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. Please submit a Speaker's Slip to the Board Clerk prior to the announcement of the item to be heard. In conformance with the Brown Act, no Board action can occur on items presented during Public Comment.

Clean Energy Alliance

Board of Directors Meeting

July 30, 2026

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Item 5: Clean Energy Alliance Chief Executive Officer Operational and Administrative Report

CEA Enrollment Stats

Member City	Eligible Accounts	Clean Impact 50% Renewable	Clean Impact Plus 55% Renewable/ 75% Carbon Free	Green Impact 100% Renewable	Participation Rate
Carlsbad	55,367	219	49,486	660	91%
Del Mar	3,032	10	2,762	72	94%
Escondido	57,347	187	53,530	68	94%
Oceanside	74,875	267	69,438	105	93%
San Marcos	38,212	140	35,479	71	93%
Solana Beach	8,012	19	7,164	165	92%
Vista	39,582	113	36,992	344	94%
TOTAL	**276,427**	**955**	**254,851**	**1,485**	**93%**

CEA serves a total of 257,291 customer accounts across its seven member agencies

Metrics as of July 13, 2026.

Completed Community Events

Date	Description	City
July 17, 2026	Chavez Community Center Food Distribution	Oceanside
July 24, 2026	Crown Heights Community Center Food Distribution	Oceanside
July 25, 2026	Carlsbad Food and Wine Festival	Carlsbad
July 29, 2026	State of the City	San Marcos

CLEAN ENERGY ALLIANCE

Upcoming Community Events

Date	Description	City
August 4, 2026	National Night Out	Oceanside
August 5, 2026	Escondido City Council Presentation	Escondido
August 7, 2026	Libby Lake Community Center Food Distribution	Oceanside
August 8, 2026	Flapjacks for Backpacks	San Marcos
August 11, 2026	Vista City Council Presentation	Vista
August 20, 2026	California Hispanic Chambers of Commerce's Procurement Matchmaking	Oakland
September 19, 2026	NCAAWA Gentlemen's Gourmet	Oceanside
September 30, 2026	CPUC Small & Diverse Business Expo	San Francisco
October 1, 2026	CPUC GO 156 Supplier Diversity En Banc	San Francisco

Clean Energy Alliance

Rate Relief Credit Opt-Downs

Member City	Commercial	Residential	Total
Carlsbad		54	54
Del Mar		3	3
Escondido	1	34	35
Oceanside	1	67	68
San Marcos	1	23	24
Solana Beach		2	2
Vista	1	29	30
TOTAL	**4**	**212**	**216**

Metrics as of July 10, 2026.

Clean Energy Alliance

CEA Staffing Update

- Actively recruiting for two (2) positions authorized by the Board as part of the Fiscal Year (FY) 2026/27 Budget:
  - Rates Specialist or Analyst
  - Marketing Specialist or Analyst
- Positions are open until filled with first review deadline of August 14, 2026

Clean Energy Alliance

Questions/Discussion – Item 5

Item 6: Programs Report

Solar Plus and Battery Bonus Update

Member City	Solar Plus		Solar Plus Connect		Battery Bonus		Battery Bonus Connect	
Status	Active	Complete	Active	Complete	Active	Complete	Active	Complete
Carlsbad	2	3	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	3	5	6	0	0	0	3	11
San Marcos	4	4	3	0	0	1	2	6
Solana Beach	0	1	1	0	0	0	1	1
Vista	4	2	7	0	2	1	3	10
TOTAL	**18**	**20**	**34**	**0**	**2**	**5**	**16**	**44**
MoM CHANGE	**-12**	**+8**	**0**	**0**	**0**	**+1**	**-2**	**+2**

Metrics as of July 1, 2026.

MoM refers to Month-over-Month Change.

Connect Programs SGIP Funding

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**

Metrics as of July 1, 2026.

CLEAN ENERGY ALLIANCE

PeakSmart Savers Participants

Member City	PeakSmart Savers Participants
Carlsbad	13
Del Mar	1
Escondido	9
Oceanside	17
San Marcos	3
Solana Beach	0
Vista	15
TOTAL	**58**
MoM Change	**+3**

Metrics as of July 10, 2026.

MoM refers to Month-over-Month Change.

