

**SOUTHERN CALIFORNIA
PUBLIC POWER AUTHORITY**



**2017-18
ANNUAL REPORT**

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SCPPA GLENDORA

1160 NICOLE COURT
GLENDORA, CA 91740
TEL: (626) 793-9364

SCPPA TRAINING CENTER

1172 NICOLE COURT
GLENDORA, CA 91740
TEL: (626) 793-9364

SCPPA SACRAMENTO

915 L STREET, SUITE 1410
SACRAMENTO, CA 95814
TEL: (916) 440-0870

REPORT DESIGN:

JOANNA LOPEZ

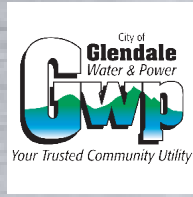
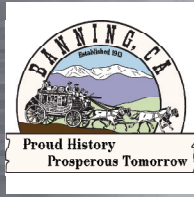
2017 ANNUAL



SCPPA

7-18 REPORT

2	CONTACT INFO
4	ABOUT SCPPA
6	BOARD PRESIDENT'S LETTER
8	EXECUTIVE DIRECTOR'S LETTER
10	SCPPA STAFF & OFFICERS
14	SCPPA PROJECTS
18	SCPPA PROGRAMS
19	SCPPA TRAINING
20	SCPPA MEMBERS
32	LEGISLATIVE REPORTS
38	FINANCING SUMMARY



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

WHO WE ARE

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY (SCPPA), is a joint powers authority, created in 1980, for the purpose of providing joint financing, construction, and operation of transmission and generation projects. Comprised of 11 municipal utilities and one irrigation district, SCPPA's members serve more than 5 million Californians (2 Million customers) across a service area of 7,000 square miles.

WHAT WE DO

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

SCPPA'S 12 PUBLICLY OWNED UTILITIES ARE:

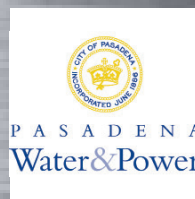
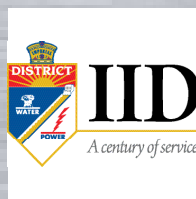
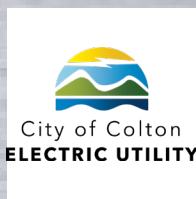
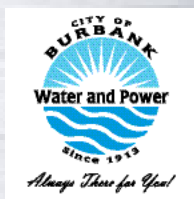
- Not-for-profit
- Locally-governed
- Accountable to communities
- Achieving and exceeding state renewable goals
- More affordable than investor-owned, for-profit utilities
- Achieving conservation and energy efficiency savings
- Committed to serving customers' long-term needs

COMMUNITY-OWNED, CUSTOMER DRIVEN

Through a constant evolution of science and technology and an unwavering commitment to innovation and progress, SCPPA members have powered communities and businesses across the region for more than a century. Today, the region's publicly owned utilities are pooling their resources and investing in energy supply projects throughout the western United States to build a cleaner, more reliable and affordable energy future for generations of Southern Californians.

OUR MISSION

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY (SCPPA) provides collaborative advocacy, value-added services and joint procurement to enhance operational efficiencies and increase savings for its members.



SCPPA BOARD PRESIDENT'S LETTER



DUKKU LEE

SCPPA BOARD PRESIDENT

For public power agencies, our everyday focus is to provide exceptional electric service. Customers today expect high quality, affordable pricing and sustainable resources, and in 2018, SCPPA helped member agencies to deliver those essential services that power our communities. Through the collective efforts of our utilities and the SCPPA team, we were successful in communicating with a stronger voice on legislative matters, and pooling our resources to lower costs for the benefit of our customers.

One of the major legislative milestones was the passage of Senate Bill 100 that charts a pathway to a clean energy future. SCPPA helped to shape the legislation to ensure that electric bills remain affordable and that reliable service is not compromised along the way. As we prepare for 100% of our resources

to be supplied through renewable and zero-carbon plants by 2045, we need to address significant barriers that include additional transmission capacity, investments in distribution systems, and seeking flexibility that best suits the specific supply portfolio needs of our respective communities.

As we travel along the pathway to clean power, SCPPA is delivering tools and resources to address the largest contributor of Greenhouse Gas emissions in California – transportation. By electrifying transportation in goods movement, heavy duty vehicles, public transit, and passenger vehicles, we can make a significant contribution to lowering air emissions. Preparing for the significant increase in energy usage as auto manufacturers continue to make progress towards clean transportation options is essential to successfully integrate higher volumes of electric vehicles into the grid. Through planning studies, securing grants, and collaborating on best practices, SCPPA is leading the way towards electrification.

Looking forward, challenges with wildfire mitigation, cyber security, energy storage, and customer engagement will continue to change our industry and how we deliver services, but these challenges will not change our focus on serving our residents and businesses, and powering our communities.

My sincere thanks to SCPPA staff for their hard work in 2018 to help member agencies make a positive impact in Southern California. It is not an easy task to coordinate with twelve different agencies to seek common solutions, but the SCPPA team certainly rose to the occasion in 2018, and I look forward to their continued leadership in 2019 and beyond.

Dukku Lee

SCPPA EXECUTIVE DIRECTOR'S L E T T E R



MICHAEL WEBSTER

SCPPA EXECUTIVE DIRECTOR

SCPPA staff has worked collaboratively with Member staff to maximize the value we bring to the Member Southern California municipal utilities. Communications with customers, stakeholders, legislators, and regulators has become increasingly important to share the benefits of a community owned municipal utility. To help reach that goal, a new communications working group was formed to share best practices among the Members and to develop a factbook that tells our stories. The factbook, "Cleaner Power, Today and Tomorrow" received two awards, one from the American Public Power Association and another from the Los Angeles Chapter of the Public Relations Society of America.

With increasing cyber threats on the electric grid, SCPPA formed a new working group to address how joint action can help reduce the cost and increase the effectiveness of our Member utilities cybersecurity programs.

SCPPA also reestablished its annual meeting this year to increase the collaboration among and within the Member utilities. It was a one-day event held in Anaheim that focused on customer engagement, new utility programs, and the changes necessary to be successful in a customer driven environment.

We continued to provide our core services in many areas. We signed contracts for 88 MWs of new renewable projects. Of these was our first biomass project to help remove 100,000 tons of high wildfire hazard dead trees to create electricity and to comply with SB856.

We completed a set of financial transactions on the Magnolia Power Project that saved project participants approximately \$8 million. SCPPA also transacted a refunding of the Canyon Power Project bonds to mitigate interest rate hikes.

SCPPA added two geothermal projects to its portfolio. SCPPA is now managing 37 projects to meet cost and performance expectation of our members. But, SCPPA also helped members transition away from coal-fired generation by successfully negotiating an agreement to shutdown Unit 3 of the San Juan Generating Station.

SCPPA issued RFPs for Load Management Services, Electrification Programs, Renewable and Energy Storage, Compressed Air Energy Storage, and Scheduling and Trading Services. Members increased their investment by 23% this year in energy efficiency programs using SCPPA contracts.

SCPPA has been increasing the breadth of its workforce development opportunities and has implemented a training series for new hires, emerging leaders, and seasoned executives.

SCPPA's success is firmly rooted in the dedication of the Member staff to work together to find the highest value initiatives for the Members. I thank the Chairs and Vice-chairs of our various working groups in leading its groups efforts to help the Southern California municipal utilities meet its community's needs as efficiently and cost effectively as possible. I also thank our creative and hardworking SCPPA staff for making the working groups vision a reality and executing on its key projects, programs, and initiatives. It has been a joy and pleasure in working with such talented Member and SCPPA staff.

