



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Board of Directors Meeting

Thursday, February 20, 2025



Board Officer Elections/Appointments



EXECUTIVE DIRECTOR REPORT

Working Group Update

Daniel E Garcia | *Executive Director*

CONSENT CALENDAR

A. Minutes of the Board of Directors Meeting

- Special Meeting Minutes: January 30, 2025

B. Receive and File:

1. Finance Committee Meeting Minutes: January 6, 2025
2. Monthly Investment Report: December 2024
3. Quarterly Investment Report: December 2024
4. SCPPA A&G Budget Comparison Report: December 2024
5. Palo Verde Nuclear Generating Station Status Report: December 2024
6. Magnolia Power Project Operations Report: January 2025
7. Federal Legislative Report: January 2025



SCPPA

FINANCE REPORT

*Aileen Ma | Chief Financial &
Administrative Officer*

CANYON POWER PROJECT BOND REFINANCING

CANYON BOND REFINANCING

- ▶ Project Participant: Anaheim
- ▶ Outstanding project bonds:

Series	Structure	Outstanding	Optional Redemption	Mandatory Tender
2020 Series A	Fixed-Rate Tax-Exempt	\$54,285,000	7/1/2025	
2020 Series B	Fixed-Rate Taxable	\$27,360,000	7/1/2025	
2020 Series C	Fixed-Rate Tender	\$88,245,000		7/1/2025
2022 Series B	VRDBs with Fixed Payer Swap	\$71,090,000	Any Time	

CANYON BOND REFINANCING

- ▶ Goals of refinancing
 - ▶ Reduce remarketing and interest rate risks
 - ▶ Maintain flexibility for future refinancing
 - ▶ Preserving 2010 original debt service schedule
- ▶ Maintain flexibility on structure
- ▶ February 3rd - Finance Committee recommendation
- ▶ Recommendation
 - ▶ Adopt Resolution No. 2025-007 authorizing the preparation of all documents necessary for the refinancing of the Canyon Power Project Refunding Revenue Bonds

THANK YOU



SCPPA

Project Development

Presentation by Jan Smutny-Jones

Randy Krager | *Project Development Manager*



SCP PA

GOVERNMENT AFFAIRS

MARIO De BERNARDO | *Director, Government Affairs*

ELISABETH de JONG | *Manager, Regulatory Affairs*

NATALIE SEITZMAN | *Manager, Legislative Affairs*

Policy Principles Annual Update

- Guiding principles for Reg. and Leg. Working Groups
- Reviewed and Developed through Reg & Leg Working Groups
- Lists Positions on 23 Issue Areas
- Includes SCPPA Principles on Trending Issues
 - Cap and Trade
 - Advanced Clean Fleets
 - Wildfires

Recommendation:

Approval of Resolution 2025-008

- ▶ Annual Update to SCPPA's Guiding Policy Principles for Legislative and Regulatory Affairs

