



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Board of Directors Meeting

Thursday, September 19, 2024



EXECUTIVE DIRECTOR REPORT

Working Group Update

Daniel E Garcia | *Executive Director*

CONSENT CALENDAR

A. Minutes of the Board of Directors Meeting

- Regular Meeting Minutes: August 15, 2024

B. Receive and File:

1. Finance Committee Meeting Minutes: August 5, 2024
2. Monthly Investment Report: July 2024
3. SCPPA A&G Budget Comparison Report: July 2024
4. Palo Verde Decommissioning Annual Funding Status Report: Year 2023
5. Palo Verde Report: July 2024
6. Magnolia Power Project Operations Report: August 2024
7. Federal Legislative Report: August 2024



SCPPA

FINANCE REPORT

Aileen Ma | *Chief Financial &
Administrative Officer*
Troy Cook | *Utility Analyst*

SOUTHERN TRANSMISSION SYSTEM (STS) BOND REFUNDING

STS BOND REFUNDING

- ▶ Project Participants: LADWP, Anaheim, Riverside, Pasadena, Burbank, and Glendale
- ▶ Outstanding project revenue bonds:

Series	Structure	Outstanding	Optional Redemption	Final Maturity
2015 Series C	Fixed Rate Tax-Exempt	\$89,480,000	January 1, 2025	July 1, 2027

- ▶ Financing Plan
 - ▶ Refinance for debt service savings
 - ▶ Issue fixed rate tax-exempt refunding revenue bonds
 - ▶ Same final maturity of July 1, 2027
 - ▶ Price the bonds via competitive sale

STS BOND REFUNDING

▶ Estimated debt service savings based on rates as of 9/4/2024

Date	Cashflow Savings	Participant Shares					
		LADWP 59.534%	City of Anaheim 17.647%	City of Riverside 10.164%	City of Pasadena 5.883%	City of Burbank 4.498%	City of Glendale 2.274%
7/1/2025	493,235	293,642	87,041	50,132	29,017	22,186	11,216
7/1/2026	1,126,400	670,591	198,776	114,487	66,266	50,665	25,614
7/1/2027	1,131,500	673,627	199,676	115,006	66,566	50,895	25,730
Total	2,751,135	1,637,861	485,493	279,625	161,849	123,746	62,561

- Net present value (NPV) savings equivalent - \$2.5 million (2.8% of refunded par)
- ▶ SCPPA Financing Policy - 5% minimum NPV savings as a guideline
- ▶ SCPPA Board may make exceptions on a case-by-case basis
- ▶ Savings sensitivity

NPV Savings (%)	2.803%	2.000%	3.000%	5.000%
Rate Change (vs. Current)	Current	+ 55 bps	-14 bps	- 147 bps

STS BOND REFUNDING

- ▶ Finance Committee discussed on August 5th
 - ▶ Supported the refinancing
 - ▶ Recommended approval of initial authorizing Resolution
 - ▶ Recommended establishing a minimum savings floor
 - ▶ Cover cost of issuance
- ▶ Anticipated financing schedule
 - ▶ December 19th - Board approval
 - ▶ January 8th - Competitive sale
 - ▶ January 23rd - Closing

STS BOND REFUNDING

Recommendation:

- ▶ Adopt Resolution No. 2024-095 authorizing the preparation of all documents necessary for the refinancing of the Transmission Project Revenue Bonds, 2015 Subordinate Refunding Series C (Southern Transmission Project)

THANK YOU



SCPPA

ASSET MANAGEMENT

CHARLES GUSS | *Senior Asset Manager*

GUADALUPE ROBLES | *Senior Utility Analyst*



Clean Energy Project (Prepaid PPA) FY 24/25 Budget

Resolution 2024-096



Clean Energy Project (Prepaid PPA) FY 24/25 Budget

- ▶ Clean Energy Project
 - ▶ Prepays for two landfill gas PPAs:
 - ▶ Brea Landfill Gas Plant
 - ▶ Bowerman Power Landfill Gas-to-Energy Project
 - ▶ \$598 million prepayment for 1.9 million MWh
 - ▶ 15% savings, over \$5 million annually through 2030
- ▶ FY 24/25 Project Budget of \$117k includes:
 - ▶ \$54k for Working Capital
 - ▶ \$63k for Direct A&G
- ▶ Resolution 2024-096
 - ▶ Project Vote: Anaheim (100%)

