

Southern California Public Power Authority

Annual Report

FY 2022-23

A TALE OF TWELVE MEMBERS

The Next Chapter of our Energy Future



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ABOUT SCPPA

Who We Are

The Southern California Public Power Authority (SCPPA) was formed in 1980 as a not-for-profit joint powers agency whose members include the cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, and Vernon, and the Imperial Irrigation District. Each SCPPA Member is a publicly owned electric utility governed by a city council or board consisting of elected public officials. These public officials, who live and work in the same community as their customers, are dedicated to meeting the needs of the residents and businesses they serve. SCPPA's Members serve more than 5 million Californians (2 million customers) across a service area of 7,000 square miles. Collectively, SCPPA Members supply 16% of California's power.

What We Do

Through the power of joint action, SCPPA assists SCPPA Members by facilitating collaboration and bringing economies of scale for projects and programs. As SCPPA Members lead their communities to a 100% clean energy future, SCPPA has been making significant investments on behalf of its Members to procure clean energy resources and support energy efficiency and demand-side management programs. SCPPA also provides a forum for SCPPA Members to share technical expertise and receiving training that strengthens their efforts to provide clean, affordable, reliable, and safe energy to residents and businesses they serve.

VISION AND MISSION

VISION

The Members of Southern California Public Power Authority Work Together to Power Reliable and Sustainable Communities

MISSION

SCPPA Supports The Goals and Strategies of It's Members through the Joint Procurement and Financing of Projects, Value-Added Services, and Providing Collaborative Advocacy.

STRATEGIC PRIORITIES



DECARBONIZATION

Champion decarbonization efforts for Member communities through collective projects, programs, and services to meet sustainability goals while maintaining reliability, low costs, and local control.



EMERGING ISSUES

Help Members thrive and excel for the long term by exploring technological and operational solutions to emerging industry challenges and opportunities.



COLLABORATION

Foster collaboration and professionalism for SCPPA and its Working Groups to maximize the value of SCPPA to its Members and the communities they serve.



ASSETS

Be trustworthy stewards of public funds through the responsible administration of financial and physical assets and obligations.



ADVOCACY

Emphasize the unique needs of Member communities by facilitating proactive advocacy.

SCPPA Board President's Letter



Dawn Roth Lindell
Board President

“The secret of change is to focus all of your energy not on fighting the old, but on building the new.” – Socrates

This is an exciting time to be in the electric utility industry. We are going through generational change and an electric generating shift not seen in the one hundred years (and more) since electricity created a new way of life on planet earth. I am grateful for SCPPA and all of its members as we navigate our path through this new landscape together. SCPPA members are fully on board with creating a new carbon-neutral future, one with electricity that is also reliable and affordable. It is an adaptive challenge – one with answers yet to be discovered.

When the southern California public utilities come together, we are a powerful voice for change. In this past year, we advocated for fleet rules that encourage not only sustainability but also fuel diversity, partnering on legislation that ensures that we will be ready to respond when the next big earthquake or wildfire or severe storm hits the area. We are exploring new transmission paths, carbon capture, small modular nuclear, hydrogen, offshore wind – in addition to geothermal, wind, solar, small and large hydro, biothermal, and an array of battery storage options to meet the increasing load from electric vehicle charging, building electrification, new housing, and new businesses in this thriving part of the country. We will speak together to help the regulations evolve to meet the changing conditions on this journey.

Personally, I am proud of the way that the SCPPA utilities step up to help each other. This year, Burbank had a fire break out, destroying one of the two transformers at our Warner Brothers substation. Before we could re-energize, we needed to run Doble testing to ensure the second transformer and all connections were good. Unfortunately, our Doble test equipment was out being serviced. We put out a plea for help. Glendale and Pasadena responded promptly but did not have the equipment we needed. LA stepped up, and they had the equipment and were in the middle of putting together a team when Riverside responded with a team and the right equipment. We tested and were back up within 48 hours. We literally could not have done this without SCPPA.

In the last three years, BWP has sent crews to IID (twice) and Pasadena for mutual assistance following storm events. We have partnered with Glendale and LADWP on projects for solar, transmission, and green hydrogen/gas repowering. We have continued to run the Magnolia Power Plant for Glendale, Pasadena, Anaheim, Colton, and Cerritos plus ourselves. Through SCPPA, we have partnered on wildfire mitigation planning, renewables planning, transmission planning, timely training on many topics, and regulatory/legislation reform. SCPPA's power is in sharing our joint voice and pooling our resources to lower costs for all.

Now we are facing another transition as our Executive Director, Mike Webster, transitions into an active, healthy retirement. Mike led us through a 100-year pandemic, flooding, fires, controversy, and this renewable journey. The SCPPA board is again putting our collective brainpower together to find the right replacement to fill those BIG shoes. I am confident in the amazing people who run the SCPPA member utilities and the wisdom they bring to the search, and we will miss your wisdom, Mike!

Thank you to all of you for your support of SCPPA, of each other, and also of me while I have learned to serve as your President. Thank you for helping in this amazing evolution to a new way of serving the 5th largest economy in the world with carbon-neutral power. 'A small group of thoughtful people could change the world. Indeed, it's the only thing that ever has.' – Margaret Mead I am blessed to be part of this small group that is indeed changing the world.

Dawn Roth Lindell

SCPPA Executive Director's Letter



Michael S. Webster
Executive Director

We heard from senior state legislative leaders at our annual meeting in September that the focus of utilities, legislators, and regulators needs to be on “implementation, implementation, implementation”.

I couldn't agree more. As our Members complete their Integrated Resource Plans, they are challenged with planning for the demand of increased transportation and building electrification loads while continuing to aggressively reduce their greenhouse gas emissions. Those resource plans are built on some significant assumptions, such as the availability of cost-effective hydrogen or renewable gas, the ability to timely build the transmission network to deliver renewable energy projects, and the cost and schedule to complete new projects. All this is being impacted by supply chain issues, inflation of material and labor costs, and interconnection delays.

Legislators, regulators, developers, and utilities must work together to resolve these implementation challenges.