Michael Webster



MICHAEL WEBSTER

EXECUTIVE
DIRECTOR



MICHAEL BELL

INTERIM CHIEF
FINANCIAL &
ADMINISTRATIVE
OFFICER



TED BEATTY

DIRECTOR OF
RESOURCE & PROGRAM
DEVELOPMENT



RICHARD MORILLO

GENERAL
COUNSEL



KATHERINE ELLIS

DIRECTOR OF ASSET
MANAGEMENT &
SPECIAL PROJECTS



DANIEL HASHIMI

SENIOR ASSISTANT
GENERAL COUNSEL



BRYAN COPE

PROGRAM
DEVELOPMENT
MANAGER



RANDY KRAGER

PROJECT
DEVELOPMENT
MANAGER



SALPI ORTIZ

OFFICE MANAGER



ROBERT DURAN

UTILITY
ACCOUNTANT



JOHN QUAN

UTILITY
ANALYST



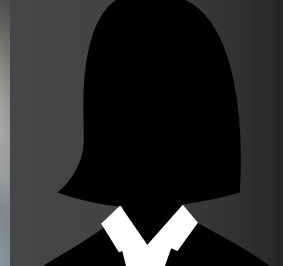
NICOLE SOLANO

UTILITY
ANALYST



JOANNA LOPEZ

ADMINISTRATOR II



ARPI LEPEZHYAN

ADMINISTRATOR I



JESSICA CHU

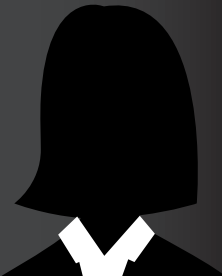
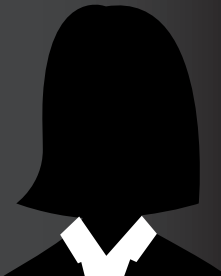

INTERIM
ADMINISTRATOR I

SCPPA STAFF

G L E N D O R A

SCPPA STAFF

SACRAMENTO

		
TANYA DERIVI	AMY MMAGU	NICHOLAS BLAIR
DIRECTOR OF GOVERNMENT AFFAIRS	STATE GOVERNMENT AFFAIRS MANAGER	REGULATORY POLICY ANALYST

SCPPA STAFF

LOS ANGELES



YOLANDA PANTIG

SCPPA
ACCOUNTING
MANAGER



JOAN ILAGAN

SCPPA
INVESTMENT
MANAGER



ROWENA BORJA

SENIOR UTILITY
ACCOUNTANT



ADRIAN CHUNG

UTILITY
ACCOUNTANT



ASHANTI DE LA MESA

UTILITY
ACCOUNTANT



JONATHAN DELLA

UTILITY
ACCOUNTANT



ATIF HAJI DATOO

UTILITY
ACCOUNTANT



FRANCISCO OLIVARES

UTILITY
ACCOUNTANT



HOUBERT ZADEH

UTILITY
ACCOUNTANT



ROY YOON

UTILITY
ACCOUNTANT



LESLIE COX-TONEY

SENIOR
ADMINISTRATIVE
CLERK

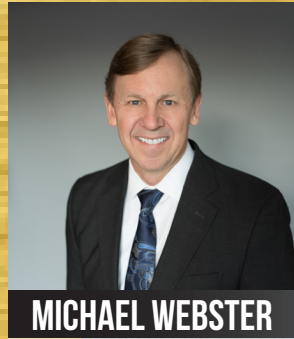


**ANAHEIM
PUBLIC UTILITIES**

201 S. ANAHEIM BLVD., SUITE 1101
ANAHEIM, CA 92805
(714) 765-4126

DUKKU LEE

PRESIDENT



**SOUTHERN CALIFORNIA
PUBLIC POWER
AUTHORITY**

1160 NICOLE COURT
GLENDDORA, CA 91740
(626) 793-9364 EXT. 201

MICHAEL WEBSTER

TREASURER/ AUDITOR & ASSISTANT SECRETARY



**BURBANK
WATER & POWER**

164 MAGNOLIA BLVD.,
BURBANK, CA 91502
(818) 238-3550

JORGE SOMOANO

VICE PRESIDENT



**LOS ANGELES
DEPARTMENT OF
WATER & POWER**

111 N. HOPE ST., ROOM 921
LOS ANGELES, CA 90012
(213) 367-3322

DAVID WRIGHT

SECRETARY



**VERNON
PUBLIC UTILITIES**

4305 SANTA FE AVE.
VERNON, CA 90058
(323) 583-8811 EXT. 834

KELLY NGUYEN

2ND VICE PRESIDENT



**LOS ANGELES
DEPARTMENT OF
WATER & POWER**

111 N. HOPE ST., ROOM 465
LOS ANGELES, CA 90012
(213) 367-0690

MARIO IGNACIO

ASSISTANT SECRETARY

**SCPPA BOARD
OFFICERS**

NEW PROJECTS IN DEVELOPMENT



DESERT HARVEST SOLAR PROJECT **D**

Participants: Anaheim (52%), Burbank (31%), Vernon (17%)

The Desert Harvest Solar Project is a new 150 MW solar facility to be located in Riverside County, California. The Guaranteed Commercial Operation Date (GCOD) for the facility is December 1, 2021, for up to 70 MWs of long-term solar renewable energy to Anaheim, Burbank, and Vernon. The expected COD and energy deliveries may begin as early as December 1, 2020.



ORMESA GEOTHERMAL COMPLEX O

Participants: Imperial Irrigation District (14%), Los Angeles (86%)

The Ormesa Geothermal Complex Energy Project is an existing geothermal project located in Imperial County, California, that will provide approximately 35 MW of long-term geothermal supply of renewable energy to the Los Angeles Department of Water and Power and the Imperial Irrigation District. SCPPA entered into a 25-year contract with Ormat for deliveries beginning November 30, 2017. Over the final 6 months of the fiscal year Ormesa delivered 148,557 MWhs, realizing a 58% net capacity factor for the period. A series of tube leaks limited availability to 98%, though Ormat has repaired the problems.

NORTHERN NEVADA GEOTHERMAL PORTFOLIO N

Participants: Los Angeles (100%)

The Northern Nevada Geothermal Portfolio Project is a combination of new and existing geothermal facilities located in Northern Nevada. By December 2023, the facilities will aggregate to an approximate capacity totaling 150 MW of long-term geothermal renewable energy to LADWP. The term of the agreement is 25 years. Deliveries began on December 1, 2017 from Tungsten Mountain. The second project to deliver to SCPPA is Steamboat Hills. During the first development period (ending December 31, 2018), the PPA guarantees a capacity range between 60-85 MW, which is expected to be achieved by calendar year-end with the addition of McGuinness Hills. For a portion of this fiscal year, ONGP delivered 171,580 MWhs, realizing a 93% net capacity factor.

LOYALTON BIOMASS L

Participants: Anaheim (7%), Imperial Irrigation District (12%), Los Angeles (73%), Riverside (7%)

The Loyalton Biomass plant is a renewable power generation facility located on 212 acres adjacent to the City of Loyalton in Sierra County, CA. The PPA was signed in October 2017 in response to SB859 and includes 3 non-member participants. Major refurbishment work on the plant was completed in 2017. The project began deliveries to SCPPA on April 20, 2018. Since coming online, the plant has successfully burned over 46,000 tons of high-hazard forest fuel for the generation of electricity to SCPPA and the other non-member participants.

NEW PROJECTS IN OPERATION

SCPPA

PROJECT SUMMARY

BIOMASS

B1 Loyalton

FOSSIL/ NUCLEAR

F1 Apex Natural Gas CC

F2 Canyon Natural Gas CT

F3 Magnolia Natural Gas CC

F4 Palo Verde Nuclear Station

GEOTHERMAL

G1 Don A. Campbell I

G1 Don A. Campbell II

G2 Heber South/Gould 2

G2 Heber 1

G2 Ormesa Geothermal Complex

G1 Northern Nevada Geothermal Portfolio (NNGP)