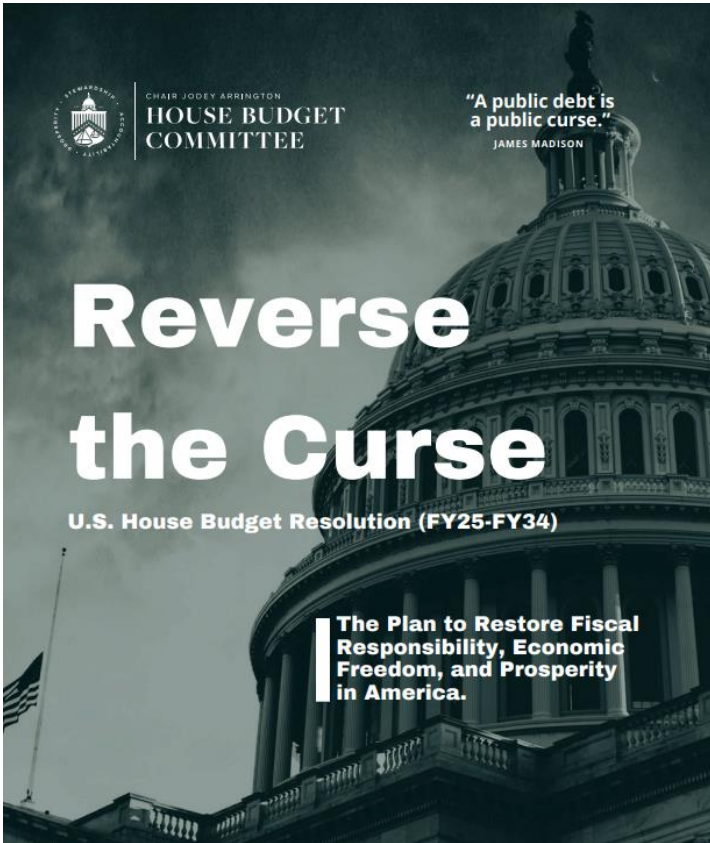
The National Energy Dominance Council

February 14th Executive Order



- **Leadership:** Doug Burgum (Sec of Interior) and Chris Wright (Sec of Energy)
- **Strategies:** Improve Generation & Distribution Across All Forms of US Energy
- **Focus:** Red Tape, Private Sector Investments, Advancing Innovation
- Consult with Public and Private Sector Stakeholder

House Budget Resolution



- Resolution Establishes A Budget Blueprint
- First Step in Budget Reconciliation Process Starts
- Resolution Targets \$2 Trillion in Spending Cuts

House Budget Resolution Excerpts

Attacks
\$7.5 Billion
EV Charging Program

The funds provided by this law should have been targeted towards traditional roads and bridges, not wasteful initiative such as:

- \$6.4 billion for the new Carbon Reduction Program
- \$7.5 billion for 500,000 electric vehicle charging stations and nation-wide electric infrastructure
- \$10 million for career skills training to install energy efficient building technologies
- \$5 billion for electric and low emitting buses and ferries
- \$5.6 billion for low or no emissions bus projects

House Budget Resolution Excerpts

Attacks IRA Incentives for

- Unreliable, Unproven, Expensive Resource
- Biden Emission Rules
- “Green Corporate Welfare”

- **Repeal Green Corporate Welfare:** The IRA included hundreds of billions in taxpayer dollars for grants, loan guarantees, and tax breaks to push unreliable, unproven, and expensive green technologies onto the American people. These green energy tax giveaways and the Biden-Harris Administration’s new emissions rule are expected to cost at least \$870 billion through 2031—more than double the original projection of \$400 billion.^[4] While the Biden-Harris Administration’s assault on domestic energy and spending-induced inflation is already causing consumers pain at the pump, 90 percent of the IRA’s green corporate welfare benefits companies making over \$1 billion—the very same Wall Street companies Democrats constantly demonize on the campaign trail. These giveaways also expand China’s dominance over America’s energy and critical mineral supply chains, enriching our greatest adversary at the expense of hardworking taxpayers.

House Budget Resolution Excerpts

Our budget supports reducing emissions by investing in common sense solutions like carbon capture, renewable hydropower, safe nuclear power, natural gas, and energy storage. Modernizing infrastructure and ensuring that America continues to lead the world in reducing emissions can be done without crushing hardworking Americans and their energy bills.

APPA Federal Rally/SCPPA Fly-in *February 24-26*



APPA Federal Rally/SCPPA Fly-in

Azusa

Tikan Singh

Burbank

Mayor Nikki Perez

Mandip Samra

Riad Sleiman

Jason Maruca

Glendale

Mayor Elen Asatryan

Scott Mellon

Christopher Khachadour

Pasadena

Jennifer Guess Mayo

Stacie Takeguchi

Chris Giglio

Riverside

Board Chair Gil Oceguela

Tracy Sato

Robert Ennis

Vernon

Todd Dusenberry

Angela Kimmey

IID

Director Alex Cardenas

Director Karin Eugenio

Jamie Asbury

Matt Smelser

Antonio Ortega

Lee Hernandez

APPA Federal Rally/SCPPA Fly-in

Three Issue Papers

- What is a Publicly Owned Electric Utility?
- Tax-Exempt Municipal Bonds Power Local Economies
- Strengthening Our Electric Infrastructure with Federal Support

What is a POU?

