

Annual Report

FY 2020-2021



Anniversary

Table of Content

About SCPPA

About SCPPA	1
Vision & Mission	2
Strategic Priorities	3
Board President's Letter	4
Executive Director's Letter	6
Board Officers 2020-2021	8
Decade Milestones	9
Staff (Glendora & Sacramento)	10
Staff (Los Angeles)	12
Project Map	14
New Projects	16
Financing Activities	18
Combined Summary of Financial Condition and Changes in Net Position	20
Government Affairs	22
Program Development	28
Workforce Development	30
Member Utilities Snapshot	32

Who We Are

Southern California Public Power Authority (SCPPA) is a joint powers authority, created in 1980, for the purpose of providing joint financing, construction, and operation of transmission and generation projects. Comprised of 11 municipal utilities and one irrigation district, SCPPA's Members serve more than 5 million Southern Californians across a combined service area covering 7,000 square miles.

What We Do

SCPPA Members are leading the charge for new energy solutions. Each publicly-owned utility invests in a portfolio of traditional and renewable energy generation and efficiency projects to best meet the unique needs of the diverse communities they serve. Matching the reliability of traditional energy supplies with cost-competitive renewable options, public utilities ensure that even the most disadvantaged communities receive clean energy supplies at affordable rates.

Vision

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

Mission

SCPPA Serves Its Members by Creating
Operational Efficiencies and Cost Savings
Through Joint Procurement and Financing
of Projects, Value-Added Services, and
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



Tom Miller
General Manager
Banning Electric Utilities

Last year my message was one of support and camaraderie in the face of crisis. Now, another year into an unprecedented pandemic, we continue to lean on each other for lessons-learned and best practices. But at the same time, we are shifting from crisis response toward planning for a future few of us imagined. Although it may seem incomprehensible at times, there is much we can do in the coming days, months, and years to prepare our utilities and our communities for a bright future.

The ways we work and live will continue to evolve. Utilities need to engage customers in dynamic new ways, offering more control, more choices, and more ways to save both money and energy. Energy efficiency will only continue to grow in significance and we can position public utilities to be trusted providers of knowledge, information, services, and/or products. Solar, batteries, and other distributed resources will increase in penetration and have the potential to transform distribution systems. At the same time, customers are adding smart devices throughout their homes and offices and taking more interest in managing their usage, contributions, and footprints. This new level of engagement is a positive for utilities, if we build strong partnerships with the customers we serve.

Of course, certain threats remain and are growing. Utilities must address resiliency in the face of extreme weather

and disaster events. The electrification of buildings and transportation only intensifies the criticality of a reliable and stable grid. But persevering in electrification may be our best hope in combating those very same effects of climate change.

Utilities have always been integral to the communities they serve, though in the past the public service was less visible and overlooked. Now and in the future, utilities will be an integral part of shaping their communities' safety, economies, and quality of life. This is an exciting time to build a career in public utility service. The coming years are going to require creative thinking and a willingness to try new things. New technology must be proven through pilot projects and joint action can help spread the risk. Successful applications can then be matched with the appropriate needs. There won't be a one-size-fits-all solution. Now is the time we must all rise to the challenge—the stakes have never been higher.

That is why I'm so proud to be a part of the SCPPA and public power communities. We continue to learn and grow together and meet the needs of today and tomorrow with clean, affordable, and reliable energy. On behalf of the Board, I extend our thanks to the leadership and staff at SCPPA for another year of hard work. I also want to encourage Member staffs to continue to engage at SCPPA and collaborate with your peers in new and different ways.

Tom Miller

SCPPA Executive Director's Letter



Michael S. Webster
Executive Director
Southern California Public
Power Authority

2021 was a year of transition. We continued to diligently serve our Members while dealing with the constraints of the pandemic by fully embracing technology. Video conferencing has allowed SCPPA to engage Members in important conversations through a series of workshops by providing nationally known speakers and businesses on building electrification, distributed energy resources, demand-side management, Low Carbon Fuel Standard Credits, and opportunities and challenges of reaching 100% clean energy. However, while video conferencing does allow us to have more Member participation, it does not replace the one-to-one networking and relationship-building in-person meetings foster. So, we have implemented a hybrid conference room for in-person and video conference meetings, and many of our Working Groups have returned to SCPPA in this hybrid mode.

We had several staff departures in 2020 for retirement or other job opportunities. As a result, we have made two key hires for our Government Affairs Office. Under the leadership of Mario DeBernarndo, and the support of Katharine Larson, the new team has increased dialog and partnership with the Members to form effective legislative and regulatory strategies to advocate on behalf of the Member's interests.

We have also made key hires in SCPPA's legal department.

Both Mary Beth Martin, our General Counsel, and Armando

Arballo, our new Associate Counsel, are helping our Members

protect their growing number of renewable energy and storage

projects as they also expand their renewable energy supply.

SCPPA also helps support the dozens of agreements our Members initiate for their energy efficiency and other programs. SCPPA has repurposed the Rates Working Group into the Financial Incentives and Rates Working Group. The working group is to focus on how financial incentives or rate designs can promote various Member programs for their customers, including demand response, energy efficiency, building electrification, electric transportation charging and infrastructure deployment, and distributed energy resources such as solar and batteries. The goal is to use incentives to deploy these programs cost-effectively and smartly to shift the load to take advantage of high renewable production hours or low load hours.

