



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Board of Directors Meeting

Thursday, May 16, 2024

CONSENT CALENDAR

A. Minutes of the Board of Directors Meeting

- Regular Meeting Minutes: April 18, 2024

B. Receive and File:

1. Finance Committee Meeting Minutes: April 4, 2024
2. Monthly Investment Report: March 2024
3. SCPPA A&G Budget Comparison Report: March 2024
4. Quarterly Investment Report: March 2024
5. Investment Committee Meeting Minutes: April 4, 2024
6. San Juan Reclamation Annual Funding Status Report for 2023
7. San Juan Decommissioning Annual Funding Status Report for 2023
8. CY 2024 Q1 Renewables Operating Report
9. Palo Verde Report: March 2024
10. Magnolia Power Project Operations Report: April 2024
11. Federal Legislative Report: April 2024

CONSENT CALENDAR CONTINUED

C. Resolution 2024-068

Approve Amendment No. 2 to the Master Professional Services Agreement with Tinker, LLC to increase the Not-to-Exceed Amount provided in the Agreement

D. Resolution 2024-069

Approve Funding Agreement between the California Municipal Utilities Association and SCPPA for Costs associated with an Energy Efficiency Program Reporting Platform and providing for Additional Contributions to the Authority's Revolving General Fund

E. Resolution 2024-070

Approve Two Change Orders to a Purchase Order with GE Packaged Power, LLC for the Repair of Canyon Power Plant Unit No. 1

F. Resolution 2024-071

Approval and Adoption of Revised Investment Policy for the Authority

Resolution 2024-072

Designating Authorized Authority Representatives



EXECUTIVE DIRECTOR REPORT

Working Group Update

Daniel E. Garcia | *Executive Director*



**Award of Legal Services
Agreements:
Renewable and Conventional
Energy Transaction Counsel**

CHRISTINE GODINEZ | *General Counsel*
ARMANDO ARBALLO | *Assistant General Counsel*

Objective and Need

- ▶ Expand bench of qualified law firms for SCPPA transactional matters
- ▶ Typical areas of need include: negotiation of PPAs, assistance from time to time with SCPPA Project matters where specialized expertise may be required, including due diligence, complex regulatory questions, bankruptcy, CAISO and FERC matters

SCPPA RFP Process

Date	Event
February 2024	RFP Issued
March-April 2024	Evaluation Committee established; 10 Proposals received and independently evaluated by Evaluation Committee members
April 2024	Evaluation Committee held interviews with top 8 firms and make final recommendation to SCPPA
April-May 2024	Contracts negotiated with firms recommended for award

Evaluation Criteria

- ▶ Completeness and responsiveness of proposal
- ▶ Qualifications of Firm and Proposed Project Team
- ▶ Fees and Competitiveness
- ▶ Exceptions to Contract Terms and Conditions
- ▶ Conflicts of Interest

Proposed Award of Contracts

- ▶ Cameron-Daniel PC
- ▶ Dentons US, LLP
- ▶ Duncan & Allen, LLP
- ▶ Duncan, Weinberg, Genzer, & Pembroke, P.C.
- ▶ Holland & Hart, LLP
- ▶ Meyers Nave, A.P.C.
- ▶ Van Ness Feldman, LLP

Key Legal Services Agreement Terms

- ▶ 3 year agreements + 3 year option to extend
- ▶ Rates discounted off the law firms' standard rates
- ▶ The law firms have agreed provide SCPPA and Members with virtual continuing legal education courses at no additional cost

Recommendation

- ▶ Award of 3 year Legal Services Contracts with an option to extend for 3 years:

RESOLUTION NO:	LAW FIRM
2024-075	Cameron-Daniel, P.C.
2024-076	Dentons US, LLP
2024-077	Duncan & Allen LLP
2024-078	Duncan, Weinberg, Genzer, & Pembroke, P.C.
2024-079	Holland & Hart LLP
2024-080	Meyers Nave, A Professional Corporation
2024-081	Van Ness Feldman, LLP



SCPPA

FINANCE REPORT

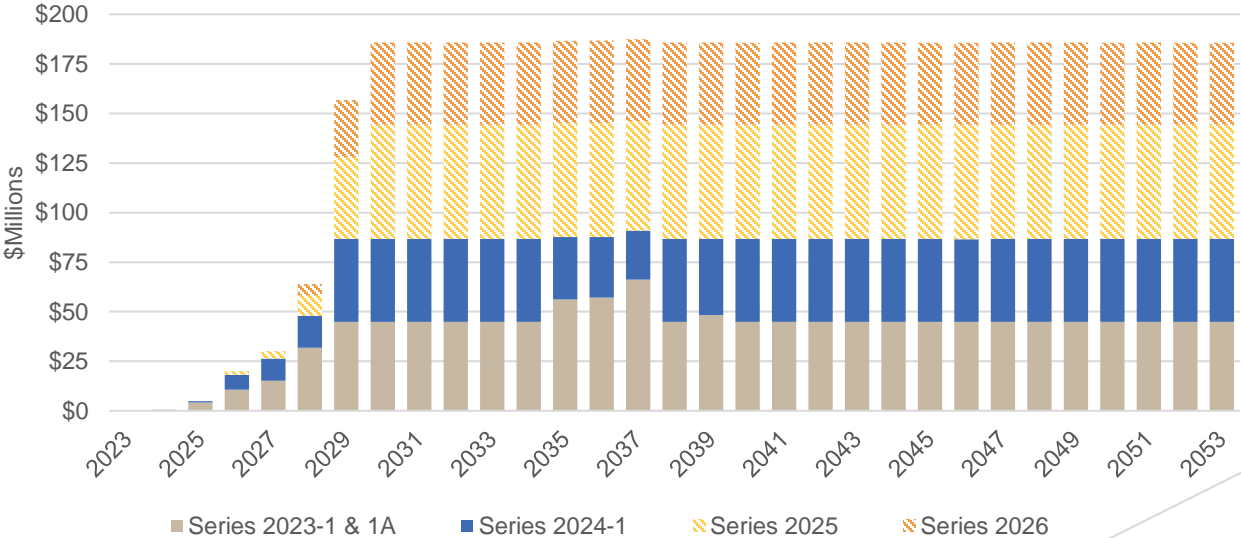
Aileen Ma | *Chief Financial &
Administrative Officer*

Troy Cook | *Utility Analyst*

**SOUTHERN TRANSMISSION SYSTEM (STS)
RENEWAL PROJECT
REVENUE BONDS 2024-1 UPDATE
(SECOND TRANCHE)**

STS RENEWAL PROJECT REVENUE BONDS

Bonds Issued	2024-1
Pricing Date	4/25/2024
Closing Date	5/9/2024
Par Amount Issued	\$562,855,000
Premium	\$63,329,009
Final Maturity	7/1/2053
All-In True Interest Cost	4.18%



CLEAN ENERGY PROJECT REVENUE BONDS SERIES 2024A

PREPAYMENT TRANSACTION

- ▶ Finance Committee began work to explore possible prepay in 2018
 - ▶ Use of tax-exempt bond financing
 - ▶ Reduce cost of energy or natural gas purchases
 - ▶ Request for Proposals (RFP) was issued
- ▶ Prepayment of long-term supply of natural gas and/or energy
 - ▶ Allowed under U.S. Tax Law
 - ▶ New energy purchases
 - ▶ Use existing power purchase agreements
 - ▶ Natural gas purchases
 - ▶ Natural gas purchases converting to energy at a later date