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Equitable Building Decarbonization

- Food distribution outreach roll-out in Oceanside at Chavez and Crown Heights Community Centers
- Connected with 136 people
- Identifying events in Vista, San Marcos, and Escondido
- Continuing to support with single-family and multi-family enrollments

Programs Specialist, Natalie Aguilar, with two Oceanside community members discussing the EBD Program.

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SDREN

- The San Diego Regional Energy Network (SDREN) is a regional energy-efficiency network administered by San Diego Community Power in partnership with the County of San Diego.
    - Approved by the California Public Utilities Commission (CPUC) on August 1, 2024.
- As of July 10, 2026, SDREN has launched or is preparing to launch programs in the following categories: Residential, Workforce Development, Commercial, Public Agencies, Codes & Standards, and Tribal Governments.
- More information on current programs can be found on the SDREN website at sdren.org.

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Questions/Discussion – Item 6

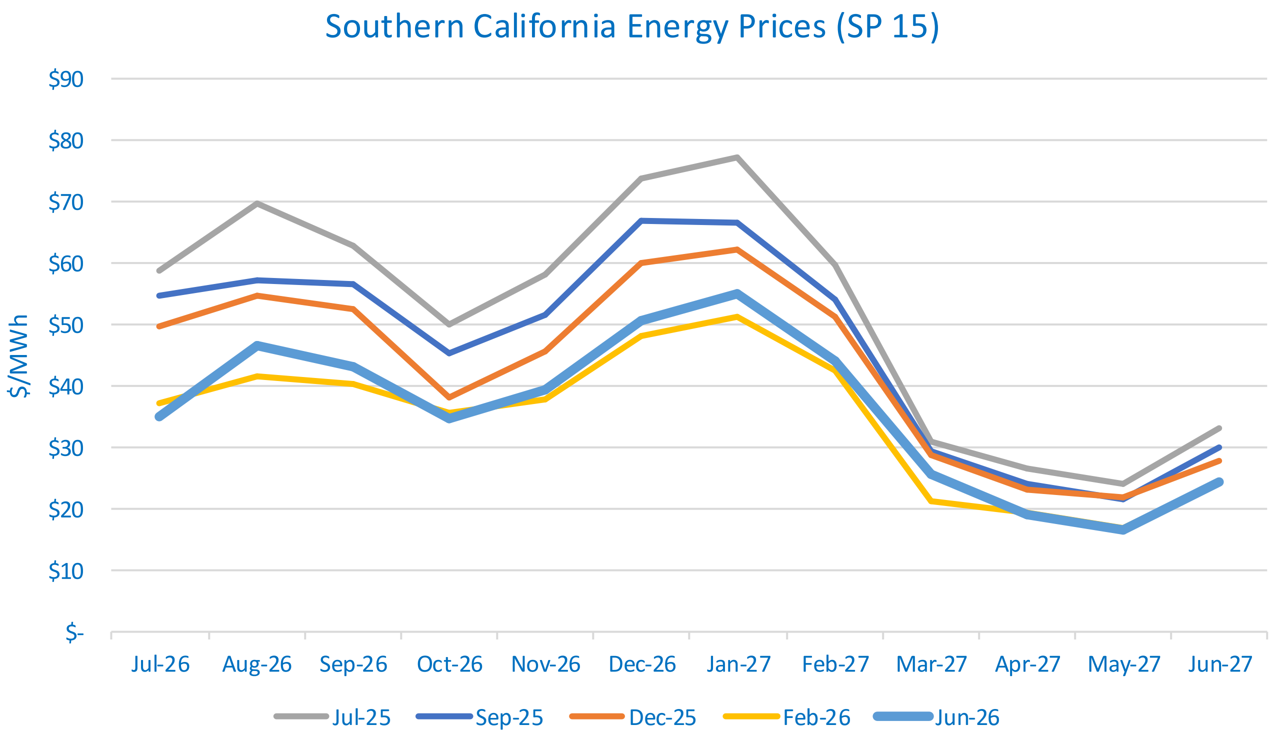
Item 7: Risk Oversight Committee Report

ROC Discussion Topics

- Market Update
- Current Portfolio Planning and Position Management
- JPM/POLR Covenants
- Energy Prepayment Transaction Update
- Anticipated Q3/Q4 2026 ROC Agenda Topics