RESOLUTION NO. 2024-096

**RESOLUTION OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
APPROVING THE ANNUAL BUDGET FOR
CLEAN ENERGY PROJECT (PREPAID PPA)
FOR THE FISCAL YEAR
JULY 1, 2024 THROUGH JUNE 30, 2025**

BE IT RESOLVED by the Board of Directors of the Southern California Public Power Authority (the "Authority") that:

1. The budget for the Clean Energy Project (Prepaid PPA) for the Fiscal Year July 1, 2024 through June 30, 2025, submitted to this Board of Directors, is hereby approved. The Executive Director is hereby authorized and directed to place the budget so approved in final form, with such changes as shall be necessary or advisable, consistent with Board Resolution No. 2024-082, and the budget hereby approved, in such final form, shall constitute the Authority's Annual Budget for Fiscal Year July 1, 2024 through June 30, 2025.

2. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority, this 19th day of September, 2024.



RECOMMENDATION: Approval of Resolution 2024-096

Authorizes Approval of the Clean
Energy Project (Prepaid PPA)
FY 24/25 Budget



Eland Solar & Storage Center, Phase 2 Project FY 24/25 Budget

Resolution 2024-097

Eland Solar & Storage Center, Phase 2 Project

FY 24/25 Budget

- ▶ Eland Solar & Storage Center, Phase 2 Project
 - ▶ 200 MW-ac solar plus
 - ▶ 150 MW/600 MWh storage project
 - ▶ Located in Kern County, CA
- ▶ Test Energy deliver begins October 2024
- ▶ COD planned for April 2025
- ▶ FY 24/25 Budget Total of \$17.5 million includes:
 - ▶ \$14.4 million in Test Energy and PPA Payments
 - ▶ \$3 million for Working Capital
- ▶ Resolution 2024-097
 - ▶ Project Vote: LADWP (100.00%)

RESOLUTION NO. 2024-097

**RESOLUTION OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
APPROVING THE ANNUAL BUDGET FOR
ELAND SOLAR & STORAGE CENTER, PHASE 2 PROJECT
FOR THE FISCAL YEAR
JULY 1, 2024 THROUGH JUNE 30, 2025**

BE IT RESOLVED by the Board of Directors of the Southern California Public Power Authority (the "Authority") that:

1. The budget for the Eland Solar & Storage Center, Phase 2 Project for the Fiscal Year July 1, 2024 through June 30, 2025, submitted to this Board of Directors, is hereby approved. The Executive Director is hereby authorized and directed to place the budget so approved in final form, with such changes as shall be necessary or advisable to comply with the Eland Solar & Storage Center, Phase 2 Project Power Sales Contract; and the budget hereby approved, in such final form, shall constitute the Authority's Annual Budget for Fiscal Year July 1, 2024 through June 30, 2025.

2. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority, this 19th day of September, 2024.



RECOMMENDATION: Approval of Resolution 2024-097

Authorizes Approval of the Southern
Transmission System Project
FY 24/25 Budget Revision No. 1