This year we saw significant resources allocated to clean energy goals through Federal and State actions. The Infrastructure Investment and Jobs Act, the Inflation Reduction Act, and State initiatives have put billions of dollars at work to transform electric generation, transmission, and storage to meet climate goals while promoting electric transportation infrastructure. California also received over \$1 billion to implement a hydrogen hub to supply electric generation and transportation. SCPPA has been helping Members apply for grants to obtain some of this funding to support their applicable projects.

SCPPA and Member staff are working feverishly to add more renewable energy projects and energy storage projects. While those negotiations will result in new projects in the coming years, SCPPA did have two important geothermal projects reach commercial operation this year; Casa Diablo IV and StarPeak. Both projects supply baseload and reliable renewable energy.

Projects under negotiation may benefit from the Inflation Reduction Act which gave municipal utilities the benefits of the Investment Tax Credit and Production Tax Credit that previously were

only available to taxable entities. While implementing rules on these programs are not yet complete, we expect them to transform how we think about procuring and financing renewable generation, storage, hydrogen, and other clean energy projects and significantly reducing the costs of these project.

SCPPA had a major success with the passage of AB1594, to make some adjustments to the Advanced Clean Fleet rulemaking that will allow more flexibility to replace heavy duty trucks when a comparable zero emissions vehicle is not available. This bill was envisioned and created by SCPPA and our Members. It was the result of several years of hard work clearly educating regulators and legislators on the issues that would impact our Member utility's ability to restore power after an emergency event.

SCPPA has been very active in the bond markets this fiscal year with a new issuance to finance the upgrade of the Southern Transmission System which will bring new renewable energy projects backed up by reliable advanced gas and hydrogen fueled generation. SCPPA has also completed a refunding on the Canyon Power Project and a remarketing of the Magnolia Power Project bonds. A total of \$759 million has been issued. Next year will remain busy with refunding of the Windy Point/Windy Flats Project and the Linden Wind Energy Project, and new issuances for the Southern Transmission System and Energy Prepay.

SCPPA staff is passionately committed to bringing the value of joint action to support our Members with reduced costs, efficient program and project deployment, and with the highest degree of professionalism.

And because SCPPA staff, and Member staff, are so exceptional, I feel comfortable leaving SCPPA for retirement and to giving flight control to new leadership (handing over reins- just too outdated a phrase for this industry). I have been blessed with a wonderful 42-year career, with 17% of that at SCPPA. SCPPA has been the cherry on top of my career and it has been an honor and privilege to work with all of you to advance public power in service to the communities you all serve.

Michael S. Webster

SCPPA Board Officers



Dawn Roth Lindell

Board President



Tikan Singh

First Vice President



Sidney Jackson

Second Vice President



Michael S. Webster

Treasurer/Auditor,
Assistant Secretary &
Executive Director



Martin Adams

Secretary



Peter Huynh

Assistant Secretary



SCPPA Staff Glendora & Sacramento



Michael S. Webster
Executive Director



Christine Godinez
General Counsel



Mario De Bernardo
Government Affairs
Director



Aileen Ma
Chief Financial &
Administrative Officer



Steven Starks
Program
Development
Manager



Randolph Krager
Project
Development
Manager



Charles Guss
Senior Asset
Manager



Elisabeth de Jong
Government
Affairs Manager

SCPPA Staff Glendora & Sacramento



Armando Arballo
Assistant General
Counsel



Salpi Ortiz
Administrative
Services Manager



Natalie Seitzman
Government Affairs
Policy Analyst



John Quan
Principal Utility
Analyst



Nicole Solano
Senior Utility
Analyst



Troy Cook
Utility Analyst



Brandon Czworniak
Utility Analyst



Anna Mendoza
Utility
Accountant



Elizabeth Naranjo
Admin II



Nicole Boehme
Temp Admin I

SCPPA Staff Los Angeles



Joan Ilagan
Accounting
Manager



Grace Mao
Investment
Manager



Atif Haji Datoo
Utility Accountant



**Francisco Olivares
Ortiz**
Assistant
Accounting Manager



Leriza Flores
Senior Utility
Accountant



**Houbert Yousef
Zadeh**
Senior Utility
Accountant



Brian Tran
Utility Accountant



Jasmine Gee
Utility Accountant



Nelson Molina Guerra
Utility Accountant



David Choto
Senior Administrative Clerk



Parni Abnousyan
Utility Accountant



SCPPA Glendora & Sacramento



SCPPA Los Angeles

SCPPA Project Map



New Projects

Casa Diablo IV



Participants: Colton (100%)

SCPPA entered into a Power Purchase Agreement with Ormat for 16 MW of geothermal energy from the Casa Diablo IV Geothermal facility. The project achieved Commercial Operation on July 14, 2022 and will deliver clean, renewable energy to the City of Colton for a term of 25 years. The project has been formally transitioned to the Asset Management team as SCPPA's 47th operating project.