HYDROPOWER

H1 MWD Small Hydro

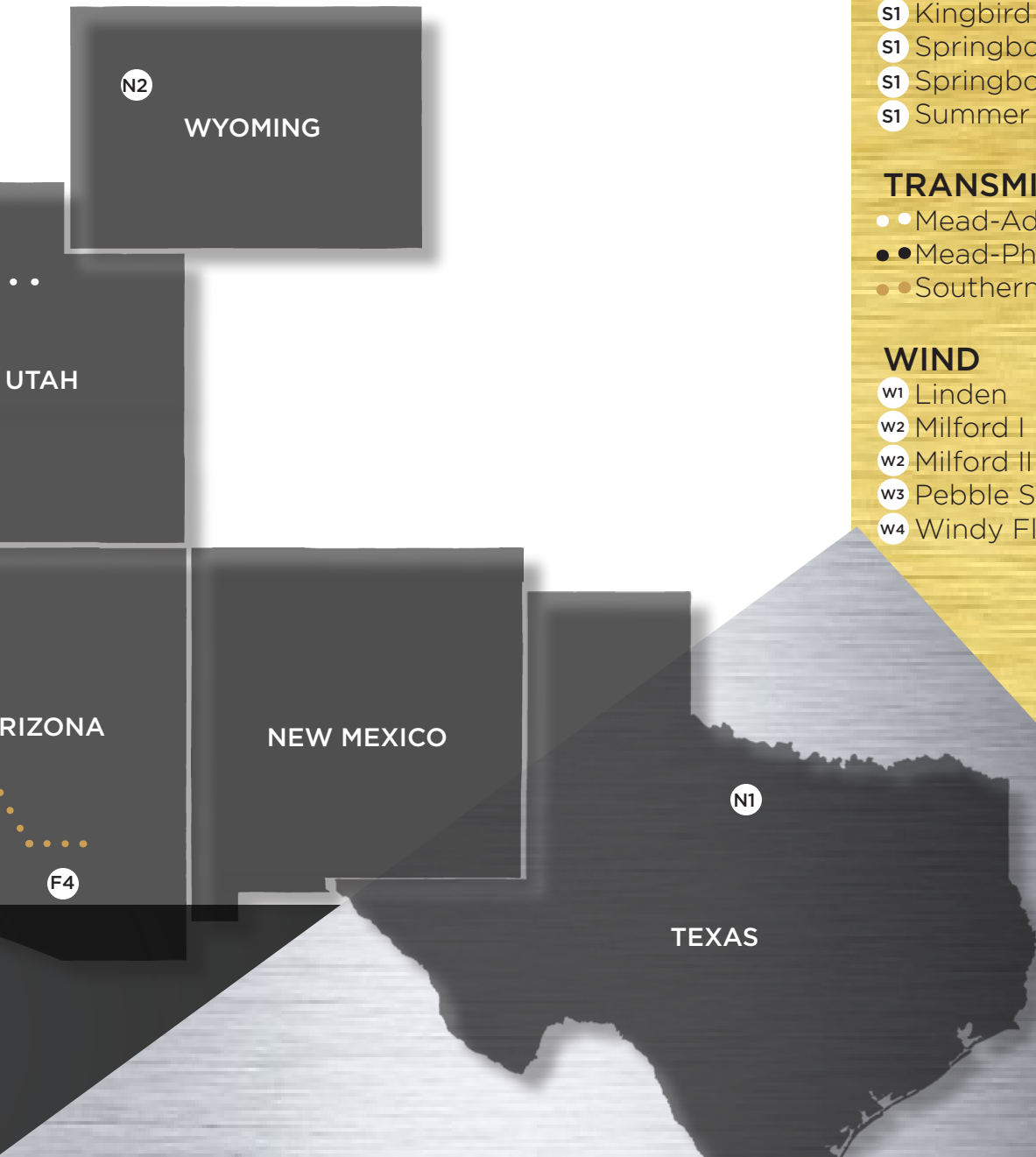
H2 Tieton

LANDFILL GAS

L1 Chiquita Canyon

L2 Puente Hills





NATURAL GAS

- N1 Barnett Shale Gas Reserves
- N2 Pinedale Gas Reserves
- N3 Prepaid Natural Gas

SOLAR

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

TRANSMISSION

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

WIND

- w1 Linden
- w2 Milford I
- w2 Milford II
- w3 Pebble Springs
- w4 Windy Flats

PROGRAMS

Transportation & Building
Electrification

Energy Efficiency

Demand Response

Energy Storage

Customer Service/
Experience & Key Accounts

Rate Design

ABOUT SCPPA PROGRAMS

SCPPA coordinates the development and implementation of numerous joint-action and individualized Programs that support and impact the generation and transmission of power by Members. Working together to share lessons learned and best practices, SCPPA and our Members develop “next practices” that create leading-edge concepts for Program enhancements and improvements. These Programs are in multiple fields that typically are implemented “behind the meter” on the demand-side.

SCPPA PROGRAM OPERATIONAL VALUE

In FY2017-2018, SCPPA administered 64 different contracts with suppliers to procure goods and services on behalf of our Members totaling \$130 million which provided cost savings between \$15 and \$20 million. The largest single program was energy efficiency which accounted for more than \$95 million, using 24 different suppliers. Of this, nearly two-thirds or \$64 million was spent on direct installation programs where suppliers provided and installed the efficiency measures to residences and businesses directly on behalf of the participating Member. SCPPA also administered 40 additional contracts to support Members’ programs including, but not limited to: \$12 million on customer research and related support services; \$8 million on small-scale solar program implementation; \$7 million for Smart Grid implementation programs; \$2 million on Transportation Electrification programs; and \$2 million for Transmission system upgrades.

MISSION

SCPPA is to provide quality, cost-effective workforce development for members to enhance their organizational performance and effectiveness.

OBJECTIVE

- Provide high quality, cost-effective training
- Facilitate Member workforce development opportunities
- Promote individual and organizational effectiveness
- Prepare member workforce for the utility transformation.

PROJECTED OPERATIONAL VALUE 2018-19

SCPPA has launched the first SCPPA Training Catalog in May 2018 with the goal of providing more diverse and in-depth training for its members. Course categories range from Accounting & Finance to Operations and Professional Development, The Catalog offers more than 22 scheduled courses, three Certification Programs from Fundamental to Executive level, and a varied list of upon request Trainings.

2018-19 OUTLOOK

- 22 training courses scheduled for a total of 46 training days and 21% utilization
- 20+ training requests received for FY 2018-19
- Potential Attendance of 548-643 members

2017-18
OPERATIONAL VALUE

26 Courses Held

65.5 Training Days

29.9% Utilization

743 Attendees

TRAINING



DUKKU LEE

GENERAL MANAGER



Anaheim Public Utilities (APU) began operations in 1894 as the first municipal electric utility in southern California. Today, APU provides affordable and reliable water and power to a city of over 358,000 residents, 20,000 businesses, and 25 million annual visitors, featuring vibrant neighborhoods and a thriving business community that includes world-class convention, sports, and entertainment venues.

Anaheim’s electric system supports a diverse customer base, and has a historic peak demand of 593 MW. Distinguishing features include commissioning the nation’s first underground substation in 2006, undergrounding over 128 circuit miles as part of an aggressive underground conversion program, and operating a 2.4 MW photovoltaic system on the roof of the Anaheim Convention Center, one of the largest solar arrays on a municipally owned convention center in the country.

APU provides electricity to its customers from a wide array of renewable resources including landfill gas, geothermal, wind, and solar. Currently, renewables comprise nearly 30% of APU’s power supply mix and will increase to 60% by 2030 for enhanced sustainability and compliance with statewide mandates.

ANAHEIM PUB

CUSTOMERS-RETAIL	
	POWER GENERATED AND PURCHASED
SELF-GENERATED	
PURCHASED	
TOTAL	
OPERATING REVENUES (000s)	
OPERATING COSTS (000s)	

***PRELIMINARY & UNAUDITED FISCAL YEAR ENDED**

AZUSA LIGHT

CUSTOMERS-RETAIL	
	POWER GENERATED AND PURCHASED
SELF-GENERATED	
PURCHASED	
TOTAL	
OPERATING REVENUES (000s)	
OPERATING COSTS (000s)	

***PURCHASED POWER IS NET POWER
UNAUDITED FISCAL YEAR ENDED

PUBLIC UTILITIES

.....	119,552
POWER PURCHASED (IN MWH)	
.....	231,000
.....	2,985,000
.....	3,216,000
.....	\$443,755
.....	\$368,321

YEAR END JUNE 30, 2018 INFORMATION

HEAT & WATER

.....	16,695
POWER PURCHASED (IN MWH)	
.....	177,278*
.....	85,518
.....	262,796
.....	\$36,193**
.....	\$34,186**

POWER USED TO SERVE AZUSA LOAD YEAR END JUNE 30, 2018 INFORMATION

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

ALW's electric utility operates within the California ISO Balancing Authority acting as a Utility Distribution Company (UDC) and a Participating Transmission Owner (PTO). The electric utility currently receives power from 11 renewable resource projects and 4 conventional power resources, with total power production capability of up to approximately 300,000 MWH/year. Azusa's utilities are fully compliant with all state and federal laws. The electric utility is on track to meet/exceed the 33% renewable power content in 2020 with estimated 2018 deliveries to exceed 33%. Azusa is compliant with AB32 (Global Warming Solutions Act) through its participation in the State's cap-and-trade program.