PREPAYMENT TRANSACTION

- ▶ Resolution No. 2019-004
 - ▶ Authorized working group to be formed to start negotiations
 - ▶ Authorized preparation of documents
- ▶ Goldman Sachs/J. Aron - recommended counterparty from RFP
- ▶ Late 2019 - savings opportunities for prepayment transaction no longer available
 - ▶ Negotiations placed on hold since 2019
- ▶ Favorable market conditions have returned
 - ▶ Negotiations recommenced
- ▶ Anaheim continues to have interest in prepayment transaction

ESTABLISH PROJECT

- ▶ A Project is recommended to be established

Project Name: Clean Energy Project (Prepaid PPA)

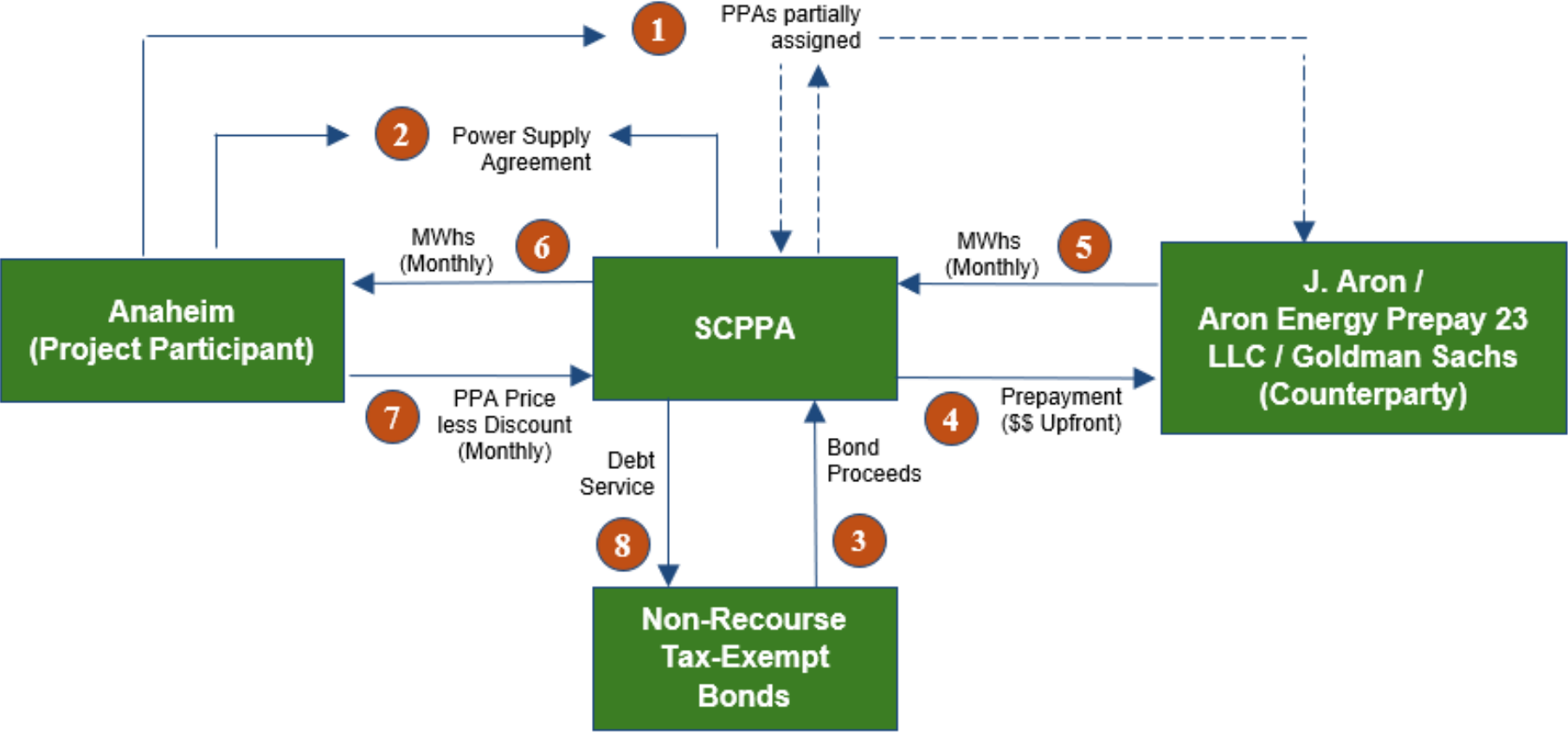
Project Participant: City of Anaheim

- ▶ Adoption of Resolution with regular Board vote
- ▶ All subsequent Board actions will be Project Vote

CLEAN ENERGY PROJECT (PREPAID PPA)

- ▶ Tax-exempt financing of prepayment of renewable energy
- ▶ To be delivered over approximately 30 years
- ▶ Anaheim to assign existing and future power purchase agreements (PPAs) to SCPPA
 - ▶ Source of energy for the prepayment
- ▶ Anaheim to acquire the energy back at discounted price
- ▶ Discount to be generated by difference between taxable borrowing cost and tax-exempt rate of the bonds
- ▶ 2 Renewable PPAs to be assigned
 - ▶ Bowerman PPA
 - ▶ Brea PPA
 - ▶ Landfill gas-to-energy projects
 - ▶ 46 MW of power to Anaheim

CLEAN ENERGY PROJECT (PREPAID PPA)



CLEAN ENERGY PROJECT (PREPAID PPA)

- ▶ Tax-exempt bonds to be issued for 30 years
 - ▶ Non-recourse to SCPPA and Anaheim
 - ▶ Payable solely from funds generated by prepayment agreements
 - ▶ Maximum savings is achieved with a 30-year structure
 - ▶ Subject to mandatory redemption - 5 to 10 years
 - ▶ Currently planned for in 6 years for initial period
 - ▶ Bonds will be refinanced - resetting the mandatory redemption
- ▶ Prepayment savings will be known for the initial period
- ▶ Future reset period savings are unknown
- ▶ Prepayment structure includes minimum savings level

CLEAN ENERGY PROJECT (PREPAID PPA)

- ▶ Risk mitigation terms included in prepayment agreements
- ▶ If Counterparty fails to perform, assigned PPAs revert to Anaheim
- ▶ If discount falls below minimum savings level, Anaheim can cancel the assignment agreements
- ▶ Transaction will terminate and SCPPA/Anaheim no longer have expected savings
- ▶ Bondholders will be paid by the Counterparty

CLEAN ENERGY PROJECT (PREPAID PPA)

Preliminary Numbers as of April 26, 2024*

Sources	
Par Amount	\$559,040,000
Premium	\$22,863,749
Total Proceeds	\$581,903,749

Uses	
Prepayment Amount	\$550,991,521
Structuring Fee	\$6,300,000
Capitalized Interest	\$10,500,000
Reserve	\$9,500,000
COI/Underwriter's Discount	\$4,612,228
Total Uses of Proceeds	\$581,903,749

Bond Statistics	
Mandatory Tender Option	6-year
Settlement Date Assumption	5/30/2024
Coupon	5.00%
All-in True Interest Cost	4.4%
Total Debt Service	\$733,607,478

Savings (Initial Term)	
Total Savings (%)	15.043%
Total Savings (\$)	\$32,859,377
Average Annual Savings	\$5,186,048

**Subject to change on pricing date
Source: PFM*

CLEAN ENERGY PROJECT (PREPAID PPA)