New Projects

StarPeak Geothermal

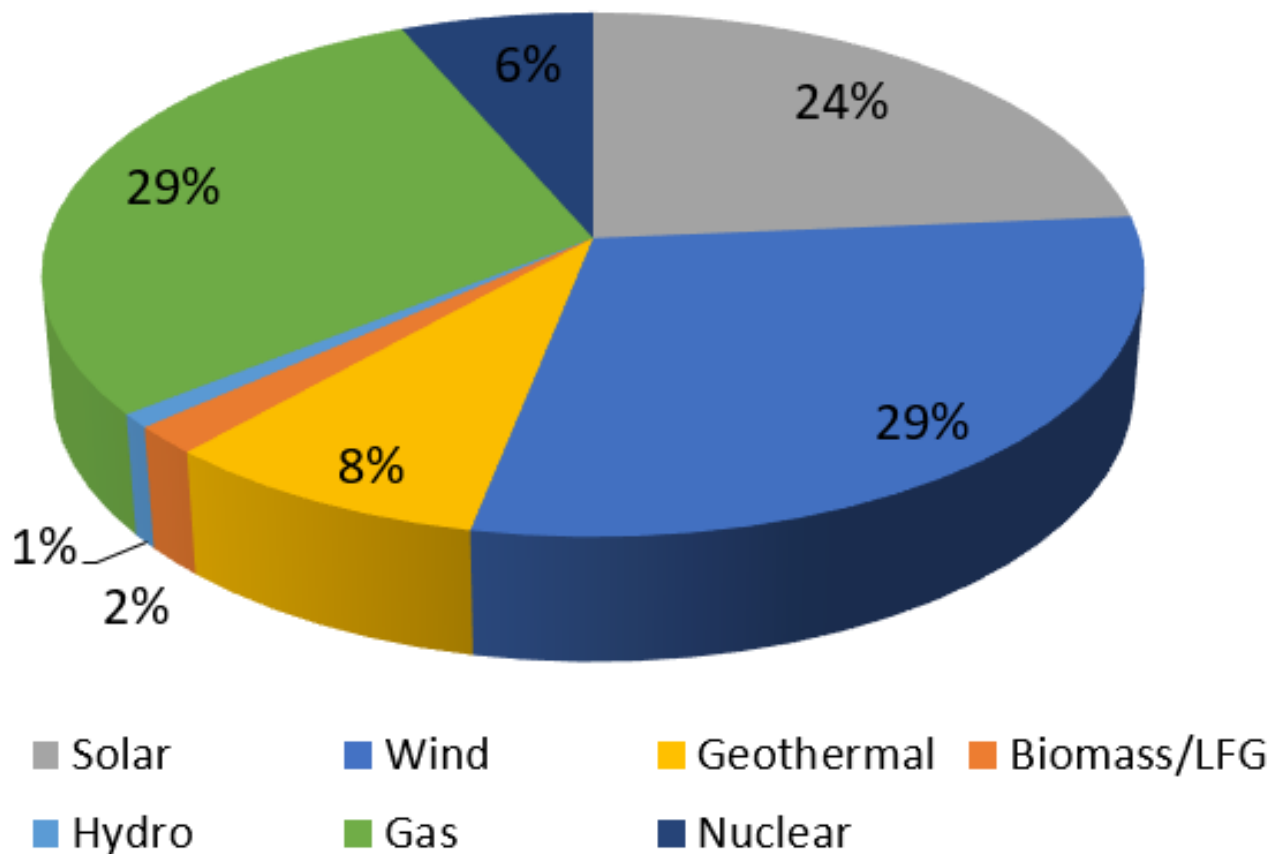


Participants: Glendale (100%)

On February 20, 2020, SCPPA entered into a Power Purchase Agreement (PPA) with Open Mountain Energy for 12.5 MW of geothermal energy from the Star Peak Geothermal facility. On September 28, 2022, the Star Peak Geothermal facility reached commercial operation. The term of the PPA runs through 2045. The Star Peak Geothermal project is SCPPA's 48th operating project.

SCPPA Energy Portfolio

SCPPA Capacity Mix



FY 22-23 Financing Activity Summary

Over the fiscal year 2022-23, SCPPA completed transactions that captured market opportunities and accomplished Participant objectives. A summary of SCPPA's financing activities for the fiscal year is provided below.

On October 27, 2022, SCPPA issued \$72,415,000 of Canyon Power Project, Refunding Revenue Bonds, 2022 Series B (the "CPP 2022B Bonds"). The proceeds of the CPP 2022B Bonds were used to pay the purchase price of portions of certain maturities of the SCPPA's outstanding Canyon Power Project, Refunding Revenue Bonds, 2020 Series A and Canyon Power Project, Refunding Revenue Bonds, 2020 Series B that were accepted for tender for purchase. The CPP 2022B Bonds were issued as variable rate demand bonds in a weekly interest reset mode, have mandatory sinking fund redemption payments from 2023 through 2035, and a final maturity date of July 1, 2036. Liquidity for the CPP 2022B Bonds is provided by a direct-pay letter of credit from Sumitomo Mitsui Banking Corporation. In connection with the CPP 2022B Bonds, SCPPA entered into an interest rate swap agreement with Goldman Sachs Bank USA to hedge its variable interest liability. The All-In True Interest Cost of the CPP 2022B Bonds and the associated swap is estimated to be 3.63%. At the time of issuance, the CPP 2022B Bonds were rated A/A-1 and AA+ /FI by S&P Global Ratings ("S&P") and Fitch Ratings, Inc. ("Fitch"), respectively. The refunding generated debt service savings of \$5.2 million.

On April 4, 2023, SCPPA remarketed its \$145,455,000 Magnolia Power Project A, Refunding Revenue Bonds, 2020-3 (the "MPP 2020-3 Bonds") in a daily interest reset mode with a standby bond purchase agreement provided by Bank of America, N.A. The variable rate interest on the MPP 2020-3 Bonds is hedged by two interest rate swaps. The first has an \$82,095,000 notional amount with a fixed rate payment of 3.125% and a variable rate receipt of the SIFMA Index. The counterparty for this swap is The Bank of New York Mellon. The second swap has a notional amount of \$63,360,000 with a fixed rate payment of 3.139% and a variable rate receipt of the SIFMA Index. JPMorgan Chase Bank, N.A. is the counterparty for this swap. At the time of remarketing, the MPP 2020-3 Bonds were rated AA-/A-1 by S&P, and AA- /FI+ by Fitch.

FY 22-23 Financing Activity Summary

On May 2, 2023, SCPPA issued \$254,695,000 of Southern Transmission System Renewal Project, Revenue Bonds, 2023-1 (the “STS 2023-1 Bonds”). In addition, on May 9, 2023, SCPPA issued \$431,495,000 of Southern Transmission System Renewal Project, Revenue Bonds, 2023-1A (the “STS 2023-1A Bonds”). The STS 2023-1 Bonds and STS 2023-1A Bonds were issued to finance the initial costs of acquisition and construction of capital improvements to the Southern Transmission System. The STS 2023-1 Bonds were issued as fixed rate bonds maturing from 2025 through 2053, and are subject to optional redemption on and after July 1, 2033. The STS 2023-1A Bonds were issued as fixed rate bonds maturing from 2029 through 2053, and are subject to optional redemption on and after July 1, 2033. At the time of issuance, the STS 2023-1 Bonds and STS 2023-1A Bonds were assigned long-term ratings of Aa2 and AA- from Moody’s Investors Service, Inc. and Fitch, respectively. The aggregate All-In True Interest Cost of the combined STS 2023-1 Bonds and STS 2023-1A Bonds is estimated to be 4.00%.