San Juan Generating Station Stack Implosion

<https://www.youtube.com/watch?v=83nlgXnnnPQ>



San Juan Generating Station Stack Implosion



SCPPA

PROJECT DEVELOPMENT

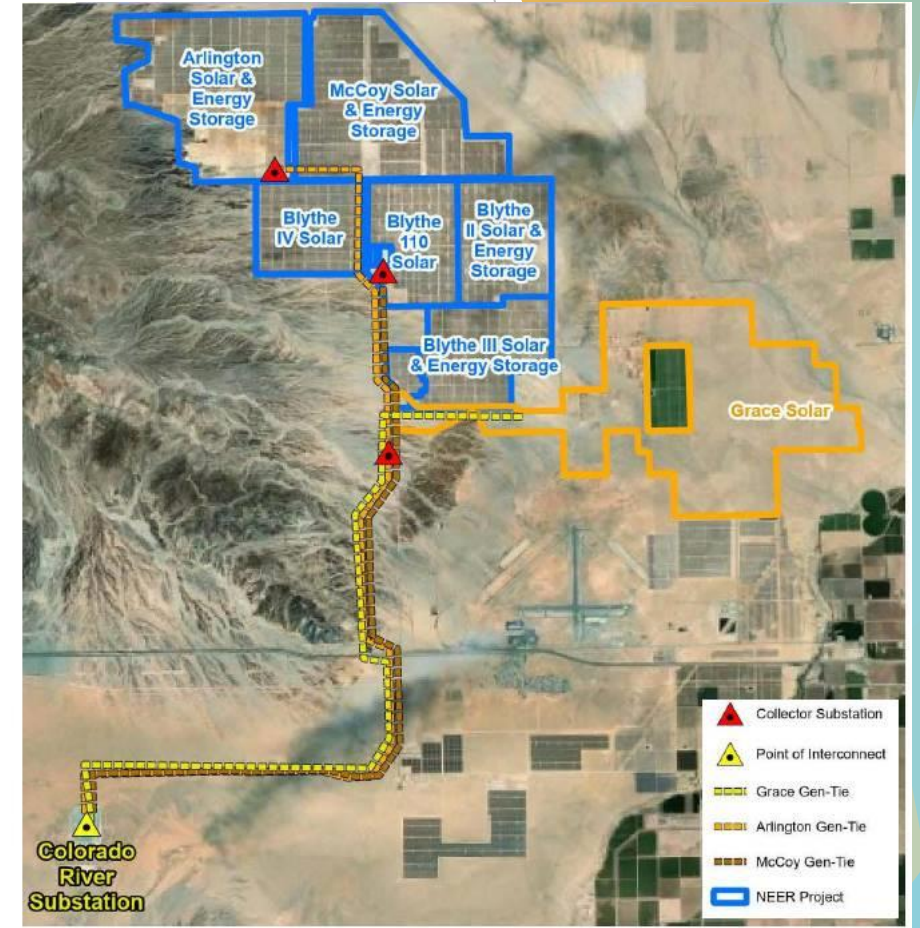
Randy Krager | *Sr. Project Development Manager*

John Quan | *Principal Utility Analyst*

Troy Cook | *Utility Analyst*

Background

- ▶ NextEra Energy Resources (Grace Orchard Solar III, LLC)
- ▶ Location: Riverside County, California
- ▶ Interconnects to the CAISO grid at Southern California Edison (SCE) Colorado River 230 kV substation
- ▶ The 500 MW Grace Orchard Facility is located on privately held and BLM land



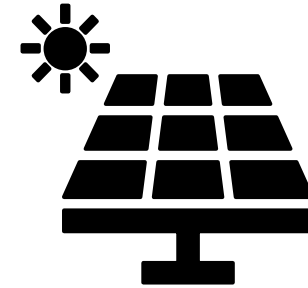
Grace Solar Project

- ▶ Participating Members: Anaheim (100 MW), Colton (20 MW), & Pasadena (50 MW)
- ▶ Contract Capacity: 170 MW (PV)
- ▶ Contract Term: 20-Years
- ▶ Minimum Contract Price: \$43.71/MWh
- ▶ Maximum Contract Price: \$47.46/MWh
- ▶ Point of Delivery: Colorado River Substation 230 kV
- ▶ Expected Commercial Operation Date (COD): December 1, 2027



Price Adjustment Overview

- ▶ Anticipation of cost increase
 - ▶ Increase in PV panel costs due to new trade measures or restrictions
- ▶ Verification Process
 - ▶ Price adjustment subject to verification by an independent evaluator
 - ▶ Evaluator report will confirm PV panel cost increase
 - ▶ Members can contest only on mathematical errors



PV Price:

\$43.71/MWh

\$47.46/MWh

Minimum

Maximum

Next Steps & Approvals

- ▶ Each Participating Member will present their PSA to their City Councils for approval
 - ▶ If not approved, the PPA can be terminated
- ▶ NEER must secure all necessary approvals by November 15, 2024, or pay a \$10,000,000 termination fee

California Environmental Quality Act ("CEQA") Determination

- ▶ SCPPA's approval of the PPA and PSAS and other actions taken in furtherance thereof is not a "project" under the California Environmental Quality Act ("CEQA") as it would not result in a direct or reasonably foreseeable indirect change in the physical environment.
- ▶ The proposed action does not have the potential to cause a significant effect on the environment and is thus exempt from CEQA.
- ▶ The Power Purchase Agreement ("PPA") requires that the developer obtain necessary permits, including CEQA determinations, required for the construction, operation, and maintenance of the project facility. (PPA Section 12.3)

Recommendation

▶ Approval of Resolution 2024-098

Authorize the negotiation, execution, and delivery of the project Power Purchase Agreement (PPA) with Grace Solar Orchard III, LLC, and Power Sales Agreements (PSAs) with the Cities of Anaheim, Colton, and Pasadena for the Grace Solar Project, and find such action exempt from CEQA

The logo for SCP PA features the letters 'S', 'C', 'P', 'P', and 'A' in a bold, dark blue font. The letters are overlaid on a light blue map of Louisiana. A yellow and orange swoosh graphic is positioned behind the letters, extending from the left side of the 'C' towards the right.

