033	3,290.96
2034	3,441.70
2035	3,609.56
2036	3,743.49
2037	3,860.27
2038	3,963.14
2039	4,057.17
2040	4,158.93
2041	4,234.95
2042	4,311.26
2043	4,375.32

¹¹ See *Load Forecasts + GHG Benchmarks* (January 16, 2026) (hereinafter "GHG Benchmarks"), available at <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/long-term-procurement-planning/2024-26-irp-cycle-events-and-materials>.

2044	4,428.71
2045	4,476.71

Load Shape

In developing its portfolio, CEA used the default load shape from the Clean System Power Calculator. Use of this load shape does not change CEA's total annual energy volumes for both load and load modifiers, and these energy volumes remain consistent with CEA's assigned load forecast.

Load-Proportional GHG Emissions Benchmark

CEA's modeling was assessed against its 2030, 2035, 2040 and 2045 assigned GHG emissions benchmarks, which are shown below in Table 3:

Table 3: CEA's Assigned Shares of GHG Reduction Benchmarks (MMT/yr)

2030	2035	2040	2045
0.32	0.26	0.21	0.11

Compiling Existing Resources

To populate its baseline resource templates, CEA included existing resources from the following procurement categories:

- Energy contracts.
- Capacity (Resource Adequacy) contracts.
- CEA's existing long-term Power Purchase Agreements and Energy Storage Agreements
- CEA's assigned share of capacity for CAM resources.
- CEA's selected VAMO allocation of RPS resources from SDG&E
- CEA's allocation of GHG-free resources from the Pacific Gas & Electric (PG&E) Diablo Canyon Nuclear Power Plant

Contracts using existing resources are a combination of those currently under contract (existing contracts) and potential future contracts (planned contracts). Reliance on planned purchases of existing resources was constrained to a small portion of the overall portfolio in recognition of the need that significant development of new resources will be necessary to meet the State's GHG reduction goals and that contracting opportunities with existing resources may become increasingly scarce.

Selecting New Resources

To identify its new resource procurement opportunities, CEA first determined the new resource capacity it intends to add each year and considered candidate resources based on assessments of availability, cost, and portfolio fit. Planned purchases were grouped into distinct tranches for modeling purposes, although actual procurement will likely occur on a more continuous basis. A variety of factors were considered in determining the size and composition of the new resource procurement tranches reflected in the plan. These factors include resource needs (i.e., open positions relative to planning targets), renewable portfolio standards including long-term renewable contracting requirements, RA requirements, the need for incremental RA capacity to contribute to system reliability and renewable integration needs (e.g., incremental procurement orders), the potential for technological improvements over time, cost/customer impacts, and risk considerations. CEA assessed resource availability based on

the Commission’s planning assumptions and inputs and used this information to help guide the timing of procurement of various generation resource types. The Commission’s RESOLVE modeling helped guide CEA’s selection of new resource types, as did its experience with competitive solicitations for new renewable and storage resources and its experience in procuring resource adequacy resources.

Confirming Reliability

CEA’s portfolios were evaluated to ensure that sufficient dependable capacity (net qualifying capacity or “NQC”) would be available to meet peak load requirements, as shown in the RDTv3. These requirements include procuring sufficient net qualifying capacity to meet the Planning Reserve Margin (“PRM”) applicable to each year of the planning period. CEA used technology-specific Effective Load Carrying Capacity (“ELCC”) factors from the RDT to assess the contribution of each resource to system reliability. The ELCCs for battery storage resources degrade precipitously during the planning period, which means that battery resources provide less NQC per MW of nameplate capacity. In order to ensure that its portfolio met the reliability requirements in each year of the planning period, CEA added sufficient short-term RA capacity as needed to supplement capacity from its long-term portfolio. CEA’s portfolio was designed to ensure that current incremental RA capacity obligations from the various Commission procurement orders will be met.

Calculating GHG Emissions

CEA calculated the emissions associated with its PCP using the Commission’s Clean System Power calculator. The assigned load forecast and default load shapes and behind the meter adjustments were used for this assessment, along with the planned supply portfolios. CEA used standard resource profiles from the Clean System Power calculator. The resulting emissions in each year were checked against the assigned GHG benchmarks.

iii. Alternative Assumptions

CEA did not use alternative assumptions in developing its PCP.

III. Study Results

Use this section to present the results of the analytical work described in Section 2: Study Design.

c. Conforming and Alternative Portfolios

As required by the Commission, CEA is submitting a preferred conforming portfolio that achieves CEA’s share of the 2035 and 2045 GHG targets. CEA is not submitting alternative portfolios.

CEA’s Preferred Conforming Portfolio

Table 1 included in Appendix A to this Narrative provides a summary of CEA’s PCP, identifying resources by type and distinguishing between the following procurement categories:

- Existing resources (energy and capacity) that CEA owns or contracts with, consistent with definitions provided in the RDT.
- Existing resources (energy and capacity) that CEA plans to contract with in the future.
- Existing resources (capacity) that CEA partially pays for through CAM.

- New Resources (energy and capacity) that are under development that CEA is planning to procure.
- Future new resources (energy and capacity) that CEA is planning to procure.

In summary, to meet CEA’s projected 2045 energy demand, CEA has selected a Conforming Portfolio composed primarily of the following resources by 2045:

- Solar, planned existing: 170 GWh
- Solar, planned new: 2,822 GWh
- Wind, planned existing: 293 GWh
- Wind, CA, planned new: 239 GWh
- Wind, New Mexico, new: 69 GWh
- Wind, Wyoming, new; 87 GWh
- Geothermal, existing: 250 GWh
- Geothermal, new: 753 GWh
- Battery storage, new: 6,886 GWh dispatch capability

Additionally, CEA’s PCP includes capacity-only resources composed primarily of the following resources:

- CAM capacity resources: 175 MW
- Existing natural gas, baseload, and other (planned procurement): 161 MW

CEA’s portfolio includes a mix of existing and new resources, with new resources dominating the portfolio by 2045. CEA’s PCP is comprised of a mix of resources in which CEA can minimize customer rate impacts while still achieving the State’s GHG-reduction targets.

CEA has also estimated the potential impact on procurement needs if CEA’s load growth were to materialize at a lower rate, with a total load forecast in 2045 of 3,187GWh instead of 4,477GWh. In this scenario, CEA could see reduced procurement needs of 420 MW of 8-hour battery storage and 630 MW of solar with potential to result in lower overall customer rate impacts (for example with the ability to more gradually target procurement efforts at the most cost effective options over time, and potential to allow for earlier amortized resources to contribute a larger portion of CEA’s overall needs). If the lower load forecast were to materialize, and CEA adjusted its future solar and storage purchases accordingly, expected power purchase contract payments would be reduced by \$238 million annually by 2045.

CEA’s PCP Is Consistent with the 2025-2026 TPP Portfolio

The new resources included in CEA’s CPP are consistent with the 2025-2026 TPP Portfolio new resource mix as demonstrated in the following table:

Table 4: Comparison of CEA’s PCP New Build Resources to the 2025-2026 TPP Portfolio

Resource Category	TPP Portfolio (MW)	CEA’s Proportional Share of TPP New Resources (MW)	CEA’s PCP (MW)
Geothermal	3,230	44	97
Geothermal (Enhanced)	674	9	0
Biomass	12	0	0
In-State Wind	10,949	148	104

Out-of-State Wind	19,036	257	109
Offshore Wind	-	0	0
Solar	82,732	1,117	1,395
Li-ion Battery (4-hr)	6,758	91	304
Li-ion Battery (8-hr)	21,102	285	800
Location Constrained Storage (12-hr)	8,499	115	0

Overall, Table 4 shows that CEA's PCP is broadly consistent with CEA's proportional share of the TPP new-resource build, with the same core technology set (solar, wind, storage, and geothermal) providing the bulk of new supply. The primary differences are in the composition of that build: (1) the PCP is more solar-heavy than the proportional TPP share, (2) the PCP relies materially more on battery storage—particularly longer-duration (8-hour) storage—than the proportional share, and (3) the PCP includes less in-state and out-of-state wind than the proportional share. The PCP also does not assume Enhanced Geothermal (0 MW versus a small proportional share, though CEA maintains interest in this resource type and intends to pursue procurement of best value geothermal and/or enhanced geothermal options in parallel) and does not include the location-constrained 12-hour storage category included in the TPP due to uncertain cost and availability considerations. Taken together, these differences primarily reflect CEA's estimation of resource availability at competitive prices, while maintaining overall alignment with the statewide planning direction reflected in the TPP.

The contracted and planned resources for CEA's PCP are summarized as follows:

- **TECOLOTE_RA_1_SS_CEA** — PATTERN Energy wind in New Mexico, online, 2023-2038.
- **RESISTATION_RA_2_SS_CEA** — RESISTATION existing generic DR in CA, 2023-2032.
- **Cape_PCC1_1_LT_CEA** — FERVO geothermal (SCE Utah Geothermal), in development, COD 2031, 2031-2045.
- **Leap MTR** — LEAPFROG new generic DR in CA, online, 2023-2034.
- **ES 1A 2** — ES1A Opco existing solar+storage (Edward), online, 2024-2035.
- **ES 1A 3** — ES1A Opco existing solar+storage (Edward), online, 2024-2035.
- **ES 1A 4** — ES1A Opco existing solar+storage (Edward), online, 2024-2035.
- **TECOLOTE_RA_1_SS_CEA 2** — Second tranche of Pattern Energy NM wind, 2023-2038.
- **DeerCreek_PCC1_1_LT_CEA** — VISTRA new generic 2-axis solar (Tulare County), in development, 2026-2041.
- **DeerCreek_PCC1_1_LT_CEA_2** — VISTRA paired battery storage (Tulare County), in development, 2026-2041.
- **DeerCreek_DCR** — VISTRA solar paired with DR, in development, 2026-2041.
- **IEP Camp Pendleton** — New generic long-duration battery storage at Camp Pendleton, in development, 2026-2046.
- **IEP Camp Pendleton 2** — Second new generic battery storage at Camp Pendleton, in development, 2026-2046.
- **CIRCLECITY_RA_1_SS_CEA** — ENGIE new generic battery storage (Mira Loma area, Riverside County), new contract, 2026-2036.
- **Darden_PCC1_1_LT_CEA (Solar)** — INTERSECT new generic 2-axis solar in Fresno County, in development, 2028-2040.
- **Darden_PCC1_1_LT_CEA (Storage)** — INTERSECT paired battery storage, in development, 2028-2040.

- **SENA_PCC1_1_LT_CEA** — SHELL new generic 2-axis solar (energy-only), online, 2025-2034.
- **Powerex_PCC1_1_LT_CEA** — POWEREX existing generic wind (BC Canada), energy-only, online, 2021-2031.
- **SDG&E_PCC1_LT_1_CEA_SOLAR** — SDG&E VAMO solar baseline (CA), energy-only, online, 2022-2042.
- **SDG&E_PCC1_LT_1_CEA_WIND** — SDG&E VAMO existing wind (CA), energy-only, online, 2022-2042.
- **SDG&E_PCC0_LT_1_CEA_SOLAR** — SDG&E VAMO solar baseline (CA), energy-only, online, 2023-2033.
- **SDG&E_PCC0_LT_1_CEA_WIND** — SDG&E VAMO existing wind (CA), energy-only, online, 2023-2033.
- **SENA_PCC1_LT_2_CEA** — SHELL new generic 2-axis solar (CA), energy-only, online, 2022-2034.
- **Karbhone_PCC1_1_CEA** — KARBONE new generic solar (CA), energy-only, online, 2025-2027.
- **Pattern_PCC1_2_CEA** — PATTERN SCE New Mexico wind, energy-only, online, 2026-2027.
- **PG&E_PCC1_4_CEA** — PGE new generic solar (CA), energy-only, online, calendar year 2026.
- **CDWR_PCC1_1_CEA** — CDWR new generic solar (CA), energy-only, online, 2027.
- **PCE_PCC1_1&2_CEA** — PCE existing generic wind (CA), energy-only, online, 2027-2028.
- **EDFTNA_RA_3_SD_CEA** — EDFT capacity (Baja California Mexico), online, 2024-2026.
- **SEMPRA_RA_4_SD_CEA** — SEMPRA capacity (Baja CA Mexico), online, 2024-2026.
- **SEMPRA_RA_5_SD_CEA** — SEMPRA capacity (Baja CA Mexico), online, 2024-2026.
- **SDG&E_RA_4_SD_CEA** — SDG&E capacity (CA), online, 2023-2037.
- **SDG&E_RA_4_SDF_CEA** — SDG&E flex capacity (CA, Kearny portfolio), online, 2023-2042.
- **SDG&E_RA_4_SS_CEA** — SDG&E SCE-area capacity (San Bernardino), online, 2023-2035.
- **SDG&E_RA_4_SSF_CEA** — SDG&E SCE-area flex capacity (Joanec/Sentinel portfolio), online, 2023-2037.
- **Saavi_RA_3_SD_CEA** — SAAVI capacity (Baja CA Mexico), online, 2026-2027.
- **CALPINE_RA_13_SD_CEA** — CALPINE capacity (CA, Otay Mesa), online, 2027-2028.
- **Chevron_RA_1_SS_CEA** — CHEVRON capacity (CA, Sycamore), online, calendar year 2026.
- **NRGBM_RA_6_SDF_CEA** — NRG flex capacity (CA, Termoeléctrica Mexicali), online, calendar year 2026.
- **Western Power II_RA_2_NS_CEA** — Western Power & Steam II capacity (CA), online, 2025-2026.
- **Saavi_RA_4_SD_CEA** — SAAVI capacity (Baja CA Mexico), online, calendar year 2026.
- **SENA_RA_8_SD_CEA** — SHELL capacity (Baja CA Mexico), online, 2027-2028.
- **Saavi_RA_5_SD_CEA** — SAAVI capacity (Baja CA Mexico), online, 2027.
- **SENA_RA_9_SDF_CEA** — SHELL flex capacity (Baja CA Mexico), online, 2027-2028.
- **PCE_RA_4_SD_CEA** — PCE capacity (CA, La Palma), online, 2027.
- **CALPINE_RA_14_SD_CEA** — CALPINE capacity (CA, Otay Mesa), online, 2027.
- **Saavi_RA_6_SD_CEA** — SAAVI capacity (Baja CA Mexico), online, 2027.
- **PCE_RA_5_NS_CEA** — PCE capacity (CA, La Palma), online, summer 2027.
- **Chevron_RA_2_SS_CEA** — CHEVRON capacity (CA, Sycamore/Omar), online, summer 2027.
- **SEMPRA_RA_6_SDF_CEA** — SEMPRA flex capacity (Baja CA Mexico), online, 2029.
- **NRGBM_RA_7_SDF_CEA** — NRG flex capacity (Baja CA Mexico), online, 2027-2028.
- **MSCG_CF_3_CEA** — MSCG existing generic NW hydro (WA), energy-only, online, Sept 2026.
- **Dynasty_CF_1_CEA** — DYNASTY existing in-state large hydro (CA), energy-only, online, 2026.
- **MSCG_Hydro_4_CEA** — MSCG existing in-state large hydro (CA), energy-only, online, 2026.
- **TENASKA_Nuke_1_CEA** — TENASKA existing nuclear (AZ - Palo Verde vintage), energy-only, online, 2026.