In addition to these financing actions completed during the fiscal year, SCPPA continues to plan for and develop financing options for renewable projects to help its members meet renewable energy goals, expects to complete financings for additional renewable energy projects in the coming years, and continues to aggressively pursue competitively priced renewable energy projects for its members.

FY 22-23 Combined Summary of Financial Condition and Changes in Net Position

Southern California Public Power Authority

Combined Summary of Financial Condition and Changes in Net Position (in thousands)

	June 30,		
	2023	2022	2021
Assets			
Net utility plant	\$ 1,353,235	\$ 1,203,932	\$ 1,276,479
Net lease asset	7,243	7,779	8,316
Investments	1,139,053	638,425	609,343
Cash and cash equivalents	386,975	234,489	213,272
Prepaid and other	580,905	619,400	702,708
Total assets	3,467,411	2,704,025	2,810,118
Deferred outflows of resources	79,055	99,463	125,660
Total assets and deferred outflows of resources	\$ 3,546,466	\$ 2,803,488	\$ 2,935,778
Liabilities			
Noncurrent liabilities	\$ 2,756,821	\$ 2,162,809	\$ 2,347,774
Current liabilities	553,530	463,134	420,900
Total liabilities	3,310,351	2,625,943	2,768,674
Deferred inflows of resources	9,367	13,252	16,219
Net position			
Net investment in capital assets	(390,358)	6,651	(51,274)
Restricted	737,411	281,523	333,343
Unrestricted	(120,305)	(123,881)	(131,184)
Total net position	226,748	164,293	150,885
Total liabilities, deferred inflows of resources, and net position	\$ 3,546,466	\$ 2,803,488	\$ 2,935,778
Revenues, expenses and changes in net position for the year ended June 30			
Operating revenues	\$ 1,226,300	\$ 1,078,427	\$ 980,552
Operating expenses	(1,137,448)	(1,000,538)	(903,981)
Operating income	88,852	77,889	76,571
Investment and other income	23,415	(4,086)	23,772
Inflation of decommissioning liability	(6,361)	(15,479)	(10,050)
Derivative gain (loss)	6,263	6,070	6,619
Other interest and debt expense	(56,318)	(60,943)	(73,838)
Change in net position	55,851	3,451	23,074
Net position, beginning of year	164,293	150,885	141,112
Net contributions/(withdrawals) by participants	6,604	9,957	(13,301)
Net position, end of year	\$ 226,748	\$ 164,293	\$ 150,885

SCPPA Government Affairs



SCPPA works closely with SCPPA Members to advocate on legislative and regulatory energy policies – both at the state and federal levels. This includes proactive advocacy in coordination with SCPPA’s Board, Legislative Working Group, and Regulatory Working Group. The goal is to work collectively to influence policymaking in a manner that protects the decision-making authority of SCPPA Members’ governing boards so they can continue to provide clean, affordable, safe, and reliable energy to their communities.

The items listed below are some of the major issues SCPPA’s Government Affairs team focused on in 2023.

Regulatory Issues

Cap-And-Trade

This year, California Air Resources Board (CARB) began holding workshops and receiving input from stakeholders on the highly anticipated Cap-and-Trade rulemaking. The upcoming rulemaking is expected to make changes that will impact electric distribution utilities beginning in 2025. SCPPA has been actively engaged in this process by advocating for SCPPA Members' priorities, including protecting flexibility for publicly-owned utilities (POUs) and keeping allowance allocation reductions to a minimum. Among other things, SCPPA has submitted formal written comments to CARB and organized meetings with CARB staff to help promote the interests of SCPPA Members and their customers. SCPPA is also collaborating with the Joint Utilities Working Group (JUG) and other POUs to strengthen our advocacy position. SCPPA anticipates the rulemaking to remain a high priority until late in 2024.

Advanced Clean Fleets

In April, CARB approved and finalized the Advanced Clean Fleets (ACF) rule, which establishes zero-emission vehicle (ZEV) purchase requirements for POUs' medium- and heavy-duty vehicles. The rule starts by requiring 50% ZEV purchases in 2024 and increases to a 100% ZEV purchase requirement starting in 2027.

SCPPA engaged in a multi-year effort to help shape the final ACF regulation. Our message: SCPPA supports a strong ZEV policy with provisions to ensure POUs have the specialty vehicles necessary to maintain a reliable grid and respond to emergencies, including power outages caused by extreme weather events and natural disasters. SCPPA's advocacy efforts included multiple comment letters, meetings with CARB staff and board members, coordination with our public power partners, and a SCPPA ACF field trip for policymakers hosted by Imperial Irrigation District (IID). SCPPA also organized a final position letter to CARB that was signed by 61 general managers of publicly owned electric, water, and wastewater agencies.

Ultimately, SCPPA's robust regulatory strategy and AB 1594 (discussed below) resulted in an ACF framework designed to facilitate significant carbon reductions in the transportation sector while protecting a POU's ability to maintain a reliable grid and respond to emergency events.

SCPPA's work on the ACF rule will continue, as CARB will be working with stakeholders on implementation strategies and clean up regulations.

State Legislative Issues

Advanced Clean Fleets

In addition to the ACF regulatory work discussed above, SCPPA also deployed a legislative strategy to address a few technical – but important – unresolved matters from the adopted ACF rule. Specifically, SCPPA sponsored AB 1594 (Garcia) in partnership with the California Municipal Utilities Association (CMUA) and the Northern California Power Agency (NCPA). The bill recognizes the important role POU specialty vehicles have in protecting the public by responding to major outages and maintaining reliable service. The bill includes narrowly tailored provisions that remove arbitrary barriers in the ACF rule that unreasonably restrict how a POU can purchase replacements for traditional specialized vehicles when a comparable ZEV is not commercially available. With a strong author and the strategic work of the support coalition, AB 1594 received overwhelming bipartisan support throughout the legislative process and was signed by Governor Newsom on October 8, 2023.