Clean Energy Alliance

Energy Market Prices



- Slight downward trend in system energy prices
- Prices for the next 12-month period are approximately 30% lower on average compared to one year ago, following a spike in 2022-2024
- Renewable and carbon-free pricing has followed a similar trend, with current prices at ~10-20% of 2024 highs
- RA trends were similar, with the tight Q3 months currently 10-20% of 2024 highs

Clean Energy Alliance

Portfolio Planning and Position Management

Clean Energy Alliance

Risk Mitigation Strategy and Current Open Positions

Strategy

- CEA's Energy Risk Management Policy requires us to be hedged for at least 90% of expected load as of the month ahead of delivery. Credit line requirements add similar targets for t+1 and t+2 years; CEA is currently purchasing energy for FY27, FY28, FY29, and FY30.
- CEA's current strategy for various power supply products – wholesale energy, renewable energy, Resource Adequacy (RA) – involves a combination of entering into a mix of long-term and short-term agreements with different risk profiles. CEA aims to enter into contracts to meet all of these needs gradually over time, avoiding timing or mistiming the market with only one or two large purchases.

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Risk Mitigation Strategy and Current Open Positions

Current Positions

- CEA is compliant with hedge requirements for its credit line and ERMP.
- CEA has limited or no remaining 2026 renewable energy, carbon free energy, and RA needs. Carbon-free requirements could drop off after 2028, pending decisions on future product offering content for Clean Impact Plus.
- Initial short-term purchases have been made across all categories for 2027 and 2028 to begin closing open positions.
- Contracts are in place for all MTR needs through 2028, and pending Board approval of LDES contract today, 2030-2032 procurement order requirements are likely also fully contracted (pending final confirmation of counting rules).
- PPAs and ESSAs (Deer Creek, Darden, Circle City, and others) will be coming online gradually between now and mid-2028 – these contracts are already reflected as anticipated supply to meet future needs.

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Credit Line & Provider of Last Resort (POLR) Covenants

Covenant Compliance Metrics and Forecast

JP Morgan	Metric	Mar 31 2026 Actual	June 30 2026	Sept 30 2026	Dec 31 2026	Mar 31 2027	June 30 2027	Sept 30 2027	Dec 31 2027	Mar 31 2028	Jun 30 2028
DSCR	1.4	50.7	60.7	113.6	59.3	50.2	46.2	66.0	84.3	92.7	99.8
DLOH	50	118	112	142	150	135	125	168	198	192	192

- JP Morgan
  - Met covenants as of March 31, 2026 and expect to meet for all quarters going forward
  - $40 million credit line extends through February 2029 (currently, not being utilized)
- Provider of Last Resort (POLR) - CPUC metrics
  - Meeting all covenants
  - DSCR covenant of 1.0 is lower than JP Morgan covenant

Note: Expect to meet all covenants for the foreseeable future

Clean Energy Alliance

Energy Prepayment Transaction Update

Prepayment Transaction – History

February 24, 2026
Issued RFP for Municipal Financial Advisor Services

April 30, 2026
PFM presented Energy Prepayment Discussion and Board approved PSA with PFM Financial Advisors LLC

May 1, 2026
Executed contract with PFM Financial Advisors LLC

May 28, 2026
Issued RFP for Underwriter and Legal Services (Bond, Tax, and/or Disclosure Counsel)

July 22-24, 2026
Interview Underwriter candidates and make selection

July 30, 2026
Requesting Board approval of PSA with Chapman and Cutler LLP

Clean Energy Alliance

Prepayment Transaction – Request for Proposals (RFP)

- 2 RFPs issued May 28, 2026
- Responses due June 17, 2026

Disclosure & Bond/Tax Counsel
5 responses received
Selected Chapman & Cutler LLP Disclosure Counsel
Selected Orrick via CCCFA Bond/Tax Counsel

Underwriter (Counterparty)
4 responses received
Interviewed final two, July 22–23
Selected Goldman Sachs Prepay Counterparty

Prepayment Transaction – Next Steps

- Execute agreement with Chapman & Cutler LLP for Disclosure Counsel
- Meet with complete "transaction team" and establish timeline
- (August – September) Structure the prepay transaction and Join CCCFA
- (September – October) Prepare "Form of" Deal Documents
- (October – November) Confirm PPA Assignments, Finalize Deal Documents, Engage Ratings Agency
- (November – December) Finalize prepayment energy transaction