SCP PA

GOVERNMENT AFFAIRS

MARIO De BERNARDO | *Director, Government Affairs*

ELISABETH de JONG | *Manager, Government Affairs*

NATALIE SEITZMAN | *Energy Policy Advocate, Government Affairs*

CEC Com. Noemí Gallardo Visit

- ❑ **Thursday, August 29**

- ❑ **Morning Session @ Riverside**
 - Riverside Resource Center Project
 - Casa Blanca Customer Resource Center

- ❑ **Afternoon Session @ Burbank**
 - Magnolia Power Plant
 - Eco-campus

- ❑ **Roundtable Discussions**
 - Customer Engagement
 - Reliability
 - Clean Energy Planning



SCPPA: CEC Commissioner Visit

- ▶ 9 SCPPA Members represented:
Anaheim, Azusa, Burbank, Colton,
Glendale, IID, LADWP, Pasadena,
Riverside



Federal Update

“Super Bowl of Tax”

- Congress will focus on tax policy in 2025
- \$4.3 trillion worth of tax credits set to expire
- Pressure from \$28.2 trillion federal deficit
- **POU Issues: Tax-exempt Muni Bonds, ARBs, and IRA Credits**



Federal Update

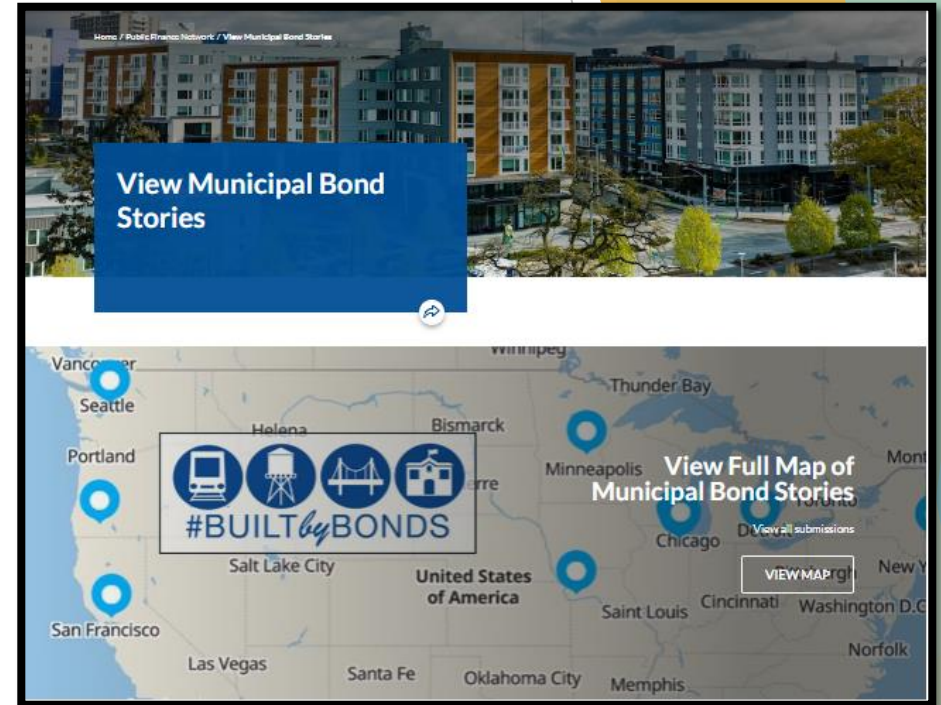
“Built By Bonds” Database

- APPA working with Government Finance Officers Association
- Requesting POUs to submit info on bond financed projects
- Purpose is to show usefulness of municipal bonds
- Goal: At least four projects in every congressional district