Capacity Payments and Central Procurement

As part of his proposed 2023 budget, the governor introduced a measure to (1) create a central procurement entity for long lead time clean energy resources and (2) impose capacity payments on utilities that fail to meet their minimum planning reserve margin during a month in which the state's strategic reliability reserve was used. The proposal was ultimately introduced as a policy bill – AB 1373 (Garcia) – to allow for a more thorough vetting process.

SCPPA worked closely with SCPPA Members, CMUA, and NCPA to provide feedback on AB 1373. It was critical that any central procurement proposal in the bill be voluntary for POUs. For the capacity payment provisions, the POU coalition lobbied for consideration of mitigating factors, exclusion of non-California Independent Systems Operator (CAISO) balancing authorities, and respecting the jurisdictional integrity of POU governing boards.

AB 1373 passed the legislature with a supermajority vote and was signed by the governor on October 7, 2023. In the final version of the bill, the central procurement program is voluntary for POUs. The capacity payment provisions include some consideration of mitigating factors, excludes non-CAISO utilities, and sunsets on June 30, 2027. The legislative record also clearly states that the bill is not intended to expand the California Public Utilities Commission's jurisdiction over POUs.

SCPPA expects a potential follow up bill in 2024 to further refine provisions that could not be addressed this session due to timing issues.

Regionalization

Going into the year, there were strong indicators that grid regionalization was going to be a hot topic in 2023. To prepare for this issue, SCPPA organized a CAISO tour for SCPPA Members that included an in-depth discussion on regionalization. SCPPA also convened an ad hoc regionalization working group to identify SCPPA's core principles on the issue. These principles were incorporated into a SCPPA whitepaper that was distributed to policymakers at the beginning of February.

Later in February, AB 538 (Holden) was introduced, which proposed a pathway for the CAISO to become a multi-state regional transmission organization. SCPPA brought together SCPPA Members, CAISO staff, and the author's office to discuss the details and impacts of the bill. Additionally, SCPPA invited the CAISO Chief Executive Officer to speak and answer questions regarding regionalization at a March SCPPA Board meeting. After being converted into a two-year bill in April, AB 538 may be revived in January 2024 in some form.

In the meantime, a multi-state coalition created an initiative in July to achieve regionalization through an alternative route. SCPPA discussed the topic with CAISO at a September Regulatory Working Group meeting and worked with POU partners to provide feedback on the scoping phase of the initiative. The initiative will continue into 2024 and SCPPA's engagement on this topic is ongoing.

Federal Issues

Inflation Reduction Act

SCPPA is eagerly awaiting the final regulations from the U.S. Treasury for the implementation of the Inflation Reduction Act's (IRA) clean energy incentives. The IRA, which was signed by President Biden on August 16, 2022, significantly extends and expands the federal investment tax credits (ITC) and production tax credits (PTC) for clean energy projects. SCPPA actively supported the IRA and helped lobby for provisions that – for the first time in the federal tax code – provide direct payments to POUs for their investments in clean energy projects.

Since the passage of the IRA, the U.S. Treasury has been working on a number of implementation regulations. SCPPA traveled to Washington, D.C. earlier this year to meet with the U.S. Treasury to provide input on the development of these regulations. Specifically, SCPPA requested that the direct pay (i.e., elective payment) regulations ensure eligibility for joint powers agencies (JPA). SCPPA also asked for flexibility that would allow each owner of a joint project to make its own incentive election for its portion of the project.

In June, the U.S. Treasury released its proposed regulations for the IRA's direct payment incentives. The proposal includes several provisions requested by SCPPA, including recognizing JPA eligibility and allowing each owner of a joint project to make its own incentive election. SCPPA subsequently submitted formal comments to the U.S. Treasury supporting those provisions. The comment letter also discusses the importance of ensuring a streamlined administrative process and workable domestic product content standards for projects.

The final regulations for the IRA's direct pay incentives are still pending.

SCPPA Program Development

As California's leader's continue enacting aggressive legislation to transition the electric grid to more renewable energy sources, and utilities work to shape the future of energy delivery and grid transformation, SCPPA works diligently to provide vital assistance and support through numerous joint-action and customized programs that directly impact the generation and transmission of electric energy. In accordance with the California Joint Exercise of Powers Act and the Joint Powers Agreement, SCPPA, with its Members' assistance, works to provide cost-effective energy efficiency and load management programs that adds value to its Member utilities and the communities they serve, resulting in:

- Meeting emerging industry mandates, changes, and challenges
- Meeting Greenhouse Gas Reduction targets in support of the State's carbon neutral goals
- Improving the operational efficiency of the member's electric system
- Reducing cost of operations

SCPPA provides forums for Members to engage in productive collaborative industry-related discussions where they share information regarding program successes, failures, and lessons learned. The goal of the group discussions is to share experiences and ideas, provide support, and collaboratively contribute toward the development of "Best Practices." The working groups are comprised of employees of the Member utilities who work in the following key operational areas:

- Energy Efficiency and Public Benefits Programs
- Demand Response, Load Management, and Building and Transportation
- Electrification Programs
- Energy Storage to manage customer load and optimize renewable resource integration
- Solar/NEMs Programs
- Utility Rate Design



To ensure that Members continue receiving access to high value products and services in support of their organization's Program-related goals and objectives, SCPPA issues competitive solicitations for:

- ▶ Energy Load Management Systems
- ▶ Energy Efficiency Direct Installation (Residential and Commercial Customers)
- ▶ Demand Response Programs
- ▶ Residential EV Charging Programs
- ▶ Energy Digital Efficiency Newsletter

SCPPA administers, for the benefit of its members, more than 40 agreements, and works very closely with the vendors of those contracted products and services that are valued at more than \$500 million dollars. Participation has been steadily increasing as statewide initiatives are driving the rapid transformation of members' energy efficiency and decarbonization efforts.

