



REPORT OF INDEPENDENT AUDITORS AND
COMBINED FINANCIAL STATEMENTS

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

June 30, 2022 and 2021

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Report of Independent Auditors

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying combined and individual projects' financial statements of Southern California Public Power Authority, which comprise the combined and individual projects' statements of net position as of June 30, 2022 and 2021, 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.

In our opinion, the accompanying financial statements 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 SCPPA Fund as of June 30, 2022 and 2021, and the 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the California Code of Regulations, Title 2, Section 1131.2, State Controller's *Minimum Audit Requirements* for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Southern California Public Power Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Southern California Public Power Authority's ability to continue as a going concern within one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the *Minimum Audit Requirements* for California Special Districts will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and the *Minimum Audit Requirements* for California Special Districts, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Southern California Public Power Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Southern California Public Power Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the Authority recently adopted the provisions of Governmental Accounting Standards Board (GASB) No. 87, *Leases*, effective for periods ending after June 15, 2021. The adoption of this resulted in the restatement of previously reported amounts for the year ended June 30, 2021. Our opinion is not modified with respect to this matter.

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, 2022, the Schedule of Contributions as of June 30, 2022, 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, 2022 and 2021, 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, 2022 and 2021 (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, 2022, 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.



Portland, Oregon
October 28, 2022

Southern California Public Power Authority Management's Discussion and Analysis

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, 2022 and 2021. 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,		
	2022	2021 (restated)	2020
Assets			
Net utility plant	\$ 1,203,932	\$ 1,276,479	\$ 1,361,718
Net lease asset	7,779	8,316	-
Investments	638,425	609,343	484,843
Cash and cash equivalents	234,489	213,272	370,864
Prepaid and other	619,400	702,708	736,279
Total assets	2,704,025	2,810,118	2,953,704
Deferred outflows of resources	99,463	125,660	149,608
Total assets and deferred outflows of resources	\$ 2,803,488	\$ 2,935,778	\$ 3,103,312
Liabilities			
Noncurrent liabilities	\$ 2,162,809	\$ 2,347,774	\$ 2,539,987
Current liabilities	463,134	420,900	405,528
Total liabilities	2,625,943	2,768,674	2,945,515
Deferred inflows of resources	13,252	16,219	16,685
Net position			
Net investment in capital assets	6,651	(51,274)	(98,519)
Restricted	281,523	333,343	369,753
Unrestricted	(123,881)	(131,184)	(130,122)
Total net position	164,293	150,885	141,112
Total liabilities, deferred inflows of resources, and net position	\$ 2,803,488	\$ 2,935,778	\$ 3,103,312
Revenues, expenses and changes in net position for the year ended June 30			
Operating revenues	\$ 1,078,427	\$ 980,552	\$ 969,163
Operating expenses	(1,000,538)	(903,981)	(852,034)
Operating income	77,889	76,571	117,129
Investment and other income	(4,086)	23,772	25,989
Reclamation and decommissioning expense	(15,479)	(10,050)	(1,197)
Derivative gain (loss)	6,070	6,619	(6,465)
Other interest and debt expense	(60,943)	(73,838)	(102,010)
Change in net position	3,451	23,074	33,446
Net position, beginning of year	150,885	141,112	127,158
Net contributions/(withdrawals) by participants	9,957	(13,301)	(19,492)
Net position, end of year	\$ 164,293	\$ 150,885	\$ 141,112

Southern California Public Power Authority Management's Discussion and Analysis

Comparison of fiscal year 2022 to 2021 activity

Net Position – The Authority's net position increased by \$13 million mainly due to the decrease in assets and deferred outflows of resources of \$132 million offset by the decrease in liabilities and deferred inflows of resources of \$145 million.

Assets – The decrease of \$132 million in the Authority's assets and deferred outflows of resources was mainly due to the following:

- *Net Utility Plant – decreased by \$72 million*
The decrease was due to the \$76 million scheduled depreciation in Generation and Transmission Projects and \$9 million depletion in the Natural Gas Projects; offset by \$13 million ongoing capital improvements mostly in the Apex Power (APP), Palo Verde (PV), and Mead Adelanto (MA) Projects.
- *Net Lease Asset*
Net lease assets of \$7.7 million and \$8.3 million were recognized as of June 30, 2022 and 2021, respectively, from the adoption of Statement No. 87 of the Governmental Accounting Standards board (GASB), *Leases*, which requires the recognition of an intangible right-to-use lease asset and lease liability for the Lessees, and a lease receivable and deferred inflow of resources for the Lessors (see Notes 2 and 14).
- *Investments and Cash and Cash Equivalents – increased by \$50 million*
The increase was largely due to \$10 million net contribution in the Projects' Stabilization Fund (PSF), \$64 million in net over-collections in various projects of which \$18 million was retained for Linden and Windy Point/Windy Flats (Windy Point) Projects' future project expenditures, \$3 million in operation and maintenance (O&M) refunded costs for Magnolia Power (MPP) and Tieton Hydropower (THP) projects, insurance reimbursement received in the SCPPA Building Fund, and delayed damages received in Star Peak Geothermal Project; offset by \$16 million net payments for major maintenance costs in APP, and \$11 million recognition of unrealized fair market value loss in investment securities mainly in PSF and PV Decommissioning Trust Fund.
- *Prepaid and other assets – decreased by \$83 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, and \$23 million decrease in accounts receivable mainly due to the insurance reimbursement received in Southern Transmission System Project (STS) for the prior year.
- *Deferred outflows of resources – decreased by \$26 million*
The decrease was mainly due to the \$7 million amortization of loss on refunding in various debt-funded projects, \$17 million decrease in the reported fair value of the derivative instruments in MPP and NGPP and \$2 million amortization of the decommissioning obligations in PV, APP, Linden, THP, Pinedale and Barnett Natural Gas projects.

Southern California Public Power Authority Management's Discussion and Analysis

Liabilities and Deferred Inflows of Resources – The decrease of \$145 million in the Authority's liabilities and deferred inflows of resources was mainly due to the following:

\$179 million net decrease primarily due to debt service and related bond amortizations, \$24 million net decrease in the reported fair market values of derivative instruments in MPP and NGPP; offset by \$8 million increase in notes payable in MPP, \$36 million net increase in advances from participants, and accounts payable and accruals in PV, MPP, APP, Windy Point, Linden, Milford I, MA, Mead-Phoenix (MP) projects and several Power Purchase Agreements (PPAs), \$14 million increase in the recognition of decommissioning obligations in PV, APP, THP, Linden, Pinedale and Barnett Natural Gas Projects in accordance with GASB Statement No. 83, *Certain Asset Retirement Obligations* (GASB 83).

Long-term lease liability of \$7.8 million and \$8.2 million were recognized as of June 30, 2022 and 2021 resulting from the adoption of GASB 87.

Operating Income - The \$1.3 million increase in operating income was mainly due to the following: \$15.3 million decrease in depreciation expense mostly due to an adjustment made in STS and PV projects and \$1.4 million reclassification of non-operating income to operating income; offset by \$6.2 million increase in major maintenance costs in APP and Canyon Power (CPP) projects, \$3.6 million increase in fuel costs in MPP, \$5.6 million refund of Surplus funds to MA project participants.

Investment and Other Income – The \$28 million decrease in investment and other income was mainly due to the downward adjustment of investment market values, reflecting the higher interest rate environment as of June 30, 2022 compared to June 30, 2021, and recognition of income related to the insurance reimbursement in STS for the prior year.

Derivative Gain (Loss) – Net derivative gains of \$6.1 million and \$6.6 million reported were related to the Authority's derivative instruments that were deemed investment instruments as of June 30, 2022 and 2021, respectively (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 MPP Bonds. Pursuant to GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments (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 \$5 million increase in inflation expense was recognized based on the consumer price index as of June 30, 2022. Inflation expense was recognized under GASB 83, 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.

Other Interest and Debt Expense – The decrease of \$13 million was mainly due to lower interest expense and related debt amortization. Interest expense, relating to the lease liability, of \$0.5 million was recognized as of June 30, 2022 in accordance with GASB 87.

Southern California Public Power Authority Management's Discussion and Analysis

Comparison of fiscal year 2021 to 2020 activity (restated)

Net Position – The Authority's net position increased by \$10 million mainly due to the decrease in assets and deferred outflows of resources of \$167 million offset by the decrease in liabilities and deferred inflows of resources of \$177 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 APP, PV, and MA projects.
- *Net Lease Asset*
Net lease asset of \$8.3 million was recognized as of June 30, 2021, resulting from the adoption of GASB 87.
- *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), \$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

Liabilities – The decrease in the Authority's liabilities of \$177 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.

Lease liability of \$8 million was recognized as of June 30, 2021 resulting from the adoption of GASB 87, *Leases*.

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, 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, CPP, THP, Milford I, Windy Point, Linden, STS, MA, and MP Projects.

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

	June 30,	
	2022	2021 (restated)
ASSETS		
Noncurrent assets		
Net utility plant	\$ 1,203,932	\$ 1,276,479
Net lease asset	7,779	8,316
Investments – restricted	583,664	580,060
Investments – unrestricted	54,761	29,283
Advance to IPA - restricted	10,930	10,930
Fair value of derivative instruments	-	1,153
Prepaid and other assets	491,662	552,027
Total noncurrent assets	<u>2,352,728</u>	<u>2,458,248</u>
Current assets		
Cash and cash equivalents – restricted	110,025	105,108
Cash and cash equivalents – unrestricted	124,464	108,164
Interest receivable	685	797
Accounts receivable	30,111	52,039
Materials and supplies	22,660	21,473
Prepaid and other assets	63,352	64,289
Total current assets	<u>351,297</u>	<u>351,870</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred items related to pensions	451	494
Unamortized loss on refunding	49,756	57,278
Reclamation and decommissioning obligation	39,915	41,726
Accumulated decrease in fair value of hedging derivatives	9,341	26,162
Total deferred outflows of resources	<u>99,463</u>	<u>125,660</u>
Total assets and deferred outflows of resources	<u>\$ 2,803,488</u>	<u>\$ 2,935,778</u>
LIABILITIES		
Noncurrent liabilities		
Long-term debt	\$ 1,885,248	\$ 2,055,438
Long-term lease liabilities	7,805	8,210
Fair value of derivative instruments	14,505	38,550
Notes payable, net pension and other liabilities	2,560	4,164
Advances from participants	12,400	15,016
Reclamation and decommissioning obligation	240,291	226,396
Total noncurrent liabilities	<u>2,162,809</u>	<u>2,347,774</u>
Current liabilities		
Debt due within one year	140,230	144,099
Current portion of long-term lease liabilities	389	333
Notes payable and other liabilities due within one year	13,249	2,961
Advances from participants due within one year	117,512	96,438
Accrued interest	38,208	40,380
Accounts payable and accruals	150,249	133,806
Accrued property tax	3,297	2,883
Total current liabilities	<u>463,134</u>	<u>420,900</u>
Total liabilities	<u>2,625,943</u>	<u>2,768,674</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred items related to pensions	728	44
Unamortized gain on refunding	12,524	16,175
Total deferred inflows of resources	<u>13,252</u>	<u>16,219</u>
NET POSITION		
Net investment in capital assets	6,651	(51,274)
Restricted	281,523	333,343
Unrestricted	(123,881)	(131,184)
Total net position	<u>164,293</u>	<u>150,885</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 2,803,488</u>	<u>\$ 2,935,778</u>

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

	Years Ended June 30,	
	2022	2021 (restated)
Operating revenues		
Sales of electric energy	\$ 935,134	\$ 831,240
Sales of transmission services	106,517	114,736
Sales of natural gas	36,776	34,576
Total operating revenues	<u>1,078,427</u>	<u>980,552</u>
Operating expenses		
Operations and maintenance	895,379	782,332
Depreciation, depletion and amortization	91,175	106,413
Amortization of nuclear fuel	12,549	13,124
Decommissioning	1,812	1,720
Pension and other benefits expense (recovery)	(377)	392
Total operating expenses	<u>1,000,538</u>	<u>903,981</u>
Operating income	<u>77,889</u>	<u>76,571</u>
Non operating revenues (expenses)		
Investment and other income (loss)	(4,086)	23,772
Inflation of decommissioning liability	(15,479)	(10,050)
Derivative gain	6,070	6,619
Other interest and debt expense	(60,943)	(73,838)
Net non operating revenues (expenses)	<u>(74,438)</u>	<u>(53,497)</u>
Change in net position	3,451	23,074
Net position – beginning of year	150,885	141,112
Net contributions (distributions) by participants	<u>9,957</u>	<u>(13,301)</u>
Net position – end of year	<u>\$ 164,293</u>	<u>\$ 150,885</u>

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

	Years Ended June 30,	
	2022	2021 (restated)
Cash flows from operating activities		
Receipts from participants	\$ 901,148	\$ 836,459
Receipts from sale of oil and gas	7,162	15,414
Payments to operating managers	(614,331)	(617,697)
Other disbursements and receipts	20,777	20,141
Net cash flows provided by operating activities	<u>314,756</u>	<u>254,317</u>
Cash flows from noncapital financing activities		
Advances by participants, net	9,198	(12,888)
Cash flows from capital financing activities		
Additions to plant and prepaid projects, net	(31,118)	(32,832)
Debt interest payments	(87,962)	(85,512)
Lease interest payments	(469)	(486)
Principal payments on leases	(333)	(309)
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	(144,100)	(138,215)
Payment for bond issue costs	-	(2,094)
Net cash used for capital and related financing activities	<u>(263,982)</u>	<u>(274,914)</u>
Cash flows from investing activities		
Interest received on investments	1,788	2,045
Purchases of investments	(600,664)	(693,195)
Proceeds from sale/maturity of investments	560,121	567,043
Net cash provided by (used for) investing activities	<u>(38,755)</u>	<u>(124,107)</u>
Net change in cash and cash equivalents	21,217	(157,592)
Cash and cash equivalents, beginning of year	213,272	370,864
Cash and cash equivalents, end of year	<u>\$ 234,489</u>	<u>\$ 213,272</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 77,889	\$ 76,571
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation, depletion and amortization	91,175	106,413
Decommissioning	1,812	1,720
Amortization of nuclear fuel	12,549	13,124
Pension and other benefits expense	(377)	392
Changes in assets and liabilities		
Accounts receivable	8,054	(17,766)
Accounts payable and accruals	34,110	23,287
Other	89,544	50,576
Net cash provided by operating activities	<u>\$ 314,756</u>	<u>\$ 254,317</u>
Cash and cash equivalents as stated in the Combined Statements of Net Position		
Cash and cash equivalents – restricted	\$ 110,025	\$ 105,108
Cash and cash equivalents – unrestricted	124,464	108,164
	<u>\$ 234,489</u>	<u>\$ 213,272</u>

See accompanying notes.

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	GENERATION				
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power
ASSETS					
Noncurrent assets					
Net utility plant	\$ 255,666	\$ -	\$ 136,133	\$ 186,498	\$ 246,748
Net lease asset	-	-	3,584	1,869	-
Investments – restricted	190,859	26,209	48,691	14,330	18,068
Investments – unrestricted	7,985	-	15,448	-	-
Total noncurrent assets	454,510	26,209	203,856	202,697	264,816
Current assets					
Cash and cash equivalents – restricted	6,818	-	10,360	5,406	12,862
Cash and cash equivalents – unrestricted	11,224	271	9,158	349	9,846
Interest receivable	240	26	41	7	5
Accounts receivable	1,548	-	1,038	57	3,227
Materials and supplies	12,047	-	3,757	806	6,050
Prepaid and other assets	918	4	42	24	664
Total current assets	32,795	301	24,396	6,649	32,654
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized loss on refunding	-	-	11,078	31,244	-
Reclamation and decommissioning obligation	32,589	-	-	-	6,139
Accumulated decrease in fair value of hedging derivatives	-	-	3,380	-	-
Total deferred outflows of resources	32,589	-	14,458	31,244	6,139
Total assets and deferred outflows of resources	\$ 519,894	\$ 26,510	\$ 242,710	\$ 240,590	\$ 303,609
LIABILITIES					
Noncurrent liabilities					
Long-term debt	\$ -	\$ -	\$ 246,957	\$ 283,888	\$ 249,709
Long-term lease liabilities	-	-	3,529	1,883	-
Fair value of derivative instruments	-	-	8,544	-	-
Notes payable and other liabilities	-	-	724	-	-
Reclamation and decommissioning obligation	199,019	26,018	-	-	11,491
Total noncurrent liabilities	199,019	26,018	259,754	285,771	261,200
Current liabilities					
Debt due within one year	-	-	13,245	5,855	10,490
Current portion of long-term lease liabilities	-	-	224	72	-
Notes payable and other liabilities due within one year	-	-	13,249	-	-
Advances from participants due within one year	-	-	13,297	9,225	21,964
Accrued interest	-	-	4,668	3,434	5,727
Accounts payable and accruals	9,131	293	5,758	1,052	3,905
Accrued property tax	1,500	-	-	-	-
Total current liabilities	10,631	293	50,441	19,638	42,086
Total liabilities	209,650	26,311	310,195	305,409	303,286
NET POSITION					
Net investment in capital assets	255,666	-	(113,158)	(72,087)	(6,241)
Restricted	31,478	126	31,631	7,084	(9,320)
Unrestricted	23,100	73	14,042	184	15,884
Total net position	310,244	199	(67,485)	(64,819)	323
Total liabilities and net position	\$ 519,894	\$ 26,510	\$ 242,710	\$ 240,590	\$ 303,609

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	GENERATION				
	Palo Verde	San Juan	Magnolia Power (restated)	Canyon Power (restated)	Apex Power
ASSETS					
Noncurrent assets					
Net utility plant	\$ 262,229	\$ -	\$ 147,124	\$ 196,080	\$ 260,454
Net lease asset	-	-	3,850	1,979	-
Investments – restricted	199,511	28,027	35,935	18,554	28,969
Investments – unrestricted	7,485	-	18,998	-	-
Advance to IPA – restricted	-	-	-	-	-
Fair value of derivative instruments	-	-	1,153	-	-
Prepaid and other assets	-	-	-	-	-
Total noncurrent assets	<u>469,225</u>	<u>28,027</u>	<u>207,060</u>	<u>216,613</u>	<u>289,423</u>
Current assets					
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	24	438
Total current assets	<u>29,073</u>	<u>443</u>	<u>20,776</u>	<u>5,212</u>	<u>19,559</u>
DEFERRED OUTFLOWS OF RESOURCES					
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	-	-
Total deferred outflows of resources	<u>33,941</u>	<u>-</u>	<u>26,846</u>	<u>33,889</u>	<u>6,506</u>
Total assets and deferred outflows of resources	<u>\$ 532,239</u>	<u>\$ 28,470</u>	<u>\$ 254,682</u>	<u>\$ 255,714</u>	<u>\$ 315,488</u>
LIABILITIES					
Noncurrent liabilities					
Long-term debt	\$ -	\$ -	\$ 262,628	\$ 291,697	\$ 260,947
Long-term lease liabilities	-	-	3,769	1,955	-
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
Total noncurrent liabilities	<u>184,807</u>	<u>27,602</u>	<u>294,456</u>	<u>293,652</u>	<u>271,483</u>
Current liabilities					
Debt due within one year	-	-	8,430	3,865	10,185
Current portion of long-term lease liabilities	-	-	178	69	-
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	-	-	-	-
Total current liabilities	<u>8,124</u>	<u>358</u>	<u>31,334</u>	<u>22,385</u>	<u>39,907</u>
Total liabilities	<u>192,931</u>	<u>27,960</u>	<u>325,790</u>	<u>316,037</u>	<u>311,390</u>
NET POSITION					
Net investment in capital assets	262,229	-	(111,632)	(65,637)	(10,562)
Restricted	56,588	422	31,736	12,815	4,688
Unrestricted	20,491	88	8,788	(7,501)	9,972
Total net position	<u>339,308</u>	<u>510</u>	<u>(71,108)</u>	<u>(60,323)</u>	<u>4,098</u>
Total liabilities and net position	<u>\$ 532,239</u>	<u>\$ 28,470</u>	<u>\$ 254,682</u>	<u>\$ 255,714</u>	<u>\$ 315,488</u>

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	GREEN POWER				
	Tieton Hydropower	Milford I Wind	Milford II Wind	Windy Point	Linden Wind Energy
ASSETS					
Noncurrent assets					
Net utility plant	\$ 31,016	\$ -	\$ -	\$ -	\$ 77,960
Net lease asset	-	-	-	-	2,326
Investments – restricted	2,210	12,713	5,710	47,456	11,221
Investments – unrestricted	-	-	-	-	-
Prepaid and other assets	-	74,498	71,011	197,341	-
Total noncurrent assets	33,226	87,211	76,721	244,797	91,507
Current assets					
Cash and cash equivalents – restricted	1,837	5,308	2,578	6,868	3,677
Cash and cash equivalents – unrestricted	1,485	3,539	2,739	4,274	2,563
Interest receivable	-	5	1	67	7
Accounts receivable	-	-	327	590	406
Materials and supplies	-	-	-	-	-
Prepaid and other assets	3	11,683	8,700	28,091	27
Total current assets	3,325	20,535	14,345	39,890	6,680
DEFERRED OUTFLOWS OF RESOURCES					
Reclamation and decommissioning obligation	411	-	-	-	304
Total deferred outflows of resources	411	-	-	-	304
Total assets and deferred outflows of resources	\$ 36,962	\$ 107,746	\$ 91,066	\$ 284,687	\$ 98,491
LIABILITIES					
Noncurrent liabilities					
Long-term debt	\$ 37,776	\$ 99,550	\$ 88,321	\$ 269,350	\$ 89,240
Long-term lease liabilities	-	-	-	-	2,393
Reclamation and decommissioning obligation	987	-	-	-	808
Total noncurrent liabilities	38,763	99,550	88,321	269,350	92,441
Current liabilities					
Debt due within one year	1,165	10,105	6,300	11,680	4,510
Current portion of long-term lease liabilities	-	-	-	-	93
Notes payable and other liabilities due within one year	-	-	-	-	-
Advances from participants due within one year	202	2,770	250	37,716	9,494
Accrued interest	820	2,398	1,983	6,540	2,469
Accounts payable and accruals	1,127	3,523	1,593	3,833	921
Accrued property tax	-	-	-	437	274
Total current liabilities	3,314	18,796	10,126	60,206	17,761
Total liabilities	42,077	118,346	98,447	329,556	110,202
DEFERRED INFLOWS OF RESOURCES					
Unamortized gain on refunding	528	1,715	2,288	7,796	197
Total deferred inflows of resources	528	1,715	2,288	7,796	197
NET POSITION					
Net investment in capital assets	(7,925)	-	-	-	(16,596)
Restricted	2,123	-	-	-	12,139
Unrestricted	159	(12,315)	(9,669)	(52,665)	(7,451)
Total net position	(5,643)	(12,315)	(9,669)	(52,665)	(11,908)
Total liabilities, deferred inflows of resources, and net position	\$ 36,962	\$ 107,746	\$ 91,066	\$ 284,687	\$ 98,491