The pandemic also brought more risk due to cybersecurity breaches. We hear of attacks on the utility industry nearly weekly, and SCPPA's Cybersecurity Working Group continues to address these issues by meeting to share best technical practices and discussing improving language in SCPPA agreements to address cybersecurity risks.

Through all the changes and challenges in 2021, SCPPA completed its 40 years of service to its Members. In the past 40 years, SCPPA has evolved and continues to meet the Members' needs in a changing and dynamic utility system. As the utility industry becomes more complex, and the demands placed on each Member to transition to cleaner energy, it will be more important than ever for SCPPA Members to continue to work together to share best practices, educate the new workforce to learn quickly as they take over leadership, and derive the cost savings that joint action brings. SCPPA's success has and will always be due to the visionary thinking and engagement of the Member staff to navigate through the transition of the electric utility industry. We produced a video to celebrate our Member staff's contributions to Joint Action (see www.SCPPA.org). I sincerely thank SCPPA staff and all the Member staff that contribute so much creative thinking and effort to achieve the benefits of joint action.

Michael S. Webster

SCPPA Board Officers 2020-2021

SCPPA Milestones





Assistant Secretary &

Executive Director

1980s

Formation and Development of Large Projects

1990s

Deregulation and Competition

2000\$

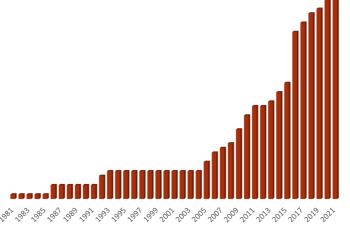
System Automization, Enegy Efficiency, and Demand Reduction

2010s

Transitioning to Renewables Energy

2020 & Beyond

Customer Engagement, Technological Advancement, and ...



44

Projects and counting...

SCPPA Staff

Glendora & Sacramento



Executive Director



General Counsel



Director of

Government Affairs



Chief Financial & Administrative Officer



Program Development Manager



Utility Accountant



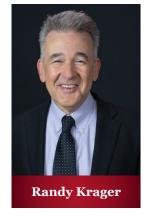
Utility Analyst



Utility Analyst



Utility Analyst



Project Development Manager



Administrative Services Manager



Government Affairs Manager



Senior Asset & Project Manager



Associate Counsel



Utility Analyst



Government Affairs Policy Analyst



Administrator II



Administrator I

SCPPA Staff Los Angeles



Accounting Manager



Investment Manager



Accounting Assistant Manager



Lead Utility Accountant



Lead Utility Accountant



Lead Utility Accountant



Lead Utility Accountant



Utility Accountant



Utility Accountant



Utility Accountant



Senior Administrative Clerk



SCPPA Glendora & Sacramento



SCPPA Los Angeles

SCPPA Project Map



BIOMASS

- B1 Loyalton
- B2 Roseburg

NATURAL GAS / NUCLEAR

- F1 Apex Natural Gas CC
- F2 Canyon Natural Gas CT
- F3 Magnolia Natural Gas CC
- F4 Palo Verde Nuclear Station

GEOTHERMAL

- G1 Don A. Campbell I
- G1 Don A. Campbell II
- G2 Heber South/Gould 2
- G2 Heber 1
- G2 Ormesa Geothermal Complex
- G1 Northern Nevada Geothermal Portfolio (NNGP)
- G₃ Whitegrass

HYDROPOWER

- H1 MWD Small Hydro
- H2 Tieton

TEXAS

LANDFILL GAS

- L1 Chiquita Canyon
- L2 Puente Hills

NATURAL GAS

- N1 Barnett Shale Gas Reserves
- N2 Pinedale Gas Reserves
- (Not on Map) Prepaid Natural Gas

SOLAR

- S1 Antelope Big Sky Ranch
- S1 Antelope DSR I
- S1 Antelope DSR II
- S1 Astoria 2
- S1 Columbia Two
- S2 Copper Mountain Solar 3
- S1 Kingbird B
- S1 Springbok I
- S1 Springbok II
- S1 Springbok III
- S1 Summer Solar
- S3 Desert Harvest Solar

TRANSMISSION

- Mead-Adelanto • •
- Mead-Phoenix • •
- Southern Transmission System • •

WIND

- W1 Linden
- W2 Milford I
- W2 Milford II
- W3 Pebble Springs
- W4 Windy Flats

New Projects

SCPPA Energy Portfolio

Desert Harvest

Participants: Anaheim (51.43%), Burbank (31.43%), Vernon (17.14%)

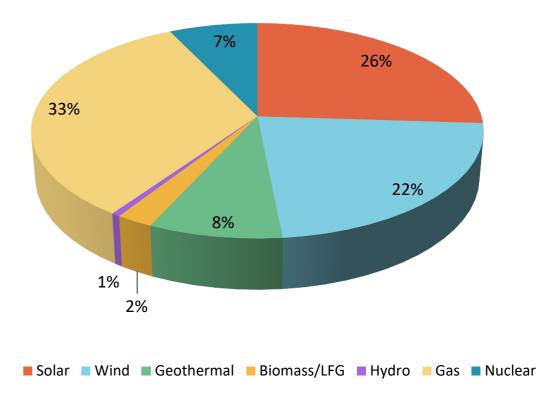
SCPPA entered into a power purchase agreement with EDF Renewables for 70 MW of solar generating capacity at the Desert Harvest 2 Solar Project. The project achieved commercial operation on December 17, 2020. The Renewable Energy Credit + Index structure agreement will serve the Cities of Anaheim, Burbank, and Vernon for 25 years. The project is a fixed tilt PV system that interconnects at the Marketplace substation and is located on 1,200 acres of BLM land in Desert Center, California. During the facility's first partial year of commercial operation, it generated 95,890 MWhs and reached a capacity factor of 32%.