- **PG&E_Nuke_2_CEA_Allocation** — PGE existing nuclear (CA, Diablo Canyon allocation), energy-only, online, 2026-2030.
- **CAM - Storage Single** — SDG&E CAM allocation of existing battery storage, 2020-2045.
- **Other CAM** — SDG&E CAM allocation of existing combined cycle, 2020-2045.
- **LT Solar 1** — Planned new generic 1-axis solar, 2030-2050.
- **LT Storage 1** — Planned new generic battery storage, 2030-2050.
- **LT Wind Out of State 1** — Planned new generic OOS (AZ/NM) wind, 2030-2050.
- **LT Geothermal 2** — Planned new generic geothermal, 2035-2055.
- **LT Solar 2a/2b/2c** — Three planned new generic 1-axis solar tranches, 2033/2034/2035 starts.
- **LT Storage 2a/2b/2c** — Paired planned new battery storage tranches matching solar 2a-c.
- **LT Wind CA 2** — Planned new generic CA wind, 2035-2055.
- **LT Solar 3a/3b/3c** — Three planned new 1-axis solar tranches, 2038/2039/2040 starts.
- **LT Storage 3a/3b/3c** — Paired planned new battery storage tranches matching solar 3a-c.
- **LT Geothermal 3** — Planned new generic geothermal, 2040-2060.
- **LT Solar 4a/4b/4c** — Three planned new 1-axis solar tranches, 2043/2044/2045 starts.
- **LT Storage 4a/4b/4c** — Paired planned new battery storage tranches matching solar 4a-c.
- **LT Wind Out of State 4** — Planned new generic OOS Wyoming wind, 2045-2060.
- **ST Solar** — Planned existing generic 1-axis solar placeholder, 2028-2045.
- **ST Wind** — Planned existing generic wind placeholder, 2028-2045.
- **ST Large Hydro** — Planned existing generic in-state large hydro placeholder, 2030-2045.
- **OCPA_PCC1_LT_VAMO_1_CEA** — OCPA existing generic fixed solar via VAMO buy, energy-only, online, 2026-2035.
- **OCPA_PCC1_LT_VAMO_2_CEA** — OCPA existing generic fixed solar via VAMO sell, energy-only, online, 2026-2035.
- **LT LD Storage_D.26_8** — Planned new long-duration generic battery storage buy, 2032-2052.
- **Generic CCGT RA_2026 through 2045** — Planned existing generic combined-cycle RA placeholders, one per year 2026-2045, used as forward CCGT capacity assumptions. On a year-to-year basis, CEA also anticipates considering other existing facility resource types which have the potential to meet these same reliability needs.

c. Preferred Conforming Portfolio

As stated above, in accordance with PUC Section 454.51(b)(3), CEA’s Board has determined that the resource mix in its PCP achieves “economic, reliability, environmental, security, and other benefits and performance characteristics that are consistent with the goals set forth in [Section] 454.51(a)(1)].” These benefits and characteristics are discussed in the following sections.

GHG Reduction Goals

CEA’s PCP achieves results and performance characteristics consistent with the PUC Section 454.52(a)(1)(A) goal of meeting the Commission’s GHG reduction benchmarks. The 2030, 2035, 2040 and 2045 emissions from CEA’s PCP are below CEA’s assigned emissions targets. CEA’s GHG targets and PCP GHG portfolio emissions are shown in the table below:

Table 5 GHG Emissions Benchmark (MMT)

2030	2035	2040	2045
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0.321	0.261	0.209	0.108
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Renewable Energy

CEA's PCP achieves results and performance characteristics consistent with the PUC Section 454.52(a)(1)(B) goal of ensuring that portfolios are composed of at least 60% eligible renewable resources by 2030. In 2030 CEA's PCP portfolio would consist of 85% eligible renewable generation, after accounting for resource curtailments, which exceeds the 60% requirement. In 2045, CEA's PCP portfolio would consist of 100% eligible renewable generation after accounting for resource curtailments.

Enable Each Electrical Corporation to Fulfill Its Obligation to Serve Customers at Just and Reasonable Rates

Not applicable.

Minimizing Bill Impact

CEA's PCP achieves results and performance characteristics consistent with the Section 454.52(a)(1)(D) goal of minimizing the impact of planned procurement on ratepayers' bills. CEA's PCP portfolio consists primarily of renewable resources that generally support a least-cost, best-fit procurement strategy.

CEA prioritizes cost competitiveness, reliability, use of renewable energy and local economic development amongst its primary concerns. CEA anticipates that bill impacts will be minimized during its planned portfolio transition through the pursuit of a diversified resource mix that seeks to minimize exposure(s) that could otherwise occur by overemphasizing resources located within specific geographic areas, relying on a limited subset of technology types and/or purchasing from a limited pool of suppliers/developers, among other considerations.

CEA also considers the risks associated with certain renewable-only generating configurations that limit the buyer's ability to re-shape deliveries to times of the day when negative prices and, possibly, curtailments are less likely to occur. With this concern in mind, CEA has carefully considered and incorporated energy storage opportunities within its resource mix, which should promote grid reliability during California's transition to an increasingly clean/renewable energy mix while reducing the potential for unforeseen costs (due to negative pricing) and/or reduced renewable energy deliveries related to curtailment. For example, coupling new-build solar with battery storage increases the capacity value of such projects and provides some dispatchability for the associated solar generation, reducing risks related to curtailment and negative pricing. CEA's predominantly fossil-free PCP reduces exposure to volatile natural gas prices as well as bill impacts that may result from periodic spikes in fossil fuel prices.

Ensuring System and Local Reliability

CEA's PCP achieves results and performance characteristics consistent with the PUC Section 454.52(a)(1)(E) goal of ensuring system and local reliability. The PCP meets system resource adequacy requirements as detailed in Section III.f. CEA's portfolio assumes CAM allocations and CAM resources, consistent with what is described in the most recently issued CAM allocations. When possible, CEA prioritizes procurement in local areas to strengthen local reliability.

As has been done in the past, and as shown in most state planning studies, CEA anticipates that it will meet a portion of its reliability needs through capacity-only contracts with natural gas plants. This finding is consistent with the CPUC's RESOLVE/SERVM modeling showing the need to maintain existing

fossil-fueled resources online for reliability purposes as well as the declining ELCC factors for storage resources shown by these studies. CEA has contracted with demand response resources to fulfill some of its RA needs and is exploring other opportunities for demand response. CEA is hopeful that new technologies will be developed that will provide cleaner resources with the reliability characteristics of California's existing natural gas fleet, ideally with some such resources also supporting San Diego / Imperial Valley's Local Reliability needs, and will continue to investigate such resources as appropriate. This noted, one of CEA's primary concerns is supporting ongoing grid reliability, which compels the CCA program, in the near term, to include natural gas resources amongst its RA purchases until such time that clean, reliable capacity becomes more readily available.

Ensure that at least 65% of RPS Procurement is From Long-Term Contracts

Consistent with PUC Section 454.52(a)(1)(F), CEA is on pace to meet the requirement that 65% of its RPS procurement must come from contracts of 10 years (long-term) or more for each compliance period. Additionally, the significant majority of the resources shown in CEA's PCP are expected to be acquired through long-term contracts. CEA will continue to procure renewable energy through short-term contracts when opportunities present themselves for cost-efficient procurement and when doing so would reduce any remaining dependency on system power, but the bulk of the portfolio is planned to be secured via long-term contracts.

Strengthen the diversity, sustainability, and resilience of the bulk transmission and distribution systems, and local communities

CEA's PCP achieves results and performance characteristics that strengthen the diversity, sustainability and resilience of the bulk transmission and distribution systems, as well as local communities, meeting PUC Section 454.52(a)(1)(G). CEA's PCP relies on procurement from a variety of resource types as well as storage resources incorporated in hybrid solar and storage configuration. CEA believes that the complementary nature of the solar and storage in hybrid resources makes better use of the existing transmission system. CEA carefully evaluates the long-term generation load-matching and congestion risks of new resources and weighs its options in the context of its existing supply and net demand on an hourly basis for the full duration of any contract period.

As described below, CEA is actively pursuing the procurement of or has recently purchased capacity to meet the sub-category requirements of D.21-06-035 and D.26-02-057, which includes long-duration storage, clean-firm resources like geothermal, and resources to replace the Diablo Canyon Power Plant. Additionally, CEA has recently procured demand response capacity resources, providing additional system diversity. Finally, the significant transition away from use of fossil fuels enhances the sustainability of all communities impacted by pollution from these resources.

Distribution Systems Demand-Side Energy Management

CEA's PCP achieves results and performance characteristics consistent with the PUC Section 454.52(a)(1)(G) goal of enhancing distribution systems and demand-side energy management. CEA continues to explore and pursue demand-side management programs such as demand response, energy efficiency, and behind the meter energy storage solutions. These resources help reduce the strain on distribution systems as can help defer capital expansion needs. As part of CEA's procurement toward D.21-06-035, as discussed in more detail in Section IV.a.ii., CEA has contracted for demand response resources to meet a portion of its requirements.

Distribution system energy generation

As a CCA operating in the SDG&E service territory, CEA does not own or operate transmission or distribution facilities. CEA therefore relies on materials provided by SDG&E and CAISO – and collaborate with project developers – to identify interconnection locations that can use existing transmission and distribution capacity with minimal upgrades. From CEA’s recent experience with projects under contract, public materials on interconnection capacity may be inaccurate or out of date, and upgrade costs assessed by SDG&E during the local interconnection processes such as the Rule 21 Fast Track generator project are often prohibitively expensive. Consistent with CEA’s organizational goals, in our 2026 IRP, CEA will continue to pursue and prioritize new resources sited in or near our service area and more broadly within Southern California. We will continue to work with member agencies to identify sites that align with local zoning, climate action plans, and community preferences while minimizing interconnection costs and construction impacts, despite the current constraints and limitations with existing distributed generation interconnection processes in our service area. CEA solicits distribution connected systems both through our Local Solar Feed-in Tariff program and through RFPs such as CEA’s most recent solicitation issued in early 2026. Given the constraints to bring such projects to operations in CEA’s service area and in San Diego County more generally (as referenced above), CEA has chosen not to include any such resources in its Preferred Portfolio but will continue to aggressively pursue such opportunities where they align with CEA’s broader mission and goals.

Demand side management

Our 2026 IRP treats demand-side energy management as a planning tool in CEA’s toolbox. CEA has begun building a suite of programs with demand management capabilities, including CEA’s commercial and residential solar plus storage (Solar Plus, Solar Plus Business) and standalone storage programs (Battery Bonus), and our pilot demand response program (PeakSmart Savers). CEA’s goals with these initiatives are consistent with the State’s broader goals for demand side management, including improving local reliability and lowering costs for customers in the San Diego region, with particular focus on disadvantaged and climate-vulnerable communities. CEA also anticipates analyzing time-of-use rates in the coming years to determine if further shifts in usage – away from net-peak hours and reducing reliance on system power – can be achieved through rate design. CEA’s programs are currently in the early stages of implementation and do not yet offer material adjustments to load or power supply, but we continue to review program and rate performance and adjust procurement efforts to reflect the impacts of these programs on an ongoing basis. Additionally, as a part of CEA’s procurement toward D.21-06-035, as discussed in more detail above in this same section, CEA has contracted for demand response resources to meet a portion of its Mid-Term Reliability (“MTR”) requirements.

Minimizing Localized Air Pollutants with Emphasis on Disadvantaged Communities (“DACs”)

CEA’s PCP achieves results and performance characteristics consistent with the PUC Section 454.52(a)(1)(I) goal of minimizing localized air pollutants and other GHG emissions with early priority on disadvantaged communities. CEA’s PCP relies primarily on renewable generation, and this portfolio is expected to exhibit relatively low GHGs and localized air pollution emissions. CEA’s PCP minimizes CEA’s reliance on unspecified system power, instead opting for renewable and hydroelectric generation procurement and/or development whenever feasible. Results from the CSP tool indicate the following localized air pollutants associated with CEA’s PCP in 2045:

- PM 2.5: 5 tonnes/year
- SO₂: 0 tonnes/year
- NO_x: 6 tonnes/year

These emissions are expected to result from the planned use of small quantities of system energy as well as emissions from Combined Heat and Power (“CHP”) resources and system energy assigned to the CEA portfolio by the CSP tool.

Resource Diversity

CEA’s PCP prioritizes resource diversity among numerous dimensions (technology, location, procurement timing, counterparty) as a fundamental risk management strategy and which yields a portfolio with production characteristics that generally align with CEA’s load shape. Close alignment reduces reliance on system energy with resulting emissions, while also reducing CAISO market exposure. These considerations are necessarily balanced against cost and availability concerns – clean baseload resources are limited in availability and come with high costs. Consequently, while the PCP includes a diverse portfolio of resources, it leans heavily on solar and storage, consistent with the System Reference Plan. Potential technological improvements or incorporation of resources procured by the Department of Water Resources can be accommodated and may displace resources currently planned for the various procurement tranches. The staggered procurement timing articulated in the PCP provides flexibility to adapt to such changes.

Comparison to the 2022 IRP portfolio

The PCP is much larger than CEA’s preferred 25 MMT by 2035 portfolio from the 2022 integrated resource plan due to the significant expansion of CEA’s customer base and the significant load growth inherent in the assigned load forecast. The PCP shows greater reliance on solar and storage, which is primarily a function of resource availability and is consistent with the current RESOLVE/TPP results. Solar makes up the bulk of the build. California baseline wind is also substantial and supplemented by Pacific Northwest, New Mexico, and eventually Wyoming wind. Offshore wind is not included in the PCP, whereas the 2022 plan included offshore wind beginning in 2035.

c. GHG Emissions Results

The CSP calculator shows estimated GHG emissions as reported in the table below.

Table 6: PCP GHG Emissions (MMT/yr)

2030	2035	2040	2045
0.22	0.17	0.12	0.06

These portfolio emissions are equal to or below the assigned GHG limits as required for a conforming portfolio.

a. Local Air Pollutant Minimization and Disadvantaged Communities

i. Local Air Pollutants

The CSP calculator estimates the following PM2.5, SO2, and NOx emissions associated with CEA’s PCP:

Table 7: PCP Local Air Pollutants (tonnes/year)

Pollutant	2030	2035	2040	2045
PM2.5	14	11	8	5
SO2	1	1	1	0
NOx	19	19	17	6

The tables below show the portion of the load that is being served from net system power each year for the PCP.