- **Focus**
 - Uses Bi-Partisan Terms
 - Accountability (vs IOUs)
 - POU's are Economic Engines
 - How SCPPA Members Use SCPPA

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Southern California
Public Power Authority

What is a Publicly Owned Electric Utility?

Publicly owned electric utilities (POUs) are not-for-profit public agencies that supply and deliver electricity to their communities. Most POU are city municipal departments; however, they can also be public utility districts, municipal utility districts, or irrigation districts.

Today, there are approximately 2,000 POU communities in 49 states accounting for 59% of the total number of utilities that operate in the U.S. In California, there are more than 40 POU serving approximately 25% of the state's energy needs. This includes the 11 cities and one irrigation district that make up the Southern California Public Power Authority (SCPPA), which together supply 16% of California's power.

2,000 POU in the US
40+ POU in California
SCPPA's 12 Members serve **16%** of California's power.

POUs are Economic Engines for Their Communities

POUs play an important role in stimulating their local economies through affordable rates and utility programs. Lower electricity prices allow customers to spend more money on other goods and services, in addition to attracting businesses and industry to the community. As locally controlled utilities, POU are also part of a public service community team that coordinates on public work projects, downtown renovations, housing and business development, industrial parks, energy-efficiency programs, and public electric vehicle charging.

POUs are Directly Accountable to the People

Accountability is a key principle that distinguishes POU from their investor-owned utility (IOU) counterparts. A POU is controlled by its locally elected governing board. For example, a city-owned POU is governed by its city council. These elected boards are directly accountable to their POU's electric customers since those customers are also their voters. In addition, many POU have publicly appointed advisory committees comprised of community members that help guide utility decisions. To maintain the public trust, these boards and committees operate under "sunshine laws" that promote transparency and public input in their decision-making processes. In contrast, IOUs are private, for-profit entities owned by their corporate shareholders who are typically not customers of the utility or members of the community. Their primary motivation is to increase stock value for shareholders and their customers have minimal influence over the utility's decisions and operations.

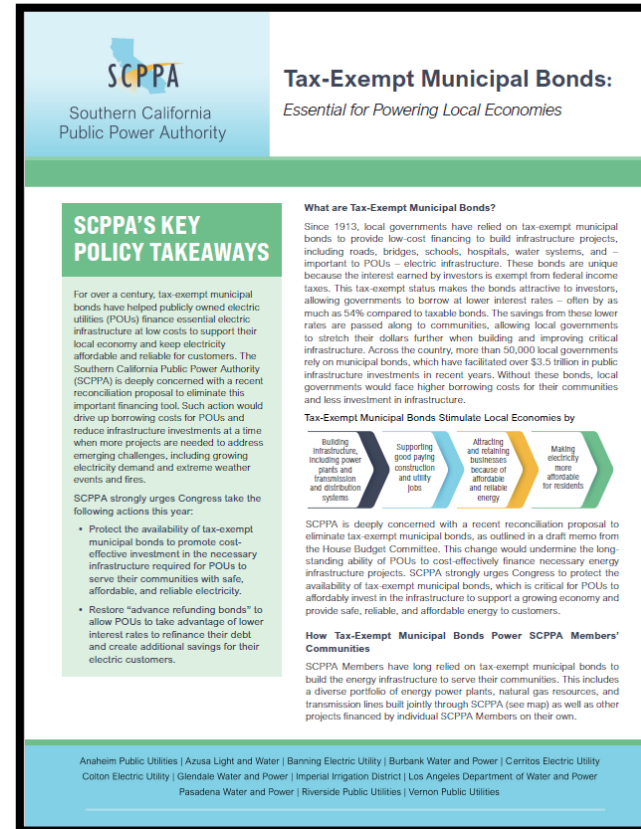
How SCPPA Serves SCPPA Members

Together, SCPPA Members serve more than 5 million Californians across a service area of 9,000 square miles in Southern California. To help serve their communities, SCPPA Members formed SCPPA in 1980 as a not-for-profit joint powers agency to maximize collaboration between the utilities. Through the power of joint action, SCPPA Members utilize SCPPA by bringing economies of scale for electric utility projects and programs. As SCPPA Members lead their communities to economic growth and a sustainable future, SCPPA has been making significant investments on behalf of its members to procure a diverse portfolio of energy resources and support customer programs. SCPPA also provides a forum for SCPPA Members to share technical expertise and receive training that strengthens their efforts to provide clean, affordable, and reliable energy to the residents and businesses they serve.