Roseburg

Participants: Anaheim (4.48%), IID (8.28%), LADWP (49.31%), SMUD (23.45%), MID (5.52%), Riverside (4.48%), TID (4.48%)

SCPPA also entered into a 5-year agreement to purchase 6.8 MW of biomass generating capacity for member participants, which include the City of Anaheim, the Los Angeles Department of Water and Power, and the Imperial Irrigation District. This is the second biomass project in SCPPA's history and the third current project to include non-member participants. In addition to SCPPA member participants, the City of Riverside, Sacramento Municipal Utility District, Turlock Irrigation District, and Modesto Irrigation District are also purchasing 4.2 MW of capacity from the facility, which is located in Weed, California near the Oregon border. The facility will burn high-hazard fuel taken from wildfire prone areas. This PPA satisfies the requirement of SB 859 for the procurement of biomass resources. The Roseburg Biomass Plant is an existing facility that has been operational since 2010 with SCPPA capacity deliveries commencing on February 16, 2021. During its first partial year of making deliveries to SCPPA, the facility produced 11,765 MWh of energy from high-hazard fuel and reached a capacity factor of 29%.

SCPPA Capacity Mix



SCPPA Financing Activities

Over the past fiscal year, SCPPA completed transactions that captured market opportunities and accomplished Project Participant objectives. A summary of SCPPA's financing activities for the fiscal year starting July 1, 2020 and ending June 30, 2021 is provided below.

On September 24, 2020, SCPPA issued \$271,315,000 of Canyon Power Project, Refunding Revenue Bonds (the "2020 Bonds"). The 2020 Bonds were issued in three series: 2020 Series A (\$112,995,000 Fixed Rate Bonds), 2020 Series B (\$70,075,000 Fixed Rate Taxable Bonds), and 2020 Series C (\$88,245,000 Fixed Tender Bonds – Term Rate Mode). The 2020 Bonds were issued to (i) advance refund on a taxable basis the outstanding \$67,030,000 Canyon Power Project, Refunding Revenue Bonds, 2016 Series A, and (ii) current refund the outstanding \$114,310,000 Canyon Power Project, Refunding Revenue Bonds, 2018 Series A (Fixed Tender Bonds – Term Rate Mode), and \$114,605,000 Canyon Power Project, Refunding Revenue Bonds, 2018 Series B (Index Tender Bonds – SIFMA Mode). The 2020 Series A Bonds have fixed rate coupons of 5.00% and are subject to optional redemption on July 1,2025 at a redemption price of 100%. The 2020 Series B Bonds have taxable fixed rate coupons ranging from 0.439% to 1.632% and, prior to July 1, 2025, are subject to an optional make-whole call, and a par call thereafter. The 2020 Series C Bonds are fixed tender bonds at a rate of 0.65% through the mandatory tender date of July 1, 2025. The 2020 Series C Bonds are subject to optional redemption on January 1, 2025 at a redemption price of 100%. At the time of issuance, the 2020 Bonds were assigned long-term ratings of AA- and AA- from S&P Global Ratings and Fitch Ratings, Inc., respectively. Cash flow savings for the 2020 Bonds are approximately \$13.8 million with an estimated all-in true interest cost of 2.36%.

On April 7, 2021, SCPPA issued \$79,305,000 Milford
Wind Corridor Phase II Project, Refunding Revenue Bonds,
2021–1 (Green Bonds) to current refund all SCPPA's Milford
Wind Corridor Phase II Project, Revenue Bonds, 2011–1 then
outstanding in the par amount of \$105,470,000. The 2021–1 Bonds
have fixed rate coupons of 5.00% and are not subject to redemption
prior to their final maturity on July 1, 2031. At the time of issuance,
the 2021–1 Bonds were assigned a long-term rating of Aa2 from
Moody's Investors Service. Present value savings for the refunding are
approximately \$23.7 million, or 22.4% of the par amount of refunded bonds.

On January 19, 2021, SCPPA terminated an interest rate swap with JPMorgan Chase Bank, N.A which was originally scheduled to terminate on September 15, 2030. The swap was a constant maturity swap with a notional amount of \$100,000,000 and an Effective Date of February1, 2008, and was entered into on behalf of the Mead–Adelanto Project with Bear Stearns Financial Products Inc. as the counterparty. The swap was novated to JPMorgan in November 2008. Under the terms of the swap, SCPPA paid the counterparty a floating rate of interest on the notional amount equal to the one-month LIBOR Index and in return received a floating rate of interest on the notional amount equal to a ten-year LIBOR swap rate minus a spread of 41.4 basis points. Twice, over the life of the swap, SCPPA negotiated payment suspensions, the first from November 1, 2008 through November 1, 2011 and the second from November 1, 2011 through June 1, 2018. As compensation for the suspensions, SCPPA received \$4,123,000 and \$5,060,000, respectively. As compensation for the termination, SCPPA received a payment from the counterparty in the amount of \$3,647,000.

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.

SCPPA also continuously evaluates other financing opportunities and the existing portfolio of financings to balance the lowest possible cost and smallest amount of financial risk exposure for its members.