Firm	Role	Estimated Fees & Expenses
Norton Rose Fulbright	Bond/Disclosure Counsel	\$ 650,000
Orrick, Herrington & Sutcliffe	Tax Counsel	275,000
PFM Financial Advisors	Municipal Advisor	360,000
PFM Swap Advisors	Commodity Swap Advisor	25,000
Moody's Investors Service	Rating Agency	281,000
US Bank	Trustee	20,000
Ballard Spahr LLP	Trustee Counsel	30,000
PFM Asset Management LLC	Investment Agreement Bidding Agent	50,000
ImageMaster	Printer	4,000
	Contingency	10,000
Estimated Cost of Issuance		\$ 1,705,000

PREPAYMENTS COMPLETED BY PUBLIC UTILITIES IN CA

Date	Amt. (\$000)	Issuer	Description	Beneficiary
06/2006	230,845	Vernon Nat. Gas Fin Auth	Nat Gas	City of Vernon Elec
01/2007	209,350	Roseville Natural Gas Fin Auth	Nat. Gas	City of Roseville Elec
05/2007	757,055	Northern Ca Gas Auth No. 1	Nat. Gas	SMUD
09/2007	887,360	Long Beach Bond Fin Auth	Nat. Gas	City of Long Beach
10/2007	504,445	SCPPA	Nat. Gas	Multiple POU's
10/2007	251,695	Long Beach Bond Fin. Auth	Nat. Gas	City of Long Beach
08/2009	901,620	M-S-R Energy Authority	Nat. Gas	MID/Redding/SVP
10/2009	514,160	SCPPA (Windy Flats)	Elec (Wind)	LADWP, Mult. POU's
04/2010	778,665	Cal. Statewide Comm Dev Auth	Nat. Gas	SMUD
2010/11	394,700	SCPPA (Milford 1 & 2)	Elec (Wind)	LADWP, Mult. POU's
12/2018	539,615	Northern Ca Energy Auth	Gas/Elec	SMUD
Total	\$5,969,510			

PREPAYMENTS COMPLETED BY CCAs IN CA

Date	Amt. (\$000)	Issuer	Description	Beneficiary
09/2021	1,234,720	California Community Choice Fin Auth	Elec (Green)	SVCE, EBCE
11/2021	602,655	California Community Choice Fin Auth	Elec (Green)	MCE
06/2022	931,120	California Community Choice Fin Auth	Elec (Green)	EBCE
12/2022	459,640	California Community Choice Fin Auth	Elec (Green)	Pioneer
01/2023	841,550	California Community Choice Fin Auth	Elec (Green)	SVCE
02/2023	998,780	California Community Choice Fin Auth	Elec (Green)	CPA
06/2023	958,290	California Community Choice Fin Auth	Elec (Green)	CPA
08/2023	997,895	California Community Choice Fin Auth	Elec (Green)	EBCE
10/2023	647,750	California Community Choice Fin Auth	Elec (Green)	CCCE
12/2023	1,038,285	California Community Choice Fin Auth	Elec (Green)	MCE
01/2024	1,101,625	California Community Choice Fin Auth	Elec (Green)	SVCE
Total	\$9,812,310			

CLEAN ENERGY PROJECT (PREPAID PPA)

- ▶ April 16th - Anaheim City Council approved the agreements needed
- ▶ May 6th - Finance Committee recommended approval of the Authorizing Resolution
- ▶ Anticipated financing schedule
 - ▶ May 16th - Post Preliminary Official Statement (POS) after Board approval
 - ▶ Pricing - Targeting next week

RECOMMENDATION

- ▶ Adopt Resolution No. 2024-082 establishing the Clean Energy Project (Prepaid PPA)
- ▶ Roll Call Vote

RECOMMENDATION

- ▶ Adopt Resolution No. 2024-083 authorizing the issuance of the Clean Energy Project Revenue Bonds, Series 2024A and the execution and delivery of various agreements relating to the issuance of the project revenue bonds
- ▶ Project Vote - Anaheim

PROPOSED FY 2024-25 ADMINISTRATIVE & GENERAL EXPENSE BUDGET

FY 2023-24 A&G PROJECTIONS

	Current FY 2023-24 Budget	Projected FY 2023-24 Actual	Under/ (Over) Budget	% Variance
Total Indirect A&G	\$ 5,540,950	\$ 5,205,597	\$ 335,353	6.0%
Total Direct A&G	4,377,050	4,192,013	185,037	4.3%
Total A&G	\$ 9,918,000	\$ 9,397,610	\$ 520,389	5.2%

FY 2024-25 A&G BUDGET

	Current FY 2023-24 Budget	Proposed FY 2024-25 Budget	Increase/ (Decrease)	% Variance
Total Indirect A&G	\$ 5,540,950	\$ 5,693,400	\$ 152,450	2.8%
Total Direct A&G	4,377,050	4,508,120	131,070	3.0%
Total A&G	\$ 9,918,000	\$ 10,201,520	\$ 283,520	2.9%

FY 2024-25 INDIRECT A&G BUDGET

- ▶ Salaries - Increase \$132,100
 - ▶ 18 positions; 4.0% merit pool; 3.52% COLA

	FY 24-25
Members	COLA
Anaheim	5.00%
Burbank	3.00%
Cerritos	3.70%
Colton	1.50%
Glendale	6.00%
IID	5.00%
LADWP	3.00%
Pasadena	2.00%
Riverside	3.00%
Vernon	3.00%
Average:	<u>3.52%</u>



FY 2024-25 INDIRECT A&G BUDGET

Employee Benefits - Increase \$95,700

Medical insurance contribution

CY 2024 Monthly Contribution			
	Glendora LA/SB/Riv	Glendora OC	Sacramento
Employee	\$695.12	\$713.42	\$870.95
Employee +1	\$1,304.01	\$1,340.61	\$1,655.67
Family	\$1,750.80	\$1,798.38	\$2,207.95
Opt-Out Allowance	\$300.00	\$300.00	\$300.00

Proposed CY 2025 Monthly Contribution	
Glendora	Sacramento
\$731.93	\$912.21
\$1,406.48	\$1,767.04
\$1,891.81	\$2,360.54
\$300.00	\$300.00

Deferred Compensation Plan

- ▶ \$75 per month match - no change

FY 2024-25 INDIRECT A&G BUDGET

Pension Funding

▶ CalPERS Miscellaneous Plans - July 2023 Actuarial Valuation Report

Value as of 6/30/2022	Classic Members	PEPRA Members
Unfunded Accrued Liability	\$2,109,935	\$181,440
Funded Percentage	72.8%	84.7%
Projected Funded % - 6/30/23	74.1%	85.0%

▶ Employer Contributions

- ▶ Amortization of Unfunded Accrued Liability
- ▶ Employer Normal Cost

FY 2024-25 INDIRECT A&G BUDGET

Other Changes from FY 2023-24 Budget

- ▶ Insurance (includes OPEB) - Increase \$13,630
 - ▶ OPEB - Retiree medical insurance - \$2,887 per month covering 7 retired employees
- ▶ Regulatory Advocacy - Increase \$20,000

- ▶ Office Building Costs - Decrease (\$25,810)
- ▶ Office Equipment and IT - Decrease (\$24,770)
- ▶ Meeting Expenses - Decrease (\$17,200)
- ▶ Staff Training/Development - Decrease (\$27,000)
- ▶ Consulting/Other Services - Decrease (\$27,850)

