



REPORT OF INDEPENDENT AUDITORS AND  
COMBINED FINANCIAL STATEMENTS

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

June 30, 2021 and 2020

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## **Report of Independent Auditors**

The Board of Directors and Participants of  
Southern California Public Power Authority

### **Report on Financial Statements**

We have audited the accompanying combined and individual projects' financial statements of Southern California Public Power Authority (the Authority), which comprise the combined and individual projects' statements of net position as of June 30, 2021 and 2020, and the related combined and individual projects' statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these combined and individual projects' financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined and individual project financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these combined and individual projects' financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the California Code of Regulations, Title 2, Section 1131.2, State Controller's *Minimum Audit Requirements* for California Special Districts. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined and individual projects' financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined and individual projects' financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined and individual projects' financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined and individual projects' financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined and individual projects' financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the combined and individual projects' financial statements referred to above present fairly, in all material respects, the financial position of Southern California Public Power Authority and each of the Authority's projects: Palo Verde Project, San Juan Project, Magnolia Power Project, Canyon Power Project, Apex Power Project, Tieton Hydropower Project, Milford I Wind Project, Milford II Wind Project, Windy Point Project, Linden Wind Energy Project, Southern Transmission System Project, Mead-Phoenix Project, Mead-Adelanto Project, Pinedale Project, Barnett Project, Prepaid Natural Gas Project, Power Purchase Agreements, Project Development Fund, Projects' Stabilization Fund and SCPA Fund as of June 30, 2021 and 2020, and the combined and individual results of the projects' operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Proportionate Share of the Net Pension Liability as of June 30, 2021, the Schedule of Contributions as of June 30, 2021, and the Schedule of Changes in Net OPEB Liability and Related Ratios (collectively, "required supplementary information") be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures in the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Power Purchase Agreements combining statements of net position as of June 30, 2021 and 2020, and the related Power Purchase Agreements combining statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the Purchase Power Agreements investments as of June 30, 2021 and 2020 (collectively, supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of receipts and disbursements in funds for the year ended June 30, 2021, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*Moss Adams LLP*

Portland, Oregon  
October 28, 2021

## **Southern California Public Power Authority Management's Discussion and Analysis**

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The following discussion and analysis of the financial performance of Southern California Public Power Authority (the Authority or SCPPA), provides an overview of the Authority's financial activities for the fiscal years ended June 30, 2021 and 2020. Please read this discussion and analysis in conjunction with the Authority's Combined Financial Statements, which begin on page 10. Descriptions and other details pertaining to the Authority are included in the Notes to Combined Financial Statements.

The Authority is a joint powers authority whose primary purpose has been to provide joint financing and oversight for large joint projects for its member agencies that consist of eleven municipal electric utilities and one irrigation district in California. On a combined basis, these entities provide electricity to more than two million retail electric customers. A Board of Directors (the Board) governs the Authority, which consists of one representative from each member agency.

### **Using This Financial Report**

This annual financial report consists of a series of financial statements and reflects the self-supporting activities of the Authority that are funded primarily through the sale of energy, natural gas, and transmission services to member agencies under project specific take-or-pay contracts that require each member agency to pay its proportionate share of operating and maintenance expenses and debt service with respect to such projects. The contracts cannot be terminated or amended in any manner that will impair or adversely affect the rights of the bondholders as long as any bonds issued by the specific project remain outstanding. The Authority also established take-and-pay contracts for the participants of the prepaid natural gas project where the payments received from the sale of gas will be sufficient to pay debt service. In addition, the Authority has entered into various power purchase agreements. These agreements are substantially take-and-pay contracts but there may be other costs not associated with the delivery of energy that the participants may be obligated to pay.

# 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
<b>Assets</b>			
Net utility plant	\$ 1,276,479	\$ 1,361,718	\$ 1,441,741
Investments	609,343	484,843	693,454
Cash and cash equivalents	213,272	370,864	247,855
Prepaid and other	702,707	736,279	784,532
<b>Total assets</b>	<b>2,801,801</b>	<b>2,953,704</b>	<b>3,167,582</b>
Deferred outflows of resources	125,660	149,608	154,827
<b>Total assets and deferred outflows of resources</b>	<b>\$ 2,927,461</b>	<b>\$ 3,103,312</b>	<b>\$ 3,322,409</b>
<b>Liabilities</b>			
Noncurrent liabilities	\$ 2,339,564	\$ 2,539,987	\$ 2,769,102
Current liabilities	420,567	405,528	426,088
<b>Total liabilities</b>	<b>2,760,131</b>	<b>2,945,515</b>	<b>3,195,190</b>
Deferred inflows of resources	16,219	16,685	61
<b>Net position</b>			
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)
<b>Total net position</b>	<b>151,111</b>	<b>141,112</b>	<b>127,158</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 2,927,461</b>	<b>\$ 3,103,312</b>	<b>\$ 3,322,409</b>
<b>Revenues, expenses and changes in net position for the year ended June 30</b>			
Operating revenues	\$ 980,552	\$ 969,163	\$ 1,012,325
Operating expenses	(903,444)	(852,034)	(903,743)
<b>Operating income</b>	<b>77,108</b>	<b>117,129</b>	<b>108,582</b>
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)
<b>Change in net position before special items</b>	<b>(53,808)</b>	<b>33,446</b>	<b>32,452</b>
<b>Change in net position</b>	<b>23,300</b>	<b>33,446</b>	<b>32,452</b>
Net position, beginning of year	141,112	127,158	82,491
Net contributions/(withdrawals) by participants	(13,301)	(19,492)	12,215
<b>Net position, end of year</b>	<b>\$ 151,111</b>	<b>\$ 141,112</b>	<b>\$ 127,158</b>

## Southern California Public Power Authority Management's Discussion and Analysis

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### ***Comparison of fiscal year 2021 to 2020 activity***

**Net Position** – The Authority's net position increased by \$10 million mainly due to the decrease in assets and deferred outflows of resources of \$175 million offset by the decrease in liabilities and deferred inflows of resources of \$185 million.

**Assets** – The decrease of \$175 million in the Authority's assets and deferred outflows of resources was due to the following:

- *Net Utility Plant – decreased by \$85 million*  
The decrease was due to the \$98 million scheduled depreciation in Generation and Transmission Projects and \$6 million depletion in the Natural Gas Projects; offset by \$19 million ongoing capital improvements mostly in the Apex Power (APP), Palo Verde (PV), and Mead Adelanto Projects (MA).
- *Investments and Cash and Cash Equivalents – decreased by \$33 million*  
The decrease was largely due to \$30 million net payments from the Reserve and Debt Service funds for the Canyon Power (CPP) and Milford II Projects' bond maturities and refundings, \$13 million net distributions from the Projects' Stabilization Fund (PSF) for project costs, \$22 million net payments from the Reserve and Contingency funds for major maintenance costs in Magnolia Power Project (MPP), \$1.4 million decrease in mark to market adjustment primarily in PSF and PV Decommissioning Trust Funds; offset by \$1.4 million receipt of litigation settlement for Pinedale Natural Gas Project, \$32 million of net overbillings in various projects of which \$23 million was retained for Linden and Windy Point/Windy Flats (Windy Point) Projects' future project expenditures.
- *Prepaid and other assets – decreased by \$33 million*  
The decrease was mainly due to the \$60 million scheduled amortization of the prepaid assets in Natural Gas Prepaid (NGPP), Milford I, Milford II, and Windy Point Projects, \$1 million decrease in the fair value of the derivative instruments due to the termination of the MA 2007 Constant Maturity Swap (CMS) swap, \$4 million decrease in inventories mainly in MPP; offset by \$32 million increase in accounts receivable due to project underbillings and Intermountain Power Agency's (IPA) overbillings and the accrual of insurance reimbursement in Southern Transmission System Project (STS).
- *Deferred outflows of resources – decreased by \$24 million*  
The decrease was mainly due to the \$16 million amortization of loss on refunding in various debt-funded projects, and \$9 million decrease in the reported fair value of the derivative instruments in MPP and NGPP; offset by the \$1 million amortization of the decommissioning obligations in the PV, Linden, Tieton Hydropower (THP), and Pinedale and Barnett Natural Gas Projects.



## Southern California Public Power Authority Management's Discussion and Analysis

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**Liabilities** – The decrease in the Authority's liabilities of \$185 million was mainly due to the following: \$185 million net decrease primarily in bond and interest liabilities due to bond maturities and refundings, and related amortizations, \$14 million net decrease in the reported fair market values of derivative instruments in MPP and NGPP, \$17 million decrease in notes payable in MPP, and \$6 million decrease in accounts payable; offset by \$26 million net increase in advances from participants and accounts payable in PV, MPP, CPP, Windy Point, STS, Linden, Milford I, and PPAs, and \$11 million increase in the recognition of decommissioning obligations in PV, APP, THP, Linden, Pinedale and Barnett Natural Gas Projects in accordance with GASB 83, *Certain Asset Retirement Obligations*.

**Operating Income** – The \$40 million decrease in operating income was mainly due to the following: \$27 million net reduction in operating revenue in MA, Mead-Phoenix (MP), THP, Milford I, Milford II, CPP, and MPP projects due to the reduction in operating budgets, deferred major maintenance costs, and reduced debt service costs as a result of the bond maturities and refundings, net decrease of \$17 million in Linden and Windy Point Projects due to billings retained as advances; offset by a net increase of \$4 million in STS due primarily to the recognition of an insurance reimbursement.

**Investment and Other Income** – The \$2 million decrease in investment and other income was mainly due to the downward adjustment of investment market value at year-end and decrease in investment income as interest rates have fallen to historic lows in response to recent economic and market events.

**Derivative Gain (Loss)** – Net derivative gains of \$6.6 million and losses of \$6.5 million were reported related to the Authority's derivative instruments that were deemed investment instruments as of June 30, 2021 and 2020, respectively. The \$13 million net increase is mainly due to the effect of changes in fair values of MPP and MA Swaps (See Note 5).

The Authority has two basis swaps in which it makes variable payments based on SIFMA and receives variable payments based on a percentage of LIBOR. The purpose of the swaps is to manage interest expense on the MA and MPP Bonds. Pursuant to GASB 53, there is no identified risk being hedged by a basis swap, and therefore they are all deemed investment instruments. These investment instruments were strategically placed by management to reduce interest expense and they continue to serve this purpose.

**Inflation of Decommissioning Liability** – The \$9 million increase in inflation expense was due to the amortization recognized based on the consumer price index as of June 30, 2021. Inflation expense was recognized under GASB 83, *Certain Asset Retirement Obligations*, which requires the current value of an entity's decommissioning liability to be adjusted, at least annually, for the effects of general inflation or deflation.

**Debt Expense** – The decrease of \$28 million was mainly due to lower interest expense and related debt amortization in MPP, Canyon Power, THP, Milford I, Windy Point, Linden, STS, MA, and MP Projects.

## Southern California Public Power Authority Management's Discussion and Analysis

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### ***Comparison of fiscal year 2020 to 2019 activity***

**Net Position** – The Authority's net position increased by \$14 million mainly due to the decrease in assets and deferred outflows of resources of \$219 million offset by the decrease in liabilities and deferred inflows of resources of \$233 million.

**Assets** – The decrease of \$219 million in the Authority's assets and deferred outflows of resources was due to the following:

- *Net Utility Plant – decreased by \$80 million*  
The decrease was mainly due to the \$94 million scheduled depreciation in the Generation and Transmission Projects and \$7 million depletion in the Pinedale and Barnett Natural Gas Projects; offset by \$21 million ongoing capital improvements mainly in the Apex Power Project (APP) and Palo Verde Project (PV).
- *Investments and Cash and Cash Equivalents – decreased by \$86 million*  
The decrease was mainly due to \$58 million release of Debt Service Reserve funds and \$42 million of Debt Service funds used for bond refunding transactions and payment of final bond principal maturities, \$20 million net distributions in the Projects' Stabilization Fund (PSF), \$3 million of final bond proceeds spent for capital improvements in APP, \$5 million reduction in the Project Development Fund (PDF) due to reclassification to Springbok III Solar Purchased Power Agreement; offset by \$2 million recognition of fair market value gain in investment securities mainly in the PV Decommissioning Trust Fund and PSF and \$40 million of net overbillings in various projects.
- *Prepaid and other assets – decreased by \$48 million*  
The decrease was mainly due to the \$57 million scheduled amortization of the prepaid assets in the Natural Gas Prepaid Project (NGPP), Milford I, Milford II, and Windy Point/Windy Flats Projects (Windy Point); offset by \$7 million net increase in accounts receivable mainly due to project underbillings, \$1 million increase in the fair value of the derivative instrument in the Mead-Adelanto Project (MA) and \$1 million increase in inventories mainly in PV & APP projects.
- *Deferred outflows of resources – decreased by \$5 million*  
The decrease was mainly due to the \$8 million amortization of loss on refunding in various debt-funded projects and \$2 million amortization of reclamation and decommissioning obligation in the PV, APP, Linden, Tieton Hydropower Project (THP) and Pinedale and Barnett Natural Gas Projects; offset by the \$5 million increase in the reported fair value of the derivative instruments in the Magnolia Power Project (MPP) and NGPP.

**Liabilities** – The decrease of \$250 million in the Authority's liabilities was mainly due to the following:

## Southern California Public Power Authority Management's Discussion and Analysis

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- \$263 million of bond refundings, principal maturities and bond-related amortizations, \$14 million reduction in bond interest payable for all bond-financed projects, and \$1.5 million net reduction in the MPP major maintenance deferral. The decrease was offset by the \$15 million in accumulated overbillings and accruals in various projects; \$13 million net increase in the reported fair market values of derivative instruments in MPP and NGPP; and \$0.5 million increase in decommissioning obligation recognition in the PV, APP, THP, Linden, Pinedale and Barnett Natural Gas Projects in accordance with Governmental Accounting Standards Board 83, *Certain Asset Retirement Obligations*.

**Operating Income** – The \$9 million increase in operating income was mainly due to the following: net increase of \$7 million in Canyon Project (CPP) due to lower fuel expense for the year, net increase of \$12 million in MPP also due to lower fuel expense for the year, net increase of \$23 million in Southern Transmission System Project (STS) due to lower Intermountain Power Agency operation and maintenance costs for the year which includes recognition of insurance reimbursement of \$7.6 million due to transformer failure. These increases were offset by a decrease of \$11 million in revenue in San Juan Project to adjust for prior period overbillings, decrease of \$12 million in Apex mainly due to reduced billings, decrease of \$3 million in Milford I due to overbillings for the year compared to the prior year, decrease of \$5 million and \$2 million in billings in Mead-Adelanto (MA) & Mead-Phoenix (MP) projects, respectively, due to reduction in debt service payments for the year.

**Investment and Other Income** – The \$16 million decrease in investment and other income was mainly due to the downward adjustment of investment market value at year-end and decrease in investment income as interest rates have fallen to historic lows in response to recent economic and market events.

**Derivative Gain (Loss)** – Net derivative losses of \$6.5 million and \$3.5 million were reported related to the Authority's derivative instruments that were deemed investment instruments as of June 30, 2020 and 2019, respectively. The \$3 million net decrease is mainly due to the effect of changes in fair values of MPP and MA Swaps (See Note 5).

The Authority has three basis swaps in which it makes variable payments based on SIFMA and LIBOR, and receives variable payments based on a percentage of LIBOR. The purpose of the swaps is to manage interest expense on the MA and MPP Bonds. Pursuant to GASB 53, there is no identified risk being hedged by a basis swap, and therefore they are all deemed investment instruments. These investment instruments were strategically placed by management to reduce interest expense and they continue to serve this purpose.

**Inflation of Decommissioning Liability** – The \$2 million decrease in inflation expense was due to the amortization recognized based on the consumer price index at June 30, 2020. Inflation expense was recognized under GASB 83, *Certain Asset Retirement Obligations*, which requires the current value of an entity's decommissioning liability to be adjusted, at least annually, for the effects of general inflation or deflation.

**Debt Expense** – The decrease of \$9 million was mainly due to lower interest expense and related debt amortization in Canyon, STS, Milford I, and Windy Point projects.

## Southern California Public Power Authority Combined Statements of Net Position (Amounts in Thousands)

	June 30,	
	2021	2020
<b>ASSETS</b>		
<b>Noncurrent assets</b>		
Net utility plant	\$ 1,276,479	\$ 1,361,718
Investments – restricted	580,060	459,267
Investments – unrestricted	29,283	25,576
Advance to IPA - restricted	10,930	10,930
Fair value of derivative instruments	1,153	2,391
Prepaid and other assets	552,027	612,296
Total noncurrent assets	<u>2,449,932</u>	<u>2,472,178</u>
<b>Current assets</b>		
Cash and cash equivalents – restricted	105,108	231,517
Cash and cash equivalents – unrestricted	108,164	139,347
Interest receivable	797	1,517
Accounts receivable	52,039	20,626
Materials and supplies	21,473	24,901
Prepaid and other assets	64,288	63,618
Total current assets	<u>351,869</u>	<u>481,526</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred items related to pensions	494	523
Unamortized loss on refunding	57,278	73,138
Reclamation and decommissioning obligation	41,726	41,124
Accumulated decrease in fair value of hedging derivatives	26,162	34,823
Total deferred outflows of resources	<u>125,660</u>	<u>149,608</u>
Total assets and deferred outflows of resources	<u>\$ 2,927,461</u>	<u>\$ 3,103,312</u>
<b>LIABILITIES</b>		
<b>Noncurrent liabilities</b>		
Long-term debt	\$ 2,055,438	\$ 2,250,650
Fair value of derivative instruments	38,550	52,677
Notes payable, net pension and other liabilities	4,164	4,277
Advances from participants	15,016	17,008
Reclamation and decommissioning obligation	226,396	215,375
Total noncurrent liabilities	<u>2,339,564</u>	<u>2,539,987</u>
<b>Current liabilities</b>		
Debt due within one year	144,099	138,215
Notes payable and other liabilities due within one year	2,961	19,891
Advances from participants due within one year	96,438	68,452
Accrued interest	40,380	36,015
Accounts payable and accruals	133,806	139,968
Accrued property tax	2,883	2,987
Total current liabilities	<u>420,567</u>	<u>405,528</u>
Total liabilities	<u>2,760,131</u>	<u>2,945,515</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred items related to pensions	44	66
Unamortized gain on refunding	16,175	16,619
Total deferred inflows of resources	<u>16,219</u>	<u>16,685</u>
<b>NET POSITION</b>		
Net investment in capital assets	(51,048)	(98,519)
Restricted	333,343	369,753
Unrestricted	(131,184)	(130,122)
Total net position	<u>151,111</u>	<u>141,112</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 2,927,461</u>	<u>\$ 3,103,312</u>

See accompanying notes.

**Southern California Public Power Authority**  
**Combined Statements of Revenues, Expenses,**  
**and Changes in Net Position**  
**(Amounts in Thousands)**

	Years Ended June 30,	
	2021	2020
Operating revenues		
Sales of electric energy	\$ 831,240	\$ 784,816
Sales of transmission services	114,736	149,663
Sales of natural gas	34,576	34,684
Total operating revenues	<u>980,552</u>	<u>969,163</u>
Operating expenses		
Operations and maintenance	782,332	731,139
Depreciation, depletion and amortization	105,876	105,107
Amortization of nuclear fuel	13,124	13,799
Decommissioning	1,720	1,720
Pension and other benefits expense	392	269
Total operating expenses	<u>903,444</u>	<u>852,034</u>
Operating income	<u>77,108</u>	<u>117,129</u>
Non operating revenues (expenses)		
Investment and other income	23,772	25,989
Inflation of decommissioning liability	(10,050)	(1,197)
Derivative gain (loss)	6,619	(6,465)
Debt expense	(74,149)	(102,010)
Net non operating revenues (expenses)	<u>(53,808)</u>	<u>(83,683)</u>
Change in net position	23,300	33,446
Net position – beginning of year	<u>141,112</u>	<u>127,158</u>
Net contributions (distributions) by participants	<u>(13,301)</u>	<u>(19,492)</u>
Net position – end of year	<u>\$ 151,111</u>	<u>\$ 141,112</u>

**Southern California Public Power Authority**  
**Combined Statements of Cash Flows**  
**(Amounts in Thousands)**

	Years Ended June 30,	
	2021	2020
Cash flows from operating activities		
Receipts from participants	\$ 836,459	\$ 858,963
Receipts from sale of oil and gas	15,414	14,706
Payments to operating managers	(617,697)	(571,377)
Other disbursements and receipts	19,346	13,463
Net cash flows provided by operating activities	<u>253,522</u>	<u>315,755</u>
Cash flows from noncapital financing activities		
Advances by participants, net	<u>(12,888)</u>	<u>(25,549)</u>
Cash flows from capital financing activities		
Additions to plant and prepaid projects, net	(32,832)	(40,250)
Debt interest payments	(85,512)	(106,711)
Proceeds from sale of bonds	391,912	791,980
Payment for defeasance of revenue bonds	(229,816)	(863,029)
Payments for swap termination fee	-	(9,644)
Transfer of funds from (to) Escrow	(177,562)	-
Principal payments on debt	(138,215)	(160,265)
Payment for bond issue costs	(2,094)	(3,120)
Net cash used for capital and related financing activities	<u>(274,119)</u>	<u>(391,039)</u>
Cash flows from investing activities		
Interest received on investments	2,045	8,030
Purchases of investments	(693,195)	(517,636)
Proceeds from sale/maturity of investments	567,043	733,448
Net cash provided by (used for) investing activities	<u>(124,107)</u>	<u>223,842</u>
Net change in cash and cash equivalents	(157,592)	123,009
Cash and cash equivalents, beginning of year	<u>370,864</u>	<u>247,855</u>
Cash and cash equivalents, end of year	<u>\$ 213,272</u>	<u>\$ 370,864</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 77,108	\$ 117,129
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation, depletion and amortization	105,876	105,107
Decommissioning	1,720	1,720
Amortization of nuclear fuel	13,124	13,799
Pension and other benefits expense	392	269
Changes in assets and liabilities		
Accounts receivable	(17,766)	(7,212)
Accounts payable and accruals	23,287	9,801
Other	49,781	75,142
Net cash provided by operating activities	<u>\$ 253,522</u>	<u>\$ 315,755</u>
Cash and cash equivalents as stated in the Combined Statements of Net Position		
Cash and cash equivalents – restricted	\$ 105,108	\$ 231,517
Cash and cash equivalents – unrestricted	<u>108,164</u>	<u>139,347</u>
	<u>\$ 213,272</u>	<u>\$ 370,864</u>

See accompanying notes.

**Southern California Public Power Authority**  
**Individual Statements of Net Position**  
**June 30, 2021**  
**(Amounts in Thousands)**

	GENERATION				
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power
<b>ASSETS</b>					
<b>Noncurrent assets</b>					
Net utility plant	\$ 262,229	\$ -	\$ 147,124	\$ 196,080	\$ 260,454
Investments – restricted	199,511	28,027	35,935	18,554	28,969
Investments – unrestricted	7,485	-	18,998	-	-
Advance to IPA – restricted	-	-	-	-	-
Advances for capacity and energy, net – restricted	-	-	-	-	-
Fair value of derivative instruments	-	-	1,153	-	-
Prepaid and other assets	-	-	-	-	-
<b>Total noncurrent assets</b>	<b>469,225</b>	<b>28,027</b>	<b>203,210</b>	<b>214,634</b>	<b>289,423</b>
<b>Current assets</b>					
Cash and cash equivalents – restricted	7,689	-	13,147	4,002	6,711
Cash and cash equivalents – unrestricted	6,645	393	1,981	369	2,886
Interest receivable	259	46	38	2	2
Accounts receivable	1,938	-	768	43	4,034
Materials and supplies	11,627	-	3,586	772	5,488
Prepaid and other assets	915	4	1,256	23	438
<b>Total current assets</b>	<b>29,073</b>	<b>443</b>	<b>20,776</b>	<b>5,211</b>	<b>19,559</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Unamortized loss on refunding	-	-	12,398	33,889	-
Reclamation and decommissioning obligation	33,941	-	-	-	6,506
Accumulated decrease in fair value of hedging derivatives	-	-	14,448	-	-
<b>Total deferred outflows of resources</b>	<b>33,941</b>	<b>-</b>	<b>26,846</b>	<b>33,889</b>	<b>6,506</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 532,239</b>	<b>\$ 28,470</b>	<b>\$ 250,832</b>	<b>\$ 253,734</b>	<b>\$ 315,488</b>
<b>LIABILITIES</b>					
<b>Noncurrent liabilities</b>					
Long-term debt	\$ -	\$ -	\$ 262,628	\$ 291,697	\$ 260,947
Fair value of derivative instruments	-	-	26,836	-	-
Notes payable and other liabilities	-	-	1,223	-	-
Advances from participants	-	-	-	-	-
Reclamation and decommissioning obligation	184,807	27,602	-	-	10,536
<b>Total noncurrent liabilities</b>	<b>184,807</b>	<b>27,602</b>	<b>290,687</b>	<b>291,697</b>	<b>271,483</b>
<b>Current liabilities</b>					
Debt due within one year	-	-	8,430	3,865	10,185
Notes payable and other liabilities due within one year	-	-	2,961	-	-
Advances from participants due within one year	-	-	12,625	6,214	20,968
Accrued interest	-	-	4,889	3,530	5,880
Accounts payable and accruals	6,624	358	2,251	8,707	2,874
Accrued property tax	1,500	-	-	-	-
<b>Total current liabilities</b>	<b>8,124</b>	<b>358</b>	<b>31,156</b>	<b>22,316</b>	<b>39,907</b>
<b>Total liabilities</b>	<b>192,931</b>	<b>27,960</b>	<b>321,843</b>	<b>314,013</b>	<b>311,390</b>
<b>NET POSITION</b>					
Net investment in capital assets	262,229	-	(111,535)	(65,593)	(10,562)
Restricted	56,588	422	31,736	12,815	4,688
Unrestricted	20,491	88	8,788	(7,501)	9,972
<b>Total net position</b>	<b>339,308</b>	<b>510</b>	<b>(71,011)</b>	<b>(60,279)</b>	<b>4,098</b>
<b>Total liabilities and net position</b>	<b>\$ 532,239</b>	<b>\$ 28,470</b>	<b>\$ 250,832</b>	<b>\$ 253,734</b>	<b>\$ 315,488</b>

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	GENERATION				
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power
<b>ASSETS</b>					
<b>Noncurrent assets</b>					
Net utility plant	\$ 274,064	\$ -	\$ 157,980	\$ 205,602	\$ 271,130
Investments – restricted	198,488	29,540	14,800	16,364	17,817
Investments – unrestricted	9,579	-	6,498	-	-
Advance to IPA – restricted	-	-	-	-	-
Fair value of derivative instruments	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-
Total noncurrent assets	<u>482,131</u>	<u>29,540</u>	<u>179,278</u>	<u>221,966</u>	<u>288,947</u>
<b>Current assets</b>					
Cash and cash equivalents – restricted	6,406	-	43,510	7,641	17,123
Cash and cash equivalents – unrestricted	12,340	133	19,028	359	7,651
Interest receivable	945	102	41	32	-
Accounts receivable	1,734	-	1,117	1,147	-
Materials and supplies	11,136	-	8,191	759	4,815
Prepaid and other assets	1,252	4	53	19	769
Total current assets	<u>33,813</u>	<u>239</u>	<u>71,940</u>	<u>9,957</u>	<u>30,358</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Unamortized loss on refunding	-	-	13,717	39,707	-
Reclamation and decommissioning obligation	32,880	-	-	-	6,872
Accumulated decrease in fair value of hedging derivatives	-	-	19,684	-	-
Total deferred outflows of resources	<u>32,880</u>	<u>-</u>	<u>33,401</u>	<u>39,707</u>	<u>6,872</u>
Total assets and deferred outflows of resources	<u>\$ 548,824</u>	<u>\$ 29,779</u>	<u>\$ 284,619</u>	<u>\$ 271,630</u>	<u>\$ 326,177</u>
<b>LIABILITIES</b>					
<b>Noncurrent liabilities</b>					
Long-term debt	\$ -	\$ -	\$ 273,664	\$ 306,031	\$ 271,879
Fair value of derivative instruments	-	-	37,538	-	-
Notes payable and other liabilities	-	-	1,721	-	-
Advances from participants	-	-	-	-	-
Reclamation and decommissioning obligation	173,151	28,953	-	-	9,997
Total noncurrent liabilities	<u>173,151</u>	<u>28,953</u>	<u>312,923</u>	<u>306,031</u>	<u>281,876</u>
<b>Current liabilities</b>					
Debt due within one year	-	-	7,800	8,185	9,920
Notes payable and other liabilities due within one year	-	-	19,891	-	-
Advances from participants due within one year	-	-	17,000	12,714	11,180
Accrued interest	-	-	3,698	3,298	6,011
Accounts payable and accruals	17,902	184	1,340	269	12,372
Accrued property tax	1,500	-	-	-	-
Total current liabilities	<u>19,402</u>	<u>184</u>	<u>49,729</u>	<u>24,466</u>	<u>39,483</u>
Total liabilities	<u>192,553</u>	<u>29,137</u>	<u>362,652</u>	<u>330,497</u>	<u>321,359</u>
<b>NET POSITION</b>					
Net investment in capital assets	274,064	-	(109,766)	(68,907)	(2,238)
Restricted	65,563	554	25,953	8,026	6,193
Unrestricted	16,644	88	5,780	2,014	863
Total net position	<u>356,271</u>	<u>642</u>	<u>(78,033)</u>	<u>(58,867)</u>	<u>4,818</u>
Total liabilities and net position	<u>\$ 548,824</u>	<u>\$ 29,779</u>	<u>\$ 284,619</u>	<u>\$ 271,630</u>	<u>\$ 326,177</u>

See accompanying notes.



**Southern California Public Power Authority**  
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	GREEN POWER				
	Tieton Hydropower	Milford I Wind	Milford II Wind	Windy Point	Linden Wind Energy
<b>ASSETS</b>					
Noncurrent assets					
Net utility plant	\$ 32,504	\$ -	\$ -	\$ -	\$ 83,774
Investments – restricted	2,790	12,751	-	28,059	7,545
Investments – unrestricted	-	800	-	-	2,000
Advance to IPA – restricted	-	-	-	-	-
Fair value of derivative instruments	-	-	-	-	-
Prepaid and other assets	-	86,175	79,708	224,791	-
Total noncurrent assets	35,294	99,726	79,708	252,850	93,319
Current assets					
Cash and cash equivalents – restricted	1,224	5,038	925	9,354	4,406
Cash and cash equivalents – unrestricted	1,625	1,548	4,675	1,060	1,874
Interest receivable	-	-	-	1	-
Accounts receivable	-	-	-	5,308	-
Materials and supplies	-	-	-	-	-
Prepaid and other assets	169	11,683	8,700	27,990	28
Total current assets	3,018	18,269	14,300	43,713	6,308
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Unamortized loss on refunding	-	-	-	-	-
Reclamation and decommissioning obligation	433	-	-	-	327
Accumulated decrease in fair value of hedging derivatives	-	-	-	-	-
Total deferred outflows of resources	433	-	-	-	327
Total assets and deferred outflows of resources	\$ 38,745	\$ 117,995	\$ 94,008	\$ 296,563	\$ 99,954
<b>LIABILITIES</b>					
Noncurrent liabilities					
Long-term debt	\$ 39,525	\$ 113,270	\$ 97,944	\$ 289,275	\$ 95,504
Fair value of derivative instruments	-	-	-	-	-
Notes payable and other liabilities	-	-	-	-	-
Advances from participants	-	-	-	-	-
Reclamation and decommissioning obligation	905	-	-	-	741
Total noncurrent liabilities	40,430	113,270	97,944	289,275	96,245
Current liabilities					
Debt due within one year	1,105	9,625	-	11,125	4,295
Notes payable and other liabilities due within one year	-	-	-	-	-
Advances from participants due within one year	202	2,770	250	21,395	6,243
Accrued interest	850	2,637	925	6,817	2,577
Accounts payable and accruals	1,434	2,334	3,205	4,522	2,293
Accrued property tax	-	-	-	500	214
Total current liabilities	3,591	17,366	4,380	44,359	15,622
Total liabilities	44,021	130,636	102,324	333,634	111,867
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unamortized gain on refunding	573	2,279	2,754	10,218	351
Total deferred inflows of resources	573	2,279	2,754	10,218	351
<b>NET POSITION</b>					
Net investment in capital assets	(8,125)	-	-	-	(16,025)
Restricted	2,120	-	-	-	8,608
Unrestricted	156	(14,920)	(11,070)	(47,289)	(4,847)
Total net position	(5,849)	(14,920)	(11,070)	(47,289)	(12,264)
Total liabilities, deferred inflows of resources, and net position	\$ 38,745	\$ 117,995	\$ 94,008	\$ 296,563	\$ 99,954

**Southern California Public Power Authority**  
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	GREEN POWER				
	Tieton Hydropower	Milford I Wind	Milford II Wind	Windy Point	Linden Wind Energy
<b>ASSETS</b>					
<b>Noncurrent assets</b>					
Net utility plant	\$ 33,902	\$ -	\$ -	\$ -	\$ 89,588
Investments – restricted	650	3,838	6,400	-	500
Investments – unrestricted	-	3,999	500	3,000	1,000
Advance to IPA – restricted	-	-	-	-	-
Fair value of derivative instruments	-	-	-	-	-
Prepaid and other assets	-	97,852	88,405	252,241	-
Total noncurrent assets	<u>34,552</u>	<u>105,689</u>	<u>95,305</u>	<u>255,241</u>	<u>91,088</u>
<b>Current assets</b>					
Cash and cash equivalents – restricted	3,016	10,436	6,786	3,211	3,910
Cash and cash equivalents – unrestricted	992	4,548	2,917	5,819	2,462
Interest receivable	-	4	-	-	-
Accounts receivable	-	-	-	1	405
Materials and supplies	-	-	-	-	-
Prepaid and other assets	177	11,682	8,700	27,936	24
Total current assets	<u>4,185</u>	<u>26,670</u>	<u>18,403</u>	<u>36,967</u>	<u>6,801</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Unamortized loss on refunding	-	-	-	-	-
Reclamation and decommissioning obligation	456	-	-	-	350
Accumulated decrease in fair value of hedging derivatives	-	-	-	-	-
Total deferred outflows of resources	<u>456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350</u>
Total assets and deferred outflows of resources	<u>\$ 39,193</u>	<u>\$ 132,359</u>	<u>\$ 113,708</u>	<u>\$ 292,208</u>	<u>\$ 98,239</u>
<b>LIABILITIES</b>					
<b>Noncurrent liabilities</b>					
Long-term debt	\$ 41,218	\$ 126,888	\$ 110,345	\$ 308,909	\$ 101,788
Fair value of derivative instruments	-	-	-	-	-
Notes payable and other liabilities	-	-	-	-	-
Advances from participants	-	-	-	-	-
Reclamation and decommissioning obligation	859	-	-	-	703
Total noncurrent liabilities	<u>42,077</u>	<u>126,888</u>	<u>110,345</u>	<u>308,909</u>	<u>102,491</u>
<b>Current liabilities</b>					
Debt due within one year	1,050	5,975	7,000	1,650	815
Notes payable and other liabilities due within one year	-	-	-	-	-
Advances from participants due within one year	202	2,770	250	1,000	3,552
Accrued interest	363	2,757	2,932	1,295	1,602
Accounts payable and accruals	1,000	8,530	1,947	8,086	1,891
Accrued property tax	-	-	-	530	205
Total current liabilities	<u>2,615</u>	<u>20,032</u>	<u>12,129</u>	<u>12,561</u>	<u>8,065</u>
Total liabilities	<u>44,692</u>	<u>146,920</u>	<u>122,474</u>	<u>321,470</u>	<u>110,556</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unamortized gain on refunding	617	2,844	-	12,639	519
Total deferred inflows of resources	<u>617</u>	<u>2,844</u>	<u>-</u>	<u>12,639</u>	<u>519</u>
<b>NET POSITION</b>					
Net investment in capital assets	(8,366)	-	-	-	(13,015)
Restricted	2,285	-	-	-	2,340
Unrestricted	(35)	(17,405)	(8,766)	(41,901)	(2,161)
Total net position	<u>(6,116)</u>	<u>(17,405)</u>	<u>(8,766)</u>	<u>(41,901)</u>	<u>(12,836)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 39,193</u>	<u>\$ 132,359</u>	<u>\$ 113,708</u>	<u>\$ 292,208</u>	<u>\$ 98,239</u>

See accompanying notes.

**Southern California Public Power Authority**  
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**(Amounts in Thousands)**

	TRANSMISSION		
	Southern Transmission System	Mead-Phoenix	Mead-Adelanto
<b>ASSETS</b>			
<b>Noncurrent assets</b>			
Net utility plant	\$ 102,489	\$ 41,582	\$ 87,327
Investments – restricted	67,871	700	7,100
Investments – unrestricted	-	-	-
Advance to IPA – restricted	10,930	-	-
Fair value of derivative instruments	-	-	-
Prepaid and other assets	-	-	-
Total noncurrent assets	<u>181,290</u>	<u>42,282</u>	<u>94,427</u>
<b>Current assets</b>			
Cash and cash equivalents – restricted	23,724	1,371	1,510
Cash and cash equivalents – unrestricted	2,106	996	727
Interest receivable	288	-	-
Accounts receivable	26,660	137	4
Materials and supplies	-	-	-
Prepaid and other assets	33	16	589
Total current assets	<u>52,811</u>	<u>2,520</u>	<u>2,830</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized loss on refunding	10,991	-	-
Reclamation and decommissioning obligation	-	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	-
Total deferred outflows of resources	<u>10,991</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 245,092</u>	<u>\$ 44,802</u>	<u>\$ 97,257</u>
<b>LIABILITIES</b>			
<b>Noncurrent liabilities</b>			
Long-term debt	\$ 254,888	\$ 18,013	\$ 22,178
Fair value of derivative instruments	-	-	-
Notes payable and other liabilities	-	-	-
Advances from participants	-	-	-
Reclamation and decommissioning obligation	-	-	-
Total noncurrent liabilities	<u>254,888</u>	<u>18,013</u>	<u>22,178</u>
<b>Current liabilities</b>			
Debt due within one year	78,640	1,415	1,695
Notes payable and other liabilities due within one year	-	-	-
Advances from participants due within one year	-	-	-
Accrued interest	7,678	413	533
Accounts payable and accruals	28,218	654	1,201
Accrued property tax	-	-	-
Total current liabilities	<u>114,536</u>	<u>2,482</u>	<u>3,429</u>
Total liabilities	<u>369,424</u>	<u>20,495</u>	<u>25,607</u>
<b>NET POSITION</b>			
Net investment in capital assets	(220,047)	22,154	63,454
Restricted	95,136	1,658	7,875
Unrestricted	579	495	321
Total net position	<u>(124,332)</u>	<u>24,307</u>	<u>71,650</u>
Total liabilities and net position	<u>\$ 245,092</u>	<u>\$ 44,802</u>	<u>\$ 97,257</u>

**Southern California Public Power Authority**  
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	TRANSMISSION		
	Southern Transmission System	Mead-Phoenix	Mead-Adelanto
<b>ASSETS</b>			
<b>Noncurrent assets</b>			
Net utility plant	\$ 125,243	\$ 44,139	\$ 90,674
Investments – restricted	46,425	3,850	13,050
Investments – unrestricted	-	-	-
Advance to IPA – restricted	10,930	-	-
Fair value of derivative instruments	-	-	2,391
Prepaid and other assets	-	-	-
Total noncurrent assets	<u>182,598</u>	<u>47,989</u>	<u>106,115</u>
<b>Current assets</b>			
Cash and cash equivalents – restricted	40,527	3,118	11,482
Cash and cash equivalents – unrestricted	766	712	777
Interest receivable	37	-	-
Accounts receivable	6,571	316	8
Materials and supplies	-	-	-
Prepaid and other assets	39	2	586
Total current assets	<u>47,940</u>	<u>4,148</u>	<u>12,853</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized loss on refunding	19,714	-	-
Reclamation and decommissioning obligation	-	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	-
Total deferred outflows of resources	<u>19,714</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 250,252</u>	<u>\$ 52,137</u>	<u>\$ 118,968</u>
<b>LIABILITIES</b>			
<b>Noncurrent liabilities</b>			
Long-term debt	\$ 342,065	\$ 19,883	\$ 24,482
Fair value of derivative instruments	-	-	-
Notes payable and other liabilities	-	-	-
Advances from participants	-	-	-
Reclamation and decommissioning obligation	-	-	-
Total noncurrent liabilities	<u>342,065</u>	<u>19,883</u>	<u>24,482</u>
<b>Current liabilities</b>			
Debt due within one year	59,900	5,990	17,110
Notes payable and other liabilities due within one year	-	-	-
Advances from participants due within one year	-	-	-
Accrued interest	8,752	537	908
Accounts payable and accruals	11,795	719	1,305
Accrued property tax	-	-	-
Total current liabilities	<u>80,447</u>	<u>7,246</u>	<u>19,323</u>
Total liabilities	<u>422,512</u>	<u>27,129</u>	<u>43,805</u>
<b>NET POSITION</b>			
Net investment in capital assets	(257,008)	18,266	49,083
Restricted	89,167	6,431	23,416
Unrestricted	(4,419)	311	2,664
Total net position	<u>(172,260)</u>	<u>25,008</u>	<u>75,163</u>
Total liabilities and net position	<u>\$ 250,252</u>	<u>\$ 52,137</u>	<u>\$ 118,968</u>

See accompanying notes.

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	NATURAL GAS		
	Pinedale	Barnett	Prepaid Natural Gas
<b>ASSETS</b>			
<b>Noncurrent assets</b>			
Net utility plant	\$ 25,056	\$ 31,826	\$ -
Investments – restricted	-	34,588	13,897
Investments – unrestricted	-	-	-
Advance to IPA – restricted	-	-	-
Fair value of derivative instruments	-	-	-
Prepaid and other assets	126	-	161,227
Total noncurrent assets	<u>25,182</u>	<u>66,414</u>	<u>175,124</u>
<b>Current assets</b>			
Cash and cash equivalents – restricted	3,425	6,233	5,026
Cash and cash equivalents – unrestricted	4,085	2,159	308
Interest receivable	-	21	58
Accounts receivable	511	322	1,700
Materials and supplies	-	-	-
Prepaid and other assets	511	2	11,794
Total current assets	<u>8,532</u>	<u>8,737</u>	<u>18,886</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized loss on refunding	-	-	-
Reclamation and decommissioning obligation	421	98	-
Accumulated decrease in fair value of hedging derivatives	-	-	11,714
Total deferred outflows of resources	<u>421</u>	<u>98</u>	<u>11,714</u>
Total assets and deferred outflows of resources	<u>\$ 34,135</u>	<u>\$ 75,249</u>	<u>\$ 205,724</u>
<b>LIABILITIES</b>			
<b>Noncurrent liabilities</b>			
Long-term debt	\$ 11,914	\$ 28,036	\$ 269,619
Fair value of derivative instruments	-	-	11,714
Notes payable and other liabilities	-	-	-
Advances from participants	9,963	5,053	-
Reclamation and decommissioning obligation	1,489	316	-
Total noncurrent liabilities	<u>23,366</u>	<u>33,405</u>	<u>281,333</u>
<b>Current liabilities</b>			
Debt due within one year	1,427	3,352	8,940
Notes payable and other liabilities due within one year	-	-	-
Advances from participants due within one year	3,479	2,360	-
Accrued interest	388	913	2,350
Accounts payable and accruals	1,361	1,531	579
Accrued property tax	669	-	-
Total current liabilities	<u>7,324</u>	<u>8,156</u>	<u>11,869</u>
Total liabilities	<u>30,690</u>	<u>41,561</u>	<u>293,202</u>
<b>NET POSITION</b>			
Net investment in capital assets	453	26,515	-
Restricted	423	6,221	-
Unrestricted	2,569	952	(87,478)
Total net position	<u>3,445</u>	<u>33,688</u>	<u>(87,478)</u>
Total liabilities and net position	<u>\$ 34,135</u>	<u>\$ 75,249</u>	<u>\$ 205,724</u>

**Southern California Public Power Authority**  
**Individual Statements of Net Position**  
**June 30, 2020**  
**(Amounts in Thousands)**

	NATURAL GAS		
	Pinedale	Barnett	Prepaid Natural Gas
<b>ASSETS</b>			
<b>Noncurrent assets</b>			
Net utility plant	\$ 28,075	\$ 35,105	\$ -
Investments – restricted	550	22,018	13,301
Investments – unrestricted	-	-	-
Advance to IPA – restricted	-	-	-
Fair value of derivative instruments	-	-	-
Prepaid and other assets	126	-	173,672
Total noncurrent assets	<u>28,751</u>	<u>57,123</u>	<u>186,973</u>
<b>Current assets</b>			
Cash and cash equivalents – restricted	3,240	19,076	4,974
Cash and cash equivalents – unrestricted	2,922	1,746	296
Interest receivable	-	56	56
Accounts receivable	515	165	1,642
Materials and supplies	-	-	-
Prepaid and other assets	511	2	11,726
Total current assets	<u>7,188</u>	<u>21,045</u>	<u>18,694</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized loss on refunding	-	-	-
Reclamation and decommissioning obligation	459	107	-
Accumulated decrease in fair value of hedging derivatives	-	-	15,139
Total deferred outflows of resources	<u>459</u>	<u>107</u>	<u>15,139</u>
Total assets and deferred outflows of resources	<u>\$ 36,398</u>	<u>\$ 78,275</u>	<u>\$ 220,806</u>
<b>LIABILITIES</b>			
<b>Noncurrent liabilities</b>			
Long-term debt	\$ 13,342	\$ 31,388	\$ 278,768
Fair value of derivative instruments	-	-	15,139
Notes payable and other liabilities	-	-	-
Advances from participants	11,300	5,708	-
Reclamation and decommissioning obligation	1,413	299	-
Total noncurrent liabilities	<u>26,055</u>	<u>37,395</u>	<u>293,907</u>
<b>Current liabilities</b>			
Debt due within one year	1,522	3,573	7,725
Notes payable and other liabilities due within one year	-	-	-
Advances from participants due within one year	2,556	2,020	-
Accrued interest	431	1,013	2,418
Accounts payable and accruals	1,221	1,241	604
Accrued property tax	752	-	-
Total current liabilities	<u>6,482</u>	<u>7,847</u>	<u>10,747</u>
Total liabilities	<u>32,537</u>	<u>45,242</u>	<u>304,654</u>
<b>NET POSITION</b>			
Net investment in capital assets	658	12,494	-
Restricted	1,739	19,863	-
Unrestricted	1,464	676	(83,848)
Total net position	<u>3,861</u>	<u>33,033</u>	<u>(83,848)</u>
Total liabilities and net position	<u>\$ 36,398</u>	<u>\$ 78,275</u>	<u>\$ 220,806</u>

See accompanying notes.