Clean Energy Alliance

Anticipated Q3/Q4 ROC Agenda Topics

Q3/Q4 ROC Agenda Special Topics

- **At its September and/or December ROC meetings, the following topics are likely to be added to the standing agenda:**
- Update on prepay bond work
- Review of Energy Risk Management Policy
- Review of first months of Deer Creek PPA performance

Clean Energy Alliance

Questions/Discussion – Item 7

Item 8: Amending Clean Energy Alliance Rate Schedule to Update the Wholesale Market Access Tariff Rate Effective August 1, 2026

Wholesale Market Access Tariff (WMAT) Rate

Recommendation:

That the CEA Board:

1. Conduct the Public Hearing: Open the Public Hearing, Receive Public Testimony, Close the Public Hearing.
2. Approve Resolution No. 2026-037 Amending Clean Energy Alliance Rate Schedule to update the Wholesale Market Access Tariff Rate Effective August 1, 2026.

Clean Energy Alliance

Wholesale Market Access Tariff (WMAT) Rate

Background:

- Available to Non-Residential CEA Customers with annual load greater than 150 GWh
- Currently includes one account
- Separate portfolio for the WMAT load
- WMAT Agreement rate setting: Total Energy Costs/Projected annual energy usage = per kWh energy component
- Rate intended to recover the total cost of the portfolio, including CEA administrative costs

Clean Energy Alliance

Wholesale Market Access Tariff (WMAT) Rate

Board Action / Effective Date	Updated WMAT Rate
Wholesale Market Access Tariff Program Terms and Conditions (approved October 26, 2023)	N/A established calculation methodology
Resolution No. 2024-018 (adopted October 31, 2024) Effective January 1, 2025	**$0.10150 / kWh**
Resolution No. 2025-035 (adopted July 31, 2025) Effective August 1, 2025	**$0.11350 / kWh**
Resolution No. 2025-045 (adopted November 20, 2025) Effective January 1, 2026	**$0.11759 / kWh**
Resolution No. 2026-037 (recommended) Effective August 1, 2026	**$0.10000 / kWh**

Clean Energy Alliance

Questions/Discussion – Item 8

Item 9: Regulatory Update

Item 9

Clean Energy Alliance: Regulatory Update

Jake Schlesinger – Keyes & Fox LLP

July 30, 2026

KEYES & FOX LLP

Overview

- **Docket Nos. A.25-04-014/R.25-04-010:** EE Update
- **Docket No. R.25-10003:** RA update
- **Docket No. A.26-06-001:** 2025 ERRA Compliance

Docket Nos. A.25-04-014/R.25-04-010: SD EE Update

- A.25-04-014 – SDG&E Application to Withdraw as EE PA
  - Fully briefed as of July 15, 2026
  - Waiting on a PD
- R.25-0410 - EE Rulemaking
  - Staff Proposal to Modify Budget Formula for Community Choice Aggregators to Elect to Administer Energy Efficiency Funds
  - SD CCA Comments filed on July 1, 2026

Docket No. R.25-10003: RA Update

D.26-07-008:

- The CPUC's July 2026 RA decision, D.26-07-008, changed key contract rules for new CAISO capacity products created through Day-Ahead Market Enhancements (DAME) and Extended Day-Ahead Market (EDAM).
- For future RA contracts, the decision requires $0 bidding for Reliability Capacity (RC) and generally requires the LSE to retain RC and most Imbalance Reserves (IR) revenues.
- For CEA, ***the main issue is RA fungibility***: older upstream contracts may not be easy to resell if they do not include the required bidding and revenue terms.

Docket No. A.26-06-001: 2025 SDG&E ERRA Compliance

- June 1, 2026: SDG&E files annual Application for approval of its compliance of its ERRA and other related matters

- Scoping Memo:

    - Whether SDG&E, during the record period, prudently administered and managed its own generation resources, which includes the management of outages and the associated fuel costs, in compliance with all applicable rules, regulations, and Commission decisions, including but not limited to Standard of Conduct (SOC) 4.

    - Whether SDG&E, during the record period, administered resource adequacy procurement and sales consistent with its Bundled Procurement Plan (BPP).

QUESTIONS?