SCPPA Workforce Development

Workforce Development at SCPPA: Nurturing Excellence, Fostering Diversity

In 2017, SCPPA launched its Workforce Development Service, demonstrating a commitment to providing high-quality and cost-effective learning resources for our members. The essence of this initiative lies in empowering utility workforce development through a collaborative platform that facilitates multi-disciplinary discussions among utility professionals and delivers in-demand training courses in partnership with industry experts nationwide, all held locally to avoid excessive travel costs.

Milestones in FY 2022-23

Training Initiatives

In the fiscal year 2022-23, SCPPA organized a total of 19 training sessions, and attracted attendance of 466 professionals from all 12 of our member organizations. These courses included Electric Utility Fundamentals + Insights, Project Management Fundamentals, Physical & Financial Natural Gas Markets, and more.

Looking Ahead

As we reflect on the achievements of the past fiscal year, SCPPA remains resolute in its commitment to continuous improvement in workforce development. We will build upon the successes of our training programs, leverage valuable partnerships with industry experts, and expand our outreach to ensure that SCPPA continues to be a driving force in shaping a skilled, diverse, and resilient energy workforce.

The journey of SCPPA's Workforce Development Service is not merely a reflection of the past; it is a roadmap for the future—a future where innovation, collaboration, and diversity are the cornerstones of an empowered and dynamic utility workforce.





ANAHEIM
PUBLIC UTILITIES

Anaheim Public Utilities



Dukku Lee
General Manager

Anaheim residents established the first municipal electric utility in Southern California in 1894, and operations commenced a year later. Today, Anaheim Public Utilities (APU) provides affordable and reliable water and power to a city of over 340,000 residents, 20,000 businesses, and 25 million annual visitors, featuring vibrant neighborhoods and a thriving business community that includes world-class convention, sports, and entertainment venues.

Anaheim's electric system supports a diverse customer base and has a historic peak demand of 593 MW. Distinguishing features include commissioning the nation's first underground substation in 2006, undergrounding over 138 circuit miles as part of an aggressive underground conversion program, and operating a 2.4 MW photovoltaic system on the roof of the

Anaheim Convention Center, one of the largest solar arrays on a municipally owned convention center in the country. APU provides electricity to its customers from a wide array of renewable resources including biomass and bio-waste, geothermal, wind, and solar – all of which will comprise 60% of Anaheim's power portfolio by 2030 for enhanced sustainability and compliance with statewide mandates.

Preliminary & Unaudited Fiscal Year-End June 30, 2023 Information

City	Customers - Retail	Power Generated and Purchased (in MWh)			Electric Utility Operating Revenue & Costs	
		Self- Generated	Purchased	Total	Operating Revenues (000s)	Operating Costs (000s)
Anaheim	123,333	-	2,722,000	2,722,000	\$481,936	\$403,129



Azusa Light & Water



Tikan Singh
General Manager

Azusa's electric utility was established in 1904 after the City purchased a private power company. Its water utility was established in 1900. The City operates these two utilities through the Azusa Light & Water (ALW) brand. Both utilities provide service within the City of Azusa and the water utility also serves portions of Covina, Glendora, Irwindale, West Covina, and Los Angeles county unincorporated areas. ALW's water and electric utilities are each responsible for resource planning and delivery to retail customers through the City owned, operated, and maintained distribution systems.

ALW's electric utility operates within the California ISO Balancing Authority acting as a Utility Distribution Company (UDC) and a Participating Transmission Owner (PTO). The electric utility currently receives power from 9 renewable resource contracts and 4 electric utility currently receives

power from 9 renewable resource contracts and 4 conventional power resources, with total power production capability of up to approximately 300,000 MWh/year. Azusa's utilities are fully compliant with all state and federal laws. The electric utility is on track to meet/exceed the 41.3% renewable power content in 2023 with estimated 2023 deliveries to meet/exceed 41.3%. Azusa is compliant with AB32 (Global Warming Solutions Act) through its participation in the State's cap-and-trade program.

Preliminary & Unaudited Fiscal Year-End June 30, 2023 Information

City	Customers - Retail	Power Generated and Purchased (in MWh)			Electric Utility Operating Revenue & Costs	
		Self-Generated	Purchased	Total	Operating Revenues (000s)	Operating Costs (000s)
Azusa	17,494	180,204	67,856	248,060	\$52,914	\$42,965



Banning Electric Utility



Jim Steffens
Acting Electric Utility
Director

The City of Banning Electric Utility provides electric service to approximately 13,000 accounts covering an area of approximately 22 square miles. Originally established in 1913 as a private utility, the City of Banning purchased the Utility in 1922 and has been providing electric service to its residents since that time. Banning's energy resource base includes portions of nuclear, geothermal, solar, landfill gas-to-energy, and hydro generating plants, that provide the majority of electricity required to meet its summer peak demand of 51 MW.

The City supports clean-energy and is committed to additional renewable energy resources to its already diverse portfolio. The Utility met/exceeded the renewable energy requirements of both Compliance Period #1 and Compliance Period #2 of the

State's RPS program. The Utility was 83 percent renewable in 2022, already far exceeding the current State mandate of 60 percent by 2030. The Utility is dedicated to continue providing quality service to its customers in a safe and reliable manner, at reasonable rates.

Preliminary & Unaudited Fiscal Year-End June 30, 2023 Information

City	Customers - Retail	Power Generated and Purchased (in MWh)			Fund 670 – Electric Operations Electric Utility Operating Revenue & Costs	
		Self- Generated	Purchased	Total	Operating Revenues (000s)	Operating Costs (000s)
Banning	13,261	-	157,479	157,479	\$39,452	\$35,134



**WATER AND
POWER**

Burbank Water & Power



Dawn Roth Lindell
General Manager

Established in 1913, Burbank Water and Power (BWP) is a community-owned utility that provides electric, water, and fiber-optic services within the 17 square miles of Burbank, CA.