Combined Summary of Financial Condition and Changes in Net Position

The Combined Summary of Financial Condition and Changes in Net Position was taken from the Moss Adams Report of Independent Auditors and Combined Financial Statements for June 30, 2021 and 2020.

The full report can be viewed on the SCPPA website at the following link:

http://www.scppa.org/file.axd?file=%2f2021%2f12%2fSCPPA+FS+FY+2020-21.pdf

To download the report, please <u>click here</u>.

Southern California Public Power Authority Management's Discussion and Analysis

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

	June 30,						
		2021		2020		2019	
Assets							
Net utility plant	\$	1,276,479	\$	1,361,718	\$	1,441,741	
Investments	Ψ	609,343	Ψ	484,843	Ψ	693,454	
Cash and cash equivalents		213,272		370,864		247,855	
Prepaid and other		702,707		736,279		784,532	
·							
Total assets		2,801,801		2,953,704		3,167,582	
Deferred outflows of resources		125,660		149,608		154,827	
Total assets and deferred outflows of resources	\$	2,927,461	\$	3,103,312	\$	3,322,409	
Liabilities							
Noncurrent liabilities	\$	2,339,564	\$	2,539,987	\$	2,769,102	
Current liabilities		420,567		405,528		426,088	
Total liabilities		2,760,131		2,945,515		3,195,190	
Deferred inflows of resources		16,219		16,685		61	
Net position							
Net investment in capital assets		(51,048)		(98,519)		(138,447)	
Restricted		333,343		369,753		385,434	
Unrestricted		(131,184)		(130,122)		(119,829)	
Total net position		151,111		141,112		127,158	
•		· · · · · · · · · · · · · · · · · · ·		<u> </u>		<u> </u>	
Total liabilities, deferred inflows of resources, and net position	\$	2,927,461	\$	3,103,312	\$	3,322,409	
Revenues, expenses and changes in net position							
for the year ended June 30							
Operating revenues	\$	980,552	\$	969,163	\$	1,012,325	
Operating expenses	-	(903,444)		(852,034)		(903,743)	
Operating income		77,108		117,129		108,582	
Investment and other income		23,772		25,989		41,672	
Reclamation and decommissioning expense		(10,050)		(1,197)		(3,004)	
Derivative gain (loss)		6,619		(6,465)		(3,485)	
Debt expense		(74,149)		(102,010)		(111,313)	
Change in net position before special items		(53,808)		33,446		32,452	
Change in net position		23,300		33,446		32,452	
Net position, beginning of year		141,112		127,158		82,491	
Net contributions/(withdrawals) by participants		(13,301)		(19,492)		12,215	
Net position, end of year	\$	151,111	\$	141,112	\$	127,158	

SCPPA Government Affairs

The effects of the COVID-19 pandemic took center stage for SCPPA's policy efforts in FY 2020-21. At both the federal and state level, SCPPA proactively educated lawmakers on how the economic impacts of the pandemic affected electricity customers. SCPPA also highlighted how SCPPA Members stepped up to support customers during a time when virtually every segment of society was relying on the electric grid to function remotely. These advocacy efforts, along with strong coordination with SCPPA's public power partners, led to robust federal and state assistance to help those electricity customers hit the hardest by the pandemic.

Despite limitations on the traditional work environment due to the pandemic, SCPPA continues to strengthen its policy work and coordination with SCPPA Members to advocate for policies that support clean energy progress while protecting reliable and affordable electricity for customers. With the general inability to have in-person meetings during the pandemic, SCPPA's Government Affairs team looked at other ways to connect SCPPA Members to key decisionmakers on important energy matters. In addition to SCPPA's virtual State Capitol Day and Federal Legislative Rally, SCPPA regularly organized virtual meetings and presentations for SCPPA Members with state and federal stakeholders to discuss important energy policy issues. These efforts were critical to advance SCPPA's advocacy work.

SCPPA Federal Legislative Update

With the COVID-19 pandemic and President Joe Biden's focus on climate change, it has been a busier-than-normal year for SCPPA's federal lobbying efforts.

SCPPA, working in coordination with SCPPA Members and the American Public Power Association, lobbied for federal support for electricity customers that could not pay their electricity bills due to the financial impacts of the pandemic. To address this issue, Congress passed the American Rescue Plan Act (ARPA), which, among other things, provided billions of dollars in federal funding to assist electricity customers pay their outstanding electric utility bills.

SCPPA also actively engaged with Congress on the bipartisan Senate infrastructure bill and the FY 2022 budget reconciliation bill. These bills are the cornerstone of President Biden's goal to reduce greenhouse gas emissions economy-wide by 50 to 52 percent by 2030. SCPPA strongly supports the provisions in this legislative package that extend and expand clean energy tax incentives to—for the very first time—provide a direct-pay option to publicly owned electric utilities that is comparable to tax incentives available to private companies. These provisions will provide substantial help to SCPPA Members make additional investments in clean energy-related projects as they plan for the ultimate goal of a 100 percent clean electricity standard.

SCPPA State Legislative Update

With the passage of the ARPA, SCPPA—working closely with CMUA and NCPA—successfully lobbied for the creation of the California Arrearage Payment Program (CAPP). CAPP appropriates approximately \$300 million of the state's allocated ARPA funding to provide bill credits to publicly owned electric utility customers with unpaid electricity bills during the COVID-19 pandemic.