Jake Schlesinger
jschlesinger@keyesfox.com
(970) 531-2525

Questions/Discussion – Item 9

Item 10: Awarding and Approval of 25-Year Energy Storage Service Agreement with GEM A-CAES LLC and Authorizing Execution of the ESSA

Recommendation

- That the CEA Board adopt Resolution No. 2026-038 awarding and approving a 25-Year Energy Storage Service Agreement (ESSA) with GEM A-CAES LLC for CEA's 60MW portion of an advanced compressed air energy storage facility.
- Authorize the Chief Executive Officer to execute the ESSA.

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Background

- To ensure sufficient capacity is available as older resources retire, the CPUC periodically mandates Load Serving Entities (LSEs) to procure new resources:
  - CPUC Decision 21-06-035, "Mid-Term Reliability", or "MTR"
  - CPUC Decision 23-02-040, "Supplemental Mid-Term Reliability"
  - **NEW:** CPUC Decision 26-02-057 – mandates statewide procurement of 6,000 MW of new clean energy and storage net qualifying capacity (NQC) between 2030 and 2032
    - 25% must be from Clean Firm Resources (non-weather-dependent, zero-emissions, 80%+ capacity factors) or Long Duration Energy Storage (LDES)
- CEA has fulfilled its MTR and Supplementary MTR requirements and expects to be compliant with the recent procurement order's 75% generic capacity requirement; the Clean Firm / LDES sub-category requirement remains to be contracted

CLEAN ENERGY ALLIANCE

Project Selection – Willow Rock Energy Storage Center

Hydrostor Inc. (through their subsidiary GEM A-CAES) proposed a 60MW slice of their Willow Rock project into CEA's March 2026 RFP

- 8-hour advanced compressed air energy storage (A-CAES), qualifies for the LDES category of CPUC D.26-02-057
- Competitively priced
- Permitting is complete, LGIA signed, FCDS secured
- Conditional Loan Guarantee from the DOE to support project financing
- Expected to close financing by the end of 2026
- Will use Project Labor Agreement for construction
- With CEA's offtake agreement, the project will be nearing fully contracted

Clean Energy Alliance

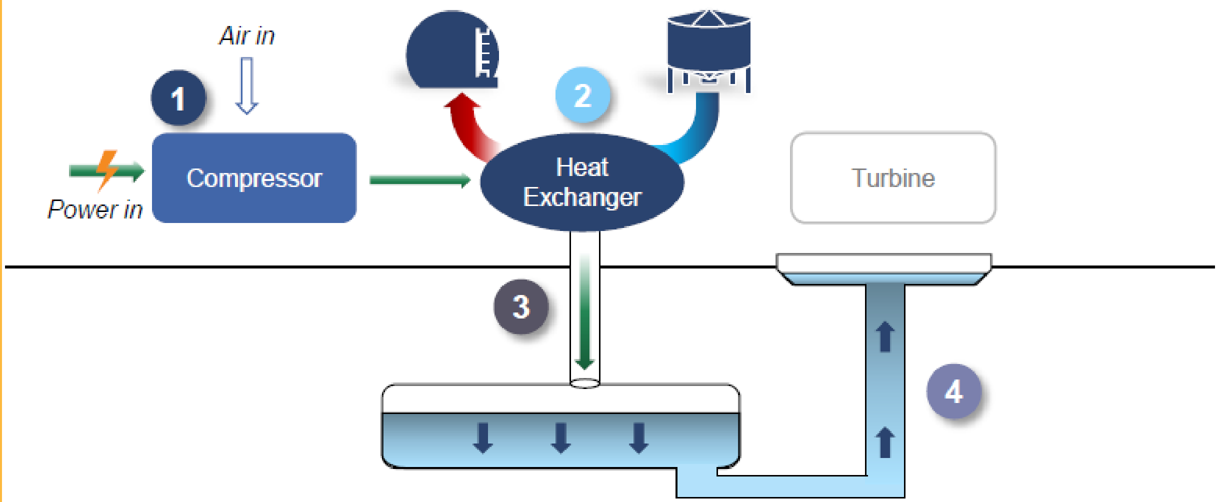
Willow Rock Energy Storage Center, GEM A-CAES LLC