Anaheim Public Utilities | Azusa Light and Water | Banning Electric Utility | Burbank Water and Power | Carritos Electric Utility
Colton Electric Utility | Glendale Water and Power | Imperial Irrigation District | Los Angeles Department of Water and Power
Pasadena Water and Power | Riverside Public Utilities | Vernon Public Utilities

Tax-Exempt Municipal Bonds

- **Focus**
 - Economy, Reliability, Affordability
 - Uses Bi-Partisan Terms
- **Supports**
 - Protect Tax-exempt Municipal Bonds
 - Restore Advance Refunding Bonds



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Tax-Exempt Municipal Bonds: Essential for Powering Local Economies

SCPPA'S KEY POLICY TAKEAWAYS

For over a century, tax-exempt municipal bonds have helped publicly owned electric utilities (POUs) finance essential electric infrastructure at low costs to support their local economy and keep electricity affordable and reliable for customers. The Southern California Public Power Authority (SCPPA) is deeply concerned with a recent reconciliation proposal to eliminate this important financing tool. Such action would drive up borrowing costs for POUs and reduce infrastructure investments at a time when more projects are needed to address emerging challenges, including growing electricity demand and extreme weather events and fires.

SCPPA strongly urges Congress take the following actions this year:

- Protect the availability of tax-exempt municipal bonds to promote cost-effective investment in the necessary infrastructure required for POUs to serve their communities with safe, affordable, and reliable electricity.
- Restore "advance refunding bonds" to allow POUs to take advantage of lower interest rates to refinance their debt and create additional savings for their electric customers.

What are Tax-Exempt Municipal Bonds?

Since 1913, local governments have relied on tax-exempt municipal bonds to provide low-cost financing to build infrastructure projects, including roads, bridges, schools, hospitals, water systems, and – important to POUs – electric infrastructure. These bonds are unique because the interest earned by investors is exempt from federal income taxes. This tax-exempt status makes the bonds attractive to investors, allowing governments to borrow at lower interest rates – often by as much as 54% compared to taxable bonds. The savings from these lower rates are passed along to communities, allowing local governments to stretch their dollars further when building and improving critical infrastructure. Across the country, more than 50,000 local governments rely on municipal bonds, which have facilitated over \$3.5 trillion in public infrastructure investments in recent years. Without these bonds, local governments would face higher borrowing costs for their communities and less investment in infrastructure.

Tax-Exempt Municipal Bonds Stimulate Local Economies by

- Building infrastructure, including power plants and transmission and distribution systems
- Supporting good paying construction and utility jobs
- Attracting and retaining businesses because of affordable and reliable energy
- Making electricity more affordable for residents

SCPPA is deeply concerned with a recent reconciliation proposal to eliminate tax-exempt municipal bonds, as outlined in a draft memo from the House Budget Committee. This change would undermine the long-standing ability of POUs to cost-effectively finance necessary energy infrastructure projects. SCPPA strongly urges Congress to protect the availability of tax-exempt municipal bonds, which is critical for POUs to affordably invest in the infrastructure to support a growing economy and provide safe, reliable, and affordable energy to customers.

How Tax-Exempt Municipal Bonds Power SCPPA Members' Communities

SCPPA Members have long relied on tax-exempt municipal bonds to build the energy infrastructure to serve their communities. This includes a diverse portfolio of energy power plants, natural gas resources, and transmission lines built jointly through SCPPA (see map) as well as other projects financed by individual SCPPA Members on their own.

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Infrastructure Issue Paper

- **Focus**

- Economy, Extreme Events, Load Growth
- Does Not Mention IRA or Infrastructure Bill

- **Supports**

- Energy Tax Credits/Direct Pay
- GRIP Grant Program
- Action on Transformers
- Spent Fuel Depository

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Strengthening Our Electric Infrastructure with Federal Support

SCPPA'S KEY POLICY TAKEAWAYS

A reliable, cost-effective electric grid is essential to a strong American economy, yet the electric sector faces unprecedented challenges ranging from more extreme storms and fires to sharp increases in projected customer demand. Urgent action is needed to build and maintain the critical energy infrastructure that can meet these challenges.