22

Leading up to the passage of CAPP's enabling statutes (SB 129 (Budget) and AB 135 (Budget)), SCPPA coordinated several meetings with SCPPA Members and their legislative delegation to explain the unprecedented amount of utility arrears since March 2020 and the importance of helping those residents and businesses hit the hardest by the pandemic. In addition to CAPP, SCPPA supported several bills signed by Governor Gavin Newsom: SCR 49 (Hueso), which recognizes Public Power Week; AB 758 (Nazarian), which makes rate reduction bonds available to publicly-owned utilities (POUs); and AB 242 (Holden), which adjust power source disclosure deadlines to ensure electricity customers receive the most accurate data available.

The Governor also signed several bills that were amended to address SCPPA's concerns: AB 525 (Chiu), which requires the California Energy Commission (CEC) to set offshore wind planning goals for 2030 and 2045; SB 423 (Stern), which requires the CEC to assess barriers to firm zero-carbon resources; and SB 378 (Gonzalez), which would help facilitate microtrenching for broadband infrastructure.

All bills that SCPPA opposed in the 2021 legislative session failed to advance.

SCPPA Regulatory Update

This year has proven to be yet another busy one in California's regulatory cycle as the state establishes and seeks to achieve its ambitious energy and environmental goals. 2021 featured the conclusion of several major regulatory initiatives affecting SCPPA Members and the ramp up of new key proceedings. In addition to the key initiatives, SCPPA continues to monitor and participate in other regulatory proceedings on behalf of Members and act as a valuable resource for regulatory agencies in Sacramento as they move forward to implement their programs. SCPPA strives to ensure that maintaining local control, reliability, and affordability for SCPPA Members are priorities in state rulemaking processes.

SF6 Regulations

2021 was a major year for California Air Resources Boards's (CARB) rulemaking to phase out the use of sulfur hexafluoride (SF6) in newly purchased gas-insulated equipment (GIE) by middecade, which is wrapping up this year.

24

In 2010, CARB adopted the original Regulation for Reducing Sulfur Hexafluoride Emissions from Gas Insulated Switchgear to SF6's high global warming potential (GWP). As non-SF6 insulators with lower GWPs have begun to emerge, CARB staff initiated a rulemaking in 2020 to phase out the use of SF6 and address other technical issues.

Last September, the CARB Board approved the initial amendments but directed staff to work with stakeholders on key outstanding issues. Throughout much of 2021, SCPPA collaborated with CARB staff and other utilities to develop mutually agreeable solutions that allow utilities to maintain control over GIE and ensure that the equipment they procure can meet their operational needs. This included multiple meetings with CARB staff, informal proposals, and comments on two additional rounds of draft regulatory language. The final regulation, which is pending approval from the Office of Administrative Law, includes several favorable outcomes on priority issues for SCPPA Members. Of note, the exemption process that allows utilities to continue purchasing SF6 GIE after the phaseout date was converted to a notification in the event of equipment failure and an administrative review under other circumstances. The final proposed regulation also incorporates a utility-developed process to verify and adjust nameplate capacity of GIE, among other changes.

Renewables Portfolio Standard Regulations

The end of 2020 was pivotal for the CEC's rulemaking to amend the Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities (RPS regulations). The purpose of the rulemaking was to incorporate statutory changes to the RPS program, including new compliance periods and increased procurement targets, the long-term procurement requirement, and updated rules for banking excess procurement. The long-term procurement requirement mandates that at least 65% procurement that POUs count for compliance each compliance period must come from contracts of 10 years or more in duration ("long-term" contracts) or ownership agreements.

SCPPA was actively involved throughout the rulemaking proceeding, working collaboratively with CEC staff and other stakeholders. However, shortly before the planned rule adoption, the CEC proposed additional requirements for new and existing contracts to be classified as "long-term," which created regulatory uncertainty.

25

SCPPA, in coordination with other POUs, quickly mobilized to provide comments and to organize letters from Members to alert the CEC of public power's significant concerns. Following the adoption postponement, SCPPA worked with the POU community, other stakeholders, and CEC staff and principals through the end of 2020 to develop a compromise proposal and regulatory language. The final regulations, adopted in late December 2020 and approved July 2021, implement the RPS legislation in a reasonable manner, and include the CEC's "safeguards" for long-term contracts while protecting existing contracts and ensuring sufficient flexibility to not inhibit normal contracting practices.

Scoping Plan

Earlier this year, CARB initiated the 2022 Scoping Plan update process. The focus of the 2022 update, which CARB projects to adopt by the end of next year, is laying out the path to achieve carbon neutrality no later than 2045 in accordance with Governor Jerry Brown's 2018 Executive Order B-55-18. At the request of Governor Newsom earlier this year, CARB will also assess a potential path to achieve carbon neutrality by 2035 as part of this Scoping Plan update. The 2022 Scoping Plan will also assess progress toward the statutorily mandated 2030 target.

The 2022 Scoping Plan will have significant impacts economywide as the state seeks to transition all sectors of the economy to achieve carbon neutrality. However, the electric sector will be uniquely affected as the state's decarbonization strategy hinges on widespread electrification of buildings and transportation coupled with increasingly clean electricity – the success of depends on utilities' ability to provide affordable, reliable electricity. In addition to laying the groundwork for future regulations and legislation, this Scoping Plan update will also include new greenhouse gas (GHG) planning targets for POU integrated resources plans that many of SCPPA's Members must prepare.