- Developer: GEM A-CAES LLC, a subsidiary of Hydrostor Inc.
- Technology: 8-hour advanced compressed air energy storage (A-CAES)
- Size: 500MW /4,000 MWh
- Contract Capacity: 60MW / 480 MWh
- Location: Kern County, CA
- Guaranteed Commercial Operation Date: 6/1/2031
- Term: 25 years
- Interconnection: The project will connect via a brand new 230kV gen-tie line that connects at the SCE Whirlwind Substation

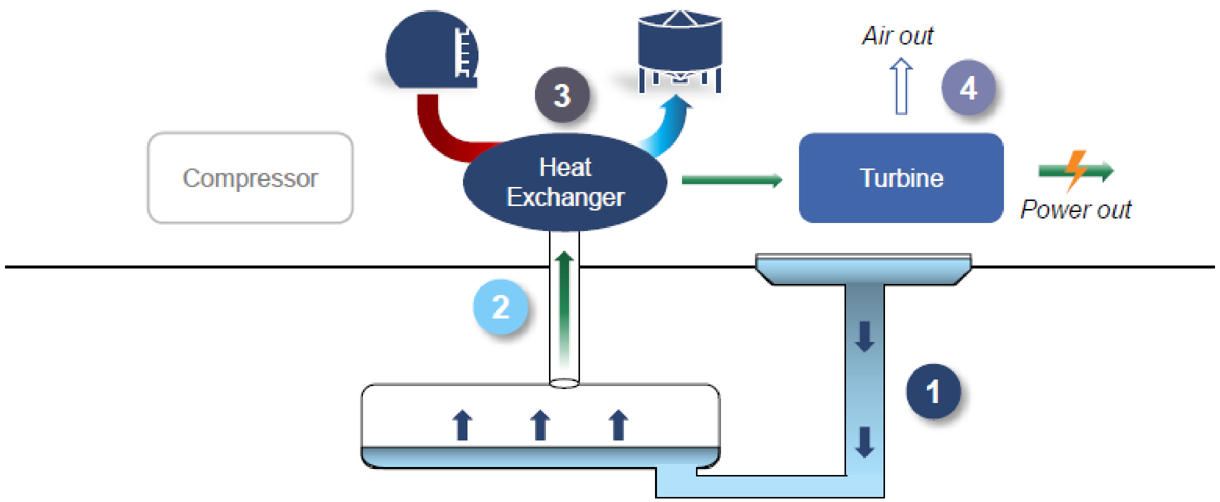
WILLOW ROCK
ENERGY STORAGE

CLEAN ENERGY ALLIANCE

CHARGING



DISCHARGING



Charging

1 **Compression**

Off-peak electricity powers compressor, which pumps ambient air into the system at high pressure

2 **Adiabatic Heat Storage**

Heat generated during compression is extracted from the hot air and stored in the thermal storage tanks

3 **Air Storage**

The cooled compressed air is pumped down an air shaft into a water-filled, purpose-built rock cavern

4 **Hydrostatic Compensation**

Compressed air displaces water from the cavern, up the shaft, and into the surface reservoir; the weight of the water keeps the pressure constant

Discharging

1 **Hydrostatic Compensation**

When electricity is required, water in the reservoir is allowed to flow back into the cavern

2 **Air Storage**

Water flooding into the cavern pushes the compressed air back to the surface

3 **Heat Redeployment**

Heat from the thermal storage is re-injected into the compressed air stream to offset the cooling effect from expansion

4 **Generation**

The heated, compressed air is used to spin a turbine to generate power back into the grid

Energy Storage Service Agreement (ESSA) with GEM A-CAES

- Resource Adequacy + Top-Bottom 4 Agreement (“RA+TB4”)
- Products: Resource Adequacy (RA) capacity, energy settlement value
- Benefits from the Project include:
  - Meets CEA’s procurement order requirements for LDES
  - Resource Adequacy 8-hour energy storage capacity
  - Hedge on long-term energy price volatility
  - Energy storage provides grid reliability, shifts solar generation to peak demand hours, shifts reliance away from peaker plants
  - Investment in innovative non-fossil fuel technology

CLEAN ENERGY ALLIANCE

Questions/Discussion – Item 10

Item 11: Legislative Update from Staff

Legislative Affairs Update

- The Legislature is entering the final phase of the 2026 session, with major budget and energy policy decisions expected in August
- Overview:
  - Sacramento Update
  - State Budget Highlights
  - CEA Priority Legislation
  - Key Energy Policy Trends
  - Looking Ahead
  - Emerging Policy Issue: Diablo Canyon