MANNY ROBLEDO

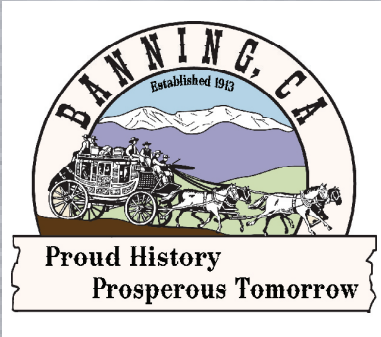
DIRECTOR OF UTILITIES





THOMAS MILLER

ELECTRIC UTILITY DIRECTOR



The City of Banning Electric Utility provides electric service to approximately 12,100 accounts covering an area of approximately 22 square miles. Originally established in 1913 as a private utility, the City of Banning purchased the Utility in 1922 and has been providing electric service to its residents since that time. Banning's energy resource base includes portions of coal, nuclear, geothermal, solar, landfill gas-to-energy, and hydro generating plants, that provide the majority of electricity required to meet its summer peak demand of 48 MW.

The City supports clean-energy and is committed to additional renewable energy resources to its already diverse portfolio. The Utility met the renewable energy requirement of Compliance Period #1 through energy produced from two geothermal generating facilities located in the Imperial Valley. In addition, the Utility has two Power Sales Agreements for energy from Solar and Landfill Gas facilities, which will put the Utility at 77 percent renewable by 2018, far exceeding the current State mandate of 50 percent by 2030. The Utility is dedicated to continue providing quality service to its customers in a safe and reliable manner, at reasonable rates.

BANNING ELE

CUSTOMERS-RETAIL
POWER GENERATED AND
SELF-GENERATED
PURCHASED
TOTAL
OPERATING REVENUES (000s)
OPERATING COSTS (000s)

***UNAUDITED FISCAL YEAR END**

BURBANK WA

CUSTOMERS-RETAIL
RETAIL SALES IN MWH
POWER GENERATED AND
SELF-GENERATED
PURCHASED
TOTAL
TOTAL REVENUES (000s)
OPERATING COSTS (000s)

UNAUDITED FISCAL YEAR END

ELECTRIC UTILITY

.....	12,129*
POWER PURCHASED (IN MWH)	
.....	0
.....	148,541*
.....	148,541*
.....	\$34,385*
.....	\$33,352*

AS OF JUNE 30, 2018 INFORMATION

WATER & POWER

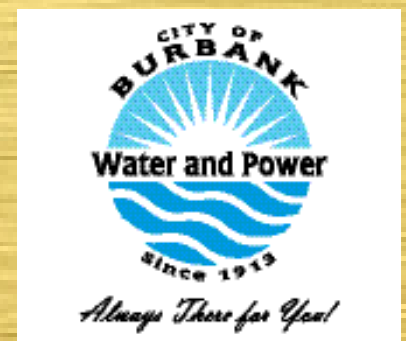
.....	53,110
.....	1,077,593
POWER PURCHASED (IN MWH)	
.....	13,580
.....	1,075,020
.....	1,088,600
.....	\$176,450
.....	\$151,074

AS OF JUNE 30, 2018 INFORMATION

Established in 1913, Burbank Water and Power (BWP) is a community owned utility which primarily provides electric and water services to the residents and businesses of Burbank. As a community owned utility, BWP returns value to its customers, rather than investors, by providing its services using increasingly sustainable, reliable and safe methods, and through competitive utility rates. All told, within the City's 17 square miles, BWP provides over 100,000 residents, and tens of thousands of more people during work week business hours, with excellent utility services.

BWP is committed to providing reliable, affordable and sustainable utility services to Burbank; these are three key tenets BWP uses to deliver value to the Burbank community. BWP's power availability rate for Fiscal Year 2017-18 was a region leading 99.998%; or in other words the average Burbank resident could expect to experience only one electric service outage of just 23 minutes every three years. BWP's average electric rates are lower than the California investor owned utilities and amongst the lowest in the region. BWP's commitment to sustainability is strong; in 2007, BWP was the first utility to commit to 33% renewable energy by 2020.

BWP offers other valuable services to Burbank, including fiber optic services to businesses, free citywide wireless broadband service, and public access to dozens of electric vehicle charging stations. BWP is also the operator of SPPA's Magnolia Power Project (MPP). MPP is a large, very clean, highly efficient combined-cycle power plant that utilizes state-of-the art combined-cycle electric generation technology. MPP improves regional electric reliability dramatically by reducing dependence on long-distance interstate transmission lines.



JORGE SOMOANO

GENERAL MANAGER





ART GALLUCCI

CITY MANAGER



The City of Cerritos became a member of SCPPA in 2003. Since 2005, the City of Cerritos has been serving the electrical demands of the City's business community. Over the years, the City's customer base has steadily increased and the utility currently serves 368 accounts. The utility serves educational institutions, City-owned facilities and major retail businesses in the City with the primary goal of providing an economical and reliable supply of electricity. Cerritos Electric Utility (CEU) continues to receive power primarily from the Magnolia Power Plant. However, starting in October of 2017, CEU received a small allocation of hydroelectric power from the Western Area Power Administration, generated from the Boulder Canyon Power project.

CITY OF C

CUSTOMERS-RETAIL

POWER GENERATED AND

SELF-GENERATED

PURCHASED

TOTAL

TOTAL REVENUES (000s)

OPERATING COSTS (000s)

***UNAUDITED FISCAL YEAR EN**

COLTON ELEC

CUSTOMERS-RETAIL

POWER GENERATED AND

SELF-GENERATED

PURCHASED

TOTAL

TOTAL REVENUES (000s)

OPERATING COSTS (000s)

***UNAUDITED FISCAL YEAR EN**

CERRITOS

.....	368*
POWER PURCHASED (IN MWH)	
.....	65,709*
.....	11,454*
.....	77,163*
.....	\$6,252*
.....	\$6,625*

AS OF JUNE 30, 2018 INFORMATION

ELECTRIC UTILITY

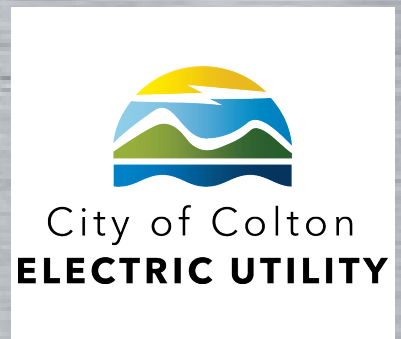
.....	19,621*
POWER PURCHASED (IN MWH)	
.....	12,137*
.....	447,246*
.....	459,383*
.....	\$65,900*
.....	\$57,200*

AS OF JUNE 30, 2018 INFORMATION

The largest and oldest municipal utility in San Bernardino County, the Colton Electric Department has been meeting the electric needs of Colton's businesses and residents since 1895. Today, the Department serves approximately 19,621 customers with a diverse mix of generation resources.

The Department's main focus is ensuring that customer's use electricity effectively to minimize their costs and promote sustainability. Colton's residents want improved environmental quality and support the steps taken by the Department to improve the quality of life in the city. Department efforts include acquiring renewable resources and working with residential and business customers to install energy efficient equipment and appliances.

The Department looks forward to serving the electric needs of the community with low-cost, reliable supplies for the next 120 years and to serve as an asset helping promote economic development in the City.



DAVE KOLK

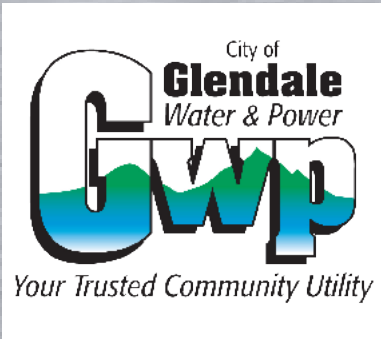
ELECTRIC UTILITY DIRECTOR





STEPHEN ZURN

GENERAL MANAGER



Incorporated in 1906, Glendale purchased its electric utility in 1909, obtaining power from outside suppliers. In 1937, it began receiving power from the Hoover Dam and inaugurated the first of its own steam generating plant units with 288 MW of gas-fired steam and combustion generating capacity. Glendale Water & Power (GWP) has a diversified portfolio that also includes coal, nuclear, and hydro generating resources, as well as a comprehensive renewables resource program comprised of landfill gas, wind, and geothermal projects. Today, GWP provides reliable electric services to over 88,800 residential, commercial, and industrial customers within a 31 square mile area. GWP continues to invest in improving the system infrastructure to ensure its long-term reliability. It is GWP's vision to deliver reliable, high quality, environmentally-sensitive, and sustainable water and power services to its customers in a caring and cost-competitive manner, while creating a stimulating and rewarding work experience for its employees.