SCPPA has led the efforts to develop comments on behalf of the state's POUs at each step of the Scoping Plan process. The joint POU comments remind CARB and other stakeholders of crucial importance of electric system reliability and electricity affordability in achieving the state's decarbonization goals and call for additional feasibility analyses for each carbon neutrality scenario that CARB models to identify potential impacts and protect against unintended consequences. The Scoping Plan will continue to be a priority issue for SCPPA continuing into next year.

Advanced Clean Fleets

Following last year's adoption of the Advanced Clean Trucks rule, which established zero-emission vehicle (ZEV) sales requirements for manufacturers, and Executive Order N-79-20, CARB is developing a regulatory proposal to transition medium- and heavy-duty vehicle fleets to zero-emission vehicles. SCPPA has been engaged in the Advanced Clean Fleets proceeding since its inception.

Pre-rulemaking activity for this proposed rule picked up in 2021, with several workshops, working group meetings, and recent publication of draft regulatory language. SCPPA filed comments on each workshop and had early meetings with CARB staff to explain the unique position of POUs as fleet operators and providers of an essential public service charged with maintaining grid reliability. The most recent proposal would require POUs to begin purchasing ZEVs as early as 2024, but fails to adequately recognize vehicles needed for emergency response or provide accommodations if ZEVs are not available or cannot meet the fleet's needs. More recently, SCPPA began elevating our key concerns to CARB Board Members. There is significant work to still to come before the rulemaking begins next summer, and SCPPA is committed to collaborating with CARB and other stakeholders to develop mutually agreeable solutions that allow POUs to rely on the vehicles they need to maintain the grid while advancing the state's important transportation decarbonization goals.

Wildfire Mitigation Plans

AB 1054 (Holden, 2019) created the California Wildfire Safety Advisory Board (WSAB). Per AB 1054, the WSAB is required to provide an advisory opinion to publicly owned electric utilities regarding their annual Wildfire Mitigation Plan (WMP) filings. Last November, the WSAB released a draft advisory opinion for 2021 WMPs. SCPPA, in coordination with CMUA and NCPA, worked with the WSAB to edit the advisory opinion to make it more effective and efficient for both the WSAB and utilities. A final version of the advisory opinion, including many changes suggested by SCPPA, CMUA, and NCPA, was approved by the WSAB in December. Subsequently, SCPPA, CMUA, and NCPA developed an information response template for publicly owned electric utilities to use in order to respond to the additional information requested by the WSAB in the advisory opinion. In general, publicly owned electric utilities utilized this template as part of their annual WMP update, which was due on July 1, 2021.

SCPPA Program Development

In accordance with the California Joint Exercise of Power Act and the SCPPA Joint Powers
Agreement, SCPPA continues to assist Members in developing and implementing numerous jointaction and customized Programs that directly affect the generation and transmission of energy.
These energy efficiency and load management-related Programs increase the value of SCPPA to
participating Members and the communities that they serve by:

- Improving electric utility system operating efficiencies
- Reducing overall cost of operations
- Meeting emerging industry challenges; and
- Achieving Greenhouse Gas Reduction goals.

SCPPA provides collaborative forums for Members to exchange information on program successes, failures, best practices and lessons learned... to develop "next practices" that create leading edge opportunities for Program improvements and opportunities in different utility operational areas, including:

- Energy Efficiency and Public Benefits Programs
- Demand Response and Load Management, including Transportation and Building Electrification Programs
- Energy Storage to manage customer load and optimize renewable resource integration
- Customer Engagement and Key Accounts; and
- Financial Incentives and Rate Design

... all to promote energy efficiency, demand response, and load management programs for the benefit of Member utilities and their customers, including income-qualified constituents and those in disadvantaged communities.

To augment and improve those Programs, the Program

Development Team coordinated and hosted numerous Workshops
for Members to provide interactive webinar-based seminars for

Members on the following Emerging Issues:

- Microgrids
- Advanced Battery Chemistries
- Transmission System Design Optimization
- Conversion to "Bi-directional flow" Distribution Systems
- Transportation Electrification
- Building Electrification; and
- Low Carbon Fuel Standard Regulations and Credit Monetization

In addition, SCPPA issued 8 competitive solicitations to ensure that Members were receiving the highest valued products and services related to their Programs for:

- Distributed Energy Resource Management Systems
- Energy Efficiency Direct Installations and Auditing Services & Products
- Demand Response Programs; and
- Residential EV Charging Programs

SCPPA administered 44 different contracts with suppliers to procure goods and services on behalf of our Members totaling more than \$38 Million. Program participation and implementation was significantly lower than in previous years, primarily due to the pandemic.

Energy efficiency programs accounted for more than \$35 million, or 92%, of these Member expenditures. Of this amount, \$18 million was spent on direct installation programs where suppliers provided and installed efficiency measures to residences and businesses directly on behalf of the participating Member. A breakdown of the 4 largest areas of expenditures under SCPPA's Programs is shown below:

Direct Energy Efficiency Services \$ 5.9 MM

\$ 18.4 MM

Demand
Response
Program
\$ 4.8

Efficiency
Engineering
and Analytics

\$ 4.4 MM

SCPPA Workforce Development

SCPPA launched its Workforce Development Service in 2017 to provide quality and cost-effective learning resources for our Members.

SCPPA strives to empower utility workforce performance by providing a collaborative platform of multi-discipline discussions among utility professionals and offering high-demand training courses by partnering up with industry experts from across the country.