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	GREEN POWER				
	Tieton Hydropower	Milford I Wind	Milford II Wind	Windy Point	Linden Wind Energy (restated)
ASSETS					
Noncurrent assets					
Net utility plant	\$ 32,504	\$ -	\$ -	\$ -	\$ 83,774
Net lease asset	-	-	-	-	2,487
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	<u>35,294</u>	<u>99,726</u>	<u>79,708</u>	<u>252,850</u>	<u>95,806</u>
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	<u>3,018</u>	<u>18,269</u>	<u>14,300</u>	<u>43,713</u>	<u>6,308</u>
DEFERRED OUTFLOWS OF RESOURCES					
Reclamation and decommissioning obligation	433	-	-	-	327
Accumulated decrease in fair value of hedging derivatives	-	-	-	-	-
Total deferred outflows of resources	<u>433</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>327</u>
Total assets and deferred outflows of resources	<u>\$ 38,745</u>	<u>\$ 117,995</u>	<u>\$ 94,008</u>	<u>\$ 296,563</u>	<u>\$ 102,441</u>
LIABILITIES					
Noncurrent liabilities					
Long-term debt	\$ 39,525	\$ 113,270	\$ 97,944	\$ 289,275	\$ 95,504
Long-term lease liabilities	-	-	-	-	2,486
Reclamation and decommissioning obligation	905	-	-	-	741
Total noncurrent liabilities	<u>40,430</u>	<u>113,270</u>	<u>97,944</u>	<u>289,275</u>	<u>98,731</u>
Current liabilities					
Debt due within one year	1,105	9,625	-	11,125	4,295
Current portion of long-term lease liabilities	-	-	-	-	86
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	<u>3,591</u>	<u>17,366</u>	<u>4,380</u>	<u>44,359</u>	<u>15,708</u>
Total liabilities	<u>44,021</u>	<u>130,636</u>	<u>102,324</u>	<u>333,634</u>	<u>114,439</u>
DEFERRED INFLOWS OF RESOURCES					
Unamortized gain on refunding	573	2,279	2,754	10,218	351
Total deferred inflows of resources	<u>573</u>	<u>2,279</u>	<u>2,754</u>	<u>10,218</u>	<u>351</u>
NET POSITION					
Net investment in capital assets	(8,125)	-	-	-	(16,110)
Restricted	2,120	-	-	-	8,608
Unrestricted	156	(14,920)	(11,070)	(47,289)	(4,847)
Total net position	<u>(5,849)</u>	<u>(14,920)</u>	<u>(11,070)</u>	<u>(47,289)</u>	<u>(12,349)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 38,745</u>	<u>\$ 117,995</u>	<u>\$ 94,008</u>	<u>\$ 296,563</u>	<u>\$ 102,441</u>

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	TRANSMISSION		
	Southern Transmission System	Mead-Phoenix	Mead-Adelanto
ASSETS			
Noncurrent assets			
Net utility plant	\$ 96,041	\$ 38,882	\$ 81,146
Investments – restricted	51,754	1,100	6,900
Advance to IPA – restricted	10,930	-	-
Fair value of derivative instruments	-	-	-
Prepaid and other assets	-	-	-
Total noncurrent assets	<u>158,725</u>	<u>39,982</u>	<u>88,046</u>
Current assets			
Cash and cash equivalents – restricted	19,170	1,295	1,652
Cash and cash equivalents – unrestricted	622	2,463	192
Interest receivable	12	1	2
Accounts receivable	11,455	-	152
Prepaid and other assets	31	3	600
Total current assets	<u>31,290</u>	<u>3,762</u>	<u>2,598</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	7,434	-	-
Total deferred outflows of resources	<u>7,434</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 197,449</u>	<u>\$ 43,744</u>	<u>\$ 90,644</u>
LIABILITIES			
Noncurrent liabilities			
Long-term debt	\$ 189,317	\$ 16,125	\$ 19,856
Total noncurrent liabilities	<u>189,317</u>	<u>16,125</u>	<u>19,856</u>
Current liabilities			
Debt due within one year	59,415	1,475	1,780
Notes payable and other liabilities due within one year	-	-	-
Advances from participants due within one year	-	-	-
Accrued interest	5,856	384	491
Accounts payable and accruals	11,986	2,295	6,398
Total current liabilities	<u>77,257</u>	<u>4,154</u>	<u>8,669</u>
Total liabilities	<u>266,574</u>	<u>20,279</u>	<u>28,525</u>
NET POSITION			
Net investment in capital assets	(145,257)	21,283	59,509
Restricted	76,010	2,011	7,860
Unrestricted	122	171	(5,250)
Total net position	<u>(69,125)</u>	<u>23,465</u>	<u>62,119</u>
Total liabilities and net position	<u>\$ 197,449</u>	<u>\$ 43,744</u>	<u>\$ 90,644</u>

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	TRANSMISSION		
	Southern Transmission System	Mead-Phoenix	Mead-Adelanto
	System	Mead-Phoenix	Mead-Adelanto
ASSETS			
Noncurrent assets			
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>
Current assets			
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>
DEFERRED OUTFLOWS OF RESOURCES			
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>
LIABILITIES			
Noncurrent liabilities			
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>
Current liabilities			
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>
NET POSITION			
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>

See accompanying notes.

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	NATURAL GAS		
	Pinedale	Barnett	Prepaid Natural Gas
ASSETS			
Noncurrent assets			
Net utility plant	\$ 22,232	\$ 25,605	\$ -
Investments – restricted	995	34,964	14,415
Prepaid and other assets	126	-	148,686
Total noncurrent assets	<u>23,353</u>	<u>60,569</u>	<u>163,101</u>
Current assets			
Cash and cash equivalents – restricted	2,318	5,642	4,389
Cash and cash equivalents – unrestricted	2,960	2,238	848
Interest receivable	4	66	62
Accounts receivable	1,129	779	2,617
Prepaid and other assets	510	1	11,895
Total current assets	<u>6,921</u>	<u>8,726</u>	<u>19,811</u>
DEFERRED OUTFLOWS OF RESOURCES			
Reclamation and decommissioning obligation	382	90	-
Accumulated decrease in fair value of hedging derivatives	-	-	5,961
Total deferred outflows of resources	<u>382</u>	<u>90</u>	<u>5,961</u>
Total assets and deferred outflows of resources	<u>\$ 30,656</u>	<u>\$ 69,385</u>	<u>\$ 188,873</u>
LIABILITIES			
Noncurrent liabilities			
Long-term debt	\$ 10,569	\$ 24,876	\$ 259,714
Fair value of derivative instruments	-	-	5,961
Advances from participants	8,833	3,567	-
Reclamation and decommissioning obligation	1,624	344	-
Total noncurrent liabilities	<u>21,026</u>	<u>28,787</u>	<u>265,675</u>
Current liabilities			
Debt due within one year	1,345	3,160	9,705
Advances from participants due within one year	1,906	3,094	-
Accrued interest	348	818	2,272
Accounts payable and accruals	1,933	1,974	1,488
Accrued property tax	1,086	-	-
Total current liabilities	<u>6,618</u>	<u>9,046</u>	<u>13,465</u>
Total liabilities	<u>27,644</u>	<u>37,833</u>	<u>279,140</u>
NET POSITION			
Net investment in capital assets	766	24,686	-
Restricted	1,173	5,820	-
Unrestricted	1,073	1,046	(90,267)
Total net position	<u>3,012</u>	<u>31,552</u>	<u>(90,267)</u>
Total liabilities and net position	<u>\$ 30,656</u>	<u>\$ 69,385</u>	<u>\$ 188,873</u>

Southern California Public Power Authority
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	NATURAL GAS		
	Pinedale	Barnett	Prepaid Natural Gas
ASSETS			
Noncurrent assets			
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>
Current assets			
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>
DEFERRED OUTFLOWS OF RESOURCES			
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>
LIABILITIES			
Noncurrent liabilities			
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>
Current liabilities			
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>
NET POSITION			
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>

See accompanying notes.

Southern California Public Power Authority
Individual Statements of Net Position
June 30, 2022 and 2021
(Amounts in Thousands)

	<u>POWER PURCHASE AGREEMENTS</u>	
	<u>2022</u>	<u>2021</u>
ASSETS		
Noncurrent assets		
Investments – unrestricted	\$ 31,328	\$ -
Total noncurrent assets	<u>31,328</u>	<u>-</u>
Current assets		
Cash and cash equivalents – restricted	33	7
Cash and cash equivalents – unrestricted	69,693	74,727
Interest receivable	26	-
Accounts receivable	6,521	10,426
Prepaid and other assets	<u>156</u>	<u>137</u>
Total current assets	<u>76,429</u>	<u>85,297</u>
Total assets	<u>\$ 107,757</u>	<u>\$ 85,297</u>
LIABILITIES		
Current liabilities		
Advances from participants due within one year	\$ 17,594	\$ 19,932
Accounts payable and accruals	<u>90,168</u>	<u>65,364</u>
Total current liabilities	<u>107,762</u>	<u>85,296</u>
Total liabilities	<u>107,762</u>	<u>85,296</u>
NET POSITION		
Unrestricted	<u>(5)</u>	<u>1</u>
Total net position	<u>(5)</u>	<u>1</u>
Total liabilities and net position	<u>\$ 107,757</u>	<u>\$ 85,297</u>

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Southern California Public Power Authority
Individual Statements of Net Position
June 30, 2022
(Amounts in Thousands)

	MISCELLANEOUS			Total Combined
	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	
ASSETS				
Noncurrent assets				
Net utility plant	\$ -	\$ -	\$ 6,005	\$ 1,203,932
Investments – restricted	-	96,069	-	583,664
Investments – unrestricted	-	-	-	54,761
Right to use leased assets, net of amortization	-	-	-	7,779
Advance to IPA – restricted	-	-	-	10,930
Prepaid and other assets	-	-	-	491,662
Total noncurrent assets	-	96,069	6,005	2,352,728
Current assets				
Cash and cash equivalents – restricted	2,606	17,206	-	110,025
Cash and cash equivalents – unrestricted	-	-	-	124,464
Interest receivable	-	113	-	685
Accounts receivable	265	-	-	30,111
Materials and supplies	-	-	-	22,660
Prepaid and other assets	-	-	-	63,352
Total current assets	2,871	17,319	-	351,297
DEFERRED OUTFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	451	451
Unamortized loss on refunding	-	-	-	49,756
Reclamation and decommissioning obligation	-	-	-	39,915
Accumulated decrease in fair value of hedging derivatives	-	-	-	9,341
Total deferred outflows of resources	-	-	451	99,463
Total assets and deferred outflows of resources	\$ 2,871	\$ 113,388	\$ 6,456	\$ 2,803,488
LIABILITIES				
Noncurrent liabilities				
Long-term debt	\$ -	\$ -	\$ -	\$ 1,885,248
Long-term lease liabilities	-	-	-	7,805
Fair value of derivative instruments	-	-	-	14,505
Notes payable, other, net pension and OPEB liabilities	-	-	1,836	2,560
Advances from participants	-	-	-	12,400
Reclamation and decommissioning obligation	-	-	-	240,291
Total noncurrent liabilities	-	-	1,836	2,162,809
Current liabilities				
Debt due within one year	-	-	-	140,230
Current portion of long-term lease liabilities	-	-	-	389
Notes payable and other liabilities due within one year	-	-	-	13,249
Advances from participants due within one year	-	-	-	117,512
Accrued interest	-	-	-	38,208
Accounts payable and accruals	2,871	-	-	150,249
Accrued property tax	-	-	-	3,297
Total current liabilities	2,871	-	-	463,134
Total liabilities	2,871	-	1,836	2,625,943
DEFERRED INFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	728	728
Unamortized gain on refunding	-	-	-	12,524
Total deferred inflows of resources	-	-	728	13,252
NET POSITION				
Net investment in capital assets	-	-	6,005	6,651
Restricted	-	113,388	-	281,523
Unrestricted	-	-	(2,113)	(123,881)
Total net position	-	113,388	3,892	164,293
Total liabilities, deferred inflows of resources, and net position	\$ 2,871	\$ 113,388	\$ 6,456	\$ 2,803,488

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

	MISCELLANEOUS			Total Combined (restated)
	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	
ASSETS				
Noncurrent assets				
Net utility plant	\$ -	\$ -	\$ 6,034	\$ 1,276,479
Net lease asset	-	-	-	8,316
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	-	93,763	6,034	2,458,248
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	-	-	-	64,289
Total current assets	296	11,290	-	351,870
DEFERRED OUTFLOWS OF RESOURCES				
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	-	-	494	125,660
Total assets and deferred outflows of resources	\$ 296	\$ 105,053	\$ 6,528	\$ 2,935,778
LIABILITIES				
Noncurrent liabilities				
Long-term debt	\$ -	\$ -	\$ -	\$ 2,055,438
Long-term lease liabilities	-	-	-	8,210
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	-	-	2,941	2,347,774
Current liabilities				
Debt due within one year	-	-	-	144,099
Current portion of long-term lease liabilities	-	-	-	333
Notes payable and other liabilities due within one year	-	-	-	2,961
Advances from participants due within one year	-	-	-	96,438
Accrued interest	296	-	-	40,380
Accounts payable and accruals	-	-	-	133,806
Accrued property tax	-	-	-	2,883
Total current liabilities	296	-	-	420,900
Total liabilities	296	-	2,941	2,768,674
DEFERRED INFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	44	44
Unamortized gain on refunding	-	-	-	16,175
Total deferred inflows of resources	-	-	44	16,219
NET POSITION				
Net investment in capital assets	-	-	6,034	(51,274)
Restricted	-	105,053	-	333,343
Unrestricted	-	-	(2,491)	(131,184)
Total net position	-	105,053	3,543	150,885
Total liabilities, deferred inflow of resources, and net position	\$ 296	\$ 105,053	\$ 6,528	\$ 2,935,778

Southern California Public Power Authority
Individual Statements of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2022
(Amounts in Thousands)

	GENERATION				
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power
Operating revenues					
Sales of electric energy	\$ 62,319	\$ 176	\$ 112,197	\$ 29,702	\$ 180,831
Sales of transmission services	-	-	-	-	-
Sales of natural gas	-	-	-	-	-
Total operating revenues	<u>62,319</u>	<u>176</u>	<u>112,197</u>	<u>29,702</u>	<u>180,831</u>
Operating expenses					
Operations and maintenance	35,981	177	95,764	16,841	156,103
Depreciation, depletion, and amortization	21,121	-	11,281	9,862	16,529
Amortization of nuclear fuel	12,549	-	-	-	-
Decommissioning	1,352	-	-	-	367
Total operating expenses	<u>71,003</u>	<u>177</u>	<u>107,045</u>	<u>26,703</u>	<u>172,999</u>
Operating income (loss)	<u>(8,684)</u>	<u>(1)</u>	<u>5,152</u>	<u>2,999</u>	<u>7,832</u>
Non operating revenues (expenses)					
Investment and other income	(6,169)	(310)	898	174	57
Inflation of decommissioning liability	(14,211)	-	-	-	(955)
Derivative gain (loss)	-	-	6,070	-	-
Other interest and debt expense	-	-	(8,497)	(7,669)	(10,709)
Net non operating revenues (expenses)	<u>(20,380)</u>	<u>(310)</u>	<u>(1,529)</u>	<u>(7,495)</u>	<u>(11,607)</u>
Change in net position	<u>(29,064)</u>	<u>(311)</u>	<u>3,623</u>	<u>(4,496)</u>	<u>(3,775)</u>
Net position – beginning of year	<u>339,308</u>	<u>510</u>	<u>(71,108)</u>	<u>(60,323)</u>	<u>4,098</u>
Net contributions (distributions) by participants	-	-	-	-	-
Net position – end of year	<u>\$ 310,244</u>	<u>\$ 199</u>	<u>\$ (67,485)</u>	<u>\$ (64,819)</u>	<u>\$ 323</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 (restated)	Canyon Power (restated)	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	-	11,294	9,883	16,322
Amortization of nuclear fuel	13,124	-	-	-	-
Decommissioning	1,260	-	-	-	367
Total operating expenses	<u>75,308</u>	<u>204</u>	<u>97,774</u>	<u>19,814</u>	<u>116,102</u>
Operating income (loss)	<u>(8,921)</u>	<u>-</u>	<u>8,476</u>	<u>7,491</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	-	-
Other interest and debt expense	-	-	(8,373)	(8,986)	(11,013)
Net non operating revenues (expenses)	<u>(8,042)</u>	<u>(132)</u>	<u>(1,551)</u>	<u>(8,947)</u>	<u>(11,079)</u>
Change in net position	(16,963)	(132)	6,925	(1,456)	(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>\$ (71,108)</u>	<u>\$ (60,323)</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, 2022
(Amounts in Thousands)

	GREEN POWER				
	Tieton Hydropower	Milford I Wind	Milford II Wind	Windy Point	Linden Wind Energy
Operating revenues					
Sales of electric energy	\$ 5,365	\$ 28,917	\$ 18,027	\$ 68,557	\$ 15,595
Sales of transmission services	-	-	-	-	-
Sales of natural gas	-	-	-	-	-
Total operating revenues	<u>5,365</u>	<u>28,917</u>	<u>18,027</u>	<u>68,557</u>	<u>15,595</u>
Operating expenses					
Operations and maintenance	2,543	25,642	16,408	71,259	6,741
Depreciation, depletion, and amortization	1,512	-	-	-	5,974
Amortization of nuclear fuel	-	-	-	-	-
Decommissioning	23	-	-	-	23
Total operating expenses	<u>4,078</u>	<u>25,642</u>	<u>16,408</u>	<u>71,259</u>	<u>12,738</u>
Operating income (loss)	<u>1,287</u>	<u>3,275</u>	<u>1,619</u>	<u>(2,702)</u>	<u>2,857</u>
Non operating revenues (expenses)					
Investment and other income	13	10	12	(185)	821
Inflation of decommissioning liability	(82)	-	-	-	(67)
Derivative gain (loss)	-	-	-	-	-
Other interest and debt expense	(1,012)	(680)	(230)	(2,489)	(3,170)
Net non operating revenues (expenses)	<u>(1,081)</u>	<u>(670)</u>	<u>(218)</u>	<u>(2,674)</u>	<u>(2,416)</u>
Change in net position	206	2,605	1,401	(5,376)	441
Net position – beginning of year	<u>(5,849)</u>	<u>(14,920)</u>	<u>(11,070)</u>	<u>(47,289)</u>	<u>(12,349)</u>
Net contributions (distributions) by participants	-	-	-	-	-
Net position – end of year	<u>\$ (5,643)</u>	<u>\$ (12,315)</u>	<u>\$ (9,669)</u>	<u>\$ (52,665)</u>	<u>\$ (11,908)</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	Energy (restated)
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	-	-	-	5,975
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>11,628</u>
Operating income (loss)	<u>1,369</u>	<u>3,250</u>	<u>1,886</u>	<u>(2,624)</u>	<u>2,626</u>
Non operating revenues (expenses)					
Investment and other income	11	17	6	16	821
Inflation of decommissioning liability	(46)	-	-	-	(38)
Derivative gain (loss)	-	-	-	-	-
Other interest and debt expense	(1,067)	(782)	(4,196)	(2,780)	(2,922)
Net non operating revenues (expenses)	<u>(1,102)</u>	<u>(765)</u>	<u>(4,190)</u>	<u>(2,764)</u>	<u>(2,139)</u>
Change in net position	267	2,485	(2,304)	(5,388)	487
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>\$ (12,349)</u>

Southern California Public Power Authority
Individual Statements of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2022
(Amounts in Thousands)

	TRANSMISSION		
	Southern Transmission System	Mead-Phoenix	Mead-Adelanto
Operating revenues			
Sales of electric energy	\$ -	\$ -	\$ -
Sales of transmission services	101,674	4,037	806
Sales of natural gas	-	-	-
Total operating revenues	<u>101,674</u>	<u>4,037</u>	<u>806</u>
Operating expenses			
Operations and maintenance	30,880	1,737	3,616
Depreciation, depletion, and amortization	6,448	2,788	6,289
Amortization of nuclear fuel	-	-	-
Decommissioning	-	-	-
Total operating expenses	<u>37,328</u>	<u>4,525</u>	<u>9,905</u>
Operating income (loss)	<u>64,346</u>	<u>(488)</u>	<u>(9,099)</u>
Non operating revenues (expenses)			
Investment and other income	(26)	2	7
Inflation of decommissioning liability	-	-	-
Derivative gain (loss)	-	-	-
Other interest and debt expense	<u>(9,113)</u>	<u>(356)</u>	<u>(439)</u>
Net non operating revenues (expenses)	<u>(9,139)</u>	<u>(354)</u>	<u>(432)</u>
Change in net position	55,207	(842)	(9,531)
Net position – beginning of year	<u>(124,332)</u>	<u>24,307</u>	<u>71,650</u>
Net contributions (distributions) by participants	<u>-</u>	<u>-</u>	<u>-</u>
Net position – end of year	<u><u>\$ (69,125)</u></u>	<u><u>\$ 23,465</u></u>	<u><u>\$ 62,119</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)

	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)	-	-	-
Other interest and 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><u>\$ (124,332)</u></u>	<u><u>\$ 24,307</u></u>	<u><u>\$ 71,650</u></u>

Southern California Public Power Authority
Individual Statements of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2022
(Amounts in Thousands)