Table 8: PCP Demand and System Power

	2030	2035	2040	2045
Retail Sales (GWh)	2,877	3,610	4,159	4,477
Net System Power (GWh)	477	369	334	125
% of Load Served by System Power	17%	10%	8%	3%

CEA discusses its plans to reduce reliance on system power in Section IV., Action Plan.

iv. Focus on Disadvantaged Communities

In our 2026 IRP, CEA uses the CSP calculator to quantify both GHG and criteria pollutant emissions (NOx, PM2.5, SO2) associated with our preferred portfolio as reported in Section III.c and III.d.i. above. CEA's service area does not include any disadvantaged communities per the 2026 IRP set of definitions, but we recognize that our reliance on CAISO system power can affect DACs outside of our service area.

Our planning objective is to minimize unspecified system power usage and prioritize clean resources that reduce local pollution burdens across the State. Where grid capacity exists within our coastal and inland communities, we are particularly conscious of local areas with high cumulative pollution scores. In procurement practice, this involves prioritizing biomass facilities located outside of DACs and renewable generation with the greatest potential for displacement of fossil fuels, wherever practical: in its solicitations CEA requests respondents to identify how the submitted projects may replace or supplant existing generation and to quantify the expected emissions impacts of this transition.

As required in this 2026 IRP submission, CEA has also analyzed its existing portfolio of long-term contracts and their relationship to DACs within a 5-mile radius. While CEA does not have direct data showing emissions reductions as a result of these projects (many are not yet operational), CEA's long-term portfolio is comprised of renewable resources – solar, wind, geothermal – and battery storage capacity which all are anticipated to have either a positive impact or negligible impact on emissions and have the potential to displace emitting generation.

Table 9: Existing CEA Contracted Projects Near DACs

Project Type	Project Location	Census Tract	DACs in 5-mile radius
Solar plus Storage	Cantua Creek, CA	6019008200	6019008200, 6019008302, 6019007902

Solar plus Storage	Terra Bella, CA	6107004500	6107003400, 6107004200, 6107004500
Storage	Oceanside, CA	6073018700	None
Storage	Corona, CA	6065041500	6065041703, 6065041500, 6065041813, 6065041704, 6065041600, 6065041410
Solar plus Storage	Mojave, CA	6029005700	6029005900, 6029006500
Geothermal	Milford, UT	Out of state	Out of state
Wind	Duran, NM	Out of state	Out of state

One of CEA’s contracted battery storage resources – located in census tract 6065041500, as noted in the table above – is located within the radius of six DAC census tracts that CEA has been able to identify, and is approximately 3 miles from a natural gas facility that appears to be functioning primarily as a peaking plant and may be nearing retirement. CEA would anticipate that a new operational battery storage project such as this one, located near such a peaking plant, will facilitate further reductions in the gas facility’s generating hours and result in positive impacts to local air quality in surrounding DACs.

c. Cost and Rate Analysis

In selecting resources for its portfolio, CEA carefully considered the cost implications of specific resource selections and procurement timing. This analysis was informed by CEA’s procurement experience and the standard assumptions and results of the Commission’s RESOLVE/SERVM modeling.

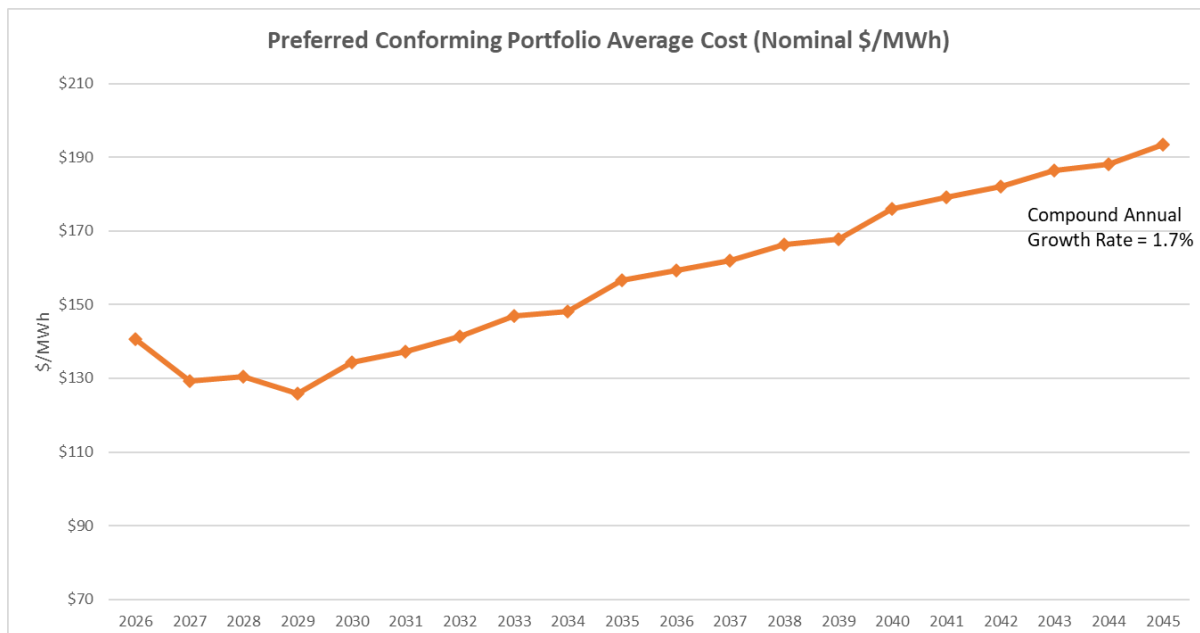
CEA strives to keep customer costs as low as possible as a matter of community interest, and CEA has a competitive incentive to do so because customers can voluntarily leave the program. This objective is reflected both in the resources procured and in the timing of those procurements. CEA employs risk-management principles that consider risk associated with under-procurement, as well as risks of potential over-procurement which could occur from unforeseen changes in load going forward. Risk management also involves assessing the currently available technologies, expected technological developments, and potential for radically different technologies in the future. The assessment of potential resources is not strictly limited to cost but includes information on how well the resources match the specific needs of CEA’s customers’ load. For example, solar resources are often the least expensive on a simple cost per MWh basis, but other resources which may cost more on a simple MWh basis may provide additional benefits in terms of RA capacity, better matching CEA’s load profile, or serving the needs of the CEA service area.

In general, CEA sought to balance the need to procure resources with enough lead time to meet CEA’s LSE-specific procurement requirements and the Commission-identified overall system new resource needs with the cost-saving benefits of waiting to procure renewable and storage resources with downward sloping cost projections. CEA also recognizes that future resource costs – and resource prices, which are also impacted by resource scarcity in the CAISO queue and more generally by supply/demand balance – are highly uncertain, and technological advancement can happen unexpectedly; CEA’s procurement cycle is designed to take advantage of technological and cost improvements by incrementally adding new resource commitments over time.

CEA continuously monitors the energy markets and reassesses current market prices, expected future prices, technological progress, and its expected needs. When opportunities arise CEA will take advantage of them.

CEA's portfolio cost analysis quantifies the expected power supply costs associated with the PCP through 2045. The cost analysis incorporates expected generation costs, resource value (energy, resource adequacy, and renewable energy, as applicable), and the costs associated with resource curtailments. Marginal ELCC values from RESOLVE were used to quantify expected net qualifying capacity values from the portfolio. As these ELCC factors decline significantly for battery storage resources over the planning period and remain low for solar resources, relatively little RA value is obtained from the solar and battery portfolio elements of the portfolio, despite large increased in nameplate capacity. The average nominal portfolio cost increases by a compound average growth rate of 1.7% annually from 2026 through 2045. The yearly average portfolio cost is shown in the following figure.

Figure 2: PCP Average Unit Cost Projections



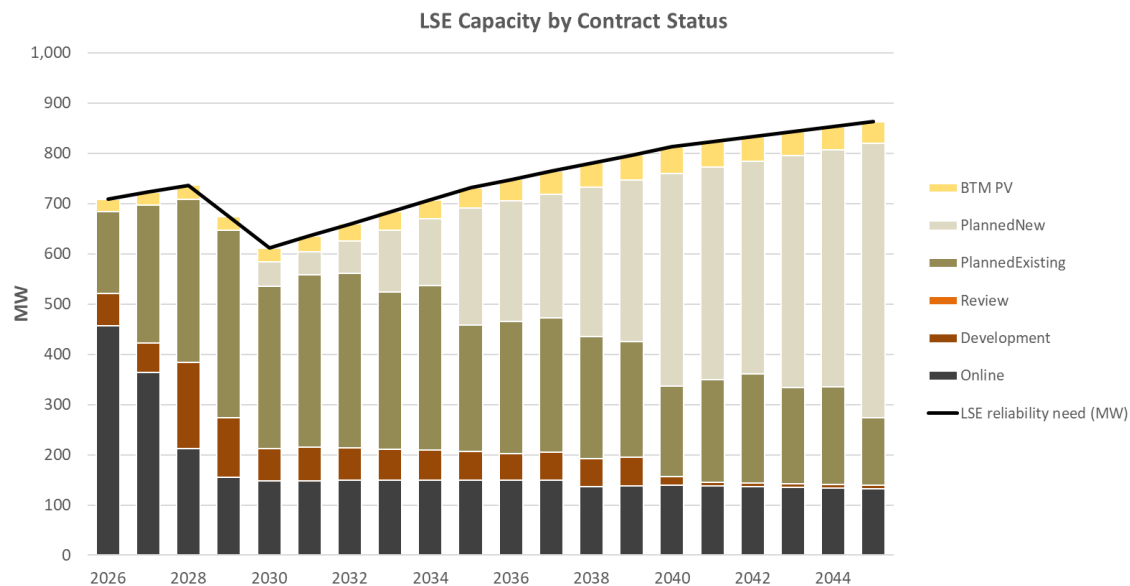
b. System Reliability Analysis

CEA's PCP meets applicable reliability standards and will contribute CEA's fair share to system reliability needs. The following table and chart from the Reliability – Planning sheet of the RDT show load and resource by contract status for the PCP that includes total reliability need (effective MW), total supply (effective MW), and net capacity position (effective MW) for all study years.

Table 10: Load and Resource Table by Contract Status

[illegible]

Figure 3: PCP Net Qualifying Capacity



As demonstrated in Table 10, CEA’s PCP provides total effective capacity equal to its designated reliability need in all years.

c. Existing Resource Planning

Over the planning period the majority of supply in the PCP portfolio is planned to be from new resources, with minimal reliance on existing resources. Planned contracts with existing resources are generally for resources that have been available based on CEA’s experience. CEA has chosen these resources because of their lower delivery risks compared to new resources (i.e., existing resources are not subject to development risks that often result in delays or outright cancellation of planned new resources) and in recognition of the beneficial role that short-term purchases from existing resources can play in facilitating portfolio flexibility and reducing overall portfolio cost. However, CEA recognizes the possibility that these existing resources may not be available to meet CEA’s plans. CEA’s portfolio attempts to balance out these competing risks, and as CEA has explained elsewhere in this document, CEA views its proposed portfolio as a general plan to be followed and adapted as necessary based on market realities. If expected existing resources are not available as CEA monitors these short-term markets, CEA will consider alternatives. Even if the existing resources are available, CEA may procure new resources if doing so would reduce emissions or reduce costs for its customers.

In CEA’s portfolio, the primary existing resources not already under contract with CEA are in-state large hydro, wind and solar resources. These are resources that have been generally available to date and that have met the needs of CEA’s customers for carbon-free energy at competitive prices with minimal risks. The PCP also includes planned purchases from existing geothermal resources due to the attractive portfolio characteristics of this resource type. If existing geothermal proves to be unavailable, CEA would utilize other renewable energy generation technologies for this element of the planned portfolio.

The proportionate use of planned purchases from existing resources included in the PCP is generally the same as what was included in the 25 MMT by 2035 PCP from the 2022 IRP. Focusing on 2035, the last year of the 2022 planning period, the split between existing and new is approximately 44/56 for the PCP and the 2022 plan. However, by 2045, the PCP is overwhelmingly a new-resource portfolio. Existing baseline supply declines to about 713 GWh, while new builds dominate at roughly 3,969 GWh.

d. Hydro Generation Risk Management

In developing its PCP, CEA took several steps to manage the risk of reduced hydro availability that may result from future in-state drought. First, CEA has developed a network of Pacific Northwest-based hydroelectric power suppliers, including entities that have substantial Asset Controlling Supplier (“ACS”) supply and are thus able to sell firm low-carbon supply to CEA. CEA’s PCP includes hydroelectric resources located within California, but this could be augmented with imported hydroelectric power from the Pacific Northwest if needed. Second, CEA prioritizes hydroelectric contracts with marketers that provide firm delivery volumes, helping to reduce the planning uncertainty associated with drought and variable hydroelectric conditions within California. Third, CEA’s planned use of hydroelectric supply within its PCP declines over the planning period, with none planned for use by 2045. Due to CEA’s relatively small hydroelectric needs during the planning period, CEA does not anticipate significant hydroelectric availability risk in its ability to meet its GHG limits or its portfolio costs. Under a drought scenario or in the event that other factors restrict the availability of hydroelectricity and CEA is unsuccessful in filling related shortfalls through short-term contracting opportunities, CEA would plan to substitute with renewable energy resources to ensure it meets its assigned GHG benchmark. Similarly, CEA may substitute large hydroelectric for some of its planned renewable energy purchases based on relative supply availability and costs. This is generally the same approach and conclusions CEA presented in its 2022 IRP.

e. Long-Duration Storage Planning

CEA observed that the System Reference Plan includes increasing amounts of eight-hour battery storage and relatively static amounts of four-hour battery storage over the planning period. CEA has similarly planned to increase its use of long-duration storage over time. Planned solar plus storage projects beginning with the 2035 procurement tranche include eight-hour battery storage. This represents a change from the 2022 IRP in which most of the battery storage was planned as four-hour duration. Current cost estimates are high for long duration storage, and this puts upward pressure on portfolio costs. The relatively low ELCC factors for battery storage in the RDT means that relatively little resource adequacy value is obtained, despite the high costs. As additional technologies are market-proven and more developers offer long-duration storage with potentially lower costs, CEA will consider further procurement of these resources. However, CEA will consider shorter duration storage if the long-duration storage economics do not improve and short-term value remains more attractive. CEA sees the possibility for substantial benefits from long-duration storage to the grid and for aiding LSEs in compliance with the Slide-of-Day Resource Adequacy program.

f. Clean Firm Power Planning

CEA views clean firm generation as a valuable element of its resource mix as it provides reliable and predictable generation with low emissions. The challenge to greater utilization of this resource type is availability and cost. The primary large scale clean firm resources are geothermal and nuclear generation. Other clean firm generation types, such as biomass and especially biogas are typically smaller-scale projects. None of these resources are abundant, and costs have been increasing rapidly due to resource scarcity and competition with non-LSE offtakers such as data centers, which could limit their role in the planned portfolio. The PCP includes new geothermal contracted and planned to come online in 2031, meeting CEA's D.21-06-035 requirements, and planned new geothermal in 2035 and 2040. The PCP assumes other LSEs and non-LSE offtakers such as data centers are similarly procuring from the pool of available geothermal resources, further limiting how much is assumed to be available to CEA and driving up pricing. The amount of geothermal included in the PCP is similar to the amounts included in the 2022 IRP.