SCPPA offers training topics ranging from renewable energy, transportation electrification, emerging issues, utility accounting, industry fundamentals, and many more. To date, SCPPA had facilitated over 130 training classes/webinars and provided workforce services to more than 3,000 Member attendees.

In FY 2020-2021, SCPPA had facilitated 28 educational programs, including 20 training courses and 8 webinars, drawing attendance from all twelve Member utilities with over 692 attendees. SCPPA had successfully transitioned the majority of training courses online during the pandemic to continue providing workforce development resouces for our Members to meet the new challenges through this fast-changing era.

Through joint action, SCPPA is shaping the future by powering up the utility workforce to close the knowledge gap, transfer skills, and foster workforce performance.



692
Attendees

Training Courses/Webinars



Anaheim Public Utilities



General Manager

Anaheim Public Utilities (APU) began operations in 1894 as the first municipal electric utility in Southern California. Today, APU provides affordable and reliable water and power to a city of over 358,000 residents and 20,000 businesses, 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 136 circuit miles as part of an aggressive

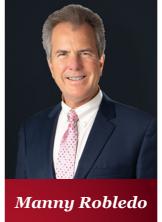
underground conversion program, and operating a 2.4 MW photovoltaic system on the roof of the Anaheim Convention Center, one of the largest solar arrays on a municipally-owned convention center in the country.

APU provides electricity to its customers from a wide array of renewable resources including landfill gas, geothermal, wind, and solar. Currently, renewables comprise over a third of APU's retail sales and will increase to 60% by 2030 for enhanced sustainability and compliance with statewide mandates.

	Preliminary & Unaudited Fiscal Year-End June 30, 2021 Information								
City	Customers-	Power Ger	nerated and (in MWh)	Purchased		c Utility venue & Costs			
	Retail	Self- Generated	Purchased	Total	Operating Revenues (000s)	Operating Cost (000s)			
Anaheim	121,627	-	2,742,649	2,742,649	\$404,036	\$383,528			



Azusa Light & Water



Director of Utilities

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 10 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 35.8% renewable power content in 2021 with estimated 2021 deliveries to meet/exceed 35.8%. 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, 2021 Information								
City	Customers-	Power Generated and Purchased (in MWh)			Electric Utility Operating Revenue & Costs			
	Retail	Self- Generated	Purchased	Total	Operating Revenues (000s)	Operating Cost (000s)		
Azusa	17,013	161,723	79,744	241,467	\$38,909	\$34,608		



Banning Electric Utility



Electric Utility
Director

The City of Banning Electric Utility provides electric service to approximately 12,800 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 54 percent renewable in 2020, already approaching the current State mandate of 60 percent by 2030. When the Utility's new COSO Geothermal contract comes online on January 1, 2022, the Utility's energy portfolio will be greater than 80 percent renewable. 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, 2021 Information								
City	Customers- Retail	Power Gen	nerated and (in MWh)	Purchased		e Utility venue & Costs		
		Self- Generated	Purchased	Total	Operating Revenues (000s)	Operating Cost (000s)		
Banning	12,794	-	151,058	151,058	\$32,368	\$29,217		



Burbank Water & Power



General Manager

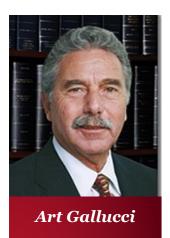
Established in 1913, Burbank Water and Power (BWP) is a community owned utility which primarily provides electric and water services to the residents and businesses of Burbank, CA. Within the City's 17 square miles, BWP provides over 100,000 residents, and almost as many additional people during business hours, with excellent utility services. BWP is committed to providing reliable, affordable, and sustainable utility services to Burbank; and these three key principles are what BWP focuses on to deliver value to Burbank residents and businesses. BWP's power availability rate for Fiscal Year 2020-21 was 99.999%; and the average Burbank customer could expect to experience only one electric service outage of just 5.75 minutes every 3.8 years. BWP's average electric

rates are lower than the California investor-owned utilities and amongst the lowest in the region. In the fiscal year ending June 2021, BWP met 41% of its energy demand with renewable resources. BWP offers other valuable services to Burbank, including fiber optic services to businesses, free citywide wireless broadband service, and public access to dozens of electric vehicle charging stations. BWP is also the operator of SCPPA's Magnolia Power Project (MPP). MPP is a large, clean, highly efficient power plant that utilizes combined-cycle electric generation technology. MPP improves regional electric reliability by reducing dependence on long-distance transmission lines.

Preliminary & Unaudited Fiscal Year-End June 30, 2021 Information								
City	Customers-	Power Ger	nerated and (in MWh)	Purchased		e Utility venue & Costs		
	Retail	Self- Generated	Purchased	Total	Operating Revenues (000s)	Operating Cost (000s)		
Burbank	53,097	16,270	997,030	1,013,300	\$199,462	\$195,489		



City of Cerritos Electric Utility



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 443 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, 2021 Information								
City	Customers-	Power Generated and Purchased (in MWh)			Electric Utility Operating Revenue & Costs				
	Retail	Self- Generated	Purchased	Total	Operating Revenues (000s)	Operating Cost (000s)			
Cerritos	443	54,500	10,000	64,500	\$5,600	\$5,670			



City of Colton Electric Utility



General Manager

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 20,317 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 125 years and to serve as an asset helping promote economic development in the City.