	NATURAL GAS		
	Pinedale	Barnett	Prepaid Natural Gas
Operating revenues			
Sales of electric energy	\$ -	\$ -	\$ -
Sales of transmission services	-	-	-
Sales of natural gas	4,869	9,132	22,775
Total operating revenues	<u>4,869</u>	<u>9,132</u>	<u>22,775</u>
Operating expenses			
Operations and maintenance	1,592	3,184	12,098
Depreciation, depletion, and amortization	2,842	6,342	-
Amortization of nuclear fuel	-	-	-
Decommissioning	38	9	-
Total operating expenses	<u>4,472</u>	<u>9,535</u>	<u>12,098</u>
Operating income (loss)	<u>397</u>	<u>(403)</u>	<u>10,677</u>
Non operating revenues (expenses)			
Investment and other income	1	(66)	779
Inflation of decommissioning liability	(135)	(29)	-
Derivative gain (loss)	-	-	-
Other interest and debt expense	(696)	(1,638)	(14,245)
Net non operating revenues (expenses)	<u>(830)</u>	<u>(1,733)</u>	<u>(13,466)</u>
Change in net position	(433)	(2,136)	(2,789)
Net position – beginning of year	<u>3,445</u>	<u>33,688</u>	<u>(87,478)</u>
Net contributions (distributions) by participants	-	-	-
Net position – end of year	<u>\$ 3,012</u>	<u>\$ 31,552</u>	<u>\$ (90,267)</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)	-	-	-
Other interest and 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 Years Ended June 30, 2022 and 2021
(Amounts in Thousands)

	<u>POWER PURCHASE AGREEMENTS</u>	
	<u>2022</u>	<u>2021</u>
Operating revenues		
Sales of electric energy	<u>\$ 414,321</u>	<u>\$ 366,346</u>
Total operating revenues	<u>414,321</u>	<u>366,346</u>
Operating expenses		
Operations and maintenance	<u>414,485</u>	<u>366,652</u>
Total operating expenses	<u>414,485</u>	<u>366,652</u>
Operating income (loss)	<u>(164)</u>	<u>(306)</u>
Non operating revenues (expenses)		
Investment and other income	<u>158</u>	<u>299</u>
Net non operating revenues (expenses)	<u>158</u>	<u>299</u>
Change in net position	(6)	(7)
Net position – beginning of year	<u>1</u>	<u>8</u>
Net position – end of year	<u><u>\$ (5)</u></u>	<u><u>\$ 1</u></u>

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Southern California Public Power Authority
Individual Statements of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2022
(Amounts in Thousands)

	MISCELLANEOUS			Total Combined
	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	
Operating revenues				
Sales of electric energy	\$ (873)	\$ -	\$ -	\$ 935,134
Sales of transmission services	-	-	-	106,517
Sales of natural gas	-	-	-	36,776
Total operating revenues	<u>(873)</u>	<u>-</u>	<u>-</u>	<u>1,078,427</u>
Operating expenses				
Operations and maintenance	70	-	258	895,379
Depreciation, depletion, and amortization	-	-	187	91,175
Amortization of nuclear fuel	-	-	-	12,549
Decommissioning	-	-	-	1,812
Pension and other benefits expense (credit)	-	-	(377)	(377)
Total operating expenses	<u>70</u>	<u>-</u>	<u>68</u>	<u>1,000,538</u>
Operating income (loss)	<u>(943)</u>	<u>-</u>	<u>(68)</u>	<u>77,889</u>
Non operating revenues (expenses)				
Investment and other income	943	(1,496)	291	(4,086)
Inflation of decommissioning liability	-	-	-	(15,479)
Derivative gain (loss)	-	-	-	6,070
Other interest and debt expense	-	-	-	(60,943)
Net non operating revenues (expenses)	<u>943</u>	<u>(1,496)</u>	<u>291</u>	<u>(74,438)</u>
Change in net position	-	(1,496)	223	3,451
Net position – beginning of year	-	105,053	3,543	150,885
Net contributions (distributions) by participants	-	9,831	126	9,957
Net position – end of year	<u>\$ -</u>	<u>\$ 113,388</u>	<u>\$ 3,892</u>	<u>\$ 164,293</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 (restated)
	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	106,413
Amortization of nuclear fuel	-	-	-	13,124
Decommissioning	-	-	-	1,720
Pension and other benefits expense (credit)	-	-	392	392
Total operating expenses	-	-	780	903,981
Operating income (loss)	-	-	(780)	76,571
Non operating revenues (expenses)				
Investment and other income	-	131	206	23,772
Inflation of decommissioning liability	-	-	-	(10,050)
Derivative gain (loss)	-	-	-	6,619
Other interest and debt expense	-	-	-	(73,838)
Net nonoperating revenues (expenses)	-	131	206	(53,497)
Change in net position	-	131	(574)	23,074
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	\$ 150,885

Southern California Public Power Authority
Individual Statements of Cash Flows
For the Year Ended June 30, 2022
(Amounts in Thousands)

	GENERATION				
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power
Cash flows from operating activities					
Receipts from participants	\$ 64,616	\$ 104	\$ 62,671	\$ 16,932	\$ 75,526
Receipts from sale of oil and gas	-	-	-	-	-
Payments to operating managers	(34,655)	(252)	(29,859)	(8,759)	(49,550)
Other disbursements and receipts	1,031	25	(262)	179	197
Net cash flows provided by (used for) operating activities	30,992	(123)	32,550	8,352	26,173
Cash flows from noncapital financing activities					
Advances (withdrawals) by participants, net	-	-	-	-	-
Cash flows from capital financing activities					
Additions to plant and prepaid projects, net	(28,366)	-	(17)	(170)	(2,210)
Debt interest and swap payments	-	-	(10,094)	(6,963)	(11,609)
Lease interest payments	-	-	(217)	(111)	-
Principal payments on leases	-	-	(178)	(69)	-
Principal payments on debt	-	-	(8,430)	(3,865)	(10,185)
Payment for bond issue costs	-	-	-	-	-
Net cash used for capital and related financing activities	(28,366)	-	(18,936)	(11,178)	(24,004)
Cash flows from investing activities					
Interest received on investments	46	1	85	24	23
Purchases of investments	(23,464)	-	(112,015)	(21,634)	(36,251)
Proceeds from sale/maturity of investments	24,500	-	102,706	25,820	47,170
Net cash provided by (used for) investing activities	1,082	1	(9,224)	4,210	10,942
Net increase (decrease) in cash and cash equivalents	3,708	(122)	4,390	1,384	13,111
Cash and cash equivalents, beginning of year	14,334	393	15,128	4,371	9,597
Cash and cash equivalents, end of year	\$ 18,042	\$ 271	\$ 19,518	\$ 5,755	\$ 22,708
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ (8,684)	\$ (1)	\$ 5,152	\$ 2,999	\$ 7,832
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation, depletion and amortization	21,121	-	11,281	9,862	16,529
Decommissioning	1,352	-	-	-	367
Amortization of nuclear fuel	12,549	-	-	-	-
Changes in assets and liabilities					
Accounts receivable	159	-	(270)	(14)	807
Accounts payable and accruals	3,887	(122)	3,505	(7,655)	109
Other	608	-	12,882	3,160	529
Net cash provided by (used for) operating activities	\$ 30,992	\$ (123)	\$ 32,550	\$ 8,352	\$ 26,173
Cash and cash equivalents as stated in the Individual Statements of Net Position					
Cash and cash equivalents – restricted	\$ 6,818	\$ -	\$ 10,360	\$ 5,406	\$ 12,862
Cash and cash equivalents – unrestricted	11,224	271	9,158	349	9,846
	\$ 18,042	\$ 271	\$ 19,518	\$ 5,755	\$ 22,708

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 (restated)	Canyon Power (restated)	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	389	180	453
Net cash flows provided by (used for) operating activities	<u>18,663</u>	<u>257</u>	<u>3,600</u>	<u>20,605</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)
Lease interest payments	-	-	(226)	(115)	-
Principal payments on leases	-	-	(168)	(65)	-
Proceeds from sale of bonds	-	-	-	293,201	-
Payment for defeasance of revenue bonds	-	-	-	(229,816)	-
Payment 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>(17,482)</u>	<u>(21,127)</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	<u>(4,412)</u>	<u>260</u>	<u>(47,410)</u>	<u>(3,629)</u>	<u>(15,177)</u>
Cash and cash equivalents, beginning of year	18,746	133	62,538	8,000	24,774
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)	\$ -	\$ 8,476	\$ 7,491	\$ 10,359
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation, depletion, and amortization	23,011	-	11,294	9,883	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	-	(17,431)	(6,310)	10,170
Net cash provided by (used for) operating activities	<u>\$ 18,663</u>	<u>\$ 257</u>	<u>\$ 3,600</u>	<u>\$ 20,605</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, 2022
(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	\$ 4,893	\$ 30,048	\$ 15,802	\$ 89,596	\$ 17,424
Receipts from sale of oil and gas	-	-	-	-	-
Payments to operating managers	(2,207)	(13,973)	(7,479)	(44,734)	(7,014)
Other disbursements and receipts	-	4	-	1	388
Net cash flows provided by operating activities	2,686	16,079	8,323	44,863	10,798
Cash flows from noncapital financing activities					
Advances (withdrawals) by participants, net	-	-	-	-	-
Cash flows from capital financing activities					
Additions to plant and prepaid projects, net	(24)	-	-	-	-
Debt interest payments	(1,669)	(5,036)	(2,908)	(13,355)	(4,640)
Lease interest payments	-	-	-	-	(141)
Principal payments on leases	-	-	-	-	(86)
Principal payments on debt	(1,105)	(9,625)	-	(11,125)	(4,295)
Payment for bond issue costs	-	-	-	-	-
Net cash used for capital and related financing activities	(2,798)	(14,661)	(2,908)	(24,480)	(9,162)
Cash flows from investing activities					
Interest received on investments	4	11	8	74	7
Purchases of investments	(4,418)	(19,818)	(10,606)	(76,389)	(17,728)
Proceeds from sale/maturity of investments	4,999	20,650	4,900	56,660	16,045
Net cash provided by investing activities	585	843	(5,698)	(19,655)	(1,676)
Net increase (decrease) in cash and cash equivalents	473	2,261	(283)	728	(40)
Cash and cash equivalents, beginning of year	2,849	6,586	5,600	10,414	6,280
Cash and cash equivalents, end of year	\$ 3,322	\$ 8,847	\$ 5,317	\$ 11,142	\$ 6,240
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ 1,287	\$ 3,275	\$ 1,619	\$ (2,702)	\$ 2,857
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation, depletion and amortization	1,512	-	-	-	5,974
Decommissioning	23	-	-	-	23
Amortization of nuclear fuel	-	-	-	-	-
Changes in assets and liabilities					
Accounts receivable	-	(1)	(327)	4,717	-
Accounts payable and accruals	(307)	1,191	(1,611)	15,576	1,944
Other	171	11,614	8,642	27,272	-
Net cash provided by operating activities	\$ 2,686	\$ 16,079	\$ 8,323	\$ 44,863	\$ 10,798
Cash and cash equivalents as stated in the Individual Statements of Net Position					
Cash and cash equivalents – restricted	\$ 1,837	\$ 5,308	\$ 2,578	\$ 6,868	\$ 3,677
Cash and cash equivalents – unrestricted	1,485	3,539	2,739	4,274	2,563
	\$ 3,322	\$ 8,847	\$ 5,317	\$ 11,142	\$ 6,240

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 (restated)
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	(3,689)	(15,114)	(6,847)	(45,082)	(5,762)
Payments to operating managers	1	(1)	-	237	222
Other disbursements and receipts	-	-	-	-	-
Net cash flows provided by operating activities	<u>3,638</u>	<u>8,667</u>	<u>11,788</u>	<u>36,191</u>	<u>11,944</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)
Lease interest payments	-	-	-	-	(145)
Principal payments on leases	-	-	-	-	(76)
Proceeds from sale of bonds	-	-	98,711	-	-
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>(3,998)</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 (used for) 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)	\$ 2,626
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation, depletion, and amortization	1,633	-	-	-	5,975
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	628
Net cash provided by operating activities	<u>\$ 3,638</u>	<u>\$ 8,667</u>	<u>\$ 11,788</u>	<u>\$ 36,191</u>	<u>\$ 11,944</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>

See accompanying notes.

Southern California Public Power Authority
Individual Statements of Cash Flows
For the Year Ended June 30, 2022
(Amounts in Thousands)

	TRANSMISSION		
	Southern Transmission System	Mead-Phoenix	Mead-Adelanto
Cash flows from operating activities			
Receipts from participants	\$ 106,625	\$ 4,900	\$ 6,174
Receipts from sale of oil and gas	-	-	-
Payments to operating managers	(36,860)	(1,775)	(3,951)
Other disbursements and receipts	(4)	957	4
Net cash flows provided by operating activities	<u>69,761</u>	<u>4,082</u>	<u>2,227</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	-	(81)	(108)
Debt interest and swap payments	(13,534)	(797)	(1,024)
Principal payments on debt	(78,640)	(1,415)	(1,695)
Payment for bond issue costs	-	-	-
Net cash used for capital and related financing activities	<u>(92,174)</u>	<u>(2,293)</u>	<u>(2,827)</u>
Cash flows from investing activities			
Interest received on investments	326	2	4
Purchases of investments	(63,220)	(1,499)	(7,476)
Proceeds from sale/maturity of investments	79,269	1,099	7,679
Net cash provided by (used for) investing activities	<u>16,375</u>	<u>(398)</u>	<u>207</u>
Net increase (decrease) in cash and cash equivalents	(6,038)	1,391	(393)
Cash and cash equivalents, beginning of year	<u>25,830</u>	<u>2,367</u>	<u>2,237</u>
Cash and cash equivalents, end of year	<u>\$ 19,792</u>	<u>\$ 3,758</u>	<u>\$ 1,844</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 64,346	\$ (488)	\$ (9,099)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation, depletion and amortization	6,448	2,788	6,289
Decommissioning	-	-	-
Amortization of nuclear fuel	-	-	-
Changes in assets and liabilities			
Accounts receivable	841	137	(148)
Accounts payable and accruals	(16,104)	1,631	5,197
Other	14,230	14	(12)
Net cash provided by operating activities	<u>\$ 69,761</u>	<u>\$ 4,082</u>	<u>\$ 2,227</u>
Cash and cash equivalents as stated in the Individual Statements of Net Position			
Cash and cash equivalents – restricted	\$ 19,170	\$ 1,295	\$ 1,652
Cash and cash equivalents – unrestricted	<u>622</u>	<u>2,463</u>	<u>192</u>
	<u>\$ 19,792</u>	<u>\$ 3,758</u>	<u>\$ 1,844</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	Mead-Phoenix	Mead-Adelanto
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	-	-	-
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 investing activities	<u>(21,102)</u>	<u>3,150</u>	<u>5,955</u>
Net increase (decrease) in cash and cash equivalents	(15,463)	(1,463)	(10,022)
Cash and cash equivalents, beginning of year	41,293	3,830	12,259
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	2,106	996	727
	<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, 2022
(Amounts in Thousands)

	NATURAL GAS		
	Pinedale	Barnett	Prepaid Natural Gas
Cash flows from operating activities			
Receipts from participants	\$ 2,294	\$ 5,466	\$ 19,472
Receipts from sale of oil and gas	866	2,931	3,365
Payments to operating managers	(1,342)	(3,201)	(387)
Other disbursements and receipts	7	-	(1)
Net cash flows provided by operating activities	<u>1,825</u>	<u>5,196</u>	<u>22,449</u>
Cash flows from noncapital financing activities			
Advances (withdrawals) by participants, net	<u>(881)</u>	<u>(10)</u>	<u>-</u>
Cash flows from capital financing activities			
Additions to plant and prepaid projects, net	(18)	(124)	-
Debt interest and swap payments	(736)	(1,732)	(13,865)
Principal payments on debt	(1,427)	(3,353)	(8,940)
Payment for bond issue costs	-	-	-
Net cash used for capital and related financing activities	<u>(2,181)</u>	<u>(5,209)</u>	<u>(22,805)</u>
Cash flows from investing activities			
Interest received on investments	3	15	774
Purchases of investments	(3,498)	(40,106)	(19,938)
Proceeds from sale/maturity of investments	2,500	39,602	19,423
Net cash provided by (used for) investing activities	<u>(995)</u>	<u>(489)</u>	<u>259</u>
Net increase (decrease) in cash and cash equivalents	(2,232)	(512)	(97)
Cash and cash equivalents, beginning of year	<u>7,510</u>	<u>8,392</u>	<u>5,334</u>
Cash and cash equivalents, end of year	<u>\$ 5,278</u>	<u>\$ 7,880</u>	<u>\$ 5,237</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 397	\$ (403)	\$ 10,677
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation, depletion, and amortization	2,842	6,342	-
Decommissioning	38	9	-
Amortization of nuclear fuel	-	-	-
Changes in assets and liabilities			
Accounts receivable	(304)	(457)	(917)
Accounts payable and accruals	71	857	906
Other	(1,219)	(1,152)	11,783
Net cash provided by operating activities	<u>\$ 1,825</u>	<u>\$ 5,196</u>	<u>\$ 22,449</u>
Cash and cash equivalents as stated in the Individual Statements of Net Position			
Cash and cash equivalents – restricted	\$ 2,318	\$ 5,642	\$ 4,389
Cash and cash equivalents – unrestricted	<u>2,960</u>	<u>2,238</u>	<u>848</u>
	<u>\$ 5,278</u>	<u>\$ 7,880</u>	<u>\$ 5,237</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	-	-	-
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>

See accompanying notes.

Southern California Public Power Authority
Individual Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021
(Amounts in Thousands)

	<u>POWER PURCHASE AGREEMENTS</u>	
	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Receipts from participants	\$ 376,799	\$ 319,862
Receipts from sale of oil and gas	-	-
Payments to operating managers	(368,266)	(336,941)
Other disbursements and receipts	<u>17,750</u>	<u>14,892</u>
Net cash flows provided by (used for) operating activities	<u>26,283</u>	<u>(2,187)</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	82	24
Purchases of investments	(40,373)	(18,606)
Proceeds from sale/maturity of investments	<u>9,000</u>	<u>19,611</u>
Net cash provided by (used for) investing activities	<u>(31,291)</u>	<u>1,029</u>
Net increase (decrease) in cash and cash equivalents	(5,008)	(1,158)
Cash and cash equivalents, beginning of year	<u>74,734</u>	<u>75,892</u>
Cash and cash equivalents, end of year	<u>\$ 69,726</u>	<u>\$ 74,734</u>
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	\$ (164)	\$ (306)
Changes in assets and liabilities		
Accounts receivable	3,907	(3,424)
Accounts payable and accruals	22,460	1,182
Other	<u>80</u>	<u>361</u>
Net cash provided by (used for) operating activities	<u>\$ 26,283</u>	<u>\$ (2,187)</u>
Cash and cash equivalents as stated in the Individual Statements of Net Position		
Cash and cash equivalents – restricted	\$ 33	\$ 7
Cash and cash equivalents – unrestricted	<u>69,693</u>	<u>74,727</u>
	<u>\$ 69,726</u>	<u>\$ 74,734</u>

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Southern California Public Power Authority
Individual Statements of Cash Flows
For the Year Ended June 30, 2022
(Amounts in Thousands)

	MISCELLANEOUS			
	Project	Projects		Total
	Development Fund	Stabilization Fund	SCPPA Fund	
Cash flows from operating activities				
Receipts from participants	\$ 1,806	\$ -	\$ -	\$ 901,148
Receipts from sale of oil and gas	-	-	-	7,162
Payments to operating managers	(67)	-	-	(614,331)
Other disbursements and receipts	759	-	(258)	20,777
Net cash flows provided by (used for) operating activities	<u>2,498</u>	<u>-</u>	<u>(258)</u>	<u>314,756</u>
Cash flows from noncapital financing activities				
Advances (withdrawals) by participants, net	-	9,831	258	9,198
Cash flows from capital financing activities				
Additions to plant and prepaid projects, net	-	-	-	(31,118)
Debt interest and swap payments	-	-	-	(87,962)
Lease interest payments	-	-	-	(469)
Principal payments of lease	-	-	-	(333)
Principal payments on debt	-	-	-	(144,100)
Payment for bond issue costs	-	-	-	-
Net cash used for capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(263,982)</u>
Cash flows from investing activities				
Interest received on investments	-	299	-	1,788
Purchases of investments	-	(102,231)	-	(600,664)
Proceeds from sale/maturity of investments	-	98,099	-	560,121
Net cash provided by investing activities	<u>-</u>	<u>(3,833)</u>	<u>-</u>	<u>(38,755)</u>
Net increase (decrease) in cash and cash equivalents	2,498	5,998	-	21,217
Cash and cash equivalents, beginning of year	108	11,208	-	213,272
Cash and cash equivalents, end of year	<u>\$ 2,606</u>	<u>\$ 17,206</u>	<u>\$ -</u>	<u>\$ 234,489</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ (943)	\$ -	\$ (68)	\$ 77,889
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation, depletion and amortization	-	-	187	91,175
Decommissioning	-	-	-	1,812
Amortization of nuclear fuel	-	-	-	12,549
Pension and other benefits expense	-	-	(377)	(377)
Changes in assets and liabilities				
Accounts receivable	(76)	-	-	8,054
Accounts payable and accruals	2,575	-	-	34,110
Prepaid Gas	-	-	-	-
Other	942	-	-	89,544
Net cash provided by (used for) operating activities	<u>\$ 2,498</u>	<u>\$ -</u>	<u>\$ (258)</u>	<u>\$ 314,756</u>
Cash and cash equivalents as stated in the Individual Statements of Net Position				
Cash and cash equivalents – restricted	\$ 2,606	\$ 17,206	\$ -	\$ 110,025
Cash and cash equivalents – unrestricted	-	-	-	124,464
	<u>\$ 2,606</u>	<u>\$ 17,206</u>	<u>\$ -</u>	<u>\$ 234,489</u>

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

	MISCELLANEOUS			Total Combined (restated)
	Project Development Fund	Projects Stabilization Fund	SCPPA 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)	20,141
Net cash flows provided by (used for) operating activities	-	-	(206)	254,317
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)
Lease interest payments	-	-	-	(486)
Principal payments of lease	-	-	-	(309)
Principal payments on debt	-	-	-	(138,215)
Payment for bond issue costs	-	-	-	(2,094)
Net cash used for capital and related financing activities	-	-	-	(274,914)
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 (used for) 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)	\$ 76,571
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation, depletion, and amortization	-	-	182	106,413
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	-	-	-	50,576
Net cash provided by (used for) operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (206)</u>	<u>\$ 254,317</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

Notes to Financial Statements

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

Note 1 – Organization and Purpose (continued)

On July 31, 2015, the SCPA 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 SCPA's divestiture of its ownership interest in the SJGS on the exit date, December 31, 2017. To complete the divestiture of SCPA's SJGS ownership under the Restructuring Agreement, SCPA executed nine agreements collectively called SJGS Divestiture Agreements, including:

- Assignment Assumption Termination and Release Agreement (AATRA) whereby SCPA 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

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

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. OEMI provided 100% of the natural gas plant requirements on a daily basis, and also included an option for the participants to bring in their own gas supply. In addition, OEMI provided 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 (the Facility), 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.