Net Indirect A&G Budget Increase of \$152,450 or 2.8%

FY 2024-25 DIRECT A&G BUDGET

Changes from FY 2023-24 Budget

- ▶ Outside Counsels - Increase \$21,500
- ▶ Auditing Services - Increase \$14,060
- ▶ Trustee Fees - Increase \$30,150
- ▶ Rating Agency Fees - Increase \$21,000
- ▶ Agent Billable Costs - Increase \$162,600

- ▶ Consulting/Other Services - Decrease (\$130,000)

Net Direct A&G Budget Increase of \$131,070 or 3.0%

FY 2024-25 A&G BUDGET

Finance Committee reviewed the A&G budget on April 4th and May 6th and recommended approval of the A&G Budget

Recommendation:

- ▶ Adopt Resolution No. 2024-084 approving the FY 2024-25 A&G Budget

CLASSIFICATION & SALARY SCHEDULE

CLASSIFICATION & SALARY SCHEDULE

- ▶ Apply 3.52% COLA to the current salary ranges for all positions
- ▶ Separate action from the Board is required by CalPERS

Recommendation:

- ▶ Adopt Resolution No. 2024-085 approving the revised Classification and Salary Schedule

THANK YOU



SCPPA

ASSET MANAGEMENT

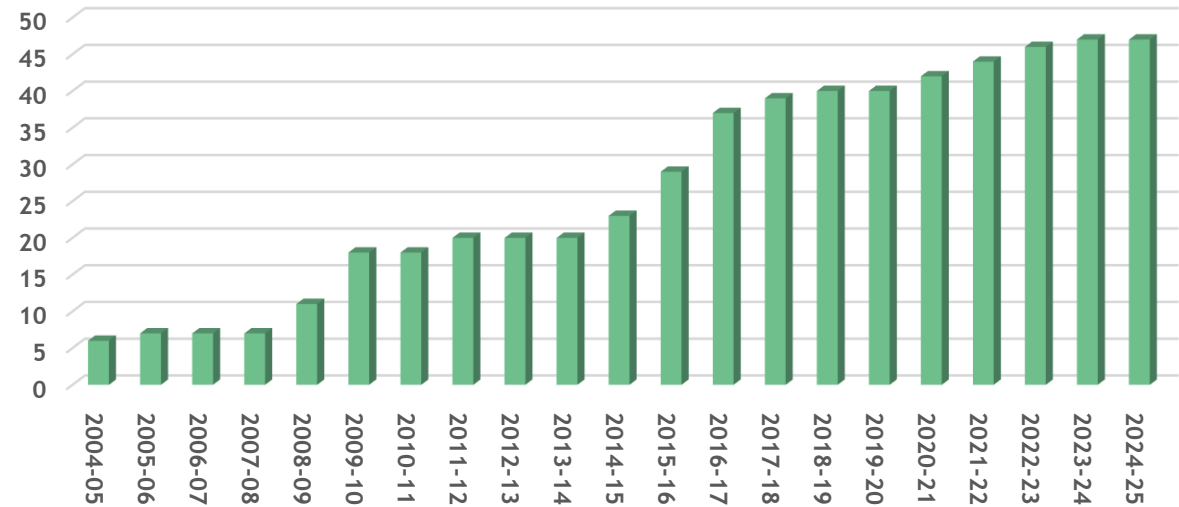
CHARLES GUSS | *Senior Asset Manager*

NICOLE SOLANO | *Principal Utility Analyst*

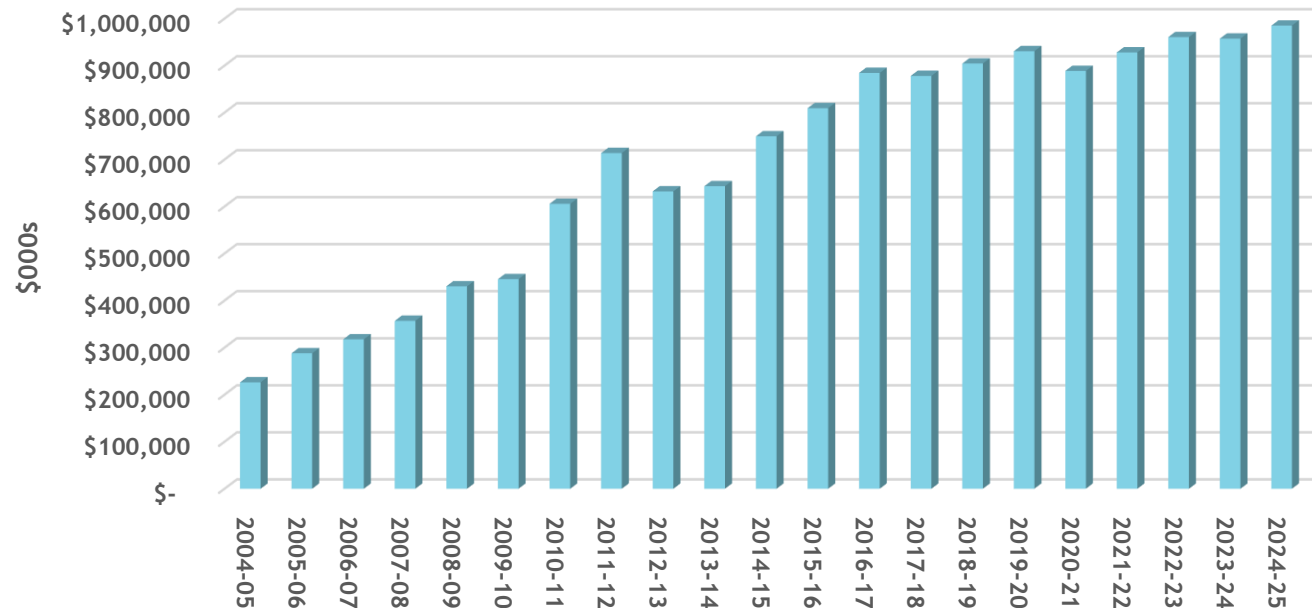
Final Project Budgets Fiscal Year 2024-2025

- ▶ 47 Project Budgets
- ▶ 2 New Projects
 - ▶ Daggett Solar 2
 - ▶ Eland Solar 1
- ▶ 2 Expiring Projects
 - ▶ MWD Hydro
 - ▶ ARP Loyalton
- ▶ Totaling \$985.1 Million
- ▶ Up 2.9% from FY 23-24