SCPPA urges Congress to take the following actions:

- Support current tax policies that incentivize new energy projects to meet growing demand from the technology sector and customer electrification, and to facilitate the commercialization of next-generation energy resources.
- Support grant funding for grid resiliency that facilitate the modernization of the electric grid.
- Support a permanent long-term disposal site for spent nuclear fuel to protect human health, the environment, and to facilitate future commercial nuclear power development.

BY 2028 U.S. electric utilities could face the need to increase their annual generation by up to 26% above 2023 levels to accommodate AI data centers and increases in customer electrification.¹

This is driven mostly by breakthroughs in artificial intelligence technologies, as well as growing customer demand for vehicle and building electrification.

Electric utilities are also facing the risk of more frequent and intense extreme weather events and fires. Several SCPPA Members witnessed this firsthand as the Southern California region was devastated by the January 2025 storm that brought hurricane-force winds and catastrophic fires. Nationally, electrical outages from these types of disasters have increased from an average of 50 per year in the early 2000s to more than 100 annually in recent years.² These events cause substantial economic losses through infrastructure damage and manufacturing and labor disruptions. They can also be harmful to residential electric customers of every stripe, but especially for the elderly, disabled, and other vulnerable communities.

For the prosperity of the economy and our communities, there is an urgent need to build and maintain an electric grid that can affordably serve growing customer demand while being more resilient to extreme events. To meet this need effectively, SCPPA urges Congress to support the energy policies identified in this paper.

¹Rush, Maghan, et al. "Utilities Must Reinvent Themselves to Harness the AI-Driven Data Center Boom." Bain & Company, 10 Oct. 2024. <https://www.bain.com/insights/utilities-must-reinvent-themselves-to-harness-the-ai-driven-data-center-boom/>.

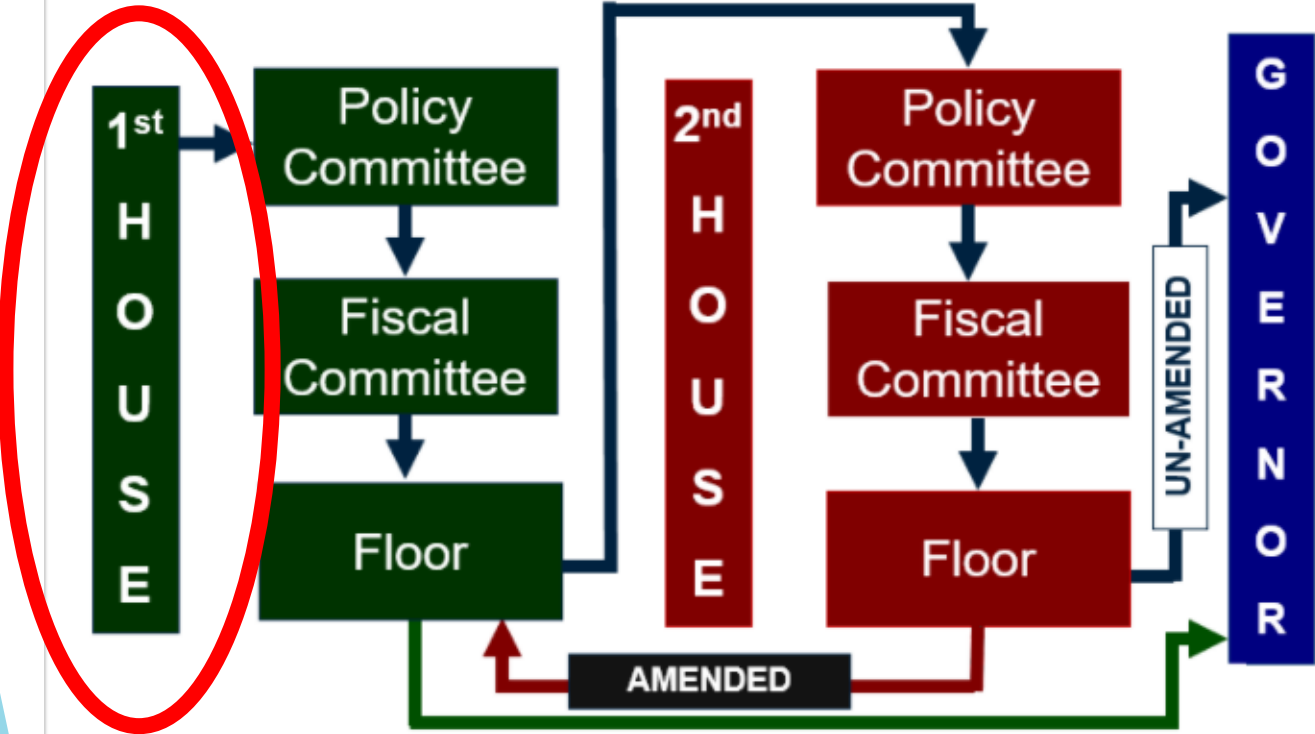
²Baswell, Cathy and Matt O'Brien. "Storms Better Aging Power Grid as Climate Disasters Spread." AP News, 28 Sept. 2022. <https://apnews.com/article/world-fires-storms-science-business-health-740f06c9961c556759989a6c2923279>.