**Southern California Public Power Authority**  
**Individual Statements of Net Position**  
**June 30, 2021 and 2020**  
**(Amounts in Thousands)**

	<u>POWER PURCHASE AGREEMENTS</u>	
	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Noncurrent assets		
Investments – unrestricted	\$ -	\$ 1,000
Total noncurrent assets	-	1,000
Current assets		
Cash and cash equivalents – restricted	7	13
Cash and cash equivalents – unrestricted	74,727	75,879
Accounts receivable	10,426	7,005
Prepaid and other assets	137	136
Total current assets	85,297	83,033
Total assets	<u>\$ 85,297</u>	<u>\$ 84,033</u>
<b>LIABILITIES</b>		
Current liabilities		
Advances from participants due within one year	\$ 19,932	\$ 14,463
Accounts payable and accruals	65,364	69,562
Total current liabilities	85,296	84,025
Total liabilities	85,296	84,025
<b>NET POSITION</b>		
Unrestricted	1	8
Total net position	1	8
Total liabilities and net position	<u>\$ 85,297</u>	<u>\$ 84,033</u>

**Southern California Public Power Authority**  
**Individual Statements of Net Position**  
**June 30, 2021**  
**(Amounts in Thousands)**

	MISCELLANEOUS			Total Combined
	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	
<b>ASSETS</b>				
Noncurrent assets				
Net utility plant	\$ -	\$ -	\$ 6,034	\$ 1,276,479
Investments – restricted	-	93,763	-	580,060
Investments – unrestricted	-	-	-	29,283
Advance to IPA – restricted	-	-	-	10,930
Fair value of derivative instruments	-	-	-	1,153
Prepaid and other assets	-	-	-	552,027
Total noncurrent assets	<u>-</u>	<u>93,763</u>	<u>6,034</u>	<u>2,449,932</u>
Current assets				
Cash and cash equivalents – restricted	108	11,208	-	105,108
Cash and cash equivalents – unrestricted	-	-	-	108,164
Interest receivable	-	82	-	797
Accounts receivable	188	-	-	52,039
Materials and supplies	-	-	-	21,473
Prepaid and other assets	-	-	-	64,288
Total current assets	<u>296</u>	<u>11,290</u>	<u>-</u>	<u>351,869</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred items related to pensions	-	-	494	494
Unamortized loss on refunding	-	-	-	57,278
Reclamation and decommissioning obligation	-	-	-	41,726
Accumulated decrease in fair value of hedging derivatives	-	-	-	26,162
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>494</u>	<u>125,660</u>
Total assets and deferred outflows of resources	<u>\$ 296</u>	<u>\$ 105,053</u>	<u>\$ 6,528</u>	<u>\$ 2,927,461</u>
<b>LIABILITIES</b>				
Noncurrent liabilities				
Long-term debt	\$ -	\$ -	\$ -	\$ 2,055,438
Fair value of derivative instruments	-	-	-	38,550
Notes payable, other, net pension and OPEB liabilities	-	-	2,941	4,164
Advances from participants	-	-	-	15,016
Reclamation and decommissioning obligation	-	-	-	226,396
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>2,941</u>	<u>2,339,564</u>
Current liabilities				
Debt due within one year	-	-	-	144,099
Notes payable and other liabilities due within one year	-	-	-	2,961
Advances from participants due within one year	-	-	-	96,438
Accrued interest	-	-	-	40,380
Accounts payable and accruals	296	-	-	133,806
Accrued property tax	-	-	-	2,883
Total current liabilities	<u>296</u>	<u>-</u>	<u>-</u>	<u>420,567</u>
Total liabilities	<u>296</u>	<u>-</u>	<u>2,941</u>	<u>2,760,131</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred items related to pensions	-	-	44	44
Unamortized gain on refunding	-	-	-	16,175
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>44</u>	<u>16,219</u>
<b>NET POSITION</b>				
Net investment in capital assets	-	-	6,034	(51,048)
Restricted	-	105,053	-	333,343
Unrestricted	-	-	(2,491)	(131,184)
Total net position	<u>-</u>	<u>105,053</u>	<u>3,543</u>	<u>151,111</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 296</u>	<u>\$ 105,053</u>	<u>\$ 6,528</u>	<u>\$ 2,927,461</u>



**Southern California Public Power Authority**  
**Individual Statements of Net Position**  
**June 30, 2020**  
**(Amounts in Thousands)**

	MISCELLANEOUS			Total Combined
	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	
<b>ASSETS</b>				
Noncurrent assets				
Net utility plant	\$ -	\$ -	\$ 6,216	\$ 1,361,718
Investments – restricted	-	71,676	-	459,267
Investments – unrestricted	-	-	-	25,576
Advance to IPA – restricted	-	-	-	10,930
Fair value of derivative instruments	-	-	-	2,391
Prepaid and other assets	-	-	-	612,296
Total noncurrent assets	<u>-</u>	<u>71,676</u>	<u>6,216</u>	<u>2,472,178</u>
Current assets				
Cash and cash equivalents – restricted	745	46,303	-	231,517
Cash and cash equivalents – unrestricted	-	-	-	139,347
Interest receivable	-	244	-	1,517
Accounts receivable	-	-	-	20,626
Materials and supplies	-	-	-	24,901
Prepaid and other assets	-	-	-	63,618
Total current assets	<u>745</u>	<u>46,547</u>	<u>-</u>	<u>481,526</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	523	523
Unamortized loss on refunding	-	-	-	73,138
Reclamation and decommissioning obligation	-	-	-	41,124
Accumulated decrease in fair value of hedging derivatives	-	-	-	34,823
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>523</u>	<u>149,608</u>
Total assets and deferred outflows of resources	<u>\$ 745</u>	<u>\$ 118,223</u>	<u>\$ 6,739</u>	<u>\$ 3,103,312</u>
LIABILITIES				
Noncurrent liabilities				
Long-term debt	\$ -	\$ -	\$ -	\$ 2,250,650
Fair value of derivative instruments	-	-	-	52,677
Notes payable, other, net pension and OPEB liabilities	-	-	2,556	4,277
Advances from participants	-	-	-	17,008
Reclamation and decommissioning obligation	-	-	-	215,375
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>2,556</u>	<u>2,539,987</u>
Current liabilities				
Debt due within one year	-	-	-	138,215
Notes payable and other liabilities due within one year	-	-	-	19,891
Advances from participants due within one year	745	-	-	68,452
Accrued interest	-	-	-	36,015
Accounts payable and accruals	-	-	-	139,968
Accrued property tax	-	-	-	2,987
Total current liabilities	<u>745</u>	<u>-</u>	<u>-</u>	<u>405,528</u>
Total liabilities	<u>745</u>	<u>-</u>	<u>2,556</u>	<u>2,945,515</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	66	66
Unamortized gain on refunding	-	-	-	16,619
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>66</u>	<u>16,685</u>
NET POSITION				
Net investment in capital assets	-	-	6,216	(98,519)
Restricted	-	118,223	-	369,753
Unrestricted	-	-	(2,099)	(130,122)
Total net position	<u>-</u>	<u>118,223</u>	<u>4,117</u>	<u>141,112</u>
Total liabilities, deferred inflow of resources, and net position	<u>\$ 745</u>	<u>\$ 118,223</u>	<u>\$ 6,739</u>	<u>\$ 3,103,312</u>

**Southern California Public Power Authority**  
**Individual Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	GENERATION				
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power
Operating revenues					
Sales of electric energy	\$ 66,387	\$ 204	\$ 106,250	\$ 27,305	\$ 126,461
Sales of transmission services	-	-	-	-	-
Sales of natural gas	-	-	-	-	-
Total operating revenues	<u>66,387</u>	<u>204</u>	<u>106,250</u>	<u>27,305</u>	<u>126,461</u>
Operating expenses					
Operations and maintenance	37,913	204	86,480	9,931	99,413
Depreciation, depletion, and amortization	23,011	-	11,028	9,773	16,322
Amortization of nuclear fuel	13,124	-	-	-	-
Decommissioning	1,260	-	-	-	367
Total operating expenses	<u>75,308</u>	<u>204</u>	<u>97,508</u>	<u>19,704</u>	<u>116,102</u>
Operating income (loss)	<u>(8,921)</u>	<u>-</u>	<u>8,742</u>	<u>7,601</u>	<u>10,359</u>
Non operating revenues (expenses)					
Investment and other income	1,293	(132)	203	39	473
Inflation of decommissioning liability	(9,335)	-	-	-	(539)
Derivative gain (loss)	-	-	6,619	-	-
Debt expense	-	-	(8,542)	(9,052)	(11,013)
Net non operating revenues (expenses)	<u>(8,042)</u>	<u>(132)</u>	<u>(1,720)</u>	<u>(9,013)</u>	<u>(11,079)</u>
Change in net position	(16,963)	(132)	7,022	(1,412)	(720)
Net position – beginning of year	<u>356,271</u>	<u>642</u>	<u>(78,033)</u>	<u>(58,867)</u>	<u>4,818</u>
Net contributions (distributions) by participants	-	-	-	-	-
Net position – end of year	<u>\$ 339,308</u>	<u>\$ 510</u>	<u>\$ (71,011)</u>	<u>\$ (60,279)</u>	<u>\$ 4,098</u>

**Southern California Public Power Authority**  
**Individual Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2020**  
**(Amounts in Thousands)**

	GENERATION				
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power
Operating revenues					
Sales of electric energy	\$ 65,685	\$ 181	\$ 85,462	\$ 24,808	\$ 108,605
Sales of transmission services	-	-	-	-	-
Sales of natural gas	-	-	-	-	-
Total operating revenues	<u>65,685</u>	<u>181</u>	<u>85,462</u>	<u>24,808</u>	<u>108,605</u>
Operating expenses					
Operations and maintenance	39,596	183	61,034	8,538	82,005
Depreciation, depletion, and amortization	22,426	-	11,066	9,761	15,850
Amortization of nuclear fuel	13,799	-	-	-	-
Decommissioning	1,260	-	-	-	367
Total operating expenses	<u>77,081</u>	<u>183</u>	<u>72,100</u>	<u>18,299</u>	<u>98,222</u>
Operating income (loss)	<u>(11,396)</u>	<u>(2)</u>	<u>13,362</u>	<u>6,509</u>	<u>10,383</u>
Non operating revenues (expenses)					
Investment and other income	6,033	190	1,231	353	487
Inflation of decommissioning liability	(1,111)	-	-	-	(64)
Derivative gain (loss)	-	-	(7,762)	-	-
Debt expense	-	-	(12,506)	(10,128)	(11,275)
Net non operating revenues (expenses)	<u>4,922</u>	<u>190</u>	<u>(19,037)</u>	<u>(9,775)</u>	<u>(10,852)</u>
Change in net position	(6,474)	188	(5,675)	(3,266)	(469)
Net position – beginning of year	<u>362,745</u>	<u>454</u>	<u>(72,358)</u>	<u>(55,601)</u>	<u>5,287</u>
Net contributions (distributions) by participants	-	-	-	-	-
Net position – end of year	<u>\$ 356,271</u>	<u>\$ 642</u>	<u>\$ (78,033)</u>	<u>\$ (58,867)</u>	<u>\$ 4,818</u>

**Southern California Public Power Authority**  
**Individual Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	GREEN POWER				
	Tieton Hydropower	Milford I Wind	Milford II Wind	Windy Point	Linden Wind Energy
Operating revenues					
Sales of electric energy	\$ 6,561	\$ 29,962	\$ 17,362	\$ 70,148	\$ 14,254
Sales of transmission services	-	-	-	-	-
Sales of natural gas	-	-	-	-	-
Total operating revenues	<u>6,561</u>	<u>29,962</u>	<u>17,362</u>	<u>70,148</u>	<u>14,254</u>
Operating expenses					
Operations and maintenance	3,536	26,712	15,476	72,772	5,630
Depreciation, depletion, and amortization	1,633	-	-	-	5,814
Amortization of nuclear fuel	-	-	-	-	-
Decommissioning	23	-	-	-	23
Total operating expenses	<u>5,192</u>	<u>26,712</u>	<u>15,476</u>	<u>72,772</u>	<u>11,467</u>
Operating income (loss)	<u>1,369</u>	<u>3,250</u>	<u>1,886</u>	<u>(2,624)</u>	<u>2,787</u>
Non operating revenues (expenses)					
Investment and other income	11	17	6	16	821
Inflation of decommissioning liability	(46)	-	-	-	(38)
Derivative gain (loss)	-	-	-	-	-
Debt expense	(1,067)	(782)	(4,196)	(2,780)	(2,998)
Net non operating revenues (expenses)	<u>(1,102)</u>	<u>(765)</u>	<u>(4,190)</u>	<u>(2,764)</u>	<u>(2,215)</u>
Change in net position	267	2,485	(2,304)	(5,388)	572
Net position – beginning of year	<u>(6,116)</u>	<u>(17,405)</u>	<u>(8,766)</u>	<u>(41,901)</u>	<u>(12,836)</u>
Net contributions (distributions) by participants	-	-	-	-	-
Net position – end of year	<u>\$ (5,849)</u>	<u>\$ (14,920)</u>	<u>\$ (11,070)</u>	<u>\$ (47,289)</u>	<u>\$ (12,264)</u>

**Southern California Public Power Authority**  
**Individual Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2020**  
**(Amounts in Thousands)**

	GREEN POWER				
	Tieton Hydropower	Milford I Wind	Milford II Wind	Windy Point	Linden Wind Energy
Operating revenues					
Sales of electric energy	\$ 7,624	\$ 28,922	\$ 19,463	\$ 79,044	\$ 16,045
Sales of transmission services	-	-	-	-	-
Sales of natural gas	-	-	-	-	-
Total operating revenues	<u>7,624</u>	<u>28,922</u>	<u>19,463</u>	<u>79,044</u>	<u>16,045</u>
Operating expenses					
Operations and maintenance	4,026	24,704	15,453	66,765	6,847
Depreciation, depletion, and amortization	1,563	-	-	-	5,814
Amortization of nuclear fuel	-	-	-	-	-
Decommissioning	23	-	-	-	23
Total operating expenses	<u>5,612</u>	<u>24,704</u>	<u>15,453</u>	<u>66,765</u>	<u>12,684</u>
Operating income (loss)	<u>2,012</u>	<u>4,218</u>	<u>4,010</u>	<u>12,279</u>	<u>3,361</u>
Non operating revenues (expenses)					
Investment and other income	112	285	173	479	921
Inflation of decommissioning liability	(6)	-	-	-	(5)
Derivative gain (loss)	-	-	-	-	-
Debt expense	(2,558)	(3,478)	(4,792)	(13,784)	(5,363)
Net non operating revenues (expenses)	<u>(2,452)</u>	<u>(3,193)</u>	<u>(4,619)</u>	<u>(13,305)</u>	<u>(4,447)</u>
Change in net position	(440)	1,025	(609)	(1,026)	(1,086)
Net position – beginning of year	<u>(5,676)</u>	<u>(18,430)</u>	<u>(8,157)</u>	<u>(40,875)</u>	<u>(11,750)</u>
Net contributions (distributions) by participants	-	-	-	-	-
Net position – end of year	<u>\$ (6,116)</u>	<u>\$ (17,405)</u>	<u>\$ (8,766)</u>	<u>\$ (41,901)</u>	<u>\$ (12,836)</u>

**Southern California Public Power Authority**  
**Individual Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	TRANSMISSION		
	Southern Transmission System	Mead-Phoenix	Mead- Adelanto
Operating revenues			
Sales of electric energy	\$ -	\$ -	\$ -
Sales of transmission services	107,499	4,327	2,910
Sales of natural gas	-	-	-
Total operating revenues	<u>107,499</u>	<u>4,327</u>	<u>2,910</u>
Operating expenses			
Operations and maintenance	36,097	1,875	4,184
Depreciation, depletion, and amortization	22,754	2,783	6,246
Amortization of nuclear fuel	-	-	-
Decommissioning	-	-	-
Total operating expenses	<u>58,851</u>	<u>4,658</u>	<u>10,430</u>
Operating income (loss)	<u>48,648</u>	<u>(331)</u>	<u>(7,520)</u>
Non operating revenues (expenses)			
Investment and other income	14,958	1	4,393
Inflation of decommissioning liability	-	-	-
Derivative gain (loss)	-	-	-
Debt expense	<u>(15,678)</u>	<u>(371)</u>	<u>(386)</u>
Net non operating revenues (expenses)	<u>(720)</u>	<u>(370)</u>	<u>4,007</u>
Change in net position	47,928	(701)	(3,513)
Net position – beginning of year	<u>(172,260)</u>	<u>25,008</u>	<u>75,163</u>
Net contributions (distributions) by participants	<u>-</u>	<u>-</u>	<u>-</u>
Net position – end of year	<u>\$ (124,332)</u>	<u>\$ 24,307</u>	<u>\$ 71,650</u>

**Southern California Public Power Authority**  
**Individual Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2020**  
**(Amounts in Thousands)**

	TRANSMISSION		
	Southern Transmission System	Mead-Phoenix	Mead- Adelanto
Operating revenues			
Sales of electric energy	\$ -	\$ -	\$ -
Sales of transmission services	117,701	9,292	22,670
Sales of natural gas	-	-	-
Total operating revenues	<u>117,701</u>	<u>9,292</u>	<u>22,670</u>
Operating expenses			
Operations and maintenance	50,273	2,250	3,446
Depreciation, depletion, and amortization	22,754	2,783	6,239
Amortization of nuclear fuel	-	-	-
Decommissioning	-	-	-
Total operating expenses	<u>73,027</u>	<u>5,033</u>	<u>9,685</u>
Operating income (loss)	<u>44,674</u>	<u>4,259</u>	<u>12,985</u>
Non operating revenues (expenses)			
Investment and other income	9,684	113	424
Inflation of decommissioning liability	-	-	-
Derivative gain (loss)	-	-	1,297
Debt expense	<u>(17,053)</u>	<u>(803)</u>	<u>(2,325)</u>
Net non operating revenues (expenses)	<u>(7,369)</u>	<u>(690)</u>	<u>(604)</u>
Change in net position	37,305	3,569	12,381
Net position – beginning of year	<u>(209,565)</u>	<u>21,439</u>	<u>62,782</u>
Net contributions (distributions) by participants	-	-	-
Net position – end of year	<u>\$ (172,260)</u>	<u>\$ 25,008</u>	<u>\$ 75,163</u>

**Southern California Public Power Authority**  
**Individual Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	NATURAL GAS		
	Pinedale	Barnett	Prepaid Natural Gas
Operating revenues			
Sales of electric energy	\$ -	\$ -	\$ -
Sales of transmission services	-	-	-
Sales of natural gas	4,397	7,876	22,303
Total operating revenues	<u>4,397</u>	<u>7,876</u>	<u>22,303</u>
Operating expenses			
Operations and maintenance	1,132	2,110	12,009
Depreciation, depletion, and amortization	3,030	3,300	-
Amortization of nuclear fuel	-	-	-
Decommissioning	38	9	-
Total operating expenses	<u>4,200</u>	<u>5,419</u>	<u>12,009</u>
Operating income (loss)	<u>197</u>	<u>2,457</u>	<u>10,294</u>
Non operating revenues (expenses)			
Investment and other income	239	40	758
Inflation of decommissioning liability	(76)	(16)	-
Derivative gain (loss)	-	-	-
Debt expense	(776)	(1,826)	(14,682)
Net non operating revenues (expenses)	<u>(613)</u>	<u>(1,802)</u>	<u>(13,924)</u>
Change in net position	(416)	655	(3,630)
Net position – beginning of year	<u>3,861</u>	<u>33,033</u>	<u>(83,848)</u>
Net contributions (distributions) by participants	-	-	-
Net position – end of year	<u>\$ 3,445</u>	<u>\$ 33,688</u>	<u>\$ (87,478)</u>



**Southern California Public Power Authority**  
**Individual Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2020**  
**(Amounts in Thousands)**

	NATURAL GAS		
	Pinedale	Barnett	Prepaid Natural Gas
Operating revenues			
Sales of electric energy	\$ -	\$ -	\$ -
Sales of transmission services	-	-	-
Sales of natural gas	4,765	8,437	21,482
Total operating revenues	<u>4,765</u>	<u>8,437</u>	<u>21,482</u>
Operating expenses			
Operations and maintenance	1,146	2,223	11,927
Depreciation, depletion, and amortization	2,929	3,740	-
Amortization of nuclear fuel	-	-	-
Decommissioning	38	9	-
Total operating expenses	<u>4,113</u>	<u>5,972</u>	<u>11,927</u>
Operating income (loss)	<u>652</u>	<u>2,465</u>	<u>9,555</u>
Non operating revenues (expenses)			
Investment and other income	46	480	784
Inflation of decommissioning liability	(9)	(2)	-
Derivative gain (loss)	-	-	-
Debt expense	(862)	(2,027)	(15,056)
Net non operating revenues (expenses)	<u>(825)</u>	<u>(1,549)</u>	<u>(14,272)</u>
Change in net position	(173)	916	(4,717)
Net position – beginning of year	<u>4,034</u>	<u>32,117</u>	<u>(79,131)</u>
Net contributions (distributions) by participants	-	-	-
Net position – end of year	<u>\$ 3,861</u>	<u>\$ 33,033</u>	<u>\$ (83,848)</u>

**Southern California Public Power Authority**  
**Individual Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended June 30, 2021 and 2020**  
**(Amounts in Thousands)**

	<u>POWER PURCHASE AGREEMENTS</u>	
	<u>2021</u>	<u>2020</u>
Operating revenues		
Sales of electric energy	<u>\$ 366,346</u>	<u>\$ 348,977</u>
Total operating revenues	<u>366,346</u>	<u>348,977</u>
Operating expenses		
Operations and maintenance	<u>366,652</u>	<u>350,509</u>
Total operating expenses	<u>366,652</u>	<u>350,509</u>
Operating income (loss)	<u>(306)</u>	<u>(1,532)</u>
Non operating revenues (expenses)		
Investment and other income	<u>299</u>	<u>1,365</u>
Net non operating revenues (expenses)	<u>299</u>	<u>1,365</u>
Change in net position	(7)	(167)
Net position – beginning of year	<u>8</u>	<u>175</u>
Net position – end of year	<u><u>\$ 1</u></u>	<u><u>\$ 8</u></u>

**Southern California Public Power Authority**  
**Individual Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	MISCELLANEOUS			Total Combined
	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	
Operating revenues				
Sales of electric energy	\$ -	\$ -	\$ -	\$ 831,240
Sales of transmission services	-	-	-	114,736
Sales of natural gas	-	-	-	34,576
Total operating revenues	-	-	-	980,552
Operating expenses				
Operations and maintenance	-	-	206	782,332
Depreciation, depletion, and amortization	-	-	182	105,876
Amortization of nuclear fuel	-	-	-	13,124
Decommissioning	-	-	-	1,720
Pension and other benefits expense (credit)	-	-	392	392
Total operating expenses	-	-	780	903,444
Operating income (loss)	-	-	(780)	77,108
Non operating revenues (expenses)				
Investment and other income	-	131	206	23,772
Inflation of decommissioning liability	-	-	-	(10,050)
Derivative gain (loss)	-	-	-	6,619
Debt expense	-	-	-	(74,149)
Net non operating revenues (expenses)	-	131	206	(53,808)
Change in net position	-	131	(574)	23,300
Net position – beginning of year	-	118,223	4,117	141,112
Net contributions (distributions) by participants	-	(13,301)	-	(13,301)
Net position – end of year	\$ -	\$ 105,053	\$ 3,543	\$ 151,111

**Southern California Public Power Authority**  
**Individual Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2020**  
**(Amounts in Thousands)**

	MISCELLANEOUS			Total Combined
	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	
Operating revenues				
Sales of electric energy	\$ -	\$ -	\$ -	\$ 784,816
Sales of transmission services	-	-	-	149,663
Sales of natural gas	-	-	-	34,684
Total operating revenues	-	-	-	969,163
Operating expenses				
Operations and maintenance	-	-	214	731,139
Depreciation, depletion, and amortization	-	-	182	105,107
Amortization of nuclear fuel	-	-	-	13,799
Decommissioning	-	-	-	1,720
Pension and other benefits expense (credit)	-	-	269	269
Total operating expenses	-	-	665	852,034
Operating income (loss)	-	-	(665)	117,129
Non operating revenues (expenses)				
Investment and other income	-	2,615	214	25,989
Inflation of decommissioning liability	-	-	-	(1,197)
Derivative gain (loss)	-	-	-	(6,465)
Debt expense	-	-	-	(102,010)
Net nonoperating revenues (expenses)	-	2,615	214	(83,683)
Change in net position	-	2,615	(451)	33,446
Net position – beginning of year	3	135,102	4,563	127,158
Net contributions (distributions) by participants	(3)	(19,494)	5	(19,492)
Net position – end of year	\$ -	\$ 118,223	\$ 4,117	\$ 141,112

**Southern California Public Power Authority**  
**Individual Statements of Cash Flows**  
**For the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	GENERATION				
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power
Cash flows from operating activities					
Receipts from participants	\$ 57,198	\$ 480	\$ 57,957	\$ 24,691	\$ 66,204
Receipts from sale of oil and gas	-	-	-	-	-
Payments to operating managers	(38,535)	(253)	(54,746)	(4,266)	(42,321)
Other disbursements and receipts	-	30	(5)	-	453
Net cash flows provided by (used for) operating activities	<u>18,663</u>	<u>257</u>	<u>3,206</u>	<u>20,425</u>	<u>24,336</u>
Cash flows from noncapital financing activities					
Advances (withdrawals) by participants, net	-	-	-	-	-
Cash flows from capital financing activities					
Additions to plant and prepaid projects, net	(25,285)	-	(53)	(250)	(6,573)
Debt interest and swap payments	-	-	(9,108)	(5,351)	(11,892)
Proceeds from sale of bonds	-	-	-	293,201	-
Payment for defeasance of revenue bonds	-	-	-	(229,816)	-
Payments for swap termination fee	-	-	-	-	-
Transfer of funds from (to) Escrow	-	-	-	(69,340)	-
Principal payments on debt	-	-	(7,800)	(8,185)	(9,920)
Payment for bond issue costs	-	-	(127)	(1,206)	-
Net cash used for capital and related financing activities	<u>(25,285)</u>	<u>-</u>	<u>(17,088)</u>	<u>(20,947)</u>	<u>(28,385)</u>
Cash flows from investing activities					
Interest received on investments	62	3	106	54	7
Purchases of investments	(52,486)	-	(108,004)	(23,667)	(56,935)
Proceeds from sale/maturity of investments	54,634	-	74,370	20,506	45,800
Net cash provided by (used for) investing activities	<u>2,210</u>	<u>3</u>	<u>(33,528)</u>	<u>(3,107)</u>	<u>(11,128)</u>
Net increase (decrease) in cash and cash equivalents	(4,412)	260	(47,410)	(3,629)	(15,177)
Cash and cash equivalents, beginning of year	<u>18,746</u>	<u>133</u>	<u>62,538</u>	<u>8,000</u>	<u>24,774</u>
Cash and cash equivalents, end of year	<u>\$ 14,334</u>	<u>\$ 393</u>	<u>\$ 15,128</u>	<u>\$ 4,371</u>	<u>\$ 9,597</u>
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ (8,921)	\$ -	\$ 8,742	\$ 7,601	\$ 10,359
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation, depletion and amortization	23,011	-	11,028	9,773	16,322
Decommissioning	1,260	-	-	-	367
Amortization of nuclear fuel	13,124	-	-	-	-
Changes in assets and liabilities					
Accounts receivable	(275)	-	348	1,104	(4,034)
Accounts payable and accruals	(9,671)	257	913	8,437	(8,848)
Other	135	-	(17,825)	(6,490)	10,170
Net cash provided by (used for) operating activities	<u>\$ 18,663</u>	<u>\$ 257</u>	<u>\$ 3,206</u>	<u>\$ 20,425</u>	<u>\$ 24,336</u>
Cash and cash equivalents as stated in the Individual Statements of Net Position					
Cash and cash equivalents – restricted	\$ 7,689	\$ -	\$ 13,147	\$ 4,002	\$ 6,711
Cash and cash equivalents – unrestricted	6,645	393	1,981	369	2,886
	<u>\$ 14,334</u>	<u>\$ 393</u>	<u>\$ 15,128</u>	<u>\$ 4,371</u>	<u>\$ 9,597</u>

**Southern California Public Power Authority**  
**Individual Statements of Cash Flows**  
**For the Year Ended June 30, 2020**  
**(Amounts in Thousands)**

	GENERATION				
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power
Cash flows from operating activities					
Receipts from participants	\$ 64,862	\$ 109	\$ 49,488	\$ 22,800	\$ 70,260
Receipts from sale of oil and gas	-	-	-	-	-
Payments to operating managers	(39,282)	(164)	(29,279)	(4,144)	(35,498)
Other disbursements and receipts	1,133	(32)	3	(1)	16
Net cash flows provided by (used for) operating activities	<u>26,713</u>	<u>(87)</u>	<u>20,212</u>	<u>18,655</u>	<u>34,778</u>
Cash flows from noncapital financing activities					
Advances (withdrawals) by participants, net	-	-	-	-	-
Cash flows from capital financing activities					
Additions to plant and prepaid projects, net	(30,604)	-	(440)	(420)	(8,029)
Debt interest and swap payments	-	-	(9,199)	(8,459)	(12,128)
Proceeds from sale of bonds	-	-	250,305	-	-
Payment for defeasance of revenue bonds	-	-	(250,374)	-	-
Payment for swap termination fee	-	-	(9,644)	-	-
Principal payments on debt	-	-	(7,560)	(7,835)	(9,710)
Payment for bond issue costs	-	-	(981)	-	-
Net cash used for capital and related financing activities	<u>(30,604)</u>	<u>-</u>	<u>(27,893)</u>	<u>(16,714)</u>	<u>(29,867)</u>
Cash flows from investing activities					
Interest received on investments	640	3	1,179	149	286
Purchases of investments	(42,982)	-	(63,736)	(22,299)	(26,968)
Proceeds from sale/maturity of investments	50,710	-	119,939	13,359	31,208
Net cash provided by (used for) investing activities	<u>8,368</u>	<u>3</u>	<u>57,382</u>	<u>(8,791)</u>	<u>4,526</u>
Net increase (decrease) in cash and cash equivalents	4,477	(84)	49,701	(6,850)	9,437
Cash and cash equivalents, beginning of year	14,269	217	12,837	14,850	15,337
Cash and cash equivalents, end of year	<u>\$ 18,746</u>	<u>\$ 133</u>	<u>\$ 62,538</u>	<u>\$ 8,000</u>	<u>\$ 24,774</u>
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ (11,396)	\$ (2)	\$ 13,362	\$ 6,509	\$ 10,383
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation, depletion, and amortization	22,426	-	11,066	9,761	15,850
Decommissioning	1,260	-	-	-	367
Amortization of nuclear fuel	13,799	-	-	-	-
Changes in assets and liabilities					
Accounts receivable	(57)	-	(913)	(1,147)	1
Accounts payable and accruals	434	(85)	(2,489)	156	2,635
Other	247	-	(814)	3,376	5,542
Net cash provided by (used for) operating activities	<u>\$ 26,713</u>	<u>\$ (87)</u>	<u>\$ 20,212</u>	<u>\$ 18,655</u>	<u>\$ 34,778</u>
Cash and cash equivalents as stated in the Individual Statements of Net Position					
Cash and cash equivalents – restricted	\$ 6,406	\$ -	\$ 43,510	\$ 7,641	\$ 17,123
Cash and cash equivalents – unrestricted	12,340	133	19,028	359	7,651
	<u>\$ 18,746</u>	<u>\$ 133</u>	<u>\$ 62,538</u>	<u>\$ 8,000</u>	<u>\$ 24,774</u>

See accompanying notes.

**Southern California Public Power Authority**  
**Individual Statements of Cash Flows**  
**For the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	GREEN POWER				
	Tieton Hydropower	Milford I Wind	Milford II Wind	Windy Point	Linden Wind Energy
Cash flows from operating activities					
Receipts from participants	\$ 7,326	\$ 23,782	\$ 18,635	\$ 81,036	\$ 17,484
Receipts from sale of oil and gas					
Payments to operating managers	(3,689)	(15,114)	(6,847)	(45,082)	(5,762)
Other disbursements and receipts	1	(1)	-	237	1
Net cash flows provided by operating activities	<u>3,638</u>	<u>8,667</u>	<u>11,788</u>	<u>36,191</u>	<u>11,723</u>
Cash flows from noncapital financing activities					
Advances (withdrawals) by participants, net	-	-	-	-	-
Cash flows from capital financing activities					
Additions to plant and prepaid projects, net	(234)	-	-	-	-
Debt interest and swap payments	(1,212)	(5,394)	(5,691)	(8,112)	(2,961)
Proceeds from sale of bonds	-	-	98,711	-	-
Payment for defeasance of revenue bonds	-	-	-	-	-
Transfer of funds from (to) Escrow	-	-	(108,222)	-	-
Principal payments on debt	(1,050)	(5,975)	(7,000)	(1,650)	(815)
Payment for bond issue costs	(164)	(2)	(594)	-	(1)
Net cash used for capital and related financing activities	<u>(2,660)</u>	<u>(11,371)</u>	<u>(22,796)</u>	<u>(9,762)</u>	<u>(3,777)</u>
Cash flows from investing activities					
Interest received on investments	2	17	3	4	3
Purchases of investments	(5,069)	(29,341)	(9,196)	(39,849)	(12,441)
Proceeds from sale/maturity of investments	2,930	23,630	16,098	14,800	4,400
Net cash provided by investing activities	<u>(2,137)</u>	<u>(5,694)</u>	<u>6,905</u>	<u>(25,045)</u>	<u>(8,038)</u>
Net increase (decrease) in cash and cash equivalents	(1,159)	(8,398)	(4,103)	1,384	(92)
Cash and cash equivalents, beginning of year	4,008	14,984	9,703	9,030	6,372
Cash and cash equivalents, end of year	<u>\$ 2,849</u>	<u>\$ 6,586</u>	<u>\$ 5,600</u>	<u>\$ 10,414</u>	<u>\$ 6,280</u>
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ 1,369	\$ 3,250	\$ 1,886	\$ (2,624)	\$ 2,787
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation, depletion and amortization	1,633	-	-	-	5,814
Decommissioning	23	-	-	-	23
Amortization of nuclear fuel	-	-	-	-	-
Changes in assets and liabilities					
Accounts receivable	-	-	-	(5,307)	(405)
Accounts payable and accruals	434	(6,197)	1,258	16,794	3,097
Other	179	11,614	8,644	27,328	407
Net cash provided by operating activities	<u>\$ 3,638</u>	<u>\$ 8,667</u>	<u>\$ 11,788</u>	<u>\$ 36,191</u>	<u>\$ 11,723</u>
Cash and cash equivalents as stated in the Individual Statements of Net Position					
Cash and cash equivalents – restricted	\$ 1,224	\$ 5,038	\$ 925	\$ 9,354	\$ 4,406
Cash and cash equivalents – unrestricted	1,625	1,548	4,675	1,060	1,874
	<u>\$ 2,849</u>	<u>\$ 6,586</u>	<u>\$ 5,600</u>	<u>\$ 10,414</u>	<u>\$ 6,280</u>

**Southern California Public Power Authority**  
**Individual Statements of Cash Flows**  
**For the Year Ended June 30, 2020**  
**(Amounts in Thousands)**

	GREEN POWER				
	Tieton Hydropower	Milford I Wind	Milford II Wind	Windy Point	Linden Wind Energy
Cash flows from operating activities					
Receipts from participants	\$ 7,512	\$ 39,851	\$ 18,898	\$ 82,797	\$ 16,866
Receipts from sale of oil and gas	-	-	-	-	-
Payments to operating managers	(3,514)	(13,125)	(6,810)	(40,057)	(6,698)
Other disbursements and receipts	1	1	(1)	-	-
Net cash flows provided by operating activities	<u>3,999</u>	<u>26,727</u>	<u>12,087</u>	<u>42,740</u>	<u>10,168</u>
Cash flows from noncapital financing activities					
Advances (withdrawals) by participants, net	-	-	-	-	-
Cash flows from capital financing activities					
Additions to plant and prepaid projects, net	(431)	-	-	-	-
Debt interest and swap payments	(2,336)	(5,191)	(6,030)	(17,462)	(5,306)
Proceeds from sale of bonds	33,557	135,733	-	311,075	61,310
Payment for defeasance of revenue bonds	(37,245)	(160,293)	-	(349,568)	(65,549)
Principal payments on debt	(1,000)	(10,570)	(6,665)	(23,040)	(4,335)
Payment for bond issue costs	(245)	(687)	-	(677)	(530)
Net cash used for capital and related financing activities	<u>(7,700)</u>	<u>(41,008)</u>	<u>(12,695)</u>	<u>(79,672)</u>	<u>(14,410)</u>
Cash flows from investing activities					
Interest received on investments	119	317	106	348	52
Purchases of investments	(944)	(12,284)	(13,130)	(21,387)	(6,533)
Proceeds from sale/maturity of investments	5,995	31,522	15,216	50,741	11,180
Net cash provided by (used for) investing activities	<u>5,170</u>	<u>19,555</u>	<u>2,192</u>	<u>29,702</u>	<u>4,699</u>
Net increase (decrease) in cash and cash equivalents	1,469	5,274	1,584	(7,230)	457
Cash and cash equivalents, beginning of year	<u>2,539</u>	<u>9,710</u>	<u>8,119</u>	<u>16,260</u>	<u>5,915</u>
Cash and cash equivalents, end of year	<u>\$ 4,008</u>	<u>\$ 14,984</u>	<u>\$ 9,703</u>	<u>\$ 9,030</u>	<u>\$ 6,372</u>
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ 2,012	\$ 4,218	\$ 4,010	\$ 12,279	\$ 3,361
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation, depletion, and amortization	1,563	-	-	-	5,814
Decommissioning	23	-	-	-	23
Amortization of nuclear fuel	-	-	-	-	-
Changes in assets and liabilities					
Accounts receivable	145	3,265	-	(1)	(405)
Accounts payable and accruals	418	7,985	(566)	3,362	969
Other	(162)	11,259	8,643	27,100	406
Net cash provided by operating activities	<u>\$ 3,999</u>	<u>\$ 26,727</u>	<u>\$ 12,087</u>	<u>\$ 42,740</u>	<u>\$ 10,168</u>
Cash and cash equivalents as stated in the Individual Statements of Net Position					
Cash and cash equivalents – restricted	\$ 3,016	\$ 10,436	\$ 6,786	\$ 3,211	\$ 3,910
Cash and cash equivalents – unrestricted	992	4,548	2,917	5,819	2,462
	<u>\$ 4,008</u>	<u>\$ 14,984</u>	<u>\$ 9,703</u>	<u>\$ 9,030</u>	<u>\$ 6,372</u>



**Southern California Public Power Authority**  
**Individual Statements of Cash Flows**  
**For the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	TRANSMISSION		
	Southern Transmission System	Mead-Phoenix	Mead-Adelanto
	System		
Cash flows from operating activities			
Receipts from participants	\$ 133,715	\$ 4,601	\$ 5,940
Receipts from sale of oil and gas	-	-	-
Payments to operating managers	(51,755)	(2,060)	(6,944)
Other disbursements and receipts	9	2	3,681
Net cash flows provided by operating activities	<u>81,969</u>	<u>2,543</u>	<u>2,677</u>
Cash flows from noncapital financing activities			
Advances (withdrawals) by participants, net	-	-	-
Cash flows from capital financing activities			
Additions to plant and prepaid projects, net	-	(216)	(181)
Debt interest and swap payments	(16,430)	(950)	(1,363)
Proceeds from sale of bonds	-	-	-
Payment for defeasance of revenue bonds	-	-	-
Transfer of funds from (to) Escrow	-	-	-
Principal payments on debt	(59,900)	(5,990)	(17,110)
Payment for bond issue costs	-	-	-
Net cash used for capital and related financing activities	<u>(76,330)</u>	<u>(7,156)</u>	<u>(18,654)</u>
Cash flows from investing activities			
Interest received on investments	350	-	2
Purchases of investments	(79,273)	(700)	(12,697)
Proceeds from sale/maturity of investments	57,821	3,850	18,650
Net cash provided by (used for) investing activities	<u>(21,102)</u>	<u>3,150</u>	<u>5,955</u>
Net increase (decrease) in cash and cash equivalents	<u>(15,463)</u>	<u>(1,463)</u>	<u>(10,022)</u>
Cash and cash equivalents, beginning of year	<u>41,293</u>	<u>3,830</u>	<u>12,259</u>
Cash and cash equivalents, end of year	<u>\$ 25,830</u>	<u>\$ 2,367</u>	<u>\$ 2,237</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 48,648	\$ (331)	\$ (7,520)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation, depletion and amortization	22,754	2,783	6,246
Decommissioning	-	-	-
Amortization of nuclear fuel	-	-	-
Changes in assets and liabilities			
Accounts receivable	(5,726)	179	4
Accounts payable and accruals	16,288	(74)	(49)
Other	5	(14)	3,996
Net cash provided by operating activities	<u>\$ 81,969</u>	<u>\$ 2,543</u>	<u>\$ 2,677</u>
Cash and cash equivalents as stated in the Individual Statements of Net Position			
Cash and cash equivalents – restricted	\$ 23,724	\$ 1,371	\$ 1,510
Cash and cash equivalents – unrestricted	<u>2,106</u>	<u>996</u>	<u>727</u>
	<u>\$ 25,830</u>	<u>\$ 2,367</u>	<u>\$ 2,237</u>

**Southern California Public Power Authority**  
**Individual Statements of Cash Flows**  
**For the Year Ended June 30, 2020**  
**(Amounts in Thousands)**

	TRANSMISSION		
	Southern Transmission System	Mead-Phoenix	Mead-Adelanto
	System		
Cash flows from operating activities			
Receipts from participants	\$ 129,348	\$ 9,258	\$ 22,551
Receipts from sale of oil and gas	-	-	-
Payments to operating managers	(57,372)	(2,349)	(2,745)
Other disbursements and receipts	779	53	177
Net cash flows provided by operating activities	<u>72,755</u>	<u>6,962</u>	<u>19,983</u>
Cash flows from noncapital financing activities			
Advances (withdrawals) by participants, net	-	-	-
Cash flows from capital financing activities			
Additions to plant and prepaid projects, net	-	(116)	(179)
Debt interest and swap payments	(18,665)	(1,214)	(3,005)
Proceeds from sale of bonds	-	-	-
Payment for defeasance of revenue bonds	-	-	-
Principal payments on debt	(48,730)	(7,365)	(21,565)
Payment for bond issue costs	-	-	-
Net cash used for capital and related financing activities	<u>(67,395)</u>	<u>(8,695)</u>	<u>(24,749)</u>
Cash flows from investing activities			
Interest received on investments	983	29	101
Purchases of investments	(54,141)	(5,019)	(23,564)
Proceeds from sale/maturity of investments	62,594	4,900	28,058
Net cash provided by investing activities	<u>9,436</u>	<u>(90)</u>	<u>4,595</u>
Net increase (decrease) in cash and cash equivalents	14,796	(1,823)	(171)
Cash and cash equivalents, beginning of year	26,497	5,653	12,430
Cash and cash equivalents, end of year	<u>\$ 41,293</u>	<u>\$ 3,830</u>	<u>\$ 12,259</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 44,674	\$ 4,259	\$ 12,985
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation, depletion, and amortization	22,754	2,783	6,239
Decommissioning	-	-	-
Amortization of nuclear fuel	-	-	-
Changes in assets and liabilities			
Accounts receivable	(3,632)	(130)	818
Accounts payable and accruals	578	(4)	(236)
Other	8,381	54	177
Net cash provided by operating activities	<u>\$ 72,755</u>	<u>\$ 6,962</u>	<u>\$ 19,983</u>
Cash and cash equivalents as stated in the Individual Statements of Net Position			
Cash and cash equivalents – restricted	\$ 40,527	\$ 3,118	\$ 11,482
Cash and cash equivalents – unrestricted	766	712	777
	<u>\$ 41,293</u>	<u>\$ 3,830</u>	<u>\$ 12,259</u>

**Southern California Public Power Authority**  
**Individual Statements of Cash Flows**  
**For the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	NATURAL GAS		
	Pinedale	Barnett	Prepaid Natural Gas
Cash flows from operating activities			
Receipts from participants	\$ 2,733	\$ 5,941	\$ 8,874
Receipts from sale of oil and gas	497	1,210	13,707
Payments to operating managers	(1,177)	(1,558)	(647)
Other disbursements and receipts	252	-	-
Net cash flows provided by operating activities	<u>2,305</u>	<u>5,593</u>	<u>21,934</u>
Cash flows from noncapital financing activities			
Advances (withdrawals) by participants, net	853	(9)	-
Cash flows from capital financing activities			
Additions to plant and prepaid projects, net	(21)	(19)	-
Debt interest and swap payments	(819)	(1,926)	(14,303)
Proceeds from sale of bonds	-	-	-
Payment for defeasance of revenue bonds	-	-	-
Transfer of funds from (to) Escrow	-	-	-
Principal payments on debt	(1,522)	(3,573)	(7,725)
Payment for bond issue costs	-	-	-
Net cash used for capital and related financing activities	<u>(2,362)</u>	<u>(5,518)</u>	<u>(22,028)</u>
Cash flows from investing activities			
Interest received on investments	1	55	753
Purchases of investments	(2,799)	(75,860)	(18,381)
Proceeds from sale/maturity of investments	3,350	63,309	17,786
Net cash provided by (used for) investing activities	<u>552</u>	<u>(12,496)</u>	<u>158</u>
Net increase (decrease) in cash and cash equivalents	1,348	(12,430)	64
Cash and cash equivalents, beginning of year	6,162	20,822	5,270
Cash and cash equivalents, end of year	<u>\$ 7,510</u>	<u>\$ 8,392</u>	<u>\$ 5,334</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 197	\$ 2,457	\$ 10,294
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation, depletion, and amortization	3,030	3,300	-
Decommissioning	38	9	-
Amortization of nuclear fuel	-	-	-
Changes in assets and liabilities			
Accounts receivable	(15)	(157)	(58)
Accounts payable and accruals	(1,096)	584	(22)
Other	151	(600)	11,720
Net cash provided by operating activities	<u>\$ 2,305</u>	<u>\$ 5,593</u>	<u>\$ 21,934</u>
Cash and cash equivalents as stated in the Individual Statements of Net Position			
Cash and cash equivalents – restricted	\$ 3,425	\$ 6,233	\$ 5,026
Cash and cash equivalents – unrestricted	4,085	2,159	308
	<u>\$ 7,510</u>	<u>\$ 8,392</u>	<u>\$ 5,334</u>

**Southern California Public Power Authority**  
**Individual Statements of Cash Flows**  
**For the Year Ended June 30, 2020**  
**(Amounts in Thousands)**

	NATURAL GAS		
	Pinedale	Barnett	Prepaid Natural Gas
Cash flows from operating activities			
Receipts from participants	\$ 2,990	\$ 5,958	\$ 8,551
Receipts from sale of oil and gas	582	1,180	12,944
Payments to operating managers	(1,820)	(2,782)	(345)
Other disbursements and receipts	1	-	-
Net cash flows provided by operating activities	<u>1,753</u>	<u>4,356</u>	<u>21,150</u>
Cash flows from noncapital financing activities			
Advances (withdrawals) by participants, net	<u>(1,390)</u>	<u>46</u>	<u>-</u>
Cash flows from capital financing activities			
Additions to plant and prepaid projects, net	(3)	(27)	-
Debt interest and swap payments	(907)	(2,134)	(14,675)
Proceeds from sale of bonds	-	-	-
Payment for defeasance of revenue bonds	-	-	-
Principal payments on debt	(1,627)	(3,818)	(6,445)
Payment for bond issue costs	-	-	-
Net cash used for capital and related financing activities	<u>(2,537)</u>	<u>(5,979)</u>	<u>(21,120)</u>
Cash flows from investing activities			
Interest received on investments	47	503	789
Purchases of investments	(546)	(35,223)	(17,685)
Proceeds from sale/maturity of investments	-	45,600	17,063
Net cash provided by (used for) investing activities	<u>(499)</u>	<u>10,880</u>	<u>167</u>
Net increase (decrease) in cash and cash equivalents	(2,673)	9,303	197
Cash and cash equivalents, beginning of year	<u>8,835</u>	<u>11,519</u>	<u>5,073</u>
Cash and cash equivalents, end of year	<u>\$ 6,162</u>	<u>\$ 20,822</u>	<u>\$ 5,270</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 652	\$ 2,465	\$ 9,555
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation, depletion, and amortization	2,929	3,740	-
Decommissioning	38	9	-
Amortization of nuclear fuel	-	-	-
Changes in assets and liabilities			
Accounts receivable	(15)	331	(66)
Accounts payable and accruals	(640)	(1,503)	32
Other	(1,211)	(686)	11,629
Net cash provided by operating activities	<u>\$ 1,753</u>	<u>\$ 4,356</u>	<u>\$ 21,150</u>
Cash and cash equivalents as stated in the Individual Statements of Net Position			
Cash and cash equivalents – restricted	\$ 3,240	\$ 19,076	\$ 4,974
Cash and cash equivalents – unrestricted	<u>2,922</u>	<u>1,746</u>	<u>296</u>
	<u>\$ 6,162</u>	<u>\$ 20,822</u>	<u>\$ 5,270</u>

See accompanying notes.