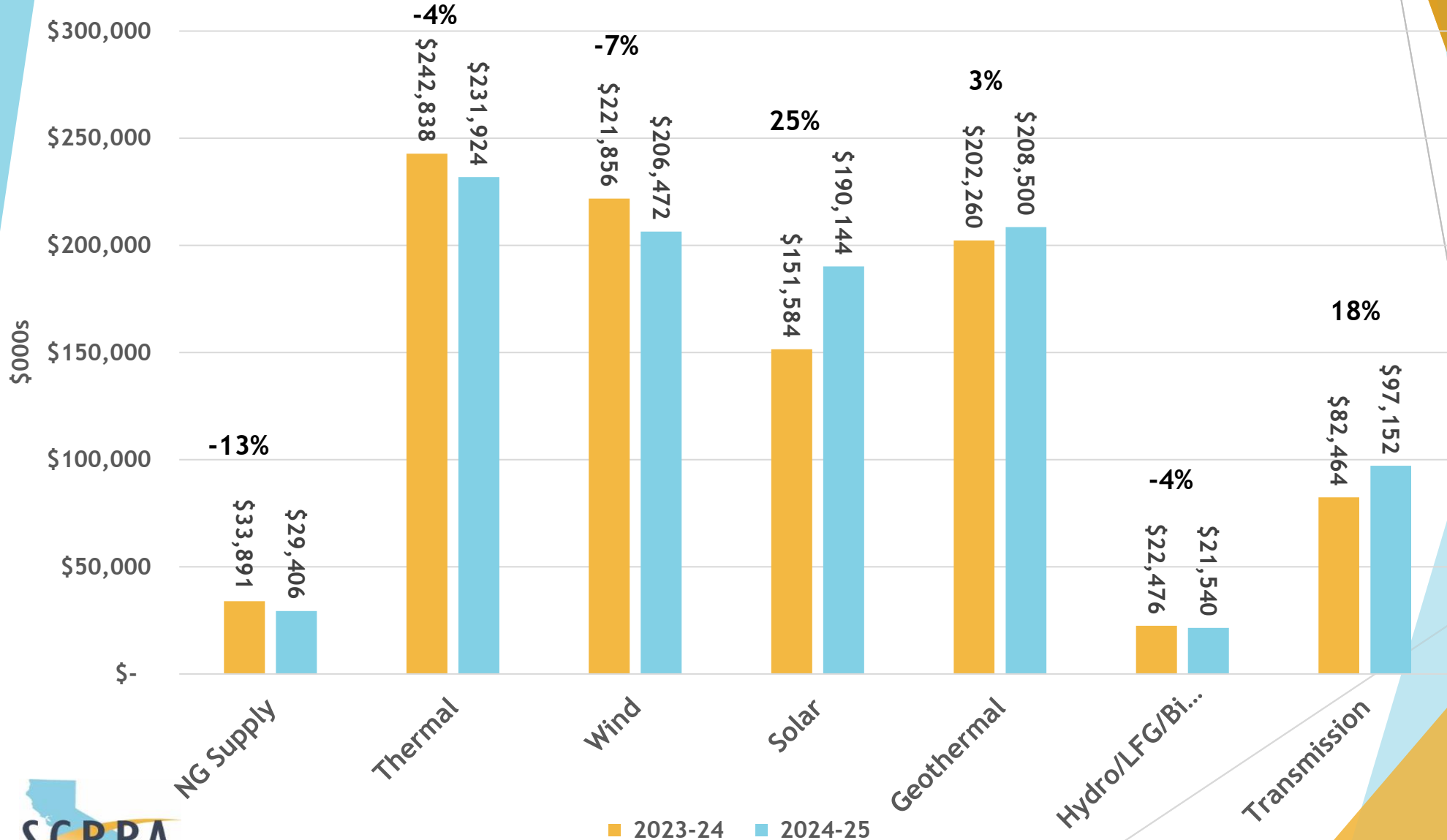
Number of Projects



Annual Budget Total



Project Budgets Year-Over-Year Comparison



FY 24/25 Budgets of Note

Natural Gas

- Pinedale: Decrease in Taxes and Royalties
- Prepay: Decrease in the Expected Cost of Gas
- Barnett and Pinedale: No Expected Drilling

Thermal

- Apex: \$16M Decrease in O&M, Capital, and GE Maintenance
- Magnolia: Increase in O&M, Maintenance, and Fuel Transportation
- Palo Verde: Increase in Labor, O&M and Renewals and Replacements
- San Juan: \$7M Decrease in Trust Fund Collection

Wind

- Red Cloud: \$11M Decrease in PPA Payments
- Milford I: \$5M Decrease in Excess Energy
- PNW Wind Projects: Increase in EEA costs

Solar

- Eland 1: New \$32M Budget
- Daggett 2: Full FY Budget

Geothermal

- Heber 1: Project Repower Complete May 2023
- Star Peak: Guaranteed Energy Production Shortfall

Hydro/Landfill Gas/Biomass

- Chiquita Canyon: Force Majeure through 2024
- Puente Hills: Force Majeure with Lower-Than-Expected Landfill Gas
- Tieton: Increased Debt Service

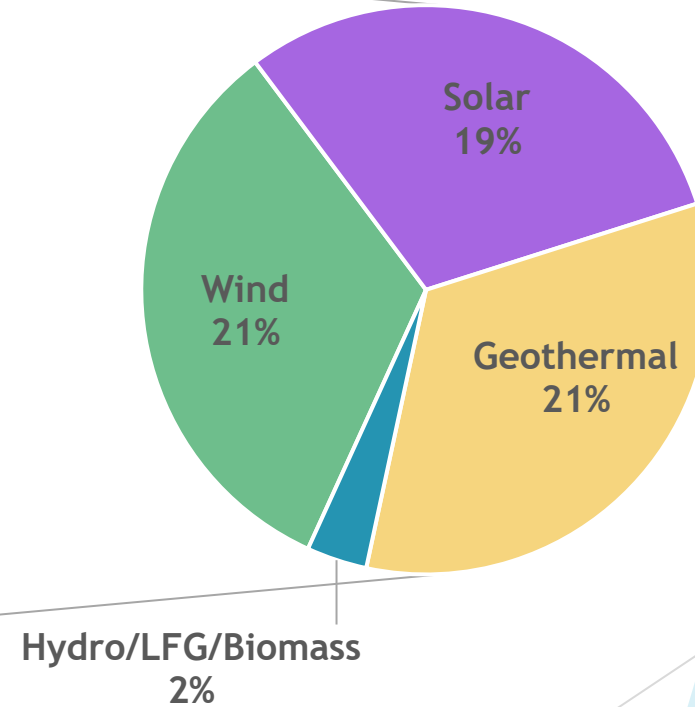
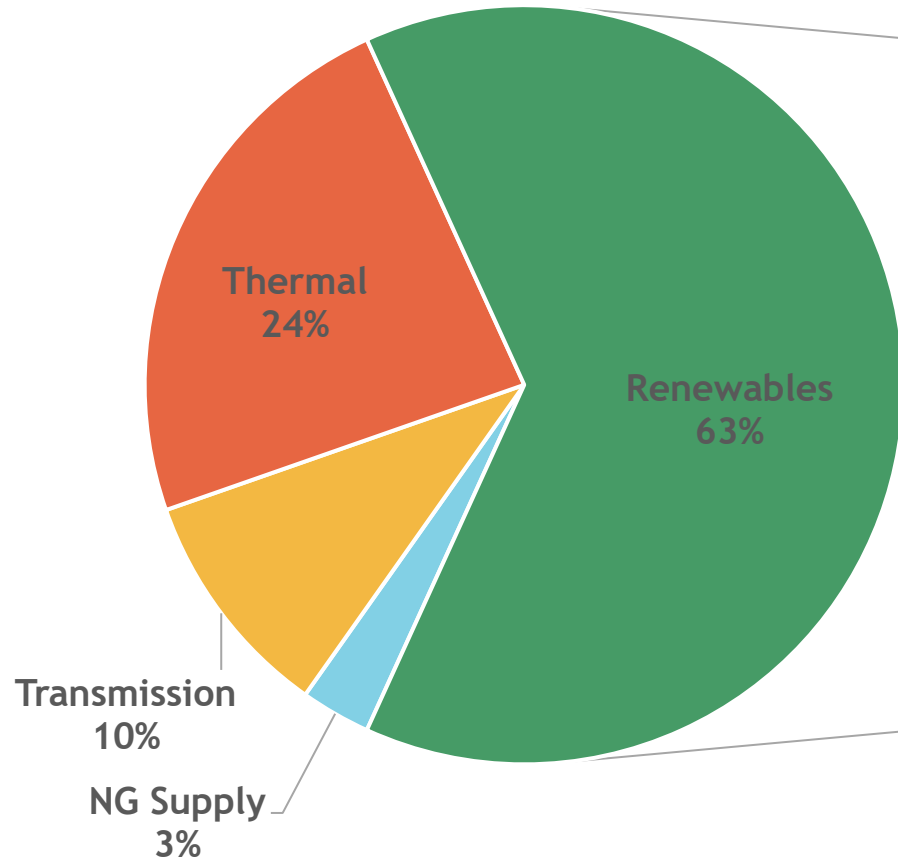
Transmission