CEA's contracted geothermal resource is located in Utah and may require maximum import capability expansion at the IPPDCADLN_ITC tie point for full delivery to the CAISO grid. CEA, along with the developer and other offtakers from the project have submitting the expansion request related to this resource. Alternatively, CEA may be able to obtain import allocation rights from other LSE's currently holding them on this branch group.

g. Non-CAISO, including Out-of-State, Wind Planning

CEA's planned contracting for new out-of-state wind energy projects generally follows the timeline and relative size for selected builds of this resource type from the CPUC's RESOLVE modeling results. To date, CEA has observed various LSEs with contracts for New Mexico wind resources delivered via the SunZia transmission project. Availability of IARs remains a constraining factor for New Mexico wind, and transmission limitations are anticipated to be constraining availability of wind from other states. As compared to the 2022 IRP, the current PCP includes similar amounts out-of-state wind after adjusting for the larger load reflected in the current PCP. Transmission remains the most significant risk to CEA's planned use of out-of-state wind.

h. Offshore Wind Planning

CEA did not include plans for off-shore wind in its PCP pending further progress on development of this resource type. Potential Department of Water Resources contracts of off-shore wind energy have not been assumed, but CEA could adapt future plans as needed to incorporate these resources.

i. Transmission Planning

In identifying resource locations, CEA is guided by the following considerations:

- CEA has a general preference for resources located within its service area and the community it serves, but more generally, within Southern California.

- CEA prefers projects located in areas that can utilize existing transmission infrastructure with minimal upgrade/modification costs.
- CEA prefers low-impact renewable energy projects that provide economic benefit to DACs, subject to community interest in siting projects within such locations.

CEA is not a transmission and distribution (“T&D”) system operator and does not have detailed knowledge of expansion requirements on SDG&E’s T&D system or the CAISO grid. CEA is not in the best position to identify optimal resource locations and does not have the expertise in house to determine the best locations for new resources. In practice, CEA relies on project developers to conduct the research and technical studies necessary for siting potential generation projects. CEA evaluates projects offered by developers based on a variety of criteria, including transmission availability, nodal prices and potential for congestion, project viability, environmental, workforce, and other factors. As such, CEA generally utilized the RESOLVE modeling and assumptions as a guide for likely resource locations in its PCP. These should be treated as general expectations based on the aforementioned considerations, not definitive selections – actual project locations will be selected during CEA’s future solicitation processes. CEA believes that the best way to keep costs down during resource solicitations is to not limit the potential locations of the resources. Competition among the responders to resource solicitations ensures that CEA can avail itself of the best possible resources, including allowing developers to explore different locations and select what they feel is the best location for their resource taking into account numerous factors, including the costs of any potential transmission upgrades or curtailment issues.

As discussed in prior sections, CEA leaves flexibility in its resource planning process. If CEA’s expected resource locations become infeasible due to various constraints, or if the Commission’s modeling efforts happen to indicate that certain resource locations are no longer feasible/desirable, then CEA would ultimately locate and contract for alternative resources that fall in preferred locations. CEA also remains open to interesting opportunities offered by developers through CEA’s Open Offer Form¹² which may not have been anticipated but involve a unique value proposition that meets CEA’s procurement goals as stated in this IRP.

None of the contracted new resources require additional transmission expansion (though one resource may require Maximum Import Capability expansion). Projects are vetted during the project evaluation stage to ensure transmission interconnection agreements and/or deliverability status do not pose insurmountable risks to achieving delivery to CEA. The planned new resources in the PCP are not location specific, so transmission status cannot be determined.

IV. Action Plan

a. Proposed Procurement Activities and Potential Barriers

CEA has a well-established procurement process that it uses and will continue to use to steadily achieve its PCP over the planning period. CEA’s procurement process includes the following key activities:

¹² CEA’s open offer form can be found here:

<https://thecleanenergyalliance.org/solicitations/#7c8849c1f1c7c159d>.

- Identification of planned resources by type, desired online date, and capacity.
- Planning for procurement activities in consideration of CEA’s risk management policy; resource acquisition lead times including, where applicable, development timelines; staff capacity; and financial considerations.
- Design and administration of resource solicitations. For new resources, these typically take the form of periodic request for offers processes, while for existing resources, procurement activity is more frequent and routinized.
- Careful negotiation of contract terms to ensure positive outcomes for CEA customers with appropriate risk mitigation.
- Ongoing contract management, including where applicable, careful monitoring of development milestones.
- Ongoing contract management, including where applicable, careful monitoring of generator performance after a resource has achieved commercial operation date (“COD”).
- Conduct and participate in joint CCA solicitation processes in order to expand procurement opportunities available to CEA.

CEA expects to use competitive solicitations to procure contracts for the new build resources contained in the PCP. Standard power purchase agreement terms are expected to range from ten to twenty years. A summary of the expected solicitation timelines is described below.

Table 11: Planned Solicitations

Tranche	COD	Resources	RFP Release
1	2030	LT Solar 1, LT Storage 1, LT Wind CA 1, LT Geothermal 1, LT Wind OOS 1 (AZ/NM)	Existing Geothermal RFI (January 2026) and Renewable Energy and Storage Capacity RFP (March 2026) with additional solicitations as needed.
2	2032	LT LD Storage D.26_8 (long-duration battery, 8+ hour)	Existing Geothermal RFI (January 2026) and Renewable Energy and Storage Capacity RFP (March 2026) with additional solicitations as needed.
3a	2033	LT Solar 2a + LT Storage 2a	2030
3b	2034	LT Solar 2b + LT Storage 2b	2031
3c	2035	LT Solar 2c + LT Storage 2c, LT Geothermal 2, LT Wind CA 2, LT Wind OOS 2 (AZ/NM)	2032 (geothermal & OOS wind: 2030–2031)
4a	2038	LT Solar 3a + LT Storage 3a	2035
4b	2039	LT Solar 3b + LT Storage 3b	2036
4c	2040	LT Solar 3c + LT Storage 3c, LT Geothermal 3, LT Wind CA 3, LT Wind OOS 3 (AZ/NM)	2037 (geothermal & OOS wind: 2034–2035)
5a	2043	LT Solar 4a + LT Storage 4a	2040

Tranche	COD	Resources	RFP Release
5b	2044	LT Solar 4b + LT Storage 4b	2041
5c	2045	LT Solar 4c + LT Storage 4c, LT Geothermal 4, LT Wind CA 4, LT Wind OOS 4 (Wyoming)	2042 (geothermal & OOS wind: 2039–2040)

- i. Resources to meet IRP mandated procurement requirements, including D.21-06-035 and D.23-02-040:

All of CEA’s required resources under the D.21-06-035 and D.23-02-040 procurement orders are under contract. CEA is in regular communication with its project development counterparts to monitor development progress for those resources not yet operational. The recent D.26-02-057 procurement order obligates additional incremental procurement totaling 75 MW by 2032, of which 19 MW is long duration storage and/or clean firm generation. CEA has existing contracts with new solar plus four-hour battery storage projects in development to meet this overall obligation but has not yet finalized resources and contracts for the long duration storage/clean firm element of this requirement.

- ii. Plans for resources that are currently non-candidate in CPUC’s IRPs not described above

Not applicable.

- iii. Other renewable and/or zero carbon resources not described above

As previously mentioned, CEA’s PCPs are not set in stone. CEA continually monitors the renewable energy space through RFPs and discussions with developers, as well as monitoring various news reports, and regulatory proceedings. CEA is ready to modify its expected portfolio if new resources or specific opportunities arise. CEA has expressed openness to alternative potential emissions reduction opportunities in its RFPs and has encouraged such offers from respondents. This has not resulted in any viable opportunities to date, but CEA will continue to pursue various approaches to explore the potential value of a wide range of options. CEA strives to be a nimble and adaptable energy buyer in order to offer its customers the lowest cost, high renewable content power.

- iv. Other energy storage not described above

CEA expects that except for the long-duration storage required under D.21-06-035, D.26-02-057 and future procurement orders, the storage it will acquire will mostly be from paired solar and storage resources and/or standalone storage resources that help balance CEA’s very high behind-the-meter solar penetration. CEA remains open to considering other possibilities, especially if new technologies arise that reduce the costs of storage or in situations where storage can help fulfill other needs, such as reducing the need for new transmission or distribution, or increasing options for CEA’s procurement of San Diego-Imperial Valley Local RA. CEA will continue to monitor developments in the energy storage markets and adjust its portfolio if advantageous opportunities arise.

- v. Other demand response not described above

CEA has already contracted for a modest amount of demand response resources as a part of our efforts to meet our D.21-06-035 obligations. CEA remains open to other opportunities should they arise, consistent with the current maximum cumulative capacity (“MCC”) bucket requirements and where

competitive with other options. CEA also has initiated its own pilot demand response program (PeakSmart Savers) and is considering whether to expand or modify the program after the current pilot phase.

vi. Other energy efficiency not described above

CEA does not currently have any energy efficiency investment plans but may consider these proposals in the future. Energy efficiency is anticipated to be a component of CEA's Programs Plan, which is currently in late stages of development. Additionally, the San Diego Regional Energy Network across CEA's territory and will be offering a variety of energy efficiency-related initiatives that will be available to CEA's customers – impacts of such measures will be reflected in IRP planning and load forecasting as implementation of these efforts ramps up over the coming years.

vii. Other distributed generation not described above

As noted earlier in this document, CEA solicits distribution connected systems both through our Local Solar Feed-in Tariff program and through RFPs such as CEA's most recent solicitation issued in early 2026. Given the constraints to bring such projects to operations in CEA's service area and in San Diego County more generally (as referenced above), CEA has chosen not to include any such resources in its Preferred Portfolio but will continue to aggressively pursue such opportunities where aligned with CEA's broader mission and goals. Additionally, CEA has launched solar plus storage customer programs (Solar Plus, Solar Plus Business) for both residential and commercial customers which have the potential to impact CEA's load profile depending on uptake.

viii. Transportation electrification, including any investments that correspond to different levels than what is included in Integrated Energy Policy Report (IEPR)

CEA does not currently have any transportation electrification investment plans which would suggest a different forecast than what is included in IEPR but may consider these proposals in the future. Transportation electrification is a component of CEA's Programs Plan, which was issued in Spring 2026.

ix. Building electrification, including any investments that correspond to different levels than what is included in Integrated Energy Policy Report (IEPR)

To date, CEA's primary means to participate in building electrification is through the California Energy Commission's Equitable Building Decarbonization program. CEA is a participant in the San Diego Regional Energy Network and anticipates program implementation in CEA territories as well as across San Diego County, but does not believe a material change outside of what is included in IEPR is warranted at this time.

x. Potential Centralized Procurement, pursuant to AB-1373

LSEs should describe and provide specific details on any changes to their preferred conforming portfolio and contract planning strategy should the Department of Water Resources (DWR) be successful in conducting the centralized procurement of long lead time (LLT) resources as set forth in D.24-08-064.

xi. Other

With solicitation practices described further above regarding inclusion of other zero emissions resources in CEA's RFPs, CEA continuously explores new methods of lowering electricity demand and increasing clean energy supply.

b. Disadvantaged Communities (DACs)

CEA is committed to considering the impacts of its resource planning, procurement, and programming activities on disadvantaged communities – while CEA has no DACs as defined in this IRP cycle in CEA's service area, the service area represents a mix of communities, including communities which fall between the 50th and 75th percentile for the CalEnviroScreen 4.0 tool. To address the needs of these communities, CEA's Community Advisory Committee has established various annual subcommittees since CEA's inception focusing on underserved and disadvantaged communities (e.g., outreach and communications, programs). As a part of its development of program offers and a Programs Plan (issued in spring 2026), CEA considered approaches to effectively gather feedback from these constituents for purposes of evaluating and, potentially, adapting future resource planning and procurement decisions. The resulting outreach efforts included both a random sample survey across CEA's entire service area and customer base, as well as targeted English/Spanish community workshops focused on typically underrepresented groups.

CEA's outreach and analysis of DAC needs was primarily structured to inform CEA's program development and general responsiveness to customer needs and inquiries, but it does offer some insights relevant to the IRP and power supply procurement. For example, affordability was the most common concern raised in many of the workshops that were hosted. Understanding budget concerns of CEA's most disadvantaged communities, CEA will continue to focus on balancing rate affordability with CEA's ambitious 100% renewable energy target for 2035.

As it relates to disadvantaged communities potentially impacted by projects under contract (inside or outside of CEA's service area), CEA utilizes bid selection protocols and evaluative criteria that address impacts on DACs. These criteria are applied when analyzing RFP responses for projects that may be needed to meet California's RPS procurement mandate and CEA's own renewable energy objectives. Among other important considerations, CEA gathers information on and evaluates projects in relation to the following:

- Environmental impacts and related mitigation requirements, including impacts to air pollution within communities that have been disproportionately impacted by the existing generating fleet; and
- Potential economic benefits created within communities with high levels of poverty and unemployment, including:
 - Projected employment benefits (e.g., number and type of jobs, construction and operations jobs)
 - Projected direct and indirect economic benefits to the local economy (i.e., payroll, taxes, services)
 - Emissions reductions, to the extent new projects will replace/supplant existing local emitting generation sources – prospective suppliers are asked to quantify the associated emission impacts of this transition, where applicable

Gathering information in these areas provides CEA with valuable insight when determining whether certain projects may perpetuate or alleviate the aforementioned socioeconomic and community health impacts within disadvantaged communities, and also provides for broader consideration of CEA’s resource planning and procurement decisions on sensitive communities.

c. LSEs’ Tribal Customers

CEA does not have any tribal customers. Outside of its service area, CEA has engaged directly and via regional workshops and working groups with tribal communities and businesses in located in San Diego County. This outreach has included energy contract and offtake discussions with tribally owned businesses who are developing projects and/or may be interested in supporting implementation of CEA’s programs while also driving economic opportunities to tribal communities and business in the region.

d. Procurement Products

CEA intends to utilize the following physical energy products in procurement activities associated with its PCP. Contracts are expected to be conducted bilaterally rather than via commodities exchanges.

Table 12: Procurement Products

Product	Description
Physical energy, RPS qualifying	Renewable energy qualified to meet California RPS
Physical energy, other carbon free	Non-carbon emitting energy that does not meet California RPS; e.g., large hydro
Physical energy, CAISO energy	Energy delivered to the CAISO grid from unspecified sources
Capacity, Net Qualifying Capacity	Capacity qualified to meet California Resource Adequacy program standards

e. Commission Direction of Actions

If applicable, describe any direction that the LSE seeks from the Commission, including consideration in the IRP Procurement Track, new spending authorizations, changes to existing authorizations, or changes to existing programmatic goals or budgets. Draw clear connections between any requested direction and the study results, proposed activities, and barrier analysis presented above.