**Southern California Public Power Authority**  
**Individual Statements of Cash Flows**  
**For the Years Ended June 30, 2021 and 2020**  
**(Amounts in Thousands)**

	POWER PURCHASE AGREEMENTS	
	2021	2020
Cash flows from operating activities		
Receipts from participants	\$ 319,862	\$ 306,864
Receipts from sale of oil and gas	-	-
Payments to operating managers	(336,941)	(325,393)
Other disbursements and receipts	14,892	11,547
Net cash flows provided by (used for) operating activities	<u>(2,187)</u>	<u>(6,982)</u>
Cash flows from noncapital financing activities		
Advances (withdrawals) by participants, net	<u>-</u>	<u>-</u>
Cash flows from investing activities		
Interest received on investments	24	698
Purchases of investments	(18,606)	(33,437)
Proceeds from sale/maturity of investments	19,611	67,195
Net cash provided by (used for) investing activities	<u>1,029</u>	<u>34,456</u>
Net increase (decrease) in cash and cash equivalents	(1,158)	27,474
Cash and cash equivalents, beginning of year	<u>75,892</u>	<u>48,418</u>
Cash and cash equivalents, end of year	<u>\$ 74,734</u>	<u>\$ 75,892</u>
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	\$ (306)	\$ (1,532)
Changes in assets and liabilities		
Accounts receivable	(3,424)	(5,406)
Accounts payable and accruals	1,182	(1,245)
Other	361	1,201
Net cash provided by (used for) operating activities	<u>\$ (2,187)</u>	<u>\$ (6,982)</u>
Cash and cash equivalents as stated in the Individual Statements of Net Position		
Cash and cash equivalents – restricted	\$ 7	\$ 13
Cash and cash equivalents – unrestricted	<u>74,727</u>	<u>75,879</u>
	<u>\$ 74,734</u>	<u>\$ 75,892</u>

**Southern California Public Power Authority**  
**Individual Statements of Cash Flows**  
**For the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	MISCELLANEOUS			
	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	Total Combined
	Fund	Fund	Fund	Fund
Cash flows from operating activities				
Receipts from participants	\$ -	\$ -	\$ -	\$ 836,459
Receipts from sale of oil and gas	-	-	-	15,414
Payments to operating managers	-	-	-	(617,697)
Other disbursements and receipts	-	-	(206)	19,346
Net cash flows provided by (used for) operating activities	-	-	(206)	253,522
Cash flows from noncapital financing activities				
Advances (withdrawals) by participants, net	(637)	(13,301)	206	(12,888)
Cash flows from capital financing activities				
Additions to plant and prepaid projects, net	-	-	-	(32,832)
Debt interest and swap payments	-	-	-	(85,512)
Proceeds from sale of bonds	-	-	-	391,912
Payment for defeasance of revenue bonds	-	-	-	(229,816)
Transfer of funds from (to) Escrow	-	-	-	(177,562)
Principal payments on debt	-	-	-	(138,215)
Payment for bond issue costs	-	-	-	(2,094)
Net cash used for capital and related financing activities	-	-	-	(274,119)
Cash flows from investing activities				
Interest received on investments	-	599	-	2,045
Purchases of investments	-	(147,891)	-	(693,195)
Proceeds from sale/maturity of investments	-	125,498	-	567,043
Net cash provided by investing activities	-	(21,794)	-	(124,107)
Net increase (decrease) in cash and cash equivalents	(637)	(35,095)	-	(157,592)
Cash and cash equivalents, beginning of year	745	46,303	-	370,864
Cash and cash equivalents, end of year	<u>\$ 108</u>	<u>\$ 11,208</u>	<u>\$ -</u>	<u>\$ 213,272</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ -	\$ -	\$ (780)	\$ 77,108
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation, depletion and amortization	-	-	182	105,876
Decommissioning	-	-	-	1,720
Amortization of nuclear fuel	-	-	-	13,124
Pension and other benefits expense	-	-	392	392
Changes in assets and liabilities				
Accounts receivable	-	-	-	(17,766)
Accounts payable and accruals	-	-	-	23,287
Other	-	-	-	49,781
Net cash provided by (used for) operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (206)</u>	<u>\$ 253,522</u>
Cash and cash equivalents as stated in the Individual Statements of Net Position				
Cash and cash equivalents – restricted	\$ 108	\$ 11,208	\$ -	\$ 105,108
Cash and cash equivalents – unrestricted	-	-	-	108,164
	<u>\$ 108</u>	<u>\$ 11,208</u>	<u>\$ -</u>	<u>\$ 213,272</u>

**Southern California Public Power Authority**  
**Individual Statements of Cash Flows**  
**For the Year Ended June 30, 2020**  
**(Amounts in Thousands)**

	MISCELLANEOUS			Total Combined
	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	
Cash flows from operating activities				
Receipts from participants	\$ -	\$ -	\$ -	\$ 858,963
Receipts from sale of oil and gas	-	-	-	14,706
Payments to operating managers	-	-	-	(571,377)
Other disbursements and receipts	-	-	(214)	13,463
Net cash flows provided by (used for) operating activities	-	-	(214)	315,755
Cash flows from noncapital financing activities				
Advances (withdrawals) by participants, net	(4,926)	(19,493)	214	(25,549)
Cash flows from capital financing activities				
Additions to plant and prepaid projects, net	-	-	(1)	(40,250)
Debt interest and swap payments	-	-	-	(106,711)
Proceeds from sale of bonds	-	-	-	791,980
Payment for defeasance of revenue bonds	-	-	-	(863,029)
Payments for swap termination fee	-	-	-	(9,644)
Principal payments on debt	-	-	-	(160,265)
Payment for bond issue costs	-	-	-	(3,120)
Net cash used for capital and related financing activities	-	-	(1)	(391,039)
Cash flows from investing activities				
Interest received on investments	-	1,681	-	8,030
Purchases of investments	-	(137,758)	-	(517,636)
Proceeds from sale/maturity of investments	-	178,168	-	733,448
Net cash provided by (used for) investing activities	-	42,091	-	223,842
Net increase (decrease) in cash and cash equivalents	(4,926)	22,598	(1)	123,009
Cash and cash equivalents, beginning of year	5,671	23,705	1	247,855
Cash and cash equivalents, end of year	<u>\$ 745</u>	<u>\$ 46,303</u>	<u>\$ -</u>	<u>\$ 370,864</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ -	\$ -	\$ (665)	\$ 117,129
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation, depletion, and amortization	-	-	182	105,107
Decommissioning	-	-	-	1,720
Amortization of nuclear fuel	-	-	-	13,799
Pension and other benefits expense	-	-	269	269
Changes in assets and liabilities				
Accounts receivable	-	-	-	(7,212)
Accounts payable and accruals	-	-	-	9,801
Other	-	-	-	75,142
Net cash provided by (used for) operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (214)</u>	<u>\$ 315,755</u>
Cash and cash equivalents as stated in the Individual Statements of Net Position				
Cash and cash equivalents – restricted	\$ 745	\$ 46,303	\$ -	\$ 231,517
Cash and cash equivalents – unrestricted	-	-	-	139,347
	<u>\$ 745</u>	<u>\$ 46,303</u>	<u>\$ -</u>	<u>\$ 370,864</u>

# Southern California Public Power Authority

## Notes to Financial Statements

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### Note 1 – Organization and Purpose

The Southern California Public Power Authority (the Authority or SCPPA), a public entity organized under the laws of the State of California, was formed by a Joint Powers Agreement dated as of November 1, 1980 pursuant to the Joint Exercise of Powers Act of the State of California. The Authority's participants consist of eleven municipal electric utilities, namely Los Angeles, Anaheim, Riverside, Vernon, Azusa, Banning, Colton, Burbank, Glendale, Pasadena, and Cerritos, and one irrigation district--Imperial Irrigation District, in the State of California. The Authority was formed for the purpose of planning, financing, developing, acquiring, constructing, operating and maintaining projects for the generation, transmission, and procurement of electric energy and natural gas for sale to its participants. The Joint Powers Agreement has a term expiring in 2030 or such later date as all bonds and notes of the Authority and the interest thereon have been paid in full or adequate provision for payments have been made.

The Authority has interests in the following projects:

### GENERATION PROJECTS

**Palo Verde Project** – On August 14, 1981, the Authority purchased a 5.91% interest in the Palo Verde Nuclear Generating Station (PVNGS), a 3,810 MW nuclear-fueled generating station near Phoenix, Arizona, a 5.44% ownership interest in the Arizona Nuclear Power Project High Voltage Switchyard (ANPP HVS), and a 6.55% share of the right to use certain portions of the Arizona Nuclear Power Project Valley Transmission System (collectively, the Palo Verde Project). Units 1, 2 and 3 of the Palo Verde Project began commercial operations in January 1986, September 1986, and January 1988, respectively.

Since inception of the ANPP HVS capital additions, new terminations, and other events have successively changed the respective ownership interests in the ANPP HVS. In fiscal year 2011, the PVNGS fourth transformer became the 14th termination in the ANPP HVS, and caused the Authority's proportional ownership percentage to change from 5.56% to 5.44%. This change became effective on April 1, 2011.

Units 1, 2, and 3 each operated under a 40-year Full-Power Operating License from the Nuclear Regulatory Commission (NRC), expiring in 2025, 2026, and 2027, respectively. In April 2011, after a detailed, two-year process, the NRC approved the application to extend the operating licenses for all three units for an additional 20 years, allowing Unit 1 to operate through 2045, Unit 2 through 2046, and Unit 3 through 2047.

**San Juan Project** – On July 1, 1993, the Authority purchased a 41.80% interest in Unit 3 and related common facilities of the San Juan Generating Station (SJGS) from Century Power Corporation. Unit 3, a 497-MW unit, is one unit of a four-unit coal-fired power generating station in New Mexico.



## Southern California Public Power Authority

### Notes to Financial Statements

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#### **Note 1 – Organization and Purpose (continued)**

On July 31, 2015, the SCPPA Board of Directors (the Board) approved Resolution No. 2015-076 authorizing the San Juan Generating Station Restructuring Agreement (the Restructuring Agreement). The Restructuring Agreement required the SJGS owners to shut down SJGS Units 2 and 3 on December 31, 2017 per an agreement with the Environmental Protection Agency (EPA) and allowed those SJGS owners wishing to divest coal ownership in Units 3 and 4, to transfer their ownership interests to the plant operator and largest SJGS owner, Public Service Company of New Mexico (PNM).

To consummate the necessary transactions to enable the Authority and other SJGS owners to divest or terminate their ownership in the Project and allow other SJGS owners to retain or increase their ownership in the Project, the SJGS owners have negotiated and developed a comprehensive set of binding agreements collectively called SJGS Restructuring Agreements, including:

- Restructuring Agreement, whereby, among other things, the Authority and the SJGS owners divest their ownership interests in the Project and the other SJGS owners retain or increase their ownership in the Project;
- Amended and Restated Mine Reclamation and Trust Funds Agreement (the Mine Reclamation Agreement), whereby the Authority and the other SJGS owners agree to amend the current Mine Reclamation and Trust Funds Agreement to provide for additional trust funds by means of a trust arrangement wherein such funds shall be held in trust for the purpose of funding the mine reclamation costs;
- San Juan Decommissioning and Trust Funds Agreement (the Decommissioning Agreement), whereby the Authority and other SJGS owners agreed to establish a methodology for planning and approving Decommissioning Work and funding and allocating the cost of Decommissioning Work;
- Restructuring Amendment Amending and Restating the Amended and Restated San Juan Project Participation Agreement (the SJPPA Restructuring Amendment) regarding rights and obligations in respect of the ownership and operation of the San Juan Project for the period prior to the divestiture on or after December 31, 2017; and
- Exit Date Amendment Amending and Restating the Amended and Restated San Juan Project Participation Agreement (the SJPPA Exit Date Amendment), whereby the Authority and the other SJGS owners will amend certain provisions of the SJPPA regarding rights and obligations in respect of the ownership and operation of the San Juan Project for the period after the divestiture on or after December 31, 2017.

On July 20, 2017, the Board approved Resolution No. 2017-073 authorizing SCPPA's divestiture of its ownership interest in the SJGS on the exit date, December 31, 2017. To complete the divestiture of SCPPA's SJGS ownership under the Restructuring Agreement, SCPPA executed nine agreements collectively called SJGS Divestiture Agreements, including:

- Assignment Assumption Termination and Release Agreement (AATRA) whereby SCPPA and the other SJGS owners are approving the transfer of PNMR Development and Management Corporation (PNMR-D) shares to PNM;

# Southern California Public Power Authority

## Notes to Financial Statements

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### Note 1 – Organization and Purpose (continued)

- New Exit Date Amendment to the SJPPA, amendment to the document governing all operations of SJGS to reflect the change in ownership from PNMR-D to PNM approved in the AATRA;
- Amended and Restated Designated Representative Agreement (ARDA), to restate the designation to PNM as the representative to report the emissions from the SJGS under the Clean Air Act programs after the Exit Date. The Authority and the other Exiters signed the ARDA for the sole purpose of acknowledging that, while they are parties to the Prior Designated Representative Agreement, they are not parties to the ARDA for operations past the exit date, December 31, 2017;
- Amended and Restated North American Electric Reliability Corporation (NERC) Delegation Agreement, to amend the Original Delegation Agreement to reflect the Exiters leaving ownership positions in the SJGS, and the Remainders affirming their delegation to PNM to comply with the generator operator reliability standards;
- Instrument of Sale and Conveyance, whereby SCPPA transfers all of its interests in SJGS to PNM on the exit date, December 31, 2017;
- SCPPA-Tucson Electric Power Company (TEP)-Tri-State Generation and Transmission Associations, Inc. (Tri-State) Interconnection Agreement Termination (ITA), whereby among other things, the agreement terminates SCPPA's rights in interconnection to the TEP System at the SJGS that had been transferred to SCPPA for the life of Unit 3;
- SCPPA-TEP-TRI-State Assumption Agreement Termination (AAT), whereby, among other things, the AAT terminates SCPPA's use rights in the Unit 3 step-up transformer;
- SCPPA Termination of Easement and License (TEL), whereby, among other things, the TEL terminates SCPPA's rights on the exit date, December 31, 2017, as an owner to the entirety of the SJGS plant site; and
- Template Decommissioning Trust Funds Agreement, whereby all SJGS owners agree that they will use this template to establish decommissioning trust funds to prepay their decommissioning liabilities per the Restructuring Agreement.

The SJGS Divestiture Agreements facilitated the Authority's divestiture of its ownership interest in the SJGS and did not commit the Authority to a project with potentially significant impact on the environment. SJGS Unit 3 has permanently ceased operations in December 2017. However, the Authority retains certain liabilities for a share of the environmental (mine reclamation) and plant decommissioning costs of SJGS Unit 3.

**Magnolia Power Project** – Magnolia Power Project (the Project) consists of a combined-cycle natural gas-fired electric generating plant with a nominally rated net capacity of 242 MW and auxiliary facilities located in Burbank, California. The Project is the first that is wholly owned by the Authority and entitlements to 100% of the capacity and energy of the Project have been sold to six of its members.

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 1 – Organization and Purpose (continued)

The City of Burbank, a Project participant, acted as the Project Manager during construction and is the Operating Agent for the Project. The commercial operation date for the Project was September 22, 2005.

- **Gas Supply and Services Agreement** – SCPPA entered into an agreement with Occidental Energy Marketing, Inc. (OEMI) beginning January 2005. This agreement is renewed each year unless notification is given by either party prior to December 31 of each year. OEMI provides 100% of the natural gas plant requirements on a daily basis, and also includes an option for the participants to bring in their own gas supply. In addition, OEMI provides gas balancing services. However, OEMI provided notice of termination on December 2, 2019 effective June 30, 2020. SCPPA replaced OEMI with Conoco Phillips for the same services.
- **Natural Gas Transportation** – SCPPA has an agreement with Southern California Gas Company (SoCalGas) for intrastate transmission services. The agreement took effect in January 2005 and will renew every year unless a cancellation notice is provided by the Authority. SoCalGas provides transportation, storage, and balancing services of natural gas from the Southern California Border to the Magnolia Plant.
- **Parts and Special Services Agreement** – SCPPA entered into an 18-year agreement with General Electric International (GEI) in September 2005. Initially, the agreement covered only the gas turbine, but the agreement was amended in August 2007 to include coverage for the gas generator, the steam turbine, and the steam generator. In 2015, a second amendment was executed and adjusted the overall term from 96,000 fired factored hours (FFH) to 112,000 FFH due to the installation of longer interval rated components. Due to this, the major maintenance intervals were extended from every three years to every four years and the second amendment would have resulted in conclusion of the agreement in early 2021. On May 17, 2019, a third amendment was executed adding 96,000 FFH of operation beyond the prior agreement. It is now estimated to conclude in 2033 at a total of 208,000 FFH. GEI provides planned and unplanned maintenance, including replacement parts, based on fired factored hours.

**Canyon Power Project** – The Canyon Power Project (the Project) consists of a simple cycle, natural gas-fired power generating plant, comprised of four General Electric LM 6000PC Sprint combustion turbines, with a combined nominally rated net peaking capacity of 200 MW, and auxiliary facilities located on approximately 10 acres of land within an industrial area of the city of Anaheim, California (Anaheim). The Project is owned by the Authority and operated and maintained by Anaheim. Completion of the Project occurred in 2011. The Project commenced commercial operation on September 15, 2011.

# Southern California Public Power Authority

## Notes to Financial Statements

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### Note 1 – Organization and Purpose (continued)

**Apex Power Project** – On March 26, 2014, the Authority acquired the Apex Power Project (the Project) pursuant to an Asset Purchase Agreement, dated as of October 17, 2013. The Project consists of a combined-cycle natural gas-fired electric generating facility (the Facility), nominally-rated at 531 MW, located in Clark County, Nevada, generator interconnection facilities, related assets and property, and interconnection and transmission contractual rights. The Facility is interconnected through a 3.13-mile 500 kV radial generation tie line owned by Nevada Power Company (NPC) that connects the Facility to the NPC's transmission system at its Harry Allen 500 kV Substation. The Los Angeles Department of Water & Power (LADWP) is the project manager and operating agent.

- **Operation and Maintenance (O&M) Agreement** – The Facility is operated by EthosEnergy Power Operations (West), LLC (EthosEnergy), formerly Wood Group Power Operations (West), Inc., pursuant to an Operations and Maintenance Agreement dated February 12, 2007. Under the O&M Agreement, EthosEnergy provides all operations, routine maintenance, budget control, purchasing, billing, and reporting for the operation of the Facility, other than the maintenance provided by General Electric International (GEI), under a long-term service agreement. EthosEnergy currently employs 26 people at the Facility for operation and maintenance purposes. The O&M Agreement initially between the Seller and EthosEnergy was assumed and amended by the Authority. The O&M Agreement expires in February 2023.
- **Large Generator Interconnection Agreement (LGIA)** – The LGIA between NPC and the Seller, dated July 1, 2001, provides for the interconnection of the Facility, and firm transmission service for the Facility output through a Firm Point-to-Point Transmission Service Agreement by and between NPC and LADWP as Agent for the Authority, dated in November 2015, with a point of delivery at the McCullough 500 kV Substation. The term of the Transmission Service Agreement extends to July 30, 2023. The Authority expects to renegotiate these agreements prior to their expiration date (with a term extension if it is economic) or to provide for alternative transmission service from the facility to the Crystal 500 kV Substation.
- **Long-Term Service Agreement** – Major maintenance, including parts supply, parts repair and labor for the Facility's combustion turbine generators and the steam turbine are provided pursuant to a Long-Term Service Agreement between the Seller and GEI, dated June 16, 2004. Although the contract term is tied to equipment run time, the Authority anticipates the contract to expire in 2023. After 2023, these services will either be self-supplied by LADWP or provided through another Long-Term Service Agreement although not necessarily with GEI.
- **Operational Balancing Authority Agreement and Letter Agreement** – The natural gas to fuel the Facility is provided by LADWP and delivered by facilities owned by the Kern River Gas Transmission Company through an Operational Balancing Authority Agreement and Letter Agreement.

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 1 – Organization and Purpose (continued)

- **Water Agreement** – Water for the facility is provided by Las Vegas Valley Water District pursuant to an agreement, dated June 5, 2001 and assigned to the Authority upon acquisition of the Facility. The Facility's acquisition date was on March 26, 2014. Unless extended, the Water Agreement expires on June 5, 2038.
- **Transmission Service Agreements (TSAs)** – Under the TSAs, NPC currently provides transmission services to deliver the output of the Facility to the McCullough 500 kV Substation. The rates, terms and conditions for such services are regulated by the Federal Energy Regulatory Commission pursuant to NPC's open access transmission tariff. Changes to the rates are not accurately predictable and subject to numerous factors unrelated to the Project.

LADWP, as the operating agent, will administer, supervise, monitor, and enforce all the preceding agreements in accordance with the Agency Agreement.

#### GREEN POWER PROJECTS

**Tieton Hydropower Project** – On November 30, 2009, the Authority acquired the Tieton Hydropower Plant (the Project) pursuant to an Asset Purchase Agreement, dated as of October 19, 2009. The Project consists of a 13.6 MW nameplate capacity "run of the reservoir" hydroelectric generation facility, comprised of a powerhouse located near Rimrock Lake in Yakima County, Washington, a 21-mile 115 kV transmission line, and related assets, property, and contractual rights.

- **Contractor Service Agreement** – SCPPA entered into an agreement with Energy Northwest on July 1, 2014 to direct the operations of the Tieton Hydropower facility and to provide certain technical services with respect to the operation and maintenance of the facility. In July 2018, the contract was amended for one additional year from July 1, 2018 to June 30, 2019. The contract was renewed for three additional years of service from July 1, 2019 to June 30, 2020, from July 1, 2020 to June 30, 2021, and from July 1, 2021 to June 30, 2022.
- **Facilities Maintenance Agreement** – SCPPA entered into an agreement with PacifiCorp to provide supervision, labor, materials, and equipment necessary to perform routine non-emergency maintenance of the facilities and routine vegetation management. The agreement started on April 28, 2010 and will continue for as long as the Interconnection Agreement is in effect, unless terminated by mutual agreement.
- **Small Generator Interconnection Agreement** – The Authority entered into an agreement with PacifiCorp to perform certain interconnection requests submitted under the Small Generator Interconnection Procedures. This agreement governs the terms and conditions under which SCPPA's Small Generating Facility will interconnect with PacifiCorp's Transmission System. The agreement became effective on November 30, 2009 and will remain in effect for a period of 10 years after which it will automatically renew for successive one-year periods, unless terminated by a 20-day written notice in accordance with this agreement.

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 1 – Organization and Purpose (continued)

**Milford I Wind Project** – On February 9, 2010, the Authority financed the prepayment of a specified quantity of energy from a wind farm located near Milford, Utah (the “Milford I Facility”) for a term of 20 years (unless earlier terminated). The Milford I Facility is a 203.5 MW nameplate capacity wind powered electric generating facility comprised of 97 wind turbines, together with an ownership interest in an 88-mile, 345 kV, transmission line, and other related facilities. Under the related power purchase agreements by and between the Authority and Milford Wind Corridor Phase I, LLC (the Seller), the Authority will receive 6.7 million MW hours over a 20-year delivery term. The Authority has also agreed to make monthly payments to the Seller for any energy delivered in each year that exceeds the guaranteed annual quantity of 338,215 MW hours. Commercial operation began on November 16, 2009.

**Milford II Wind Energy Project** – On August 25, 2011, the Authority financed the prepayment of a specified quantity of energy from the Milford Wind Corridor Phase II Project (the “Milford II Facility”), for a term of 20 years (unless earlier terminated) pursuant to a Power Purchase Agreement dated as of March 1, 2010. The Authority also entered into power sales agreements with LADWP and the City of Glendale (Glendale) to sell 100% of its entitlement to capacity and energy in the Milford II Facility on a “take-or-pay basis.” Through a separate layoff agreement, the City of Glendale has sold 100% of its entitlement to capacity and energy to LADWP, but remains responsible for all payments associated with its participation in the power sales agreement if LADWP fails to buy the energy pursuant to the layoff agreement. The Milford II Facility is a 102 MW nameplate capacity wind powered electric generating facility comprised of 68 wind turbines, together with an ownership interest in a 90-mile 345 kV, transmission line, and other related facilities located near Milford, Utah. Commercial operation began on May 2, 2011.

**Linden Wind Energy Project** – On September 15, 2010, the Authority acquired the Linden Wind Energy Project (the Project), pursuant to the terms of the Asset Purchase Agreement, dated as of June 23, 2009. The Project is a 50 MW nameplate capacity wind farm comprised of 25 wind turbines and related facilities, located near the town of Goldendale in Klickitat County, Washington. The Project was developed and constructed by Northwest Wind Partners, LLC. Energy from the Project is delivered to SCPPA through an Energy Exchange Agreement that redelivers production from the Project to the Pacific DC Intertie. The Authority also entered into power sales agreements with LADWP and Glendale to sell 100% of its entitlement to capacity and energy in the Project on a “take-or-pay” basis. Through a separate layoff agreement, the City of Glendale has sold 100% of its entitlement to capacity and energy to LADWP, but remains responsible for all payments associated with its participation in the power sales agreement if LADWP fails to buy the energy pursuant to the layoff agreement.

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 1 – Organization and Purpose (continued)

- **Operation and Maintenance Service Agreement** – SCPPA entered into a multi-year wind turbine O&M agreement with Servion Wind Energy Solutions (Servion) (formerly, REpower Systems AG) in February 2012. On February 10, 2020, Servion informed the Authority and LADWP that it would cease performing service under the O&M contract on February 29, 2020. Servion had previously filed for insolvency under German law and cited that German Insolvency Act, Section 103, as the basis for declaring non-performance under the contract. The Authority and LADWP enacted short-term agreements to continue operations of the facility without interruption. A request for proposals for a replacement O&M contractor was issued on February 24, 2020. On March 27, 2020, the Authority and LADWP selected the proposal from Vestas-American Wind Technology, Inc., for the long-term O&M replacement contract. The agreement was formally approved on February 18, 2021. Vestas mobilized shortly thereafter. Vestas performs fixed-fee services such as scheduled maintenance, periodic operational checks and tests, and regular preventative maintenance required on the wind turbine generators (WEC) in accordance with the maintenance manual. Vestas also performs remote monitoring services, repair services, and services related to the availability of the WEC.
  
- **Balance of Plant Agreement** – Cannon Power Services Company, LLC assumed responsibility for Balance of Plant (BOP) services at the Linden Wind Energy Project through an agreement with SCPPA that was executed on July 9, 2013 and was effective on September 3, 2013. This agreement provides maintenance and oversight services for the facility as a whole excluding specific maintenance for the wind turbines referenced above in “Operation and Maintenance Service Agreement”. The agreement with Cannon Power Services Company, LLC remains in effect until August 1, 2023.

**Windy Point/Windy Flats Project** – On September 9, 2010, the Authority financed the prepayment of a specified supply of energy from the Windy Point/Windy Flats Project (the Project) for an initial delivery term of 20 years, pursuant to the terms of a power purchase agreement, dated June 24, 2009. The Authority also entered into power sales agreements with LADWP and the City of Glendale to sell 100% of its entitlement to capacity and energy in the Project on a “take-or-pay” basis.

Through a separate layoff agreement, the City of Glendale sold 100% of its entitlement to capacity and energy to LADWP, but remains responsible for all payments associated with its participation in the power sales agreement if LADWP fails to buy the energy pursuant to the layoff agreement.

The Project is a wind farm facility with a 262.2 MW nameplate capacity comprised of 114 wind turbines located in the Columbia Hills area of Klickitat County, Washington near the city of Goldendale. The Project is owned and operated by Windy Flats Partners, LLC, a Delaware limited liability company. The initial delivery term began on the commercial operation date of the first of two phases of the facility. The first phase commenced operations on January 25, 2010 and the second phase on March 1, 2010.

# Southern California Public Power Authority

## Notes to Financial Statements

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### Note 1 – Organization and Purpose (continued)

#### TRANSMISSION PROJECTS

**Southern Transmission System Project** – On May 1, 1983, the Authority entered into an agreement with the Intermountain Power Agency (IPA), to defray all the costs of acquisition and construction of the Southern Transmission System Project (STS). IPA provides for the transmission of energy between the Southern California and the Rocky Mountain regional markets, including long-term renewable resources such as Milford I Wind and Milford II Wind, from the Intermountain Generating Station located in Utah to Southern California. STS commenced commercial operations in July 1986. Construction to upgrade two AC/DC converter stations and increase their combined rating from 1,920 MW to 2,400 MW was completed in May 2011. The LADWP, a member of the Authority, is the project manager and operating agent of the Intermountain Power Project (IPP).

The converter stations at each end of the STS will be replaced with new converter stations as part of the STS Renewal Project. Construction of the new converter stations is scheduled to begin in April 2023 with scheduled in-service in April 2026.

**Mead-Phoenix and Mead-Adelanto Projects – Authority Interest (Members)** – As of August 4, 1992, the Authority entered into an agreement to acquire an interest in the Mead-Phoenix Project (Mead-Phoenix), a transmission line extending between the Westwing substation in Arizona and the Marketplace substation in Nevada. The agreement provides the Authority with an 18.31% interest in the Westwing-Mead project component, a 17.76% interest in the Mead Substation project component, and a 22.41% interest in the Mead-Marketplace project component.

As of August 4, 1992, the Authority also entered into an agreement to acquire a 67.92% interest in the Mead-Adelanto Project (Mead-Adelanto), a transmission line extending between the Adelanto substation in Southern California and the Marketplace substation in Nevada. Funding for these projects was provided by a transfer of funds from the Multiple Project Fund, and commercial operations commenced in April 1996. LADWP is the project manager and operating agent of Mead-Adelanto.

**Mead-Phoenix and Mead-Adelanto Projects – Authority Interest (LADWP)** – On May 25, 2016 the Authority acquired all of M-S-R Public Power Agency's (MSR PPA) ownership interests and associated participation share and related rights and interests in the Mead-Adelanto (MA) and the Mead-Phoenix (MP) Projects on behalf of LADWP.

The Authority Interest (LADWP) in Mead-Adelanto and Mead-Phoenix, collectively the "Authority Interests" (LADWP), is separate and distinct from the Authority Interest (Members) and the Authority Interest (Western) in the existing MA and MP Projects. The acquisition represents an additional 17.5% ownership share in the MA Project, an additional 11.54% ownership share in the Westwing-Mead Component and an additional 8.10% ownership share in the Mead-Marketplace Component of the MP Project, pursuant to a Purchase and Sale Agreement dated August 31, 2015 between MSR PPA and the Authority. Pursuant to separate Transmission Service Contracts (LADWP), each dated as of March 17, 2016, LADWP is entitled to transmission services using 100% of the available capability of the Authority Interests (LADWP) in the MA and MP Projects.



## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 1 – Organization and Purpose (continued)

##### NATURAL GAS PROJECTS

**Pinedale Project** – On July 1, 2005, the Authority, together with LADWP and Turlock Irrigation District (TID), acquired 42.5% of an undivided working interest in three natural gas leases located in the Pinedale Anticline region of the State of Wyoming. The Authority's individual share in these interests equals 14.9%. The purchase includes 38 operating oil and gas wells, and associated lateral pipelines, equipment, permits, rights of way, and easements used in production. The natural gas field production is expected to increase for several more years as additional capital is invested on drilling new wells and then decline over a life expectancy greater than 30 years.

- **Joint Operating Agreement (JOA)** – In July 2005, SCPA's purchase of the natural gas reserve interests at Pinedale, Wyoming (Pinedale) included an underlying long-term JOA with the operator, Ultra Resources, Inc. (Ultra). SCPA pays the operator for SCPA's share of both operating and drilling/capital expenses on a monthly basis.

Ultra filed for Chapter 11 on April 29, 2016 after failing to reach a debt-restructuring agreement with its lenders and bondholders. Ultra continues as the Project Operator and has made no significant changes to the operation of the project. Currently, there is no effect on the participants of the Pinedale Project.

On September 14, 2020, the conditions to the effectiveness of Ultra's Chapter 11 Plan of Reorganization, which was confirmed by the United States Bankruptcy Court for the Southern District of Texas on August 22, 2020, were satisfied and Ultra emerged from its second bankruptcy. In addition, UP Energy LLC has changed its name to PureWest Energy, LLC effective in May 2021. Ultra is a wholly owned subsidiary of PureWest Energy, LLC.

- **Gathering and processing agreements** – SCPA's purchase of Pinedale included underlying agreements with Enterprise Jonah Gas Gathering Company, Tesoro Logistics, formerly Questar Gas Management Company, and Western Gas Resources, Inc. for gathering and processing of the natural gas. Effective June 1, 2014, Enterprise and SCPA entered into a new Gas Gathering Agreement.

**Barnett Project** – Natural gas resources in the Barnett shale geological formation in Texas were acquired from Collins and Young Holding, LLP (C&Y) for a total of \$84 million. The acquisition settled on October 26, 2006 and was completed on December 7, 2006 when the participants, together with TID, exercised their option to purchase additional resources from C&Y.

- **Joint Operating Agreement (JOA)** – In October 2006, SCPA's purchase of the natural gas reserve interests in Barnett, TX (Barnett) included an underlying long-term JOA with the operator, Devon Energy Production Company, LP. SCPA pays the operator for SCPA's share of both operating and drilling/capital expenses on a monthly basis.

# Southern California Public Power Authority

## Notes to Financial Statements

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### Note 1 – Organization and Purpose (continued)

**Prepaid Natural Gas Project** – On October 11, 2007, the Authority made a one-time prepayment of \$481 million to acquire the right to receive approximately 135 billion cubic feet of natural gas from J. Aron & Company (J. Aron) to be delivered over a 30-year term, beginning July 1, 2008. On October 3, 2007, prior to the acquisition of the prepaid gas supply, the Authority entered into five separate Prepaid Natural Gas Sales Agreements (the Gas Sales Agreements) with J. Aron and simultaneously, five Prepaid Natural Gas Supply Agreements (the Gas Supply Contracts) in which the Authority sold its interest in the natural gas, on a “take-and-pay” basis, to the cities of Anaheim, Burbank, Colton, Glendale, and Pasadena (the Project Participants). Through the Gas Supply Contracts, SCPPA has provided for the sale to the Project Participants, on a “pay-as-you-go” basis, of all of the natural gas to be delivered to SCPPA pursuant to the Gas Sales Agreements.

On October 22, 2009, the Prepaid Natural Gas Sales Agreements between the Authority and J. Aron and certain other agreements were restructured to reduce risk, provide an acceleration of a portion of the long-term savings, reduce the remaining volumes of gas to be delivered from 135 billion to 90 billion cubic feet, and shorten the overall duration of the agreements from 30 years to 27 years. As a result of the restructuring, the Natural Gas contracts will now expire in 2035 and \$165.5 million principal amount of the 2007 Natural Gas Project Bonds was discharged. On September 19, 2013, the transaction was further restructured to, among other things, (a) provide additional credit support for payments by three of the project participants by amending and restating the associated receivables purchase agreement and The Goldman Sachs Group, Inc. guaranty, (b) replace AIG-FP Broadgate Limited with Mitsubishi UFJ Securities International plc as the party to the Authority commodity swaps, and (c) create a custodial arrangement with respect to payments owed by J. Aron and guaranteed by The Goldman Sachs Group, Inc. or to J. Aron under corresponding J. Aron commodity swaps in order to mitigate the Authority’s credit exposure to Mitsubishi UFJ Securities International plc as the counterparty.

Under the Gas Supply Contracts, the approximate average Daily Quantity of gas to be purchased by each Project Participant is as follows:

Project Participant	Average Daily Quantity (1)		Participant Percentage (%)
	Revised Volumes	Original Volumes	
City of Anaheim	1,467	2,000	16.5%
City of Burbank	2,924	4,000	33.0%
City of Colton	1,007	1,375	11.0%
City of Glendale	2,015	2,750	23.0%
City of Pasadena	1,464	2,000	16.5%
Total	8,877	12,125	100.0%

(1) The Average Daily Quantity is in one million British Thermal Units (MMBtu) and is calculated over the term of the applicable Gas Supply Contracts. The contracts were restructured and volumes revised in October 2009.

## Southern California Public Power Authority Notes to Financial Statements

### Note 1 – Organization and Purpose (continued)

**Participant ownership interests** – As of June 30, 2021, the members have the following participation percentages in the Authority’s operating projects:

Participants	GENERATION					TRANSMISSION				
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power	Southern Transmission System	Mead-Phoenix (1992)	Mead-Adelanto (1992)	Mead-Phoenix (2016)	Mead-Adelanto (2016)
City of Los Angeles	67.0%	-	-	-	100.0%	59.5%	24.8%	35.7%	100.0%	100.0%
City of Anaheim	-	-	38.0%	100.0%	-	17.6%	24.2%	13.5%	-	-
City of Riverside	5.4%	-	-	-	-	10.2%	4.0%	13.5%	-	-
Imperial Irrigation District	6.5%	51.0%	-	-	-	-	-	-	-	-
City of Vernon	4.9%	-	-	-	-	-	-	-	-	-
City of Azusa	1.0%	14.7%	-	-	-	-	1.0%	2.2%	-	-
City of Banning	1.0%	9.8%	-	-	-	-	1.0%	1.3%	-	-
City of Colton	1.0%	14.7%	4.2%	-	-	-	1.0%	2.6%	-	-
City of Burbank	4.4%	-	31.0%	-	-	4.5%	15.4%	11.5%	-	-
City of Glendale	4.4%	9.8%	16.5%	-	-	2.3%	14.8%	11.1%	-	-
City of Cerritos	-	-	4.2%	-	-	-	-	-	-	-
City of Pasadena	4.4%	-	6.1%	-	-	5.9%	13.8%	8.6%	-	-
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Participants	GREEN POWER					NATURAL GAS			
	Tieton Hydro-power	Milford I Wind	Milford II Wind	Linden Wind Energy	Windy Point	Pinedale	Barnett	Prepaid Natural Gas	
City of Los Angeles	-	92.5%	95.1%	90.0%	92.4%	-	-	-	
City of Anaheim	-	-	-	-	-	35.7%	45.4%	16.5%	
City of Riverside	-	-	-	-	-	-	-	-	
Imperial Irrigation District	-	-	-	-	-	-	-	-	
City of Vernon	-	-	-	-	-	-	-	-	
City of Azusa	-	-	-	-	-	-	-	-	
City of Banning	-	-	-	-	-	-	-	-	
City of Colton	-	-	-	-	-	7.1%	9.1%	11.0%	
City of Burbank	50.0%	5.0%	-	-	-	14.3%	27.3%	33.0%	
City of Glendale	50.0%	-	4.9%	10.0%	7.6%	28.6%	-	23.0%	
City of Cerritos	-	-	-	-	-	-	-	-	
City of Pasadena	-	2.5%	-	-	-	14.3%	18.2%	16.5%	
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	

The Authority has entered into power sales, natural gas sales, and transmission service agreements with the above project participants. Under the terms of the contracts, the participants are entitled to power output, natural gas, or transmission service, as applicable. The participants are obligated to make payments on a “take-or-pay” basis for their proportionate share of operating and maintenance expenses and debt service. The contracts cannot be terminated or amended in any manner that will impair or adversely affect the rights of the bondholders as long as any bonds issued by the specific project remain outstanding.

# Southern California Public Power Authority

## Notes to Financial Statements

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### Note 1 – Organization and Purpose (continued)

The contracts expire as follows:

Palo Verde Project	various*
San Juan Project	2018**
Magnolia Power Project	2036
Canyon Power Project	2040
Apex Power Project	2038
Tieton Hydropower Project	2040
Milford I Wind Project	2030
Milford II Wind Project	2031
Linden Wind Energy Project	2035
Windy Point Project	2030
Southern Transmission System Project	2027
Mead-Phoenix Project	2030
Mead-Adelanto Project	2030
Natural Gas Pinedale Project	2032
Natural Gas Barnett Project	2032
Prepaid Natural Gas Project	2038

\*2045, 2046 and 2047 for Units 1, 2 and 3, respectively.

\*\*Decommissioning and Reclamation commenced in 2018.

The Authority's interests or entitlements in natural gas, generation, and transmission projects are jointly owned with other utilities, except for the Magnolia Power Project, Canyon Power Project, Apex Power Project, Tieton Hydropower Project, and the Linden Wind Energy Project, which are wholly owned by the Authority. Under these arrangements, a participating member has an undivided interest in a utility plant and is responsible for its proportionate share of the costs of construction and operation as well as entitled to its proportionate share of the energy, available transmission capacity, or natural gas produced. Each joint plant participant, including the Authority, is responsible for financing its share of construction and operating costs. The financial statements reflect the Authority's interest in each jointly owned project as well as the projects that it owns. Additionally, the Authority's share of expenses for each project is included in the statements of revenues, expenses, and changes in net position as part of operations and maintenance expenses.

### POWER PURCHASE AGREEMENTS

**Ormat Geothermal Energy Project** – The Authority, on behalf of Anaheim, Banning, Glendale, and Pasadena, entered into a power purchase agreement in December 2005 with divisions of Ormat Technologies, Inc. for 14 MW of net generating capacity. The project started delivery of approximately 5 MW in January 2006 from geothermal energy facilities located in Heber, California, and the agreements were amended to allow for excess capacity in May 2008. The City of Anaheim is the scheduling coordinator on behalf of the project participants. The commercial operation date was declared on June 18, 2006. The agreement expires on December 31, 2031. On May 7, 2021, the Authority received notice from the Seller terminating the agreement effective at the end of calendar year 2021. The termination is consistent with the provisions of the agreement.

## Southern California Public Power Authority

### Notes to Financial Statements

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#### **Note 1 – Organization and Purpose (continued)**

**MWD Small Hydro Project** – The Authority, on behalf of Anaheim, Azusa, and Colton, entered into a power purchase agreement for the output from four small hydroelectric plants in the Metropolitan Water District system in Southern California, for approximately 17 MW of generating capacity. Transmission is accomplished through the California Independent System Operator, with the City of Anaheim as the scheduling coordinator. The delivery commencement date for the project to the Authority was on November 1, 2008. The agreement expires on December 31, 2023.

**Pebble Springs Wind Project** – In December 2007, the Authority, on behalf of LADWP, Burbank, and Glendale, entered into a power purchase agreement for the facility output of a wind project with 99 MW, located in Gilliam County, Oregon. The Authority is now scheduling the energy through transmission agreements which bring the renewable energy from the project substation to the project participants. The term of the project is 18 years with a right of first offer to potentially purchase the entire project after the 10th contract year. The commercial operation date for the project was declared on January 31, 2009.