GLENDALE WA

CUSTOMERS-RETAIL
POWER GENERATED AND PURCHASED
SELF-GENERATED
PURCHASED
TOTAL
TOTAL REVENUES (000s)
OPERATING COSTS (000s)

***UNAUDITED FISCAL YEAR END**

IMPERIAL IRRIG

CUSTOMERS-RETAIL
POWER GENERATED AND PURCHASED
SELF-GENERATED
PURCHASED
TOTAL
TOTAL REVENUES (000s)
OPERATING COSTS (000s)

AUDITED FISCAL YEAR END DE

WATER & POWER

.....	88,849*
D PURCHASED (IN MWH)	
.....	158,353*
.....	1,408,357*
.....	1,566,710*
.....	\$226,333*
.....	\$210,450*

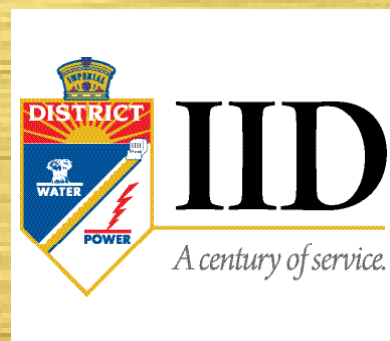
D JUNE 30, 2018 INFORMATION

ATION DISTRICT

.....	154,465
D PURCHASED (IN MWH)	
.....	1,439,564
.....	2,419,029
.....	3,858,593
.....	\$455,588
.....	\$439,863

CEMBER 31, 2017 INFORMATION

The Imperial Irrigation District (IID) was established in 1911 and entered the power business in 1936. Proudly serving Imperial and Coachella valleys and a portion of San Diego County, IID has a service area of 6,898 square miles that encompasses an expanding 1,780-mile transmission network and 5,004-mile distribution lines. One of eight balancing authorities in the state, IID controls over 1,100 MW of energy derived from a diverse resource portfolio that includes native generation, SCPPA partnerships, and long- and short-term power purchases. IID, in the enviable position of having access to locally-generated geothermal, solar, wind and biomass resources, is on track to meet the 33 percent Renewables Portfolio Standard by 2020. A valuable public resource, IID is regarded as an affordable and reliable service provider serving 154,465 customers.



KEVIN KELLEY
GENERAL MANAGER





DAVID WRIGHT

GENERAL MANAGER



Providing service for more than a century, the Los Angeles Department of Water and Power (LADWP) began delivering water to the city in 1902, and with the water came power. In 1916, LADWP first delivered electricity to the city purchased from the Pasadena Municipal Plant. A year later, LADWP began generating its own hydroelectric power at the San Francisquito Power Plant No. 1. After purchasing the remaining distribution system of Southern California Edison within the city limits in 1922, LADWP became the sole water and electricity provider for the City of Los Angeles. It is now the largest municipally owned electric utility in the nation, serving a population of 4.0 million residents over a 473 square mile area. LADWP remains on firm financial footing and serves as a valuable asset to the City of Los Angeles. LADWP reached its 20% renewable goal in 2010 and 30% (unaudited) in 2017 with a significant portion of such goal accomplished with projects transacted through SCPPA. LADWP is undergoing a transformation of its power supply, as documented in its Power Strategic Long-Term Resource Plan. Over the next 15 years, there will be a transition away from coal replacing such energy through meeting a mandated 33% renewable goal by 2020, a mandated 50% renewable goal by 2030, a long-term aspirational 70% renewable goal by 2036, increasing energy efficiency to at least 15% from 2010 through 2020, balancing the system demands with increased use of natural gas from new and rebuilt existing facilities, re-powering gas facilities to eliminate the use of ocean water for cooling, investing in the Power System Reliability Program to ensure robust power system, and supporting electric transportation growth to decrease overall greenhouse gas emissions in the L.A. Basin.

LOS ANGELES DEPARTMENT OF WATER AND POWER

CUSTOMERS-RETAIL	
	POWER GENERATED AND PURCHASED
SELF-GENERATED	
PURCHASED	
TOTAL	
TOTAL REVENUES(000s)	
OPERATING COSTS(000s)	

***UNAUDITED FISCAL YEAR END**

PASADENA WATER SUPPLY

CUSTOMERS-RETAIL	
	POWER GENERATED AND PURCHASED
SELF-GENERATED	
PURCHASED	
TOTAL	
TOTAL REVENUES(000s)	
OPERATING COSTS(000s)	

***UNAUDITED FISCAL YEAR END**

MENT OF WATER & POWER

.....	1,515,844
D PURCHASED (IN MWH)	
.....	15,981,497
.....	11,207,347
.....	27,188,844
.....	\$3,688,240*
.....	\$3,019,958*

D JUNE 30, 2018 INFORMATION

ATER & POWER

.....	66,193*
D PURCHASED (IN MWH)	
.....	76,194*
.....	1,029,791*
.....	1,105,985*
.....	\$219,811*
.....	\$202,884*

D JUNE 30, 2018 INFORMATION

Pasadena Water and Power (PWP) has been providing utility services since 1906. Its current service territory spans approximately 23 square miles and includes almost 66,000 electric and 38,000 water accounts.

In 2015, the City of Pasadena adopted an Integrated Resource Plan (IRP) which includes a commitment to provide 40% of retail energy requirements with renewable resources by 2020 and to reduce greenhouse gas (GHG) emissions by 60% (from 1990 levels) by 2030. PWP is on track to meet those goals in 2018, and actively pursues opportunities to expand its renewable portfolio standard (RPS) with minimal impacts to customer rates. In 2017, PWP initiated the 2018 IRP process and will meet or exceed the SB 350 mandates. As part of the IRP process, PWP works closely with the public, to identify key issues for resource planning. PWP's Power IRP Stakeholder Technical Advisory Committee (STAG), a group of stakeholders representing a cross section of PWP customers, has met on three separate occasions from April-June 2018 to provide input on the development of the IRP (with additional meetings planned in FY 2018-2019). PWP also updated its AB 2514 Energy Storage Analysis report and the RPS Procurement Plan and Enforcement Program. In order to comply with the RPS requirements, PWP entered into an 11 year deal with Powerex, to provide a total of 770,000 MWh of PCC 1 energy and 60,000 MWh of PCC 2 energy, making up a total of 7% of the RPS of PWP's portfolio from 2020-2030.

During calendar year 2017, PWP achieved a voluntary RPS of 32.5% and reduced greenhouse gas emissions by 47% below 1990 levels. PWP's FY 2018 energy efficiency programs added annual savings of 16,424 MWh per year, or 1.57% of retail sales.



GURCHARAN BAWA

GENERAL MANAGER





TODD JORGENSON

INTERIM GENERAL MANAGER



Established in 1895, Riverside Public Utilities (RPU) is a consumer-owned water and electric utility that provides high quality, reliable services to 110,000 metered electric customers, and 66,000 metered water customers throughout an 82 square mile area in and around the City of Riverside, California, serving a population of 326,000. RPU is committed to providing the highest quality water and electric services at the lowest possible rates to benefit its customer owners.

To maintain its energy delivery commitment, the utility maintains a diverse resource portfolio mix that includes: 236 MW of simple-cycle, natural gas peaking generation, and 29.5 MW combined-cycle natural gas generation; participation in joint SCPPA (12.3 MW) and Intermountain Power Agency (137.1 MW) generation projects; long-term renewable power purchase agreements (210.5 MW), as well as short, mid, and long-term contracts from various other power providers. Riverside is committed to promoting sustainable communities and becoming a municipal leader in the use of renewable energy resources. RPU met the 25 percent mandate by December 31, 2016 and is on target to meet additional future mandates with resource procurement actions as outlined in the Renewables Portfolio Standard Procurement Plan. For calendar year 2017, renewable resources provided 36 percent of RPU's retail sales requirements.