Not applicable

V. Lessons Learned

CEA appreciates the opportunity to describe lessons the team has learned between CEA's first IRP in 2022 and this latest iteration, as well as learnings from our engagement with the IRP process. CEA remains a new organization which is growing, learning and evolving. The comments below are reflective of the organization's experience with IRP targets and procurement thus far, with the understanding that other LSEs may have different experiences in the market and with their procurement processes.

Variability and Unknowns Impacting Procurement. This IRP process is being conducted at a highly uncertain time for many of components of this submission, with potential for material changes to inputs and therefore outputs. These unknowns include local and statewide load forecasts (and therefore reliability needs), resource costs and cost curves over time, Federal and international trade and tax policy, and geopolitics. As CEA's submission has stated, the organization sees this IRP as one potential blueprint or path to achieving CEA's emissions goals and the State's policy goals. However, CEA wants to highlight the possibility for the types or quantities of resources CEA procures to change significantly if certain assumptions which informed the State's base portfolio were to change. CEA would welcome further scenario analysis over the coming years to inform collective understanding of the potential swings in the types of resources chosen under more dramatic changes in assumptions. This could include "high availability geothermal" and "high price geothermal" scenarios, a "low price battery" scenario, and a "high price solar" scenario, as well as additional scenarios addressing load growth and other key inputs.

Resource Costs and Prices. In reviewing the IRP's underlying LCOE cost assumptions for different resource types, CEA noted many cost assumption figures that were moderately or significantly different from what we have seen in solicitations. While many factors can contribute to this disconnect, CEA's experience to date would suggest that an increase in available projects would limit seller market power and improve the supply-demand balance, resulting in a better match of cost to the price that LSEs are offered. Put more directly, CEA has serious concerns with cost effectively procuring renewable resources to meet our internal targets and the State's goals given recent price trends across all renewable generation options, including solar. LSEs and direct large load offtake are fighting for the same projects, which is also increasing offtake costs for competing buyers. Competition across a broader set of offered projects would benefit customers across the State; CEA will continue to support local, regional, and statewide efforts to increase this pool of available projects – and would welcome discussions around how procurement orders can be structured to limit the demand-side pressure they exert – in order create a supply-demand balance that reflects the state's resource cost and availability assumptions.

Local Capacity. CEA has attempted numerous approaches to procuring local resources. Local projects would support CEA's Local San Diego / Imperial Valley Resource Adequacy obligations, provide reliable power and/or capacity to CEA's customers, and benefit local businesses involved in project development or land leasing. These efforts have proved very difficult, in large part due to the lack of available local RA deliverability. CEA would welcome further study and engagement with

local, regional and State stakeholders to determine potential paths to decarbonization for key load centers such as CEA's heavily constrained San Diego load pocket.

Glossary of Terms

Alternative Portfolio: LSEs are permitted to submit “Alternative Portfolios” developed from scenarios using different assumptions from those used in the Preferred System Plan with updates. Any deviations from the “Conforming Portfolio” must be explained and justified.

Approve (Plan): the CPUC’s obligation to approve an LSE’s integrated resource plan derives from Public Utilities Code Section 454.52(b)(2) and the procurement planning process described in Public Utilities Code Section 454.5, in addition to the CPUC obligation to ensure safe and reliable service at just and reasonable rates under Public Utilities Code Section 451.

Balancing Authority Area (CAISO): the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

Baseline resources: Those resources assumed to be fixed as a capacity expansion model input, as opposed to Candidate resources, which are selected by the model and are incremental to the Baseline. Baseline resources are existing (already online) or owned or contracted to come online within the planning horizon. Existing resources with announced retirements are excluded from the Baseline for the applicable years. Being “contracted” refers to a resource holding signed contract/s with an LSE/s for much of its energy and capacity, as applicable, for a significant portion of its useful life. The contracts refer to those approved by the CPUC and/or the LSE’s governing board, as applicable. These criteria indicate the resource is relatively certain to come online. Baseline resources that are not online at the time of modeling may have a failure rate applied to their nameplate capacity to allow for the risk of them failing to come online.

Candidate resource: those resources, such as renewables, energy storage, natural gas generation, and demand response, available for selection in IRP capacity expansion modeling, incremental to the Baseline resources.

Capacity Expansion Model: a capacity expansion model is a computer model that simulates generation and transmission investment to meet forecasted electric load over many years, usually with the objective of minimizing the total cost of owning and operating the electrical system. Capacity expansion models can also be configured to only allow solutions that meet specific requirements, such as providing a minimum amount of capacity to ensure the reliability of the system or maintaining greenhouse gas emissions below an established level.

Certify (a Community Choice Aggregator Plan): Public Utilities Code 454.52(b)(3) requires the CPUC to certify the integrated resource plans of CCAs. “Certify” requires a formal act of the Commission to determine that the CCA’s Plan complies with the requirements of the statute and the process established via Public Utilities Code 454.51(a). In addition, the Commission must review the CCA Plans to determine any potential impacts on public utility bundled customers under Public Utilities Code Sections 451 and 454, among others.

Clean System Power (CSP) methodology: the methodology used to estimate GHG and criteria pollutant emissions associated with an LSE’s Portfolio based on how the LSE will expect to rely on system power on an hourly basis.

Community Choice Aggregator: a governmental entity formed by a city or county to procure electricity for its residents, businesses, and municipal facilities.

Conforming Portfolio: the LSE portfolio that conforms to IRP Planning Standards, the 2045 LSE-specific GHG Emissions Benchmark, use of the LSE's assigned load forecast, use of inputs and assumptions matching those used in developing the Reference System Portfolio, as well as other IRP requirements including the filing of a complete Narrative Template, a Resource Data Template and Clean System Power Calculator.

Effective Load Carrying Capacity: a percentage that expresses how well a resource is able avoid loss-of-load events (considering availability and use limitations). The percentage is relative to a reference resource, for example a resource that is always available with no use limitations. It is calculated via probabilistic reliability modeling, and yields a single percentage value for a given resource or grouping of resources.

Effective Megawatts (MW): perfect capacity equivalent MW, such as the MW calculated by applying an ELCC % multiplier to nameplate MW.

Electric Service Provider: an entity that offers electric service to a retail or end-use customer, but which does not fall within the definition of an electrical corporation under Public Utilities Code Section 218.

Filing Entity: an entity required by statute to file an integrated resource plan with CPUC.

Future: a set of assumptions about future conditions, such as load or gas prices.

GHG Benchmark (or LSE-specific 2045 GHG Benchmark): the mass-based GHG emission planning targets calculated by staff for each LSE based on the methodology established by the California Air Resources Board and required for use in LSE Portfolio development in IRP.

GHG Planning Price: the systemwide marginal GHG abatement cost associated with achieving a specific electric sector GHG planning target.

Integrated Resources Planning Standards (Planning Standards): the set of CPUC IRP rules, guidelines, formulas and metrics that LSEs must include in their LSE Plans.

Integrated Resource Planning (IRP) process: integrated resource planning process; the repeating cycle through which integrated resource plans are prepared, submitted, and reviewed by the CPUC

Long term: more than 5 years unless otherwise specified.

Load Serving Entity: an electrical corporation, electric service provider, community choice aggregator, or electric cooperative.

Load Serving Entity (LSE) Plan: an LSE's integrated resource plan; the full set of documents and information submitted by an LSE to the CPUC as part of the IRP process.

Load Serving Entity (LSE) Portfolio: a set of supply- and/or demand-side resources with certain attributes that together serve the LSE's assigned load over the IRP planning horizon.

Loss of Load Expectation (LOLE): a metric that quantifies the expected frequency of loss-of-load events per year. Loss-of-load is any instance where available generating capacity is insufficient to serve electric demand. If one or more instances of loss-of-load occurring within the same day regardless of duration

are counted as one loss-of-load event, then the LOLE metric can be compared to a reference point such as the industry probabilistic reliability standard of “one expected day in 10 years,” i.e. an LOLE of 0.1.

Maximum Import Capability: a California ISO metric that represents a quantity in MWs of imports determined by the CAISO to be simultaneously deliverable to the aggregate of load in the ISO’s Balancing Authority (BAA) Area and thus eligible for use in the Resource Adequacy process. The California ISO assess a MIC MW value for each intertie into the ISO’s BAA and allocated yearly to the LSEs. A LSE’s RA import showings are limited to its share of the MIC at each intertie.

Net Qualifying Capacity (NQC): *Qualifying Capacity reduced, as applicable, based on: (1) testing and verification; (2) application of performance criteria; and (3) deliverability restrictions. The Net Qualifying Capacity determination shall be made by the California ISO pursuant to the provisions of this California ISO Tariff and the applicable Business Practice Manual.*

Non-modeled costs: *embedded fixed costs in today’s energy system (e.g., existing distribution revenue requirement, existing transmission revenue requirement, and energy efficiency program cost).*

Nonstandard LSE Plan: *type of integrated resource plan that an LSE may be eligible to file if it serves load outside the CAISO balancing authority area.*

Optimization: *an exercise undertaken in the CPUC’s Integrated Resource Planning (IRP) process using a capacity expansion model to identify a least-cost portfolio of electricity resources for meeting specific policy constraints, such as GHG reduction or RPS targets, while maintaining reliability given a set of assumptions about the future. Optimization in IRP considers resources assumed to be online over the planning horizon (baseline resources), some of which the model may choose not to retain, and additional resources (candidate resources) that the model is able to select to meet future grid needs.*

Planned resource: *any resource included in an LSE portfolio, whether already online or not, that is yet to be procured. Relating this to capacity expansion modeling terms, planned resources can be baseline resources (needing contract renewal, or currently owned/contracted by another LSE), candidate resources, or possibly resources that were not considered by the modeling, e.g., due to the passage of time between the modeling taking place and LSEs developing their plans. Planned resources can be specific (e.g., with a CAISO ID) or generic, with only the type, size and some geographic information identified.*

Qualifying capacity: *the maximum amount of Resource Adequacy Benefits a generating facility could provide before an assessment of its net qualifying capacity.*

Preferred Conforming Portfolio: *the conforming portfolio preferred by an LSE as the most suitable to its own needs; submitted to CPUC for review as one element of the LSE’s overall IRP plan.*

Preferred System Plan: *the Commission’s integrated resource plan composed of both the aggregation of LSE portfolios (i.e., Preferred System Portfolio) and the set of actions necessary to implement that portfolio (i.e., Preferred System Action Plan).*

Preferred System Portfolio: *the combined portfolios of individual LSEs within the CAISO, aggregated, reviewed and possibly modified by Commission staff as a proposal to the Commission, and adopted by the Commission as most responsive to statutory requirements per Pub. Util. Code 454.51; part of the Preferred System Plan.*

Short term: *1 to 3 years (unless otherwise specified).*

Staff: CPUC Energy Division staff (unless otherwise specified).

Standard LSE Plan: type of integrated resource plan that an LSE is required to file if it serves load within the CAISO balancing authority area (unless the LSE demonstrates exemption from the IRP process).

Transmission Planning Process (TPP): process conducted by the California Independent System Operator (CAISO) to identify potential transmission system limitations and areas that need reinforcements over 10-year and 15-year horizons.

Staff Report

DATE: June 25, 2026

TO: Clean Energy Alliance Board of Directors

FROM: Andy Stern, Chief Financial Officer

ITEM 10: Consider adoption of Resolution 2026-034 Approving the Fiscal Year (FY) 2026/2027 Budget

RECOMMENDATION:

That the Clean Energy Alliance (CEA) Board of Directors (Board) adopt Resolution No. 2026-034 approving the Fiscal Year 2026/2027 Budget.

BACKGROUND AND DISCUSSION:

At its May 28, 2026, regular meeting, the CEA Board reviewed and discussed a preliminary version of the Fiscal Year (FY) 2026/2027 Budget (Proposed Budget).

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

- Revenue based on current adopted rates and projected energy usage
- Power supply costs based on actual executed contracts and recent forward price curves
- Reasonable power supply cost contingency based on historical volatility
- Consulting services based on approved contracts
- Current staffing levels and proposed new hires

At that meeting, the Board asked questions about various budget assumptions. Based on the Board's questions and at the direction of the Board, Staff is proposing a FY 2026/2027 Budget for approval that includes an updated customer electricity load forecast and updated energy cost expectations.

Current Fiscal Year 2025/2026 Year End Estimates

As part of developing the FY 2026/2027 Proposed Budget, staff have made projections for the current FY 2025/2026 Budget year-ending net results.

Reserves/Liquidity

CEA's current Financial Reserve Policy calls for CEA to contribute 5% of annual revenues to reserves with a target to reach 25% on a cumulative basis. It is currently estimated that FY 2025/2026 performance will end the year at a cumulative level of 13.7%. The current Proposed Budget for FY 2026/2027 detailed below would further add to that level by an additional 7.5% toward the reserve target for the fiscal year. If achieved, the cumulative level would reach 21.2%. Based on the current 5-year outlook, the cumulative 25% target would be achieved by the end of FY2028.

An adequate level of reserves and liquidity is necessary to manage the business risks and volatility that are part of the energy markets and of maintaining large energy portfolios. Adequate liquidity is also necessary for a Community Choice Aggregation (CCA) program to better withstand unexpected events, such as power outages and commodity price volatility, as well as economic downturns. Rating agencies that monitor CCAs use Liquidity (measured as Days Liquidity on Hand or DLOH) to evaluate the ability for CEA to meet its long-term and ongoing obligations. Although not an exact metric, rating agencies will look for CEA to maintain a level of 150-200 DLOH for an investment grade credit rating. Based on the Proposed Budget, CEA's DLOH would reach 130 at the end of FY2027 and would be expected to achieve a level necessary to explore an investment grade credit rating in the Fall of 2027.

Clean Energy Alliance

FY 2025/2026 Year End Estimates compared to Approved Budget

	YTD Actual through 4/30/2026	Full Year Forecast FY2025-2026	Full Year Budget FY2025-2026	Variance: Favorable / (Unfavorable)
Total Operating Revenues	\$322,435,204	\$381,090,001	\$383,146,909	(\$2,056,908)
OPERATING EXPENSES				
Total Cost of Goods Sold (Energy Expense)	260,511,175	311,418,164	333,540,321	22,122,157
Other Operating Expenses (excluding COGS)	9,171,027	11,198,765	13,363,246	2,164,480
Total Operating Expenses	\$269,682,202	\$322,616,930	\$346,903,567	\$24,286,637
OPERATING INCOME/(LOSS)	\$52,753,002	\$58,473,071	\$36,243,342	\$22,229,730
NON-OPERATING REVENUES (EXP.)				
Total Nonoperating Income/(Expense)	603,088	912,714	(380,692)	1,293,405
CHANGE IN NET POSITION	\$53,356,090	\$59,385,785	\$35,862,650	\$23,523,135

Net Results of Operations are forecasted to exceed Adopted Budget by \$23.5 million, or 65.6%. Revenues are expected to end the year very close to the Adopted Budgeted level; just 0.5% or \$2.1 million below.