**Ameresco Chiquita Landfill Gas Project** – In March 2004, the Authority, on behalf of Burbank and Pasadena, entered into a power purchase agreement with Ameresco Chiquita Energy LLC, subsequently amended in September 2006, for 100% of the electric generation from a landfill gas to an energy facility located at the landfill site in Valencia, California (Ameresco Landfill Gas to Energy Project). This project will initially be for 10 MW with the right of first refusal on any increase in output. The commercial operation date for the project was declared on November 23, 2010. The agreement expires on November 22, 2030.

**Don A. Campbell/Wild Rose Geothermal Energy Project** – On December 31, 2012, the Authority, on behalf of LADWP and Burbank, entered into a power purchase agreement with Ormat Nevada, Inc. to purchase renewable geothermal energy from the Don A. Campbell/Wild Rose Facility (the Facility). The Facility is a geothermal power generating facility with a 16 MW net generating capacity and a 95 percent capacity factor located in Mineral County, Nevada. LADWP is the project manager and has balancing authority at the point of delivery of energy at the Mead 230kV Substation in Southern Nevada. Electricity from the project will be transmitted through Nevada Energy's transmission system that includes the new 500 kV One Nevada Transmission Line. The commercial operation date was declared on January 1, 2014. The agreement expires on January 1, 2034.

**Copper Mountain Solar 3 Project** – On August 31, 2012, the Authority, on behalf of LADWP and Burbank, entered into a power purchase agreement with Sempra U.S. Gas and Power (Sempra) to purchase certain renewable energy and associated environmental attributes from the Copper Mountain Solar 3 Facility. The Facility is a fixed tilt photovoltaic system with a capacity of 250 MW located near Boulder City, Nevada. On December 13, 2018, Consolidated Edison purchased the facility from Sempra. LADWP is the scheduling coordinator. The commercial operation date for the project was declared on April 8, 2015. The agreement expires on April 8, 2035.

# Southern California Public Power Authority

## Notes to Financial Statements

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### Note 1 – Organization and Purpose (continued)

**Columbia Two Solar Project** – On September 19, 2013, the Authority, on behalf of Riverside, Azusa, and Pasadena, entered into a power purchase agreement with RE Columbia Two, LLC to purchase all of the output of the Columbia 2 Solar Project and acquire other rights and resources, including but not limited to the purchase option and the rights under other ancillary agreements associated with the project. The project is a photovoltaic solar power generating facility located in Kern County, California with an expected nameplate capacity of 15 MW. The City of Riverside is the scheduling coordinator. The commercial operation date for the project was declared on December 19, 2014. The agreement expires on December 18, 2034.

**Don A. Campbell II Geothermal Energy Project** – On December 18, 2014, the Authority, on behalf of LADWP, entered into a power purchase agreement with ORNI 37 LLC to purchase renewable geothermal energy from the Don A. Campbell 2 Facility (DAC2) beginning December 31, 2016, for a 20-year term. The Facility is a geothermal power generating facility with a 16 MW nameplate capacity and a 95% capacity factor located in Mineral County, Nevada. LADWP is the project manager and has balancing authority at the point of delivery of energy at the Mead 230 kV Substation in Southern Nevada. Electricity from the Project will be transmitted through Nevada Energy's Transmission System that includes the new 500 kV One Nevada Transmission Line. Consequently, the Don A. Campbell/Wild Rose Facility is now called Don A. Campbell 1 to distinguish from the expansion, DAC2. The commercial operation date for the project was declared on September 17, 2015. The agreement expires on September 17, 2035.

**Heber-1 Geothermal Energy Project** – On May 31, 2013, the Authority, on behalf of LADWP and IID, entered into a power purchase agreement with Heber Geothermal Company for 46 MW of generating capacity. The facility is a geothermal power generating facility with a 62.5 MW gross nameplate capacity located in Imperial County, California. Global is the third-party scheduling coordinator. The commercial operation date for the project was declared on February 2, 2016. The agreement expires on February 2, 2026.

**Kingbird Solar B Project** – On September 19, 2013, the Authority, on behalf of Riverside, Azusa, and Colton, entered into a power purchase agreement with Kingbird Solar B, LLC for 20 MW of generating capacity. The project is a solar photovoltaic power generating facility located near Rosamond, California. The City of Riverside is the scheduling coordinator. The commercial operation date for the project was declared on April 30, 2016. The agreement expires on December 31, 2036, unless a one-time five-year extension is exercised.

**Springbok I Solar Farm Project** – On August 21, 2014, the Authority, on behalf of LADWP, entered into a power purchase agreement with 62 SK 8me, LLC for 105 MW of solar energy with all associated environmental attributes and photovoltaic generating capacity from the Springbok I Solar Farm located in western Kern County, California. The project is expected to have a measured initial generation capacity factor up to 34% with a 0.7% annual degradation. LADWP is the project manager. The commercial operation date for the project was declared on July 11, 2016. The agreement expires on July 10, 2041.

## Southern California Public Power Authority

### Notes to Financial Statements

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#### **Note 1 – Organization and Purpose (continued)**

**Astoria 2 Solar Project** – On July 23, 2014, the Authority, on behalf of Azusa, Banning, Colton and Vernon, entered into a power purchase agreement with Recurrent Energy for solar energy from the Astoria 2 Solar Project. The Authority is entitled to 35 MW of photovoltaic generating capacity from December 9, 2016 to December 31, 2021 and 45 MW of generating capacity from January 1, 2022 until the expiration of the agreement on December 31, 2036. Power and Water Resources Pooling Authority, Lodi, Corona, Moreno Valley, and Rancho Cucamonga are each buying the output of a separate portion of the facility, which is located in Kern County, California. The Authority has purchased options on the 10th, 15th, and 20th Contract Years. Commercial operation began in December 2016. The project is forecasted to start at a capacity factor of 31% with a 0.5% annual degradation. ACES Power Marketing is the third-party scheduling coordinator for the project.

**Summer Solar Project** – On November 15, 2012, the Authority, on behalf of Azusa, Pasadena and Riverside, entered into a power purchase agreement with Sustainable Power Group (“sPower”) for 20 MW of solar photovoltaic generating capacity from the Summer Solar Facility. The facility is located in Lancaster, California. The project is forecasted to start at a capacity factor of 28% with a 0.5% annual degradation. SCPA does not have purchase options on this project. The City of Riverside is the scheduling coordinator. The commercial operation date for the project was declared on July 25, 2016. The agreement expires on December 31, 2041.

**Springbok II Solar Farm Project** – On August 28, 2015, the Authority, on behalf of LADWP, entered into a power purchase agreement with 63SU 8me, LLC for 155 MW of solar photovoltaic generating capacity from the Springbok II Solar Farm located 70 miles north of Los Angeles in Kern County, California. The commercial operation date for the project was declared on September 6, 2016. The agreement expires on September 5, 2043, unless a one-time three-year extension is exercised. SCPA has an Early Buy Out option at the end of the 15th, 20th, 27th, and 30th Contract Years. The project is expected to start at a capacity factor of 33% with a 0.7% annual degradation. LADWP is the project manager.

**Antelope Big Sky Ranch Solar Project** – On November 15, 2012, the Authority, on behalf of Azusa, Pasadena, and Riverside, entered into a power purchase agreement with sPower for 20 MW of solar photovoltaic generating capacity from the Antelope Big Sky Ranch Facility. The facility is located near Lancaster, California. The project is expected to start at a capacity factor of 28% with a 0.5% annual degradation. SCPA has purchase options in the 10th, 15th, and 20th Contract Years. The City of Pasadena is the scheduling coordinator. The commercial operation date for the project was declared on August 19, 2016. The agreement expires on December 31, 2041.

**Antelope DSR I Solar Project** – On July 16, 2015, the Authority, on behalf of Riverside and Vernon, entered into a power purchase agreement with Antelope DSR 1, LLC for 50 MW solar photovoltaic generating capacity from the Antelope DSR 1 Solar Facility. The facility is located near Lancaster, California. The City of Riverside is the scheduling coordinator. The commercial operation date for the project was declared on December 20, 2015. The agreement expires on December 19, 2035.

# Southern California Public Power Authority

## Notes to Financial Statements

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### Note 1 – Organization and Purpose (continued)

**Antelope DSR II Solar Project** – On July 16, 2015, the Authority, on behalf of Azusa and Colton, entered into a power purchase agreement with Antelope DSR 2, LLC for 5 MW solar photovoltaic generating capacity from the Antelope DSR 2 Solar Facility. The facility is located near Lancaster, California. The City of Riverside is the scheduling coordinator. The commercial operation date for the project was declared on December 6, 2016. The agreement expires on December 5, 2036.

**Puente Hills Landfill Gas-to-Energy Project** – On June 25, 2014, the Authority, on behalf of Vernon, Banning, Colton, and Pasadena, entered into a power purchase agreement with County Sanitation District No. 2 of Los Angeles County for 46 MW of the electric generation from a landfill gas to energy facility, located at Whittier, California. The delivery commencement date for the project to the Authority was on January 1, 2017. The agreement expires on December 31, 2030.

**Ormat Northern Nevada Geothermal Project** – On October 20, 2016, the Authority, on behalf of LADWP, entered into a power purchase agreement for up to 185 MW of generating capacity, with ONGP, LLC, a subsidiary company of Ormat Technologies, Inc., based in Reno, Nevada. This project is comprised of a portfolio of generating stations to be phased in over time. The first facility began delivering energy to the Authority on December 1, 2017. The last facility of the portfolio is expected to be in commercial operation by the end of 2022. The first facility provided 24 MW on December 31, 2017. LADWP provides project management services. The agreement expires on December 31, 2043.

**Ormesa Geothermal Complex Energy Project** – On March 1, 2016, the Authority, on behalf of LADWP and IID, entered into a power purchase agreement with Ormesa, LLC, for 35 MW of net generating capacity. The project has a generating facility located in Imperial Valley, California. The delivery commencement date for the project to the Authority was on January 1, 2018. The agreement expires on December 31, 2042.

**ARP-Loyalton Biomass Project** – On April 2, 2018, the Authority, on behalf of LADWP, Anaheim, IID, and Riverside, entered into a power purchase agreement (PPA) for approximately 12 MW of generating capacity with ARP-Loyalton Cogen LLC, seller and developer of the existing biomass power generation facility in California. The commercial operation date for the project was declared on April 20, 2018. The agreement expires on April 19, 2023. In February 2020, the operator of the project, ARP-Loyalton Cogen LLC, and its parent company American Renewable Power LLC, filed petitions for relief under Chapter 11 of the Bankruptcy Code, but both cases have since been converted to Chapter 7 liquidation proceedings. On April 23, 2020, the Chapter 7 trustee entered into an agreement for the sale of the ARP-Loyalton Biomass Project to Sierra Valley Enterprises LLC, a California limited liability company, which sale included substantially all real property and personal property used in the operation of the project. The Bankruptcy Court subsequently approved the sale pursuant to an order entered on May 7, 2020. The current deadline for the Chapter 7 trustee to assume or reject the PPA is October 29, 2021.



## Southern California Public Power Authority

### Notes to Financial Statements

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#### **Note 1 – Organization and Purpose (continued)**

**Springbok III Solar Farm Project** – The Authority, on behalf of LADWP, entered into a power purchase agreement for 90 MW of generating capacity on December 17, 2015. The commercial operation date for the project was declared on July 19, 2019. The agreement expires on July 18, 2046, unless a one-time three-year extension is exercised.

**Whitegrass Geothermal Project** -- The Authority, on behalf of Glendale, entered into a power purchase agreement, for 3.0 MW of generating capacity on February 20, 2020. The Whitegrass No. 1 facility is located in Lyon County, Nevada. The delivery commencement date for the project to the Authority was on April 1, 2020. The agreement expires on December 31, 2045.

**Roseburg Biomass Project** -- The Authority, on behalf of LADWP, IID, and Anaheim, entered into a power purchase agreement, for 6.8 MW (out of a total generating capacity of 13.4 MW) pursuant to Senate Bill 859. The delivery commencement date was February 16, 2021. The term of the agreement is five years.

**Desert Harvest II Solar Project** – The Authority, on behalf of Anaheim, Burbank, and Vernon, entered into a power purchase agreement for 70 MW of generating capacity. The Project achieved its commercial operation date on December 17, 2020. The term of the agreement is 25 years.

The Authority has entered into power purchase agreements with project participants as follows. These agreements are substantially “take-and-pay” contracts where there may be other obligations not associated with the delivery of energy.

# Southern California Public Power Authority

## Notes to Financial Statements

### Note 1 – Organization and Purpose (continued)

Participants' ownership interests are as follows:

Power Purchase Agreements	Participants											Total
	City of Los Angeles	City of Anaheim	Imperial Irrigation District	City of Vernon	City of Riverside	City of Azusa	City of Banning	City of Colton	City of Burbank	City of Glendale	City of Pasadena	
Ormat Geothermal Energy	-	60.0%	-	-	-	-	10.0%	-	-	15.0%	15.0%	100.0%
Pebble Springs Wind (1)	69.6%	-	-	-	-	-	-	-	10.1%	20.3%	-	100.0%
MWD Small Hydro	-	56.4%	-	-	-	21.8%	-	21.8%	-	-	-	100.0%
Ameresco Chiquita Landfill Gas	-	-	-	-	-	-	-	-	16.7%	-	83.3%	100.0%
Don A Campbell/Wild Rose Geothermal	84.6%	-	-	-	-	-	-	-	15.4%	-	-	100.0%
Copper Mountain Solar 3	84.0%	-	-	-	-	-	-	-	16.0%	-	-	100.0%
Columbia Two Solar	-	-	-	-	74.3%	8.6%	-	-	-	-	17.1%	100.0%
Don A. Campbell II Geothermal	100.0%	-	-	-	-	-	-	-	-	-	-	100.0%
Heber-1 Geothermal (4)	78.0%	-	22.0%	-	-	-	-	-	-	-	-	100.0%
Kingbird Solar	-	-	-	-	70.0%	15.0%	-	15.0%	-	-	-	100.0%
Summer Solar	-	-	-	-	50.0%	17.5%	-	-	-	-	32.5%	100.0%
Springbok I Solar	100.0%	-	-	-	-	-	-	-	-	-	-	100.0%
Springbok II Solar	100.0%	-	-	-	-	-	-	-	-	-	-	100.0%
Astoria 2 Solar (3)	-	-	-	57.1%	-	-	22.9%	20.0%	-	-	-	100.0%
Antelope Big Sky Ranch Solar	-	-	-	-	50.0%	17.5%	-	-	-	-	32.5%	100.0%
Antelope DSR I Solar	-	-	-	50.0%	50.0%	-	-	-	-	-	-	100.0%
Antelope DSR II Solar (3)	-	-	-	-	-	100.0%	-	-	-	-	-	100.0%
Puente Hills Landfill Gas (2)	-	-	-	23.3%	-	-	23.2%	23.3%	-	-	30.2%	100.0%
Ormat Northern Nevada Geothermal	100.0%	-	-	-	-	-	-	-	-	-	-	100.0%
Ormesa Geothermal Complex	85.7%	-	14.3%	-	-	-	-	-	-	-	-	100.0%
ARP-Loyalton Biomass	74.1%	6.7%	12.5%	-	6.7%	-	-	-	-	-	-	100.0%
Springbok III Solar	100.0%	-	-	-	-	-	-	-	-	-	-	100.0%
Whitegrass Geothermal	-	-	-	-	-	-	-	-	-	100.0%	-	100.0%
Roseburg Biomass	79.4%	7.2%	13.3%	-	-	-	-	-	-	-	-	100.0%
Desert Harvest II Solar	-	51.4%	-	17.2%	-	-	-	-	31.4%	-	-	100.0%

(1) In accordance to the project's respective "Contract for Sale and Purchase" agreement between the City of Glendale, LADWP, and SCPA, LADWP agrees to pay from and after the Commencement Date, the Contract Monthly Costs and other obligations of Glendale associated with the Contract Output Entitlement Shares of the project until Glendale exercises its option to repurchase its Entitlement Share by providing LADWP with a 60 day prior written notice of its intent.

(2) In accordance with Board Resolution No. 2017-097, the City of Azusa assigned its interest of energy and capacity to the City of Banning and terminated the Power Sales Agreement with the Authority in the Puente Hills Landfill Gas Project effective January 1, 2018.

(3) In accordance with Board Resolution No. 2017-105, the City of Azusa and the City of Colton have mutually negotiated and agreed to transfer their respective rights and obligations among themselves in the Antelope DSR II Solar and Astoria 2 Solar projects. The resolution authorized the transfer of rights and obligation in the Antelope DSR II Solar Project from the City of Colton to the City of Azusa and the transfer of rights and obligation in the Astoria 2 Solar Project from the City of Azusa to the City of Colton.

(4) Pursuant to Power Purchase Agreement (PPA) dated May 31, 2013, beginning at the commencement of the fourth Contract Year, the PPA will enter the Second Period. Per Appendix K of the PPA, on February 2, 2019 the facility energy delivery share (Project Cost Shares) will change from the original share of 33.33% to IID and 66.67% to LADWP. The new share going forward through the remaining term of the PPA will be 22% to IID and 78% to LADWP.

**Southern California Public Power Authority**  
**Notes to Financial Statements**

**Note 1 – Organization and Purpose (continued)**

As of June 30, 2021, the Authority’s power purchase agreements are summarized as follows:

Project Name	Location	Capacity	Agreement Date	Commercial Operations Date	Project Manager	Contract Expiration
Ormat Geothermal Energy Project	Heber, California	14 MW	December 2005	June 2006	SCPPA	2031
Pebble Springs Wind Project	Gilliam County, Oregon	99 MW	December 2007	January 2009	LADWP	2027
MWD Small Hydro Project	Southern California	17 MW	November 2008	November 2008	SCPPA	2023
Ameresco Chiquita Landfill Gas Project	Valencia, California	10 MW	March 2006	November 2010	SCPPA	2030
Don A. Campbell I Project	Mineral County, Nevada	16 MW	December 2012	January 2014	LADWP	2034
Copper Mountain Solar 3 Project	Clark County, Nevada	250 MW	August 2012	April 2015	LADWP	2035
Columbia Two Solar Project	Kern County, California	15 MW	September 2013	December 2014	SCPPA	2034
Don A. Campbell II Project	Mineral County, Nevada	16 MW	December 2014	September 2015	LADWP	2035
Heber-1 Geothermal Project	Imperial Valley, California	46 MW	May 2013	February 2016	LADWP	2026
Kingbird Solar Project	Kern County, California	20 MW	July 2013	April 2016	SCPPA	2036
Summer Solar Project	Los Angeles County	20 MW	November 2012	July 2016	SCPPA	2041
Springbok I Solar Project	Kern County, California	105 MW	April 2015	July 2016	LADWP	2041
Springbok II Solar Project	Kern County, California	155 MW	August 2015	September 2016	LADWP	2043
Astoria 2 Solar Project	Kern County, California	45 MW	July 2014	December 2016	SCPPA	2036
Antelope Big Sky Ranch Solar Project	Los Angeles County	20 MW	January 2017	August 2016	SCPPA	2041
Antelope DSR I Solar Project	Los Angeles County	50 MW	September 2015	December 2015	SCPPA	2035
Antelope DSR II Solar Project	Los Angeles County	5 MW	September 2015	December 2016	SCPPA	2036
Puente Hills Landfill Gas-to-Energy Project	Whittier, California	46 MW	June 2014	January 2017	SCPPA	2030
Ormat Northern Nevada Geothermal	Nevada Counties	185 MW	October 2016	December 2017	LADWP	2043
Ormesa Geothermal Complex	Imperial County, California	35 MW	March 2016	January 2018	LADWP	2042
ARP-Loyalton Biomass Project	Loyalton, California	12 MW	October 2017	April 2018	SCPPA	2023
Springbok III Solar Project	Kern County, California	90 MW	December 2015	July 2019	LADWP	2046
Whitegrass Geothermal Project	Lyon, Nevada	3 MW	February 2020	April 2020	SCPPA	2045
Roseburg Biomass Project	Weed, California	7 MW	November 2019	February 2021	LADWP	2026
Desert Harvest II Solar Project	Riverside, California	70MW	February 2020	December 2020	SCPPA	2045

# Southern California Public Power Authority

## Notes to Financial Statements

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### Note 1 – Organization and Purpose (continued)

#### MISCELLANEOUS FUNDS

**Project Development Fund** – Holds funds related to projects in the development phase.

**Projects' Stabilization Fund** – In fiscal year 1997, the Authority authorized the creation of a Projects' Stabilization Fund. Deposits may be made to the fund from budget under-runs, after authorization of individual participants, or by direct contributions from the participants. Participants have discretion over the use of their deposits within SCPPA project purposes. This fund is not a project-related fund; therefore, it is not governed by any project Indenture of Trust. The members participate in the Projects' Stabilization Fund by making deposits to the fund at their discretion.

**SCPPA Fund** – In June 2011, the Authority acquired an 11,500 sq. ft. building located in the city of Glendora to be used as SCPPA office facilities. In January 2018, the Authority acquired the building adjacent to the SCPPA office facilities, as a training facility. Acquisition and construction costs were financed by contributions from SCPPA members. All costs associated with the management, administration, and ongoing operations of the buildings are deemed to be the Authority's overhead costs, which are budgeted and paid in accordance with the SCPPA projects' annual budgets.

The Authority's net pension and OPEB liabilities, pension expense, overhead costs and depreciation expense relating to the SCPPA buildings, are reported in the SCPPA Fund.

**Reclassification** – Certain accounts in the 2020 financial statements have been reclassified to conform to the presentation in the 2020 combined and individual projects' financial statements. Such reclassifications have no effect on net position or the changes in net position.

### Note 2 – Summary of Significant Accounting Policies

**Basis of accounting and presentation** – The combined and individual financial statements of the Authority are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America issued by the GASB applicable to governmental entities that use proprietary fund accounting. Revenues are recognized when earned and expenses are recognized when incurred. The format of the Statement of Net Position follows the inverted approach which is consistent with the Federal Energy Regulatory Commission (FERC).

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 2 – Summary of Significant Accounting Policies (continued)

**Net position** – The Authority’s net position is classified as follows:

- **Net investment in capital assets** – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, other borrowings, and advances from participants that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Restricted** – This component of net position consists of items on which constraints are placed as to their use. Constraints include those imposed by creditors (such as through debt covenants), contributors, or laws and regulations of other governments or constraints imposed by law through constitutional provisions or through enabling legislation.
- **Unrestricted** – This component of net position consists of items that does not meet the definition of “restricted” or “net investment in capital assets.”

**Use of estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Utility plant** – The Authority’s share of construction and betterment costs, natural gas reserves, intangibles, and nuclear fuel associated with PVNGS, STS, Mead-Phoenix, Mead-Adelanto, SJGS, Magnolia Power Project, the Natural Gas Pinedale Project and the Natural Gas Barnett Project (together the Natural Gas Projects), Canyon Power, Tieton Hydropower, Linden Wind Energy, and the Apex Power Projects are included as utility plant and recorded at cost. Utility plant also includes the SCPA Building. Costs include labor, materials, capitalized interest costs on funds used in construction, as well as allocated indirect charges such as engineering, supervision, transportation and construction equipment, retirement plan contributions, health care costs, and certain administrative and general expenses. The costs of routine maintenance, repairs, and minor replacements to maintain the plant in operating condition are charged to the appropriate operations and maintenance expense accounts in the period they are incurred. The original cost of property retired, net of removal and salvage costs, is charged to accumulated depreciation.

Depreciation expense is computed using the straight-line method based on the estimated service lives, principally 35 years for PVNGS, STS, Mead-Phoenix and Mead-Adelanto; 30 years for Magnolia and Canyon Power Project; 50 years for the Tieton Hydropower Project; 25 years for Linden Wind Energy Project; 24 Years for the Apex Power Project; and 35 years for the SCPA Building Fund. In June 2018, due to the Authority’s divestiture from the SJ Project, the Authority decided to write down the utility plant (see Note 1).

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 2 – Summary of Significant Accounting Policies (continued)

**Natural gas reserve depletion** – Depletion expense for the Natural Gas Projects is computed using the unit of production method based on the future production of the proven producing wells, estimated at 50 years for the Natural Gas Pinedale Project and 50 years for the Natural Gas Barnett Project. The estimate is based on site specific studies prepared by independent consultants as of December 2020 for both projects. The depletion rate for the Natural Gas Pinedale Project was \$6.81/MMBtu and \$5.28/MMBtu for fiscal years 2021 and 2020, respectively; and the estimated total net revenue volume was 3,987,459 MMBtu and 5,142,856 MMBtu for fiscal years 2021 and 2020, respectively. The depletion rate for the Natural Gas Barnett Project was \$6.14/MMBtu and \$6.08/MMBtu for fiscal years 2021 and 2020, respectively; and the estimated total net revenue volume was 5,717,345 MMBtu and 6,389,673 MMBtu for fiscal years ended June 30, 2021 and 2020, respectively.

**Nuclear fuel** – Nuclear fuel is amortized and charged to expense on the basis of actual thermal energy produced relative to total thermal energy expected to be produced over the life of the fuel. Under the provisions of the Nuclear Waste Policy Act of 1982, the federal government assesses each entity with nuclear operations, including the participants in PVNGS, \$1 per MW hour of nuclear generation. The Authority records this charge as a current year expense. See Note 12 for information about spent nuclear fuel disposal.

**Reclamation and Decommissioning Obligation** – SCPA records reclamation and decommissioning obligations where there is a legally enforceable liability associated with the retirement of tangible capital assets. A reclamation and decommissioning obligation is measured based on the best estimate of the current value of outlays expected to be incurred. The current value is adjusted annually for the effects of general inflation or deflation. All relevant factors should be evaluated annually to determine if those factors significantly increase or decrease the estimated outlays associated with the reclamation and decommissioning obligation.

The related reclamation and decommissioning obligation balances included on the statements of net position are as follows:

- **Noncurrent liabilities – reclamation and decommissioning obligation** – A reclamation and decommissioning obligation is measured based on the best estimate of the current value of outlays expected to be incurred, including probability weighting of potential outcomes. The statement requires the current value of an entity's reclamation and decommissioning obligations be adjusted for the effects of general inflation or deflation at least annually. It also requires entities to evaluate all relevant factors, including internal events and external laws, regulations, or contracts, at least annually to determine whether the effects of one or more of the factors are expected to significantly change the estimated liability. An entity should remeasure a reclamation and decommissioning obligation only when the result of the evaluation indicates there is a significant change in the estimated outlays.

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 2 – Summary of Significant Accounting Policies (continued)

- **Deferred outflows of resources – reclamation and decommissioning obligation** – GASB 83 requires recognition of deferred outflows of resources associated with a reclamation and decommissioning obligation based on the useful life of the asset and estimated liability at the time of recognition. The deferred outflows of resources are amortized in a systematic and rational manner over the estimated useful life of the tangible capital assets.

**Investments** – Investments include United States government and governmental agency securities, guaranteed investment contracts, medium term notes, and money market accounts. These investments are reported at fair value and changes in unrealized gains and losses are recorded in the statement of revenues, expenses, and changes in net position with the exception of the guaranteed investment contracts which are recorded at amortized cost. Gains and losses realized on the sale of investments are generally determined using the specific identification method.

The Bond Indentures for the projects require the use of trust funds to account for the Authority's receipts and disbursements. Cash and investments held in these funds are restricted to specific purposes as stipulated in the Bond Indentures.

**Accounts receivable** – Accounts receivable consists primarily of participant receivables. As such no allowance is deemed necessary.

**Prepaid and other assets** – SCPPA entered into a prepaid gas contract with a supplier for a 30-year gas supply at a fixed discount and simultaneously entered into a contract with each of the project participants for the delivery of natural gas. The prepaid contracts were subsequently restructured and the term of the agreements were shortened to 27 years. SCPPA has also entered into 20-year term prepaid contracts for all of the energy generated by the Milford I Wind, Milford II Wind, and the Windy Point/Windy Flats Facilities, with corresponding power sales contracts with each project participant (see Note 1).

**Advance to IPA** – Advance to IPA consists of cash transferred to IPA for reserve, contingency, and self-insurance funding and relates to the STS Project.

**Unamortized premiums and discounts** – Unamortized premiums and discounts are recorded as part of long-term debt and amortized over the life of the related debt issue using the effective interest method.

**Cash and cash equivalents** – Cash and cash equivalents include cash and investments with original maturities of 90 days or less.

**Restricted cash and investments** – Restricted cash and investments are set aside to meet externally imposed legal and contractual obligations. Restricted cash and investments are used in accordance with their requirements and include certain proceeds of the Authority's revenue bonds, as well as resources set aside for their repayment, and participant advances restricted for costs of certain capital projects.

# Southern California Public Power Authority

## Notes to Financial Statements

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### Note 2 – Summary of Significant Accounting Policies (continued)

**Deferred outflow and inflow of resources** – Losses and gains on refunding related to bonds redeemed by refunding bonds are reported as deferred outflows and inflows of resources in the statement of net position. The losses and gains are amortized over the life of the refunding bonds or the remaining term of refunded bonds, whichever is shorter.

In addition, the accumulated decrease in the fair value of effective hedging derivative instruments are reported as deferred outflow of resources. Under hedge accounting, the changes in the fair value of an effective hedging derivative instrument, in asset or liability positions, are reported as a deferred inflow of resources or deferred outflow of resources, respectively, on the statements of net position.

See Note 11 for a description of the deferred outflows of resources and the deferred inflows of resources related to pension and OPEB.

Deferred outflows of resources related to reclamation and decommissioning obligation are recognized and amortized in a systematic and rational manner over the remaining estimated useful life of the tangible capital asset.

**Materials and supplies** – Materials and supplies consist primarily of items for construction and maintenance of plant assets and are stated at the lower of cost or market.

**Arbitrage rebate and yield restrictions** – The unused proceeds from the issuance of tax-exempt debt have been invested in taxable financial instruments. The excess of earnings on investments, if any, over the amount that would have been earned if the investments had a yield equal to the bond yield or yield restricted rate, is payable to the IRS within five years of the date of the bond offering and each consecutive five years thereafter until final maturity of the related bonds.

**Pensions** – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of SPCPA's California Public Employees' Retirement System (CalPERS), Miscellaneous plans (Plans), and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported to CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Postemployment benefits other than pensions** – For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB's plan and additions to/deductions from the OPEB plans' fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms.

**Revenues** – Revenues consist of billings to participants for the sales of electric energy, natural gas, and transmission service in accordance with the participation agreements. Generally, revenues are fixed at a level to recover all operating and any debt service costs over the commercial life of the property.



## Southern California Public Power Authority

### Notes to Financial Statements

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#### **Note 2 – Summary of Significant Accounting Policies (continued)**

**Transportation costs** – As a result of the sales and purchases agreements for natural gas entered into by SCPPA, the participants receive less volume than processed incurring embedded transportation costs. These costs are recorded as participants' revenue and expense to the Natural Gas Pinedale Project. At June 30, 2021 and 2020, transportation costs were approximately \$134,000 and \$118,700, respectively, for the Natural Gas Pinedale Project.

**Non-exchange contribution** – Each participant of the Magnolia Power Plant is responsible for its own share of natural gas. They may elect to bring fuel to the plant or purchase fuel from Conoco Phillips (Conoco). Conoco computes the daily imbalances of fuel volume per participant using the daily consumption data that the operating manager provides. Monthly, actual fuel burnt is reported together with the daily imbalances, participants' in-kind contribution, and fuel purchases from Conoco.

Non-exchange contributions are valued at fair market value and recorded as participant revenue and fuel expense to the Magnolia Power Project. SCPPA values the participants' fuel contribution using monthly average pricing from the Project's Conoco fuel purchases. During the fiscal years ended June 30, 2021 and 2020, the participants' contribution in kind was approximately 7.7 million MMBtu and 9.7 million MMBtu and was valued at approximately \$28.4 million and \$31.2 million, respectively.

**Build America Bonds (BABs)** – These are taxable municipal bonds that were created under the American Recovery and Reinvestment Act of 2009 and carry special tax credits and federal subsidies for either the bond issuer or the bondholder. BABs provide for a subsidy payment from the Department of the Treasury to be paid directly to the issuer (Direct Payment) or the bondholder (Tax Credit BABs) in an amount equal to 35% of the bond's interest. On September 28, 2010, SCPPA issued \$41.5 million of the Linden Wind 2010 Series B, Direct Payment BABs.

The budget sequestration or automatic spending cuts of the United States Government that went into effect in 2013 resulted in a 7.2% decrease of the BABs subsidies received by the Authority for the related bonds. During the fiscal year ended June 30, 2021, BABs subsidy received was reduced by 5.9% and 5.7% for debt service payments made on July 1, 2020 and January 1, 2021, respectively.

In January 2017, GASB issued Statement No. 84, "*Fiduciary Activities*." The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for financial and reporting purposes and how the activities should be reported. SCPPA adopted GASB Statement No. 84 in conjunction with Statement No. 97 during the fiscal year ended June 30, 2021, which did not impact the financial statements.

# Southern California Public Power Authority

## Notes to Financial Statements

### Note 2 – Summary of Significant Accounting Policies (continued)

In June 2020, GASB issued Statement No. 97 “*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.*” The objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. SCPPA adopted this statement during the fiscal year ended June 30, 2021 and it did not impact the financial statements.

### Note 3 – Utility Plant

At June 30, 2021, Net utility plant consisted of the following (amounts in thousands):

	June 30, 2021						
	GENERATION					GREEN POWER	
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power	Tieton Hydro-power	Linden Wind Energy
Utility plant							
Production	\$ 775,481	\$ -	\$ 289,713	\$ 257,499	\$ 359,465	\$ 36,267	\$ 123,082
Transmission	19,468	-	15,247	31,853	-	13,371	23,431
General	5,253	-	16,765	606	542	11	-
Natural gas reserves	-	-	-	-	-	-	-
	800,202	-	321,725	289,958	360,007	49,649	146,513
Less accumulated depreciation	626,191	-	175,280	93,878	101,109	17,145	62,739
	174,011	-	146,445	196,080	258,898	32,504	83,774
Construction work in progress	43,814	-	679	-	1,556	-	-
Nuclear fuel, at amortized cost	44,404	-	-	-	-	-	-
Net utility plant	\$ 262,229	\$ -	\$ 147,124	\$ 196,080	\$ 260,454	\$ 32,504	\$ 83,774
	TRANSMISSION		NATURAL GAS		OTHERS		Total
	Southern Transmission System	Mead-Phoenix	Mead-Adelanto	Pinedale	Barnett	SCPPA Fund	
Utility plant							
Production	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,841,507
Transmission	770,498	82,296	208,834	-	-	-	1,164,998
General	44,400	3,160	509	4,099	-	7,266	82,611
Natural gas reserves	-	-	-	73,242	85,301	-	158,543
	814,898	85,456	209,343	77,341	85,301	7,266	3,247,659
Less accumulated depreciation	712,409	44,070	122,016	52,296	53,497	1,232	2,061,862
	102,489	41,386	87,327	25,045	31,804	6,034	1,185,797
Construction work in progress	-	196	-	11	22	-	46,278
Nuclear fuel, at amortized cost	-	-	-	-	-	-	44,404
Net utility plant	\$ 102,489	\$ 41,582	\$ 87,327	\$ 25,056	\$ 31,826	\$ 6,034	\$ 1,276,479

## Southern California Public Power Authority Notes to Financial Statements

### Note 3 – Utility Plant (continued)

At June 30, 2020, Net utility plant consisted of the following (amounts in thousands):

	June 30, 2020						
	GENERATION					GREEN POWER	
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power	Tieton Hydro-power	Linden Wind Energy
Utility plant							
Production	\$ 766,732	\$ -	\$ 289,553	\$ 257,315	\$ 352,939	\$ 36,032	\$ 123,082
Transmission	19,388	-	15,247	31,853	-	13,371	23,431
General	5,102	-	16,752	606	496	11	-
Natural gas reserves	-	-	-	-	-	-	-
	791,222	-	321,552	289,774	353,435	49,414	146,513
Less accumulated depreciation	603,582	-	164,252	84,172	84,787	15,512	56,925
	187,640	-	157,300	205,602	268,648	33,902	89,588
Construction work in progress	38,825	-	680	-	2,482	-	-
Nuclear fuel, at amortized cost	47,599	-	-	-	-	-	-
Net utility plant	<u>\$ 274,064</u>	<u>\$ -</u>	<u>\$ 157,980</u>	<u>\$ 205,602</u>	<u>\$ 271,130</u>	<u>\$ 33,902</u>	<u>\$ 89,588</u>

  

	TRANSMISSION			NATURAL GAS		OTHERS	
	Southern Transmission System	Mead-Phoenix	Mead-Adelanto	Pinedale	Barnett	SCPPA Fund	Total
	Utility plant						
Production	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,825,653
Transmission	770,497	82,070	206,748	-	-	-	1,162,605
General	44,400	3,160	509	4,092	-	7,266	82,394
Natural gas reserves	-	-	-	73,241	85,277	-	158,518
	814,897	85,230	207,257	77,333	85,277	7,266	3,229,170
Less accumulated depreciation	689,654	41,287	116,583	49,265	50,196	1,050	1,957,265
	125,243	43,943	90,674	28,068	35,081	6,216	1,271,905
Construction work in progress	-	196	-	7	24	-	42,214
Nuclear fuel, at amortized cost	-	-	-	-	-	-	47,599
Net utility plant	<u>\$ 125,243</u>	<u>\$ 44,139</u>	<u>\$ 90,674</u>	<u>\$ 28,075</u>	<u>\$ 35,105</u>	<u>\$ 6,216</u>	<u>\$ 1,361,718</u>

# Southern California Public Power Authority

## Notes to Financial Statements

### Note 3 – Utility Plant (continued)

A summary of changes in Utility Plant follows (amounts in thousands):

	Balance July 1, 2020	Additions	Disposals	Transfers / Adjustments	Balance June 30, 2021
<b>Nondepreciable utility plant</b>					
Land	\$ 56,102	\$ -	\$ -	\$ 602	\$ 56,704
Construction work in progress	42,152	16,266	-	(12,173)	46,245
Construction work in progress – gas	62	33	-	(62)	33
Nuclear fuel	47,599	9,603	(12,797)	(1)	44,404
<b>Total nondepreciable utility plant</b>	<b>145,915</b>	<b>25,902</b>	<b>(12,797)</b>	<b>(11,634)</b>	<b>147,386</b>
<b>Depreciable utility plant</b>					
<b>Production</b>					
Nuclear generation (Palo Verde Project)	765,819	(205)	(2,323)	11,270	774,561
Gas-fired plant (Mag, Apex, CPP)	894,984	6,010	(67)	891	901,818
Green power (Linden, Tieton)	161,528	237	-	(3,587)	158,178
Transmission	1,113,888	4,281	(1,890)	(163)	1,116,116
General	75,536	265	(55)	1,894	77,640
Natural gas reserves	161,313	-	-	1,329	162,642
<b>Total depreciable utility plant</b>	<b>3,173,068</b>	<b>10,588</b>	<b>(4,335)</b>	<b>11,634</b>	<b>3,190,955</b>
<b>Less accumulated depreciation</b>	<b>(1,957,265)</b>	<b>(105,065)</b>	<b>468</b>	<b>-</b>	<b>(2,061,862)</b>
<b>Total utility plant, net</b>	<b>\$ 1,361,718</b>	<b>\$ (68,575)</b>	<b>\$ (16,664)</b>	<b>\$ -</b>	<b>\$ 1,276,479</b>
<b>Balance July 1, 2019</b>					
<b>Nondepreciable utility plant</b>					
Land	\$ 56,102	\$ -	\$ -	\$ -	\$ 56,102
Construction work in progress	42,917	15,142	-	(15,907)	42,152
Construction work in progress – gas	125	32	-	(95)	62
Nuclear fuel	46,384	14,855	(13,640)	-	47,599
<b>Total nondepreciable utility plant</b>	<b>145,528</b>	<b>30,029</b>	<b>(13,640)</b>	<b>(16,002)</b>	<b>145,915</b>
<b>Depreciable utility plant</b>					
<b>Production</b>					
Nuclear generation (Palo Verde Project)	754,865	-	(4,953)	15,907	765,819
Gas-fired plant (Mag, Apex, CPP)	887,495	7,546	(57)	-	894,984
Green power (Linden, Tieton)	161,188	340	-	-	161,528
Transmission	1,112,847	1,041	-	-	1,113,888
General	74,619	1,009	(92)	-	75,536
Natural gas reserves	161,218	-	-	95	161,313
<b>Total depreciable utility plant</b>	<b>3,152,232</b>	<b>9,936</b>	<b>(5,102)</b>	<b>16,002</b>	<b>3,173,068</b>
<b>Less accumulated depreciation</b>	<b>(1,856,019)</b>	<b>(105,106)</b>	<b>3,860</b>	<b>-</b>	<b>(1,957,265)</b>
<b>Total utility plant, net</b>	<b>\$ 1,441,741</b>	<b>\$ (65,141)</b>	<b>\$ (14,882)</b>	<b>\$ -</b>	<b>\$ 1,361,718</b>

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 4 – Investments

The Authority's investment function operates within a legal framework established by Sections 6509.5 and 53600 et. seq. of the California Government Code, Indentures of Trust, and instruments governing financial arrangements entered into by the Authority to finance and operate Projects and the Authority's Investment Policy.

Guaranteed investment contracts (GICs) are contracts that guarantee the owner principal repayment and a specified interest rate for a predetermined period of time. GICs are typically issued by insurance companies and marketed to institutions that qualify for favorable tax status under federal laws. These types of securities provide institutions with guaranteed returns. GICs are negotiated on a case-by-case basis.

Based on SCPPA's Investment Policy, certain vehicles such as GICs, flexible repurchase agreements or forward debt service agreements, may be entered into only upon approval of the SCPPA Board. In addition, eligible securities and general limitations are derived from each Project's Indenture of Trust, the Government Code and SCPPA's evolving investment practices.

The operative Indentures of Trust in which securities are authorized for investment purposes relate to the Southern Transmission System Project Bonds, the Mead-Phoenix Project Bonds, the Mead-Adelanto Project Bonds, the Magnolia Power Project Bonds, the Pinedale Project Bonds, the Barnett Project Bonds, Prepaid Natural Gas Project Bonds, the Canyon Power Project Bonds, the Milford Wind Phase I Project Bonds, the Milford Wind Phase II Project Bonds, the Linden Wind Project Bonds, the Tieton Hydropower Project Bonds, the Windy Point/Windy Flats Project Bonds, and the Apex Power Project Bonds. Authorized investments for the Projects' Stabilization Fund are set forth in a resolution approved by the Board in 1996 and amended and approved in 2016.

Eligible securities include:

- United States Treasury Securities, which are bonds or other obligations secured by the full faith and credit of the United States of America;
- Federal Agency Obligations, which have the full financial backing of the U.S. Government;
- Government Sponsored Enterprise Obligations, which are created by acts of Congress to provide liquidity for selected lending programs targeted by Congress;
- Repurchase Agreements, which are collateralized loan contracts where the seller includes a written agreement to repurchase the securities at a later date for a specified amount;
- Negotiable Certificates of Deposit, which are deposit liabilities issued by a nationally or state-chartered bank, a savings or a federal association or by a state-licensed branch of a foreign bank, which has short-term ratings of at least "A-1" by S&P and at least "P-1" by Moody's;
- Bankers' Acceptances, a short-term draft or bill of exchange guaranteed for payment at face value to the holder of the instrument on its maturity date, which has a short-term rating of at least "A-1" by S&P and at least "P-1" by Moody's;
- Commercial Paper, a short-term unsecured promissory note issued by non-financial or financial firms with a rating of at least "A-1" by S&P and at least "P-1" by Moody's;

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 4 – Investments (continued)

- Medium Term Notes rated “A” or better and only those issued by corporations organized and operating within the United States, or by depository institutions licensed by the United States or any state and operating within the United States;
- Mortgage-Backed and Asset-Backed Obligations, which are secured by a mortgage or collection of mortgages, credit card receivables, student and auto loans, which are rated “AA” or its equivalent or better by NRSRO and whose issuer have a rating of “A” or higher for the issuer’s debt as provided by NRSRO;
- State of California Obligations such as warrants, treasury notes, or bonds, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by the State of California or by a department, board, agency, or authority of the State of California with a rating of “A” or better;
- California Local Agency Obligations such as notes, warrants, or bonds including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency with a rating of “A” or better;
- State (Other than California) Obligations such as notes or bonds of any of the other 49 states in addition to California was a rating of “A” or better;
- Supranationals, which are United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank of Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank with the rating of “AA” or better;
- Placement Service Deposits placed through a deposit placement service that meet the requirements of Code Section 53601.8, with a maximum term of one year or less; and
- Equity-Linked Notes, which are categorized as medium-term corporate notes and are subject to the constraints set forth in the Government Code and the Authority’s Investment Policy.

As of June 30, 2021, the Authority held the following as cash and cash equivalents and investments:

Investment Type	Fair Value (in thousands)	Weighted Average Maturity (Years)	Percent of Portfolio
U.S. Agency Securities	\$ 224,746	0.85	27.3%
Guaranteed Investment Contracts	21,686	10.52	2.6%
Money Market Funds	122,413	0.08	14.9%
Supranational Securities	23,843	0.24	2.9%
Commercial Paper	96,825	0.18	11.8%
U.S. Treasury Securities	118,602	0.17	14.4%
Medium Term Corporate Notes	3,214	2.63	0.4%
Negotiable CDs	34,354	0.18	4.2%
Municipal Bonds	7,777	1.21	0.9%
U.S. Agency Discount Notes	169,155	0.07	20.6%
Total	\$ 822,615	0.62	100.0%

**Southern California Public Power Authority**  
**Notes to Financial Statements**

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**Note 4 – Investments (continued)**

As of June 30, 2020, the Authority held the following as cash and cash equivalents and investments:

Investment Type	Fair Value (in thousands)	Weighted Average Maturity (Years)	Percent of Portfolio
U.S. Agency Securities	\$ 247,150	0.49	28.9%
Guaranteed Investment Contracts	21,090	11.41	2.5%
Money Market Funds	98,972	0.08	11.6%
Supranational Securities	41,876	0.17	4.9%
Commercial Paper	24,346	0.01	2.8%
U.S. Treasury Securities	98,730	0.17	11.5%
Medium Term Corporate Notes	4,266	3.03	0.5%
Negotiable CDs	2,600	0.01	0.3%
Municipal Bonds	18,238	0.42	2.1%
U.S. Agency Discount Notes	298,439	0.04	34.9%
Total	<u>\$ 855,707</u>	<u>0.50</u>	<u>100.0%</u>

The “weighted average maturity in years” calculation assumes that all investments are held until maturity.