- **Operation and Maintenance (O&M)** - The Facility is operated by the City of Anaheim, Public Utilities Department (APU). APU Facility employees provide routine maintenance and repairs, budget control, purchasing, and operation reporting. Maintenance and repairs beyond the capability of Facility employees are performed through SCPPA Professional Services Agreements or SCPPA Purchase Orders directly to contractors. APU employs 10 personnel for Facility O&M.

Southern California Public Power Authority

Notes to Financial Statements

Note 1 – Organization and Purpose (continued)

- **Interconnection & Transmission Service** – Under the Second Amended and Restated Metered Subsystem Agreement between Anaheim and the California Independent System Operator (CAISO), Anaheim provides service to the Project allowing interconnection to the CAISO to transmit energy. Anaheim’s system is within the CAISO Balancing Authority and is directly connected to the CAISO Controlled Grid. The CAISO provides Balancing Authority Area services pursuant to the CAISO Tariff to maintain reliability of the CAISO Controlled Grid as well as certain responsibilities mandated by the North American Electric Reliability Corporation (“NERC”) and Western Electric Coordination Council (“WECC”) to ensure reliable operation of the entire electric grid.
- **Operational Balancing** – The natural gas to fuel the Facility is provided by Shell (Coral) under the Master Sale Agreement and balanced on a monthly basis. Anaheim procures the gas necessary for operation throughout the month based on expected dispatch in the CAISO markets and scheduled operations for required testing. It is interconnected to the Southern California Gas Company’s system and receives services pursuant to the applicable Tariff Rate Schedules and Tariff Rules which are filed with the Public Utilities Commission.

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. The Authority expects to extend this agreement prior to its expiration date.
- **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 extend these agreements prior to their expiration date.

Southern California Public Power Authority

Notes to Financial Statements

Note 1 – Organization and Purpose (continued)

- **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 General Electric International (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 be 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.
- **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 four additional service from July 1, 2019 to June 30, 2023.

Southern California Public Power Authority

Notes to Financial Statements

Note 1 – Organization and Purpose (continued)

- **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.

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.

Southern California Public Power Authority

Notes to Financial Statements

Note 1 – Organization and Purpose (continued)

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.

- **Operation and Maintenance Service Agreement** – SCPPA entered into a multi-year wind turbine O&M agreement with Senvion Wind Energy Solutions (Senvion) (formerly, REpower Systems AG) in February 2012. On February 10, 2020, Senvion informed the Authority and LADWP that it would cease performing service under the O&M contract on February 29, 2020. Senvion 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 (WTG) in accordance with the maintenance manual. Vestas also performs remote monitoring services, repair services, and services related to the availability of the WTG.
- **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.

Southern California Public Power Authority

Notes to Financial Statements

Note 1 – Organization and Purpose (continued)

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.

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 anticipated to begin in mid-to-late 2023 with an estimated in-service date 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.

Southern California Public Power Authority

Notes to Financial Statements

Note 1 – Organization and Purpose (continued)

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.

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, Andeavor (formerly Tesoro Logistics), 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.

Southern California Public Power Authority

Notes to Financial Statements

Note 1 – Organization and Purpose (continued)

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, SCPPA'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. On October 1, 2017, Devon Energy Production Company, LP was replaced by FDL Operating, LLC. Effective January 1, 2022, FDL resigned as the operator of Barnett properties and Javelin Energy Partners (Javelin) has been named the successor. SCPPA pays the operator for SCPPA's share of both operating and drilling/capital expenses on a monthly basis.

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.

Southern California Public Power Authority Notes to Financial Statements

Note 1 – Organization and Purpose (continued)

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.

Participant ownership interests – As of June 30, 2022, 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>

Southern California Public Power Authority

Notes to Financial Statements

Note 1 – Organization and Purpose (continued)

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.

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.

Southern California Public Power Authority

Notes to Financial Statements

Note 1 – Organization and Purpose (continued)

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 was the scheduling coordinator on behalf of the project participants. The commercial operation date was declared on June 18, 2006. The agreement's scheduled expiration date was on December 31, 2031. However, 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. On December 31, 2021, Ormat Geothermal Energy project ceased deliveries to the Authority. On behalf of the project participants, the Authority terminated the existing 15-year old power purchase agreement (PPA) with Ormat due to the significant decline in market prices for renewable energy since the PPA was initiated in 2006.

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.

Southern California Public Power Authority

Notes to Financial Statements

Note 1 – Organization and Purpose (continued)

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.

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.

Southern California Public Power Authority

Notes to Financial Statements

Note 1 – Organization and Purpose (continued)

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.

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. APX 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.

Southern California Public Power Authority

Notes to Financial Statements

Note 1 – Organization and Purpose (continued)

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. SCPPA 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. SCPPA 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.

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.

Southern California Public Power Authority

Notes to Financial Statements

Note 1 – Organization and Purpose (continued)

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 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. However, the deadline by which the Chapter 7 trustee must assume or reject the agreement pursuant to the Bankruptcy Code has been continued, and currently expires on November 30, 2022.

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.

Southern California Public Power Authority

Notes to Financial Statements

Note 1 – Organization and Purpose (continued)

Red Cloud Wind Project - The Authority, on behalf of LADWP, entered into a power purchase agreement in November 2020 for 331 MW of generating capacity with the point of delivery at the Navajo 500kV Switchyard. The expected net capacity for the project is 46% and the expected annual generation is 1,333,745 MWhs. The project reached commercial operation date (COD) on December 22, 2021. The project straddles Tarrant, Lincoln, and Guadalupe counties in New Mexico, and is approximately 85 miles southwest of Albuquerque. The term of the PPA is 20 years and includes future purchase options on the 13th anniversary of the COD and the end of the term.

Coso Geothermal Energy Project - The Authority, on behalf of Banning, Pasadena, and Riverside entered into a power purchase agreement in January 2021 for 55 MW of generating capacity. The delivery commencement date was January 1, 2022. The term of the agreement is 20 years. The Authority's share over the 20-year term will range from 14% to 50% of the net capacity depending on the contract year. The participating members will be Banning and Riverside in years one to 20 (2022 to 2041), and Pasadena in years six to 20 (2027 to 2041).

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 (6)	-	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)(5)	-	-	-	66.7%	-	-	17.8%	15.5%	-	-	-	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%
Red Cloud Wind Project	100.0%	-	-	-	-	-	-	-	-	-	-	100.0%
Coso Geothermal Project	-	-	-	-	55.0%	-	45.0%	-	-	-	-	100.0%

(1) In accordance with the project's respective "Contract for Sale and Purchase" agreement between the City of Glendale, LADWP, and SCPPA, 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.

(5) In accordance with the provisions of Section 10.2 of the Power Sales Agreement (PSA) for Astoria 2 Project, the applicable SCPPA MW Capacity Share increased from 35 MW to 45 MW effective January 1, 2022. Of the 45 MW, 8 MW is allocated to the City of Banning, 7 MW to the City of Colton, and 30 MW to the City of Vernon. The participants' facility output shares effectively changed to 17.7778%, 15.5556%, and 66.6667% for the Cities of Banning, Colton, and Vernon, respectively.

(6) Ormat Geothermal Project ceased deliveries to SCPPA on December 31, 2021. SCPPA terminated the existing 15-year old PPA with Ormat.

Southern California Public Power Authority

Notes to Combined Financial Statements

Note 1 – Organization and Purpose (continued)

As of June 30, 2022, 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 (1)	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	70 MW	February 2020	December 2020	SCPPA	2045
Red Cloud Wind Project	Corona, New Mexico	331 MW	November 2020	December 2021	LADWP	2041
Coso Geothermal Project	Inyo County, California	55 MW	January 2021	January 2022	SCPPA	2041

(1) Project terminated on December 31, 2021.

Southern California Public Power Authority

Notes to Financial Statements

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 postemployment benefits other than pensions (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 2021 financial statements have been reclassified to conform to the presentation in the 2022 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

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 SCPPA Building. Costs include labor, materials, 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 SCPPA 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

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 Natural Gas Pinedale project and January 2021 for Natural Gas Barnett project. The depletion rate for the Natural Gas Pinedale Project was \$6.91/MMBtu and \$6.81/MMBtu for fiscal years 2022 and 2021, respectively; and the estimated total net revenue volume was 3,516,103 MMBtu and 3,987,459 MMBtu for fiscal years 2022 and 2021, respectively. The depletion rate for the Natural Gas Barnett Project was \$11.82/MMBtu and \$6.14/MMBtu for fiscal years 2022 and 2021, respectively; and the estimated total net revenue volume was 2,692,624 MMBtu and 5,717,345 MMBtu for fiscal years ended June 30, 2022 and 2021, 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.
- **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.

Southern California Public Power Authority

Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

Net Lease Asset and Lease Liability – SCPPA records net lease asset and lease liability for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions stated in the contracts. In June 2017, GASB issued Statement No. 87, “Leases.” This statement increases the usefulness of governments’ financial statements by requiring recognition of certain leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of the information about governments’ leasing activities. SCPPA adopted GASB Statement No. 87 in fiscal year 2022 which resulted in the restatement of previously reported amounts for the year ended June 30, 2021.

The related balances included on the statements of net position are as follows:

- **Net Lease Asset** – An intangible net lease asset is measured based on present value of future lease payments for the lease term plus any prepayments, initial direct costs necessary to place asset in use; reduced by amount of any incentives received from the lessor. The statement requires amortization of the intangible lease asset over the shorter of useful life or lease term. The asset is being amortized using the straight-line method.
- **Long-term Lease Liability** – GASB 87 requires recognition of a lease liability which is measured based on the present value of future lease payments for the lease term. The lease liability is amortized by lease payments less the amount for interest expense.

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.

Southern California Public Power Authority

Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

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.

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.

Southern California Public Power Authority

Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

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 SCPPA'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 (OPEB) – 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.

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, 2022 and 2021, transportation costs were approximately \$127,600 and \$134,000, 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, 2022 and 2021, the participants' contribution in kind was approximately 9.6 million MMBtu and 7.7 million MMBtu and was valued at approximately \$63.7 million and \$28.4 million, respectively.

Southern California Public Power Authority Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

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, 2022, BABs subsidy received was reduced by 5.7% for debt service payments made on July 1, 2021 and January 1, 2022.

In March 2020, GASB issued Statement No. 93, "Replacement of Interbank Offered Rates" (IBOR). The objective of the Statement is to establish accounting and financial reporting requirements related to the replacement of IBORS in hedging derivative instruments. SCPPA adopted GASB 93 during fiscal year ended June 30, 2022 and it did not impact the financial statements.

Southern California Public Power Authority

Notes to Financial Statements

Note 3 – Utility Plant

At June 30, 2022, Net utility plant consisted of the following (amounts in thousands):

		June 30, 2022						
		GENERATION			GREEN POWER			
		Palo Verde	Magnolia Power	Canyon Power	Apex Power	Tieton Hydro-power	Linden Wind Energy	
Utility plant								
Production	\$	784,330	\$ 289,733	\$ 257,594	\$ 362,019	\$ 36,290	\$ 123,082	
Transmission		19,925	15,247	31,853	-	13,371	23,431	
General		5,677	16,765	613	791	11	-	
Natural gas reserves		-	-	-	-	-	-	
		<u>809,932</u>	<u>321,745</u>	<u>290,060</u>	<u>362,810</u>	<u>49,672</u>	<u>146,513</u>	
Less accumulated depreciation		<u>641,928</u>	<u>186,296</u>	<u>103,562</u>	<u>117,638</u>	<u>18,656</u>	<u>68,553</u>	
		<u>168,004</u>	<u>135,449</u>	<u>186,498</u>	<u>245,172</u>	<u>31,016</u>	<u>77,960</u>	
Construction work in progress		43,234	684	-	1,576	-	-	
Nuclear fuel, at amortized cost		44,428	-	-	-	-	-	
Net utility plant	\$	<u>255,666</u>	<u>136,133</u>	<u>186,498</u>	<u>246,748</u>	<u>31,016</u>	<u>77,960</u>	
		TRANSMISSION			NATURAL GAS		OTHERS	
		Southern Transmission System			Pinedale	Barnett	SCPPA Fund	Total
Utility plant								
Production	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,853,048
Transmission		770,498	82,311	208,941	-	-	-	1,165,577
General		44,400	3,160	509	4,110	-	7,424	83,460
Natural gas reserves		-	-	-	73,242	85,322	-	158,564
		<u>814,898</u>	<u>85,471</u>	<u>209,450</u>	<u>77,352</u>	<u>85,322</u>	<u>7,424</u>	<u>3,260,649</u>
Less accumulated depreciation		<u>718,857</u>	<u>46,858</u>	<u>128,304</u>	<u>55,138</u>	<u>59,839</u>	<u>1,419</u>	<u>2,147,048</u>
		<u>96,041</u>	<u>38,613</u>	<u>81,146</u>	<u>22,214</u>	<u>25,483</u>	<u>6,005</u>	<u>1,113,601</u>
Construction work in progress		-	269	-	18	122	-	45,903
Nuclear fuel, at amortized cost		-	-	-	-	-	-	44,428
Net utility plant	\$	<u>96,041</u>	<u>38,882</u>	<u>81,146</u>	<u>22,232</u>	<u>25,605</u>	<u>6,005</u>	<u>1,203,932</u>

Southern California Public Power Authority Notes to Financial Statements

Note 3 – Utility Plant (continued)

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

		June 30, 2021					
		GENERATION			GREEN POWER		
		Palo Verde	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	\$	<u>262,229</u>	<u>147,124</u>	<u>196,080</u>	<u>260,454</u>	<u>32,504</u>	<u>83,774</u>
		TRANSMISSION			NATURAL GAS		OTHERS
		Southern Transmission System	Mead- Phoenix	Mead- Adelanto	Pinedale	Barnett	SCPPA Fund
		Total					
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
Natural gas reserves		-	-	-	73,242	85,301	158,543
		814,898	85,456	209,343	77,341	85,301	3,247,659
Less accumulated depreciation		712,409	44,070	122,016	52,296	53,497	2,061,862
		102,489	41,386	87,327	25,045	31,804	1,185,797
Construction work in progress		-	196	-	11	22	46,278
Nuclear fuel, at amortized cost		-	-	-	-	-	44,404
Net utility plant	\$	<u>102,489</u>	<u>41,582</u>	<u>87,327</u>	<u>25,056</u>	<u>31,826</u>	<u>1,276,479</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, 2021	Additions	Disposals	Transfers / Adjustments	Balance June 30, 2022
Nondepreciable utility plant					
Land	\$ 56,704	\$ -	\$ -	\$ -	\$ 56,704
Construction work in progress	46,245	13,815	-	(14,297)	45,763
Construction work in progress – gas	33	140	-	(33)	140
Nuclear fuel	44,404	12,219	(12,195)	-	44,428
Total nondepreciable utility plant	147,386	26,174	(12,195)	(14,330)	147,035
Depreciable utility plant					
Production					
Nuclear generation (Palo Verde Project)	774,561	-	(5,449)	14,297	783,409
Gas-fired plant (Mag, Apex, CPP)	901,818	2,737	(68)	-	904,487
Green power (Linden, Tieton)	158,178	31	(9)	-	158,200
Transmission	1,116,116	715	(136)	-	1,116,695
General	77,640	857	(18)	-	78,479
Natural gas reserves	162,642	-	-	33	162,675
Total depreciable utility plant	3,190,955	4,340	(5,680)	14,330	3,203,945
Less accumulated depreciation	(2,061,862)	(93,202)	8,016	-	(2,147,048)
Total utility plant, net	\$ 1,276,479	\$ (62,688)	\$ (9,859)	\$ -	\$ 1,203,932
Balance July 1, 2020					
Nondepreciable utility plant					
Land	\$ 56,102	\$ -	\$ -	\$ 602	\$ 56,704
Construction work in progress	42,152	16,061	-	(11,968)	46,245
Construction work in progress – gas	62	33	-	(62)	33
Nuclear fuel	47,599	9,603	(12,797)	(1)	44,404
Total nondepreciable utility plant	145,915	25,697	(12,797)	(11,429)	147,386
Depreciable utility plant					
Production					
Nuclear generation (Palo Verde Project)	765,819	-	(2,323)	11,065	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
Total depreciable utility plant	3,173,068	10,793	(4,335)	11,429	3,190,955
Less accumulated depreciation	(1,957,265)	(105,065)	468	-	(2,061,862)
Total utility plant, net	\$ 1,361,718	\$ (68,575)	\$ (16,664)	\$ -	\$ 1,276,479

Southern California Public Power Authority

Notes to Financial Statements

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

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, 2022, 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	\$ 345,915	0.66	39.6%
Guaranteed Investment Contracts	14,415	15.35	1.7%
Money Market Funds	98,557	0.08	11.3%
Supranational Securities	17,176	0.08	2.0%
Commercial Paper	46,654	0.15	5.3%
U.S. Treasury Securities	57,692	0.27	6.6%
Medium Term Corporate Notes	11,864	1.60	1.4%
Negotiable CDs	6,300	0.01	0.7%
Municipal Bonds	3,070	1.25	0.4%
U.S. Agency Discount Notes	271,271	0.07	31.1%
Total	\$ 872,914	0.61	100.0%

Southern California Public Power Authority
Notes to Financial Statements

Note 4 – Investments (continued)

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	<u>\$ 822,615</u>	<u>0.62</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, 2022 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	\$ 185,990	\$ 23,768	\$ 13,461	\$ 2,995	\$ 1,981	\$ -	\$ 996	\$ -	\$ 21,860	\$ 2,989
Agency discount notes	12,974	1,485	22,368	9,772	30,016	4,139	13,078	10,779	17,714	10,006
Supranational securities	-	-	7,676	-	1,800	-	2,100	-	1,600	-
Negotiable CDs	-	-	-	-	1,100	-	-	-	3,200	-
Commercial paper	2,500	-	15,567	2,547	2,190	-	4,268	-	5,584	580
GICs	-	-	-	-	-	-	-	-	-	-
U.S. Treasury securities	-	-	13,148	3,986	-	-	-	-	2,979	2,493
Medium term corporate notes	3,970	-	-	-	-	-	-	-	2,719	-
Municipal bonds	3,070	-	-	-	-	-	-	-	-	-
Money market funds	8,382	1,227	11,437	785	3,689	1,393	1,118	248	2,942	1,393
Total	\$ 216,886	\$ 26,480	\$ 83,657	\$ 20,085	\$ 40,776	\$ 5,532	\$ 21,560	\$ 11,027	\$ 58,598	\$ 17,461
Restricted investments	\$ 190,859	\$ 26,209	\$ 48,691	\$ 14,330	\$ 18,068	\$ 2,210	\$ 12,713	\$ 5,710	\$ 47,456	\$ 11,221
Unrestricted investments	7,985	-	15,448	-	-	-	-	-	-	-
Cash and cash equivalents	18,042	271	19,518	5,755	22,708	3,322	8,847	5,317	11,142	6,240
Total	\$ 216,886	\$ 26,480	\$ 83,657	\$ 20,085	\$ 40,776	\$ 5,532	\$ 21,560	\$ 11,027	\$ 58,598	\$ 17,461

Southern California Public Power Authority
Notes to Financial Statements

Note 4 – Investments (continued)

Investments at June 30, 2022 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											
Agency discount notes	\$ 498	\$ -	\$ -	\$ -	\$ 18,411	\$ -	\$ 4,491	\$ -	\$ 68,475	\$ -	\$ 345,915
Supranational securities	55,508	1,599	6,610	500	3,619	999	56,212	-	13,893	-	271,271
Negotiable CDs	4,000	-	-	-	-	-	-	-	-	-	17,176
Commercial paper	2,000	-	-	-	-	-	-	-	-	-	6,300
GICs	6,796	-	800	-	3,359	-	-	-	2,463	-	46,654
U.S. Treasury securities	-	-	-	-	-	14,415	-	-	-	-	14,415
Medium term corporate notes	-	-	-	495	11,225	-	8,450	-	14,916	-	57,692
Municipal bonds	1,860	-	-	-	-	-	-	-	3,315	-	11,864
Money market funds	-	-	-	-	-	-	-	-	-	-	3,070
	884	3,259	1,334	5,278	6,230	4,238	31,901	2,606	10,213	-	98,557
Total	\$ 71,546	\$ 4,858	\$ 8,744	\$ 6,273	\$ 42,844	\$ 19,652	\$ 101,054	\$ 2,606	\$ 113,275	\$ -	\$ 872,914
Restricted investments	\$ 51,754	\$ 1,100	\$ 6,900	\$ 995	\$ 34,964	\$ 14,415	\$ -	\$ -	\$ 96,069	\$ -	\$ 583,664
Unrestricted investments	-	-	-	-	-	-	31,328	-	-	-	54,761
Cash and cash equivalents	19,792	3,758	1,844	5,278	7,880	5,237	69,726	2,606	17,206	-	234,489
Total	\$ 71,546	\$ 4,858	\$ 8,744	\$ 6,273	\$ 42,844	\$ 19,652	\$ 101,054	\$ 2,606	\$ 113,275	\$ -	\$ 872,914

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 Hydropower	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
Total	\$ 221,330	\$ 28,420	\$ 70,061	\$ 22,925	\$ 38,566	\$ 5,639	\$ 20,137	\$ 5,600	\$ 38,473	\$ 15,825
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
Total	\$ 221,330	\$ 28,420	\$ 70,061	\$ 22,925	\$ 38,566	\$ 5,639	\$ 20,137	\$ 5,600	\$ 38,473	\$ 15,825

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
Total	\$ 93,701	\$ 3,067	\$ 9,337	\$ 7,510	\$ 42,980	\$ 19,231	\$ 74,734	\$ 108	\$ 104,971	\$ -	\$ 822,615
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
Total	\$ 93,701	\$ 3,067	\$ 9,337	\$ 7,510	\$ 42,980	\$ 19,231	\$ 74,734	\$ 108	\$ 104,971	\$ -	\$ 822,615

Southern California Public Power Authority

Notes to Financial Statements

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, 2022, 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, 2022, and 2021, 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

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 Baa1 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.