Federal Update

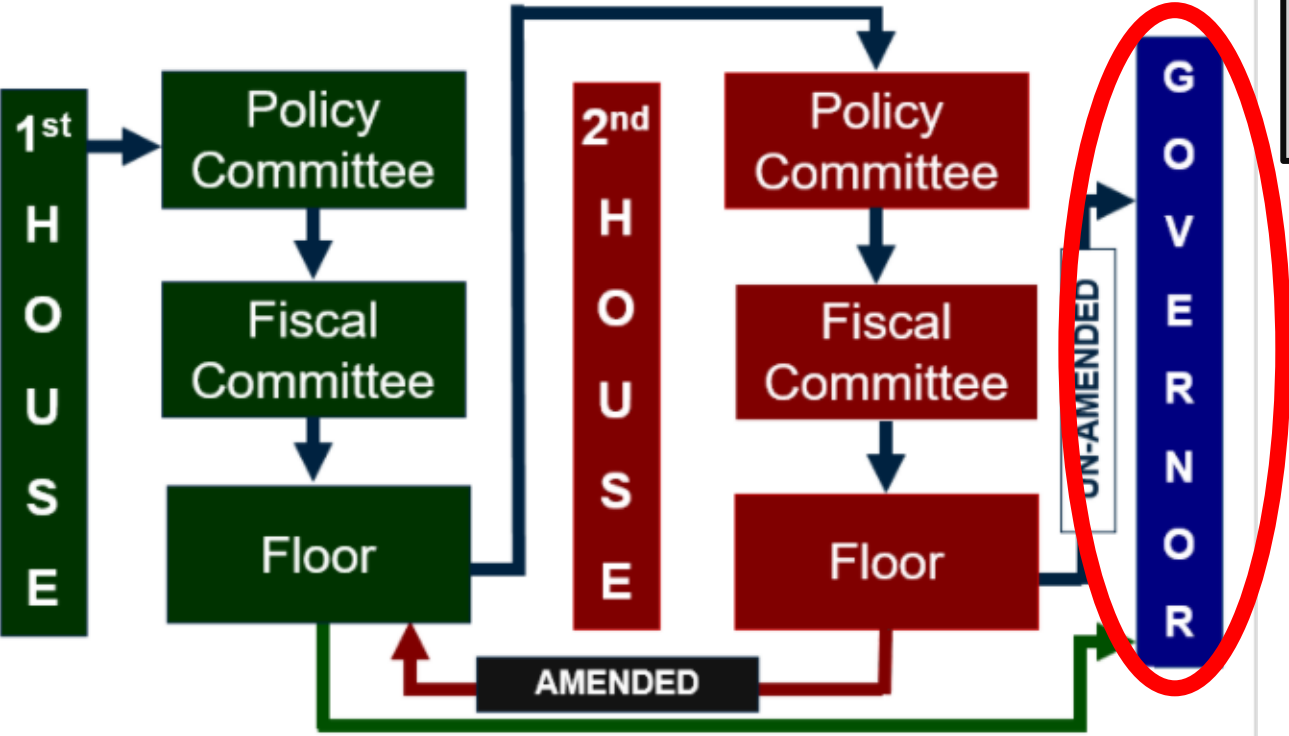
POU Submissions

- Project with any governmental purpose
- Old or recent projects
- Wouldn't have been built but for muni bonds
- **Need info ASAP**
- <https://www.gfoa.org/built-by-bonds-entry-form>



State Legislative Calendar

Legislative Process "How a Bill Becomes a Law"



Notable Dates:

Sep 30 - Last Day for Gov to Sign/Veto Bills

Bills on Governor's Desk

- **AB 3264 (Petrie-Norris) -- Studies for Reducing Energy Costs**
- **SB 1420 (Caballero) -- Permit & Judicial Streamlining for Hydrogen**
- **AB 1834 (Garcia) - AB 1373 Clean Up**
- **AB 2037 (Papan) - EV Charger Inspections**

Signing Deadline is September 30th



Special Session

- Special Session on Stabilizing Gas-Price Spikes
- Assembly Schedule

Committee Hearings

Wednesday, September 18, afternoon: informational hearing

Thursday, September 19, morning: informational hearing

Thursday, September 26, morning: bill hearing

Floor Session

Tuesday, October 1, floor session at 1 p.m.



- Senate pro Tem says Senate will convene if Assembly can pass Gov's proposal
- Governor has only signed one Senate bill since August 31st

CARB: Cap-and-Trade

□ Rulemaking Status Update:

- Pre-rulemaking: 45-day regulatory package in any day
- CARB Board consideration “late 2024, early 2025”

□ Specific Issues:

- Allowance allocation
- Flexibility for use of allowance value
- Consignment
- Post-2030 Program



Cap-and-Trade Reauthorization

- **Post-2030 Cap-and-Trade Legislation Expected Next Session**
- **SCPPA Developing Principles**
 - Emphasize broader issues
 - POU leadership
 - Dual regulations: C&T and SB 100
 - POU costs to decarbonize (not just C&T compliance)
 - Effects on ratepayers
 - Specific issues: allowances, use of allowances, consignment, and regulatory certainty
- **SCPPA Developing Strategy**
 - Once principles finalized, meet with energy committee and leadership staff
 - Encourage legislative letter to CARB on POU issues