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Costa Mesa Electric Utility | Corona Electric Utility and Power | Downey Electric Utility | Eastvale Electric Utility | Fontana Electric Utility | Fullerton Electric Utility | Hemet Electric Utility | Inglewood Electric Utility | Irvine Electric Utility | Long Beach Electric Utility | Los Angeles Department of Water and Power

State Legislative Calendar

Legislative Process

“How a Bill Becomes a Law”



Notable Dates:

Feb 21 - Policy Bill Introduction Deadline

(A bill must be in print for 30 days before first committee hearing)

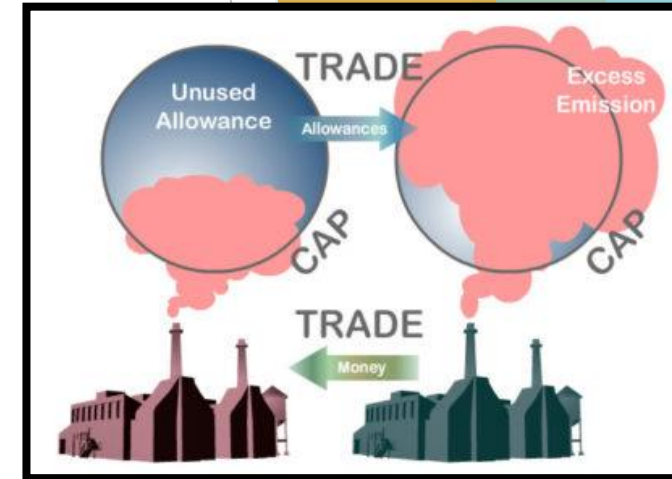
Advanced Clean Fleets Strategy

- **LADWP's Response to 2025 January Fires and Windstorms**
 - Electric grid was badly damaged
 - 100s of level 2 chargers would have been needed
 - LADWP tried to stand up 20 EV charging station
 - LADWP did not deploy any of its EVs
- **Three-Pronged Political Strategy**
 1. Focus on Upcoming CARB AB 1594 Rulemaking
 2. Lobby Governor's Office and CARB Leadership
 3. Inform Legislators to Prep for a Bill if Necessary



Cap-and-Trade

- **Senate and Assembly Gearing Up for Cap-and-Trade Reauthorization Post-2030**
- **SCPPA's Proactive Lobbying**
 - 13 meetings so far, outside of Capitol Day
- **Messaging**
 - Priority is preservation of allowances
 - Importance of allowances to affordability
 - Explain differences between POUs and IOUs
 - Greenhouse Gas Reduction Fund



Public Power Capitol Day (Feb 3rd)

- **Attendees**

- Over 30 People from SCPPA Community
- 9 SCPPA Members

- **SCPPA Issue Papers**

- POU 101
- Affordability (including Cap and Trade)

- **Key Takeaways**

- Affordability & Wildfire Issues Front of Mind



Board Member Comments



Closed Session