Of the Authority's total investments as of June 30, 2022, \$372.6 million (42.7%) was invested in securities issued by the Federal Home Loan Bank; \$167.5 million (19.2%) was invested with Farm Credit Bank; \$21.5 million (2.5%) was invested in securities issued by the Federal National Mortgage Association; \$55.6 million (6.4%) was invested with Federal Home Loan Mortgage; \$57.7 million (6.6%) was invested in US Treasuries; \$6.3 million (0.7%) was invested in Certificates of Deposit; \$46.7 million (5.3%) was invested in Commercial Paper; \$14.4 million (1.7%) was invested in GICs; \$17.2 million (2.0%) was invested in Supranational Securities; \$11.9 million (1.4%) was invested in Medium Term Corporate Notes; and \$3.1 million (0.4%) was invested in Municipal Bonds.

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.

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* (GASB 53). 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, 2022, 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 \$9.3 million. It is a decrease of \$16.9 million from the liability balance of \$26.2 million at June 30, 2021.

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, 2022 was \$5.2 million, a decrease of \$6.0 million from the liability balance of \$11.2 million at June 30, 2021.

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.

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, 2022, 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	\$ (1,217)	7/1/2036	A/A1/A+
MAG 2010-2 Swap (RBC)	-	7/1/2023	SIFMA	81% of 3-month LIBOR	(1,092)	7/1/2036	AA-/Aa2/AA
MAG 2020-3 Swap (BNYMellon)	82,510	5/1/2020	3.125%	SIFMA	(3,380)	7/1/2036	AA-/Aa2/AA
MAG 2017-1 Swap (JPMorgan)	63,605	7/1/2020	3.139%	SIFMA	(2,855)	7/1/2036	A+/Aa2/AA
PNG 2007 Swap (J. Aron)	36,000	5/1/2009	5.0475%	67% of 3-Month LIBOR plus 1.47%	(5,961)	11/1/2035	BBB+/A3/A
	<u>\$ 182,115</u>				<u>\$ (14,505)</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, 2021, are included in following table (in thousands):

	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	617	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	7/1/2020	3.139%	SIFMA	(12,388)	7/1/2036	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>\$ (37,397)</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

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

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 Statement No. 72, Fair Value Measurement and Application (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, 2022, 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

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, 2022:

	MAG 2017-1 Swap	MAG 2020-3 Swap	MAG 2010-1 Swap	MAG 2010-2 Swap	PNG 2007 Swap
Payments to counterparty	3.139%	3.125%	0.000%	0.000%	5.048%
Less, variable payments from counterparty	0.815%	0.815%	0.000%	0.000%	1.286%
Net interest-rate swap payments	2.324%	2.310%	0.000%	0.000%	3.762%
Add, variable-rate bond coupon payments	N/A	0.530%	N/A	N/A	1.286%
Synthetic interest rate on bonds	2.324%	2.840%	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, 2022, 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,				
2023	\$ 7,560	\$ 903	\$ 3,194	\$ 4,097
2024	7,865	853	3,012	3,865
2025	8,185	801	2,822	3,623
2026	8,515	747	2,625	3,372
2027	58,870	691	2,420	3,111
2028-2032	100,040	2,525	8,715	11,240
2033-2036	190,420	907	2,851	3,758
	<u>\$ 381,455</u>	<u>\$ 7,427</u>	<u>\$ 25,639</u>	<u>\$ 33,066</u>

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

Description	June 30, 2021	Change in Fair Value	June 30, 2022
Assets			
Magnolia – Derivative instruments	\$ 1,153	\$ (1,153)	\$ -
	<u>\$ 1,153</u>	<u>\$ (1,153)</u>	<u>\$ -</u>
Deferred outflows of resources			
Magnolia – Deferred outflows	\$ 14,448	\$ (11,068)	\$ 3,380
Prepaid Natural Gas – Deferred outflows	11,714	(5,753)	5,961
	<u>\$ 26,162</u>	<u>\$ (16,821)</u>	<u>\$ 9,341</u>
Liabilities			
Magnolia – Derivative instruments	\$ 26,836	\$ (18,292)	\$ 8,544
Prepaid Natural Gas – Derivative instruments	11,714	(5,753)	5,961
	<u>\$ 38,550</u>	<u>\$ (24,045)</u>	<u>\$ 14,505</u>

Southern California Public Power Authority

Notes to Financial Statements

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 93 and 94 present fair value balances and their levels within the fair value hierarchy as of June 30, 2022 and 2021. 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, 2022:

	Fair Value Using			
	June 30, 2022	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	\$ 57,692	\$ 57,692	\$ -	\$ -
U.S. agencies	617,186	-	617,186	-
Supranational securities	17,176	-	17,176	-
Municipal bonds	3,070	-	3,070	-
Total debt securities	<u>695,124</u>	<u>57,692</u>	<u>637,432</u>	<u>-</u>
Other				
Commercial paper	46,654	-	46,654	-
Certificate of deposit	6,300	-	6,300	-
Medium term corporate notes	11,864	-	11,864	-
Total other	<u>64,818</u>	<u>-</u>	<u>64,818</u>	<u>-</u>
Total investments by fair value level	<u>\$ 759,942</u>	<u>\$ 57,692</u>	<u>\$ 702,250</u>	<u>\$ -</u>
Derivative instruments by fair value level				
Investment derivative	\$ (5,164)	\$ -	\$ (5,164)	\$ -
Effective hedge	(9,341)	-	(9,341)	-
Total derivative instruments by fair value level	<u>\$ (14,505)</u>	<u>\$ -</u>	<u>\$ (14,505)</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, 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	393,901	-	393,901	-
Supranational securities	23,843	-	23,843	-
Municipal bonds	7,777	-	7,777	-
Total debt securities	544,123	118,602	425,521	-
Other				
Commercial paper	96,824	-	96,824	-
Certificate of deposit	34,354	-	34,354	-
Medium term corporate notes	3,214	-	3,214	-
Total other	134,392	-	134,392	-
Total investments by fair value level	\$ 678,515	\$ 118,602	\$ 559,913	\$ -
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	\$ (37,396)	\$ -	\$ (37,396)	\$ -

Southern California Public Power Authority

Notes to Financial Statements

Note 7 – Long-Term Debt

Long-term debt outstanding at June 30, 2022, 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, 2021	\$ 262,628	\$ 291,697	\$ 260,947	\$ 39,525	\$ 113,270	\$ 97,944	\$ 289,275	\$ 95,504
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 debt at June 30, 2021	271,058	295,562	271,132	40,630	122,895	97,944	300,400	99,799
Principal payments	(8,430)	(3,865)	(10,185)	(1,105)	(9,625)	-	(11,125)	(4,295)
Bonds refunded/defeased	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-
Change in unamortized premiums and discounts	(2,426)	(1,954)	(748)	(584)	(3,615)	(3,323)	(8,245)	(1,754)
Total debt at June 30, 2022	260,202	289,743	260,199	38,941	109,655	94,621	281,030	93,750
Total debt due within one year at June 30, 2022	(13,245)	(5,855)	(10,490)	(1,165)	(10,105)	(6,300)	(11,680)	(4,510)
Total long-term debt at June 30, 2022	\$ 246,957	\$ 283,888	\$ 249,709	\$ 37,776	\$ 99,550	\$ 88,321	\$ 269,350	\$ 89,240
	TRANSMISSION			NATURAL GAS				
	Southern Transmission System	Mead-Phoenix	Mead-Adelanto	Pinedale	Barnett	Prepaid Natural Gas	Total	
Total long-term debt at June 30, 2021	\$ 254,888	\$ 18,013	\$ 22,178	\$ 11,914	\$ 28,036	\$ 269,619	\$ 2,055,438	
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 debt at June 30, 2021	333,528	19,428	23,873	13,342	31,388	278,559	2,199,538	
Principal payments	(78,640)	(1,415)	(1,695)	(1,428)	(3,352)	(8,940)	(144,100)	
Bonds refunded/defeased	-	-	-	-	-	-	-	
Refunding bonds issued	-	-	-	-	-	-	-	
Change in unamortized premiums and discounts	(6,156)	(413)	(542)	-	-	(200)	(29,960)	
Total debt at June 30, 2022	248,732	17,600	21,636	11,914	28,036	269,419	2,025,478	
Total debt due within one year at June 30, 2022	(59,415)	(1,475)	(1,780)	(1,345)	(3,160)	(9,705)	(140,230)	
Total long-term debt at June 30, 2022	\$ 189,317	\$ 16,125	\$ 19,856	\$ 10,569	\$ 24,876	\$ 259,714	\$ 1,885,248	

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	<u>\$ 262,628</u>	<u>\$ 291,697</u>	<u>\$ 260,947</u>	<u>\$ 39,525</u>	<u>\$ 113,270</u>	<u>\$ 97,944</u>	<u>\$ 289,275</u>	<u>\$ 95,504</u>
	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	<u>\$ 254,888</u>	<u>\$ 18,013</u>	<u>\$ 22,178</u>	<u>\$ 11,914</u>	<u>\$ 28,036</u>	<u>\$ 269,619</u>	<u>\$ 2,055,438</u>	

Southern California Public Power Authority

Notes to Financial Statements

Note 7 – Long-Term Debt (continued)

Magnolia Power Project – Debt consists of revenue and refunding series bonds with variable and fixed interest rates between 3.00% and 5.00% with final maturities occurring in 2036.

Of the outstanding Magnolia Power Project Revenue Bonds, \$9.6 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

Note 7 – Long-Term Debt (continued)

Apex Power Project – Debt consists of revenue bonds with fixed interest rates between 3.26% 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 5.80% and final maturity occurring in 2040.

Tieton Hydropower Project Refunding Revenue Bonds – On May 28, 2020, SCPPA 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, SCPPA issued \$111,920,000 of Milford Wind Corridor Phase 1 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, SCPPA 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.

Southern California Public Power Authority

Notes to Financial Statements

Note 7 – Long-Term Debt (continued)

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 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 4.00% 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

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, 2022 (Premium) Discount
Magnolia Power Project	\$ (17,192)
Canyon Power Project	(18,428)
Apex Power Project	(8,844)
Tieton Hydropower Project	(5,751)
Milford I Wind Project	(13,335)
Milford II Wind Project	(15,316)
Windy Point Project	(19,495)
Linden Wind Energy Project	(2,635)
Southern Transmission System Project	(9,957)
Mead-Phoenix Project	(1,615)
Mead-Adelanto Project	(2,006)
Prepaid Natural Gas Project No. 1	(1,253)
	\$ (115,827)
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)

Southern California Public Power Authority

Notes to Financial Statements

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, 2022, there were no revenue bonds outstanding that are considered legally defeased, while as of June 30, 2021, \$172.5 million of revenue bonds outstanding were 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, 2022, the variable rate was 0.53% for the Magnolia 2020-3 bonds.

Southern California Public Power Authority
Notes to Financial Statements

Note 7 – Long-Term Debt (continued)

In accordance with accounting principles generally accepted in the United States of America (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
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 Principal	-	-	12,530	11,555	12,045	1,235	12,255	7,665	-	-
2027 Interest	-	-	7,278	8,122	9,662	1,229	2,335	2,415	3,750	2,460
2028-2032 Principal	-	-	73,185	62,625	68,165	7,165	40,580	44,470	75,000	7,695
2028-2032 Interest	-	-	28,624	34,822	40,032	5,130	3,110	5,774	13,125	12,073
2033-2037 Principal	-	-	110,060	78,770	86,195	9,150	-	-	-	33,855
2033-2037 Interest	-	-	13,031	17,955	21,398	3,101	-	-	-	4,103
2038-2042 Principal	-	-	-	73,600	40,815	9,035	-	-	-	-
2038-2042 Interest	-	-	-	4,654	2,065	752	-	-	-	-
Principal	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243,010</u>	<u>\$ 271,315</u>	<u>\$ 251,355</u>	<u>\$ 33,190</u>	<u>\$ 96,320</u>	<u>\$ 79,305</u>	<u>\$ 261,535</u>	<u>\$ 91,115</u>
Interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,741</u>	<u>\$ 92,559</u>	<u>\$ 116,026</u>	<u>\$ 16,171</u>	<u>\$ 20,482</u>	<u>\$ 21,417</u>	<u>\$ 53,411</u>	<u>\$ 33,985</u>

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	
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	82,597
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	65,140
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 Principal	29,805	1,755	2,165	1,098	2,582	15,655	110,345
2027 Interest	2,204	441	543	380	899	10,668	52,386
2028-2032 Principal	31,285	7,950	9,790	4,948	11,652	109,220	553,730
2028-2032 Interest	731	819	1,009	988	2,331	38,439	187,007
2033-2037 Principal	-	-	-	909	2,143	94,680	415,762
2033-2037 Interest	-	-	-	27	64	8,439	68,118
2038-2042 Principal	-	-	-	-	-	-	123,450
2038-2042 Interest	-	-	-	-	-	-	7,471
Principal	<u>\$ 238,775</u>	<u>\$ 15,985</u>	<u>\$ 19,630</u>	<u>\$ 11,915</u>	<u>\$ 28,037</u>	<u>\$ 268,165</u>	<u>\$ 1,909,652</u>
Interest	<u>\$ 29,168</u>	<u>\$ 3,815</u>	<u>\$ 4,734</u>	<u>\$ 3,599</u>	<u>\$ 8,492</u>	<u>\$ 107,408</u>	<u>\$ 594,008</u>

Southern California Public Power Authority Notes to Financial Statements

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, 2022			
	June 30, 2021	Additions	Payments/ Amortization	June 30, 2022
MPP major maintenance	\$ 2,961	\$ 12,324	\$ (2,036)	\$ 13,249
MPP 2010-1 and 2010-2 swap suspension	1,223	-	(499)	724
Net pension and OPEB liabilities	2,941	-	(1,105)	1,836
	<u>\$ 7,125</u>	<u>\$ 12,324</u>	<u>\$ (3,640)</u>	<u>\$ 15,809</u>

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>

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

Note 9 – Advances from Participants (continued)

Advances from participants' rollforward (amounts in thousands):

Description	June 30, 2021	Activity	June 30, 2022
Noncurrent:			
Pinedale Project	\$ 9,963	\$ (1,130)	\$ 8,833
Barnett Project	5,053	(1,486)	3,567
Total noncurrent advances from participants	<u>\$ 15,016</u>	<u>\$ (2,616)</u>	<u>\$ 12,400</u>
Current:			
Magnolia Power Project	\$ 12,625	\$ 672	\$ 13,297
Canyon Power Project	6,214	3,011	9,225
Apex Power Project	20,968	996	21,964
Tieton Hydropower Project	202	-	202
Milford I Wind Project	2,770	-	2,770
Milford II Wind Project	250	-	250
Windy Point Project	21,395	16,321	37,716
Linden Wind Energy Project	6,243	3,251	9,494
Pinedale Project	3,479	(1,573)	1,906
Barnett Project	2,360	734	3,094
Ormat Geothermal Project	857	-	857
MWD Small Hydro Project	500	-	500
Ameresco Chiquita Landfill Gas Project	400	-	400
Don A. Campbell/ Wild Rose Geothermal Project	960	-	960
Columbia 2 Solar Project	405	(5)	400
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	400	-	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)	-
Red Cloud Wind Project	-	-	-
Coso Geothermal Energy Project	-	174	174
Total current advances from participants	<u>\$ 96,438</u>	<u>\$ 21,074</u>	<u>\$ 117,512</u>

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, 2020	Fiscal Year 2021 Activity	June 30, 2021	Fiscal Year 2022 Activity	June 30, 2022
GAAP items not included in billings to participants					
Depreciation of plant	\$ (2,255,962)	\$ (105,876)	\$ (2,361,838)	\$ (90,638)	\$ (2,452,476)
Nuclear fuel amortization	(5,860)	-	(5,860)	-	(5,860)
Decommissioning expense	(130,245)	(1,720)	(131,965)	(1,812)	(133,777)
Inflation gain (loss)	(12,756)	(10,050)	(22,806)	(15,479)	(38,285)
Amortization of bond discount, debt issue costs, and loss on refundings	(794,692)	19,373	(775,319)	25,236	(750,083)
Amortization of lease	-	(537)	(537)	(537)	(1,074)
Interest expense	(54,900)	448	(54,452)	-	(54,452)
Loss on defeasance of bonds	(87,509)	-	(87,509)	-	(87,509)
Derivatives and related charges	(15,136)	6,619	(8,517)	6,070	(2,447)
Pension expense	(2,586)	(392)	(2,978)	377	(2,601)
Bond requirements included in billings to participants			-		
Operations and maintenance, net of investment income	(149,368)	(40,174)	(189,542)	(50,328)	(239,870)
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	2,995,918	155,704	3,151,622	139,975	3,291,597
Withdrawal of funds	(27,792)	-	(27,792)	-	(27,792)
Other	276,437	(452)	275,985	(7,791)	268,194
	22,889	22,943	45,832	5,073	50,905
Projects' Stabilization Fund net position	118,223	(13,170)	105,053	8,335	113,388
	<u>\$ 141,112</u>	<u>\$ 9,773</u>	<u>\$ 150,885</u>	<u>\$ 13,408</u>	<u>\$ 164,293</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

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, 2022, are summarized as follows:

	Prior to January 1, 2013	On or after January 1, 2013
	<u>2013</u>	<u>2013</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 2.5%	1.0% to 2.5%
Required employee contribution rates	8%	7.3%
Required employer contribution rates	13.1%	7.7%

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, 2022 and 2021, contributions to the Plans were \$354,911 and \$334,412, 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

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, 2022 and 2021, SCPPA reported a net pension liability of \$0.79 million and \$1.7 million, respectively, for its proportionate share of the net pension liability. SCPPA'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, 2021, 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, 2020 rolled forward to June 30, 2021 using standard update procedures. SCPPA's proportion of the net pension liability was based on a projection of SCPPA's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. SCPPA's proportionate share of the net pension liability for the Plans were 0.0419% and 0.0416% as of the June 30, 2021 and 2020 measurement dates, respectively.

For the year ended June 30, 2022 and 2021, SCPPA recognized pension expense of \$62,264 and \$360,535, respectively. SCPPA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30,	
	2022	2021
Deferred Outflows of Resources		
Pension contributions subsequent to measurement date	\$ 354,911	\$ 334,412
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	6,751	17,345
Differences between actual and expected experience	89,282	90,317
Changes in assumptions	-	-
Net differences between projected and actual earnings on plan investments	-	52,064
	<u>\$ 450,944</u>	<u>\$ 494,138</u>
Total		

	June 30,	
	2022	2021
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	(32,986)	(31,640)
Differences between actual and expected experience	-	-
Changes in assumptions	-	(12,500)
Net differences between projected and actual earnings on plan investments	(695,013)	-
	<u>\$ (727,999)</u>	<u>\$ (44,140)</u>
Total		

Southern California Public Power Authority

Notes to Financial Statements

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

\$354,911 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, 2023. 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,	2022	\$	(125,266)
	2023		(141,704)
	2024		(165,427)
	2025		(197,357)
	Thereafter		<u>(2,213)</u>
		\$	<u>(631,967)</u>

Actuarial assumptions – The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
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'
Mortality	Membership Data

(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

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 Statement No. 67, Financial Reporting for Pension Plans (GASB 67) and GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 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

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	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	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,	
	2022	2021
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 1,901,419	\$ 2,798,777
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 796,168	\$ 1,717,325
1% Increase	8.15%	8.15%
Net Pension Liability	\$ (117,527)	\$ 888,197

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, 2022, SCPPA did not have an outstanding amount of contributions payable to the pension plan.

Southern California Public Power Authority Notes to Financial Statements

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

Postemployment benefits other than pensions (OPEB) – 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) In addition, employee who was either hired before December 18, 2014 or has at least 10 years of service is eligible for a supplemental contribution upon retirement.

Net OPEB Liability – At June 30, 2021, the most recent measurement date, the following employees were covered by the benefit terms:

Active employees electing coverage	9
Active employees waiving coverage	6
Retirees electing coverage	6
 Total	 21

SCPPA’s net OPEB liability of \$1,039,491 and \$1,222,461 was measured on June 30, 2021 and 2020, respectively and was determined by an actuarial valuation as of that date.

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date:	June 30, 2021
Measurement Date:	June 30, 2021
Measurement Period:	July 1, 2020 to June 30, 2021
Reporting Date:	June 30, 2022
Discount Rate:	1.92%
Inflation Rate:	2.25%
Salary Increases:	Based on assumptions for Public Agency Miscellaneous members published in the December 2017 CalPERS Experience Study. Rates vary on age and service.
Healthcare Cost Trend Rate:	6.7% for fiscal year 2022, gradually decreasing over several decades to an ultimate rate of 3.7% in fiscal year 2075 and later years.

Southern California Public Power Authority

Notes to Financial Statements

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

Retirees are required to pay the applicable retiree premiums, less any direct subsidies provided by SCPPA. Retiree premiums can vary from \$303 to \$720 for the retiree and \$605 to \$1,440 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 used in the June 30, 2021 actuarial valuation were based on the Society of Actuaries Pub-2010 General above-median income Employee and Retiree mortality tables projected with generational mortality improvement using 80% of scale MP-2020.

	June 30,	
	2022	2021
Beginning balance	\$ 1,222,461	\$ 992,316
Changes for the year		
Service cost	138,160	109,469
Interest	32,910	33,971
Differences between expected and actual experience	(351,800)	(3,556)
Changes of assumptions	32,501	123,131
Benefit payments	<u>(34,741)</u>	<u>(32,870)</u>
Net changes	<u>(182,970)</u>	<u>230,145</u>
Ending balance	<u>\$ 1,039,491</u>	<u>\$ 1,222,461</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 2.45% percent as of June 30, 2020 to 1.92% as of June 30, 2021, measurement date. In addition, changes of assumptions were made to update healthcare costs and trends.

Southern California Public Power Authority

Notes to Financial Statements

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

Benefit payments in the measurement period included \$25,837 in direct subsidy payments to retirees and \$8,904 estimated implicit subsidy costs incurred during measurement period ended June 30, 2021.

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,	
	2022	2021
Discount rate		
1% Decrease	0.92%	1.45%
Net OPEB Liability	\$ 1,221,783	\$ 1,443,284
Current Discount Rate	1.92%	2.45%
Net OPEB Liability	\$ 1,039,491	\$ 1,222,461
1% Increase	2.92%	3.45%
Net OPEB Liability	\$ 895,414	\$ 1,047,663

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,	
	2022	2021
Healthcare cost trend rates		
1% Decrease – 5.7% decreasing to 2.7%		
Net Health Plan Liability	\$ 880,098	\$ 1,016,720
6.7% decreasing to 3.7%		
Net Health Plan Liability	\$ 1,039,491	\$ 1,222,461
1% Increase – 7.7% decreasing to 4.7%		
Net Health Plan Liability	\$ 1,249,761	\$ 1,494,346

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

Southern California Public Power Authority

Notes to Financial Statements

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.