RIVERSIDE PUBLIC UTILITIES

CUSTOMERS-RETAIL
POWER GENERATED AND PURCHASED
SELF-GENERATED
PURCHASED
RENEWABLES
TOTAL

TOTAL REVENUES (000s)
OPERATING COSTS (000s)

***UNAUDITED FISCAL YEAR END**

VERNON PUBLIC UTILITIES

CUSTOMERS-RETAIL
POWER GENERATED AND PURCHASED
SELF-GENERATED
PURCHASED
TOTAL

TOTAL REVENUES (000s)
OPERATING COSTS (000s)

***UNAUDITED FISCAL YEAR END**

PUBLIC UTILITIES

.....	109,619*
POWER PURCHASED (IN MWH)	
.....	114,500*
.....	1,392,500*
.....	798,200*
.....	2,305,200*
.....	\$363,829*
.....	\$308,245*

AS OF JUNE 30, 2018 INFORMATION

PUBLIC UTILITIES

.....	1,916*
POWER PURCHASED (IN MWH)	
.....	3,390*
.....	1,120,926*
.....	1,124,316*
.....	\$171,336*
.....	\$130,964*

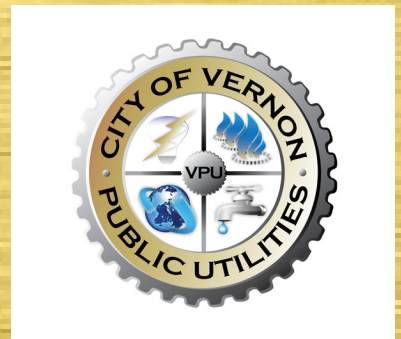
AS OF JUNE 30, 2018 INFORMATION

The City of Vernon was founded in 1905 under an “exclusively industrial” model. In 5.2 square miles, Vernon is home to over 1700 businesses and prides itself in fostering a favorable and competitive business climate for over 50,000 employees. Vernon Public Utilities (VPU) Department was established in 1933 when then Mayor John Leonis built a 38 MW diesel power plant and distribution system using bonds in the Southern California Edison Company territory. Although long since operational, the diesel generators are on display to this day in the Station A historic building.

VPU receives power from the natural-gas powered Malburg Generating Station and long term power contracts with Palo Verde and Hoover - both zero emission generators - along with a number of renewable energy sources. As of January 1, 2017, Vernon added to its renewable energy portfolio three new long-term PPAs acquired through SCPPA. In 2018, Vernon entered into a long-term index plus PPA for the purchase of 12 MWs of solar power from the Desert Harvest or Maverick Solar Project for deliveries commencing January 2021. The addition of the Antelope DSR Solar Project, the Astoria II Solar Project, the Desert Harvest, and the Puente Hills Landfill Gas to Energy Project will help Vernon meet its RPS mandate. In addition, Vernon has approximately 18,000 acres of land in Jawbone Canyon, Kern County. The land is suitable for future solar and wind renewable project development.

VPU is in the final stages of developing an Integrated Resource Plan (IRP) that is designed to provide a long term strategy to meet the electric service needs of its customers and comply with state and federal energy policies. VPU conducted customer outreach through a customer survey and stakeholder meetings. Customer feedback was included in the IRP analysis process and became a key metric in the selection of the optimal resource portfolio.

Vernon electric service annually ranks among the top 10 percentile in a nation-wide reliability benchmark study, and was recently awarded Diamond Level recognition for Reliable Public Power Provider by the American Public Power Association.



KELLY NGUYEN

GENERAL MANAGER



REGULATORY REPORT



SCPPA

A significant position its engages in re the Obama Adm implement it under e the Trump Administrati

CAP-AND-TRADE PROGRAM

SCPPA has been heavily involved in goals towards achieving a 40% emis following enactment of Assembly Bill 39 2030. SCPPA is now working through an exp an auction “price cap” and “speed bumps,” sho how best to track and account for secondary emis early 2018, SCPPA led a successful statewide effort to allowances to auction as part of the pending rulemaking. altered the administrative implementation structure of ma term compliance strategies to reduce GHG emissions. We b emissions as a direct result of a carbon price - can be and CARB agreed.

LOW CARBON FUEL STANDARD

SCPPA became heavily involved in the CARB’s efforts to ambitious goal of 5 million electric vehicles on the road by announced that the Low Carbon Fuel Standard would be electric vehicles. SCPPA collaborated with CARB and a co approved at the September 2018 CARB Board Meeting. T running their important, successful local LCFS programs t and it limited the number of credits that POUs are forced t SCPPA Members remains involved with this important, vol

ELECTRIC VEHICLES

SCPPA is working with the California Air Resources Board a roadways - and to assess a requirement to transition light- operational needs of utilities and the technical feasibility o efforts to reduce emissions, and some have recently inve option for fulfilling operational needs. This includes the abi events. Utilities need a reliable fleet of vehicles to maintain should be provided the opportunity to procure a “mixed fl quickly and reliably respond to disasters, emergencies, mu when the recharging infrastructure may be compromised.

SCPPA also worked with the California Energy Commission new California Electric Vehicle Infrastructure Project. SCPP under SCIP to one, and to include funding and support for of DC Fast Chargers under SCIP. SCPPA reiterated that t Fast Chargers through SCIP would be a great improve rebates that partially offset the cost of installing Level 2 ch are currently more prevalent because they are not an optio

significant amount of staff time in 2018 focused on state regulatory activities as California continues to position itself as a global leader in efforts to address the effects of climate change. SCPPA also tracks and reports on regulatory activities at the federal level – though much of those efforts had previously focused on the Administration’s “Clean Power Plan,” and subsequent efforts by the California Air Resources Board to update existing State programs. The Clean Power Plan has since been withdrawn and is being re-written by the Administration as the “Affordable Clean Energy” rule.

AM

Supporting the California Air Resources Board’s (CARB) efforts to meet greenhouse gas emissions reduction goals, including the emissions reduction goal below 1990 levels by the year 2030. This recently included the adoption, in August 2018, of amendments that provided a critical extension of utility allowance allocations from 2020 to 2030. SCPPA supported a expedited regulatory proceeding that would enact important cost containment measures (including caps on allowance auction prices to prevent escalation, parameters on the allowable use of allowance values, and provisions associated with the California Independent System Operator’s Energy Imbalance Market). In addition, SCPPA convinced CARB not to re-visit requiring all publicly-owned utilities to consign all of their allocated allowances to the auction. This would not have been an inconsequential shift in policy and indeed would have fundamentally impacted any California POU’s for a successful program – and where entities have already invested in long-term programs. SCPPA believed it was unnecessary to make this change since the primary policy goal – a reduction in GHG emissions – is being achieved via alternate methods and without a unilateral auction consignment mandate.

Supporting efforts to increase the number of electric vehicles on California’s roads in efforts to help meet California’s goal of 5 million electric vehicles by 2030. At the April 2018 CARB Board Meeting, Chair Mary Nichols and Board member Dr. Sperling amended the program to include a point-of-purchase rebate program to better incentivize Californians to buy electric vehicles. SCPPA worked with a collection of utilities and automakers to develop an agreeable framework for the program that was adopted by CARB. The resulting framework was favorable for SCPPA Members because: it enables Members to keep the program local; it caters to community needs; it identified the unique needs of large, medium, and small POU’s; and it allows POU’s to contribute to third-party administration of the program. This positive outcome helps ensure that the program remains a voluntary transportation fuels program.

Supporting efforts as it seeks to implement a gubernatorial directive to place five million electric vehicles on California’s roads, including passenger and heavy-duty vehicle fleets to Zero Emission Vehicles (ZEVs). SCPPA is cognizant of the unique challenges with operating and purchasing “working” ZEVs. SCPPA Members have continued their support for electric vehicles, including investments in low-emissions plug-in hybrid electric trucks that are the cleanest commercially available. SCPPA also continues to assist with power restoration requests from around the nation in response to natural disasters that impact the essential public services of the electric grid and water supply system. As a result, public utilities are able to “meet” the needs of emergency response vehicles. This would ensure that electric and water utilities are able to respond to natural aid requests, and operational demands when it matters the most for customers, and at times

Supporting efforts (CEC) regarding implementation of the Southern California Incentive Program (SCIP) as part of the California Energy Commission’s (CEC) plan. SCPPA advocated for lowering the minimum number of DC Fast Chargers required at each potential site and for the installation of Level 2 chargers as a complementary or supplemental addition to the installation of DC Fast Chargers. The electric vehicle charging network in Southern California is lacking, and that the addition of DC Fast Chargers is essential. SCPPA strongly encouraged the CEC to consider allowing applicants to receive proportional numbers of Level 2 chargers at the same sites as the DC Fast Chargers currently included in SCIP. Level 2 charging needs are significant for many EV drivers on the road in today’s market.