BWP is committed to providing reliable, affordable, and sustainable utility services to Burbank. BWP's power availability rate for fiscal year 2022-2023 was 99.998%. The average Burbank customer could expect to experience only one electric service outage every 3.7 years, with a yearly average of 11.2 minutes without power. BWP's average electric rates are lower than the California investor-owned utilities and amongst the lowest in the region. BWP will meet the 41.25% renewable portfolio standard by the end of calendar year 2023.

BWP offers other valuable services to Burbank, including free citywide wireless broadband service and public access to dozens of electric vehicle charging stations. BWP is the operator of SCPPA's Magnolia Power Project (MPP), which is a large, clean, highly efficient power plant that utilizes combined-cycle electric generation technology. Recent General Electric enhancements at MPP now allow for a wider range of operations, between the minimum and maximum production, to be able to better accommodate the variability of renewable resources within the electric system. MPP improves regional electric reliability by reducing dependence on long-distance transmission lines.

Preliminary & Unaudited Fiscal Year-End June 30, 2023 Information

City	Customers - Retail	Power Generated and Purchased (in MWh)			Electric Utility Operating Revenue & Costs	
		Self- Generated	Purchased	Total	Operating Revenues (000s)	Operating Costs (000s)
Burbank	53,729	14,166	1,008,654	1,022,820	\$212,886	\$229,594



City of Cerritos



Robert Lopez
City Manager

The City of Cerritos became a member of SCPPA in 2003. Since 2005, the City of Cerritos has been serving the electrical demands of the City's business community. Over the years, the City's customer base has steadily increased and the utility currently serves 437 accounts. The utility serves educational institutions, City-owned facilities and major retail businesses in the City with the primary goal of providing an economical and reliable supply of electricity. Cerritos Electric Utility (CEU) continues to receive power primarily from the Magnolia Power Plant. However, starting in October of 2017, CEU received a small allocation of hydroelectric power from the Western Area Power Administration, generated from the Boulder Canyon Power project.

Preliminary & Unaudited Fiscal Year-End June 30, 2023 Information

City	Customers - Retail	Power Generated and Purchased (in MWh)			Electric Utility Operating Revenue & Costs	
		Self-Generated	Purchased	Total	Operating Revenues (000s)	Operating Costs (000s)
Cerritos	437	61,000	6,000	67,000	\$7,045	\$6,804



City of Colton Electric Utility



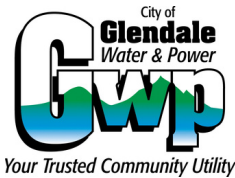
Charles Berry
Electric Utility
Director

The largest and oldest municipal utility in San Bernardino County, the Colton Electric Department has been meeting the electric needs of Colton's businesses and residents since 1895. Today, the Department serves approximately 20,465 customers with a diverse mix of generation resources. The Department's main focus is ensuring that customer's use electricity effectively to minimize their costs and promote sustainability. Colton's residents want improved environmental quality and support the steps taken by the Department to improve the quality of life in the city. Department efforts include acquiring renewable resources and working with residential and business customers to install energy efficient equipment and appliances.

The Department looks forward to serving the electric needs of the community with low-cost, reliable supplies for the next century and to serve as an asset helping promote economic development in the City.

Preliminary & Unaudited Fiscal Year-End June 30, 2023 Information

City	Customers - Retail	Power Generated and Purchased (in MWh)			Electric Utility Operating Revenue & Costs	
		Self-Generated	Purchased	Total	Operating Revenues (000s)	Operating Costs (000s)
Colton	20,465	12,355	576,116	588,471	\$71,520	\$60,387



Glendale Water & Power



Mark Young
General Manager

Incorporated in 1906, Glendale purchased its electric utility in 1909, obtaining power from outside suppliers. In 1937, it began receiving power from the Hoover Dam and inaugurated the first of its own steam generating plant units with 286 MW of gas-fired steam and combustion generating capacity. Glendale Water & Power (GWP) has a diversified portfolio that also includes coal, nuclear, natural gas, and hydro generating resources, as well as a comprehensive renewables esource program comprised of wind, solar with battery energy storage system, small hydro, and geothermal projects. Today, GWP provides reliable electric services to over 90,000 residential, commercial, and industrial customers within a 31 square mile area. GWP continues to invest in improving the system infrastructure to ensure its long-term reliability.

Our vision is to deliver reliable, high quality, environmentally-sensitive, and sustainable water and power services to our customers in a caring and cost-competitive manner, while creating a stimulating and rewarding work experience for our employees.

Preliminary & Unaudited Fiscal Year-End June 30, 2023 Information

City	Customers - Retail	Power Generated and Purchased (in MWh)			Electric Utility Operating Revenue & Costs	
		Self- Generated	Purchased	Total	Operating Revenues (000s)	Operating Costs (000s)
Glendale	90,578	90,479	1,362,195	1,452,674	\$273,285	\$264,861



Imperial Irrigation District



Jamie Asbury
General Manager

The Imperial Irrigation District (IID) was established in 1911 and entered the power business in 1936. Proudly serving Imperial and Coachella valleys and a portion of San Diego County, IID has a service area of 6,611 square miles that encompasses an expanding 1,803-mile transmission network and 5,062-miles of distribution lines. One of eight balancing authorities in the state, IID controls over 1,100 MW of energy derived from a diverse resource portfolio that includes native generation, SCPPA partnerships, and long- and short-term power purchases. IID, in the enviable position of having access to locally generated geothermal and hydro, solar, wind and biomass resources, is on track to meet the 38.5 percent Renewables Portfolio Standard. A valuable public resource, IID is regarded as an affordable and reliable service provider serving 161,630 customers.