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Sacramento Update

- June was dominated by budget negotiations and November ballot discussions
- Policy committee work is largely complete
- Fiscal bills now face Appropriations Committee review
- The Legislature returns August 3 and adjourns August 31

Clean Energy Alliance

2026 State Budget

- Budget Themes
  - Structural deficit remains, but higher tax revenues delayed major cuts
  - New taxes approved, including sales tax expansion to software products
  - Distributed Energy Backup Assets (DEBA) funds redirected to continue Demand Side Grid Support (DSGS) program funding
  - $10 million appropriated for geothermal exploration

Clean Energy Alliance

CEA Priority Legislation

- CalCCA Sponsored Priorities
  - AB 1761 (Rogers) Improving Energy Bill Transparency
    - Brings transparency to the way charges like the PCIA are calculated
    - Intended to improve oversight and accountability
    - Supported by CEA and CCAs
    - Opposed by IOUs
  - SB 1138 (Padilla) Hourly Resource Adequacy Trading
    - Aligns RA compliance with hourly matching requirements
    - Improves market flexibility
    - Supported by CEA and CCAs

Status: Both bills are awaiting Senate Appropriations review in August

Clean Energy Alliance

2026 Energy Policy Trends

- Major Topics Under Consideration
  - **Data Centers**
    - New electric rate class structures (AB 2383)
    - Preventing cost shifting to other customers (SB 886)
  - **Power Grid & Reliability**
    - Transmission planning reforms (AB 2111)
    - Microgrids (AB 710)
  - **Clean Energy Initiatives**
    - Geothermal development (AB 2369, AB 2234)
    - Distributed energy resources (SB 1295)
    - Plug-In or "Balcony" solar systems (SB 868)
    - Building electrification pilots (AB 2313)

Clean Energy Alliance

Looking Ahead

- August Legislative Calendar
  - August 3: Legislature returns from recess
  - August 13–14: Appropriations Committee decisions
  - August 31: End of session
- Key Takeaways
  - Affordability remains the Legislature's primary focus
  - CEA priority bills remain active
  - Regulatory implementation continues on SB 1221
  - Significant policy activity expected

Clean Energy Alliance

Emerging Policy Issue: Diablo Canyon Beyond 2030

- Staff is monitoring discussions regarding potential legislation that could extend Diablo Canyon Power Plant (DCPP) operations beyond 2030
- No legislation has been introduced to date, and the scope and timing of any proposal remain uncertain
- Recent regulatory approvals have increased attention on whether the Legislature may revisit DCPP's future:
  - California Coastal Commission certification approval
  - NRC license renewal approval
- Any operation beyond 2030 would require action by the California Legislature

Potential legislation could affect:

- Reliability planning
- State clean energy policy
- Resource procurement requirements
- Long-term capacity and energy markets
- Future Integrated Resource Planning (IRP) options

Clean Energy Alliance

CEA Resource Planning Context

- CEA's current resource strategy emphasizes:
  - Affordability
  - Reliability
  - Carbon-free energy
  - Resource diversity
  - Local community benefits

- CEA is already pursuing:
  - Long-duration storage
  - Geothermal and other clean firm resources
  - Demand-side resources
  - Reliability-focused procurement

Clean Energy Alliance

Current DCPP Connection

- CEA currently receives an allocation of DCPP's carbon-free attributes for Clean Impact Plus
- Under current law, DCPP cannot be included as a future resource option in IRP portfolios
- A future legislative extension could potentially change how DCPP is considered in long-term resource planning

CLEAN ENERGY ALLIANCE

Discussion

- **Overview Recap**
  - If DCPP extension legislation is introduced, should CEA staff have flexibility to engage on legislation that advances CEA priorities regarding:
    - **Affordability**
    - **Reliability**
    - **Carbon-free** energy resources
- **Staff Considerations**
  - Continued operation of DCPP appears generally consistent with CEA's existing platform goals relating to **reliability, affordability, and carbon-free energy**
  - Given issue significance, seeking Board input regarding future advocacy and engagement
- **Staff Recommendation**
  - Support Staff flexibility to engage on future legislation that aligns with CEA's priorities

Questions/Discussion – Item 11