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

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.

Biomass Legislation – Senate Bill 859, signed in September 2016, requires investor-owned utilities (IOUs) and POU 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 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

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 from 2017 to 2022. 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

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 POUs, 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. POUs 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 POUs. Each of the Project Participants has established programs in accordance with the requirements of the California Solar Initiative.

Bill Arrears – AB 135 was signed into law on July 16, 2021. AB 135 created the California Arrearage Payment Program (CAPP) within the California Department of Community Services and Development (CSD) to provide bill credits to energy utility customers with past due bills during the “COVID-19 pandemic bill relief period,” which is defined as March 4, 2020 to June 15, 2021. The legislature appropriated \$993,500,000 (Item 4700-162-8506 of the Budget Act of 2021, Ch. 21, Statutes of 2021) to fund CAPP, with \$298,546,750 allocated to customers of local publicly owned electric utilities and electrical cooperatives and \$694,953,250 to all distribution customers of investor-owned utilities, including customers served by a community choice aggregator. AB 135 required CSD to disburse funding to the participating energy utilities by January 31, 2022. Within 60 days of receiving the funding, the energy utilities were required to issue CAPP assistance benefits to customers as bill credits to help address eligible past due balances. Energy utility customers were prioritized by four customer classes that included active residential customers, inactive residential accounts, and commercial customers. Energy utilities participating in CAPP were required to waive late fees and penalties, offer extended payment plans, avoid shutoffs, and report information to CSD, as specified. Several Project Participants participated in the CAPP program.

AB 205 was signed into law on June 30, 2022. AB 205 authorizes a second round of CAPP funding under a framework that is mostly modeled on the AB 135 program. The legislature appropriated \$1,197,000,000 (Item 4700-101-3398 of the Budget Act of 2022, Ch. 45, Statutes of 2022) for this second round of CAPP funding, with \$239,400,000 allocated for financial assistance to customers of local publicly owned electric utilities and electrical cooperatives and \$957,600,000 for financial assistance to customers of electrical corporations and gas corporations, including customers served by a community choice aggregator. A key difference from AB 135 is that AB 205 limits CAPP bill credits to only active residential customers. Also, the “COVID-19 pandemic bill relief period” is longer: it covers past due energy bills accrued from March 4, 2020 to December 31, 2021. AB 205 requires CSD disburse funds to participating energy utilities by the end of January 2023.

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.

Southern California Public Power Authority

Notes to Financial Statements

Note 12 – Commitments and Contingencies (continued)

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.

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.

Southern California Public Power Authority Notes to Financial Statements

Note 12 – Commitments and Contingencies (continued)

To that end, in summer 2022, FERC issued a Notice of Proposed Rulemaking in which the Commission held a 60 day comment period, pursuant to section of the Federal Power Act, asking for input regarding the potential need for reforms and or revisions to existing regulations to improve the electric regional transmission planning and cost allocation and generator interconnection processes.

Clean Energy Tax Incentives – On August 16, 2022, the Inflation Reduction Act of 2022 (H.R. 5376) was signed into law. Among other things, the act extends and expands various federal clean energy tax incentives and gives POUs (for the first time) direct access to such credits through a refundable direct payment equal to the credit an Investor Owned Utility or other private party would receive for the same purpose.

In addition to solar and wind tax incentives, the act expands the availability of the tax credits/direct pay option for standalone energy storage, hydrogen, nuclear power, and carbon capture projects. By the end of 2025, the clean energy tax incentives would evolve from energy sources specific (i.e. wind, solar) to broader categories (i.e. transportation, conservation etc.) that are deemed technology neutral and an outcome measure will be added (i.e. granting of the credits would be based on greenhouse gas emissions reductions that can be achieved).

Generally, direct payment elections for POUs are permitted for taxable years beginning after December 31, 2022 through December 31, 2032. However, the timing of the availability of the underlying credits may vary.

The act also includes additional programmatic funding through various programs for renewables development and deployment, transmission projects, and federal permitting staff. The intent of the act's tax credits and funding is to achieved the President's goal of 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.

Other legislation – Congress has considered 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.

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 Joe Biden's presidency may impact substantially the current environmental standards and regulations and other matters described herein.

Southern California Public Power Authority

Notes to Financial Statements

Note 12 – Commitments and Contingencies (continued)

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.

Earlier this year, the US Supreme Court, sided with four states and coal companies that 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. In the ruling, the court ruled that EPA had exceeded its congressional authority to address greenhouse gas emissions when it issued the Clean Power Plan and remanded the case back to EPA for further action.

There has not been an affirmative response from EPA as of yet, though it was widely anticipated that the court would rule in favor of the petitioners.

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 or 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.

In June 2021 EPA announced that it would reconsider the previous administration’s decision to retain the particulate matter (PM) National Ambient Air Quality Standards (NAAQS), which were last strengthened in 2012. EPA is reconsidering the December 2020 decision because the agency believes available scientific evidence and technical information indicate that the current standards may not be adequate to protect public health and welfare, as required by the Clean Air Act.

Southern California Public Power Authority

Notes to Financial Statements

Note 12 – Commitments and Contingencies (continued)

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 January 31, 2022, the Environmental Protection Agency (EPA) proposed to reaffirm that it remains appropriate and necessary to regulate hazardous air pollutants (HAP), including mercury, from power plants after considering cost. This action revokes a 2020 finding that it was not appropriate and necessary to regulate coal- and oil-fired power plants under Clean Air Act (CAA) section 112, which covers toxic air pollutants. EPA reviewed the 2020 finding and considered updated information on both the public health burden associated with HAP emissions from coal- and oil-fired power plants as well as the costs associated with reducing those emissions under the Mercury and Air Toxics Standards (MATS).

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.

Southern California Public Power Authority

Notes to Financial Statements

Note 12 – Commitments and Contingencies (continued)

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. On August 18, 2014, the operating agent and DOE entered into a settlement agreement stipulating to a dismissal of the lawsuit and payment by DOE to the Palo Verde owners for certain specified costs incurred by Palo Verde during the period January 1, 2007 through June 30, 2011. In addition, the settlement agreement, as amended, provides the operating agent with a method for submitting claims and getting recovery for costs incurred through December 31, 2022.

The operating agent has submitted seven claims pursuant to the terms of the 2014 settlement agreement (settlement agreement), for the period July 1, 2011 through June 30, 2020. The DOE has approved and paid \$111.8 million for these claims (Authority's share is \$6.60 million). On November 1, 2021, the operating agent filed its eighth claim pursuant to the terms of the August 18, 2014 settlement agreement in the amount of \$12.2 million (Authority's share is \$0.72 million). On March 22, 2022, the DOE approved a payment of \$12.1 million (Authority's share is \$0.71 million).

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.

Southern California Public Power Authority

Notes to Financial Statements

Note 12 – Commitments and Contingencies (continued)

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. Thirteen 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 remaining balance of approximately \$13.1 billion 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 95 operating reactors in the U.S.) for each nuclear incident occurring at any nuclear reactor in the United States; retrospective payments under the program are limited to \$20.5 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 retrospective premium of \$24.4 million per incident for all three units, with a maximum annual retrospective premium of approximately \$14.2 million.

In addition to the above, the Authority may be subject to retroactive insurance assessments for its participation in the Neil Property Insurance Program.

PVNGS participants maintain insurance for property damage to, and decontamination of, property at Palo Verde in the aggregate amount of approximately \$2.8 billion. The participants have also secured accidental outage insurance for a sudden and unforeseen accidental outage of any of the three units. The property damage, decontamination, and accidental outage insurance are provided by Nuclear Electric Insurance Limited (“NEIL”). The Authority is subject to retrospective premium adjustments under all NEIL policies if NEIL’s losses, in any policy year, exceed accumulated funds.

The maximum amount the Authority could incur under the current NEIL policies totals approximately \$3.4 million for each retrospective premium assessment declared by NEIL’s Board of Directors due to losses. The insurance coverage discussed in this, and the previous paragraph is subject to certain policy conditions, sublimits, and exclusions.

Other legal matters – The Authority is also involved in various other legal matters. In the opinion of management, the outcome of such matters 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

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

Note 13 – Reclamation and Decommissioning Obligations

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 \$1.4 million at June 30, 2022 and 2021. 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 \$14.2 million and \$9.3 million as of June 30, 2022 and 2021, respectively. The reclamation and decommissioning obligation reported under noncurrent liabilities in the statements of net position was \$199.0 million and \$184.8 million at June 30, 2022 and 2021, 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, 2022, the Authority's decommissioning funds totaled approximately \$179.6 million, including approximately \$0.2 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

Note 13 – Reclamation and Decommissioning Obligations (continued)

The reclamation and decommissioning of SJGS Unit 3 commenced in January 2018 and July 2018, respectively. The SCP decommissioning obligation reported under noncurrent liabilities in the statements of net position was \$3.5 and \$3.6 million at June 30, 2022 and 2021, respectively. For fiscal year ended June 30, 2022 and 2021, actual decommissioning expenses totaled \$0.10 million.

The Authority recognized \$22.5 million and \$24.0 million reclamation liability as of June 30, 2022 and 2021, respectively; and reported it under noncurrent liabilities in the statements of net position. For fiscal year ended June 30, 2022 and 2021, actual reclamation expenses totaled \$1.58 million and \$1.49 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, 2022, decommissioning and reclamation trust funds totaled \$3.5 million and \$23 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 16 years.

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, 2022 and 2021. The effects of general inflation amounted to \$0.955 million and \$0.539 million as of June 30, 2022 and 2021, respectively.

Southern California Public Power Authority

Notes to Financial Statements

Note 13 – Reclamation and Decommissioning Obligations (continued)

The reclamation and decommissioning obligation reported under noncurrent liabilities in the statements of net position was \$11.5 million and \$10.5 million at June 30, 2022 and 2021, 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, 2022 and 2021. The effects of general inflation amounted to \$0.08 million and \$0.05 million as of June 30, 2022 and 2021, respectively. The reclamation and decommissioning obligation reported under noncurrent liabilities in the statements of net position was \$0.99 million and \$0.90 million at June 30, 2022 and 2021, respectively.

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.

Southern California Public Power Authority

Notes to Financial Statements

Note 13 – Reclamation and Decommissioning Obligations (continued)

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, 2022 and 2021. The effects of general inflation amounted to \$0.067 million and \$0.038 million as of June 30, 2022 and 2021, respectively. The reclamation and decommissioning obligation reported under noncurrent liabilities in the statements of net position was \$0.81 million and \$0.74 million at June 30, 2022 and 2021, respectively.

NATURAL GAS

Natural Gas Project – The Natural Gas Project includes the Authority's leasehold interests in (i) certain natural gas reserves, leases, wells and related facilities located near Pinedale, Wyoming and (ii) certain natural gas reserves, leases, wells and related facilities in (or near) the Barnett Shale geological formation in Texas. There are currently 130 proved, developed producing (PDP) wells on the Pinedale Leases. The Barnett Shale leases currently have 117 PDP wells, including condensing equipment to remove water and oil from the gas.

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.

Southern California Public Power Authority

Notes to Financial Statements

Note 13 – Reclamation and Decommissioning Obligations (continued)

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, 2022 and 2021. The effects of general inflation amounted to \$0.135 million and \$0.076 million as of June 30, 2022 and 2021, respectively. The reclamation and decommissioning obligation reported under noncurrent liabilities in the statements of net position was \$1.62 million and \$1.49 million at June 30, 2022 and 2021, 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, 2022 and 2021. The effects of general inflation amounted to \$0.029 million and \$0.016 million as of June 30, 2022 and 2021, respectively. The reclamation and decommissioning obligation reported under noncurrent liabilities in the statements of net position was \$0.344 million and \$0.315 million at June 30, 2022 and 2021, respectively.

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.

Southern California Public Power Authority

Notes to Financial Statements

Note 13 – Reclamation and Decommissioning Obligations (continued)

A summary of reclamation and decommissioning obligation information as of June 30, 2022 follows (amounts in thousands):

Project Name	Asset Types	Remaining Useful Life (yrs)	Deferred Outflows of Resources	Reclamation and Decommissioning Obligation
Palo Verde	Nuclear power plant	23/24/25	\$ 32,589	\$ 199,019
San Juan*	Coal power plant	-	-	26,018
Apex Power	Natural Gas turbine generators	16	6,139	11,491
Tieton Hydropower	Hydro Powerhouse	18	411	987
Linden Wind Energy	Wind turbines	13	304	808
Natural Gas - Pinedale	Oil Wells	10	382	1,624
Natural Gas - Barnett	Oil Wells	10	90	344
			<u>\$ 39,915</u>	<u>\$ 240,291</u>

*Decommissioning and reclamation commenced in 2018.

Note 14 – Leases

GENERATION

Magnolia Power Project – In April 2002, the Authority and the City of Burbank (Burbank) entered into the Magnolia Power Project Site Lease and Services Agreement. The lease was amended in March 2004. The Authority pays a monthly installment to Burbank of \$27,183.44 for the site and has the option to expand the site for an additional monthly installment of \$8,734.95. The lease expires on December 31, 2035, unless such term is extended or sooner terminated as provided in the agreement.

Canyon Power Project – In October 2009, the Authority and the City of Anaheim (Anaheim) entered into the Canyon Power Project Site Lease and Services Agreement. The lease was amended in March 2013. The Authority pays a monthly installment of \$15,000 to Anaheim. The lease expires on July 1, 2037, provided if on July 1, 2037 the Authority has outstanding bonds maturing after July 1, 2037, then to such later date as the Authority has bonds outstanding but in no event later than July 1, 2045.

GREEN POWER

Linden Wind Project – In January 2011, the Authority and Triple L Wind LLC entered into the Wind Turbine Project Lease Agreement. The Authority pays a yearly installment to Triple L Wind LLC of \$125,000 for the land. This payment installment has a 5% increase every five years. The lease expires on December 31, 2035, unless such term is extended or sooner terminated as provided in the agreement.

In June 2011, the Authority and Mary Anne Enyeart entered into the Real Property and Well Lease Agreement. The Authority pays a yearly installment to Mary Anne Enyeart of \$60,480 for the land. This payment installment has a 2.5% annual increase. The lease expires on June 21, 2041, unless such term is extended or sooner terminated as provided in the agreement.

Southern California Public Power Authority

Notes to Financial Statements

Note 14 – Leases (continued)

In November 2011, the Authority and Washington Department of Natural Resources (DNR) entered into the Lease No. 60-079358 Agreement (Section 9). The Authority pays a yearly installment to DNR of \$2,400 for the land. This payment installment has decade incremental increases of \$3, \$4, and \$5 per acre. The lease expires on December 31, 2046, unless such term is extended or sooner terminated as provided in the agreement.

In January 2010, the Authority and DNR entered into the Lease No. 60-079461 Agreement (Section 16). The Authority pays a yearly installment to DNR of \$10,000 for the land. This payment installment increases to \$15,000 after 10 years of the commencement of the lease agreement. The lease expires on December 31, 2031, unless such term is extended or sooner terminated as provided in the agreement.

Net lease asset activity for the year ended June 30 was as follows (amounts in thousands):

Project Name	Asset Type	Restated Balance June 30, 2021	Balance June 30, 2022
Canyon Power Project	Building Site	\$ 2,089	\$ 1,979
Less: accumulated amortization:		(110)	(110)
Net lease asset		<u>1,979</u>	<u>1,869</u>
Magnolia Power Project	Building Site	4,116	3,850
Less: accumulated amortization:		(266)	(266)
Net lease asset		<u>3,850</u>	<u>3,584</u>
Linden Wind Project	Land:		
	Triple L Wind	1,454	1,357
	Mary Anne Enyeart	1,025	974
	DNR Section 9	52	50
	DNR Section 16	117	106
Less: accumulated amortization:		(161)	(161)
Net lease asset		<u>2,487</u>	<u>2,326</u>
Total net lease asset		<u>\$ 8,316</u>	<u>\$ 7,779</u>

Southern California Public Power Authority

Notes to Financial Statements

Note 14 – Leases (continued)

Lease liability activity for the year ended June 30 was as follows (amounts in thousands):

	GENERATION		GREEN POWER	
	Magnolia Power	Canyon Power	Linden Wind	Total
Total long-term lease liability at June 30, 2021	\$ 3,769	\$ 1,955	\$ 2,486	\$ 8,210
Total lease due within one year at June 30, 2021	178	69	86	333
Total lease liability at June 30, 2021	3,947	2,024	2,572	8,543
Principal payments	(194)	(69)	(86)	(349)
Total lease liability at June 30, 2022	3,753	1,955	2,486	8,194
Total lease due within one year at June 30, 2022	(224)	(72)	(93)	(389)
Total long-term lease liability debt at June 30, 2022	\$ 3,529	\$ 1,883	\$ 2,393	\$ 7,805

Future principal and interest payments are as follows (amounts in thousands):

Fiscal Year Ending June 30	GENERATION		GREEN POWER	
	Magnolia Power Project	Canyon Power Project	Linden Wind Energy	Total
2023 Principal	\$ 224	\$ 72	\$ 93	\$ 389
Interest	207	108	137	452
2024 Principal	236	76	100	412
Interest	195	104	132	431
2025 Principal	249	81	114	444
Interest	182	99	126	407
2026 Principal	263	85	122	470
Interest	168	95	120	383
2027 Principal	277	90	131	498
Interest	154	90	113	357
2028-2032 Principal	1,632	528	817	2,977
2028-2032 Interest	523	377	445	1,345
2033-2037 Principal	872	691	779	2,342
2033-2037 Interest	82	209	201	492
2038-2042 Principal	-	332	311	643
2038-2042 Interest	-	28	41	69
2043-2047 Principal	-	-	19	19
2043-2047 Interest	-	-	3	3
Grand Total Principal	\$ 3,753	\$ 1,955	\$ 2,486	\$ 8,194
Grand Total Interest	\$ 1,511	\$ 1,110	\$ 1,318	\$ 3,939

Southern California Public Power Authority

Notes to Financial Statements

Note 15 – Restatement of prior year financial statements

An adjustment has been made to accurately reflect the adoption of GASB 87 in the current year. The adjustment did not have a material effect on the change in net position for the year ended June 30, 2021.

	6/30/2021 <u>Previously Reported</u>	Adjustment for GASB 87 <u>Adoption</u>	6/30/2021 <u>Restated</u>
Statements of Net Position:			
Net lease asset	\$ -	\$ 8,316	\$ 8,316
Long-term lease liabilities	-	(8,210)	(8,210)
Current portion of long-term lease liabilities	-	(333)	(333)
Net investment in capital assets	(51,048)	(226)	(51,274)
Statements of Revenues, Expenses, and Changes in Net Position:			
Depreciation, depletion and amortization	105,876	537	106,413
Other interest and debt expense	(74,149)	(311)	(73,838)
Statements of Cash Flows:			
Lease interest payments	-	(486)	(486)
Principal payments on leases	-	(309)	(309)
Depreciation, depletion and amortization	105,876	537	106,413

Note 16 – Subsequent event

Canyon Power Project Bonds – On October 27, 2022, SCPPA issued \$72,415,000 of Canyon Power Project Refunding Revenue Bonds, 2022 Series B (“2022 Bonds”). The 2022 Bonds were issued to pay the purchase price of portions of certain maturities of the outstanding Canyon Power Project, Refunding Revenue Bonds, 2020 Series A and 2020 Series B in each case, that were accepted for tender for purchase and pay the costs of issuance of the 2022 Bonds.

Upon the issuance of the 2022 Bonds and the purchase of the 2020 Series A Bonds and the 2020 Series B Bonds accepted for tender for purchase from the proceeds of the 2022 Bonds, the only bonds outstanding and on a parity with the 2022 Bonds are (i) the \$54,285,000 aggregate principal amount of 2020 Series A Bonds and \$52,840,000 aggregate principal amount of 2020 Series B Bonds that are not so purchased and (ii) \$88,245,000 aggregate principal amount of the Authority’s Canyon Power Project, Refunding Revenue Bonds, 2020 Series C.

The refunding resulted in gross savings of \$5.2 million.

Required Supplementary Information

Southern California Public Power Authority
Schedule of Proportionate Share of the Net Pension Liability
As of June 30, 2022
Last Ten Years*

	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.04193%	0.04155%	0.04174%	0.03976%	0.03880%	0.03779%	0.03604%	0.01404%
Proportionate share of the net pension liability	\$ 796,168	\$ 1,717,325	\$ 1,562,437	\$ 1,418,393	\$ 1,472,764	\$ 1,263,624	\$ 1,010,974	\$ 873,857
Covered - employee payroll	\$ 2,454,472	\$ 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	32.44%	69.75%	64.72%	62.46%	59.97%	53.23%	44.75%	80.06%
Plan's fiduciary net position	18,065,791,524	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	90.49%	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 eight years are shown.