- STS: \$11M Increase in Debt Service, O&M, Renewals and Replacements, Indirect Labor, and Taxes

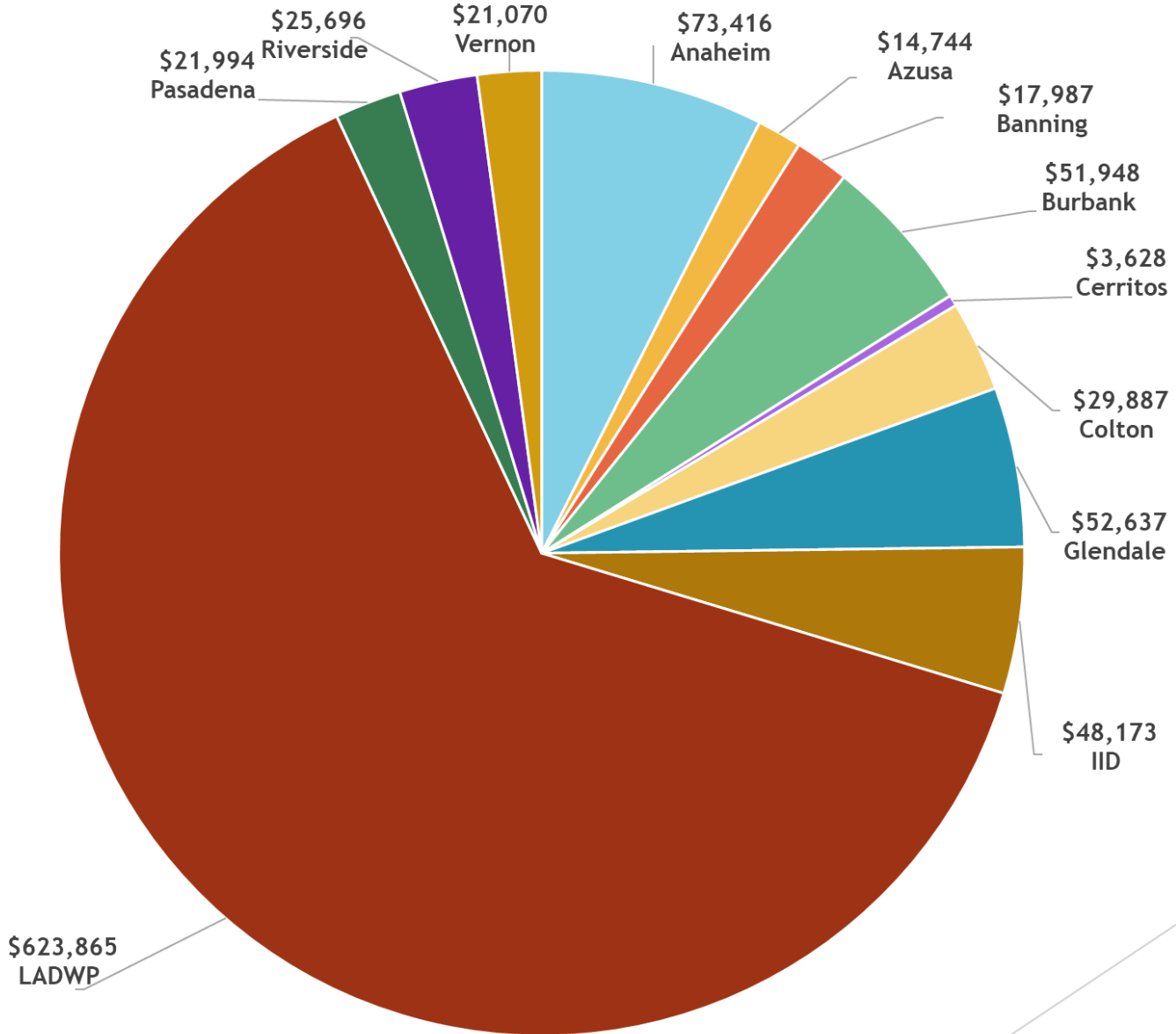
SCPPA FY 24/25 Project Budgets by Resource

\$985.1 Million

\$626.7 Million



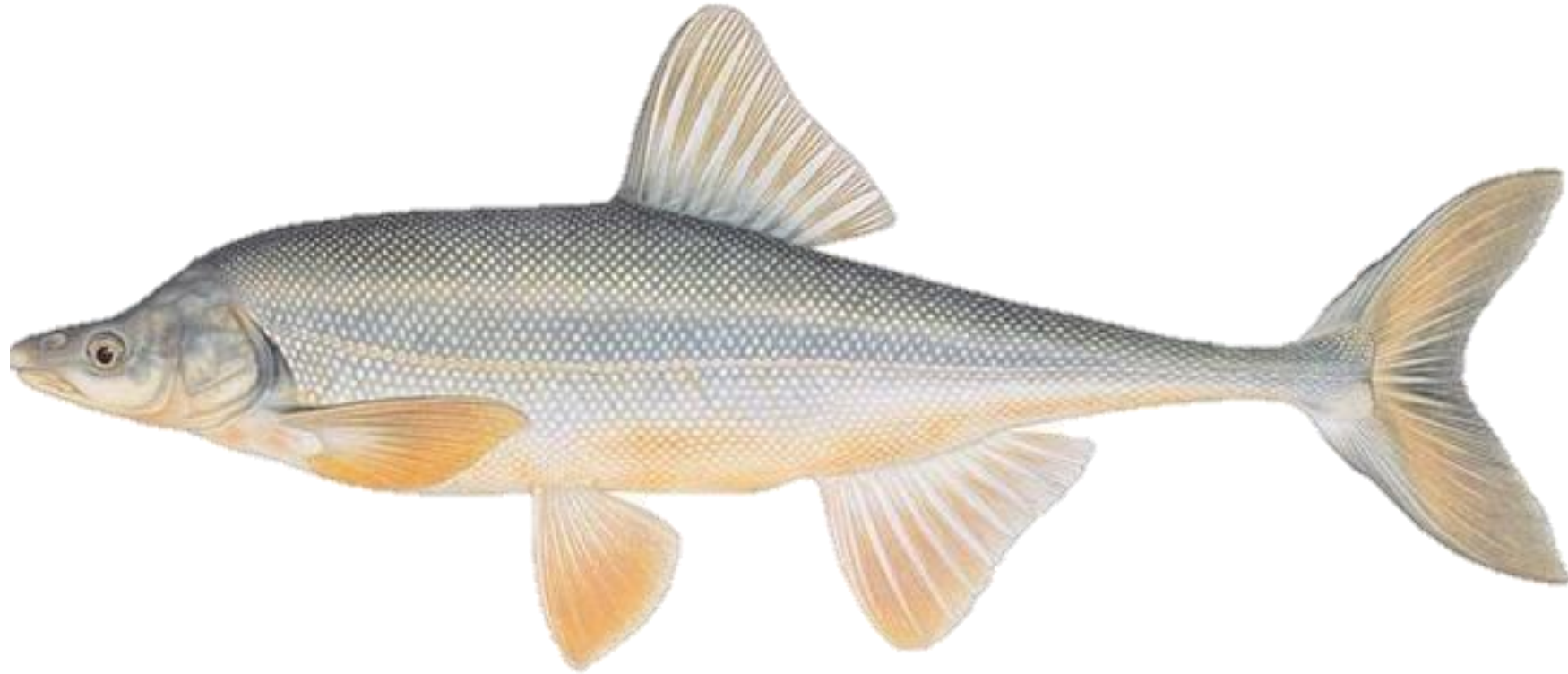
SCPPA Project Budget Share by Member (\$000s)