# Southern California Public Power Authority

## Notes to Financial Statements

### Note 4 – Investments (continued)

Investments at June 30, 2021 are as follows (amounts in thousands):

	GENERATION					GREEN POWER				
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power	Tieton Hydro-power	Milford I Wind	Milford II Wind	Windy Point	Linden Wind Energy
U.S. agencies	\$ 149,316	\$ 16,515	\$ -	\$ 843	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Agency discount notes	11,999	1,300	13,303	10,760	10,500	1,190	9,250	3,900	10,860	6,845
Supranational securities	8,924	-	3,000	2,000	3,799	-	-	-	1,500	-
Negotiable CDs	8,003	-	4,500	1,001	2,800	-	1,200	-	2,000	-
Commercial paper	18,991	3,997	16,998	1,300	8,880	-	1,800	-	4,000	1,000
GICs	-	-	-	-	-	-	-	-	-	-
U.S. Treasury securities	-	4,996	22,199	2,900	8,565	1,600	3,800	-	15,999	4,050
Medium term corporate notes	2,173	-	-	-	-	-	-	-	-	-
Municipal bonds	4,594	-	2,033	1,150	-	-	-	-	-	-
Money market funds	17,330	1,612	8,028	2,971	4,022	2,849	4,087	1,700	4,114	3,930
<b>Total</b>	<b>\$ 221,330</b>	<b>\$ 28,420</b>	<b>\$ 70,061</b>	<b>\$ 22,925</b>	<b>\$ 38,566</b>	<b>\$ 5,639</b>	<b>\$ 20,137</b>	<b>\$ 5,600</b>	<b>\$ 38,473</b>	<b>\$ 15,825</b>
Restricted investments	\$ 199,511	\$ 28,027	\$ 35,935	\$ 18,554	\$ 28,969	\$ 2,790	\$ 12,751	\$ -	\$ 28,059	\$ 7,545
Unrestricted investments	7,485	-	18,998	-	-	-	800	-	-	2,000
Cash and cash equivalents	14,334	393	15,128	4,371	9,597	2,849	6,586	5,600	10,414	6,280
<b>Total</b>	<b>\$ 221,330</b>	<b>\$ 28,420</b>	<b>\$ 70,061</b>	<b>\$ 22,925</b>	<b>\$ 38,566</b>	<b>\$ 5,639</b>	<b>\$ 20,137</b>	<b>\$ 5,600</b>	<b>\$ 38,473</b>	<b>\$ 15,825</b>



**Southern California Public Power Authority**  
**Notes to Financial Statements**

**Note 4 – Investments (continued)**

Investments at June 30, 2021 are as follows (amounts in thousands):

	TRANSMISSION			NATURAL GAS			POWER PURCHASE AGREEMENTS	MISCELLANEOUS			Total
	Southern Transmission System	Mead-Phoenix	Mead-Adelanto	Pinedale	Barnett	Prepaid Natural Gas	Combined	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	
U.S. agencies	\$ 1,064	\$ -	\$ -	\$ -	\$ 9,498	\$ -	\$ -	\$ -	\$ 47,510	\$ -	\$ 224,746
Agency discount notes	33,599	700	1,500	-	1,850	-	38,100	-	13,499	-	169,155
Supranational securities	-	-	-	-	2,000	-	-	-	2,620	-	23,843
Negotiable CDs	6,500	-	-	-	2,100	-	-	-	6,250	-	34,354
Commercial paper	12,019	-	-	-	7,497	-	-	-	20,343	-	96,825
GICs	7,789	-	-	-	-	13,897	-	-	-	-	21,686
U.S. Treasury securities	27,900	-	5,600	1,000	13,493	-	3,000	-	3,500	-	118,602
Medium term corporate notes	-	-	-	-	-	-	-	-	1,041	-	3,214
Municipal bonds	-	-	-	-	-	-	-	-	-	-	7,777
Money market funds	4,830	2,367	2,237	6,510	6,542	5,334	33,634	108	10,208	-	122,413
<b>Total</b>	<b>\$ 93,701</b>	<b>\$ 3,067</b>	<b>\$ 9,337</b>	<b>\$ 7,510</b>	<b>\$ 42,980</b>	<b>\$ 19,231</b>	<b>\$ 74,734</b>	<b>\$ 108</b>	<b>\$ 104,971</b>	<b>\$ -</b>	<b>\$ 822,615</b>
Restricted investments	\$ 67,871	\$ 700	\$ 7,100	\$ -	\$ 34,588	\$ 13,897	\$ -	\$ -	\$ 93,763	\$ -	\$ 580,060
Unrestricted investments	-	-	-	-	-	-	-	-	-	-	29,283
Cash and cash equivalents	25,830	2,367	2,237	7,510	8,392	5,334	74,734	108	11,208	-	213,272
<b>Total</b>	<b>\$ 93,701</b>	<b>\$ 3,067</b>	<b>\$ 9,337</b>	<b>\$ 7,510</b>	<b>\$ 42,980</b>	<b>\$ 19,231</b>	<b>\$ 74,734</b>	<b>\$ 108</b>	<b>\$ 104,971</b>	<b>\$ -</b>	<b>\$ 822,615</b>

# Southern California Public Power Authority

## Notes to Financial Statements

### Note 4 – Investments (continued)

Investments at June 30, 2020 are as follows (amounts in thousands):

	GENERATION					GREEN POWER				
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power	Tieton Hydropower	Milford I Wind	Milford II Wind	Windy Point	Linden Wind Energy
U.S. agencies	\$ 172,395	\$ 26,878	\$ 6,504	\$ 4,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Agency discount notes	6,300	1,300	54,354	16,249	11,019	2,200	14,439	9,060	7,899	3,429
Supranational securities	3,011	1,000	850	1,600	5,500	800	2,438	1,500	-	1,000
Negotiable CDs	-	-	-	-	-	-	-	-	-	-
Commercial paper	-	-	-	450	3,000	800	-	4,300	-	1,200
GICs	-	-	-	-	-	-	-	-	-	-
U.S. Treasury securities	22,793	-	8,497	-	17,998	-	4,999	-	3,000	1,500
Medium term corporate notes	3,219	-	-	-	-	-	-	-	-	-
Municipal bonds	11,665	-	4,561	-	-	-	-	-	-	-
Money market funds	7,430	495	9,070	1,300	5,074	858	945	1,743	1,131	743
<b>Total</b>	<b>\$ 226,813</b>	<b>\$ 29,673</b>	<b>\$ 83,836</b>	<b>\$ 24,364</b>	<b>\$ 42,591</b>	<b>\$ 4,658</b>	<b>\$ 22,821</b>	<b>\$ 16,603</b>	<b>\$ 12,030</b>	<b>\$ 7,872</b>
Restricted investments	\$ 198,488	\$ 29,540	\$ 14,800	\$ 16,364	\$ 17,817	\$ 650	\$ 3,838	\$ 6,400	\$ -	\$ 500
Unrestricted investments	9,579	-	6,498	-	-	-	3,999	500	3,000	1,000
Cash and cash equivalents	18,746	133	62,538	8,000	24,774	4,008	14,984	9,703	9,030	6,372
<b>Total</b>	<b>\$ 226,813</b>	<b>\$ 29,673</b>	<b>\$ 83,836</b>	<b>\$ 24,364</b>	<b>\$ 42,591</b>	<b>\$ 4,658</b>	<b>\$ 22,821</b>	<b>\$ 16,603</b>	<b>\$ 12,030</b>	<b>\$ 7,872</b>

**Southern California Public Power Authority**  
**Notes to Financial Statements**

**Note 4 – Investments (continued)**

Investments at June 30, 2020 are as follows (amounts in thousands):

	TRANSMISSION			NATURAL GAS			POWER PURCHASE AGREEMENTS	MISCELLANEOUS			Total
	Southern Transmission System	Mead-Phoenix	Mead-Adelanto	Pinedale	Barnett	Prepaid Natural Gas	Combined	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	
U.S. agencies	\$ 1,087	\$ -	\$ -	\$ -	\$ 2,401	\$ -	\$ -	\$ -	\$ 33,120	\$ -	\$ 247,150
Agency discount notes	49,650	5,250	16,650	1,850	25,095	1,900	38,996	-	32,799	-	298,439
Supranational securities	7,649	-	1,800	900	6,150	-	1,000	-	6,678	-	41,876
Negotiable CDs	2,600	-	-	-	-	-	-	-	-	-	2,600
Commercial paper	5,800	400	400	-	2,000	-	-	-	5,996	-	24,346
GICs	7,789	-	-	-	-	13,301	-	-	-	-	21,090
U.S. Treasury securities	4,000	-	-	-	2,020	-	10,700	-	23,223	-	98,730
Medium term corporate notes	-	-	-	-	-	-	-	-	1,047	-	4,266
Municipal bonds	-	-	-	-	-	-	-	-	2,012	-	18,238
Money market funds	9,143	2,030	6,459	3,962	5,174	3,370	26,196	745	13,104	-	98,972
<b>Total</b>	<b>\$ 87,718</b>	<b>\$ 7,680</b>	<b>\$ 25,309</b>	<b>\$ 6,712</b>	<b>\$ 42,840</b>	<b>\$ 18,571</b>	<b>\$ 76,892</b>	<b>\$ 745</b>	<b>\$ 117,979</b>	<b>\$ -</b>	<b>\$ 855,707</b>
Restricted investments	\$ 46,425	\$ 3,850	\$ 13,050	\$ 550	\$ 22,018	\$ 13,301	\$ -	\$ -	\$ 71,676	\$ -	\$ 459,267
Unrestricted investments	-	-	-	-	-	-	1,000	-	-	-	25,576
Cash and cash equivalents	41,293	3,830	12,259	6,162	20,822	5,270	75,892	745	46,303	-	370,864
<b>Total</b>	<b>\$ 87,718</b>	<b>\$ 7,680</b>	<b>\$ 25,309</b>	<b>\$ 6,712</b>	<b>\$ 42,840</b>	<b>\$ 18,571</b>	<b>\$ 76,892</b>	<b>\$ 745</b>	<b>\$ 117,979</b>	<b>\$ -</b>	<b>\$ 855,707</b>

# Southern California Public Power Authority

## Notes to Financial Statements

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### Note 4 – Investments (continued)

**Interest rate risk** – The Authority’s investment policy limits the maturity of its investments to a maximum of five years for investments in the United States Treasury, Federal Agency, and Government Sponsored Enterprise securities, excluding: investments held in Project Debt Service Reserve; long-term commitments or agreements approved by the Authority’s Board; five years for medium term corporate notes; 270 days for commercial paper; 180 days for bankers’ acceptances; and one year for negotiable certificates of deposits.

**Credit risk** – Under its investment policy and the State of California Government Code, the Authority is subject to the prudent investor standard of care in managing all aspects of its portfolios. As an investment standard, each investment shall be made with “judgment and care under circumstances then prevailing, which a person of prudence, discretion and intelligence would exercise in the management of his/her affairs, not in regard for speculation, but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of the capital to be invested.” The Authority’s investment policy does not preclude active management of the portfolio to address market opportunities. All transactions shall be undertaken in the best interest of the Authority and its participants.

The Authority’s investment policy specifies that all project funds may be invested in shares of beneficial interest for temporary periods, pending disbursement or reinvestment as allowed under the state of California Government Code (Code). The Code requires that the fund must have either 1) attained the highest ranking or highest letter and numerical rating provided by no less than two or more nationally recognized statistical rating organizations (NRSRO) or 2) retained an investment advisor registered or exempt from registration with the Securities and Exchange Commission with no less than five years’ experience managing money market mutual funds with assets under management in excess of \$500 million. As of June 30, 2021, money market funds in the portfolios with Bank of New York Mellon have attained the following ratings: AAAM by Standard and Poor’s, and AAA-mf by Moody’s Investors Service; while money market funds in the portfolios with US Bank have attained ratings of AAAM by Standard and Poor’s, Aaa-mf by Moody’s Investors Service, and AAAMmf by Fitch Ratings.

The U.S. government agency securities in the portfolio consist of securities issued by government-sponsored enterprises, which are not explicitly guaranteed by the U.S. government. As of June 30, 2021, and 2020, the U.S. government agency securities in the portfolio carried the highest possible credit ratings by the NRSRO that rated them.

The Guaranteed Investment Contracts in the portfolio with American International Group (AIG) consist of securities issued by corporations and carry a rating of Baa2 by Moody’s Investors Service, BBB+ by Standard and Poor’s, and BBB+ by Fitch Rating.

The Investment Agreement Contract with American General Life consists of securities issued by corporations and carries a rating of A+ by Standard and Poor’s, A2 by Moody’s and A+ by Fitch Ratings.

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 4 – Investments (continued)

The Investment Agreement Contract in the portfolio with Assured Guaranty (formerly Financial Security Assurance) consists of securities issued by corporations and carries a rating of A by Standard and Poor's, and Baa2 by Moody's Investors Service.

**Concentration of credit risk** – The Authority's investment policy specifies a 100% percentage limitation on the amount that can be invested in U.S. government agency securities, except in certain issues of other Authority projects, such as the STS project, specifically relating to the 1992 Subordinate Refunding Bond.

Of the Authority's total investments as of June 30, 2021, \$157.4 million (19.1%) was invested in securities issued by the Federal Home Loan Bank; \$166.2 million (20.2%) was invested with Farm Credit Bank; \$11.9 million (1.4%) was invested in securities issued by the Federal National Mortgage Association; \$58.3 million (7.1%) was invested with Federal Home Loan Mortgage; \$118.6 million (14.4%) was invested in US Treasuries; \$34.4 million (4.2%) was invested in Certificates of Deposit; \$96.8 million (11.8%) was invested in Commercial Paper; \$21.7 million (2.6%) was invested in GICs; \$23.8 million (2.9%) was invested in Supranational Securities; \$3.2 million (0.4%) was invested in Medium Term Corporate Notes; and \$7.8 million (0.9%) was invested in Municipal Bonds.

Of the Authority's total investments as of June 30, 2020, \$297.1 million (34.7%) was invested in securities issued by the Federal Home Loan Bank; \$108.0 million (12.6%) was invested with Farm Credit Bank; \$4.3 million (0.5%) was invested in securities issued by the Federal National Mortgage Association; \$130.0 million (15.2%) was invested with Federal Home Loan Mortgage; \$6.1 million (0.7%) was invested with Tennessee Valley Authority; \$98.7 million (11.5%) was invested in US Treasuries; \$2.6 million (0.3%) was invested in Certificates of Deposit; \$24.3 million (2.8%) was invested in Commercial Paper; \$21.1 million (2.5%) was invested in GICs; \$41.9 million (4.9%) was invested in Supranational Securities; \$4.3 million (0.5%) was invested in Medium Term Corporate Notes; and \$18.2 million (2.1%) was invested in Municipal Bonds.

#### Note 5 – Derivative Instruments

**Objective of the swaps** – SCPPA uses derivative instruments to hedge its exposure to changing interest rates through the use of interest rate swaps and also to manage its exposure to fluctuating natural gas prices through the use of natural gas hedge contracts. An interest rate swap is the exchange of payments between SCPPA and a counterparty in order to potentially obtain a lower cost of funding than traditional fixed rate bonds, or to hedge interest rate exposure on SCPPA's assets or liabilities. The Authority has entered into separate pay-fixed, receive-variable interest rate swaps and three basis swaps to produce savings or to result in lower costs over the life of each transaction rather than what the Authority would have paid using fixed-rate debt.

# Southern California Public Power Authority

## Notes to Financial Statements

### Note 5 – Derivative Instruments (continued)

The Authority has adopted GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments. In accordance with GASB 53, the Authority recognizes the changes in fair values of effective hedging derivative instruments as either deferred inflows or outflows of resources on the Authority's Statements of Net Position and recognizes the changes in fair values of an ineffective derivative instrument in earnings.

For fiscal year ended June 30, 2021, the balance for the swaps deemed to qualify for effective hedge accounting under GASB 53 was a net liability and corresponding deferred outflows of resources of \$26.2 million. It is a decrease of \$7.5 million from the liability balance of \$34.8 million at June 30, 2020.

For the swaps that were deemed ineffective derivative instruments under GASB 53, the changes were reported in the statements of revenues, expenses and changes in net position. The net liability balance for the ineffective derivative instruments at June 30, 2021 was \$11.2 million, a decrease of \$4.3 million from the liability balance of \$15.5 million at June 30, 2020.

For fiscal year ended June 30, 2020, the balance for the swaps deemed to qualify for effective hedge accounting under GASB 53 was a net liability and corresponding deferred outflows of resources of \$34.8 million. It is an increase of \$6.1 million from the liability balance of \$28.7 million at June 30, 2019.

For the swaps that were deemed ineffective derivative instruments under GASB 53, the changes were reported in the statements of revenues, expenses and changes in net position. The net liability balance for the ineffective derivative instruments at June 30, 2020 was \$15.5 million, an increase of \$6.5 million from the liability balance of \$9.0 million at June 30, 2019.

**Terms, fair values, and credit risk** – The terms, including the fair values and credit ratings of the counterparties under the outstanding swaps as of June 30, 2021, are included in following table (in thousands). In most cases, and with the exclusion of basis swaps, the notional amount of any swap matches the principal amount of the associated debt. Except as discussed under the rollover risk, and when associated with basis swaps, the Authority's swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the associated "bonds payable" category.

	Notional Amount (in thousands)	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values (in thousands)	Swap Termination Date	Counterparty Credit Rating*
MAG 2010-1 Swap (Barclays)	\$ -	7/1/2023	SIFMA	80.4% of 3-month LIBOR	\$ 536	7/1/2036	A/A1/A+
MAG 2010-2 Swap (RBC)	-	7/1/2023	SIFMA	81% of 3-month LIBOR	618	7/1/2036	AA-/Aa2/AA
MAG 2020-3 Swap (BNYMellon)	82,910	5/1/2020	3.125%	SIFMA	(14,448)	7/1/2036	AA-/Aa2/AA
MAG 2017-1 Swap (JPMorgan)	63,840	9/22/2017	3.139%	SIFMA	(12,388)	7/1/2036	A+/Aa2/AA
MA 2007 Swap (JPMorgan)	-	06/01/18	1-month LIBOR	100% of 10-yr LIBOR CMS rate less .414%	-	1/12/2021	A+/Aa2/AA
PNG 2007 Swap (J. Aron)	36,000	5/1/2009	5.0475%	67% of 3-Month LIBOR plus 1.47%	(11,714)	11/1/2035	BBB+/A3/A
	<u>\$ 182,750</u>				<u>\$ (37,396)</u>		

\* S&P/Moody's/Fitch ratings

## Southern California Public Power Authority Notes to Financial Statements

### Note 5 – Derivative Instruments (continued)

The terms, including the fair values and credit ratings of the counterparties under the outstanding swaps as of June 30, 2020, are included in following table (in thousands):

	Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values	Swap Termination Date	Counterparty Credit Rating*
MAG 2010-1 Swap (Barclays)	\$ -	7/1/2023	SIFMA	80.4% of 3-month LIBOR	\$ (504)	7/1/2036	A/A1/A+
MAG 2010-2 Swap (RBC)	-	7/1/2023	SIFMA	81% of 3-month LIBOR	(464)	7/1/2036	AA-/Aa2/AA
MAG 2020-3 Swap (BNYMellon)	83,290	5/1/2020	3.125%	SIFMA	(19,684)	7/1/2036	AA-/Aa2/AA
MAG 2017-1 Swap (JPMorgan)	-	9/22/2017	3.139%	SIFMA	(16,886)	7/1/2036	A+/Aa2/AA
MA 2007 Swap (JPMorgan)	100,000	6/1/2018	1-month LIBOR	100% of 10-yr LIBOR CMS rate less .414%	2,391	9/15/2030	A+/Aa2/AA
PNG 2007 Swap (J. Aron)	36,000	5/1/2009	5.0475%	67% of 3-Month LIBOR plus 1.47%	(15,139)	11/1/2035	BBB+/A3/A
	<u>\$ 219,290</u>				<u>\$ (50,286)</u>		

\* S&P/Moody's/Fitch ratings

- **MAG 2020-3 Swap (amended/restated)** – On April 28, 2020 the MAG 2020-3 swap amended and partially terminated the MAG 2009-1 swap. SCPPA paid the counterparty a partial termination fee of \$9.6 million.

On April 21, 2009 the MAG 2009-1 swap amended the MAG 2007-1 Swap, which had an original trade date of April 30, 2007. The transaction was amended and restated as of April 21, 2009. The Authority pays its counterparty a fixed rate of 3.125% in exchange for receiving 100% of the SIFMA on a notional amount of \$109.0 million. In order to provide more favorable terms to the participants, SCPPA made a payment of \$15.7 million to the counterparty which has been deferred and is being amortized as an interest yield adjustment over the life of the swap. The amendment allowed the parties to re-coupon the swaps, change the collateral posting requirements, and to move to uninsured swaps. In May 2012, the swap was novated to a new counterparty and the swap documents were amended to raise the collateral threshold.

- **MAG 2017-1 Swap (amended/restated)** – This swap transaction amends and restates the MAG 2009-2 Swap which amended the MAG 2007-1 Swap. The original transaction was novated from Bear Stearns to JP Morgan on November 6, 2008 and was amended and restated on April 21, 2009. Under the MAG 2009-2 Swap, the Authority was paying its counterparty a fixed rate of 3.139% in exchange for receiving 100% of the SIFMA Index on a notional amount of \$109.9 million. In order to provide more favorable terms to the participants, SCPPA made a payment of \$15.7 million to the counterparty which has been deferred and is being amortized as an interest yield adjustment over the life of the swap. The amendment allowed the parties to re-coupon the swaps, change the collateral posting requirements, and to move to uninsured swaps. In August 2012, the swap documents were amended to raise the collateral threshold.

On September 22, 2017 the MAG 2017-1 Swap restructured the MAG 2009-2 Swap. Under the MAG 2017-1 Swap, SCPPA makes scheduled monthly payments to the counterparty commencing on October 1, 2017 through July 1, 2020. Beginning July 1, 2020, SCPPA recommenced making fixed rate payments at 3.139% and receive floating rate payments at 100% of the SIFMA Index on an initial notional amount of \$63,840,000. Additionally, a portion of the MAG 2009-2 swap was terminated and SCPPA paid the counterparty a partial termination fee of \$7.3 million.

# Southern California Public Power Authority

## Notes to Financial Statements

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### Note 5 – Derivative Instruments (continued)

- **MAG 2010-1 Swap (amended/restated)** – In May 2010, SCPPA executed \$100 million Securities Industry and Financial Markets Association Swap Index (SIFMA)/LIBOR floating-to-floating basis swap related to Magnolia Power Project A Refunding Bonds 2009-1. SCPPA pays the 6-month average of the weekly reset SIFMA Municipal Swap Index semi-annually on an Actual/Actual basis in exchange for receiving 80.4% of average 3-Month LIBOR, reset quarterly and paid semi-annually on an Actual/360-day basis. The swap expires on July 1, 2036.

On November 16, 2018, the SCPPA suspended the swap for a period of five years. SCPPA received \$1.2 million from Barclays Bank PLC, the swap counterparty, as full consideration of the suspension. No cash flows will occur from January 1, 2019 through July 1, 2023. Payment on the MAG 2010-1 Swap will recommence on January 1, 2024.

- **MAG 2010-2 Swap (amended/restated)** – In May 2010, SCPPA executed \$100 million SIFMA/LIBOR floating-to-floating basis swap related to Magnolia Power Project A Refunding Bonds 2009-2. SCPPA pays the 6-month average of the weekly reset SIFMA Municipal Swap Index semi-annually on an Actual/Actual basis in exchange for receiving 81.0% of average 3-Month LIBOR, reset quarterly and paid semi-annually on an Actual/360-day basis. The swap expires on July 1, 2036.

On November 13, 2018, the SCPPA suspended the swap for a period of five years. SCPPA received \$1.4 million from the Royal Bank of Canada, the swap counterparty, as full consideration of the suspension. No cash flows will occur from January 1, 2019 through July 1, 2023. Payment on the MAG 2010-2 Swap will recommence on January 1, 2024.

- **MA 2007 Swap (amended)** – In January 2007, the Authority entered into a Constant Maturity Swap (CMS) in connection with its outstanding Mead-Adelanto Project bonds. The transaction consisted of a \$100 million basis swap and does not relate to any single series of the Mead-Adelanto bonds. The amended swap terms became effective on February 1, 2008 and the Authority pays the swap counterparty 100% of the one-month LIBOR in exchange for receiving 100% of the 10-year LIBOR minus 41.4 basis points. The swap expires on September 15, 2030.

On November 5, 2008, the MA 2007 Swap was novated from Bear Stearns to JP Morgan. In addition, the swap was suspended until November 1, 2011. As part of the novation, the credit terms of the existing swap agreements were maintained and SCPPA received \$4.1 million from JP Morgan as compensation for the suspension of the cash flows of the MA 2007 CMS. The \$4.1 million was deferred to be amortized over the suspension term.

In June 2010, the MA 2007 CMS Agreement was amended to extend the suspension period from November 1, 2011 to June 1, 2018. SCPPA received \$5 million as compensation for the suspension of the cash flows of the swap, which was deferred and is being amortized over the suspension term. The credit terms of the existing swap agreements remain unchanged. Payment on the MA 2007 CMS Agreement resumed on July 1, 2018.



## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 5 – Derivative Instruments (continued)

In January 2021, upon review of SCPPA's swap portfolio, a decision was made to terminate the MA 2007 CMS Agreement by SCPPA. SCPPA received a swap termination payment of \$3.6 million from JP Morgan.

- **PNG 2007 Swap** – In October 2007, SCPPA entered into an interest rate swap agreement in connection with the issuance of the Prepaid Natural Gas Project No. 1 Series 2007B Bonds. The swap hedges the interest-rate risk on the LIBOR Floating-rate bonds, where SCPPA pays a fixed rate of 5.0475% in exchange for receiving 67% of three-month LIBOR plus 1.47%. The floating index on the swap exactly matches the coupon on the Bonds and therefore provides a hedge with no tax or basis risk. The swap expires on November 1, 2035.
- **PNG 2007 Commodity Swap** – At the same time, SCPPA also entered into five commodity price swap agreements, on behalf of each of the Prepaid Natural Gas Project No. 1 Participants, in order to hedge against reductions to its gas sale revenues resulting from changes in monthly market index prices. SCPPA pays a floating natural gas price over a 30-year period and receives specified fixed natural gas prices at an agreed pricing point as determined in the Prepaid Natural Gas No. 1 Agreements. The swaps became effective on July 1, 2008 and will all expire on September 30, 2035.

**Fair value** – The Authority reports its derivative instruments in accordance with GASB 53 and records its fair values in accordance with GASB 72 (see Note 6).

While some of SCPPA's current mark-to-market values are negative, this valuation would be realized only if the swaps were terminated at the valuation date, and only SCPPA retains the right to optionally terminate most of the transactions.

**Interest rate risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of SCPPA's financial instruments or cash flows. SCPPA is exposed to interest-rate risk on its pay-fixed, receive variable interest rate swaps. As the LIBOR or the SIFMA swap index decreases, SCPPA's net payment on swaps increases. In addition, SCPPA is exposed to interest rate risk if the counterparty to the swap defaults or if the swap is terminated.

**Market access risk** – Market access risk is the risk that SCPPA will not be able to enter credit markets or that credit will become more costly. SCPPA's financial rating is tied to the credit strength of the major participants of the specific project for which each financial instrument is issued. SCPPA is also exposed to market access risks caused by disruptions in the municipal bond market.

**Credit risk** – As of June 30, 2021, the net fair values of the Authority's applicable swaps for which payments were made were negative for each counterparty. However, should interest rates change and the fair values of the swaps become positive, the Authority may be exposed to credit risk in the amount of the derivatives' fair value.

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 5 – Derivative Instruments (continued)

The swap agreements contain varying collateral agreements with the counterparties. The swaps require full collateralization of the swap's fair value should the counterparty's (or if applicable, the guarantors of the counterparty's) credit rating fall below A as issued by Standard & Poor's or A2 as issued by Moody's Investors Service for the PNG 2007 Commodity Swap; and A-/A3 for the MAG 2010-1, MAG 2010-2, and MAG 2020-3. Collateral on all swaps is to be in the form of U.S. government securities held by a third-party custodian.

The swap agreements provide that when the Authority has more than one derivative transaction with a given counterparty involving the same Authority project (and having the same swap/bond insurer), should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the non-defaulting party to accelerate and terminate all such related transactions and net the transactions' fair values so that a single sum will be owed by, or owed to, the non-defaulting party.

**Basis risk** – Basis risk is the risk that the interest rate paid by the Authority on underlying variable rate bonds to bondholders exceeds the variable swap rate received from the counterparty, and the risk that both legs of a basis swap are not exactly equal. With the exception of the PNG 2007 Swap, the Authority bears basis risk on each of its swaps. The PNG 2007 Swap is perfectly hedged since the counterparty pays the Authority its actual variable bond rate on the related bonds.

All the other swaps have a basis risk since under each of those swaps the Authority received a percentage of LIBOR or a percentage of, or spread to, SIFMA to offset the actual variable bond rate or variable swap rate the Authority pays on any related bonds or on any basis swap. The Authority is exposed to basis risk should the floating rate that it receives on a swap be less than the actual variable rate the Authority pays on any related bonds; or in the case of the floating-to-floating fixed-spread basis swap, less than the variable rate paid to the swap counterparty.

Depending on the magnitude and duration of any basis risk shortfall, the expected cost savings from a swap may not be fully realized.

The following is a summary of interest rates paid to and received from the counterparties as of June 30, 2021:

	MAG 2020-3 Swap	MAG 2010-1 Swap	MAG 2010-2 Swap	PNG 2007 Swap
Payments to counterparty	3.125%	0.000%	0.000%	5.048%
Less, variable payments from counterparty	0.031%	0.000%	0.000%	0.176%
Net interest-rate swap payments	3.094%	0.000%	0.000%	4.872%
Add, variable-rate bond coupon payments	0.010%	N/A	N/A	0.176%
Synthetic interest rate on bonds	3.104%	0.000%	0.000%	5.048%

\* MAG 2010-1 and MAG 2010-2 were suspended starting November 2018

## Southern California Public Power Authority Notes to Financial Statements

### Note 5 – Derivative Instruments (continued)

**Termination risk** – The Authority or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the contract. If any of the swaps were terminated, any associated variable rate bonds would no longer be hedged to a fixed rate. If, at the time of termination, the swap has a negative fair value, the Authority would be liable to the counterparty for a payment equal to the swap's fair value.

**Rollover risk** – Rollover risk is the risk that the swap contract is not co-terminus with the related bonds. In the event that this type of swap terminates, the Authority would be exposed to variable interest rates on the underlying bonds.

**Swap payments and associated debt** – Using rates as of June 30, 2021, debt service requirements of the Authority's outstanding variable rate debt and net swap payments are as follows. As rates vary, variable rate bond interest payments and net swap payments will vary.

	(amounts in thousands)			
	Variable-Rate Bonds		Interest-Rate	Total
	Principal	Interest	Swaps, Net	
Fiscal Year Ending June 30,				
2022	\$ 660	\$ 28	\$ 4,509	\$ 4,537
2023	7,560	27	4,274	4,301
2024	7,865	25	4,031	4,056
2025	8,185	24	3,777	3,801
2026	8,515	22	3,513	3,535
2027-2031	148,090	86	13,214	13,300
2032-2036	201,240	66	5,473	5,539
	<u>\$ 382,115</u>	<u>\$ 278</u>	<u>\$ 38,791</u>	<u>\$ 39,069</u>

The following table shows the changes in fair value of derivative instruments (amounts in thousands):

Description	June 30, 2020	Change in Fair Value	June 30, 2021
<b>Assets</b>			
Mead Adelanto – Derivative instruments	\$ 2,391	\$ (2,391)	\$ -
Magnolia– Derivative instruments	-	1,153	1,153
	<u>\$ 2,391</u>	<u>\$ (1,238)</u>	<u>\$ 1,153</u>
<b>Deferred outflows of resources</b>			
Magnolia – Deferred outflows	\$ 19,684	\$ (5,236)	\$ 14,448
Prepaid Natural Gas – Deferred outflows	15,139	(3,425)	11,714
	<u>\$ 34,823</u>	<u>\$ (8,661)</u>	<u>\$ 26,162</u>
<b>Liabilities</b>			
Magnolia – Derivative instruments	\$ 37,538	\$ (10,702)	\$ 26,836
Mead Adelanto – Derivative instruments	-	-	-
Prepaid Natural Gas – Derivative instruments	15,139	(3,425)	11,714
	<u>\$ 52,677</u>	<u>\$ (14,127)</u>	<u>\$ 38,550</u>

# Southern California Public Power Authority

## Notes to Financial Statements

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### Note 6 – Fair Value Measurement

In accordance with GASB 72, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Fair value is a market-based measurement for a particular asset or liability based on assumptions that market participants would use in pricing the asset or liability. Such assumptions include observable and unobservable inputs of market data, as well as assumptions about risk and the risk inherent in the inputs to the valuation technique.

Valuation inputs are assumptions that market participants use in pricing an asset or liability. The hierarchy of inputs used to generate the valuation is classified into three different Levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the government can access at the measurement date.
- Level 2 inputs include quoted prices for similar assets or liabilities in markets that are active; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for an asset, either directly or indirectly.
- Level 3 inputs are unobservable inputs from the asset or liability where there is very little market activity and they should be used only when relevant Level 1 and Level 2 inputs are unavailable.

The Authority's fair value measurements are performed on a recurring basis. Because investing is not a core part of the Authority's mission, the Authority determines that the disclosures related to these investments only need to be disaggregated by major type. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value of SCPA's swaps reflect the nonperformance risk of their client counterparty relating to that liability, and the nonperformance risk of the bank counterparty relating to that asset. The tables on pages 91 and 92 present fair value balances and their levels within the fair value hierarchy as of June 30, 2021 and 2020. The investment balances presented exclude amounts related to Government Money Market Funds and Guaranteed Investment Contracts.

**Fair value of SCPA's investments** – Debt and other securities classified in Level 1 of the fair value hierarchy are valued through the evaluation of information obtained from live data sources, including active market makers and inter-dealer brokers and the use of prices quoted in active markets for those securities. Level 2 Securities are valued using a multi-dimensional relationship model or matrix pricing model utilizing market data including, but not limited to, benchmark yields, reported trades, and broker/dealer quotes.

## Southern California Public Power Authority

### Notes to Financial Statements

#### Note 6 – Fair Value Measurement (continued)

**Fair value of SCPPA’s swaps** – Fair values take into consideration the prevailing interest rate environment and the specific terms and conditions of a given transaction. The expected swap cash flows are calculated using the zero-coupon discounting method which takes into consideration the prevailing interest rate environment, the specific terms and conditions of a given transaction, and the assumption that the current forward rates implied by the yield curve are the market’s best estimate of future spot interest rates. The income approach is then used to obtain the fair value of the swaps, where future amounts (the expected swap cash flows) are converted to a single current (discounted) amount using a rate of return that takes into account the relative risk of nonperformance associated with the cash flows and time value of money. Where applicable under the income approach, the option pricing model technique, such as the Black-Derman-Toy model, or other appropriate option pricing models are used. The observability of inputs used to perform the measurement results in the swap fair values are categorized as Level 2.

The Authority has the following fair value measurements at June 30, 2021:

	Fair Value Using			
	June 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt securities				
U.S. government securities	\$ 118,602	\$ 118,602	\$ -	\$ -
U.S. agencies	393,899	-	393,899	-
Supranational securities	23,843	-	23,843	-
Municipal bonds	7,777	-	7,777	-
Total debt securities	<u>544,121</u>	<u>118,602</u>	<u>425,519</u>	<u>-</u>
Other				
Commercial paper	96,825	-	96,825	-
Certificate of deposit	34,354	-	34,354	-
Medium term corporate notes	3,214	-	3,214	-
Total other	<u>134,393</u>	<u>-</u>	<u>134,393</u>	<u>-</u>
Total investments by fair value level	<u>\$ 678,514</u>	<u>\$ 118,602</u>	<u>\$ 559,912</u>	<u>\$ -</u>
Derivative instruments by fair value level				
Investment derivative	\$ (11,234)	\$ -	\$ (11,234)	\$ -
Effective hedge	(26,162)	-	(26,162)	-
Total derivative instruments by fair value level	<u>\$ (37,396)</u>	<u>\$ -</u>	<u>\$ (37,396)</u>	<u>\$ -</u>

# Southern California Public Power Authority

## Notes to Financial Statements

### Note 6 – Fair Value Measurement (continued)

The Authority has the following fair value measurements at June 30, 2020:

	Fair Value Using			
	June 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt securities				
U.S. government securities	\$ 98,730	\$ 98,730	\$ -	\$ -
U.S. agencies	545,589	-	545,589	-
Supranational securities	41,876	-	41,876	-
Municipal bonds	18,238	-	18,238	-
Total debt securities	704,433	98,730	605,703	-
Other				
Commercial paper	24,346	-	24,346	-
Certificate of deposit	2,600	-	2,600	-
Medium term corporate notes	4,266	-	4,266	-
Total other	31,212	-	31,212	-
Total investments by fair value level	\$ 735,645	\$ 98,730	\$ 636,915	\$ -
Derivative instruments by fair value level				
Investment derivative	\$ (15,463)	\$ -	\$ (15,463)	\$ -
Effective hedge	(34,823)	-	(34,823)	-
Total derivative Instruments by fair value level	\$ (50,286)	\$ -	\$ (50,286)	\$ -

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 7 – Long-Term Debt

Long-term debt outstanding at June 30, 2021, consisted of “new money” bonds, refunding bonds, and subordinate refunding bonds due in varying annual amounts through July 1, 2040. The new money bonds were issued to finance the purchase and construction or acquisition of the Authority’s interest in each of the Projects. The refunding and subordinate refunding bonds were issued to refund specified new money bonds.

In accordance with the bond indentures, new money bonds and refunding bonds are special, limited obligations of the Authority. With the exception of the Magnolia Power Project B, Lease Revenue Bonds (City of Cerritos, California) 2003-1 (Project B Bonds), the bonds issued by each project are payable solely from and secured solely by interests in that project as follows:

- Proceeds from the sale of bonds;
- All revenues, incomes, rents, and receipts attributable to that project and interest earned on securities held under the bond indenture or indentures; and
- All funds established by the bond indenture or indentures.

The Authority has agreed to certain covenants with respect to bonded indebtedness, including the requirement to enforce the natural gas, power, and transmission sales agreements with the participants. At the option of the Authority, all outstanding new money bonds and refunding bonds are subject to redemption prior to maturity, except as follows:

- Southern Transmission System – 2013 Series A, 2015 Series A and B, portions of the 2015 Series C Subordinate Refunding bonds, 2017 Series A Subordinate Refunding bonds, and 2018 Series A Subordinate Refunding bonds;
- Mead-Phoenix and Mead-Adelanto – portions of 2016 Series A Revenue bonds;
- Prepaid Natural Gas – 2007 Series A and B Revenue bonds;
- Canyon Power – portions of 2020 Series A, B, and C Refunding Revenue Bonds, and portions of 2016 Series A Refunding Revenue bonds;
- Milford II Wind – 2021-1 Refunding Revenue bonds;
- Milford I Wind – 2019-1 Refunding Revenue bonds;
- Magnolia Power – portions of the 2020-1 Refunding Revenue bonds;
- Tieton Hydropower – portions of the 2020 Series A Refunding Revenue bonds; and
- Windy Point/Windy Flats – portions of the 2020-1 Refunding Revenue bonds.

Variable rate debt includes debt with rates based on daily, weekly, and long-term rates as determined by a remarketing or calculation agent.

# Southern California Public Power Authority

## Notes to Financial Statements

### Note 7 – Long-Term Debt (continued)

A summary of changes in long-term debt follows (amounts in thousands):

	GENERATION			GREEN POWER				
	Magnolia Power	Canyon Power	Apex Power	Tieton Hydropower	Milford I Wind	Milford II Wind	Windy Point	Linden Wind
Total long-term debt at June 30, 2020	\$ 273,664	\$ 306,031	\$ 271,879	\$ 41,218	\$ 126,888	\$ 110,345	\$ 308,909	\$ 101,788
Total debt due within one year at June 30, 2020	7,800	8,185	9,920	1,050	5,975	7,000	1,650	815
Total debt at June 30, 2020	281,464	314,216	281,799	42,268	132,863	117,345	310,559	102,603
Principal payments	(7,800)	(8,185)	(9,920)	(1,050)	(5,975)	(7,000)	(1,650)	(815)
Bonds refunded/defeased	-	(295,945)	-	-	-	(105,470)	-	-
Refunding bonds issued	-	271,315	-	-	-	79,305	-	-
Change in unamortized premiums and discounts	(2,606)	14,161	(747)	(588)	(3,993)	13,764	(8,509)	(1,989)
Total debt at June 30, 2021	271,058	295,562	271,132	40,630	122,895	97,944	300,400	99,799
Total debt due within one year at June 30, 2021	(8,430)	(3,865)	(10,185)	(1,105)	(9,625)	-	(11,125)	(4,295)
Total long-term debt at June 30, 2021	\$ 262,628	\$ 291,697	\$ 260,947	\$ 39,525	\$ 113,270	\$ 97,944	\$ 289,275	\$ 95,504
	TRANSMISSION			NATURAL GAS				
	Southern Transmission System	Mead-Phoenix	Mead-Adelanto	Pinedale	Barnett	Prepaid Natural Gas	Total	
Total long-term debt at June 30, 2020	\$ 342,065	\$ 19,883	\$ 24,482	\$ 13,342	\$ 31,388	\$ 278,768	\$ 2,250,650	
Total debt due within one year at June 30, 2020	59,900	5,990	17,110	1,522	3,573	7,725	138,215	
Total debt at June 30, 2020	401,965	25,873	41,592	14,864	34,961	286,493	2,388,865	
Principal payments	(59,900)	(5,990)	(17,110)	(1,522)	(3,573)	(7,725)	(138,215)	
Bonds refunded/defeased	-	-	-	-	-	-	(401,415)	
Refunding bonds issued	-	-	-	-	-	-	350,620	
Change in unamortized premiums and discounts	(8,537)	(455)	(609)	-	-	(209)	(317)	
Total debt at June 30, 2021	333,528	19,428	23,873	13,342	31,388	278,559	2,199,538	
Total debt due within one year at June 30, 2021	(78,640)	(1,415)	(1,695)	(1,428)	(3,352)	(8,940)	(144,100)	
Total long-term debt at June 30, 2021	\$ 254,888	\$ 18,013	\$ 22,178	\$ 11,914	\$ 28,036	\$ 269,619	\$ 2,055,438	



**Southern California Public Power Authority**  
**Notes to Financial Statements**

**Note 7 – Long-Term Debt (continued)**

A summary of changes in long-term debt follows (amounts in thousands):

	GENERATION				GREEN POWER			
	Magnolia Power	Canyon Power	Apex Power	Teton Hydropower	Milford I Wind	Milford II Wind	Windy Point	Linden Wind
Total long-term debt at June 30, 2019	\$ 282,297	\$ 316,182	\$ 282,547	\$ 45,943	\$ 161,336	\$ 118,470	\$ 358,591	\$ 108,479
Total debt due within one year at June 30, 2019	7,560	7,835	9,710	1,000	10,570	6,665	23,040	4,335
Total debt at June 30, 2019	289,857	324,017	292,257	46,943	171,906	125,135	381,631	112,814
Principal payments	(7,560)	(7,835)	(9,710)	(1,000)	(10,570)	(6,665)	(23,040)	(4,335)
Bonds refunded/defeased	(249,660)	-	-	(36,340)	(156,930)	-	(341,135)	(63,985)
Refunding bonds issued	228,230	-	-	26,585	111,920	-	274,310	54,675
Change in unamortized premiums and discounts	20,597	(1,966)	(748)	6,080	16,537	(1,125)	18,793	3,434
Total debt at June 30, 2020	281,464	314,216	281,799	42,268	132,863	117,345	310,559	102,603
Total debt due within one year at June 30, 2020	(7,800)	(8,185)	(9,920)	(1,050)	(5,975)	(7,000)	(1,650)	(815)
Total long-term debt at June 30, 2020	\$ 273,664	\$ 306,031	\$ 271,879	\$ 41,218	\$ 126,888	\$ 110,345	\$ 308,909	\$ 101,788

  

	TRANSMISSION			NATURAL GAS			
	Southern Transmission System	Mead-Phoenix	Mead-Adelanto	Pinedale	Barnett	Prepaid Natural Gas	Total
Total long-term debt at June 30, 2019	\$ 411,623	\$ 26,461	\$ 42,593	\$ 14,864	\$ 34,961	\$ 286,712	\$ 2,491,059
Total debt due within one year at June 30, 2019	48,730	7,365	21,565	1,627	3,818	6,445	160,265
Total debt at June 30, 2019	460,353	33,826	64,158	16,491	38,779	293,157	2,651,324
Principal payments	(48,730)	(7,365)	(21,565)	(1,627)	(3,818)	(6,445)	(160,265)
Bonds refunded/defeased	-	-	-	-	-	-	(848,050)
Refunding bonds issued	-	-	-	-	-	-	695,720
Change in unamortized premiums and discounts	(9,658)	(588)	(1,001)	-	-	(219)	50,136
Total debt at June 30, 2020	401,965	25,873	41,592	14,864	34,961	286,493	2,388,865
Total debt due within one year at June 30, 2020	(59,900)	(5,990)	(17,110)	(1,522)	(3,573)	(7,725)	(138,215)
Total long-term debt at June 30, 2020	\$ 342,065	\$ 19,883	\$ 24,482	\$ 13,342	\$ 31,388	\$ 278,768	\$ 2,250,650

# Southern California Public Power Authority

## Notes to Financial Statements

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### Note 7 – Long-Term Debt (continued)

**Magnolia Power Project** – Debt consists of revenue and refunding series bonds with variable and fixed interest rates between 4.375% and 5.00% with final maturities occurring in 2036.