Southern California Public Power Authority
Schedule of Contributions
As of June 30, 2022
Last Ten Years*

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 297,936	\$ 272,940	\$ 241,784	\$ 198,739	\$ 177,260	\$ 251,133	\$ 265,844	\$ 699,279
Contributions in relation to the actuarially determined contribution	(354,911)	(334,412)	(326,501)	(263,137)	(269,886)	(229,160)	(278,896)	(699,279)
Contribution deficiency (excess)	<u>\$ (56,975)</u>	<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	\$ 2,454,472	\$ 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	12.14%	11.08%	10.01%	8.75%	7.22%	10.58%	11.77%	64.06%

Notes to Schedule

Valuation date:	6/30/2020	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:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
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	Derived using CalPERS membership data for all funds

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

Southern California Public Power Authority
Schedule of Changes in Net OPEB Liability and Related Ratios
As of June 30, 2022
Last Ten Years*

	2022	2021	2020	2019	2018
<i>Total OPEB Liability</i>					
Service cost	\$ 138,160	\$ 109,469	\$ 85,925	\$ 80,882	\$ 86,517
Interest cost	32,910	33,971	35,531	31,913	26,114
Differences between expected and actual experience	(351,800)	(3,556)	(29,666)	-	-
Change in assumptions	32,501	123,131	17,925	(7,876)	(82,085)
Benefit payments	(34,741)	(32,870)	(25,995)	(23,734)	(21,879)
Net change in total OPEB liability	(182,970)	230,145	83,720	81,185	8,667
Total OPEB liability, beginning	1,222,461	992,316	908,596	827,411	818,744
Total OPEB liability, ending	<u>1,039,491</u>	<u>1,222,461</u>	<u>992,316</u>	<u>908,596</u>	<u>827,411</u>
<i>Plan fiduciary net position</i>					
Contributions					
Employer contributions	34,741	32,870	25,995	23,734	21,879
Benefit payments	(34,741)	(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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB liability, ending	<u>\$ 1,039,491</u>	<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%	0.00%
Covered-employee payroll	\$ 2,462,265	\$ 2,414,315	\$ 2,270,923	\$ 2,491,466	\$ 2,217,802
Measurement date:	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Net OPEB liability as a percent of covered payroll	42.20%	50.60%	43.70%	36.50%	37.30%

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

Supplementary Information

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Southern California Public Power Authority
Power Purchase Agreements
Combining Statements of Net Position
June 30, 2022
(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
ASSETS													
Noncurrent assets													
Investments – restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments – unrestricted	-	-	1,995	-	-	-	-	3,477	-	-	-	-	-
Total noncurrent assets	-	-	1,995	-	-	-	-	3,477	-	-	-	-	-
Current assets													
Cash and cash equivalents – restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents – unrestricted	1,941	1,443	2,962	1,522	2,535	3,831	1,252	7,517	837	1,972	3,843	4,017	1,208
Interest receivable	-	-	1	-	1	3	-	2	-	1	1	1	-
Accounts receivable	1	-	-	7	-	2,097	182	-	354	-	519	795	342
Prepaid and other assets	-	-	6	1	2	12	3	14	5	1	4	4	5
Total current assets	1,942	1,443	2,969	1,530	2,538	5,943	1,437	7,533	1,196	1,974	4,367	4,817	1,555
Total assets	\$ 1,942	\$ 1,443	\$ 4,964	\$ 1,530	\$ 2,538	\$ 5,943	\$ 1,437	\$ 11,010	\$ 1,196	\$ 1,974	\$ 4,367	\$ 4,817	\$ 1,555
LIABILITIES													
Current liabilities													
Advances from participants due within one year	\$ 857	\$ 500	\$ 2,050	\$ 400	\$ 960	\$ -	\$ 400	\$ 400	\$ 171	\$ 960	\$ 2,000	\$ 2,000	\$ 600
Accounts payable and accruals	1,085	943	2,910	1,130	1,576	5,938	1,037	10,608	1,025	1,013	2,363	2,813	955
Total current liabilities	1,942	1,443	4,960	1,530	2,536	5,938	1,437	11,008	1,196	1,973	4,363	4,813	1,555
Total liabilities	1,942	1,443	4,960	1,530	2,536	5,938	1,437	11,008	1,196	1,973	4,363	4,813	1,555
NET POSITION													
Unrestricted	-	-	4	-	2	5	-	2	-	1	4	4	-
Total net position	-	-	4	-	2	5	-	2	-	1	4	4	-
Total liabilities and net position	\$ 1,942	\$ 1,443	\$ 4,964	\$ 1,530	\$ 2,538	\$ 5,943	\$ 1,437	\$ 11,010	\$ 1,196	\$ 1,974	\$ 4,367	\$ 4,817	\$ 1,555

Southern California Public Power Authority
Power Purchase Agreements
Combining Statements of Net Position
June 30, 2022
(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 Loyaltan Biomass Project	Springbok III Solar Project	Whitegrass Geothermal Project	Desert Harvest Solar II Project	Roseburg Biomass Project	Red Cloud Wind	COSO Geothermal	Totals
ASSETS															
Noncurrent assets															
Investments – restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments – unrestricted	-	-	-	-	-	18,378	-	7,478	-	-	-	-	-	-	31,328
Total noncurrent assets	-	-	-	-	-	18,378	-	7,478	-	-	-	-	-	-	31,328
Current assets															
Cash and cash equivalents – restricted	-	-	-	-	-	-	-	7	-	-	-	26	-	-	33
Cash and cash equivalents – unrestricted	2,906	1,050	2,108	179	4,191	2,772	1,300	1,878	4,555	1,257	1,250	577	8,089	2,701	69,693
Interest receivable	-	-	-	-	-	10	-	1	1	-	-	1	3	-	26
Accounts receivable	1,076	111	735	-	-	-	249	12	-	39	-	2	-	-	6,521
Prepaid and other assets	13	5	8	3	20	15	8	-	2	1	2	2	9	11	156
Total current assets	3,995	1,166	2,851	182	4,211	2,797	1,557	1,898	4,558	1,297	1,252	608	8,101	2,712	76,429
Total assets	\$ 3,995	\$ 1,166	\$ 2,851	\$ 182	\$ 4,211	\$ 21,175	\$ 1,557	\$ 9,376	\$ 4,558	\$ 1,297	\$ 1,252	\$ 608	\$ 8,101	\$ 2,712	\$ 107,757
LIABILITIES															
Current liabilities															
Advances from participants due within one year	\$ 800	\$ 300	\$ 900	\$ 90	\$ 420	\$ 400	\$ -	\$ 400	\$ 2,000	\$ 400	\$ 400	\$ 12	\$ -	\$ 174	\$ 17,594
Accounts payable and accruals	3,195	866	1,951	92	3,791	20,805	1,556	8,981	2,555	897	852	596	8,097	2,538	90,168
Total current liabilities	3,995	1,166	2,851	182	4,211	21,205	1,556	9,381	4,555	1,297	1,252	608	8,097	2,712	107,762
Total liabilities	3,995	1,166	2,851	182	4,211	21,205	1,556	9,381	4,555	1,297	1,252	608	8,097	2,712	107,762
NET POSITION															
Unrestricted	-	-	-	-	-	(30)	1	(5)	3	-	-	-	4	-	(5)
Total net position	-	-	-	-	-	(30)	1	(5)	3	-	-	-	4	-	(5)
Total liabilities and net position	\$ 3,995	\$ 1,166	\$ 2,851	\$ 182	\$ 4,211	\$ 21,175	\$ 1,557	\$ 9,376	\$ 4,558	\$ 1,297	\$ 1,252	\$ 608	\$ 8,101	\$ 2,712	\$ 107,757

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
ASSETS												
Noncurrent assets												
Investments – restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments – unrestricted	-	-	-	-	-	-	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-	-	-	-	-	-	-	-
Current assets												
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
Interest receivable	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	1,653	-	-	1,914	201	-	457	-	127	592
Prepaid and other assets	3	-	6	2	3	12	2	13	6	2	2	4
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
Total assets	\$ 4,101	\$ 1,903	\$ 4,086	\$ 1,271	\$ 4,431	\$ 5,609	\$ 971	\$ 5,133	\$ 937	\$ 5,408	\$ 4,254	\$ 4,735
LIABILITIES												
Current liabilities												
Advances from participants due within one year	\$ 857	\$ 500	\$ 2,050	\$ 400	\$ 960	\$ -	\$ 405	\$ 400	\$ 171	\$ 960	\$ 2,000	\$ 2,000
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
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
Total liabilities	4,101	1,903	4,086	1,271	4,431	5,609	971	5,133	937	5,407	4,254	4,735
NET POSITION												
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

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

POWER PURCHASE AGREEMENTS

	Summer Solar Project	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 Thermal Project	Desert Harvest Solar II	Roseburg Biomass Project	Totals
ASSETS														
Noncurrent assets														
Investments – restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments – unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current assets														
Cash and cash equivalents – restricted	-	-	-	-	-	-	-	-	1	-	-	-	6	7
Cash and cash equivalents – unrestricted	1,097	2,533	1,273	1,757	199	4,726	7,785	584	9,464	3,141	1,387	2,597	344	74,727
Interest receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	257	411	176	697	-	-	-	3,686	44	210	-	-	1	10,426
Prepaid and other assets	5	13	5	6	3	23	15	7	-	1	1	1	2	137
Total current assets	1,359	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	\$ 1,359	\$ 2,957	\$ 1,454	\$ 2,460	\$ 202	\$ 4,749	\$ 7,800	\$ 4,277	\$ 9,509	\$ 3,352	\$ 1,388	\$ 2,598	\$ 353	\$ 85,297
LIABILITIES														
Current liabilities														
Advances from participants due within one year	\$ 600	\$ 800	\$ 300	\$ 900	\$ 90	\$ 420	\$ 400	\$ 2,507	\$ 400	\$ 2,000	\$ 400	\$ 400	\$ 12	\$ 19,932
Accounts payable and accruals	759	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	1,359	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	1,359	2,957	1,454	2,460	202	4,749	7,800	4,277	9,509	3,352	1,388	2,598	353	85,296
NET POSITION														
Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Total net position	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Total liabilities and net position	\$ 1,359	\$ 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
Statements of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2022
(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	\$ 3,960	\$ 454	\$ 21,999	\$ 2,229	\$ 12,821	\$ 60,081	\$ 4,596	\$ 20,892	\$ 6,567	\$ 9,301	\$ 20,859	\$ 24,831	\$ 6,406
Total operating revenues	3,960	454	21,999	2,229	12,821	60,081	4,596	20,892	6,567	9,301	20,859	24,831	6,406
Operating expenses													
Operations and maintenance	3,960	454	22,003	2,229	12,824	60,088	4,596	20,899	6,567	9,304	20,864	24,836	6,406
Total operating expenses	3,960	454	22,003	2,229	12,824	60,088	4,596	20,899	6,567	9,304	20,864	24,836	6,406
Operating income (loss)	-	-	(4)	-	(3)	(7)	-	(7)	-	(3)	(5)	(5)	-
Non operating revenues (expenses)													
Investment and other income	-	-	8	-	5	12	-	9	-	3	9	9	-
Net non operating revenues (expenses)	-	-	8	-	5	12	-	9	-	3	9	9	-
Change in net position	-	-	4	-	2	5	-	2	-	-	4	4	-
Net position – beginning of year	-	-	-	-	-	-	-	-	-	1	-	-	-
Net position – end of year	\$ -	\$ -	\$ 4	\$ -	\$ 2	\$ 5	\$ -	\$ 2	\$ -	\$ 1	\$ 4	\$ 4	\$ -

Southern California Public Power Authority
Power Purchase Agreements
Statements of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2022
(Amounts in Thousands)

	POWER PURCHASE AGREEMENTS														Totals
	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 Loyallon Biomass Project	Springbok III Solar Project	Whitegrass Geothermal Project	Desert Harvest Solar II Project	Roseburg Biomass Project	Red Cloud Wind	COSO Geothermal	
Operating revenues															
Sales of electric energy	\$ 12,817	\$ 5,949	\$ 12,312	\$ 795	\$ 23,958	\$ 83,085	\$ 22,292	\$ 107	\$ 11,534	\$ 1,659	\$ 11,792	\$ 1,199	\$ 27,012	\$ 4,814	\$ 414,321
Total operating revenues	12,817	5,949	12,312	795	23,958	83,085	22,292	107	11,534	1,659	11,792	1,199	27,012	4,814	414,321
Operating expenses															
Operations and maintenance	12,817	5,949	12,403	804	23,958	83,098	22,294	109	11,539	1,659	11,792	1,199	27,020	4,814	414,485
Total operating expenses	12,817	5,949	12,403	804	23,958	83,098	22,294	109	11,539	1,659	11,792	1,199	27,020	4,814	414,485
Operating income (loss)	-	-	(91)	(9)	-	(13)	(2)	(2)	(5)	-	-	-	(8)	-	(164)
Non operating revenues (expenses)															
Investment and other income	-	-	91	9	-	(17)	3	(3)	8	-	-	-	12	-	158
Net non operating revenues (expenses)	-	-	91	9	-	(17)	3	(3)	8	-	-	-	12	-	158
Change in net position	-	-	-	-	-	(30)	1	(5)	3	-	-	-	4	-	(6)
Net position – beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Net position – end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (30)	\$ 1	\$ (5)	\$ 3	\$ -	\$ -	\$ -	\$ 4	\$ -	\$ (5)

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	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 I Solar Project	Springbok II 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
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
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
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
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

	Summer Solar Project	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	\$ 5,716	\$ 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	5,716	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	5,716	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	5,716	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
Statement of Cash Flows
For the Year Ended June 30, 2022
(Amounts in Thousands)

	POWER PURCHASE AGREEMENTS												
	Omat 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	\$ 3,608	\$ 187	\$ 24,345	\$ 2,766	\$ 10,844	\$ 59,898	\$ 1,625	\$ 27,792	\$ 2,306	\$ 5,840	\$ 20,467	\$ 24,628	\$ 2,070
Payments to operating managers	(5,762)	(646)	(21,822)	(2,513)	(12,749)	(59,760)	(2,690)	(21,925)	(4,206)	(9,278)	(20,756)	(24,761)	(4,163)
Other disbursements and receipts	(3)	(1)	(1)	-	9	-	1,549	-	2,263	1	-	3	2,204
Net cash flows provided by (used for) operating activities	(2,157)	(460)	2,522	253	(1,896)	138	484	5,867	363	(3,437)	(289)	(130)	111
Cash flows from noncapital financing activities													
Advances (withdrawals) by participants, net	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities													
Interest received on investments	-	-	7	-	3	10	-	12	-	3	7	8	-
Purchases of investments	-	-	(1,994)	-	-	-	-	(3,482)	-	-	-	-	-
Proceeds from sale/maturity of investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by investing activities	-	-	(1,987)	-	3	10	-	(3,470)	-	3	7	8	-
Net increase (decrease) in cash and cash equivalents	(2,157)	(460)	535	253	(1,893)	148	484	2,397	363	(3,434)	(282)	(122)	111
Cash and cash equivalents, beginning 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
Cash and cash equivalents, end of year	\$ 1,941	\$ 1,443	\$ 2,962	\$ 1,522	\$ 2,535	\$ 3,831	\$ 1,252	\$ 7,517	\$ 837	\$ 1,972	\$ 3,843	\$ 4,017	\$ 1,208
Reconciliation of operating income (loss) to net cash provided by operating activities													
Operating income (loss)	\$ -	\$ -	\$ (4)	\$ -	\$ (3)	\$ (7)	\$ -	\$ (7)	\$ -	\$ (3)	\$ (5)	\$ (5)	\$ -
Changes in assets and liabilities													
Accounts receivable	-	-	1,653	(7)	-	(183)	19	-	103	-	(393)	(203)	(85)
Accounts payable and accruals	(2,160)	(460)	874	260	(1,893)	329	465	5,875	259	(3,434)	108	78	197
Other	3	-	(1)	-	-	(1)	-	(1)	1	-	1	-	(1)
Net cash provided by (used by) operating activities	\$ (2,157)	\$ (460)	\$ 2,522	\$ 253	\$ (1,896)	\$ 138	\$ 484	\$ 5,867	\$ 363	\$ (3,437)	\$ (289)	\$ (130)	\$ 111
Cash and cash equivalents as stated in the Combined Statements of Net Position													
Cash and cash equivalents – restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents – unrestricted	1,941	1,443	2,962	1,522	2,535	3,831	1,252	7,517	837	1,972	3,843	4,017	1,208
	\$ 1,941	\$ 1,443	\$ 2,962	\$ 1,522	\$ 2,535	\$ 3,831	\$ 1,252	\$ 7,517	\$ 837	\$ 1,972	\$ 3,843	\$ 4,017	\$ 1,208

Southern California Public Power Authority
Power Purchase Agreements
Statement of Cash Flows
For the Year Ended June 30, 2022
(Amounts in Thousands)

	POWER PURCHASE AGREEMENTS														Totals
	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	Omat Northern Nevada	Ormesa Geothermal Project	ARP Loyalton Biomass Project	Springbok III Solar Project	Whitegrass Geothermal Project	Desert Harvest Solar II Project	Roseburg Biomass Project	Red Cloud Wind	COSO Geothermal	
Cash flows from operating activities															
Receipts from participants	\$ 3,520	\$ 2,095	\$ 2,363	\$ 807	\$ 5,048	\$ 95,587	\$ 25,730	\$ 72	\$ 13,038	\$ 1,378	\$ 2,021	\$ 1,458	\$ 31,624	\$ 5,682	\$ 376,799
Payments to operating managers	(7,593)	(4,377)	(7,232)	(818)	(5,582)	(82,199)	(25,022)	(173)	(11,631)	(1,507)	(3,370)	(1,205)	(23,545)	(2,981)	(368,266)
Other disbursements and receipts	4,446	2,059	5,220	(9)	(1)	4	5	1	-	(1)	2	-	-	-	17,750
Net cash flows provided by (used for) operating activities	373	(223)	351	(20)	(535)	13,392	713	(100)	1,407	(130)	(1,347)	253	8,079	2,701	26,283
Cash flows from noncapital financing activities															
Advances (withdrawals) by participants, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities															
Interest received on investments	-	-	-	-	-	9	3	3	7	-	-	-	10	-	82
Purchases of investments	-	-	-	-	-	(22,914)	-	(11,983)	-	-	-	-	-	-	(40,373)
Proceeds from sale/maturity of investments	-	-	-	-	-	4,500	-	4,500	-	-	-	-	-	-	9,000
Net cash provided by investing activities	-	-	-	-	-	(18,405)	3	(7,480)	7	-	-	-	10	-	(31,291)
Net increase (decrease) in cash and cash equivalents	373	(223)	351	(20)	(535)	(5,013)	716	(7,580)	1,414	(130)	(1,347)	253	8,089	2,701	(5,008)
Cash and cash equivalents, beginning 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
Cash and cash equivalents, end of year	\$ 2,906	\$ 1,050	\$ 2,108	\$ 179	\$ 4,191	\$ 2,772	\$ 1,300	\$ 1,885	\$ 4,555	\$ 1,257	\$ 1,250	\$ 603	\$ 8,089	\$ 2,701	\$ 69,726
Reconciliation of operating income (loss) to net cash provided by operating activities															
Operating income (loss)	\$ -	\$ -	\$ (91)	\$ (9)	\$ -	\$ (13)	\$ (2)	\$ (2)	\$ (5)	\$ -	\$ -	\$ -	\$ (8)	\$ -	\$ (164)
Changes in assets and liabilities															
Accounts receivable	(666)	65	(39)	-	-	-	3,438	35	210	(39)	-	(1)	-	-	3,907
Accounts payable and accruals	1,039	(288)	390	(20)	(538)	13,405	(2,722)	(131)	1,202	(91)	(1,346)	254	8,097	2,711	22,460
Other	-	-	91	9	3	-	(1)	(2)	-	-	(1)	-	(10)	(10)	80
Net cash provided by (used by) operating activities	\$ 373	\$ (223)	\$ 351	\$ (20)	\$ (535)	\$ 13,392	\$ 713	\$ (100)	\$ 1,407	\$ (130)	\$ (1,347)	\$ 253	\$ 8,079	\$ 2,701	\$ 26,283
Cash and cash equivalents as stated in the Combined Statements of Net Position															
Cash and cash equivalents – restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7	\$ -	\$ -	\$ -	\$ 26	\$ -	\$ -	\$ 33
Cash and cash equivalents – unrestricted	2,906	1,050	2,108	179	4,191	2,772	1,300	1,878	4,555	1,257	1,250	577	8,089	2,701	69,693
	\$ 2,906	\$ 1,050	\$ 2,108	\$ 179	\$ 4,191	\$ 2,772	\$ 1,300	\$ 1,885	\$ 4,555	\$ 1,257	\$ 1,250	\$ 603	\$ 8,089	\$ 2,701	\$ 69,726

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
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
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)
Other disbursements and receipts	-	-	1,467	-	(1)	(1)	1,046	1	1,464	-	(1)	-
Net cash flows provided by (used for) operating activities	2,207	280	1,494	357	(790)	(942)	15	1,099	(470)	298	(214)	(910)
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 (used for) 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)
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
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
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)
Accounts payable and accruals	2,204	279	1,051	357	(786)	(499)	168	1,102	(88)	300	(85)	(316)
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)
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
	\$ 4,098	\$ 1,903	\$ 2,427	\$ 1,269	\$ 4,428	\$ 3,683	\$ 768	\$ 5,120	\$ 474	\$ 5,406	\$ 4,125	\$ 4,139

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

	Summer Solar Project	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 Thermal Project	Desert Harvest Solar II Project	Roseburg Biomass Project	Totals
Cash flows from operating activities														
Receipts from participants	\$ 2,619	\$ 4,000	\$ 2,029	\$ 3,346	\$ 782	\$ 7,903	\$ 76,619	\$ 8,861	\$ 83	\$ 10,378	\$ 1,777	\$ 2,430	\$ 634	\$ 319,862
Payments to operating managers	(4,084)	(6,191)	(3,747)	(7,303)	(826)	(7,119)	(71,370)	(21,211)	(269)	(12,986)	(1,598)	(1)	(284)	(336,941)
Other disbursements and receipts	1,416	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	(49)	506	(442)	(541)	(34)	785	5,250	(9,845)	(760)	(2,609)	181	2,597	350	(2,187)
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 (used for) investing activities	-	-	-	-	-	-	4	4	1,006	3	-	-	-	1,029
Net increase (decrease) in cash and cash equivalents	(49)	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	1,146	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	\$ 1,097	\$ 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	(214)	(324)	(119)	(654)	-	-	3,059	(3,686)	(25)	(210)	-	-	(1)	(3,424)
Accounts payable and accruals	165	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	(49)	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	1,097	2,533	1,273	1,757	199	4,726	7,785	584	9,464	3,141	1,387	2,597	344	74,727
	\$ 1,097	\$ 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
Investments
June 30, 2022
(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 Two Solar	Heber-1 Geothermal	Kingbird Solar	Don A. Campbell 2 Geothermal	Springbok I Solar	Springbok II Solar	Springbok III Solar	Summer Solar
U.S. agencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Agency discount notes	-	-	4,486	-	2,197	3,296	-	10,457	-	1,497	3,497	3,496	3,995	-
Supranational securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Money market funds	1,941	1,443	471	1,522	338	535	1,252	537	837	475	346	521	560	1,208
Total	\$ 1,941	\$ 1,443	\$ 4,957	\$ 1,522	\$ 2,535	\$ 3,831	\$ 1,252	\$ 10,994	\$ 837	\$ 1,972	\$ 3,843	\$ 4,017	\$ 4,555	\$ 1,208
Unrestricted investments	\$ -	\$ -	\$ 1,995	\$ -	\$ -	\$ -	\$ -	\$ 3,477	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents	1,941	1,443	2,962	1,522	2,535	3,831	1,252	7,517	837	1,972	3,843	4,017	4,555	1,208
Total	\$ 1,941	\$ 1,443	\$ 4,957	\$ 1,522	\$ 2,535	\$ 3,831	\$ 1,252	\$ 10,994	\$ 837	\$ 1,972	\$ 3,843	\$ 4,017	\$ 4,555	\$ 1,208