This 2017-18 Legislative Session was packed with high-profile energy policy initiatives: establishing a 100% related wildfire liability, numerous renewable procurement mandates, and a new proposal to create a regional mitigation bill made it to the Governor's desk and were signed into law. However, the grid regionalization bill did not come up for a vote at the end of session due to strong opposition from a multitude of stakeholders. Significant engagement by SCPPA and our Members.

100% ZERO-CARBON PLANNING GOAL

SB 100 (de Leon) was introduced in 2017 – a bill to accelerate the current RPS target by four years to achieve 100% zero-carbon resources by the end of 2045. SCPPA advocated for amendments to the bill while the amendments were not in the chaptered version of the bill, SCPPA obtained a Letter to the Journal from the Governor stating that nuclear contracts, from Hoover Dam and Palo Verde, would “count” for the above 60% RPS portion of the “100%” goal. SCPPA was attending the Global Climate Summit in San Francisco touting that “California is committed to doing whatever it takes to achieve 100% zero-carbon resources by the end of 2045.”

WILDFIRES

Following a year of unrepresented wildfires and the threat of utilities becoming insolvent due to increasing wildfire liability, SCPPA made an effort to address the current liability structures as well as a focus on prevention efforts. To assemble the most effective leadership called a conference committee to produce a bi-partisan report, that would subsequently be placed on the Governor's desk.

The final product focuses heavily on forest management issues and wildfire prevention efforts for both investment and liability. Section 8387 of the Publicly Utilities Code requiring each POU to prepare a wildfire mitigation plan by 2022, “at minimum” over a dozen requirements including language on a public adoption processes and contracting requirements. Biomass, once again, was a topic of discussion to the report. The biomass industry pushed additional procurement, however, in the end, Section 8388 of the Public Utilities Code (2016) biomass procurement contracts for an additional five years.

FORCED PROCUREMENT MANDATES

In light of advancing renewables, and achieving our greenhouse gas emission targets, multiple bills emerged that forced procurement mandates onto utilities. The most significant of these mandates were AB 893 (E. Garcia) and AB 2787 (Quirk) who have felt waning development in recent years from utilities not signing new contracts.

AB 893 was a 4,250 megawatt (MW) mandate of specified qualified renewables that was pushed by geothermal advocates. 1,000 MW of geothermal be procured, including 1,000 MW of renewed contracts and 750 MW of new development. The bill was heavily opposed by most utilities in the state including community choice aggregators. It stalled in the Senate Rules Committee; unable to garner a two-thirds majority for a policy committee hearing.

Another large procurement mandate introduced the last week of the session was AB 2787 (Quirk). AB 2787 required the California Operator (CAISO) to procure 2,000 MW of pumped hydro storage. Surprisingly, the bill garnered the vote necessary to pass on the senate floor. However, due to the controversy of the bill and heavy opposition from both utilities as well as community choice aggregators, the bill did not receive the two-thirds votes necessary to pass.

GRID REGIONALIZATION

Grid regionalization remained a top priority of the Governor's, and SCPPA engaged on this issue throughout the session. The bill would relinquish California's authority over governance of the CAISO and would require the CAISO governing structure to expand its markets beyond California's borders. Opposition to the bill was based on concerns over this expansion, lack of consumer protection, unknown increases to the transmission access charge, as well as increased costs. The bill received multiple policy committee hearings, passing with bi-partisan support to continue conversations throughout the legislature. The proposal faced strong opposition from SCPPA and other POUs, The Laborers' Union, and Sierra Club among others and was not brought up for Senate floor vote. Late in the evening of August 13, 2018, Senate Leader Toni Atkins (D-San Diego) released a press statement saying “AB 813 will not be moved to the Senate floor this year. We will continue this important discussion next year”.

zero-carbon energy planning goal by 2045, addressing utility-regional grid. The 100% zero-carbon planning goal and a wildfire proposal, as well as a rushed forced procurement mandate bill, etc. Both proposals will likely be revisited in 2019 and will require

to achieve 50% RPS by the end of 2026, 60% RPS by the end of 2030, and 100% RPS by the end of 2045. Advocated for amendments throughout the two-year process and, with bi-partisan support, clarifying long-term hydropower and "100% Clean Energy" goal. The governor signed SB 100 ahead of the session. "It is necessary to meet the existential threat of climate change."

Following claims against them, the legislature committed to leading an effort to pass the most comprehensive and agreeable package possible, legislative package was pushed into a legislative vehicle, SB 901 (Dodd).

Investor-owned and publicly-owned utilities (POU). SB 901 amended SB 859 and update it annually. That plan must include "as necessary, working with a qualified independent evaluator to review, assess, and reduce fuels in the forests and the rapid spread of wildfires. The SB 859 Code was added to require utilities to seek to extend the SB 859

passed at the end of session which sought to force new renewable energy projects. SB 2787 (Quirk). These bills were pushed by renewable developers

hydrothermal, wind, and solar interests. The bill required that 1,750 MW of new capacity be divided amongst taxing the publicly-owned utilities, all investor-owned utilities, as well as a two-thirds supermajority procedural vote on the senate floor to receive

SB 2787 would have required the California Independent System Operator (CISO) to advance out of policy committees and onto the floor. As some environmental groups, the bill was unable to

Throughout the year. AB 813 (Holden), proposed to create a new board to propose a new, unspecified plan. The bill was blocked upon the uncertainty surrounding the plan, as well as governance issues. The bill was not passed, even without widespread support. The Utility Reform Network, a coalition of utility reform advocates, on August 31, 2018, Senate Floor for a vote



STATE LEGISLATIVE REPORT

FEDERAL LEGISLATIVE REPORT



SCPPA

During 2018, SCPPA has been actively working with the order directing decisions for major decisions for major frame. Notably, the water and transportation

SCPPA has been actively engaged in reforms and bonds as well as other concerns are briefly outlined below.

VEGETATION MANAGEMENT PRACTICES

SCPPA has long advocated to require federal land distribution rights-of-ways (ROWs) more expeditious mandatory reliability standards, ensure proper function was signed into law on March 23, 2018 as part of the FY 2018 liability protection and better access to roads needed for routing

Since enactment, SCPPA representatives have participated, with the Land Management as the federal agencies work to implement the

DISASTER RECOVERY REFORM

On October 5, 2018, the President signed into law, PL 115-254 Recovery Reform Act, and includes first-time provisions that will help disaster mitigation - actions taken before disasters strike, which FEMA's Disaster Relief Fund to pre-disaster mitigation, including floods, or replacing electrical transmission and distribution utilities will help communities better prepare for, respond to, recover from

DISTRIBUTION POLE ATTACHMENTS

Numerous times since 2010, the FCC recommended that Congress "pole attachments." There is no empirical evidence of public policy actions on Capitol Hill and at the FCC lay the groundwork to unfettered access to locally-owned and controlled distribution in

This year, SCPPA sent letters to express its opposition on the "S" on small cell applications; deems those applications "granted" if can charge for processing applications or using utility rights-of-way by revising section 332 of the Federal Communications Act. Power Association, and others, are considering legal action. SCPPA Committee of their concerns with S. 3157. To date, there has been in the 116th Congress.

SMALL HYDROPOWER REFORMS AND ADVANCED

Another success this year was the enactment of a handful of tax at existing non-powered dams and closed-loop pumped storage investments at existing hydropower facilities; and modernize power a ride on the America's Water Infrastructure Act (PL 115-270) will

Lastly, as we move into the 116th Congress, SCPPA members were repealed in the 2017 Tax Cuts and Jobs Act.

We anticipate an active federal agenda and it is important that to provide affordable, safe and reliable energy.

2018 and the second session of the Republican-controlled 115th Congress, the Trump Administration has been working to implement its deregulatory agenda as outlined in the April 9, 2018 “One-Decision” Executive Order. The order directs multiple federal agencies to expedite environmental review and permitting processes and authorizes the Department of Energy to approve infrastructure projects -- including energy generation and transmission projects -- within a two-year time period. The U.S. Environmental Protection Agency (EPA) continues to unwind environmental policies addressing air quality and energy efficiency standards, which impact SCPPA and its member utilities.

SCPPA has been engaged in vegetation management practices, disaster recovery, distribution pole attachments, hydropower projects, and other federal legislative matters affecting its SCPPA agencies. Key developments during 2018 on issues of

ACTIONS ON FEDERAL LANDS

SCPPA and management agencies consider utility vegetation management plans along electric transmission and distribution lines more consistently. This vegetation management work is essential for electric utilities to meet the needs of the grid, and reduce wildfire threats. The bill, which SCPPA encouraged Members of Congress to enact, was included in the 2018 Omnibus Appropriations Act (Section 211, Title II, Division N of PL 115-141). The law also provides limited funding for vegetation management and operations and maintenance on utility ROW located on federal land.