Budget Resolutions 2024-021 to 2024-067

Submitted For Approval



SCPPA Exit from Lower Colorado River Multi-Species Conservation Program

Resolution 2024-086

LCR MSCP Background



- Participation in the LCR MSCP ensures that Hoover Power Contractors are compliant with Endangered Species Act permits
- In 2005 and 2006, the SCPPA Board of Directors authorized SCPPA's participation in the LCR MSCP on behalf of the Cities of Anaheim, Azusa, Banning, Burbank, Colton, Riverside, Glendale, Pasadena, and Vernon. (Resolutions 2005-001 and 2006-45)
- By October 1, 2017, all twelve SCPPA members had become Hoover Contractors and SCPPA no longer participates in Covered Activities, but SCPPA remains as a state and federal permittee
- SCPPA's exit allows Participating Members to be added to permits
- No fiscal impact to Participating Members, except for staff time and travel

LCR MSCP Transitions Steps

- Notifying the LCR MSCP Steering Committee of SCPPA's intent to exit and assign rights and obligations to Participating Members;
- Facilitating SCPPA Participating Members' applications for membership to the Steering Committee;
- Working with the California participants to amend the First Amended Joint Payment Agreement;
- Working with the Steering Committee and parties to amend the federal Implementation Agreement and federal Funding Management;
- Working with the California Department of Fish and Wildlife to amend State Permit; and
- Working with the US Fish and Wildlife Service to amend U.S. Permit.



LCR MSCP Obligations and Responsibilities

- Designate Voting Representative within 30 Days Admission
- Participate in LCR MSCP Steering Committee, and other Committees as appropriate.
- Cooperate with USBR to achieve Conservation Measures
- Pay Share of California's Non-federal Cost: FFY 2025 \$195,574.89

	% Share	Member Cost
Anaheim	17.92%	\$35,047.02
Azusa	1.72%	\$3,363.89
Banning	0.69%	\$1,349.47
Burbank	9.17%	\$17,934.22
Colton	1.38%	\$2,698.93
Glendale	24.77%	\$48,443.90
Pasadena	21.26%	\$41,579.22
Riverside	13.44%	\$26,285.27
Vernon	9.65%	\$18,872.98
Total	100.00%	\$195,574.89

- Abide by the Terms and Conditions of all Agreements and Permits

RECOMMENDATION: Approval of Resolution 2024-086

Expressing Intent to Transition the LCR
MSCP Agreements and Permits to
Participating Members





Thank You



SCP PA

GOVERNMENT AFFAIRS

MARIO De BERNARDO | *Director, Government Affairs*

ELISABETH de JONG | *Manager, Government Affairs*

NATALIE SEITZMAN | *Energy Policy Advocate, Government Affairs*

State Regulatory Update



Recent Meetings with CEC Meetings

▶ Com. Gunda's Senior Advisor

- Resource Adequacy: In Front of the Meter Batteries as Load Modifiers

▶ CEC Executive Director

- Reforms to RPS Verification Process
- Streamlining CEC's Reporting Requirements
- Reliability Modeling in SB 100 Report

▶ RPS 65% Long Term Commitment Issues

- SCPPA Survey Indicates an Issue for Several Members Next Compliance Period
- Organizing CEC Follow Up Meeting



CEC's Distributed Electricity Backup Assets Program

Group Rank Number	Project Applicant	Title	CEC Funds Requested	CEC Funds Recommended	Match Funds	Score	Award Status
1	City of Roseville	Roseville Efficiency Enhancements for Grid Reliability	\$1,500,000	\$1,500,000	\$5,342,893	84.75	Awardee
2	City of Pasadena	Pasadena Glenarm Battery Energy Storage System Project	\$9,660,000	\$9,660,000	\$4,140,000	83.15	Awardee
3	Burbank Water and Power/City of Burbank	City of Burbank Magnolia Power Project: Advanced Gas Path Resiliency Upgrade	\$12,755,466	\$12,755,466	\$14,000,000	81.40	Awardee
4	Burbank Water and Power/City of Burbank	City of Burbank Magnolia Power Project: Advanced Compressor Resiliency Upgrade	\$23,293,654	\$23,293,654	\$24,000,000	80.25	Awardee
5	Northern California Power Agency	NCPA Lodi Energy Center FX Project	\$7,113,672	\$7,113,672	\$7,419,491	75.65	Awardee
Total Funding Recommended			\$54,322,792	\$54,322,792	\$54,902,384		

PWP & BWP Used SCPPA Grant Writing Contract

CARB: Cap-and-Trade Update

▶ Status Update:

- SCPPA submitted comments 5/8
- POU & CARB meeting 5/15
- Upcoming rulemaking with potential changes to 2025-2030 and post-2030

▶ POU Position:

- Maintain current 2025-2030 allowance allocation
- Retain flexibility in use of allowance value

▶ Next Steps:

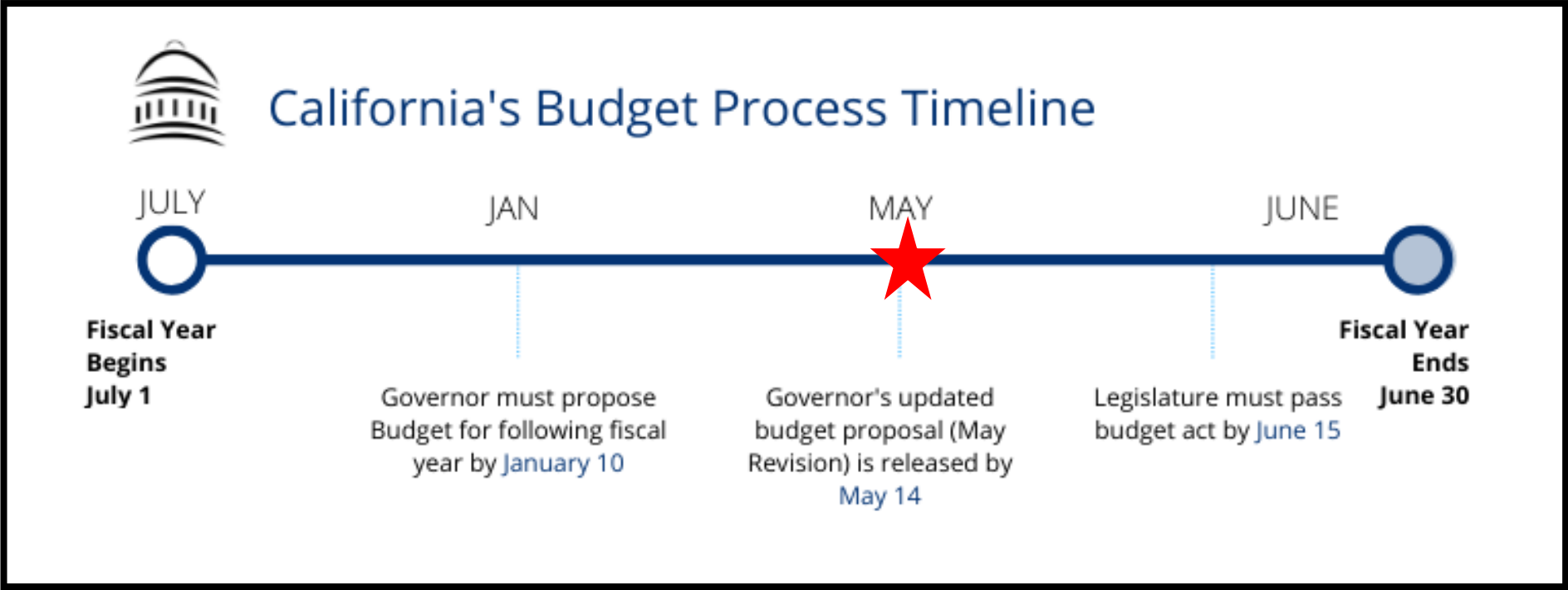
- Follow-up POU/CARB meeting
- CARB workshop on allowance allocation