Total Operating Expenses are expected to end the current Fiscal Year at \$24.3 million below budget, substantially more than the small revenue shortfall comprising virtually all of the overall positive Change in Net Position. Energy expenses below budget are the primary reason, as the budget included a \$28.7 million contingency, only a small amount of which was necessary. While expenses for Net Energy Compensation to rooftop solar customers were higher than expected, energy and energy attribute prices, including Resource Adequacy (RA) and Renewable Energy Certificates/Credits (RECs), were all well below the historical highs they reached in recent years.

Finally, non-operating expenses, which mostly reflect net interest earnings and interest expense for credit line usage, are forecasted to be a positive \$1.3 million, significantly better than Budget, as use of the credit line decreased substantially from expected levels.

Proposed Fiscal Year 2026/2027 Operating Budget

The FY 2026/2027 Proposed Budget (Proposed Budget) is based on the following priorities and goals:

- Financial Stability
- Meeting Regulatory Compliance

- Increasing Renewable Energy Content to Achieve Goal of 100% Renewable Energy by 2035

A. Revenues

The primary source of CEA 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
- Maintaining 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

The Proposed Budget assumes that there will be no rate increase in the coming fiscal year, or in the 4 years thereafter. The Board last approved significant rate increases at its meeting in June 2024, and based on that action, current rates are expected to generate sufficient revenue to fund operations for the upcoming fiscal year and for at least the next few years while building sufficient reserves.

B. Energy Expenses

By far the biggest expense category for CEA is Energy Expenses, which make up almost 96% of all expenses. Total Energy costs are budgeted to increase in the upcoming fiscal year by approximately \$26.5 million as compared to the current year. Some of the energy categories that are tracked are expected to increase as prices start to drift upward to more normal levels. However, the majority of the increase from the prior year is due to again including an assumed cost contingency on CEA's basic energy costs. While the budgeted contingency was not needed in the FY 2025/2026 year, staff believes strongly that it is important to continue to include it so that financial performance is not impacted by the possibility that some of the various cost categories suffer similar increases in the coming year that we saw two years ago when prices skyrocketed to historic highs.

C. Other Operating Expenses

The Proposed Budget also reflects an increase of approximately \$2.8 million in Other Operating Expenses. With that increase, Non-Energy Operating Expenses will make up just 3.8% of Revenues including an allocation of \$0.5 million for energy programs. The biggest increases in expenses are in two primary areas:

Staffing: Costs for Staffing, which include salaries, benefits, and retirement are budgeted at approximately \$4.6 million. Pursuant to prior Board authorization, CEA will start the upcoming Fiscal Year 2026/2027 at 17 full-time employees compared to starting the prior year at 10 employees. It is also anticipated that an additional 4 new employees will be added during the FY 2026/2027 Fiscal Year.

Programs: The budget includes \$0.5 million to initiate implementation of the Energy Programs Plan which could include customer programs and the enhancement of ongoing programs. While that total is less than the \$2.0 million budgeted in the prior year, it is important to note that no program funds were expended in FY 2025/2026.

A summary of Other Operating Expenses is as follows:

	Full Year Forecast FY2025-2026	Proposed Budget FY2026-2027	% of Revenues
Communications and Outreach	381,410	656,674	0.2%
Data Management and SDG&E Svcs	4,334,219	4,356,000	1.1%
Staffing Costs	2,763,892	4,595,560	1.2%
Legal	759,438	1,000,000	0.3%
Consultants & Professional Services	1,680,168	1,802,885	0.5%
General and Administrative	1,279,638	1,433,000	0.4%
Energy Programs	-	500,000	0.1%
Other Operating Expenses (excluding COGS)	11,198,765	14,344,118	3.8%

CEA's Proposed Budget for FY 2026/2027 is shown on the following page.

Clean Energy Alliance

FY 2025/2026 Year End Estimates and FY 2026/2027 Proposed Budget

	Full Year Forecast FY2025-2026	Proposed Budget FY2026-2027	% of Revenues
Total Operating Revenues	\$381,090,001	\$378,512,223	
Total Cost of Goods Sold (Energy Expense)	311,418,164	337,941,430	89.3%
Communications and Outreach	381,410	656,674	0.2%
Data Management and SDG&E Svcs	4,334,219	4,356,000	1.2%
Staffing Costs	2,763,892	4,595,560	1.2%
Legal	759,438	1,000,000	0.3%
Consultants & Professional Services	1,680,168	1,802,885	0.5%
General and Administrative	1,279,638	1,433,000	0.4%
Energy Programs	-	500,000	0.1%
Other Operating Expenses (excluding COGS)	11,198,765	14,344,118	3.8%
Total Operating Expenses	\$322,616,930	\$352,285,548	93.1%
OPERATING INCOME/(LOSS)	\$58,473,071	\$26,226,675	
Total Nonoperating Income/(Expense)	912,714	2,032,385	
CHANGE IN NET POSITION	\$59,385,785	\$28,259,061	
Beginning Net Position	21,379,112	80,764,898	
Ending Net Position	80,764,898	109,023,958	
Days Liquidity on Hand	112	130	

5-Year Outlook

Managing energy purchases and providing electricity generation for 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 over that period.

Clean Energy Alliance
FY 2026/2027 to FY 2030/2031 Budget Outlook

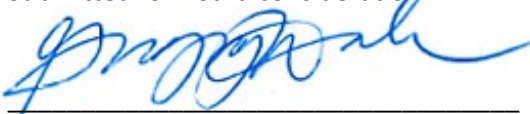
	Proposed Budget FY2026/2027	Forecast FY2028	Forecast FY2029	Forecast FY2030	Forecast FY2031
Total Operating Revenues	\$378,512,223	\$383,132,856	\$382,378,004	\$382,220,984	\$382,047,909
OPERATING EXPENSES					
Total Cost of Energy	337,941,430	311,884,458	306,977,547	303,948,011	321,881,198
Other Operating Expenses (excluding COGS)	14,344,118	17,232,154	20,689,236	24,774,243	29,591,416
Total Operating Expenses	352,285,548	329,116,611	327,666,783	328,722,254	351,472,614
Operating Income (Loss)	26,226,675	54,016,245	54,711,221	53,498,730	30,575,295
Total Nonoperating Income/(Expense)	2,032,385	2,971,049	4,242,703	5,542,096	6,614,981
CHANGE IN NET POSITION	\$28,259,061	\$56,987,294	\$58,953,924	\$59,040,826	\$37,190,276
Net Position at the beginning of period	\$80,764,898	\$109,023,958	\$166,011,252	\$224,965,176	\$284,006,002
Net Position at the end of period	\$109,023,958	\$166,011,252	\$224,965,176	\$284,006,002	\$321,196,278
Days Liquidity on Hand	130	203	266	330	349

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

FISCAL IMPACT:

Revenues from energy sales to customers would provide sufficient funds for the anticipated expenditures in the Proposed Budget and the required contribution to reserves.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

- A. Resolution No. 2026-034
- B. CEA Budget Book FY2026-2027

**CLEAN ENERGY ALLIANCE
RESOLUTION NO. 2026-034**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CLEAN ENERGY
ALLIANCE ADOPTING THE FISCAL YEAR 2026/2027 BUDGET**

WHEREAS, the Clean Energy Alliance (CEA) is a joint powers agency, formed in November 2019; and

WHEREAS, Section 4.6.1 of the Joint Powers Authority (JPA) Agreement establishes the specific responsibility of the CEA Board of Directors to adopt an annual budget prior to commencement of the fiscal year; and

WHEREAS, after review at its regular Board meetings of May 28 and June 25, 2026, the CEA Board desires to establish the Fiscal Year 2026/2027 Budget.

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 sets the Fiscal Year 2026/27 Budget detailed in Exhibit A, which is fully incorporated herein.

The foregoing Resolution was passed and adopted this 25th day of June, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Katie Melendez, Board Chair

ATTEST:

Ana Marie Alarcon, Clerk to the Board

Exhibit A

		Proposed Budget FY2026-2027
Total Operating Revenues		\$378,512,223
Total Cost of Goods Sold (Energy Expense)		337,941,430
Other Operating Expenses (excluding COGS)		14,344,118
Total Operating Expenses		<u>\$352,285,548</u>
OPERATING INCOME/(LOSS)		26,226,675
Total Nonoperating Income/(Expense)		<u>\$2,032,385</u>
CHANGE IN NET POSITION		<u>\$28,259,061</u>
Ending Net Position		\$109,023,958



FY2026-2027 Fiscal Year

Operating Budget

Board Recommendation

June 25, 2026

Table of Contents

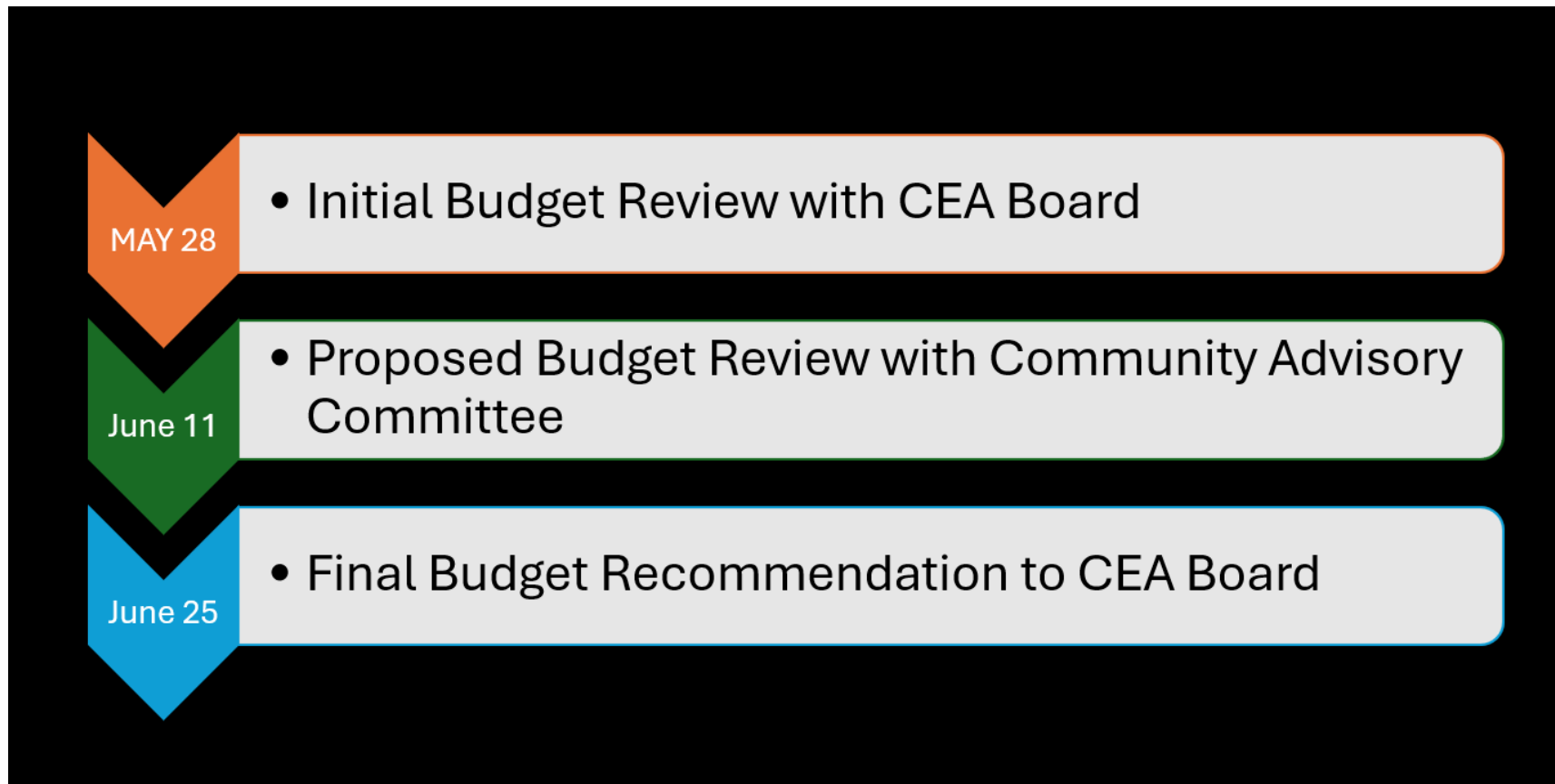


Fiscal Year Operating Budget 2026-2027

- 03** Budget Review Timeline
- 04** Fiscal Year 2025-2026 Forecast versus Budget
- 06** Fiscal Year 2025-2026 Observations and Highlights
- 07** **FY2026-2027 Recommended CEA Operating Budget**
- 09** FY2026-2027 Revenues - Assumptions and Highlights
- 10** FY2026-2027 Energy Costs - Assumptions and Highlights
- 13** FY2026-2027 Operating Expenses - Assumptions and Highlights
- 22** **FY2026-2027 Recommended CEA Operating Budget**
- 24** Liquidity and Financial Sustainability
- 25** 5-Year CEA Financial Pro-forma FY2026/27 through FY2030/31

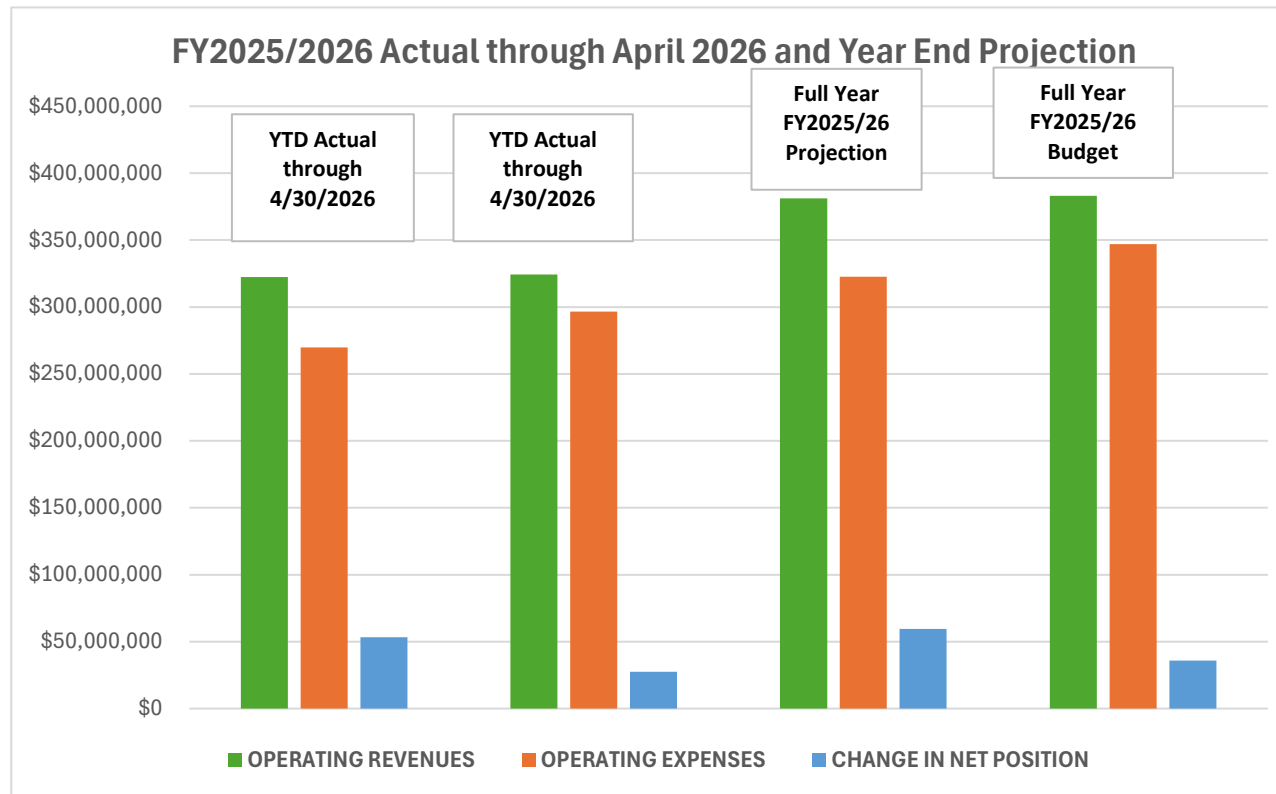
Budget Review Timeline

Fiscal Year Operating Budget 2026-2027



Fiscal Year 2025-2026 Actuals and Year-End Forecast

Compare to Budget



- Revenues slightly below Budget for YTD and Forecasted Year-end
- Expenses below Budget for YTD and Forecasted Year-end
- Change in Net Position above Budget