Preliminary & Unaudited Fiscal Year-End June 30, 2021 Information								
City	Customers-	Power Gen	nerated and (in MWh)	Purchased	Electric	e Utility venue & Costs		
	Retail	Self- Generated	Purchased	Total	Operating Revenues (000s)	Operating Cost (000s)		
Colton	20,208	18,962	466,410	485,372	\$63,796	\$46,867		



Glendale Water & Power



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 resource 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, 2021 Information								
City	Customers-	Power Ger	nerated and (in MWh)	Purchased		c Utility venue & Costs		
	Retail	Self- Generated	Purchased	Total	Operating Revenues (000s)	Operating Cost (000s)		
Glendale	90,079	144,657	1,410,514	1,555,171	\$232,311	\$212,579		



Imperial Irrigation District



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 33 percent Renewables Portfolio Standard by 2020. A valuable public

resource, IID is regarded as an affordable and reliable service provider serving 158,258 customers.

Fiscal Year-End December 31, 2020 Information								
City	Customers-	Power Ger	Power Generated and Purchased (in MWh)			Electric Utility Operating Revenue & Costs		
	Retail	Self- Generated	Purchased	Total	Operating Revenues (000s)	Operating Cost (000s)		
IID	158,258	1,204,555	2,723,900	3,928,455	\$464,948	\$442,515		



Los Angeles Department of Water & Power



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 municipally owned electric utility in the nation, serving a population of 4.0 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 15 years, there will be a transition away from coal towards an 80% renewable energy goal by 2030 and 100% carbon-free goal by 2035. 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, 2021 Information								
City	Customers-	Power Ger	nerated and (in MWh)	Purchased	Electric	e Utility venue & Costs		
	Retail	Self- Generated	Purchased	Total	Operating Revenues (000s)	Operating Cost (000s)		
LADWP	1,547,815	16,414,000	7,718,000	24,132,000	\$4,312,078	\$3,524,340		



Pasadena Water & Power



General Manager

Pasadena Water and Power ("PWP") has been providing utility services since 1906. Its current service territory spans approximately 23 square miles and includes over 67,000 electric and 38,000 water accounts. Since implementation of the Integrated Resource Plan ("IRP"), PWP has recognized a reduction of 24 percent in annual retail electric energy sales, renewable resources have reached approximately 40 percent of retail sales, and PWP's greenhouse gas ("GHG") emissions have declined 57 percent from 1990 levels. PWP's assertive energy efficiency programs have substantially contributed to the net reduction in retail electricity use, with annual savings of 11,787 MWh per year. PWP is projecting to

provide nearly 40 percent of retail electricity sales with RPS-eligible renewable resources by the end of Calendar Year 2021. PWP will also continue to focus on expanding the Pasadena Electric Vehicle market in the City to support GHG reduction goals and increase utility revenues. PWP offers incentives to customers who drive plug-in electric vehicles and install charging stations at their homes and businesses. In partnership with Tesla, Inc., PWP completed the installation of 20 DC Fast Chargers and 24 Tesla Superchargers at the Marengo Charging Plaza in 2020. PWP also completed the expansion of level 2 chargers at the Holly Street garage to include 25 public chargers and 27 City fleet chargers. PWP has six new public charging station projects planned, which is estimated to provide an additional 35 DC fast chargers and 84 level 2 chargers to the existing city infrastructure, once completed.

Preliminary & Unaudited Fiscal Year-End June 30, 2021 Information								
City	Customers-	Power Gen	nerated and (in MWh)	Purchased		c Utility venue & Costs		
	Retail	Self- Generated	Purchased	Total	Operating Revenues (000s)	Operating Cost (000s)		
Pasadena	67,560	31,939	991,887	1,023,826	\$222,681	\$189,335		



Riverside Public Utilities



General Manager

Todd Corbin

Established in 1895, Riverside Public Utilities (RPU) is a consumerowned water and electric utility that provides high quality, reliable services to 112,000 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 324,000. 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 joint SCPPA (12.3 MW) and Intermountain Power Agency (137.1 MW) generation projects; long-term renewable power purchase agreements (241MW), 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 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 2020, renewable resources provided 42 percent of retail sales requirements.

Preliminary & Unaudited Fiscal Year-End June 30, 2021 Information										
City	Customers- Retail	Power Generated and Purchased (in MWh)			Electric Utility Operating Revenue & Costs					
		Self- Generated	Purchased	Total	Operating Revenues (000s)	Operating Cost (000s)				
Riverside	111,711	95,400	2,164,500	2,259,900	\$372,067	\$336,230				



Vernon Public Utilities



General Manager

City of Vernon Public Utilities has completed its Integrated Resource Plan (IRP) that was designed to provide a long term strategy to meet the electric service needs of its customers and comply with state and federal energy policies.

Preliminary & Unaudited Fiscal Year-End June 30, 2021 Information										
City	Customers- Retail	Power Generated and Purchased (in MWh)			Electric Utility Operating Revenue & Costs					
		Self- Generated	Purchased	Total	Operating Revenues (000s)	Operating Cost (000s)				
Vernon	1,905	653	1,204,520	1,205,173	\$185,641	\$165,299				



Since 1980.

The Members of Southern California Public

Power Authority Work Together to Power

Sustainable Communities.

Contact Us

Glendora Office 1160 Nicole Court Glendora, CA 91740 626.793.9364 Sacramento Office 915 L Street, Suite 1410 Sacramento, CA 95814 916.440.0870

http://www.scppa.org/