Of the outstanding Magnolia Power Project Revenue Bonds, \$10.0 million of “Project B Bonds” are secured by lease rental payments to be made by the City of Cerritos (the City) in connection with the lease of certain facilities and premises owned by the City to the Authority and the leaseback of such facilities and premises to the City. The Base Rental Payments will be equal to the principal and interest on the Project B Bonds. In accordance with the Assignment Agreement between the Authority and the Trustee, the Authority will assign certain of its rights under the lease, including its right to receive the Base Rental Payments, to the Trustee for the benefit of the owners of the Project B Bonds.

The City has covenanted to budget and appropriate sufficient funds to make all payments required to be made under the lease. The lease has a term of 55 years.

*Magnolia Power Project Refunding Revenue Bonds* – On April 28, 2020, SCPPA issued \$81,100,000 of Magnolia Power Project A 2020-1 Refunding Revenue Bonds (the “2020-1 Bonds”) with a premium of \$22,075,988. The 2020-1 Bonds were issued to refund a portion of SCPPA’s outstanding Magnolia Power Project A, Refunding Revenue 2009-1 Bonds and a portion of SCPPA’s outstanding Magnolia Power Project A, Refunding Revenue 2017-1 Bonds, to fund the costs of partially terminating an interest rate swap, and to pay the costs of issuance relating to the 2020-1 Bonds.

On the same date, SCPPA also issued \$147,130,000 of Magnolia Power Project A 2020-3 Refunding Revenue Bonds (the “2020-3 Bonds”), to fully refund SCPPA’s remaining outstanding Magnolia Power Project A, Refunding Revenue 2009-1 Bonds and Magnolia Power Project A, Refunding Revenue Bonds 2017-1 Bonds, to fund the costs of partially terminating an interest rate swap, and to pay costs of issuance relating to the 2020-3 Bonds.

**Canyon Power Project** – Debt consists of revenue bonds with variable and fixed interest rates ranging from 0.44% to 5.00% and final maturity occurring in 2040.

*Canyon Power Project Refunding Revenue Bonds* – On September 24, 2020, SCPPA issued \$112,995,000 of Canyon Power Project Refunding Revenue Bonds, 2020 Series A, \$70,075,000 of Canyon Power Project Refunding Revenue Bonds, 2020 Series B, and \$88,245,000 of Canyon Power Project Refunding Revenue Bonds, 2020 Series C Bonds (the “2020 Bonds”). The 2020 Bonds were issued to refund and redeem a portion of the Authority’s outstanding Canyon Power Project, Refunding Revenue Bonds, 2016 Series A in the aggregate principal amount of \$67,030,000 and all of the Authority’s outstanding \$114,310,000 Canyon Power Project Refunding Revenue Bonds, 2018 Series A and outstanding \$114,605,000 Canyon Power Project, Refunding Revenues Bonds, 2018 Series B, and to pay costs of issuance relating to the 2020 Bonds. The difference between the reacquisition price and net carrying amount of old debt of \$35,850,801 is reported as a deferred outflow of resources and is being amortized over the remaining life of the debt. The refunding resulted in net present value savings of \$13.8 million.

## Southern California Public Power Authority

### Notes to Financial Statements

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#### **Note 7 – Long-Term Debt (continued)**

**Apex Power Project** – Debt consists of revenue bonds with fixed interest rates between 2.99% and 5.00% and final maturity occurring in 2038.

**Tieton Hydropower Project** – Debt consists of revenue bonds with fixed interest rates between 4.00% and 5.79% and final maturity occurring in 2040.

*Tieton Hydropower Project Refunding Revenue Bonds* – On May 28, 2020, SCPA issued \$26,585,000 of Tieton Hydropower Project Revenue Refunding Bonds (the “2020 Series A Bonds”) with a premium of \$6,971,757. The 2020 Series A Bonds were issued to refund all of the outstanding \$36,340,000 of Tieton Hydropower Project, Revenue Bonds 2010 Series A Bonds and to pay costs of issuance relating to the 2020 Series A Bonds. The difference between the reacquisition price and net carrying amount of old debt of \$621,323 is reported as a deferred inflow of resources and is being amortized over the remaining life of the debt. The refunding resulted in net present value savings of \$11.7 million.

**Milford I Wind Project** – Debt consists of refunding revenue bonds with fixed interest rates ranging from 2.00% to 5.00% and final maturity occurring in 2029.

*Milford Wind Corridor Phase I Project Refunding Revenue Bonds* – On October 23, 2019, SCPA issued \$111,920,000 of Milford Wind Corridor Phase I Project, 2019-1 Refunding Revenue Bonds (the “2019-1 Bonds”) with a premium of \$23,812,000. The 2019-1 Bonds were issued to refund all of the outstanding \$156,930,000 of Milford Wind Corridor Phase I Project, Revenue Bonds 2010-1, and pay the costs of issuance relating to the 2019-1 Bonds. The difference between the reacquisition price and net carrying amount of old debt of \$3,231,780 is reported as a deferred inflow of resources and is being amortized over the remaining life of the debt. The refunding resulted in net present value savings of \$32.3 million.

**Milford II Wind Project** – Debt consists of revenue bonds with fixed interest rate of 5.00% and final maturity occurring in 2031.

*Milford Wind Corridor Phase II Project Refunding Revenue Bonds* – On April 7, 2021, SCPA issued \$79,305,000 of Milford Wind Corridor Phase II Project 2021-1 Refunding Revenue Bonds (the “2021-1 Bonds”) with a premium of \$19.4 million. The 2021-1 Bonds were issued to provide funds to refund and redeem the Authority’s Milford Wind Corridor Phase II Project, Revenue Bonds, 2011-1, outstanding in the aggregate principal amount of \$105,470,000, and to pay costs of issuance of the 2021-1 Bonds. The difference between the reacquisition price and net carrying amount of old debt of \$2,858,300 is reported as a deferred inflow of resources and is being amortized over the remaining life of the debt. The refunding resulted in net present value savings of \$23.7 million.

**Linden Wind Energy Project** – Debt consists of revenue and refunding series bonds with fixed interest rates between 5.00% and 5.92% and final maturity occurring in 2035.

*Linden Wind Energy Project Refunding Revenue Bonds* – On May 12, 2020, SCPA issued \$54,675,000 of Linden Wind Energy Project, Refunding Revenue Bonds (the “2020 Series A Bonds”) with a premium of \$6,634,730. The 2020 Series A Bonds were issued to refund all of the outstanding \$63,985,000 of

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 7 – Long-Term Debt (continued)

Linden Wind Energy Project, Revenue Bonds, 2010 Series A and to pay costs of issuance relating to the 2020 Series A Bonds. The difference between the reacquisition price and net carrying amount of old debt of \$527,061 is reported as a deferred inflow of resources and is being amortized over the remaining life of the debt. The refunding resulted in net present value savings of \$11.8 million.

**Southern Transmission System Project** – Debt consists of refunding and subordinate refunding series bonds with fixed interest rates ranging from 2.295% to 5.00% and final maturities occurring in 2027.

**Windy Point/Windy Flats Project** – Debt consists of refunding revenue bonds with fixed interest rate of 5.00% and final maturity occurring in 2030.

*Windy Point/Windy Flats Project Refunding Revenue Bonds* – On May 27, 2020, SCPA issued \$274,310,000 of Windy Point/Windy Flats Project Refunding Revenue Bonds (the “2020-1 Bonds”) with a premium of \$37,031,330. The 2020-1 Bonds were issued to refund the Authority’s outstanding \$341,135,000 of Windy Point/Windy Flats Project, Revenue Bonds 2010 Series A Bonds and to pay costs of issuance relating to the 2020-1 Bonds. The difference between the reacquisition price and net carrying amount of old debt of \$12,860,729 is reported as a deferred inflow of resources and is being amortized over the remaining life of the debt. The refunding resulted in net present value savings of \$52.1 million.

**Mead Phoenix/Mead Adelanto Projects** – Debt consists of revenue and refunding series bonds with fixed interest rates between 4.00% and 5.00% with final maturities occurring in 2030.

**Natural Gas Projects** – Debt consists of revenue bonds with fixed interest rates ranging from 5.51% to 6.03% and final maturities occurring in 2032.

**Prepaid Natural Gas Project** – Debt consists of revenue bonds with variable and fixed interest rates ranging from 5.00% to 5.25% and final maturity occurring in 2035.

**Southern California Public Power Authority**  
**Notes to Financial Statements**

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**Note 7 – Long-Term Debt (continued)**

**Premiums/Discounts** – Unamortized premiums and discounts, net, are included in the statements of net position as a component of long-term debt (amounts in thousands):

Unamortized (Premium) Discount, Net	June 30, 2021 (Premium) Discount
Magnolia Power Project	\$ (19,618)
Canyon Power Project	(20,382)
Apex Power Project	(9,592)
Tieton Hydropower Project	(6,335)
Milford I Wind Project	(16,950)
Milford II Wind Project	(18,639)
Windy Point Project	(27,740)
Linden Wind Energy Project	(4,389)
Southern Transmission System Project	(16,113)
Mead-Phoenix Project	(2,028)
Mead-Adelanto Project	(2,548)
Prepaid Natural Gas Project No. 1	(1,453)
	\$ (145,787)
Unamortized (Premium) Discount, Net	June 30, 2020 (Premium) Discount
Magnolia Power Project	\$ (22,224)
Canyon Power Project	(6,220)
Apex Power Project	(10,339)
Tieton Hydropower Project	(6,923)
Milford I Wind Project	(20,943)
Milford II Wind Project	(4,875)
Windy Point Project	(36,249)
Linden Wind Energy Project	(6,378)
Southern Transmission System Project	(24,649)
Mead-Phoenix Project	(2,483)
Mead-Adelanto Project	(3,158)
Prepaid Natural Gas Project No. 1	(1,663)
	\$ (146,104)

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 7 – Long-Term Debt (continued)

**Advance refundings** – The Authority has established irrevocable escrow trusts with the proceeds from issuance of subordinate refunding bonds. These investments will be used to pay specified revenue bonds called at scheduled redemption dates.

**Defeasance of debt** – The Authority has defeased specified revenue bonds by placing the proceeds from the issuance of subordinate refunding bonds in irrevocable trusts to provide for all future debt service payments on the refunded bonds. The trust investments and related liability for bonds that are considered legally defeased are not included in the Authority's financial statements. At June 30, 2021 and 2020, \$172.5 million and \$441.5 million, respectively, of revenue bonds outstanding are considered legally defeased.

The refunded bonds constitute a contingent liability of the Authority only to the extent that cash and investments presently in the control of the refunding trustees are not sufficient to meet debt service requirements and are therefore excluded from the combined financial statements because the likelihood of additional funding requirements is considered remote.

**Debt service** – The scheduled debt service payments for future years ending June 30 are included in the table on the following page. As of June 30, 2021, the variable rate was 0.01% for the Magnolia 2020-3 bonds.

**Southern California Public Power Authority**  
**Notes to Financial Statements**

**Note 7 – Long-Term Debt (continued)**

In accordance with GAAP requirements, SCPPA presents future principal and interest debt service requirements on a cash basis. Future principal and interest payments are as follows (amounts in thousands):

FISCAL YEAR	GENERATION					GREEN POWER				
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power	Tieton Hydropower	Milford I Wind	Milford II Wind	Windy Point	Linden Wind Energy
2022 Principal	\$ -	\$ -	\$ 8,430	\$ 3,865	\$ 10,185	\$ 1,105	\$ 9,625	\$ -	\$ 11,125	\$ 4,295
2022 Interest	-	-	5,545	3,363	11,609	1,669	5,036	2,908	13,355	5,046
2023 Principal	-	-	13,245	5,855	10,490	1,165	10,105	6,300	11,680	4,510
2023 Interest	-	-	9,340	6,854	11,286	1,607	4,554	3,808	12,785	4,826
2024 Principal	-	-	10,760	12,885	10,830	1,225	10,590	6,620	12,265	4,735
2024 Interest	-	-	8,571	6,807	10,927	1,540	4,046	3,485	12,186	4,595
2025 Principal	-	-	11,325	12,960	11,205	1,300	11,115	6,950	162,590	40,320
2025 Interest	-	-	8,164	6,725	10,538	1,467	3,503	3,146	7,815	3,468
2026 Principal	-	-	11,905	13,065	11,610	2,915	11,675	7,300	-	-
2026 Interest	-	-	7,733	6,620	10,118	1,345	2,934	2,789	3,750	2,460
2027 - 2031 Principal	-	-	69,550	60,550	65,355	6,825	52,835	42,355	75,000	-
2027 - 2031 Interest	-	-	31,311	37,191	42,972	5,480	5,445	7,945	16,875	12,301
2032 - 2036 Principal	-	-	89,700	75,115	82,090	8,715	-	9,780	-	41,550
2032 - 2036 Interest	-	-	16,285	21,436	25,606	3,547	-	245	-	6,336
2037 - 2041 Principal	-	-	36,525	90,885	59,775	11,045	-	-	-	-
2037 - 2041 Interest	-	-	1,337	6,926	4,580	1,185	-	-	-	-
Principal	\$ -	\$ -	\$ 251,440	\$ 275,180	\$ 261,540	\$ 34,295	\$ 105,945	\$ 79,305	\$ 272,660	\$ 95,410
Interest	\$ -	\$ -	\$ 88,286	\$ 95,922	\$ 127,635	\$ 17,840	\$ 25,518	\$ 24,325	\$ 66,766	\$ 39,031

**Southern California Public Power Authority**  
**Notes to Financial Statements**

**Note 7 – Long-Term Debt (continued)**

FISCAL YEAR	TRANSMISSION			NATURAL GAS			Total
	Southern Transmission System	Mead- Phoenix	Mead- Adelanto	Pinedale	Barnett	Prepaid Natural Gas	
2022 Principal	\$ 78,640	\$ 1,415	\$ 1,695	\$ 1,428	\$ 3,352	\$ 8,940	144,100
2022 Interest	13,534	797	1,024	736	1,732	13,865	80,219
2023 Principal	59,415	1,475	1,780	1,345	3,160	9,705	140,230
2023 Interest	10,276	740	937	658	1,550	13,376	82,596
2024 Principal	62,825	1,535	1,870	1,270	2,985	11,250	151,645
2024 Interest	7,270	679	846	584	1,378	12,826	75,740
2025 Principal	27,055	1,595	1,965	1,201	2,824	12,850	305,255
2025 Interest	5,032	609	750	515	1,215	12,193	65,139
2026 Principal	28,390	1,675	2,060	1,144	2,691	14,805	109,235
2026 Interest	3,655	527	649	447	1,055	11,467	55,549
2027 - 2031 Principal	61,090	9,705	11,955	5,115	12,040	98,965	571,340
2027 - 2031 Interest	2,935	1,261	1,552	1,286	3,037	43,707	213,298
2032 - 2036 Principal	-	-	-	1,840	4,337	120,590	433,717
2032 - 2036 Interest	-	-	-	109	257	13,838	87,659
2037 - 2041 Principal	-	-	-	-	-	-	198,230
2037 - 2041 Interest	-	-	-	-	-	-	14,028
Principal	<u>\$ 317,415</u>	<u>\$ 17,400</u>	<u>\$ 21,325</u>	<u>\$ 13,343</u>	<u>\$ 31,389</u>	<u>\$ 277,105</u>	<u>\$ 2,053,752</u>
Interest	<u>\$ 42,702</u>	<u>\$ 4,613</u>	<u>\$ 5,758</u>	<u>\$ 4,335</u>	<u>\$ 10,224</u>	<u>\$ 121,272</u>	<u>\$ 674,227</u>



**Southern California Public Power Authority**  
**Notes to Financial Statements**

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**Note 8 – Notes Payable and Other Liabilities**

Notes payable and other liabilities consist mainly of an allowance for future major maintenance expenses and swap-related transaction fees for Magnolia Power Project (MPP), and the Authority's net pension and OPEB liabilities.

Notes payable and other liabilities rollforward (amounts in thousands):

Description	June 30, 2021			
	June 30, 2020	Additions	Payments/ Amortization	June 30, 2021
MPP major maintenance	\$ 19,891	\$ 9,065	\$ (25,995)	\$ 2,961
MPP 2010-1 and 2010-2 swap suspension	1,721	-	(498)	1,223
Net pension and OPEB liabilities	2,556	385	-	2,941
	<u>\$ 24,168</u>	<u>\$ 9,450</u>	<u>\$ (26,493)</u>	<u>\$ 7,125</u>

  

Description	June 30, 2020			
	June 30, 2019	Additions	Payments/ Amortization	June 30, 2020
MPP major maintenance	\$ 21,127	\$ 1,854	\$ (3,090)	\$ 19,891
MPP 2010-1 and 2010-2 swap suspension	2,219	-	(498)	1,721
Net pension and OPEB liabilities	2,327	229	-	2,556
	<u>\$ 25,673</u>	<u>\$ 2,083</u>	<u>\$ (3,588)</u>	<u>\$ 24,168</u>

**Note 9 – Advances from Participants**

Advances from participants under current liabilities in the statements of net position consist mainly of billings to participants related to acquisition, inventory, and working capital reserves wherein the matching operating expenses will be recognized at a future date. Advances from participants under noncurrent liabilities in the statements of net position are advances held by the Pinedale and Barnett Natural Gas Projects mainly from LADWP and TID for their share of operating costs and capital expenditures pursuant to their respective Agency Agreements.

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 9 – Advances from Participants (continued)

Advances from participants' rollforward (amounts in thousands):

Description	June 30, 2020	Activity	June 30, 2021
Noncurrent:			
Pinedale Project	\$ 11,300	\$ (1,337)	\$ 9,963
Barnett Project	5,708	(655)	5,053
Total noncurrent advances from participants	\$ 17,008	\$ (1,992)	\$ 15,016
Current:			
Magnolia Power Project	\$ 17,000	\$ (4,375)	\$ 12,625
Canyon Power Project	12,714	(6,500)	6,214
Apex Power Project	11,180	9,788	20,968
Tieton Hydropower Project	202	-	202
Milford I Wind Project	2,770	-	2,770
Milford II Wind Project	250	-	250
Windy Point Project	1,000	20,395	21,395
Linden Wind Energy Project	3,552	2,691	6,243
Pinedale Project	2,556	923	3,479
Barnett Project	2,020	340	2,360
Ormat Geothermal Project	857	-	857
MWD Small Hydro Project	500	-	500
Ameresco Chiquita Landfill Gas Project	400	-	400
Project Development Fund	745	(745)	-
Don A. Campbell/ Wild Rose Geothermal Project	960	-	960
Columbia 2 Solar Project	405	-	405
Don A. Campbell 2 Geothermal Project	960	-	960
Kingbird Solar Project	171	-	171
Heber-1 Geothermal Project	400	-	400
Springbok 1 Solar Project	2,000	-	2,000
Springbok 2 Solar Project	2,000	-	2,000
Summer Solar Project	600	-	600
Astoria 2 Solar Project	800	-	800
Antelope Big Sky Ranch Solar Project	300	-	300
Antelope DSR 1 Solar Project	900	-	900
Antelope DSR 2 Solar Project	90	-	90
Puente Hills Landfill Gas Project	420	-	420
Ormat Northern Nevada Geothermal Project	400	-	400
Springbok III Solar Project	2,000	-	2,000
Whitegrass Geothermal Project	300	100	400
Pebble Springs Wind Project	-	2,050	2,050
ARP Loyalton Biomass Project	-	400	400
Desert Harvest Solar Project	-	400	400
Roseburg Biomass Project	-	12	12
Ormesa Geothermal Project	-	2,507	2,507
Total current advances from participants	\$ 68,452	\$ 27,986	\$ 96,438

## Southern California Public Power Authority Notes to Financial Statements

### Note 10 – Net Position

The Authority's billing amounts to the participants are determined by its Board of Directors and are subject to review and approval by the participants. Billings to participants are designed to recover "costs" as defined by the power sales, natural gas sales, and transmission service agreements. The billings are structured to systematically provide for debt service requirements, operating funds, and reserves in accordance with these agreements. The accumulated difference between billings and the Authority's expenses calculated in accordance with accounting principles generally accepted in the United States of America are presented as Net Position. It is intended that this difference will be recovered in the future through billings for repayment of principal on the related bonds.

Net position is comprised of the following (in thousands):

	June 30, 2019	Fiscal Year 2020 Activity	June 30, 2020	Fiscal Year 2021 Activity	June 30, 2021
GAAP items not included in billings to participants					
Depreciation of plant	\$ (2,150,855)	\$ (105,107)	\$ (2,255,962)	\$ (105,876)	\$ (2,361,838)
Nuclear fuel amortization	(5,860)	-	(5,860)	-	(5,860)
Decommissioning expense	(128,525)	(1,720)	(130,245)	(1,720)	(131,965)
Inflation gain (loss)	(11,559)	(1,197)	(12,756)	(10,050)	(22,806)
Amortization of bond discount, debt issue costs, and loss on refundings	(796,754)	2,062	(794,692)	19,373	(775,319)
Interest expense	(54,900)	-	(54,900)	137	(54,763)
Loss on defeasance of bonds	(87,509)	-	(87,509)	-	(87,509)
Derivatives and related charges	(8,671)	(6,465)	(15,136)	6,619	(8,517)
Pension expense	(2,317)	(269)	(2,586)	(392)	(2,978)
Bond requirements included in billings to participants					
Operations and maintenance, net of investment income	(126,207)	(23,161)	(149,368)	(40,174)	(189,542)
Costs of acquisition of capacity	(167)	-	(167)	-	(167)
Billings to amortize costs recoverable	382,050	-	382,050	-	382,050
Reduction in debt service billings due to transfer of excess funds	(94,543)	-	(94,543)	-	(94,543)
Principal repayments	2,828,101	167,817	2,995,918	155,704	3,151,622
Withdrawal of funds	(27,792)	-	(27,792)	-	(27,792)
Other	277,564	(1,127)	276,437	(452)	275,985
	(7,944)	30,833	22,889	23,169	46,058
Projects' Stabilization Fund net position	135,102	(16,879)	118,223	(13,170)	105,053
	<u>\$ 127,158</u>	<u>\$ 13,954</u>	<u>\$ 141,112</u>	<u>\$ 9,999</u>	<u>\$ 151,111</u>

### Note 11 – Pension and Other Postemployment Retirement Plans

#### Pension Plan

*Plan descriptions* – All qualified permanent and probationary employees are eligible to participate in SCPPA's Miscellaneous Employee Pension Plans and cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and SCPPA resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 11 – Pension and Other Postemployment Retirement Plans (continued)

*Benefits provided* – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service.

The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Prior to January 1, 2013	On or after January 1, 2013
	<u>                    </u>	<u>                    </u>
Hire date		
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 – 55	52 – 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8%	7.3%
Required employer contribution rates	13.3%	7.8%

*Contributions* – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. SCPPA is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2021 and 2020, contributions to the Plans were \$334,412 and \$326,501, respectively, and were recorded as deferred outflows of resources for contributions made subsequent to the measurement date.

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 11 – Pension and Other Postemployment Retirement Plans (continued)

*Pension liabilities, pension expenses and deferred outflows / inflows of resources related to pensions –* As of June 30, 2021 and 2020, SCPA reported a net pension liability of \$1.7 million and \$1.5 million, respectively, for its proportionate share of the net pension liability. SCPA's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2020, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. SCPA's proportion of the net pension liability was based on a projection of SCPA's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. SCPA's proportionate share of the net pension liability for the Plans were 0.0416% and 0.0417% as of the June 30, 2020 and 2019 measurement dates, respectively.

For the year ended June 30, 2021 and 2020, SCPA recognized pension expense of \$360,535 and \$393,855, respectively. SCPA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30,	
	2021	2020
Deferred Outflows of Resources		
Pension contributions subsequent to measurement date	\$ 334,412	\$ 326,501
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	17,345	701
Differences between actual and expected experience	90,317	116,091
Changes in assumptions	-	79,704
Net differences between projected and actual earnings on plan investments	52,064	-
Total	\$ 494,138	\$ 522,997

	June 30,	
	2021	2020
Deferred Inflows of Resources		
Pension contributions subsequent to measurement date	\$ -	\$ -
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	(31,640)	-
Differences between actual and expected experience	-	(8,995)
Changes in assumptions	(12,500)	(28,254)
Net differences between projected and actual earnings on plan investments	-	(29,223)
Total	\$ (44,140)	\$ (66,472)

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 11 – Pension and Other Postemployment Retirement Plans (continued)

\$334,412 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

For the Period Ended June 30,	2021	\$	20,083
	2022		47,454
	2023		34,020
	2024		16,160
	Thereafter		<u>(2,130)</u>
		\$	<u>115,587</u>

*Actuarial assumptions* – The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15% (1)
	Derived using CalPERS' Membership Data
Mortality	

(1) Net pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

*Discount rate* – The discount rate used to measure the total pension liability was 7.15% for the Plans. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plans, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

## Southern California Public Power Authority

### Notes to Financial Statements

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#### **Note 11 – Pension and Other Postemployment Retirement Plans (continued)**

According to GAAP, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.15% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS reviewed all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle. There was no change in the discount rate used for GASB 67 and 68 calculations. Any changes to the discount rate will require Board action and proper stakeholder outreach. CalPERS will continue to check the materiality of the difference in calculation until such time as CalPERS has changed its methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS considered both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 11 – Pension and Other Postemployment Retirement Plans (continued)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+ (b)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	-	-0.92%
Total	100.0%		

(a) An expected inflation of 2.00% used for this period

(b) An expected inflation of 2.92% used for this period

*Sensitivity of the proportionate share of the net pension liability to changes in the discount rate* – The following presents SCPPA's proportionate share of the net pension liability for the Plans, calculated using the discount rate for each Plan, as well as what SCPPA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30,	
	2021	2020
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 2,798,777	\$ 2,681,139
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 1,717,325	\$ 1,562,437
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 888,197	\$ 838,075

*Pension plan fiduciary net position* – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

*Payable to the pension plan* – At June 30, 2021, SCPPA did not have an outstanding amount of contributions payable to the pension plan.



**Southern California Public Power Authority**  
**Notes to Financial Statements**

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**Note 11 – Pension and Other Postemployment Retirement Plans (continued)**

**Postemployment benefits other than pension** – On July 1, 2017 SCPPA implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* as amended, and GASB No. 57, *OPEB Measurement by Agent Employers and Agent Multiple-employer Plans*. Specifically, Statement No. 75 recognizes the long-term obligation for health and life insurance benefits offered to retirees.

SCPPA's defined benefit OPEB plan provides health care benefits for eligible employees. SCPPA's plan is a single employer defined benefit OPEB plan administered by the SCPPA Board. The authority to establish and amend the benefit terms and financing is accomplished through the SCPPA Board of Directors.

SCPPA's plan provides healthcare benefits for retirees. The benefit terms vary depending on the employee's date of hire. Below is a brief summary of employee eligibility and benefits provided.

- 1) Employee must retire within 120 days from date of separation
- 2) The retiree must be receiving benefits from CalPERS (California Public Employees' Retirement System)
- 3) Employee was either hired before December 18, 2014 or has at least 10 years of service and is eligible for a supplemental contribution upon retirement

**Net OPEB Liability** – At June 30, 2020 and 2019, the following employees were covered by the benefit terms:

Active employees electing coverage	12
Active employees waiving coverage	5
Retirees electing coverage	5
<b>Total</b>	<b>22</b>

SCPPA's net OPEB liability of \$1,222,461 and \$992,316 was measured on June 30, 2020 and 2019, respectively and was determined by an actuarial valuation as of that date.

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 11 – Pension and Other Postemployment Retirement Plans (continued)

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation		2.50%
Salary Increases	Varied on years of experience	
Discount Rate		2.45%

Healthcare cost trend rates:

<u>Not Medicare Eligible</u>	<u>Medicare Eligible</u>
6.4% in 2020, trending down to 4.0% in 2076 thereafter	5.1% in 2020, trending down to 4.0% in 2076 thereafter

Retirees are required to pay the applicable retiree premiums, less any direct subsidies provided by SCPA. Retiree premiums can vary from \$327 to \$931 for the retiree and \$654 to \$1,862 for the retiree plus spouse depending on the care the provider selected.

The discount rate was based on the index rate for 20-year, tax exempt municipal bonds.

Mortality rates were based on assumptions for the Public Agency Miscellaneous members used in the June 30, 2019 and 2018 CalPERS actuarial valuation.

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Beginning balance	\$ 992,316	\$ 908,596
Changes for the year		
Service cost	109,469	85,925
Interest	33,971	35,531
Differences between expected and actual experience	(3,556)	(29,666)
Changes of assumptions	123,131	17,925
Benefit payments	(32,870)	(25,995)
Net changes	<u>230,145</u>	<u>83,720</u>
Ending balance	<u>\$ 1,222,461</u>	<u>\$ 992,316</u>

*Changes in the Net OPEB Liability* – There were no changes to benefit terms during the year. Changes of assumptions and other inputs reflect a change in the discount rate from 3.13% percent as of June 30, 2019 to 2.45% as of June 30, 2020. In addition, changes of assumptions were made to update healthcare costs and trends.

**Southern California Public Power Authority**  
**Notes to Financial Statements**

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**Note 11 – Pension and Other Postemployment Retirement Plans (continued)**

Benefit payments in the measurement period included \$24,458 in direct subsidy payments to retirees and \$8,412 estimated implicit subsidy costs incurred during measurement period ended June 30, 2020.

The following presents the net OPEB liability of SCPPA, as well as what SCPPA's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current discount rate:

	June 30,	
	2020	2019
Discount rate		
1% Decrease	1.45%	2.13%
Net OPEB Liability	\$ 1,443,284	\$ 1,157,585
Current Discount Rate	2.45%	3.13%
Net OPEB Liability	\$ 1,222,461	\$ 992,316
1% Increase	3.45%	4.13%
Net OPEB Liability	\$ 1,047,663	\$ 860,089

The following presents the net OPEB liability of SCPPA, as well as what SCPPA's net OPEB liability would be if it were calculated using a healthcare cost trend rates that is 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

	June 30,	
	2020	2019
Healthcare cost trend rates		
1% Decrease - 4.4% decreasing to 3.4%		
Net Health Plan Liability	\$ 1,016,720	\$ 846,453
5.4% decreasing to 4.4%		
Net Health Plan Liability	\$ 1,222,461	\$ 992,316
1% Increase - 6.4% decreasing to 5.4%		
Net Health Plan Liability	\$ 1,494,346	\$ 1,180,676

There were no deferred inflows or outflows in the current year.

# Southern California Public Power Authority

## Notes to Financial Statements

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### Note 12 – Commitments and Contingencies

**Public benefits** – The members continue to collect the public benefit charge through existing rate structures and have instituted programs to benefit their customers including conservation and energy efficiency programs, public educational programs, research and development, and low-income rate subsidies, totaling a combined \$2.0 billion since their inception in 1997. The decisions on how these funds are allocated are made by the local governing authority, in most cases this is the city council.

**Executive action and state legislation** – A number of bills affecting the electric industry have been introduced or enacted by the California Legislature. In general, these bills regulate greenhouse gas emissions and provide for greater investment in energy efficiency and environmentally friendly generation and storage alternatives through more stringent renewable resource portfolio standard requirements. The following is a brief summary of bills that have been enacted:

**Greenhouse gas emissions – Executive Orders** – Executive Order B-55-18, signed in September 2018, set a new statewide goal to achieve carbon neutrality as soon as possible, and no later than 2045, and to achieve and maintain net negative emissions thereafter.

**Greenhouse gas emissions – Global Warming Solutions Act** – The Global Warming Solutions Act of 2006 (the GWSA) prescribed a statewide cap on global warming pollution with a goal of reaching 1990 greenhouse gas emission levels by 2020; and the 2017 Scoping Plan Update set a target to reduce greenhouse gas emissions 40% below 1990 levels by 2030, and to substantially advance towards a 2050 goal to reduce emissions by 80% below 1990 levels.

**Greenhouse gas emissions – cap-and-trade program** – The cap-and-trade program introduced a hard emissions cap that covered emissions transportation fuels, natural gas, propane, and other fossil fuels. In July 2017, the California Legislature passed AB 398, extending the cap-and-trade program until 2030 and the distribution of free carbon allowances is continued for certain industrial sectors from 2021-2030 following a formal rulemaking adopted by the California Air Resources Board in 2018.

**Greenhouse gas emissions – emissions performance standard** – Senate Bill 1368 (SB 1368) signed on January 1, 2007, provides for an emission performance standard, restricting new investments in baseload fossil fuel electric generating resources that exceed the rate of greenhouse gas emissions for existing combined-cycle natural gas baseload generation.

**Energy procurement and efficiency reporting** – Senate Bill 1037 requires that each publicly owned utilities (POUs), including the Project Participants, prior to procuring new energy generation resources, first acquire all available energy efficiency, demand reduction, and renewable resources that are cost effective, reliable and feasible, then report annually to its customers and to the CEC its investment in energy efficiency and demand reduction programs. Each Project Participant has complied with such reporting requirements.

## Southern California Public Power Authority

### Notes to Financial Statements

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#### **Note 12 – Commitments and Contingencies (continued)**

**Renewable Portfolio Standard (RPS)** – Senate Bill X1 2 (SBX1-2), the “California Renewable Energy Resources Act,” was signed into law on April 12, 2011. SBX1-2 codifies the RPS target for retail electricity sellers to serve 33% of their loads with eligible renewable energy resources by 2020 as provided in Executive Order S-14-08.

**Clean Energy and Pollution Reduction Act of 2015** – Senate Bill 350 increased the RPS requirement for publicly-owned electric utilities to 25% of retail sales by December 31, 2016, 33% by December 31, 2020, 40% by December 31, 2024, 45% by December 31, 2027, and 50% by December 31, 2030.

**100 Percent Clean Energy Act of 2018** – Senate Bill 100 (SB 100) was signed into law in September 2018. SB 100 accelerates the State’s RPS target as established by SB 350 from 50% by 2030 to 60% by 2030 and sets a goal of 100% “clean energy” by the year 2045. SB 100 requires retail electric sellers and local publicly-owned electric utilities to procure a minimum quantity of electric products from eligible renewable energy resources so that the total kWhs of those products sold to retail end-use customers achieve 44% of retail sales by December 31, 2024, 52% of retail sales by December 31, 2027 and 60% of retail sales by December 31, 2030. SB 100 further establishes a State policy that eligible renewable energy resources and zero-carbon resources supply 100% of retail sales of electricity to California end-use customers by December 31, 2045.

**Biomass Legislation** – Senate Bill 859, signed in September 2016, requires investor-owned utilities (IOUs) and POU’s that serve more than 100,000 customers, including certain of the Project Participants, to procure, through financial commitments of five years, their proportionate shares (based on the ratio of the utility’s peak demand to the total statewide peak demand), of 125 MW of cumulative rated capacity from existing bioenergy projects that generate energy from wood harvested from high-fire-hazard zones.

**Legislation Relating to Wildfires** – SB 901, signed in September 2018, amends certain provisions of SB 1028 requiring POU’s and electric cooperatives to prepare wildfire mitigation measures if the utilities’ overhead electrical lines and equipment are located in an area that has a significant risk of wildfire resulting from those electrical lines and equipment. Under SB 901, each POU or electric cooperative is required to prepare before January 1, 2020 and annually thereafter, a wildfire mitigation plan. SB 901 requires specified information and elements to be considered as necessary, at minimum, in the wildfire mitigation plan. The POU or electric cooperative is required to present each wildfire mitigation plan in an appropriately noticed public meeting, and to accept comments on its wildfire mitigation plan from the public, other local and state agencies, and interested parties. In addition, SB 901 requires the POU or electric cooperative to contract with a qualified independent evaluator with experience in assessing the safe operation of electrical infrastructure to review and assess the comprehensiveness of its wildfire mitigation plan. The report of the independent evaluator is to be made available to the public and to be presented at a public meeting of the POU’s governing board.

## **Southern California Public Power Authority**

### **Notes to Financial Statements**

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#### **Note 12 – Commitments and Contingencies (continued)**

Assembly Bill 1054 (AB 1054) was signed into law on July 12, 2019. AB 1054 was enacted as an urgency statute to take effect immediately. SB 1054 establishes a Wildfire Fund of approximately \$21 billion to provide liquidity for IOUs (only) to facilitate payment of eligible, uninsured third-party damage claims resulting from future catastrophic wildfires. AB 1054 revises the cost recovery review of wildfire costs and expenses for IOUs before the California Public Utilities Commission (CPUC), and establishes safety certification protocols that IOUs must meet in order to participate in the Wildfire Fund. AB 1054 provides for a cap on an IOU's obligations to reimburse the Wildfire Fund and a presumption of reasonableness if a utility develops and maintains a valid safety certification from the Wildfire Safety Division, which is established in the CPUC pursuant to companion legislation, Assembly Bill 111, also signed into law on July 12, 2019. To receive the safety certification from the CPUC, the IOU must develop and implement an approved wildfire mitigation plan, implement the findings of its safety culture assessments, establish a safety committee of its board of directors, establish board level reporting to the CPUC on safety issues, and adopt a compensation structure tied to safety performance, among other requirements.

AB 1054 expands on the existing requirements established under SB 901 for POUs to develop and implement wildfire mitigation plans. AB 1054 also establishes the California Wildfire Safety Advisory Board (the Wildfire Advisory Board), a seven-member board to be appointed by the Governor (five members), the Speaker of the State Assembly (one member) and the State Senate Committee on Rules (one member). The Wildfire Advisory Board will provide advice and recommendations related to wildfire safety, including on the content and sufficiency of wildfire mitigation plans. AB 1054 requires that after January 1, 2020, each POU or electrical cooperative submit, by July 1 of each year, its plan to the Wildfire Advisory Board for review and comment. Under AB 1054, the Wildfire Advisory Board is required to provide comments and an advisory opinion to each POU regarding the content and sufficiency of its plan and to make recommendations on how to mitigate wildfire risks. AB 1054 requires each POU to comprehensively revise its plan at least once every three years. Project Participants submitted wildfire mitigation plans and annual updates in accordance with the requirements of SB 901 and AB 1054 as required.

A number of wildfires occurred in California in 2017, 2018, 2019, 2020, and 2021. Under the doctrine of inverse condemnation (a legal concept that entitles property owners to just compensation if their property is damaged by a public use), California courts have imposed liability on utilities in legal actions brought by property holders for damages caused by the utility's infrastructure. Thus, if the facilities of a utility, such as its electric distribution and transmission lines, are determined to be the substantial cause of a fire, and the doctrine of inverse condemnation applies, the utility could be liable for damages without having been found negligent. SB 1028, SB 901 or AB 1054 do not address the existing legal doctrine relating to utilities' liability for wildfires. How any future legislation addresses California's inverse condemnation and "strict liability" issues for utilities in the context of wildfires in particular could be significant for the electric utility industry.

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 12 – Commitments and Contingencies (continued)

**Solar power** – Senate Bill 1 (also known as the California Solar Initiative), which was signed into law on August 21, 2006, requires POUUs, including the Project Participants, to establish a program supporting the stated goal of the legislation to install 3,000 MW of photovoltaic energy in California. POUUs are also required to establish eligibility criteria in collaboration with the CEC for the funding of solar energy systems receiving ratepayer-funded incentives. Certain reporting requirements also have to be met by the POUUs. Each of the Project Participants has established programs in accordance with the requirements of the California Solar Initiative.

**Bill Arrears** – Assembly Bill 135, which was signed into law on July 16, 2021, created the California Arrearage Payment Program (CAPP) to provide assistance to residential and commercial customers of local publicly owned electric utilities and electric cooperatives with outstanding bill arrears incurred during the “Covid-19 pandemic bill relief period” (March 4, 2020 to June 15, 2021). The bill requires the Department of Community Services and Development (CSD) to conduct a survey of utility applicants to determine total statewide energy utility arrears during the Covid-19 pandemic bill relief period. After the survey, CSD is required to develop an allocation formula, as specified, for determining a utility applicant’s share of CAPP funds. Utility applicants will then apply for funds on behalf of their customers and CSD will review and approve applications and disburse funds as expeditiously as possible to utility applicants, but no later than January 31, 2022. Within 60 days of receiving CAPP funds, a utility applicant is required to issue CAPP assistance benefits to customers as bill credits to help address the eligible past due balance. A utility applicant is required to prioritize the issuance of CAPP assistance in the following order: (1) active residential customers who are past due and who, absent the CAPP assistance might be subject to service disconnection, consistent with current law, due to nonpayment of balances incurred during the COVID-19 pandemic bill relief period, (2) active residential customers with delinquent balances incurred during the COVID-19 pandemic bill relief period, (3) inactive residential accounts with delinquent balances incurred during the COVID-19 pandemic bill relief period, and (4) commercial customers with delinquent balances incurred during the COVID-19 pandemic bill relief period. A utility applicant is prohibited from discontinuing service to a customer while CSD reviews and approves all pending CAPP applications and 90 days after a CAPP benefit is applied. If a customer has a remaining balance after a CAPP benefit is applied, the utility applicant is required to notify the customer of the option to enter into an extended payment plan. Senate Bill 129, the state budget bill that was signed on July 12 2021, appropriated the funding for the CAPP program.

**Future regulation** – The electric industry is subject to continuing legislative and administrative reforms. States routinely consider changes to the way they regulate the electric industry. Historically, both further deregulation and forms of additional regulation have been proposed for the industry, which has been highly regulated throughout its history. While there is no current proposal to further the industry, there still are additional regulations or legislative mandates being proposed or considered for the industry such as higher reliance on renewable energy and tighter regulations for greenhouse gas emission reductions.

The Authority and the Project Participants are unable to predict at this time the impact any such proposals will have on the operations and finances of the Project Participant’s electric utility or the electric utility industry generally.

# Southern California Public Power Authority

## Notes to Financial Statements

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### Note 12 – Commitments and Contingencies (continued)

**Impact of developments on the Project Participants** – The effect of these developments in the California energy markets on the Project Participants cannot be fully ascertained at this time. Also, volatility in energy price in California may return due to a variety of factors which affect both the supply and demand for electric energy in the western United States.

This price volatility may contribute to greater volatility in the revenues of their respective electric systems from the sale (and purchase) of electric energy and, therefore, could materially affect each Project Participant's financial condition. Each Project Participant undertakes resource planning, risk management activities, and manages its resource portfolio to mitigate such price volatility and spot market rate exposure.

**Federal policy on cybersecurity** – In September 2018, “National Cyber Strategy” was signed which sought to update the nation's cyber strategy for the first time in 15 years – and identified “energy and power” as one of the seven key areas for protection. The FERC has also sought to expand reporting rules for incidents involving attempts to compromise operation of the electric grid (not just when an incident to compromise or disrupt one or more reliability tasks actually occurs).

#### **Federal energy legislation**

**Energy Policy Act of 2005** – Under the Federal Energy Policy Act of 2005 (EPAAct 2005), FERC was given refund authority over municipal utilities if they sell into short-term markets, like the International Organization for Standardization or ISO markets, and sell eight million MWhs or more of electric energy on an annual basis.

**NERC reliability standards** – On February 3, 2006, FERC issued Order 672, which certified the NERC as the Electric Reliability Organization or ERO. Many reliability standards have since been approved by FERC. Such standards pertain not only to the planning, operations, and maintenance of Bulk-Power System facilities, but also to the cyber and physical security of certain critical facilities.

**Federal regulation of transmission access** – EPAAct 2005 authorizes FERC to compel “open access” to the transmission systems of certain utilities that are not generally regulated by FERC, including municipal utilities if the utility sells more than four million MWhs of electricity per year. Under open access, a transmission provider must allow all customers to use the system under standardized rates, terms and conditions of service.

**Transmission Reform and Cost Recovery** -- FERC is currently in the process of taking a “fresh look” at how transmission is regulated and paid for, in light of the Biden Administration's goal of decarbonizing the electric grid by 2035.

To that end, in July 2021, FERC issued an Advance Notice of Proposed Rulemaking in which the Commission seeks comment on, pursuant to section 206 of the Federal Power Act, the potential need for reforms or revisions to existing regulations to improve the electric regional transmission planning and cost allocation and generator interconnection processes.



## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 12 – Commitments and Contingencies (continued)

**Other legislation** – Congress has considered and is considering bills addressing domestic energy policies and various environmental matters, including a wide range of bills aimed at achieving a decarbonized electricity grid by 2035 and a decarbonized economy by 2050, as well as elimination of federal financial incentives and support for fossil fuel production.

Many of these bills, if enacted into law, could have a material impact on the Authority, the Project Participants, and the electric utility industry as a whole. The Authority and the Project Participants are unable to predict the outcome or potential impacts of any possible legislation at this time.

**Environmental issues** – Electric utilities are subject to continuing environmental regulation. Federal, state and local standards and procedures which regulate the environmental impact of electric utilities are subject to change. There is no assurance that any Authority or Project Participant facility or project will remain subject to the laws and regulations currently in effect, will always be in compliance with future laws and regulations, or will always be able to obtain all required operating permits. In addition, the recent election of Joe Biden as President of the United States, could impact substantially the current environmental standards and regulations and other matters described herein. An inability to comply with environmental standards could result in, for example, additional capital expenditures, reduced operating levels or the shutdown of individual units not in compliance. In addition, increased environmental laws and regulations may create certain barriers to new facility development, may require modification of existing facilities and may result in additional costs for affected resources.

**Greenhouse gas regulations under the Clean Air Act** – On July 8, 2019, the EPA issued the final Affordable Clean Energy rule to: (i) replace the Clean Power Plan with revised emissions guidelines that inform the development, submittal, and implementation of state plans to reduce greenhouse gas emissions from fossil fuel steam electric generating units, primarily coal-fired plants; and (ii) implements new regulations that provide direction to both the EPA and the states on the implementation of emission guidelines. The final rule identifies heat rate improvements as the best system of emission reduction from coal-fired power plants to be made at the individual facilities. The US Court of Appeals for the District of Columbia Circuit struck down the 2019 Affordable Clean Energy (ACE) rule. In August, four states and coal companies have filed four petitions asking the Supreme Court to overturn a January decision by the U.S. Court of Appeals for the District of Columbia Circuit that scrapped the Affordable Clean Energy (ACE) rule, the Trump administration's greenhouse gas regulation for power plants.