Fiscal Year 2025-2026 Actuals and Year-End Forecast

Compare to Budget

	Year-to-date			Full Year	
	YTD Actual through 4/30/2026	YTD Budget through 4/30/2026	Variance: Favorable / (Unfavorable)	Full Year Forecast FY2025-2026	Full Year Budget FY2025-2026
Total Operating Revenues	\$322,435,204	\$324,304,196	(\$1,868,992)	\$381,090,001	\$383,146,909
OPERATING EXPENSES					
Total Cost of Goods Sold (Energy Expense)	260,511,175	285,382,303	24,871,127	311,418,164	333,540,321
Other Operating Expenses (excluding COGS)	9,171,027	11,162,665	1,991,638	11,198,765	13,363,246
Total Operating Expenses	\$269,682,202	\$296,544,967	\$26,862,766	\$322,616,930	\$346,903,567
OPERATING INCOME/(LOSS)	\$52,753,002	\$27,759,229	\$24,993,773	\$58,473,071	\$36,243,342
NON-OPERATING REVENUES (EXP.)			-		
Total Nonoperating Income/(Expense)	603,088	(318,611)	921,699	912,714	(380,692)
CHANGE IN NET POSITION	\$53,356,090	\$27,440,618	\$25,915,472	\$59,385,785	\$35,862,650
Beginning Net Position	\$21,379,112			\$21,379,112	\$14,787,266
Ending Net Position	\$74,735,203			\$80,764,898	\$50,649,916
Days Liquidity on Hand	116			112	81

Fiscal Year 2025-2026 Year-end Forecast

Observations and Highlights

Revenues

- Total revenues expected to be 0.5% below Budget (\$2.1 million lower)
 - Likely due to higher NEM adoption and use higher than anticipated

Energy Expenses

- Total energy expenses expected to be \$22.1 million below Budget (6.6% less than Budget)
 - Savings mostly represent unused Budget contingency
 - Prices for energy, renewable content and Resource Adequacy have been at multi-year lows for most of this fiscal year
- Forward price expectations by most analysts for energy and other energy attributes see significant rises

Operating Expenses

- Other operating expenses expected to be \$2.2 million below Budget (16.2% less)
- Almost all of that savings is from unspent Energy Program budget (\$2.0 million)
- Total of all other expenses within 1.5% of Budget
- Total of operating expenses remains less than 3% of revenues
 - Well below most, if not all, other CCAs



FY2026-2027 Fiscal Year

Recommended Operating Budget



Fiscal Year 2026-2027 Proposed Budget

Summary

	Full Year Forecast FY2025-2026	Full Year Budget FY2025-2026	Variance: Favorable / (Unfavorable)		Proposed Budget FY2026-2027	% of Revenues
Total Operating Revenues	\$381,090,001	\$383,146,909	(\$2,056,908)		\$378,512,223	
Total Cost of Goods Sold (Energy Expense)	311,418,164	333,540,321	22,122,157		337,941,430	89.3%
Communications and Outreach	381,410	409,791	28,381		656,674	0.2%
Data Management and SDG&E Svcs	4,334,219	4,659,600	325,381		4,356,000	1.2%
Staffing Costs	2,763,892	2,730,818	(33,074)		4,595,560	1.2%
Legal	759,438	807,047	47,609		1,000,000	0.3%
Consultants & Professional Services	1,680,168	1,675,354	(4,814)		1,802,885	0.5%
General and Administrative	1,279,638	1,080,635	(199,003)		1,433,000	0.4%
Energy Programs	-	2,000,000	2,000,000		500,000	0.1%
Other Operating Expenses (excluding COGS)	11,198,765	13,363,246	2,164,480		14,344,118	3.8%
Total Operating Expenses	\$322,616,930	\$346,903,567	\$24,286,637		\$352,285,548	
OPERATING INCOME/(LOSS)	\$58,473,071	\$36,243,342	\$22,229,730		\$26,226,675	
Total Nonoperating Income/(Expense)	912,714	(380,692)	1,293,405		2,032,385	
CHANGE IN NET POSITION	\$59,385,785	\$35,862,650	\$23,523,135		\$28,259,061	
Beginning Net Position	21,379,112	14,787,266			80,764,898	
Ending Net Position	80,764,898	\$50,649,916			109,023,958	
Days Liquidity on Hand	112	81			130	

Fiscal Year 2026-2027 Proposed Budget

Revenue Assumptions – Background and Key Highlights

CEA's revenue primarily derives from retail electricity sales, driven by generation rates designed to cover power procurement, operating and non-operating expenses, capital expenditures, and contributions to the operating reserve to ensure financial stability and sustainability.

Demand Forecast: Total retail load consumption is projected at 2,110 GWh for FY2026/27.

CEA Customer Rates: No change in current rates

- Clean Impact (50% Renewable): Close to Parity with SDG&E
- Clean Impact Plus (50% Renewable & 75% Carbon Free): Clean Impact rate plus \$0.001 per KWh
- Green Impact (100% Renewable): Clean Impact rate plus \$0.0075 per KWh

Load growth: Assume flat usage

5-year Forecast rates: Assumption of no change in rates in the next 5 years. Current levels enable alignment with the CEA Strategic Plan for financial sustainability.

Uncollectible Accounts: Accrual set at 1.0% of Revenues (reduced from 1.3% in FY2025) reflecting a low incidence of accounts that are slow or non-paying. Lower than general CCA average.

Fiscal Year 2026-2027 Proposed Budget

Energy Cost Assumptions – Background and Key Highlights

Procurement: CEA procures electricity from renewable sources, such as solar and wind, to meet customer demand; SDG&E manages delivery, billing, and infrastructure maintenance. CEA's energy costs are impacted by market fluctuations, seasonal demand surges (e.g. summer heat waves), and increasing customer load, which may necessitate purchasing additional power at elevated market rates.

Regulatory: Regulatory requirements, including California's Resource Adequacy (RA) mandates, require CEA to secure sufficient energy capacity, potentially raising costs, especially during peak periods.

Hedge Contracts: To address some of these challenges, CEA employs hedge contracts and long-term power purchase agreements while maintaining a diverse renewable energy portfolio. Hedge contracts enable CEA to lock-in supply and prices in advance, thereby ensuring resource sufficiency when needed and cost predictability for the Budget.

Net Energy Metering (NEM): CEA's territory has among the highest rooftop solar usage and penetration in California. CEA offers competitive compensation for excess solar generation and Net Surplus Compensation (NSC).

Fiscal Year 2026-2027 Proposed Budget

Energy Cost Assumptions – Cost of Energy Components

- Power Supply: Includes system energy, renewable energy (RECs and carbon-free attributes), and CAISO fees. The total power supply costs for the upcoming FY2026/27 fiscal year are estimated at \$231.0 million, or 68.3% of total energy cost Budget.
 - The proposed Budget is \$5.7 million less than the FY2025/2026 forecast.
- Resource Adequacy (RA): A reliability obligation required by the CPUC providing committed generating capacity for system reliability, estimated at \$73.7 million or 21.8% of FY2026/27 total energy cost Budget.
 - The proposed Budget is \$7.3 million more than the FY2025/2026 forecast.
- Contingency: Energy costs are highly volatile and, sometimes, unpredictable. To ensure that there are adequate resources to mitigate any such volatility, CEA's Budget includes a conservative estimate for Contingency. The FY2026/27 includes an estimate of \$28.1 million for Contingency. Any amount of that full allocation that remains at the end of the fiscal year will flow directly back to general reserves.
- Net Energy Metering: The estimated payout for the NEM program to customers in FY2026/27 is \$5.2 million.
 - The proposed Budget is \$0.9 million more than the FY2025/2026 forecast as robust solar adoption continues in CEA's territory.

Fiscal Year 2026-2027 Proposed Budget

Energy Cost Assumptions – Cost of Energy Components

	Full Year Forecast FY2025-2026	Full Year Budget FY2025-2026	Variance: Favorable / (Unfavorable)		Proposed Budget FY2026-2027	% of Revenues
Resource Adequacy	66,380,422	69,054,700	2,674,279		73,674,664	
Energy (including RECs, GHG, CAISO)	236,652,641	233,160,158	(3,492,483)		230,959,925	
Contingency	4,061,202	28,716,809	24,655,607		28,118,161	
Subtotal Cost of Energy	307,094,264	330,931,667	23,837,403		332,752,749	
NEM Expense	4,323,900	2,608,654	(1,715,246)		5,188,680	
Total Cost of Goods Sold (Energy Expense)	311,418,164	333,540,321	22,122,157		337,941,430	89.3%

FY2025/26: Energy Costs are expected to end the year at \$22.1 million below Budget as a result of the included Contingency. Without the Contingency, Energy Expenses would have been \$2.5 million over Budget.

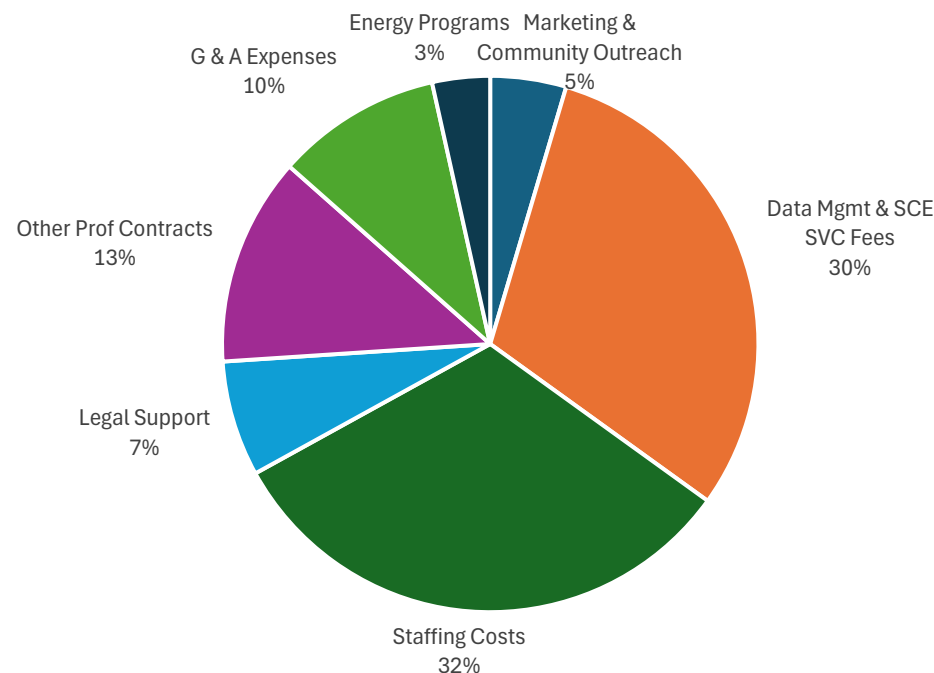
For FY2026/27, it is anticipated that Energy Purchases and Resource Adequacy costs will experience increases. Uncertainty in world energy markets necessitates conservative Contingency planning to maintain adequate resources to mitigate cost volatility.

Fiscal Year 2026-2027 Proposed Budget

Operating Cost Assumptions – Background and Key Highlights

CEA's operating expenses are categorized into seven primary categories:

- Marketing and Community Outreach
- Data Management & SCE Service Fees
- Staffing Costs
- Legal Support
- Other Professional Contracts
- General and Administrative Expenses
- Energy Programs



Fiscal Year 2026-2027 Proposed Budget

Operating Cost Components – Marketing and Community Outreach

CEA is a community-focused public agency that prioritizes meaningful engagement with its customers to build trust, strengthen relationships, and advance its mission of delivering clean, affordable energy. Through a variety of communication channels, CEA actively connects with local communities to raise awareness of OCPA, educate the public on the benefits of community choice energy, and promote sustainability initiatives. Additionally, the budget provides for sponsorships of community events and partnerships with local organizations.

The FY2026/2027 Budget includes allocation of funds that will substantially increase:

- Digital Marketing and Advertisement
- Community Sponsorships

	Full Year Forecast FY2025-2026	Full Year Budget FY2025-2026	Variance: Favorable / (Unfavorable)		Proposed Budget FY2026-2027	% of Revenues
Advertising	24,753	33,174	8,421		172,700	
Marketing Consultants	229,875	251,174	21,298		253,080	
Sponsorships	39,802	17,482	(22,320)		111,275	
Promotional Items	16,889	26,400	9,511		33,230	
Printing	30,442	42,577	12,135		32,330	
Postage	39,649	38,984	(664)		54,059	
Communications and Outreach	1,661,048	1,490,427	(170,622)		2,089,674	0.6%

Fiscal Year 2026-2027 Proposed Budget

Operating Cost Components - Data Management and SDG&E Service Fees

Data Management Services: Provided by Calpine, these services encompass all customer billing data validation and coordination with SDG&E, call center operations, customer enrollment database management, move-in/move-out services, and data reporting.

SDG&E Services: SDG&E provides meter reading, data processing, and customer billing and collection services, as mandated by the California Public Utilities Commission (CPUC), with associated fees reflecting these regulatory requirements.

These costs are based on customer counts and account activity. Given that the number of customers is relatively stable, these costs are somewhat stable and predictable.