SCPPA met with more than 180 electricity stakeholders, in “listening sessions” with the U.S. Forest Service and Bureau of Land Management to discuss the law.

In 2014, a five-year Federal Aviation Administration reauthorization bill, which includes the bipartisan Disaster Preparedness Act, will promote pre-disaster hazard mitigation. SCPPA specifically supported the legislation’s focus on pre-disaster planning will lessen future impacts, reduce disaster costs, and help speed recovery. The law allocates six-percent of the bill to pre-preparation and planning, elevating and moving structures, such as substations, that may be prone to damage from pole structures with poles that are resilient to extreme wildfire or winds storms. Strengthening resiliency of the grid, and mitigate against future disasters.

SCPPA has urged Congress consider eliminating the long-standing exemption public power utilities have from FCC regulation of pole attachments rates or regulations, yet recent legislation has weakened or eliminate the municipal “pole attachment” exemption providing telecommunication providers’ access to utility infrastructure.

SCPPA has supported the “Streamline Small Cell Deployment Act” (S. 3157), which imposes strict deadlines for State and local action if a municipality fails to act within those deadlines; and restricts the amount of fees that states and localities can charge. Furthermore, the Senate bill expands the FCC’s authority over public power utility pole attachments. Simultaneously, the FCC adopted a Declaratory Ruling which would do the same. The American Public Power Association and other public power utilities have continued to work to educate members of the Senate Commerce Committee. Even no action in the House, however, we expect the telecommunication providers to engage early and often.

REFUNDING BONDS

SCPPA has targeted hydropower reform provisions to facilitate more efficient licensing processes for proposed projects on federal land; shorten the approval timeline for projects using existing conduits; provide regulatory incentives for hydropower projects; and eliminate permit terms and deadlines for construction of newly licensed projects. These provisions hitched to the Infrastructure Investment and Jobs Act, which was signed by President Trump on October 23, 2021.

SCPPA must continue, as they have in 2018, to advocate for the reinstatement of advanced refunding bonds, which

ensures that public power’s voice is heard in the Administration and on Capitol Hill to safeguard public power’s ability



FINANCING ACTIVITIES

Over the past fiscal year, SCPPA completed transactions that captured market opportunities and accomplished Participant objectives. A summary of SCPPA's financing activities for the fiscal year starting July 1, 2017 and ending June 30, 2018 is provided below.

In September 2017, SCPPA issued \$107,525,000 Magnolia Power Project A, Refunding Revenue Bonds, 2017-1 (Mandatory Put Bonds) to current refund its Magnolia Power Project A, Refunding Revenue Bonds, 2009-2 Bonds then outstanding in the par amount of \$108,930,000. The 2017-1 Bonds have a final maturity date of July 1, 2036; however, they have a scheduled mandatory tender date of July 1, 2020 and a call protection date of April 1 2020. On any business day between the call protection date and the scheduled mandatory tender date, the 2017-1 Bonds are subject to optional redemption at a redemption price of 100% of par. The 2017-1 Bonds were issued with a fixed coupon rate of 2.00%.

In conjunction with the issuance of the 2017-1 Bonds, SCPPA amended its 2007 Swap, which was serving as a hedge on the 2009-2 Bonds. Through this amendment, SCPPA terminated \$44.4 million notional amount of the 2007 Swap at a cost of \$7.3 million, which was paid from moneys release from the 2009-2 Bonds debt service reserve fund.

The Financing Activities Report was provided by Public Financial Management at the request of SCPPA.

Additionally, SCPPA reversed the swap on the remaining \$64.5 million notional amount for a term that corresponds to the scheduled mandatory tender date of the 2017-1 Bonds. Under the amendment, SCPPA will pay scheduled fixed payments through July 1, 2020, and then re-commence paying a fixed rate of 3.139% and receive a floating rate equal to the SIFMA Index on a notional amount of \$63.8 million.

The transaction was completed at a projected All-in True Interest Cost of 1.52% through the mandatory tender date and 3.80% through the scheduled final maturity, and has an average life of 2.8 years through the mandatory tender date and 13.6 years through the scheduled final maturity. At the time of issuance, the transaction was assigned long-term rating of AA- by Standard & Poor's. The transaction achieved significant savings of almost \$8 million, representing almost 10% of refunded par, on a present value basis.

In May 2018, SCPPA issued \$114,310,000 of Canyon Power Project 2018 Series A Refunding Fixed Tender Bonds, in a term rate mode, and \$114,605,000 Canyon Power Project 2018 Series B Refunding Index Tender Bonds, in a SIFMA mode, to refund all of the Authority's then outstanding \$232,200,000 Canyon Power Project, 2017 Series A Bonds. The 2018 Series A and B Bonds each have a scheduled mandatory tender date of May 1, 2021, an initial call protection date of November 1, 2020 and a final maturity date of July 1, 2040. On any business day between the call protection date and the scheduled mandatory tender date, the 2018 Series A and B Bonds are subject to optional redemption at a redemption price of 100% of par. The 2018 Series A Bonds have a fixed coupon interest rate of 2.25%, while the 2018 Series B Bonds pay interest at the SIFMA Index plus 25 basis points.

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

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

COMBINED SUMMARY OF FINANCIAL CONDITION AND CHANGES IN NET POSITION

The Combined Summary of Financial Condition and Changes in Net Position was taken from the Moss Adams Report of Independent Auditors and Combined Financial Statements for June 30, 2018 and 2017. The full report can be viewed and downloaded on the SCPPA website at the following link:

scppa.org/page/Annual-Report

	June 30,		
	2018	2017	2016
ASSETS			
Net Utility Plant	\$ 1,507,609	\$ 1,567,960	\$ 1,427,164
Investments	648,816	740,656	698,007
Cash and Cash Equivalents	277,645	224,652	304,756
Prepaid and Other	842,175	916,328	981,133
Total Assets	<u>3,276,245</u>	<u>3,449,596</u>	<u>3,411,060</u>
DEFERRED OUTFLOWS OF RESOURCES			
Total Assets and Deferred Outflows of Resources	<u>123,045</u>	<u>144,653</u>	<u>122,257</u>
	<u><u>\$ 3,399,290</u></u>	<u><u>\$ 3,594,249</u></u>	<u><u>\$ 3,533,317</u></u>
LIABILITIES			
Noncurrent Liabilities	\$ 3,055,816	\$ 3,245,011	\$ 3,114,994
Current Liabilities	427,035	432,349	467,032
Total Liabilities	<u>3,482,851</u>	<u>3,677,360</u>	<u>3,582,026</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>50</u>	<u>87</u>	<u>242</u>
NET POSITION			
Net Investment in Capital Assets	(189,747)	(264,336)	(575,911)
Restricted	355,494	359,690	622,340
Unrestricted	<u>(249,358)</u>	<u>(178,552)</u>	<u>(95,380)</u>
Total New Position	<u>(83,611)</u>	<u>(83,198)</u>	<u>(48,951)</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>\$ 3,399,290</u></u>	<u><u>\$ 3,594,249</u></u>	<u><u>\$ 3,533,317</u></u>
REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30			
Operating Revenues	970,156	995,236	853,339
Operating Expenses	<u>(852,668)</u>	<u>(848,647)</u>	<u>(713,417)</u>
Operating Income	117,488	146,589	139,922
Investment and Other Income	10,237	13,973	23,633
Derivative Gain (Loss)	8,632	7,569	(10,238)
Debt Expense	<u>(116,543)</u>	<u>(126,895)</u>	<u>(132,716)</u>
Change In Net Position Before Special Items	19,814	41,236	20,601
Special Items	<u>(3,261)</u>	<u>(61,839)</u>	<u>-</u>
Changes In Net Position	16,553	(20,603)	20,601
NET POSITION, BEGINNING OF YEAR	(83,198)	(48,951)	(59,451)
NET CONTRIBUTIONS/(WITHDRAWALS) BY PARTICIPANTS	<u>(16,966)</u>	<u>(13,644)</u>	<u>(10,101)</u>
NET POSITION, END OF YEAR	<u><u>(83,611)</u></u>	<u><u>(83,198)</u></u>	<u><u>(48,951)</u></u>



Annual Report Design By Joana Lopez