The petitions — led by West Virginia Attorney General Patrick Morrisey (R), North Dakota Attorney General Wayne Stenehjem (R), North American Coal Corp. and Westmoreland Mining LLC — come as the Biden administration looks to craft a more aggressive rule to curb climate pollution from the power sector.

The Biden Administration is currently considering next steps but, in the absence of congressional or court action, any new Clean Air Act related rule or rules issued by the Administration can be expected to be significantly more stringent than ACE.

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 12 – Commitments and Contingencies (continued)

**National Ambient Air Quality Standards** – The Clean Air Act requires that the EPA establish National Ambient Air Quality Standards (NAAQS) for certain air pollutants. Once NAAQS have been established, each state must identify areas that do not meet the EPA standard (“non-attainment areas”) and develop regulatory measures in its state implementation plan to reduce or control the emissions of that air pollutant in order to meet the applicable standard and become an “attainment area.” In August 2019, the D.C. appellate court upheld thresholds for ground-level ozone (70 ppb), directing EPA to revisit secondary public welfare standards. On July 13, 2020, the Trump Administration recommended retaining the Obama Administration’s 2015 70 ppb ozone NAAQS after a required statutory review; a formal proposal will be noticed for 45-day review/comment with the intent of finalizing it by year-end.

In January, 2021, President Biden issued an executive order directing EPA to review the Trump Administration’s action on NAAQS and other related environment regulations. New action on NAAQS is pending.

**Mercury and Air Toxic Standards (MATS)** – On December 16, 2011, the EPA Administrator signed a rule establishing new standards to reduce air pollution from coal- and oil-fired power plants under sections 111 (new source performance standards) and 112 (toxics program) of the Clean Air Act. In April 2019, California joined a multi-state comment letter opposing EPA’s proposal that they believe would undermine emissions standards for power plants as it “would unlawfully remove justification for Clean Air Act regulation of mercury and air toxics emissions from coal- and oil-fired power plants.”

On June 29, 2015, following litigation, the Supreme Court directed EPA to determine whether its standards were appropriate and necessary. The Obama administration determined that the standards were appropriate and necessary. However, under the Trump administration, EPA withdrew the appropriate and necessary finding, the legal justification for enforcing the MATS standard, which may limit future regulation of air pollutants from coal- and oil-fired power plants.

Then, on April 16, 2020, the Trump Administration finalized the Residual Risk and Technology Review (RTR) retaining the MATS standards. Environmental, civil rights, and public health groups, states, cities, counties, power companies, and utilities challenged the new finding in the D.C. Circuit.

On January 20, 2021, as part of a sweeping review of all Trump Administration actions, President Biden directed EPA to revisit the 2020 rule by August 2021. In addition, EPA has asked the D.C. Circuit to suspend the ongoing litigation as it does so.

On August 3, 2021 EPA submitted a proposed rule to OMB for interagency review.

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 12 – Commitments and Contingencies (continued)

**Other proposals** – On August 14, 2019, EPA formally noticed a proposed rule to make “targeted” revisions to Coal Combustion Residuals (CCR) rules from electric utilities – intended to enhance public access to information, reconsider beneficial use criteria, make revisions to the annual groundwater monitoring and corrective action report requirements, amongst others; stakeholder comments are due October 15, 2019. In April 2020, the EPA extended a comment period on their proposal to establish a federal CCR permit program to May 20, 2020. Action on the rule remains pending, consistent with the Biden Administration review of the Trump Administration’s regulatory actions by EPA.

**Other factors** – The electric utility industry in general has been, or in the future may be, affected by a number of other factors which could impact the financial condition and competitiveness of many electric utilities, and the level of utilization of generating and transmission facilities. Such factors, including the Coronavirus pandemic, and those discussed above, could have an adverse effect on the financial condition of any given electric utility and likely will affect individual utilities in different ways.

Regarding the pandemic in particular, a large number of the Authority’s customers are now in arrears. While funding from the federal and state government continues to flow to the Authority’s member agencies in an effort to mitigate the effects on operations, it is not clear what the long-term impacts will be.

The Authority is unable to predict what impact such factors will have on the business operations and financial condition of its members but the impact could be significant. Extensive information on the electric utility industry is available from the legislative and regulatory bodies and other sources in the public domain.

**Nuclear spent fuel and waste disposal** – Under the Nuclear Waste Policy Act, the Department of Energy (DOE) was to develop the facilities necessary for the storage and disposal of spent fuel and to have the first such facility in operation by 1998. DOE collected a fee of 0.1 cents/kWh of electric generation from the nuclear plant operators to fund the development and operation of the disposal facility.

In 2009, under the new administration, the federal government decided to cut off all the appropriated funds for the development of the repository at the Yucca Mountain at the urging of the Congress, except a small budget allocation for the closing of the project.

The Palo Verde operating agent (operating agent), on behalf of the co-owners, has litigated the DOE to recover the costs of storing spent fuel at Palo Verde because the DOE failed to honor the contract to remove and dispose of spent fuel as scheduled. The operating agent has submitted six claims pursuant to the terms of the 2014 Settlement Agreement (Settlement Agreement), for the period July 1, 2011 through June 30, 2019. The DOE has approved and paid \$99.7 million for these claims (Authority’s share is \$5.89 million). On November 2, 2020 the operating agent filed its seventh claim pursuant to the terms of the Settlement Agreement, for the period July 1, 2019 through June 30, 2020, in the amount of \$12.2 million. On March 15, 2021, the DOE approved a payment of \$12.1 million, which was received on April 16, 2021 (SCPPA’s share is \$0.71 million).

# Southern California Public Power Authority

## Notes to Financial Statements

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### Note 12 – Commitments and Contingencies (continued)

The spent fuel storage in the wet pool at Palo Verde exhausted its capacity in 2003. A Dry Cask Storage Facility (the Facility) was built and completed in 2003. The Facility has the capacity to store all the spent fuel generated by the Palo Verde plant until 2027. To date, over 152 casks, each containing 24 spent fuel assemblies were placed in the Facility. Beginning in 2019, PVNGS began to use the newly designed “Magnastor” casks that contain 36 spent fuel assemblies allowing the dry cask storage facility to accept more spent fuel. Storing spent fuel at Palo Verde is now considered indefinite with undetermined costs until spent fuel is removed from the plant site. Ten Magnastor systems have been placed in the facility. One Magnastor is currently being loaded. Procurement for Batch two, 12 Magnastor systems, has begun and loading of Batch two will need to begin in 2029 to maintain adequate facility capacity.

The Department of Energy indicated to nuclear operators that it intends to restart collection of the spent fuel disposal fee in the year 2020. The plant still intends to continue petitioning for reimbursement for the indefinite future.

**Nuclear insurance** – The Price-Anderson Act (the Act) requires that all utilities with nuclear generating facilities share in the payment for liability claims resulting from a nuclear incident. The Act limits liability from third-party claims to approximately \$13.9 billion per incident. Participants in the Palo Verde Nuclear Generating Station (PVNGS) currently insure potential claims and liability through commercial insurance with a \$450 million limit; the remainder of the potential liability is covered by the industry-wide retrospective assessment program provided under the Act. This program limits assessments to \$137.6 million per operating reactor for each licensee (there are about 98 operating reactors in the U.S.) for each nuclear incident occurring at any nuclear reactor in the United States; payments under the program are limited to \$28.4 million per reactor, per incident, per year to be indexed for inflation every five years. Based on the Authority’s 5.91% interest in Palo Verde, the Authority would be responsible for a maximum assessment of \$24.4 million per incident for all three units, limited to payments of \$4.9 million per incident, per year.

In addition to the above, the Authority may be subject to retroactive insurance assessments for its participation in the Neil Property Insurance Program in the amount of \$2.75 million.

**Coronavirus** – In March of 2020, an outbreak of a novel coronavirus (COVID-19) occurred in the United States, along with various other countries globally. The World Health Organization assessed the novel coronavirus outbreak and characterized it as a pandemic. Subsequent to the declaration of a pandemic, a variety of federal, state, and local governments have taken actions in response to the pandemic, which have ranged by jurisdiction, but are generally expected to result in a continued variety of negative economic consequences, the scope of which are not currently known or quantifiable. The duration and intensity of the impact of the coronavirus and resulting impact to the Authority is unknown.

**Other legal matters** – The Authority is also involved in various other legal actions. In the opinion of management, the outcome of such litigation or claims will not have a material effect on the financial position or the results of operations of the Authority or the respective separate Projects.

## Southern California Public Power Authority

### Notes to Financial Statements

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#### **Note 13 – Reclamation and Decommissioning Obligations**

The Authority has reclamation and decommissioning obligations in the following projects:

#### **GENERATION PROJECTS**

Palo Verde Project – PVNGS is located approximately 50 miles west of Phoenix, Arizona. PVNGS consists of three nuclear electric generating units (numbered 1, 2 and 3). PVNGS's combined design capacity is 4,003 MWs and its combined dependable capacity is 3,937 MWs. Each PVNGS generating unit has been operating under 40-year Full-Power Operating Licenses granted by the Nuclear Regulatory Commission (NRC) expiring in 2025, 2026, and 2027, respectively. In April 2011, NRC extended the operation for an additional 20 years until 2045, 2046 and 2047, respectively.

**Nuclear Regulatory Commission** – The NRC has broad authority under federal law to impose licensing and safety-related requirements for the operation of nuclear generation facilities. In 1988, NRC issued the General Requirements for Decommissioning Nuclear Facilities. The regulation addressed decommissioning planning needs, timing, funding methods, and environmental review requirements. The intent of the rule was to ensure that decommissioning would be accomplished in a safe and timely manner and that adequate funds would be available for this purpose.

**Decommissioning Study** – In April 2017, APS, the operating agent for PVNGS has availed of the services of an independent consultant to prepare the 2016 Decommissioning Cost Study. This study is conducted every three years with the most recent study conducted in 2019, and the report being issued in July 2020. The objective of this study is to prepare an estimate of the cost, schedule and waste volume generated to decommission Palo Verde, including all common and supporting facilities. The study considered the integration of the three-unit dismantling, and the dismantling of the Water Facilities and Reservoirs, Evaporation Ponds, Independent Spent Fuel Storage Installation, Steam Generators, Reactor and Storage Facilities. However, the site's Transmission and Distribution System will remain in place and is not considered part of the decommissioning estimate.

The methodology used to develop the estimates are based on numerous fundamental assumptions such as the estimating basis, labor costs, design conditions, including regulatory requirements, project contingencies, low level radioactive waste disposal practices, high-level radioactive waste management options, and site restoration requirements. The decommissioning scenarios assume continued operation of the plant's spent fuel pool for a minimum of six years following the cessation of operations for continued cooling of the assemblies. The primary cost contributors are either labor-related or associated with the management and disposition of the radioactive waste. Program management is the largest single contributor to the overall cost. Removal costs reflect the labor-intensive nature of the decommissioning process, as well as the management controls required to ensure a safe and successful program. Decontamination and packaging costs also have a large labor component that is based upon prevailing union wages. License termination survey costs are associated with the labor intensive and complex activity of verifying that contamination has been removed from the site to the levels specified by the regulating agency.

# Southern California Public Power Authority

## Notes to Financial Statements

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### Note 13 – Reclamation and Decommissioning Obligations (continued)

The cost projected to promptly decommission Palo Verde is estimated to be \$2.96 billion (2019 dollars), of which the Authority's interest which is at 5.91% is estimated to be \$174.9 million (2019 dollars). The Authority is providing for its share of the estimated future decommissioning costs over the remaining life of the nuclear power plant through annual charges to expense, which amounted to \$1.3 million at June 30, 2021 and 2020. The estimated remaining useful life for Unit 1, Unit 2 and Unit 3 are 24 years, 25 years and 26 years, respectively. The effects of general inflation amounted to \$9.3 million and \$1.1 million as of June 30, 2021 and 2020, respectively. The reclamation and decommissioning obligation reported under noncurrent liabilities in the statements of net position was \$184.8 million and \$173.2 million at June 30, 2021 and 2020, respectively.

The owners of PVNGS have created external trusts in accordance with the PVNGS participation agreement and NRC requirements to fund the costs of decommissioning PVNGS. As of June 30, 2021, the Authority's decommissioning funds totaled approximately \$186.4 million, including approximately \$0.3 million of interest receivable.

**San Juan Project** – On July 1, 1993, the Authority purchased a 41.80% interest in Unit 3 and related common facilities of the SJGS from Century Power Corporation. Unit 3, a 497-MW unit, is one unit of a four-unit coal-fired power generating station in New Mexico.

**Environmental Protection Agency** – SJGS was subject to the statutory obligations of the Federal Clean Air Act to reduce visibility impacts. On October 9, 2014, the United States Environmental Protection Agency (EPA) issued a final rule approving a plan to provide a Best Available Retrofit Technology path to comply with federal visibility rules at SJGS, which among other things resulted in the shutdown of Units 2 and 3 in December 2017. The EPA rule became effective on November 10, 2014.

To meet the 2017 closure deadline, the Authority and other owners who participated in Unit 3 entered into various negotiations and agreements that ultimately entitled the Authority and the other owners to exit the Project at the end of 2017. Unit 3 closed on December 18, 2017 and the Authority exited the SJGS Project on December 31, 2017.

**Decommissioning Study** – In 2013, the operating agent of SJGS availed the services of an independent engineering firm to conduct a decommissioning study for the Project. The study included three retirement, decommissioning and demolition scenarios, and the impact of the different assumptions on these scenarios. The cost estimates were based on direct and indirect cost assumptions and material estimations using a contracting approach by the operating agent and other SJGS owners. Direct cost assumptions include wage rates based on the prevalent rates in the labor sector, costs associated with equipment rental, demolition and all contractor services, and contingency costs included as an allowance for site unknowns, among others. Indirect costs assumptions include utilities used during demolition, liability insurance and performance bond. Material quantity estimation was based on major demolition activities including complete dismantling of all four units and restoring the site to the original condition.

## Southern California Public Power Authority

### Notes to Financial Statements

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#### **Note 13 – Reclamation and Decommissioning Obligations (continued)**

The reclamation and decommissioning of SJGS Unit 3 commenced in January 2018 and July 2018, respectively. The reclamation and decommissioning obligation reported under noncurrent liabilities in the statements of net position was \$3.6 million at June 30, 2021 and 2020. For fiscal year ended June 30, 2021 and 2020, actual decommissioning expenses totaled \$0.10 million and \$0.11 million, respectively.

The Authority recognized \$24.0 million and \$25.3 million reclamation liability as of June 30, 2021 and 2020, respectively; and reported it under noncurrent liabilities in the statements of net position. For fiscal year ended June 30, 2021 and 2020, actual reclamation expenses totaled \$1.49 million and \$1.18 million, respectively.

The Decommissioning and Reclamation Trust Funds were fully funded based on the requirements set forth by the Trust Fund Agreements in December 2017. As of June 30, 2021, decommissioning and reclamation trust funds totaled \$3.6 million and \$24.4 million, respectively.

**Apex Power Project** – On March 26, 2014, the Authority acquired the Apex Power Project pursuant to an Asset Purchase Agreement, dated as of October 17, 2013. The Apex Generating Station, located in North Las Vegas, Nevada, is owned by SCPPA with all power generated sold to LADWP. The station is natural gas combined cycle consisting of combustion turbine generators and a steam turbine generator. The facility is interconnected through a 3.13-mile 500 kV radial generation tie line owned by Nevada Power Company that connects the Facility to the Nevada Power Company's transmission system at its Harry Allen 500 kV Substation. LADWP is the project manager and operating agent of the Project.

**Contractual Obligation** – In accordance with the Asset Purchase Agreement, Schedule 2.07, the Authority assumed liabilities arising after the closing of the facility. The liabilities include among others, those related to environmental conditions on the real property and remediation obligations.

**Decommissioning Study** – In 2019, the Authority and LADWP contracted an independent consultant to perform a study of decommissioning costs and to begin allocating the funds necessary for station decommissioning. The study presented demolition of all equipment and structures as well as removal of all paved roads and foundations to a depth of two feet below grade. The study may ultimately be required by local or state authorities in the future and was used by the Authority to recognize its decommissioning obligation. The study developed a labor-hour estimate for disassembling the station using standard techniques for wholesale demolition and associated unit cost factors applicable for installed equipment and structures. Costs were calculated for removal and demolition of existing station structures, equipment and associated site restoration costs, scrap value of valuable metals, indirect contingency, escalation and owner's costs.

Total decommissioning cost recognized amounted to \$9.9 million (2019 dollars). The estimated remaining useful life for the tangible capital assets is approximately 17 years.

## Southern California Public Power Authority

### Notes to Financial Statements

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#### Note 13 – Reclamation and Decommissioning Obligations (continued)

The deferred outflows recognized at the beginning of the Project amounted to \$9.2 million and is amortized over the remaining useful life of the plant for \$0.37 million as of June 30, 2021 and 2020. The effects of general inflation amounted to \$0.539 million and \$0.064 million as of June 30, 2021 and 2020, respectively. The reclamation and decommissioning obligation reported under noncurrent liabilities in the statements of net position was \$10.5 million and \$9.9 million at June 30, 2021 and 2020, respectively.

#### GREEN POWER PROJECTS

**Tieton Hydropower Project** – The Tieton Hydropower Project is a “run of the reservoir” hydroelectric facility, comprised of a powerhouse constructed at the base of the USBR Tieton Dam on the Tieton River, and a 21-mile 115 kV transmission line from the power plant substation to the point of interconnection with the electrical grid. The powerhouse comprised of two Francis turbines and accompanying generators and has a nameplate capacity of 13.6 MW with a maximum capacity of approximately 20 MW.

**Federal Energy Regulatory Commission** – In accordance with Article 30 of the FERC, if the Authority shall abandon or discontinue the operation of the Project, it may require the Authority to remove any or all structures, equipment and power lines within the boundary and to take any such other action necessary to restore the waters, lands and facilities remaining within the boundary to a condition satisfactory to the United States agency having jurisdiction over its lands or the FERC’s authorized representative as appropriate or to provide for the continued operation and maintenance of non-power facilities and fulfill such other obligations under the license as the FERC may prescribe.

**Decommissioning Obligation** – The operating manager for the Project availed the services of an independent consultant to perform an estimate for decommissioning and restoration. The preliminary cost estimate presented a list of the work that will be performed on the site such as concrete and foundation work, mechanical and electrical work. The estimate assumed that the powerhouse will be removed up to the top of the caisson. It also assumed that the concrete trust block and the two inlet pipes will remain along with the existing valve house. Cost estimates include both labor and materials.

Total cost recognized amounted to \$0.85 million (2019 dollars). The estimated useful life for the tangible capital assets from the date of purchase is 30 years. The deferred outflows recognized at the beginning of the Project amounted to \$0.72 million and is amortized over the remaining useful life of the plant for \$0.02 million as of June 30, 2021 and 2020. The effects of general inflation amounted to \$0.05 million and \$0.01 million as of June 30, 2021 and 2020, respectively. The reclamation and decommissioning obligation reported under noncurrent liabilities in the statements of net position was \$0.90 million and \$0.86 million at June 30, 2021 and 2020, respectively.



## Southern California Public Power Authority

### Notes to Financial Statements

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#### **Note 13 – Reclamation and Decommissioning Obligations (continued)**

**Linden Wind Energy Project** – Linden Wind is a wind farm facility that is located near the town of Goldendale in Klickitat County, Washington. It has an approximately 50 MW nameplate capacity comprised of: (i) 25 Repower MM 92, 60 HZ, three-bladed, 92.5 meter rotor diameter wind energy converters (WECs); (ii) one 50 meter tall meteorological tower; (iii) a 34.5-kV power underground collection system linking the WECs to the collector substation; (iv) 25 pad-mount 2.25 MVA transformers; (v) a substation and transmission line intertie; (vi) fiber optic underground communication cables from the WEC's to the substation control building; (vii) a supervisory control and data acquisition system; (viii) operation, maintenance and storage buildings, structures and facilities; and (ix) all equipment and other personal property related to the operation and support of the facility. The facility achieved commercial operation on June 30, 2010. On September 15, 2010, the Authority completed its acquisition pursuant to the terms of the Asset Purchase Agreement. LADWP is the operating manager of the Project.

**Environmental Matters** – The lead agency for environmental review and land use permitting is Klickitat County. The facility is located within the Klickitat County Energy Overlay Zone (EOZ) for wind energy development and EOZ requires compliance with numerous other laws and regulations, including the Clean Air Act, the Clean Water Act, the Endangered Species Act, hazardous materials and waste management requirements, fire and building codes, health and safety regulations, Federal Aviation Administration limitations, and historical, cultural and archeological requirements. The EOZ Permit authority will continue so long as the facility remains in compliance with all permit requirements, including habitat mitigation and financial assurance requirements for final decommissioning of facility structures. The decommissioning of turbines on federal lands is regulated by the Bureau of Land Management.

**Wind Turbine Decommissioning Costs** – The Authority has used a market survey from an independent consultant considering key cost components on decommissioning, restoration of project site, and salvage value. The survey used a case-by-case approach to analyze and estimate costs given numerous variables relating to equipment, geography, commodity market, etc. An internal cost assessment was made to identify the wind farm that is closest to the Linden Wind Energy Project and the cost was used to recognize the decommissioning liability.

Total cost recognized amounted to \$0.70 million (2019 dollars). The estimated useful life for the tangible capital assets from the date of purchase is 26 years. The deferred outflows recognized at the beginning of the Project amounted to \$0.60 million and is amortized over the remaining useful life of the plant for \$0.02 million as of June 30, 2021 and 2020. The effects of general inflation amounted to \$0.038 million and \$0.005 million as of June 30, 2021 and 2020, respectively. The reclamation and decommissioning obligation reported under noncurrent liabilities in the statements of net position was \$0.74 million and \$0.70 million at June 30, 2021 and 2020, respectively.

# Southern California Public Power Authority

## Notes to Financial Statements

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### NATURAL GAS

**Natural Gas Project** – The Natural Gas Project includes the Authority’s leasehold interests in (i) certain natural gas resources, reserves, fields, wells and related facilities located near Pinedale, Wyoming and (ii) certain natural gas resources, reserves, fields, wells and related facilities in (or near) the Barnett Shale geological formation in Texas. There are currently 130 proved, developed, and producing wells on the Pinedale Leases. In addition to the producing wells, the Pinedale Leases include 19 proved undeveloped well locations with well spacing down to the 10-acre level. The Barnett Leases has currently 151 proved, developed and producing wells, including condensing equipment to remove water and oil from the gas. In addition to the producing wells, there are 3 proved undeveloped well locations and 3 probable undeveloped well locations, with well spacing down to 1,000 feet between 2,500-foot lateral wells.

**Wyoming Oil and Gas Conservation Commission (Supervisor)** – Pinedale Field is controlled by the Supervisor which administers the Wyoming Conservation Act. The Supervisor sets the manner for supervising the field in conjunction with the federal government which also issued leases for federal land within the outline of the field.

**Abandonment Work** – The Authority has availed of the services of an independent engineering firm to estimate the costs of abandonment on idle wells. Abandonment costs include detailed statement of proposed work such as kind, location, length of plugs, plans for mudding, cementing, shooting, testing and removing casing, as well as other pertinent information. The final abandonment consists of restoring the land to its natural state. The operator will contour the land to fit its natural environment and the area will be seeded to restore the native vegetation. Abandonment costs used in the study are the operator’s cost estimates to abandon the wells and production facilities, net of any salvage value. The costs are held constant, and then escalated 1 percent on January 1 of each year to the date of expenditure.

For Pinedale, Wyoming total cost recognized amounted to \$1.38 million (2018 dollars). The estimated useful life for the tangible capital assets from the date of acquisition is 28 years. The deferred outflows recognized at the beginning of the Project amounted to \$1.07 million and is amortized over the remaining useful life of the plant for \$0.04 million as of June 30, 2021 and 2020. The effects of general inflation amounted to \$0.076 million and \$0.009 million as of June 30, 2021 and 2020, respectively. The reclamation and decommissioning obligation reported under noncurrent liabilities in the statements of net position was \$1.49 million and \$1.41 million at June 30, 2021 and 2020, respectively.

For Barnett, Texas, total cost recognized amounted to \$0.29 million (2018 dollars). The estimated useful life for the tangible capital assets from the date of acquisition is 28 years. The deferred outflows recognized at the beginning of the Project amounted to \$0.23 million and is amortized over the remaining useful life of the plant for \$0.009 million as of June 30, 2021 and 2020. The effects of general inflation amounted to \$0.016 million and \$0.002 million as of June 30, 2021 and 2020, respectively. The reclamation and decommissioning obligation reported under noncurrent liabilities in the statements of net position was \$0.315 million and \$0.30 million at June 30, 2021 and 2020, respectively.

**Southern California Public Power Authority**  
**Notes to Financial Statements**

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**Note 13 – Reclamation and Decommissioning Obligations (continued)**

**TRANSMISSION PROJECTS**

**Southern Transmission System, Mead-Phoenix, and Mead-Adelanto Projects** – These projects are generally located upon land that is leased from federal and certain state governments. Upon termination of the leases, the structures, improvements, and equipment are to be removed and the land is to be restored. Because these leases are expected to be renewed indefinitely and because the inherent value of the transmission corridors, the leases have no foreseeable termination date, and therefore, reclamation and decommissioning obligations related to the transmission facilities cannot be reasonably estimated.

A summary of reclamation and decommissioning obligation information as of June 30, 2021 follows (amounts in thousands):

Project Name	Asset Types	Remaining Useful Life (yrs)	Deferred Outflows of Resources	Decommissioning and Reclamation Obligation
Palo Verde	Nuclear power plant	24/25/26	\$ 33,941	\$ 184,807
San Juan*	Coal power plant	-	-	27,602
Apex Power	Natural Gas turbine generators	17	6,506	10,536
Tieton Hydropower	Hydro Powerhouse	19	433	905
Linden Wind Energy	Wind turbines	14	327	741
Natural Gas - Pinedale	Oil Wells	11	421	1,489
Natural Gas - Barnett	Oil Wells	11	98	316
			<u>\$ 41,726</u>	<u>\$ 226,396</u>

\*Decommissioning and reclamation commenced in 2018.

## **Required Supplementary Information**

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**Southern California Public Power Authority**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**As of June 30, 2021**  
**Last Ten Years\***

	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.04155%	0.04174%	0.03976%	0.03880%	0.03779%	0.03604%	0.01404%
Proportionate share of the net pension liability	\$ 1,717,325	\$ 1,562,437	\$ 1,418,393	\$ 1,472,764	\$ 1,263,624	\$ 1,010,974	\$ 873,857
Covered - employee payroll	\$ 2,462,265	\$ 2,414,315	\$ 2,270,923	\$ 2,455,761	\$ 2,373,992	\$ 2,258,941	\$ 1,091,557
Proportionate Share of the net pension liability as percentage of covered-employee payroll	69.75%	64.72%	62.46%	59.97%	53.23%	44.75%	80.06%
Plan's fiduciary net position	14,702,361,183	13,979,687,268	13,122,440,092	\$ 12,074,499,781	\$ 10,923,476,287	\$ 10,896,036,068	\$ 24,607,503,000 (1)
Plan fiduciary net position as a percentage of the total pension liability	77.71%	77.73%	77.69%	75.39%	75.87%	79.89%	79.82%

(1) Plan's fiduciary net position for 2015 includes the total fiduciary net position for both the Miscellaneous Risk Pool and the Safety Risk Pool as the audited statements did not separate fiduciary net position by pool type. 2016 through 2021 includes the fiduciary net position for only the Miscellaneous Risk Pool.

**Notes to Schedule**

**Changes in assumptions** – In 2016, GASB 68 was modified to state that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate was changed from 7.65 percent (net of administrative expense in 2014) to 7.15 percent as of June 30, 2016 measurement date to correct the adjustment which previously reduced the discount rate for administrative expense.

\*Fiscal year 2015 was the first year of implementation, therefore only seven years are shown.

**Southern California Public Power Authority**  
**Schedule of Contributions**  
**As of June 30, 2021**  
**Last Ten Years\***

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 272,940	\$ 241,784	\$ 198,739	\$ 177,260	\$ 251,133	\$ 265,844	\$ 699,279
Contributions in relation to the actuarially determined contribution	<u>(334,412)</u>	<u>(326,501)</u>	<u>(263,137)</u>	<u>(269,886)</u>	<u>(229,160)</u>	<u>(278,896)</u>	<u>(699,279)</u>
Contribution deficiency (excess)	<u>\$ (61,471)</u>	<u>\$ (84,717)</u>	<u>\$ (64,397)</u>	<u>\$ (92,626)</u>	<u>\$ 21,973</u>	<u>\$ (13,052)</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,462,265	\$ 2,414,315	\$ 2,270,923	\$ 2,455,761	\$ 2,373,992	\$ 2,258,941	\$ 1,091,557
Contributions as a percentage of covered-employee payroll	11.08%	10.01%	8.75%	7.22%	10.58%	11.77%	64.06%

**Notes to Schedule**

Valuation date:	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
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Methods and assumptions used to determine contribution rates:

Single and Agent Employers Example	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Differ by employer
Asset valuation method	Market Value
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.15%, net of pension plan investment expense, including inflation
Retirement age	57 yrs.
Mortality	RP-2000 Healthy Annuitant Mortality Table

\*Fiscal year 2015 was the first year of implementation, therefore only seven years are shown.

**Southern California Public Power Authority**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**As of June 30, 2021**  
**Last Ten Years\***

	2021	2020	2019	2018
<i>Total OPEB Liability</i>				
Service cost	\$ 109,469	\$ 85,925	\$ 80,882	\$ 86,517
Interest cost	33,971	35,531	31,913	26,114
Differences between expected and actual experience	(3,556)	(29,666)	-	-
Change in assumptions	123,131	17,925	(7,876)	(82,085)
Benefit payments	(32,870)	(25,995)	(23,734)	(21,879)
Net change in total OPEB liability	230,145	83,720	81,185	8,667
Total OPEB liability, beginning	992,316	908,596	827,411	818,744
Total OPEB liability, ending	1,222,461	992,316	908,596	827,411
<i>Plan fiduciary net position</i>				
Contributions				
Employer contributions	32,870	25,995	23,734	21,879
Benefit payments	(32,870)	(25,995)	(23,734)	(21,879)
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position, beginning	-	-	-	-
Plan fiduciary net position, ending	-	-	-	-
Net OPEB liability, ending	<u>\$ 1,222,461</u>	<u>\$ 992,316</u>	<u>\$ 908,596</u>	<u>\$ 827,411</u>
Plan fiduciary net position as a percent of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 2,414,315	\$ 2,270,923	\$ 2,491,466	\$ 2,217,802
Measurement date:	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Net OPEB liability as a percent of covered payroll	50.60%	43.70%	36.50%	37.30%

\*Fiscal year 2018 was the first year of implementation, therefore only four years are shown.

## **Supplementary Information**

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**Southern California Public Power Authority**  
**Power Purchase Agreements**  
**Combining Statements of Net Position**  
**June 30, 2021**  
**(Amounts in Thousands)**

	POWER PURCHASE AGREEMENTS												
	Ormat Geothermal Energy	MWD Small Hydro	Pebble Springs Wind	Ameresco Chiquita Landfill Gas	Don A. Campbell/ Wild Rose Geothermal	Copper Mountain Solar 3	Columbia Two Solar	Heber-1 Geothermal	Kingbird Solar	Don A. Campbell II Geothermal	Springbok I Solar Project	Springbok II Solar Project	Summer Solar Project
<b>ASSETS</b>													
<b>Noncurrent assets</b>													
Investments – restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments – unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Current assets</b>													
Cash and cash equivalents – restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents – unrestricted	4,098	1,903	2,427	1,269	4,428	3,683	768	5,120	474	5,406	4,125	4,139	1,097
Interest receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	1,653	-	-	1,914	201	-	457	-	127	592	257
Prepaid and other assets	3	-	6	2	3	12	2	13	6	2	2	4	5
Total current assets	4,101	1,903	4,086	1,271	4,431	5,609	971	5,133	937	5,408	4,254	4,735	1,359
Total assets	\$ 4,101	\$ 1,903	\$ 4,086	\$ 1,271	\$ 4,431	\$ 5,609	\$ 971	\$ 5,133	\$ 937	\$ 5,408	\$ 4,254	\$ 4,735	\$ 1,359
<b>LIABILITIES</b>													
<b>Current liabilities</b>													
Advances from participants due within one year	\$ 857	\$ 500	\$ 2,050	\$ 400	\$ 960	\$ -	\$ 405	\$ 400	\$ 171	\$ 960	\$ 2,000	\$ 2,000	\$ 600
Accounts payable and accruals	3,244	1,403	2,036	871	3,471	5,609	566	4,733	766	4,447	2,254	2,735	759
Total current liabilities	4,101	1,903	4,086	1,271	4,431	5,609	971	5,133	937	5,407	4,254	4,735	1,359
Total liabilities	4,101	1,903	4,086	1,271	4,431	5,609	971	5,133	937	5,407	4,254	4,735	1,359
<b>NET POSITION</b>													
Unrestricted	-	-	-	-	-	-	-	-	-	1	-	-	-
Total net position	-	-	-	-	-	-	-	-	-	1	-	-	-
Total liabilities and net position	\$ 4,101	\$ 1,903	\$ 4,086	\$ 1,271	\$ 4,431	\$ 5,609	\$ 971	\$ 5,133	\$ 937	\$ 5,408	\$ 4,254	\$ 4,735	\$ 1,359

**Southern California Public Power Authority**  
**Power Purchase Agreements**  
**Combining Statements of Net Position**  
**June 30, 2021**  
**(Amounts in Thousands)**

	POWER PURCHASE AGREEMENTS												
	Astoria 2 Solar Project	Antelope Big Sky Ranch Solar Project	Antelope DSR I Solar Project	Antelope DSR II Solar Project	Puente Hills Landfill Gas Project	Ormat Northern Nevada	Ormesa Geothermal Project	ARP Loyalton Biomass Project	Springbok III Solar Project	Whitegrass Geothermal Project	Desert Harvest Solar II Project	Roseburg Biomass Project	Totals
<b>ASSETS</b>													
<b>Noncurrent assets</b>													
Investments – restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments – unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Current assets</b>													
Cash and cash equivalents – restricted	-	-	-	-	-	-	-	1	-	-	-	6	7
Cash and cash equivalents – unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest receivable	2,533	1,273	1,757	199	4,726	7,785	584	9,464	3,141	1,387	2,597	344	74,727
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid and other assets	411	176	697	-	-	-	3,686	44	210	-	-	1	10,426
	13	5	6	3	23	15	7	-	1	1	1	2	137
Total current assets	2,957	1,454	2,460	202	4,749	7,800	4,277	9,509	3,352	1,388	2,598	353	85,297
Total assets	\$ 2,957	\$ 1,454	\$ 2,460	\$ 202	\$ 4,749	\$ 7,800	\$ 4,277	\$ 9,509	\$ 3,352	\$ 1,388	\$ 2,598	\$ 353	\$ 85,297
<b>LIABILITIES</b>													
<b>Current liabilities</b>													
Advances from participants due within one year	\$ 800	\$ 300	\$ 900	\$ 90	\$ 420	\$ 400	\$ 2,507	\$ 400	\$ 2,000	\$ 400	\$ 400	\$ 12	\$ 19,932
Accounts payable and accruals	2,157	1,154	1,560	112	4,329	7,400	1,770	9,109	1,352	988	2,198	341	65,364
Total current liabilities	2,957	1,454	2,460	202	4,749	7,800	4,277	9,509	3,352	1,388	2,598	353	85,296
Total liabilities	2,957	1,454	2,460	202	4,749	7,800	4,277	9,509	3,352	1,388	2,598	353	85,296
<b>NET POSITION</b>													
Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	1
Total net position	-	-	-	-	-	-	-	-	-	-	-	-	1
Total liabilities and net position	\$ 2,957	\$ 1,454	\$ 2,460	\$ 202	\$ 4,749	\$ 7,800	\$ 4,277	\$ 9,509	\$ 3,352	\$ 1,388	\$ 2,598	\$ 353	\$ 85,297

**Southern California Public Power Authority**  
**Power Purchase Agreements**  
**Combining Statements of Net Position**  
**June 30, 2020**  
**(Amounts in Thousands)**

	POWER PURCHASE AGREEMENTS											
	Ormat Geothermal Energy	MWD Small Hydro	Pebble Springs Wind	Ameresco Chiquita Landfill Gas	Don A. Campbell/ Wild Rose Geothermal	Copper Mountain Solar 3	Columbia 2 Solar	Heber-1 Geothermal	Kingbird Solar	Don A. Campbell 2 Geothermal	Springbok 1 Solar Project	Springbok 2 Solar Project
<b>ASSETS</b>												
Noncurrent assets												
Investments – restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments – unrestricted	-	-	-	-	-	-	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-	-	-	-	-	-	-	-
Current assets												
Cash and cash equivalents – restricted	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents – unrestricted	1,891	1,623	933	912	5,215	4,624	753	4,019	944	5,106	4,337	5,047
Interest receivable	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	2,097	-	-	1,474	48	-	76	-	-	-
Prepaid and other assets	6	1	6	2	3	11	3	13	5	2	3	4
Total current assets	1,897	1,624	3,036	914	5,218	6,109	804	4,032	1,025	5,108	4,340	5,051
Total assets	\$ 1,897	\$ 1,624	\$ 3,036	\$ 914	\$ 5,218	\$ 6,109	\$ 804	\$ 4,032	\$ 1,025	\$ 5,108	\$ 4,340	\$ 5,051
<b>LIABILITIES</b>												
Current liabilities												
Advances from participants due within one year	\$ 857	\$ 500	\$ -	\$ 400	\$ 960	\$ -	\$ 405	\$ 400	\$ 171	\$ 960	\$ 2,000	\$ 2,000
Accounts payable and accruals	1,040	1,124	3,036	514	4,257	6,109	399	3,631	854	4,146	2,340	3,051
Total current liabilities	1,897	1,624	3,036	914	5,217	6,109	804	4,031	1,025	5,106	4,340	5,051
Total liabilities	1,897	1,624	3,036	914	5,217	6,109	804	4,031	1,025	5,106	4,340	5,051
<b>NET POSITION</b>												
Unrestricted	-	-	-	-	1	-	-	1	-	2	-	-
Total net position	-	-	-	-	1	-	-	1	-	2	-	-
Total liabilities and net position	\$ 1,897	\$ 1,624	\$ 3,036	\$ 914	\$ 5,218	\$ 6,109	\$ 804	\$ 4,032	\$ 1,025	\$ 5,108	\$ 4,340	\$ 5,051

**Southern California Public Power Authority**  
**Power Purchase Agreements**  
**Combining Statements of Net Position**  
**June 30, 2020**  
**(Amounts in Thousands)**

	POWER PURCHASE AGREEMENTS											
	Summer Solar Project	Astoria 2 Solar Project	Antelope Big Sky Ranch Solar Project	Antelope DSR 1 Solar Project	Antelope DSR 2 Solar Project	Puente Hills Landfill Gas Project	Ormat Northern Nevada	Ormesa Geothermal Project	ARP Loyaltan Biomass Project	Springbok 3 Solar Project	Whitegrass Thermal Project	Totals
<b>ASSETS</b>												
Noncurrent assets												
Investments – restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments – unrestricted	-	-	-	-	-	-	-	-	1,000	-	-	1,000
Total noncurrent assets	-	-	-	-	-	-	-	-	1,000	-	-	1,000
Current assets												
Cash and cash equivalents – restricted	-	-	-	-	-	-	-	-	13	-	-	13
Cash and cash equivalents – unrestricted	1,146	2,027	1,715	2,298	233	3,941	2,531	10,425	9,206	5,747	1,206	75,879
Interest receivable	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	43	87	57	42	-	-	3,059	-	22	-	-	7,005
Prepaid and other assets	5	11	5	7	3	24	11	6	1	2	2	136
Total current assets	1,194	2,125	1,777	2,347	236	3,965	5,601	10,431	9,242	5,749	1,208	83,033
Total assets	\$ 1,194	\$ 2,125	\$ 1,777	\$ 2,347	\$ 236	\$ 3,965	\$ 5,601	\$ 10,431	\$ 10,242	\$ 5,749	\$ 1,208	\$ 84,033
<b>LIABILITIES</b>												
Current liabilities												
Advances from participants due within one year	\$ 600	\$ 800	\$ 300	\$ 900	\$ 90	\$ 420	\$ 400	\$ -	\$ -	\$ 2,000	\$ 300	\$ 14,463
Accounts payable and accruals	594	1,325	1,477	1,447	146	3,545	5,201	10,428	10,241	3,749	908	69,562
Total current liabilities	1,194	2,125	1,777	2,347	236	3,965	5,601	10,428	10,241	5,749	1,208	84,025
Total liabilities	1,194	2,125	1,777	2,347	236	3,965	5,601	10,428	10,241	5,749	1,208	84,025
<b>NET POSITION</b>												
Unrestricted	-	-	-	-	-	-	-	3	1	-	-	8
Total net position	-	-	-	-	-	-	-	3	1	-	-	8
Total liabilities and net position	\$ 1,194	\$ 2,125	\$ 1,777	\$ 2,347	\$ 236	\$ 3,965	\$ 5,601	\$ 10,431	\$ 10,242	\$ 5,749	\$ 1,208	\$ 84,033

**Southern California Public Power Authority**  
**Power Purchase Agreements**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	POWER PURCHASE AGREEMENTS												
	Ormat Geothermal Energy	MWD Small Hydro	Pebble Springs Wind	Ameresco Chiquita Landfill Gas	Don A. Campbell/ Wild Rose Geothermal	Copper Mountain Solar 3	Columbia Two Solar	Heber-1 Geothermal	Kingbird Solar	Don A. Campbell II Geothermal	Springbok I Solar Project	Springbok II Solar Project	Summer Solar Project
Operating revenues													
Sales of electric energy	\$ 7,901	\$ 166	\$ 23,355	\$ 2,325	\$ 13,244	\$ 59,850	\$ 4,239	\$ 27,984	\$ 5,828	\$ 10,100	\$ 20,467	\$ 24,628	\$ 5,716
Total operating revenues	7,901	166	23,355	2,325	13,244	59,850	4,239	27,984	5,828	10,100	20,467	24,628	5,716
Operating expenses													
Operations and maintenance	7,901	166	23,356	2,325	13,247	59,852	4,239	27,987	5,828	10,103	20,469	24,631	5,716
Total operating expenses	7,901	166	23,356	2,325	13,247	59,852	4,239	27,987	5,828	10,103	20,469	24,631	5,716
Operating income (loss)	-	-	(1)	-	(3)	(2)	-	(3)	-	(3)	(2)	(3)	-
Non operating revenues (expenses)													
Investment and other income	-	-	1	-	2	2	-	2	-	2	2	3	-
Net non operating revenues (expenses)	-	-	1	-	2	2	-	2	-	2	2	3	-
Change in net position	-	-	-	-	(1)	-	-	(1)	-	(1)	-	-	-
Net position – beginning of year	-	-	-	-	1	-	-	1	-	2	-	-	-
Net position – end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -

**Southern California Public Power Authority**  
**Power Purchase Agreements**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	POWER PURCHASE AGREEMENTS												
	Astoria 2 Solar Project	Antelope Big Sky Ranch Solar Project	Antelope DSR I Solar Project	Antelope DSR II Solar Project	Puente Hills Landfill Gas Project	Ormat Northern Nevada	Ormesa Geothermal Project	ARP Loyalton Biomass Project	Springbok III Solar Project	Whitegrass Geothermal Project	Desert Harvest Solar II Project	Roseburg Biomass Project	Totals
Operating revenues													
Sales of electric energy	\$ 9,960	\$ 5,291	\$ 10,936	\$ 809	\$ 23,681	\$ 71,551	\$ 21,290	\$ 119	\$ 13,026	\$ 1,498	\$ 2,035	\$ 347	\$ 366,346
Total operating revenues	9,960	5,291	10,936	809	23,681	71,551	21,290	119	13,026	1,498	2,035	347	366,346
Operating expenses													
Operations and maintenance	9,960	5,291	11,027	818	23,681	71,555	21,297	126	13,029	1,498	2,203	347	366,652
Total operating expenses	9,960	5,291	11,027	818	23,681	71,555	21,297	126	13,029	1,498	2,203	347	366,652
Operating income (loss)	-	-	(91)	(9)	-	(4)	(7)	(7)	(3)	-	(168)	-	(306)
Non operating revenues (expenses)													
Investment and other income	-	-	91	9	-	4	4	6	3	-	168	-	299
Net non operating revenues (expenses)	-	-	91	9	-	4	4	6	3	-	168	-	299
Change in net position	-	-	-	-	-	-	(3)	(1)	-	-	-	-	(7)
Net position – beginning of year	-	-	-	-	-	-	3	1	-	-	-	-	8
Net position – end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1

**Southern California Public Power Authority**  
**Power Purchase Agreements**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2020**  
**(Amounts in Thousands)**

	POWER PURCHASE AGREEMENTS											
	Ormat Geothermal	MWD Small Hydro	Pebble Springs Wind	Ameresco Chiquita Landfill Gas	Don A. Campbell/ Wild Rose Geothermal	Copper Mountain Solar 3	Columbia Solar 2	Heber-1 Geothermal	Kingbird Solar	Don A. Campbell 2 Geothermal	Springbok 1 Solar Project	Springbok 2 Solar Project
Operating revenues												
Sales of electric energy	\$ 10,004	\$ 706	\$ 23,337	\$ 2,895	\$ 13,652	\$ 60,466	\$ 3,837	\$ 29,226	\$ 5,217	\$ 10,511	\$ 20,346	\$ 24,544
Total operating revenues	10,004	706	23,337	2,895	13,652	60,466	3,837	29,226	5,217	10,511	20,346	24,544
Operating expenses												
Operations and maintenance	10,004	706	23,405	2,895	13,721	60,567	3,837	29,279	5,217	10,589	20,420	24,622
Total operating expenses	10,004	706	23,405	2,895	13,721	60,567	3,837	29,279	5,217	10,589	20,420	24,622
Operating income (loss)	-	-	(68)	-	(69)	(101)	-	(53)	-	(78)	(74)	(78)
Non operating revenues (expenses)												
Investment and other income	-	-	54	-	61	79	-	49	-	64	62	65
Net non operating revenues (expenses)	-	-	54	-	61	79	-	49	-	64	62	65
Change in net position	-	-	(14)	-	(8)	(22)	-	(4)	-	(14)	(12)	(13)
Net position – beginning of year	-	-	14	-	9	22	-	5	-	16	12	13
Net position – end of year	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ 1	\$ -	\$ 2	\$ -	\$ -