	Full Year Forecast FY2025-2026	Full Year Budget FY2025-2026	Variance: Favorable / (Unfavorable)		Proposed Budget FY2026-2027	% of Revenues
Data Management Services	3,599,651	3,841,200	241,549		3,600,000	
Service Fees - SDG&E	734,568	818,400	83,832		756,000	
Data Management and SDG&E Service Fees	4,334,219	4,659,600	325,381		4,356,000	1.2%

Fiscal Year 2026-2027 Proposed Budget

Operating Cost Components – Staffing Costs and Related Expenses

Staffing costs include salaries, payroll taxes, health and welfare benefits for staff and their dependents, and retirement contributions. The projections account for full-year financial impacts of existing staff, merit-based salary increases, and recruitment of several new positions. It is assumed that approximately \$150,000 in staffing expenses per year are eligible for reimbursement through funding from the Equitable Building Decarbonization Direct Install (EBD-DI) Program.

In FY2025, on the advice of Human Resources Counsel, CEA discontinued participation in the Federal Social Security program. CEA's contribution to employee retirement accounts was increased to offset some of that prior participation.

Staffing

- Approved Staffing. The current fiscal year includes 11 full-time employees and 1 part-time employee.
- Planned hires prior to start of FY2026/27 Fiscal Year – 5 new, full-time employees are expected to start employment in May 2026. And the one part-time employee is expected to convert to full-time on June 1, 2026.

Fiscal Year 2026-2027 Proposed Budget

Operating Cost Components – Staffing Costs and Related Expenses (continued)

FY2026/27 Staffing

- CEA will start the FY2026/2027 Fiscal Year with 17 full-time employees
- The Staffing Budget assumes the addition of 4 new employees in the upcoming Fiscal Year that will be reviewed and approved with the Board prior to commencing the recruitment for those positions

	Full Year Forecast FY2025-2026	Full Year Budget FY2025-2026	Variance: Favorable / (Unfavorable)		Proposed Budget FY2026-2027	% of Revenues
Employee benefits	237,427	203,792	(33,634)		416,233	
Payroll tax expense	54,791	61,138	6,347		133,194	
Retirement plan contributions	267,564	264,930	(2,634)		432,882	
Salaries and wages	2,036,823	2,037,924	1,101		3,329,862	
Workers comp insurance	3,038	-	(3,038)		5,000	
Payroll Service Charges	8,250	10,190	1,940		12,000	
Temp Employee/PTO expenses	156,000	152,844	(3,156)		266,389	
Staffing	2,763,892	2,730,818	(33,074)		4,595,560	1.2%

Fiscal Year 2026-2027 Proposed Budget

Operating Cost Components – Legal Support

CEA's business is complex and engages legal services in multiple disciplines to support many of those complex areas. CEA retains legal support for general operations, public agency governance, regulatory and legislative support, and advocacy efforts.

These services include general and special counsel representation, support for power supply procurement transactions and negotiations, participation in regulatory proceedings (e.g., SDG&E's ERRA Applications, SDG&E GRC assessment, and other compliance obligations), non-energy contracting support, employment matters, governance and general liability management, clerk support, and regulatory and legislative advocacy.

In FY2026/27, CEA anticipates significantly more contracting activity related to long-term energy transactions.

	Full Year Forecast FY2025-2026	Full Year Budget FY2025-2026	Variance: Favorable / (Unfavorable)		Proposed Budget FY2026-2027	% of Revenues
Regulatory	350,000	375,000	25,000		450,000	
Contracts/Transactions	175,000	200,000	25,000		225,000	
General/Other	234,438	232,047	(2,391)		325,000	
Legal	759,438	807,047	47,609		1,000,000	0.3%

Fiscal Year 2026-2027 Proposed Budget

Operating Cost Components – Other Professional Contracts

CEA follows industry best-practices by leveraging external consultants while progressively building internal staffing capacity to handle non-technical tasks. This strategic approach ensures operational efficiency and cost-effectiveness as CEA continues its transition to greater self-reliance.

Contract services include the following professional support services:

- **Energy Procurement and Portfolio Management:** Encompasses scheduling coordination, Congestion Revenue Rights (CRR) purchases and sales, and California Independent System Operator (CAISO) settlements and reporting.
- **Financial and Other Services:** Includes accounting, financial management, annual financial audit, information technology support, and human resources support.

	Full Year Forecast FY2025-2026	Full Year Budget FY2025-2026	Variance: Favorable / (Unfavorable)		Proposed Budget FY2026-2027	% of Revenues
Administration	49,673	109,121	59,448		53,000	
Accounting	166,000	149,600	(16,400)		179,000	
Forecasting and Scheduling	261,366	273,439	12,073		289,429	
Recruiting	2,900	-	(2,900)		100,000	
IT Consulting	55,900	66,000	10,101		60,000	
Technical/Power Consultants	633,389	450,000	(183,389)		585,456	
Audit Services	25,000	28,540	3,540		40,000	
Other Consultants	485,941	598,654	112,713		496,000	
Consultants & Professional Services	1,680,168	1,675,354	(4,814)		1,802,885	0.5%

Fiscal Year 2026-2027 Proposed Budget

Operating Cost Components – General and Administrative

General & Administrative (G&A) expenses support CEA's daily operations and include office rent, maintenance, insurance, bank fees, dues for California Community Choice Association (CalCCA), and office supplies. This category also covers IT equipment and software. Discretionary spending for conferences, professional development, travel, and business meals is managed prudently.

	Full Year Forecast FY2025-2026	Full Year Budget FY2025-2026	Variance: Favorable / (Unfavorable)		Proposed Budget FY2026-2027	% of Revenues
Bank Fees	423,767	371,094	(52,674)		500,000	
Building Maintenance	175	-	(175)		-	
Business Meals	5,286	2,912	(2,374)		6,000	
Conferences & Prof Development	10,363	18,186	7,823		15,000	
Subscriptions and Publications	2,921	8,524	5,603		2,500	
HR and Related G&A	2,610	12,071	9,462		20,000	
Dues - Misc Industry Membership	26,993	24,767	(2,226)		25,000	
Dues	520,000	520,000	0		600,000	
Insurance	60,320	17,030	(43,290)		7,500	
Misc G&A	1,522	1,427	(95)		25,000	
Office Supplies	5,823	1,572	(4,251)		5,000	
Late Payment and Interest Charges	191	-	(191)		-	
Occupancy	51,719	21,722	(29,997)		108,000	
Small equipment	63,913	57,066	(6,847)		30,000	
Software	82,900	-	(82,900)		60,000	
Phone, Internet & Utilities	2,059	1,930	(129)		3,000	
Travel - Mileage/fuel	5,367	4,815	(552)		5,000	
Parking and Tolls	531	761	230		1,000	
Airfare	3,951	4,516	565		10,000	
Travel - Lodging	9,228	12,242	3,014		10,000	
General & Administrative	1,279,638	1,080,635	(199,003)		1,433,000	0.4%

Fiscal Year 2026-2027 Proposed Budget

Operating Cost Components – Energy Programs

CEA is committed to reinvesting in the community through energy programs that directly support its customers. These programs will be designed to address the specific energy needs of households and businesses while advancing the transition from fossil fuels to clean energy solutions.

In FY2025/26, the Budget assumed that CEA would spend up to \$2.0 million on Energy Programs. As those programs are complex and take significant time to plan and roll-out, almost none of those funds were spent.

However, recently, Staff presented the long-term strategy for Community Energy Programs to its Board of Directors. That plan will start to roll out in the FY2026/2027 Fiscal Year and increase each year with a goal of targeting 3% of Revenues by the end of FY2031. That level is consistent with other, similar CCAs that are in the 3-5% range.

- FY2027 - \$0.5 million (0.1% of revenues)
- FY2028 - \$2.5 million (0.7%)
- FY2029 - \$5.0 million (1.3%)
- FY2030 - \$8.0 million (2.1%)
- FY2031 - \$11.7 million (3.1%)

Fiscal Year 2026-2027 Proposed Budget

Summary

	Full Year Forecast FY2025-2026	Full Year Budget FY2025-2026	Variance: Favorable / (Unfavorable)		Proposed Budget FY2026-2027	% of Revenues
Total Operating Revenues	\$381,090,001	\$383,146,909	(\$2,056,908)		\$378,512,223	
Total Cost of Goods Sold (Energy Expense)	311,418,164	333,540,321	22,122,157		337,941,430	89.3%
Communications and Outreach	381,410	409,791	28,381		656,674	0.2%
Data Management and SDG&E Svcs	4,334,219	4,659,600	325,381		4,356,000	1.2%
Staffing Costs	2,763,892	2,730,818	(33,074)		4,595,560	1.2%
Legal	759,438	807,047	47,609		1,000,000	0.3%
Consultants & Professional Services	1,680,168	1,675,354	(4,814)		1,802,885	0.5%
General and Administrative	1,279,638	1,080,635	(199,003)		1,433,000	0.4%
Energy Programs	-	2,000,000	2,000,000		500,000	0.1%
Other Operating Expenses (excluding COGS)	11,198,765	13,363,246	2,164,480		14,344,118	3.8%
Total Operating Expenses	\$322,616,930	\$346,903,567	\$24,286,637		\$352,285,548	
OPERATING INCOME/(LOSS)	\$58,473,071	\$36,243,342	\$22,229,730		\$26,226,675	
Total Nonoperating Income/(Expense)	912,714	(380,692)	1,293,405		2,032,385	
CHANGE IN NET POSITION	\$59,385,785	\$35,862,650	\$23,523,135		\$28,259,061	
Beginning Net Position	21,379,112	14,787,266			80,764,898	
Ending Net Position	80,764,898	\$50,649,916			109,023,958	
Days Liquidity on Hand	112	81			130	

Fiscal Year 2026-2027 Budget

Liquidity and Financial Sustainability

CEA is committed to maintaining healthy financial reserves. Adequate reserves enable the organization to withstand and mitigate potential financial and operational risks including:

- Change in member participation – “Opt-outs”
- PCIA and SDG&E Generation Rate uncertainty
- Energy price volatility, scarce RA supply, collateral postings
- Customer defaults in the event of an economic downturn
- Regulatory and legislative changes

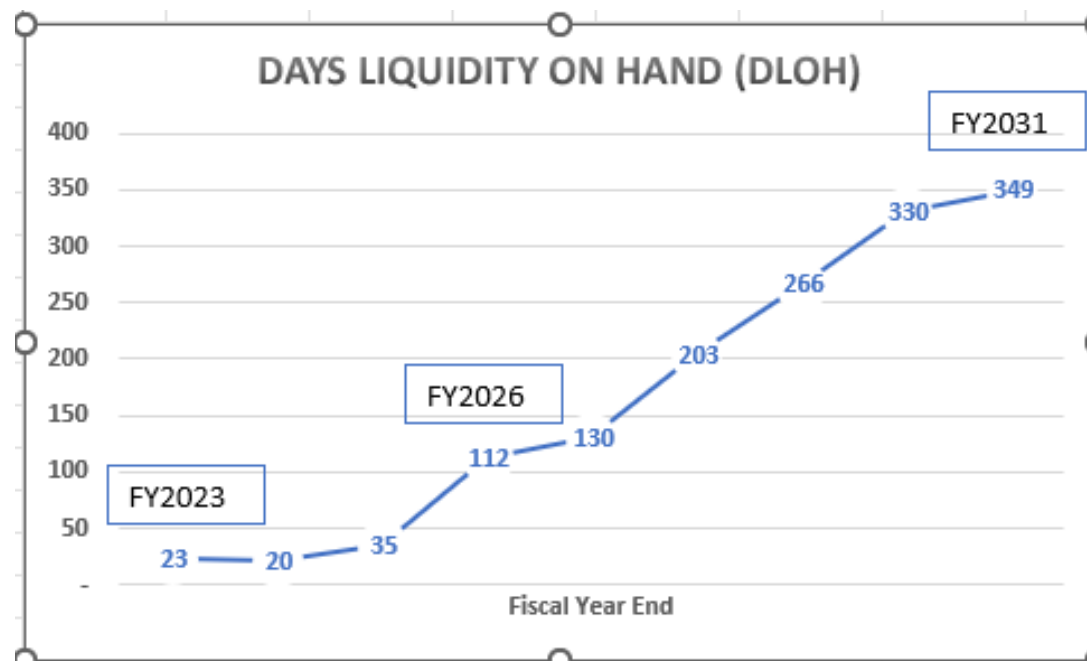
Further, adequate financial reserves are required by rating agencies in assessing CEA’s qualifications for investment grade ratings. An investment grade rating is an industry-standard measure used by suppliers to determine financial viability and to enable CEA to negotiate more favorable contract terms.

The most visible financial metric that rating agencies use is Days Liquidity on Hand (DLOH) which calculates the number of days of regular expenses that an organization holds in available cash and credit lines. The general standard is 180 +/- days. Under the current projections, CEA is expected to achieve 180 days sometime in FY2028. Once an investment grade rating is achieved, the result of confidence of CEA’s ability to maintain that level, CEA’s Board can consider customer rate reductions or more investment in Energy Programs or a combination of actions to return savings to customers.

Fiscal Year 2026-2027 Proposed Budget and the next 5 years

Liquidity and Financial Sustainability – Days Liquidity on Hand

CEA's cash and liquidity reserves have improved substantially in the past year, and projections indicate that healthy increases will likely continue for the next few years. It is anticipated that the metric will reach a likely investment grade level in the next 18 months. Once that happens, the focus can turn from building reserves to sustaining healthy financial reserves and the organization can start to look at lower customer electricity rates that would have the effect of lowering the growth in the years after FY2028 or FY2029.



Fiscal Year 2026-2027 Proposed Budget

5-Year Pro-forma Forecast

	Current Year	Proposed Budget	Forecast	Forecast	Forecast	Forecast
	Total Year FY26	FY2026/2027	FY2028	FY2029	FY2030	FY2031
Total Operating Revenues	381,090,001	\$378,512,223	\$383,132,856	\$382,378,004	\$382,220,984	\$382,047,909
OPERATING EXPENSES						
Total Cost of Energy	311,418,164	337,941,430	311,884,458	306,977,547	303,948,011	321,881,198
Other Operating Expenses (excluding COGS)	11,198,765	14,344,118	17,232,154	20,689,236	24,774,243	29,591,416
Total Operating Expenses	322,616,930	352,285,548	329,116,611	327,666,783	328,722,254	351,472,614
Operating Income (Loss)	58,473,071	26,226,675	54,016,245	54,711,221	53,498,730	30,575,295
Total Nonoperating Income/(Expense)	912,714	2,032,385	2,971,049	4,242,703	5,542,096	6,614,981
CHANGE IN NET POSITION	59,385,785	<u>\$28,259,061</u>	<u>\$56,987,294</u>	<u>\$58,953,924</u>	<u>\$59,040,826</u>	<u>\$37,190,276</u>
Total Cash	59,077,827	85,550,324	143,313,697	199,088,938	257,468,693	296,190,515
	-	-	-	-	-	-
Days Liquidity on Hand	112	130	203	266	330	349