Southern California Public Power Authority
Power Purchase Agreements
Investments
June 30, 2022
(Amounts in Thousands)

POWER PURCHASE AGREEMENTS

	Astoria 2 Solar	Antelope Big Sky Ranch	Antelope DSR I Solar	Antelope DSR II Solar	Puente Hills Landfill Gas	ORMAT Northern Nevada	ORMESA Geothermal Project	ARP Loyalton Biomass project	Whitegrass No. 1 Geothermal	Desert Harvest	Roseburg Biomass	Red Cloud Wind	Coso Geothermal	Total
U.S. agencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,491	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,491
Agency discount notes	-	-	-	-	-	9,132	998	5,982	-	-	-	7,178	-	56,211
Supranational Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-	6,954	-	1,496	-	-	-	-	-	8,450
Money market funds	2,906	1,050	2,108	179	4,191	573	302	1,885	1,257	1,250	603	911	2,701	31,902
Total	\$ 2,906	\$ 1,050	\$ 2,108	\$ 179	\$ 4,191	\$ 21,150	\$ 1,300	\$ 9,363	\$ 1,257	\$ 1,250	\$ 603	\$ 8,089	\$ 2,701	\$ 101,054
Unrestricted investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,378	\$ -	\$ 7,478	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,328
Cash and cash equivalents	2,906	1,050	2,108	179	4,191	2,772	1,300	1,885	1,257	1,250	603	8,089	2,701	69,726
Total	\$ 2,906	\$ 1,050	\$ 2,108	\$ 179	\$ 4,191	\$ 21,150	\$ 1,300	\$ 9,363	\$ 1,257	\$ 1,250	\$ 603	\$ 8,089	\$ 2,701	\$ 101,054

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 II Geothermal	Springbok I Solar	Springbok II Solar
Agency discount notes	\$ -	\$ -	\$ 2,200	\$ -	\$ 3,800	\$ -	\$ -	\$ 4,500	\$ -	\$ 4,900	\$ 3,500	\$ 3,700
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
Total	\$ 4,098	\$ 1,903	\$ 2,427	\$ 1,269	\$ 4,428	\$ 3,683	\$ 768	\$ 5,120	\$ 474	\$ 5,406	\$ 4,125	\$ 4,139
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
Total	\$ 4,098	\$ 1,903	\$ 2,427	\$ 1,269	\$ 4,428	\$ 3,683	\$ 768	\$ 5,120	\$ 474	\$ 5,406	\$ 4,125	\$ 4,139

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

POWER PURCHASE AGREEMENTS

	Springbok III Solar	Summer Solar	Astoria 2 Solar	Antelope Big Sky Ranch	Antelope DSR I Solar	Antelope DSR II 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	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,500	\$ -	\$ 7,500	\$ -	\$ -	\$ -	\$ 38,100
Supranational securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000
Money market funds	641	1,097	2,533	1,273	1,757	199	4,726	2,285	584	1,965	1,387	2,597	350	33,634
Total	\$ 3,141	\$ 1,097	\$ 2,533	\$ 1,273	\$ 1,757	\$ 199	\$ 4,726	\$ 7,785	\$ 584	\$ 9,465	\$ 1,387	\$ 2,597	\$ 350	\$ 74,734
Unrestricted investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents	3,141	1,097	2,533	1,273	1,757	199	4,726	7,785	584	9,465	1,387	2,597	350	74,734
Total	\$ 3,141	\$ 1,097	\$ 2,533	\$ 1,273	\$ 1,757	\$ 199	\$ 4,726	\$ 7,785	\$ 584	\$ 9,465	\$ 1,387	\$ 2,597	\$ 350	\$ 74,734

Other Information

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, 2022
(Amounts in Thousands)

	Debt Service Account	Debt Service Reserve Account	Operating Reserve Fund	Reserve and Contingency	Operating Fund	Revenue Fund	Fuel Reserve Fund	GHG Reserve Fund	Total
Balance at June 30, 2021	\$ 11,736	\$ 7,902	\$ 4,996	\$ 13,681	\$ 20,939	\$ -	\$ 7,587	\$ 3,090	\$ 69,931
Additions									
Investment earnings	2	3	1	65	3	1	1	1	77
Discount on investment purchases	1	4	1	57	13	-	6	2	84
Distribution of investment earnings	(3)	(7)	(2)	(122)	(16)	150	-	-	-
Receipt from participants	-	-	-	-	-	62,671	-	-	62,671
Distribution of revenues	16,455	-	-	12,478	25,794	(62,831)	8,104	-	-
Other	-	-	-	(39)	7,661	9	(7,631)	-	-
Total	16,455	-	-	12,439	33,455	-	480	3	62,832
Deductions									
Construction expenditures	-	-	-	677	-	-	-	-	677
Operating expenses	-	-	-	-	29,859	-	-	-	29,859
Payment of principal	8,430	-	-	-	-	-	-	-	8,430
Interest paid	10,094	-	-	-	-	-	-	-	10,094
Total	18,524	-	-	677	29,859	-	-	-	49,060
Balance at June 30, 2022	\$ 9,667	\$ 7,902	\$ 4,996	\$ 25,443	\$ 24,535	\$ -	\$ 8,067	\$ 3,093	\$ 83,703

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 \$37 held in the revolving fund at June 30, 2022 and 2021, 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, 2022
(Amounts in Thousands)

	Revenue Fund	Operating Fund	Debt Service Fund	General Reserve	Escrow Fund	Total
Balance at June 30, 2021	\$ -	\$ 362	\$ 7,395	\$ 15,154	\$ 68,643	\$ 91,554
Additions						
Investment earnings	-	-	1	20	63	84
Discount on investments purchases	-	-	1	4	-	5
Distribution of investment earnings	26	-	(2)	(24)	-	-
Receipt from participants	16,932	-	-	-	-	16,932
Distribution of revenues	(16,958)	6,017	12,442	(1,496)	-	5
Other		3,086	280	(3,172)	-	194
Total	-	9,103	12,722	(4,668)	63	17,220
Deductions						
Operating expenses	-	9,123	-	-	-	9,123
Payment of principal	-	-	3,865	-	4,730	8,595
Interest paid	-	-	6,963	-	1,676	8,639
Bond redemption – escrow	-	-	-	-	62,300	62,300
Total	-	9,123	10,828	-	68,706	88,657
Balance at June 30, 2022	\$ -	\$ 342	\$ 9,289	\$ 10,486	\$ -	\$ 20,117

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, 2022 and 2021, respectively.

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, 2022
(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, 2021	\$ -	\$ -	\$ 2,886	\$ 16,065	\$ 5,488	\$ 13,113	\$ 996	\$ 38,548
Additions								
Investment earnings	-	-	2	-	-	1	-	3
Discount on investments purchases	-	-	3	6	5	9	-	23
Distribution of investment earnings	27	-	(5)	(6)	(5)	(10)	(1)	-
Receipt from participants	75,526	-	-	-	-	-	-	75,526
Distribution of revenues	(75,553)	-	55,722	21,947	-	(3,112)	996	-
Other Transfers	-	51,760	(48,963)	-	-	(2,797)	-	-
Other Receipts	-	-	197	-	-	-	-	197
Total	-	51,760	6,956	21,947	-	(5,909)	995	75,749
Deductions								
Operating expenses	-	49,550	-	-	-	-	-	49,550
Construction expenses	-	2,210	-	-	-	-	-	2,210
Principal payment	-	-	-	10,185	-	-	-	10,185
Interest payment	-	-	-	11,609	-	-	-	11,609
Total	-	51,760	-	21,794	-	-	-	73,554
Balance at June 30, 2022	\$ -	\$ -	\$ 9,842	\$ 16,218	\$ 5,488	\$ 7,204	\$ 1,991	\$ 40,743

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 \$11 and \$10 held in the revolving fund at June 30, 2022 and 2021, 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, 2022
(Amounts in Thousands)

	Revenue Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	Reserve & Contingency Fund	Total
Balance at June 30, 2021	\$ -	\$ 1,620	\$ 1,956	\$ 1,639	\$ 419	\$ 5,634
Additions						
Investment earnings	-	1	-	-	-	1
Discount on investments	-	-	-	1	-	1
Distribution of investment earnings	2	(1)	-	(1)	-	-
Receipt from participants	4,893	-	-	-	-	4,893
Distribution of revenues	(4,895)	2,090	2,805	-	-	-
Other Receipts	-	2	-	-	-	2
Total	-	2,092	2,805	-	-	4,897
Deductions						
Acquisition costs	-	(6)	-	-	-	(6)
Operating expenses	-	2,237	-	-	-	2,237
Payment of principal	-	-	1,105	-	-	1,105
Interest paid	-	-	1,669	-	-	1,669
Total	-	2,231	2,774	-	-	5,005
Balance at June 30, 2022	\$ -	\$ 1,481	\$ 1,987	\$ 1,639	\$ 419	\$ 5,526

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 and \$5 held in the revolving fund at June 30, 2022 and 2021, 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, 2022
(Amounts in Thousands)

	Revenue Fund	Operating Fund	Debt Service Fund	General Reserve Fund	Operating Reserve Fund	Total
Balance at June 30, 2021	\$ -	\$ 2,342	\$ 12,262	\$ 2,520	\$ 3,002	\$ 20,126
Additions						
Investment earnings	-	2	1	1	-	4
Discount on investments	-	3	2	2	1	8
Distribution of investment earnings	12	(5)	(3)	(3)	(1)	-
Receipt from participants	30,048	-	-	-	-	30,048
Distribution of revenues	(30,061)	15,159	14,902	-	-	-
Other	1	4	-	-	-	5
Total	<u>-</u>	<u>15,163</u>	<u>14,902</u>	<u>-</u>	<u>-</u>	<u>30,065</u>
Deductions						
Operating expenses	-	13,973	-	-	-	13,973
Principal paid	-	-	9,625	-	-	9,625
Interest paid	-	-	5,036	-	-	5,036
Total	<u>-</u>	<u>13,973</u>	<u>14,661</u>	<u>-</u>	<u>-</u>	<u>28,634</u>
Balance at June 30, 2022	<u>\$ -</u>	<u>\$ 3,532</u>	<u>\$ 12,503</u>	<u>\$ 2,520</u>	<u>\$ 3,002</u>	<u>\$ 21,557</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 held in the revolving fund at June 30, 2022 and 2021.

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, 2022
(Amounts in Thousands)

	Revenue Fund	Operating Fund	Debt Service Fund	Escrow Fund	Total
Balance at June 30, 2021	\$ -	\$ 4,672	\$ 925	\$ 108,222	\$ 113,819
Additions					
Investment earnings	-	1	1	7	9
Discount on investments	-	2	-	-	2
Distribution of investment earnings	4	(3)	(1)	-	-
Receipt from participants	15,802	-	-	-	15,802
Distribution of revenues	(15,806)	5,540	10,266	-	-
Total additions	-	5,540	10,266	7	15,813
Deductions					
Operating expenses	-	7,479	-	-	7,479
Payment of principal	-	-	-	-	-
Interest paid	-	-	2,908	-	2,908
Payment of principal - escrow	-	-	-	105,470	105,470
Interest paid - escrow	-	-	-	2,759	2,759
Total deductions	-	7,479	2,908	108,229	118,616
Balance at June 30, 2022	\$ -	\$ 2,733	\$ 8,283	\$ -	\$ 11,016

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, 2022 and 2021.

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, 2022
(Amounts in Thousands)

	<u>Revenue Fund</u>	<u>Operating Fund</u>	<u>Debt Service Fund</u>	<u>General Reserve Fund</u>	<u>Total</u>
Balance at June 30, 2021	\$ -	\$ 1,048	\$ 18,024	\$ 19,382	\$ 38,454
Additions					
Investment earnings	-	2	1	65	68
Discount on investments purchases	-	3	5	10	18
Distribution of investment earnings	86	(5)	(6)	(75)	-
Receipt from participants	89,596	-	-	-	89,596
Distribution of revenues	(89,682)	49,437	24,674	15,571	-
Total	<u>-</u>	<u>49,437</u>	<u>24,674</u>	<u>15,571</u>	<u>89,682</u>
Deductions					
Operating expenses	-	44,734	-	-	44,734
Payment of principal	-	-	11,125	-	11,125
Payment of interest	-	-	13,355	-	13,355
Debt issuance costs	-	-	-	3	3
Total	<u>-</u>	<u>44,734</u>	<u>24,480</u>	<u>3</u>	<u>69,217</u>
Balance at June 30, 2022	<u>\$ -</u>	<u>\$ 5,751</u>	<u>\$ 18,218</u>	<u>\$ 34,950</u>	<u>\$ 58,919</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 \$13 and \$12 held in the revolving fund at June 30, 2022 and 2021, 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, 2022
(Amounts in Thousands)

	<u>Revenue Fund</u>	<u>Operating Fund</u>	<u>Debt Service Fund</u>	<u>Debt Service Reserve Fund</u>	<u>General Reserve</u>	<u>U.S. Treasury Direct Subsidy</u>	<u>Total</u>
Balance at June 30, 2021	\$ -	\$ 3,870	\$ 6,532	\$ 2,336	\$ 2,674	\$ 406	\$ 15,818
Additions							
Investment earnings	-	1	-	-	1	-	2
Discount on investments	-	2	2	1	3	-	8
Distribution of investment earnings	10	(3)	(2)	(1)	(4)	-	-
Revenue from power sales	17,424	-	-	-	-	-	17,424
Distribution of revenue	(17,434)	5,543	8,580	-	3,311	-	-
Other transfers	-	-	812	-	-	(812)	-
Other Receipts	-	161	-	-	-	406	567
Total	-	5,704	9,392	-	3,311	(406)	18,001
Deductions							
Operating expenses	-	7,014	-	-	-	-	7,014
Payment of principal	-	-	4,295	-	-	-	4,295
Payment of interest	-	-	5,046	-	-	-	5,046
Total	-	7,014	9,341	-	-	-	16,355
Balance at June 30, 2022	\$ -	\$ 2,560	\$ 6,583	\$ 2,336	\$ 5,985	\$ -	\$ 17,464

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, 2022 and 2021.

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, 2022
(Amounts in Thousands)

	General Reserve Fund	Issue Fund	Operating Fund	Revenue Fund	Total
Balance at June 30, 2021	\$ 4,641	\$ 85,715	\$ 2,068	\$ -	\$ 92,424
Additions					
Investment earnings	20	280	2	1	303
Discount on investment purchases	6	1,234	8	-	1,248
Distribution of investment earnings	(23)	(299)	(10)	332	-
Revenue from transmission sales	-	-	-	106,625	106,625
Distribution of revenue	-	70,581	36,377	(106,958)	-
Other	-	-	1	-	1
Total	<u>3</u>	<u>71,796</u>	<u>36,378</u>	<u>-</u>	<u>108,177</u>
Deductions					
Operating expenses	-	-	36,860	-	36,860
Payment of principal	-	78,640	-	-	78,640
Interest paid	-	13,534	-	-	13,534
Premium and interest on investment purchases	3	-	-	-	3
Total	<u>3</u>	<u>92,174</u>	<u>36,860</u>	<u>-</u>	<u>129,037</u>
Balance at June 30, 2022	<u>\$ 4,641</u>	<u>\$ 65,337</u>	<u>\$ 1,586</u>	<u>\$ -</u>	<u>\$ 71,564</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 \$33 and \$39 held in the revolving fund at June 30, 2022 and 2021, 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, 2022
(Amounts in Thousands)

	Revenue Fund	Debt Service Account	Operating Fund	Reserve and Contingency Fund	Surplus Fund	General Reserve Fund	Total
Balance at June 30, 2021	\$ -	\$ 1,824	\$ 994	\$ 118	\$ 119	\$ 6	\$ 3,061
Additions							
Investment earnings	-	-	2	-	-	-	2
Distribution of investment earnings	2	-	(2)	-	-	-	-
Transmission revenue	4,900	-	-	-	-	-	4,900
Distribution of revenues	(4,902)	2,245	2,285	372	-	-	-
Other receipts	-	-	957	-	-	-	957
Total additions	-	2,245	3,242	372	-	-	5,859
Deductions							
Operating expenses	-	-	1,775	-	-	-	1,775
Construction expenses	-	-	-	81	-	-	81
Principal payment	-	1,415	-	-	-	-	1,415
Interest paid	-	797	-	-	-	-	797
Total deductions	-	2,212	1,775	81	-	-	4,068
Balance at June 30, 2022	\$ -	\$ 1,857	\$ 2,461	\$ 409	\$ 119	\$ 6	\$ 4,852

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, 2022 and 2021.

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, 2022
(Amounts in Thousands)

	Revenue Fund	Debt Service Account	Operating Fund	Reserve and Contingency Fund	Surplus Fund	General Reserve Fund	Total
Balance at June 30, 2021	\$ -	\$ 2,227	\$ 727	\$ 702	\$ 5,664	\$ 13	\$ 9,333
Additions							
Investment earnings	-	1	1	-	2	-	4
Discount on investment earnings	3	-	(1)	-	(2)	-	-
Distribution of investment earnings	(2,523)	(1)	2,524	-	-	-	-
Transmission revenue	6,174	-	-	-	-	-	6,174
Distribution of revenues	(3,654)	2,762	888	4	-	-	-
Other receipts	-	-	4	-	-	-	4
Total additions	-	2,762	3,416	4	-	-	6,182
Deductions							
Operating expenses	-	-	3,951	-	-	-	3,951
Construction expenses	-	-	-	108	-	-	108
Principal payment	-	1,695	-	-	-	-	1,695
Interest paid	-	1,024	-	-	-	-	1,024
Total deductions	-	2,719	3,951	108	-	-	6,778
Balance at June 30, 2022	\$ -	\$ 2,270	\$ 192	\$ 598	\$ 5,664	\$ 13	\$ 8,737

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, 2022 and 2021.

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, 2022
(Amounts in Thousands)

	Revenue Fund	Operating Fund	Debt Service Fund	Total
Balance at June 30, 2021	\$ -	\$ 13,429	\$ 5,797	\$ 19,226
Additions				
Investment earnings	-	487	287	774
Distribution of investment earnings	485	(485)	-	-
Receipt from Gas Sales	19,472	-	-	19,472
Distribution of Revenues	(23,321)	436	22,885	-
Commodity Swap Settlement	3,364	-	-	3,364
Total	<u>-</u>	<u>438</u>	<u>23,172</u>	<u>23,610</u>
Deductions				
A & G expenses	-	387	-	387
Payment of Principal	-	-	8,940	8,940
Payment of Interest	-	-	13,865	13,865
Total	<u>-</u>	<u>387</u>	<u>22,805</u>	<u>23,192</u>
Balance at June 30, 2022	<u>\$ -</u>	<u>\$ 13,480</u>	<u>\$ 6,164</u>	<u>\$ 19,644</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 \$6 and \$5 held in the revolving fund at June 30, 2022 and 2021, respectively.

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, 2022
(Amounts in Thousands)

	Revenue Fund	Operating Fund	Debt Service Fund	General Reserve Fund	Project Fund	Capital Fund	Total
Balance at June 30, 2021	\$ -	\$ 2,379	\$ 4,266	\$ 24	\$ 35,625	\$ 679	\$ 42,973
Additions							
Investment earnings	-	1	1	-	3	-	5
Discount on investment purchases	-	-	-	-	24	-	24
Distribution of investment earnings	1	-	(1)	-	-	-	-
Receipt from participants	5,466	-	-	-	-	-	5,466
Sales of Natural Gas	2,398	533	-	-	-	-	2,931
Distribution of Revenues	(7,865)	3,067	4,798	-	-	-	-
Other transfer	-	-	-	-	(101)	101	-
Total	<u>-</u>	<u>3,601</u>	<u>4,798</u>	<u>-</u>	<u>(74)</u>	<u>101</u>	<u>8,426</u>
Deductions							
Construction expenditures	-	-	-	-	-	124	124
Operating expenses	-	3,211	-	-	-	-	3,211
Payment of principal	-	-	3,352	-	-	-	3,352
Interest paid	-	-	1,732	-	-	-	1,732
Total	<u>-</u>	<u>3,211</u>	<u>5,084</u>	<u>-</u>	<u>-</u>	<u>124</u>	<u>8,419</u>
Balance at June 30, 2022	<u>\$ -</u>	<u>\$ 2,769</u>	<u>\$ 3,980</u>	<u>\$ 24</u>	<u>\$ 35,551</u>	<u>\$ 656</u>	<u>\$ 42,980</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 \$3 held in the revolving fund at June 30, 2022 and 2021.

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, 2022
(Amounts in Thousands)

	Revenue Fund	Operating Fund	Debt Service Fund	General Reserve Fund	Project Fund	Capital Fund	Escrow Fund	Total
Balance at June 30, 2021	\$ -	\$ 3,739	\$ 1,816	\$ 42	\$ 1,712	\$ 199	\$ -	\$ 7,508
Additions								
Investment earnings	-	1	1	-	1	-	-	3
Discount on investment purchases	-	1	-	-	-	-	-	1
Distribution of investment earnings	1	-	(1)	-	-	-	-	-
Receipt from participants	2,216	1,355	-	-	-	-	-	3,571
Sales of natural gas	311	4,863	-	-	-	-	-	5,174
Distribution of revenues	(2,528)	441	2,041	-	-	46	-	-
Other transfer	-	(36)	-	-	(10)	10	36	-
Total additions	-	6,625	2,041	-	(9)	56	36	8,749
Deductions								
Construction expenses	-	-	-	-	-	106	-	106
Operating expenses	-	7,712	-	-	-	-	-	7,712
Payment of principal	-	-	1,428	-	-	-	-	1,428
Interest paid	-	-	735	-	-	-	-	735
Total deductions	-	7,712	2,163	-	-	106	-	9,981
Balance at June 30, 2022	\$ -	\$ 2,652	\$ 1,694	\$ 42	\$ 1,703	\$ 149	\$ 36	\$ 6,276

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 \$1 held in the revolving fund at June 30, 2022 and 2021.



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