**Southern California Public Power Authority**  
**Power Purchase Agreements**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2020**  
**(Amounts in Thousands)**

	POWER PURCHASE AGREEMENTS											Totals
	Summer Solar Project	Astoria 2 Solar Project	Antelope Big Sky Ranch Solar Project	Antelope DSR 1 Solar Project	Antelope DSR 2 Solar Project	Puente Hills Landfill Gas Project	Ormat Northern Nevada	Ormesa Geothermal Project	ARP Loyaltan Biomass Project	Springbok 3 Solar Project	Whitegrass Thermal Project	
Operating revenues												
Sales of electric energy	\$ 5,254	\$ 8,589	\$ 5,178	\$ 9,276	\$ 793	\$ 23,861	\$ 61,079	\$ 16,157	\$ 1,463	\$ 12,226	\$ 360	\$ 348,977
Total operating revenues	5,254	8,589	5,178	9,276	793	23,861	61,079	16,157	1,463	12,226	360	348,977
Operating expenses												
Operations and maintenance	5,254	8,589	5,178	9,367	802	23,861	61,212	16,399	1,604	12,621	360	350,509
Total operating expenses	5,254	8,589	5,178	9,367	802	23,861	61,212	16,399	1,604	12,621	360	350,509
Operating income (loss)	-	-	-	(91)	(9)	-	(133)	(242)	(141)	(395)	-	(1,532)
Non operating revenues (expenses)												
Investment and other income	-	-	-	91	9	-	107	206	123	395	-	1,365
Net non operating revenues (expenses)	-	-	-	91	9	-	107	206	123	395	-	1,365
Change in net position	-	-	-	-	-	-	(26)	(36)	(18)	-	-	(167)
Net position – beginning of year	-	-	-	-	-	-	26	39	19	-	-	175
Net position – end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 1	\$ -	\$ -	\$ 8



**Southern California Public Power Authority**  
**Power Purchase Agreements**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	POWER PURCHASE AGREEMENTS												
	Ormat Geothermal Energy	MWD Small Hydro	Pebble Springs Wind	Ameresco Chiquita Landfill Gas	Don A. Campbell/ Wild Rose Geothermal	Copper Mountain Solar 3	Columbia Two Solar	Heber-1 Geothermal	Kingbird Solar	Don A. Campbell II Geothermal	Springbok I Solar Project	Springbok II Solar Project	Summer Solar Project
Cash flows from operating activities													
Receipts from participants	\$ 10,124	\$ 448	\$ 24,383	\$ 2,940	\$ 12,549	\$ 59,410	\$ 2,044	\$ 29,393	\$ 2,513	\$ 10,511	\$ 20,334	\$ 23,752	\$ 2,619
Payments to operating managers	(7,917)	(168)	(24,356)	(2,583)	(13,338)	(60,351)	(3,075)	(28,295)	(4,447)	(10,213)	(20,547)	(24,662)	(4,084)
Other disbursements and receipts	-	-	1,467	-	(1)	(1)	1,046	1	1,464	-	(1)	-	1,416
Net cash flows provided by (used for) operating activities	2,207	280	1,494	357	(790)	(942)	15	1,099	(470)	298	(214)	(910)	(49)
Cash flows from noncapital financing activities													
Advances (withdrawals) by participants, net	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities													
Interest received on investments	-	-	-	-	3	1	-	2	-	2	2	2	-
Purchases of investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale/maturity of investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by investing activities	-	-	-	-	3	1	-	2	-	2	2	2	-
Net increase (decrease) in cash and cash equivalents	2,207	280	1,494	357	(787)	(941)	15	1,101	(470)	300	(212)	(908)	(49)
Cash and cash equivalents, beginning of year	1,891	1,623	933	912	5,215	4,624	753	4,019	944	5,106	4,337	5,047	1,146
Cash and cash equivalents, end of year	\$ 4,098	\$ 1,903	\$ 2,427	\$ 1,269	\$ 4,428	\$ 3,683	\$ 768	\$ 5,120	\$ 474	\$ 5,406	\$ 4,125	\$ 4,139	\$ 1,097
Reconciliation of operating income (loss) to net cash provided by operating activities													
Operating income (loss)	\$ -	\$ -	\$ (1)	\$ -	\$ (3)	\$ (2)	\$ -	\$ (3)	\$ -	\$ (3)	\$ (2)	\$ (3)	\$ -
Changes in assets and liabilities													
Accounts receivable	-	-	444	-	-	(442)	(153)	-	(381)	-	(127)	(591)	(214)
Accounts payable and accruals	2,204	279	1,051	357	(786)	(499)	168	1,102	(88)	300	(85)	(316)	165
Other	3	1	-	-	(1)	1	-	-	(1)	1	-	-	-
Net cash provided by (used by) operating activities	\$ 2,207	\$ 280	\$ 1,494	\$ 357	\$ (790)	\$ (942)	\$ 15	\$ 1,099	\$ (470)	\$ 298	\$ (214)	\$ (910)	\$ (49)
Cash and cash equivalents as stated in the Combined Statements of Net Position													
Cash and cash equivalents – restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents – unrestricted	4,098	1,903	2,427	1,269	4,428	3,683	768	5,120	474	5,406	4,125	4,139	1,097
	\$ 4,098	\$ 1,903	\$ 2,427	\$ 1,269	\$ 4,428	\$ 3,683	\$ 768	\$ 5,120	\$ 474	\$ 5,406	\$ 4,125	\$ 4,139	\$ 1,097

**Southern California Public Power Authority**  
**Power Purchase Agreements**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

POWER PURCHASE AGREEMENTS													
	Astoria 2 Solar Project	Antelope Big Sky Ranch Solar Project	Antelope DSR I Solar Project	Antelope DSR II Solar Project	Puente Hills Landfill Gas Project	Ormat Northern Nevada	Ormesa Geothermal Project	ARP Loyalton Biomass Project	Springbok III Solar Project	Whitegrass Geothermal Project	Desert Harvest Solar II Project	Roseburg Biomass Project	Totals
Cash flows from operating activities													
Receipts from participants													
Payments to operating managers	\$ 4,000	\$ 2,029	\$ 3,346	\$ 782	\$ 7,903	\$ 76,619	\$ 8,861	\$ 83	\$ 10,378	\$ 1,777	\$ 2,430	\$ 634	\$ 319,862
Other disbursements and receipts	(6,191)	(3,747)	(7,303)	(826)	(7,119)	(71,370)	(21,211)	(269)	(12,986)	(1,598)	(1)	(284)	(336,941)
	2,697	1,276	3,416	10	1	1	2,505	(574)	(1)	2	168	-	14,892
Net cash flows provided by (used for) operating activities	506	(442)	(541)	(34)	785	5,250	(9,845)	(760)	(2,609)	181	2,597	350	(2,187)
Cash flows from noncapital financing activities													
Advances (withdrawals) by participants, net	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities													
Interest received on investments	-	-	-	-	-	4	3	2	3	-	-	-	24
Purchases of investments	-	-	-	-	-	-	(4,110)	(14,496)	-	-	-	-	(18,606)
Proceeds from sale/maturity of investments	-	-	-	-	-	-	4,111	15,500	-	-	-	-	19,611
Net cash provided by investing activities	-	-	-	-	-	4	4	1,006	3	-	-	-	1,029
Net increase (decrease) in cash and cash equivalents	506	(442)	(541)	(34)	785	5,254	(9,841)	246	(2,606)	181	2,597	350	(1,158)
Cash and cash equivalents, beginning of year	2,027	1,715	2,298	233	3,941	2,531	10,425	9,219	5,747	1,206	-	-	75,892
Cash and cash equivalents, end of year	\$ 2,533	\$ 1,273	\$ 1,757	\$ 199	\$ 4,726	\$ 7,785	\$ 584	\$ 9,465	\$ 3,141	\$ 1,387	\$ 2,597	\$ 350	\$ 74,734
Reconciliation of operating income (loss) to net cash provided by operating activities													
Operating income (loss)	\$ -	\$ -	\$ (91)	\$ (9)	\$ -	\$ (4)	\$ (7)	\$ (7)	\$ (3)	\$ -	\$ (168)	\$ -	\$ (306)
Changes in assets and liabilities													
Accounts receivable	(324)	(119)	(654)	-	-	3,059	(3,686)	(25)	(210)	-	-	(1)	(3,424)
Accounts payable and accruals	831	(323)	113	(34)	784	2,199	(6,150)	(728)	(2,395)	80	2,599	354	1,182
Other	(1)	-	91	9	1	(4)	(2)	-	(1)	101	166	(3)	361
Net cash provided by (used by) operating activities	\$ 506	\$ (442)	\$ (541)	\$ (34)	\$ 785	\$ 5,250	\$ (9,845)	\$ (760)	\$ (2,609)	\$ 181	\$ 2,597	\$ 350	\$ (2,187)
Cash and cash equivalents as stated in the Combined Statements of Net Position													
Cash and cash equivalents – restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ 6	\$ 7
Cash and cash equivalents – unrestricted	2,533	1,273	1,757	199	4,726	7,785	584	9,464	3,141	1,387	2,597	344	74,727
	\$ 2,533	\$ 1,273	\$ 1,757	\$ 199	\$ 4,726	\$ 7,785	\$ 584	\$ 9,465	\$ 3,141	\$ 1,387	\$ 2,597	\$ 350	\$ 74,734

**Southern California Public Power Authority**  
**Power Purchase Agreements**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2020**  
**(Amounts in Thousands)**

	POWER PURCHASE AGREEMENTS											
	Ormat Geothermal Energy	MWD Small Hydro	Pebble Springs Wind	Ameresco Chiquita Landfill Gas	Don A. Campbell/ Wild Rose Geothermal	Copper Mountain Solar 3	Columbia 2 Solar	Heber-1 Geothermal	Kingbird Solar	Don A. Campbell 2 Geothermal	Springbok 1 Solar Project	Springbok 2 Solar Project
Cash flows from operating activities												
Receipts from participants	\$ 9,772	\$ 1,224	\$ 18,267	\$ 3,130	\$ 15,223	\$ 57,497	\$ 2,080	\$ 30,938	\$ 2,903	\$ 11,324	\$ 19,287	\$ 23,815
Payments to operating managers	(10,126)	(869)	(23,407)	(3,098)	(13,892)	(60,415)	(3,131)	(29,247)	(3,942)	(10,697)	(20,421)	(24,671)
Other disbursements and receipts	-	-	(1)	-	-	-	790	-	1,039	(1)	(1)	-
Net cash flows provided by (used for) operating activities	(354)	355	(5,141)	32	1,331	(2,918)	(261)	1,691	-	626	(1,135)	(856)
Cash flows from investing activities												
Interest received on investments	-	-	67	-	68	58	-	48	-	78	39	43
Purchases of investments	-	-	-	-	-	(2,988)	-	(1,593)	-	2,000	(2,689)	(1,992)
Proceeds from sale/maturity of investments	-	-	4,000	-	2,000	5,995	-	1,600	-	-	5,000	4,500
Net cash provided by (used for) investing activities	-	-	4,067	-	2,068	3,065	-	55	-	2,078	2,350	2,551
Net increase (decrease) in cash and cash equivalents	(354)	355	(1,074)	32	3,399	147	(261)	1,746	-	2,704	1,215	1,695
Cash and cash equivalents, beginning of year	2,245	1,268	2,007	880	1,816	4,477	1,014	2,273	944	2,402	3,122	3,352
Cash and cash equivalents, end of year	\$ 1,891	\$ 1,623	\$ 933	\$ 912	\$ 5,215	\$ 4,624	\$ 753	\$ 4,019	\$ 944	\$ 5,106	\$ 4,337	\$ 5,047
Reconciliation of operating income (loss) to net cash provided by operating activities												
Operating income (loss)	\$ -	\$ -	\$ (68)	\$ -	\$ (69)	\$ (101)	\$ -	\$ (53)	\$ -	\$ (78)	\$ (74)	\$ (78)
Changes in assets and liabilities												
Accounts receivable	-	-	(2,097)	-	-	(1,474)	(14)	410	(33)	-	-	-
Accounts payable and accruals	(353)	355	(2,975)	32	1,399	(1,343)	(246)	1,335	34	704	(1,061)	(779)
Other	(1)	-	(1)	-	1	-	(1)	(1)	(1)	-	-	1
Net cash provided by (used by) operating activities	\$ (354)	\$ 355	\$ (5,141)	\$ 32	\$ 1,331	\$ (2,918)	\$ (261)	\$ 1,691	\$ -	\$ 626	\$ (1,135)	\$ (856)
Cash and cash equivalents as stated in the Combined Statements of Net Position												
Cash and cash equivalents – restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents – unrestricted	1,891	1,623	933	912	5,215	4,624	753	4,019	944	5,106	4,337	5,047
	\$ 1,891	\$ 1,623	\$ 933	\$ 912	\$ 5,215	\$ 4,624	\$ 753	\$ 4,019	\$ 944	\$ 5,106	\$ 4,337	\$ 5,047

**Southern California Public Power Authority**  
**Power Purchase Agreements**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2020**  
**(Amounts in Thousands)**

	POWER PURCHASE AGREEMENTS											Totals
	Summer Solar Project	Astoria 2 Solar Project	Antelope Big Sky Ranch Solar Project	Antelope DSR 1 Solar Project	Antelope DSR 2 Solar Project	Puente Hills Landfill Gas Project	Ormat Northern Nevada	Ormesa Geothermal Project	ARP Loyalton Biomass Project	Springbok 3 Solar Project	Whitegrass Thermal Project	
Cash flows from operating activities												
Receipts from participants	\$ 2,836	\$ 4,731	\$ 2,984	\$ 4,486	\$ 852	\$ 10,383	\$ 55,843	\$ 14,137	\$ 1,971	\$ 12,458	\$ 723	\$ 306,864
Payments to operating managers	(4,154)	(6,527)	(3,950)	(7,144)	(950)	(12,707)	(60,289)	(16,128)	(1,879)	(7,625)	(124)	(325,393)
Other disbursements and receipts	1,047	1,947	1,034	2,381	-	1	-	(2)	1,882	824	607	11,547
Net cash flows provided by (used for) operating activities	(271)	151	68	(277)	(98)	(2,323)	(4,446)	(1,993)	1,974	5,657	1,206	(6,982)
Cash flows from investing activities												
Interest received on investments	-	-	-	-	-	-	80	112	50	55	-	698
Purchases of investments	-	-	-	-	-	-	(1,095)	(10,254)	(8,661)	(6,165)	-	(33,437)
Proceeds from sale/maturity of investments	-	-	-	-	-	-	6,100	18,800	13,000	6,200	-	67,195
Net cash provided by (used for) investing activities	-	-	-	-	-	-	5,085	8,658	4,389	90	-	34,456
Net increase (decrease) in cash and cash equivalents	(271)	151	68	(277)	(98)	(2,323)	639	6,665	6,363	5,747	1,206	27,474
Cash and cash equivalents, beginning of year	1,417	1,876	1,647	2,575	331	6,264	1,892	3,760	2,856	-	-	48,418
Cash and cash equivalents, end of year	\$ 1,146	\$ 2,027	\$ 1,715	\$ 2,298	\$ 233	\$ 3,941	\$ 2,531	\$ 10,425	\$ 9,219	\$ 5,747	\$ 1,206	\$ 75,892
Reconciliation of operating income (loss) to net cash provided by operating activities												
Operating income (loss)	\$ -	\$ -	\$ -	\$ (91)	\$ (9)	\$ -	\$ (133)	\$ (242)	\$ (141)	\$ (395)	\$ -	\$ (1,532)
Changes in assets and liabilities												
Accounts receivable	(18)	(87)	(13)	49	-	414	(3,059)	-	3	513	-	(5,406)
Accounts payable and accruals	(253)	240	81	(324)	(98)	(2,736)	(1,252)	(1,753)	2,109	4,731	908	(1,245)
Other	-	(2)	-	89	9	(1)	(2)	2	3	808	298	1,201
Net cash provided by (used by) operating activities	\$ (271)	\$ 151	\$ 68	\$ (277)	\$ (98)	\$ (2,323)	\$ (4,446)	\$ (1,993)	\$ 1,974	\$ 5,657	\$ 1,206	\$ (6,982)
Cash and cash equivalents as stated in the Combined Statements of Net Position												
Cash and cash equivalents – restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13	\$ -	\$ -	\$ 13
Cash and cash equivalents – unrestricted	1,146	2,027	1,715	2,298	233	3,941	2,531	10,425	9,206	5,747	1,206	75,879
	\$ 1,146	\$ 2,027	\$ 1,715	\$ 2,298	\$ 233	\$ 3,941	\$ 2,531	\$ 10,425	\$ 9,219	\$ 5,747	\$ 1,206	\$ 75,892

**Southern California Public Power Authority**  
**Power Purchase Agreements**  
**Investments**  
**June 30, 2021**  
**(Amounts in Thousands)**

POWER PURCHASE AGREEMENTS

	ORMAT Geothermal	MWD Small Hydro	Pebble Springs Wind	Ameresco Chiquita Landfill Gas	Don A. Campbell/ Wild Rose Geothermal	Copper Mountain Solar 3	Columbia 2 Solar	Heber-1 Geothermal	Kingbird Solar	Don A. Campbell 2 Geothermal	Springbok 1	Springbok 2	Springbok 3
Agency discount notes	\$ -	\$ -	\$ 2,200	\$ -	\$ 3,800	\$ -	\$ -	\$ 4,500	\$ -	\$ 4,900	\$ 3,500	\$ 3,700	\$ 2,500
Supranational securities	-	-	-	-	-	-	-	-	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-	3,000	-	-	-	-	-	-	-
Money market funds	4,098	1,903	227	1,269	628	683	768	620	474	506	625	439	641
<b>Total</b>	<b>\$ 4,098</b>	<b>\$ 1,903</b>	<b>\$ 2,427</b>	<b>\$ 1,269</b>	<b>\$ 4,428</b>	<b>\$ 3,683</b>	<b>\$ 768</b>	<b>\$ 5,120</b>	<b>\$ 474</b>	<b>\$ 5,406</b>	<b>\$ 4,125</b>	<b>\$ 4,139</b>	<b>\$ 3,141</b>
Unrestricted investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	4,098	1,903	2,427	1,269	4,428	3,683	768	5,120	474	5,406	4,125	4,139	3,141
<b>Total</b>	<b>\$ 4,098</b>	<b>\$ 1,903</b>	<b>\$ 2,427</b>	<b>\$ 1,269</b>	<b>\$ 4,428</b>	<b>\$ 3,683</b>	<b>\$ 768</b>	<b>\$ 5,120</b>	<b>\$ 474</b>	<b>\$ 5,406</b>	<b>\$ 4,125</b>	<b>\$ 4,139</b>	<b>\$ 3,141</b>

**Southern California Public Power Authority**  
**Power Purchase Agreements**  
**Investments**  
**June 30, 2021**  
**(Amounts in Thousands)**

POWER PURCHASE AGREEMENTS

	Summer Solar	Astoria 2 Solar	Antelope Big Sky Ranch	Antelope DSR 1 Solar	Antelope DSR 2 Solar	Puente Hills Landfill Gas	ORMAT Northern Nevada	ORMESA Geothermal Project	ARP Loyalton Biomass Project	Whitegrass No.1 Geothermal	Desert Harvest	Roseburg Biomass	Total
Agency discount notes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,500	\$ -	\$ 7,500	\$ -	\$ -	\$ -	\$ 38,100
Supranational Securities	-	-	-	-	-	-	-	-	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-	-	-	-	-	-	-	-	3,000
Money market funds	1,097	2,533	1,273	1,757	199	4,726	2,285	584	1,965	1,387	2,597	350	33,634
<b>Total</b>	<b>\$ 1,097</b>	<b>\$ 2,533</b>	<b>\$ 1,273</b>	<b>\$ 1,757</b>	<b>\$ 199</b>	<b>\$ 4,726</b>	<b>\$ 7,785</b>	<b>\$ 584</b>	<b>\$ 9,465</b>	<b>\$ 1,387</b>	<b>\$ 2,597</b>	<b>\$ 350</b>	<b>\$ 74,734</b>
Unrestricted investments	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Cash and cash equivalents	1,097	2,533	1,273	1,757	199	4,726	7,785	584	9,465	1,387	2,597	350	74,734
<b>Total</b>	<b>\$ 1,097</b>	<b>\$ 2,533</b>	<b>\$ 1,273</b>	<b>\$ 1,757</b>	<b>\$ 199</b>	<b>\$ 4,726</b>	<b>\$ 7,785</b>	<b>\$ 584</b>	<b>\$ 9,465</b>	<b>\$ 1,387</b>	<b>\$ 2,597</b>	<b>\$ 350</b>	<b>\$ 74,734</b>

**Southern California Public Power Authority**  
**Power Purchase Agreements**  
**Investments**  
**June 30, 2020**  
**(Amounts in Thousands)**

	POWER PURCHASE AGREEMENTS											
	Ormat Geothermal	MWD Small Hydro	Pebble Springs Wind	Ameresco Chiquita Landfill Gas	Don A. Campbell/ Wild Rose Geothermal	Copper Mountain Solar 3	Columbia 2 Solar	Heber-1 Geothermal	Kingbird Solar	Don A. Campbell 2 Geothermal	Springbok 1	Springbok 2
Agency discount notes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,999	\$ -	\$ 3,400	\$ -	\$ -	\$ 3,400	\$ 4,899
Supranational securities	-	-	-	-	-	-	-	-	-	-	-	-
U.S. treasury securities	-	-	700	-	5,000	-	-	-	-	5,000	-	-
Money market funds	1,891	1,623	233	912	215	625	753	619	944	106	937	148
<b>Total</b>	<b>\$ 1,891</b>	<b>\$ 1,623</b>	<b>\$ 933</b>	<b>\$ 912</b>	<b>\$ 5,215</b>	<b>\$ 4,624</b>	<b>\$ 753</b>	<b>\$ 4,019</b>	<b>\$ 944</b>	<b>\$ 5,106</b>	<b>\$ 4,337</b>	<b>\$ 5,047</b>
Unrestricted investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents	1,891	1,623	933	912	5,215	4,624	753	4,019	944	5,106	4,337	5,047
<b>Total</b>	<b>\$ 1,891</b>	<b>\$ 1,623</b>	<b>\$ 933</b>	<b>\$ 912</b>	<b>\$ 5,215</b>	<b>\$ 4,624</b>	<b>\$ 753</b>	<b>\$ 4,019</b>	<b>\$ 944</b>	<b>\$ 5,106</b>	<b>\$ 4,337</b>	<b>\$ 5,047</b>

**Southern California Public Power Authority**  
**Power Purchase Agreements**  
**Investments**  
**June 30, 2020**  
**(Amounts in Thousands)**

	POWER PURCHASE AGREEMENTS											
	Springbok 3	Summer Solar	Astoria 2 Solar	Antelope Big Sky Ranch	Antelope DSR 1 Solar	Antelope DSR 2 Solar	Puente Hills Landfill Gas	Ormat Northern Nevada	Ormesa Geothermal Project	ARP Loyaltan Biomass Project	Whitegrass No.1 Geothermal	Total
Agency discount notes	\$ 4,999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,800	\$ 9,100	\$ 7,399	\$ -	\$ 38,996
Supranational securities	-	-	-	-	-	-	-	-	-	1,000	-	1,000
U.S. treasury securities	-	-	-	-	-	-	-	-	-	-	-	10,700
Money market funds	748	1,146	2,027	1,715	2,298	233	3,941	731	1,325	1,820	1,206	26,196
<b>Total</b>	<b>\$ 5,747</b>	<b>\$ 1,146</b>	<b>\$ 2,027</b>	<b>\$ 1,715</b>	<b>\$ 2,298</b>	<b>\$ 233</b>	<b>\$ 3,941</b>	<b>\$ 2,531</b>	<b>\$ 10,425</b>	<b>\$ 10,219</b>	<b>\$ 1,206</b>	<b>\$ 76,892</b>
Unrestricted investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000
Cash and cash equivalents	5,747	1,146	2,027	1,715	2,298	233	3,941	2,531	10,425	9,219	1,206	75,892
<b>Total</b>	<b>\$ 5,747</b>	<b>\$ 1,146</b>	<b>\$ 2,027</b>	<b>\$ 1,715</b>	<b>\$ 2,298</b>	<b>\$ 233</b>	<b>\$ 3,941</b>	<b>\$ 2,531</b>	<b>\$ 10,425</b>	<b>\$ 10,219</b>	<b>\$ 1,206</b>	<b>\$ 76,892</b>



## **Other Information**

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**Southern California Public Power Authority**  
**Magnolia Power Project**  
**Supplemental Schedule of Receipts and Disbursements in Funds**  
**Required by the Bond Indenture for the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	Debt Service Account	Debt Service Reserve Account	Operating Reserve Fund	Reserve and Contingency	Operating Fund	Revenue Fund	COI	Fuel Reserve Fund	GHG Reserve Fund	Total
Balance at June 30, 2020	\$ 10,405	\$ 7,902	\$ 4,996	\$ 24,489	\$ 25,490	\$ -	\$ 145	\$ 7,116	\$ 3,073	\$ 83,616
Additions										
Investment earnings	-	5	1	81	3	-	-	1	-	91
Discount on investment purchases	2	7	1	12	19	-	-	56	17	114
Distribution of investment earnings	(2)	(12)	(2)	(93)	(22)	131	-	-	-	-
Receipt from participants	-	-	-	-	-	57,957	-	202	-	58,159
Distribution of revenues	18,221	-	-	8,241	27,623	(58,088)	-	4,003	-	-
Other	18	-	-	(12,631)	16,477	-	(18)	(3,791)	-	55
Total	18,239	-	-	(4,390)	44,100	-	(18)	471	17	58,419
Deductions										
Construction expenditures	-	-	-	6,418	-	-	-	-	-	6,418
Operating expenses	-	-	-	-	48,651	-	-	-	-	48,651
Payment of principal	7,800	-	-	-	-	-	-	-	-	7,800
Interest paid	9,108	-	-	-	-	-	-	-	-	9,108
Premium and interest on investment purchases	-	-	-	-	-	-	-	-	-	-
Debt issue costs	-	-	-	-	-	-	127	-	-	127
Total	16,908	-	-	6,418	48,651	-	127	-	-	72,104
Balance at June 30, 2021	\$ 11,736	\$ 7,902	\$ 4,996	\$ 13,681	\$ 20,939	\$ -	\$ -	\$ 7,587	\$ 3,090	\$ 69,931

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable, unrealized gain (loss) on investments, or \$37 and \$32 held in the revolving fund at June 30, 2021 and 2020, respectively.

**Southern California Public Power Authority**  
**Canyon Power Project**  
**Supplemental Schedule of Receipts and Disbursements in Funds**  
**Required by the Bond Indenture for the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	Revenue Fund	Operating Fund	Debt Service Fund	General Reserve	Cost of Issuance Fund	Escrow Fund	Total
Balance at June 30, 2020	\$ -	\$ 352	\$ 12,412	\$ 11,479	\$ -	\$ -	\$ 24,243
Additions							
Investment earnings	-	-	-	53	-	20	73
Discount on investments purchases	-	-	44	51	-	-	95
Distribution of investment earnings	148	-	(44)	(104)	-	-	-
Receipt from participants	24,691	-	-	-	-	-	24,691
Distribution of revenues	(24,844)	4,526	10,143	10,175	-	-	-
Bond Proceeds 2020ABC	-	-	-	-	1,211	291,990	293,201
Other	5	30	228,192	(6,500)	-	(221,692)	35
Total	-	4,556	238,335	3,675	1,211	70,318	318,095
Deductions							
Operating expenses	-	4,546	-	-	1,211	-	5,757
Payment of principal	-	-	8,185	-	-	-	8,185
Interest paid	-	-	5,351	-	-	1,675	7,026
Bond redemption - escrow	-	-	229,816	-	-	-	229,816
Total	-	4,546	243,352	-	1,211	1,675	250,784
Balance at June 30, 2021	\$ -	\$ 362	\$ 7,395	\$ 15,154	\$ -	\$ 68,643	\$ 91,554

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable, unrealized gain (loss) on investments, or \$7 held in the revolving fund at June 30, 2021 and 2020.

**Southern California Public Power Authority**  
**Apex Power Project**  
**Supplemental Schedule of Receipts and Disbursements in Funds**  
**Required by the Bond Indenture for the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	Revenue Fund	Depository Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	Reserve & Contingency Fund	Decomm Fund	Total
Balance at June 30, 2020	\$ -	\$ -	\$ 7,651	\$ 15,931	\$ 5,488	\$ 13,428	\$ -	\$ 42,498
Additions								
Investment earnings	-	-	1	-	-	2	-	3
Discount on investments purchases	-	-	1	56	29	10	-	96
Distribution of investment earnings	95	-	2	(56)	(29)	(12)	-	-
Receipt from participants	66,204	-	-	-	-	-	-	66,204
Distribution of revenues	(66,736)	-	38,394	21,946	-	5,400	996	-
Other Transfers	-	48,893	(43,178)	-	-	(5,715)	-	-
Other Receipts	437	1	15	-	-	-	-	453
Total	-	48,894	(4,765)	21,946	-	(315)	996	66,756
Deductions								
Operating expenses	-	38,702	-	-	-	-	-	38,702
Construction expenses	-	10,192	-	-	-	-	-	10,192
Principal payment	-	-	-	9,920	-	-	-	9,920
Interest payment	-	-	-	11,892	-	-	-	11,892
Total	-	48,894	-	21,812	-	-	-	70,706
Balance at June 30, 2021	\$ -	\$ -	\$ 2,886	\$ 16,065	\$ 5,488	\$ 13,113	\$ 996	\$ 38,548

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable, unrealized gain (loss) on investments, or \$10 and \$12 held in the revolving fund at June 30, 2021 and 2020, respectively.

**Southern California Public Power Authority**  
**Tieton Hydropower Project**  
**Supplemental Schedule of Receipts and Disbursements in Funds**  
**Required by the Bond Indenture for the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	Revenue Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	Reserve & Contingency Fund	Cost of Issuance Fund	Total
Balance at June 30, 2020	\$ -	\$ 988	\$ 1,413	\$ 1,639	\$ 419	\$ 192	\$ 4,651
Additions							
Investment earnings	-	-	(28)	-	-	28	-
Discount on investments	-	1	4	1	-	-	6
Distribution of investment earnings	6	(1)	24	(1)	-	(28)	-
Receipt from participants	7,326	-	-	-	-	-	7,326
Distribution of revenues	(7,332)	4,555	2,777	-	-	-	-
Other Transfer	-	-	28	-	-	(28)	-
Other Receipts	-	1	-	-	-	-	1
Total	-	4,556	2,805	-	-	(28)	7,333
Deductions							
Acquisition costs	-	235	-	-	-	-	235
Operating expenses	-	3,689	-	-	-	-	3,689
Payment of principal	-	-	1,050	-	-	-	1,050
Interest paid	-	-	1,212	-	-	-	1,212
Debt Issue Cost	-	-	-	-	-	164	164
Total	-	3,924	2,262	-	-	164	6,350
Balance at June 30, 2021	\$ -	\$ 1,620	\$ 1,956	\$ 1,639	\$ 419	\$ -	\$ 5,634

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable, unrealized gain (loss) on investments, or \$5 and \$4 held in the revolving fund at June 30, 2021 and 2020, respectively.

**Southern California Public Power Authority**  
**Milford I Wind Project**  
**Supplemental Schedule of Receipts and Disbursements in Funds**  
**Required by the Bond Indenture for the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	Revenue Fund	Operating Fund	Debt Service Fund	General Reserve Fund	Operating Reserve Fund	Cost of Issuance Fund	Total
Balance at June 30, 2020	\$ -	\$ 8,540	\$ 8,731	\$ 2,520	\$ 3,002	\$ -	\$ 22,793
Additions							
Investment earnings	-	1	-	9	-	-	9
Discount on investments	-	6	18	-	2	-	25
Distribution of investment earnings	35	(7)	(18)	(9)	(2)	-	0
Receipt from participants	24,359	-	-	-	-	-	24,359
Distribution of revenues	(24,395)	9,495	14,900	-	-	-	0
Other	-	-	-	-	-	2	2
Total	-	9,495	14,899	-	-	2	24,396
Deductions							
Operating expenses	-	15,693	-	-	-	-	15,693
Principal paid	-	-	5,975	-	-	-	5,975
Interest paid	-	-	5,393	-	-	-	5,393
Premium and interest on investment purchases	-	-	-	-	-	-	-
Debt issue costs	-	-	-	-	-	2	2
Total	-	15,693	11,368	-	-	2	27,063
Balance at June 30, 2021	\$ -	\$ 2,342	\$ 12,262	\$ 2,520	\$ 3,002	\$ -	\$ 20,126

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable, unrealized gain (loss) on investments, or \$5 and \$7 held in the revolving fund at June 30, 2021 and 2020, respectively.

**Southern California Public Power Authority**  
**Milford II Wind Project**  
**Supplemental Schedule of Receipts and Disbursements in Funds**  
**Required by the Bond Indenture for the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	Revenue Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	Cost of Issuance Fund	Escrow Fund	Total
Balance at June 30, 2020	\$ -	\$ 3,414	\$ 9,931	\$ 3,216	\$ -	\$ -	\$ 16,561
Additions							
Investment earnings	-	1	1	-	-	-	2
Discount on investments	-	1	33	8	-	-	42
Distribution of investment earnings	44	(2)	(34)	(8)	-	-	-
Receipt from participants	18,635	-	-	-	-	-	18,635
Distribution of revenues	(18,679)	8,105	10,574	-	-	-	-
Bond Proceeds	-	-	-	-	594	98,117	98,711
Other	-	-	(6,889)	(3,216)	-	10,105	-
Total additions	-	8,105	3,685	(3,216)	594	108,222	117,390
Deductions							
Operating expenses	-	6,847	-	-	-	-	6,847
Payment of principal	-	-	7,000	-	-	-	7,000
Interest paid	-	-	5,691	-	-	-	5,691
Premium on Investment Purchases	-	-	-	-	594	-	594
Total deductions	-	6,847	12,691	-	594	-	20,132
Balance at June 30, 2021	\$ -	\$ 4,672	\$ 925	\$ -	\$ -	\$ 108,222	\$ 113,819

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable, unrealized gain (loss) on investments, or \$3 held in the revolving fund at June 30, 2021 and 2020.

**Southern California Public Power Authority**  
**Windy Point Project**  
**Supplemental Schedule of Receipts and Disbursements in Funds**  
**Required by the Bond Indenture for the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	Revenue Fund	Operating Fund	Debt Service Fund	General Reserve Fund	Cost of Issuance Fund	Total
Balance at June 30, 2020	\$ -	\$ 8,803	\$ 2,945	\$ -	\$ 266	\$ 12,014
Additions						
Investment earnings	-	1	-	-	-	1
Discount on investments purchases	-	4	2	2	-	8
Distribution of investment earnings	9	(5)	(2)	(2)	-	-
Receipt from participants	81,036	-	-	-	-	81,036
Distribution of revenues	(81,045)	36,105	24,758	20,182	-	-
Other	-	1,222	83	(800)	(83)	422
Total	-	37,327	24,841	19,382	(83)	81,467
Deductions						
Operating expenses	-	45,082	-	-	-	45,082
Payment of principal	-	-	1,650	-	-	1,650
Payment of interest	-	-	8,112	-	-	8,112
Debt issuance costs	-	-	-	-	183	183
Total	-	45,082	9,762	-	183	55,027
Balance at June 30, 2021	\$ -	\$ 1,048	\$ 18,024	\$ 19,382	\$ -	\$ 38,454

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable, unrealized gain (loss) on investments, or \$12 and \$14 held in the revolving fund at June 30, 2021 and 2020, respectively.



**Southern California Public Power Authority**  
**Linden Wind Energy Project**  
**Supplemental Schedule of Receipts and Disbursements in Funds**  
**Required by the Bond Indenture for the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	Revenue Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	Cost of Issuance Fund	General Reserve	U.S. Treasury Direct Subsidy	Total
Balance at June 30, 2020	\$ -	\$ 3,450	\$ 2,012	\$ 2,336	\$ 62	\$ -	\$ -	\$ 7,860
Additions								
Discount on investments	-	10	1	1	-	-	-	12
Distribution of investment earnings	12	(10)	(1)	(1)	-	-	-	-
Revenue from power sales	17,484	-	-	-	-	-	-	17,484
Distribution of revenue	(17,901)	6,181	9,046	-	-	2,674	-	-
Other transfers	405	-	467	-	(61)	-	(811)	-
Other Receipts	-	1	-	-	-	-	1,217	1,218
Total	-	6,182	9,513	-	(61)	2,674	406	18,714
Deductions								
Operating expenses	-	5,762	-	-	-	-	-	5,762
Payment of principal	-	-	815	-	-	-	-	815
Payment of interest	-	-	4,178	-	-	-	-	4,178
Debt issue costs	-	-	-	-	1	-	-	1
Total	-	5,762	4,993	-	1	-	-	10,756
Balance at June 30, 2021	\$ -	\$ 3,870	\$ 6,532	\$ 2,336	\$ -	\$ 2,674	\$ 406	\$ 15,818

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable, unrealized gain (loss) on investments, or \$3 held in the revolving fund at June 30, 2021 and 2020.

**Southern California Public Power Authority**  
**Southern Transmission System Project**  
**Supplemental Schedule of Receipts and Disbursements in Funds**  
**Required by the Bond Indenture for the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	General Reserve Fund	Issue Fund	Operating Fund	Revenue Fund	Total
Balance at June 30, 2020	\$ 4,641	\$ 75,339	\$ 6,231	\$ -	\$ 86,211
Additions					
Investment earnings	47	300	1	-	348
Discount on investment purchases	-	228	2	-	230
Distribution of investment earnings	(47)	(528)	(2)	577	-
Revenue from transmission sales	-	-	-	133,715	133,715
Distribution of revenue	-	86,706	47,586	(134,292)	-
Other	-	-	5	-	5
Total	<u>-</u>	<u>86,706</u>	<u>47,592</u>	<u>-</u>	<u>134,298</u>
Deductions					
Operating expenses	-	-	51,755	-	51,755
Payment of principal	-	59,900	-	-	59,900
Interest paid	-	16,430	-	-	16,430
Total	<u>-</u>	<u>76,330</u>	<u>51,755</u>	<u>-</u>	<u>128,085</u>
Balance at June 30, 2021	<u>\$ 4,641</u>	<u>\$ 85,715</u>	<u>\$ 2,068</u>	<u>\$ -</u>	<u>\$ 92,424</u>

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable, unrealized gain (loss) on investments, or \$39 and \$35 held in the revolving fund at June 30, 2021 and 2020, respectively.

**Southern California Public Power Authority**  
**Mead-Phoenix Project**  
**Supplemental Schedule of Receipts and Disbursements in Funds**  
**Required by the Bond Indenture for the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	Revenue Fund	Debt Service Account	Operating Fund	Reserve and Contingency Fund	General Reserve Fund	Surplus Fund	Total
Balance at June 30, 2020	\$ -	\$ 6,528	\$ 710	\$ 292	\$ 6	\$ 119	\$ 7,655
Additions							
Discount on investment earnings	-	19	-	-	-	-	19
Distribution of investment earnings	24	(24)	-	-	-	-	-
Transmission revenue	4,601	-	-	-	-	-	4,601
Distribution of revenues	(4,625)	2,241	2,342	42	-	-	-
Other receipts	-	-	1	-	-	-	1
Total additions	-	2,236	2,343	42	-	-	4,621
Deductions							
Operating expenses	-	-	2,059	-	-	-	2,059
Construction expenses	-	-	-	-	-	-	-
Principal payment	-	5,990	-	216	-	-	6,206
Interest paid	-	950	-	-	-	-	950
Total deductions	-	6,940	2,059	216	-	-	9,215
Balance at June 30, 2021	\$ -	\$ 1,824	\$ 994	\$ 118	\$ 6	\$ 119	\$ 3,061

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable, unrealized gain (loss) on investments, or \$2 held in the revolving fund at June 30, 2021 and 2020.

**Southern California Public Power Authority**  
**Mead-Adelanto Project**  
**Supplemental Schedule of Receipts and Disbursements in Funds**  
**Required by the Bond Indenture for the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	Revenue Fund	Debt Service Account	Operating Fund	Reserve and Contingency Fund	Surplus Fund	General Reserve Fund	Total
Balance at June 30, 2020	\$ -	\$ 18,029	\$ 778	\$ 728	\$ 5,664	\$ 13	\$ 25,212
Additions							
Discount on investment earnings	-	81	-	-	11	-	92
Distribution of investment earnings	92	(81)	-	-	(11)	-	-
Transmission revenue	5,940	-	-	-	-	-	5,940
Distribution of revenues	(6,174)	2,761	3,257	156	-	-	-
Other receipts	3,679	-	9	-	-	-	3,688
Other transfers	(3,537)	(90)	3,627	-	-	-	-
Total additions	-	2,671	6,893	156	-	-	9,720
Deductions							
Operating expenses	-	-	6,944	-	-	-	6,944
Construction expenses	-	-	-	182	-	-	182
Principal payment	-	17,110	-	-	-	-	17,110
Interest paid	-	1,363	-	-	-	-	1,363
Total deductions	-	18,473	6,944	182	-	-	25,599
Balance at June 30, 2021	\$ -	\$ 2,227	\$ 727	\$ 702	\$ 5,664	\$ 13	\$ 9,333

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable, unrealized gain (loss) on investments, or \$2 and \$9 held in the revolving fund at June 30, 2021 and 2020, respectively.

**Southern California Public Power Authority**  
**Prepaid Natural Gas Project**  
**Supplemental Schedule of Receipts and Disbursements in Funds**  
**Required by the Bond Indenture for the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

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	Revenue Fund	Operating Fund	Debt Service Fund	Total
Balance at June 30, 2020	\$ -	\$ 13,412	\$ 5,151	\$ 18,563
Additions				
Investment earnings	76	414	269	759
Distribution of investment earnings	408	(408)	-	-
Receipt from Gas Sales	8,874	-	-	8,874
Distribution of Revenues	(23,063)	658	22,405	-
Commodity Swap Settlement	13,705	-	-	13,705
Total	-	664	22,674	23,338
Deductions				
A & G expenses	-	647	-	647
Payment of Principal	-	-	7,725	7,725
Payment of Interest	-	-	14,303	14,303
Total	-	647	22,028	22,675
Balance at June 30, 2021	<u>\$ -</u>	<u>\$ 13,429</u>	<u>\$ 5,797</u>	<u>\$ 19,226</u>

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable, unrealized gain (loss) on investments, or \$5 and \$7 held in the revolving fund at June 30, 2021 and 2020.

**Southern California Public Power Authority**  
**Barnett Project**  
**Supplemental Schedule of Receipts and Disbursements in Funds**  
**Required by the Bond Indenture for the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	Revenue Fund	Operating Fund	Debt Service Fund	General Reserve Fund	Project Fund	Capital Fund	Total
Balance at June 30, 2020	\$ -	\$ 1,960	\$ 4,586	\$ 24	\$ 35,483	\$ 682	\$ 42,735
Additions							
Investment earnings	-	1	-	-	1	-	2
Discount on investment purchases	-	-	13	-	157	-	170
Distribution of investment earnings	13	-	(13)	-	-	-	-
Receipt from participants	5,941	99	-	-	-	-	6,040
Sales of Natural Gas	990	220	-	-	-	-	1,210
Distribution of Revenues	(6,944)	1,765	5,179	-	-	-	-
Other transfer	-	-	-	-	(16)	16	-
Total	-	2,085	5,179	-	142	16	7,422
Deductions							
Construction expenditures	-	-	-	-	-	19	19
Operating expenses	-	1,666	-	-	-	-	1,666
Payment of principal	-	-	3,573	-	-	-	3,573
Interest paid	-	-	1,926	-	-	-	1,926
Total	-	1,666	5,499	-	-	19	7,184
Balance at June 30, 2021	\$ -	\$ 2,379	\$ 4,266	\$ 24	\$ 35,625	\$ 679	\$ 42,973

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable, unrealized gain (loss) on investments, or \$4 held in the revolving fund at June 30, 2021 and 2020.

**Southern California Public Power Authority**  
**Pinedale Project**  
**Supplemental Schedule of Receipts and Disbursements in Funds**  
**Required by the Bond Indenture for the Year Ended June 30, 2021**  
**(Amounts in Thousands)**

	Revenue Fund	Operating Fund	Debt Service Fund	General Reserve Fund	Project Fund	Capital Fund	Total
Balance at June 30, 2020	\$ -	\$ 2,684	\$ 1,954	\$ 42	\$ 1,722	\$ 304	\$ 6,706
Additions							
Investment earnings	-	1	-	-	1	-	2
Discount on investment purchases	-	1	4	-	1	-	6
Distribution of investment earnings	4	-	(4)	-	-	-	-
Receipt from participants	2,573	3,973	-	-	-	-	6,546
Sales of natural gas	353	2,298	-	-	-	-	2,651
Distribution of revenues	(2,930)	717	2,203	-	(12)	22	-
Other receipts	-	1,193	-	-	-	-	1,193
Total additions	-	8,183	2,203	-	(10)	22	10,398
Deductions							
Construction expenses	-	-	-	-	-	127	127
Operating expenses	-	7,128	-	-	-	-	7,128
Payment of principal	-	-	1,522	-	-	-	1,522
Interest paid	-	-	819	-	-	-	819
Total deductions	-	7,128	2,341	-	-	127	9,596
Balance at June 30, 2021	\$ -	\$ 3,739	\$ 1,816	\$ 42	\$ 1,712	\$ 199	\$ 7,508

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable, unrealized gain (loss) on investments, or \$2 held in the revolving fund at June 30, 2021 and 2020, respectively.



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