State Legislative Update



State Budget



May Revision

Newsom announces budget cuts to tackle California's \$27.6 billion deficit



May Revision

Cap and Trade Fund Shifts—Shifting \$1.7 billion in 2024-25 from the General Fund to the Greenhouse Gas Reduction Fund for various climate programs. Over the next five years, the May Revision includes shifting \$3.6 billion from the General Fund to the Greenhouse Gas Reduction Fund, including transit programs, clean energy programs, zero-emission vehicle programs, and nature-based solutions programs.

Energy Resources Programs Account (ERPA)

ERPA Surcharge

- Main operating account for the CEC
- \$0.0003 per kWh surcharge on retail sales
- \$2 annually per average household
- ERPA projected to go insolvent

Governor's Structural Deficit Relief Trailer Bill Language

- Increase cap to \$0.00066 per kWh
- \$3.84 annually per average household
- Authorize adjustment to cap based on CPI
- Extend charge to behind the meter solar owners

Joint POU Position

- Oppose unless net benefits to customers

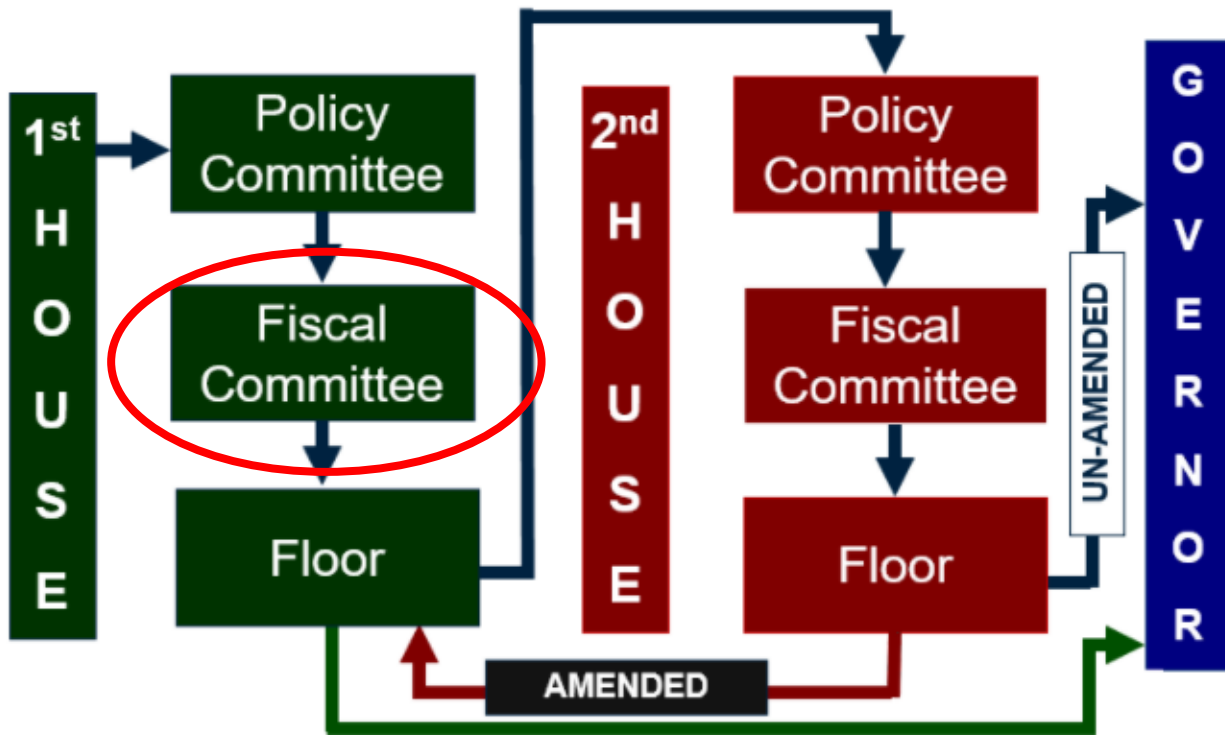
Assembly Budget Analysis:

“[S]taff sees few options to resolve the structural deficit besides adopting the proposal or laying off staff at the Energy Commission and reducing their legislatively mandated responsibilities.”

State Legislative Calendar

Legislative Process

“How a Bill Becomes a Law”



Notable Dates:

- May 16 - Approps. Com. Suspense Hearings
- May 24 - First House Floor Deadline
- May 28 - Second House Process Begins

AB 2221 (Carrillo)

- **Broadband Shot Clocks (AB 2221, Carrillo)**
 - 60 Day Shot Clock
 - Deemed Approved Standard
 - SCPPA Position: Oppose
- **Assembly Appropriations Committee**
 - Fiscal Impact:
 - “CPUC will need resources well in excess of \$150,000 in any given year”
 - If Passes Suspense Hearing, Next Week Floor Vote
 - Joint-POU Coalition Organizing Assembly Floor Strategy



AB 1834 (Garcia)

- **AB 1373 Clean Up Regarding Capacity Payments & Central Procurement**
 - Capacity Payment
 - CEC Shall Consider Mitigating Factors
 - Central Procurement
 - If POU Participates, Allow Alternative to Non-Bypassable Charge
- **Position: Co-Sponsor with NCPA**
- **Update: Currently Working on Governor's Office Concerns**



Federal Update

- **IRA Direct Pay Regulations Still Pending**
 - Domestic Content Standard Unknown
 - If Standard Not Met, No Direct Pay
- **Rep. Chu's Sign-on Letter**
 - SCPPA Drafted Letter
 - Encourages Finalization of Domestic Content Rules
 - Urges Clarity, Certainty, and Simplicity
 - Urges Continued Coordination with Stakeholders
- **SCPPA Coordinating with SCPPA Members on Sign-ons**



June Working Group Meetings in Sacramento

▶ June 25-26 RWG and LWG Meetings in Sacramento

- June 25th - Focus on State Legislation
- June 26th - Focus on State Regulations
- SCPPA Scheduling Guest Speakers and Meetings with Policymakers



SCPPA Policy Staff Tour

▶ July 10-12 (Wednesday-Friday)

- Day 1: LADWP
- Day 2: Burbank (Magnolia), Pasadena (CalTech), and Glendale (Scholl)
- Day 3: Nevada (Hoover, Cooper Mountain, Marketplace)

▶ Theme: Transmission

- CAISO, Other BAs, Non-Transmission Approaches





**Closed Session in progress
regular meeting will resume shortly.**