Fiscal Year-End December 31, 2022 Information						
City	Customers - Retail	Power Generated and Purchased (in MWh)			Electric Utility Operating Revenue & Costs	
		Self-Generated	Purchased	Total	Operating Revenues (000s)	Operating Costs (000s)
IID	161,630	1,495,091	2,443,525	3,938,616	\$610,063	\$578,662

Los Angeles Dept. of Water & Power



Martin Adams
General Manager

Providing service for more than a century, the Los Angeles Department of Water and Power (LADWP) began delivering water to the city in 1902, and with the water came power. In 1916, LADWP first delivered electricity to the city purchased from the Pasadena Municipal Plant. A year later, LADWP began generating its own hydroelectric power at the San Francisquito Power Plant No. 1. After purchasing the remaining distribution system of Southern California Edison within the city limits in 1922, LADWP became the sole water and electricity provider for the City of Los Angeles. It is now the largest municipal utility in the nation, serving a population of 3.8 million residents over a 473 square mile area. LADWP remains on firm financial footing and serves as a valuable asset to the City of Los Angeles.

LADWP reached its 20% renewable goal in 2010 and met and exceeded its mandated 33% renewable requirement in 2020 with a significant portion of such goal accomplished with projects transacted through SCPPA. LADWP is undergoing a transformation of its power supply. Over the next several years, there will be a transition away from fossil fuels towards increasing quantities of renewables and other carbon-free resources. LADWP will also ensure units comply with once-through-cooling mandates to eliminate the use of ocean water for cooling, increasing deployment of energy storage and distributed energy resources, investing in the Power System Reliability Program to ensure robust power system, and supporting electric transportation growth to decrease overall greenhouse gas emissions in the L.A. Basin.

Preliminary & Unaudited Fiscal Year-End June 30, 2023 Information						
City	Customers - Retail	Power Generated and Purchased (in MWh)			Electric Utility Operating Revenue & Costs	
		Self- Generated	Purchased	Total	Operating Revenues (000s)	Operating Costs (000s)
LADWP	1,575,305	17,172,121	9,147,789	26,319,910	\$4,958,541	\$4,216,363



PASADENA
Water & Power

Pasadena Water & Power



Sidney Jackson
General Manager

Pasadena Water and Power (PWP), serving the community since 1906, has seen significant advancements following the implementation of the 2018 Integrated Resource Plan (IRP). Covering 23 square miles and catering to over 66,000 electric and 38,000 water accounts, PWP has achieved a 20% reduction in annual retail electric energy sales, with renewables now representing 40% of total retail sales. PWP's robust energy efficiency approach yielded savings of 10,682 MWh in FY22-23. PWP actively fosters the Pasadena Electric Vehicle market, collaborating with Tesla to expand charging infrastructure. Electric vehicle charging infrastructure projects include the Del Mar Garage expansion, police and fire department charging locations, and four Level 2 chargers at Playhouse Village Park. Additionally, PWP is developing an EV technician apprenticeship

program in partnership with Pasadena City College. In support of its GHG reduction goals, PWP introduced the Electric Panel Upgrade Rebate Program, augmented incentives in existing programs, and plans to deploy an Advanced Meter Infrastructure system, bolstering consumer information access.

Preliminary & Unaudited Fiscal Year-End June 30, 2023 Information

City	Customers - Retail	Power Generated and Purchased (in MWh)			Electric Utility Operating Revenue & Costs	
		Self- Generated	Purchased	Total	Operating Revenues (000s)	Operating Costs (000s)
Pasadena	66,355	51,269	1,053,335	1,104,604	\$255,825	\$230,802

Riverside Public Utilities



Todd Corbin
General Manager

Established in 1895, Riverside Public Utilities (RPU) is a consumer-owned water and electric utility that provides high quality, reliable services to 113,000 metered electric customers, and 66,000 metered water customers throughout an 82 square mile area in and around the City of Riverside, California, serving a population of 314,000. RPU is committed to providing the highest quality water and electric services at the lowest possible rates to benefit its customer owners.

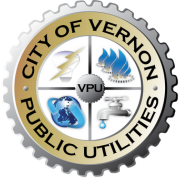
To maintain its energy delivery commitment, the utility maintains a diverse resource portfolio mix that includes: 236 MW of simple-cycle, natural gas peaking generation, and 29.5 MW combined-cycle natural gas generation; participation in Palo Verde Nuclear (12.3 MW) and Intermountain Power Agency (137.1 MW) generation projects; long-term renewable

power purchase agreements (239.7MW), as well as short, mid, and long-term contracts from various other power providers. Riverside is committed to promoting sustainable communities and becoming a municipal leader in the use of renewable energy resources. RPU met the 33 percent by 2020 RPS state mandate and is on target to meet additional future mandates with resource procurement actions as outlined in the Renewables Portfolio Standard Procurement Plan. For calendar year 2022, renewable resources provided 45 percent of retail sales requirements.

Preliminary & Unaudited Fiscal Year-End June 30, 2023 Information *

City	Customers - Retail	Power Generated and Purchased (in MWh)			Electric Utility Operating Revenue & Costs	
		Self- Generated	Purchased	Total	Operating Revenues (000s)	Operating Costs (000s)
Riverside	112,751	92,600	2,147,300	2,239,900	\$418,917	\$377,178

* Financial information provided are preliminary and unaudited with GASB 96 - subscription-based information technology arrangements (SBITAs) impacts not reflected.



Vernon Public Utilities



Todd Dusenberry
General Manager

The City of Vernon Public Utilities Department (VPU) serves as an essential resource to the City's residents and business community, providing highly reliable and quality utility services at competitive and affordable rates when compared to neighboring utility providers. VPU is a multiple award-winning utility, including the Diamond Level RP3 designation from the American Public Power Association, as well as recipient of the Safety Management Excellence Award from the American Public Gas Association. VPU is also uniquely positioned in the state of California, in that it is one of only two utilities in California that provides electricity, natural gas, water and fiber optic services. VPU is the only public utility in the state with a high-pressure natural gas transmission pipeline and is the 14th largest public gas system by volume in the US. VPU owns and operates a 139-megawatt natural gas-fired, combined-cycle power plant that provides local reliability in addition to vital generation for its customers.

Preliminary & Unaudited Fiscal Year-End June 30, 2023 Information

City	Customers - Retail	Power Generated and Purchased (in MWh)			Electric Utility Operating Revenue & Costs	
		Self-Generated	Purchased	Total	Operating Revenues (000s)	Operating Costs (000s)
Vernon	1,833	427,024	717,553	1,144,577	\$257,648	\$210,568

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