ANNUAL REPORT
(Pursuant to S.E.C. Rule 15c2-12)
December 30, 2025

Relating to:
$43,700,000 Southern California Public Power Authority
Natural Gas Project A, 2008 Revenue Bonds (Taxable)
(City of Burbank, California)

INTRODUCTION

This Annual Report is filed pursuant to the Continuing Disclosure Resolution (Resolution No. 2007-68), adopted by the Southern California Public Power Authority (the "Authority" or "SCPPA") on December 20, 2007 (the "Disclosure Resolution"), in accordance with Securities and Exchange Commission Rule 15c2-12 (the "Rule"). This Annual Report relates to the above-captioned bonds (the "Bonds"). The Bonds are described in the Authority's Official Statement dated January 24, 2008 (the "Official Statement"). The Bonds were issued to finance, among other things, the costs of acquisition and development of certain natural gas resources, reserves, fields, wells, and related facilities as well as certain capital improvements related thereto. Except as otherwise provided herein, terms used herein that are not defined herein have the meanings ascribed to such terms in the Official Statement.

The information in this Annual Report is provided in order to comply with the Authority's contractual commitment established by the Disclosure Resolution to provide certain of the information specified therein. Certain information in this Annual Report is not required to be provided by the Disclosure Resolution. By providing such information, the Authority does not undertake or agree to provide such information in any future year. The Authority and the City of Burbank, California ("Burbank") make no representation that this Annual Report contains all information material to a decision to purchase or sell any of the Bonds.

The information set forth herein has been furnished by the Authority and Burbank and includes information obtained from other sources, which are believed to be reliable. Any statements herein involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that such opinion or estimates will be realized. The information and expressions of opinion contained in this Annual Report are provided as of the respective dates specified herein and are subject to change without notice, and the filing of this Annual Report shall not, under any circumstances, create any implication that there has been no change in the affairs of the Authority or any Participant (as defined below) or in the other matters described herein since the date as of which such information is provided.

THE NATURAL GAS PROJECT

General Description

The Natural Gas Project includes the Authority's leasehold interests in (i) certain natural gas resources, reserves, fields, wells and related facilities located near Pinedale, Wyoming (the "Wyoming Subproject") and (ii) certain natural gas resources, reserves, fields, wells and related facilities in (or near) the Barnett Shale geological formation in Texas (the "Texas Subproject," and collectively with the Wyoming Subproject, the "Natural Gas Project" or the "Project"). The Authority has sold to each of Burbank and the Cities of Anaheim, Colton, Glendale and Pasadena, California (collectively, the

"Participants") a portion of the entire production capacity of its leasehold interests, as a source of long-term supply of Gas at a more levelized price to provide fuel for their generation needs, on a "take-or-pay" basis through gas sales agreements with each of the Participants. The Bonds are payable only from amounts received by SCPPA from Burbank. Burbank has taken delivery of Gas from the Wyoming Subproject since 2005 and has taken delivery of Gas from the Texas Subproject since 2006.

Pinedale Leases

Output, Gathering and Processing. The wells have historically produced approximately 95% natural gas and 5% Oil. The Oil is removed at the surface and trucked to a refinery, and the dry gas is delivered into a gathering pipeline system and transported to a processor for removal of natural gas liquids ("NGLs"). The processor delivers pipeline-quality gas to the interstate pipeline. Proceeds from the sale of gas in Wyoming financed the purchase of approximately 33,825 MMBtu at SoCal City Gate during fiscal year ended June 30, 2025.

Barnett Leases

Output; Gathering, Processing, Marketing and Distribution; Delivery to Participants. The wells produce approximately 71% natural gas, 28% NGLs, and 1% Oil. The Oil is removed at the surface and trucked to a refinery, and the dry gas is delivered into a gathering pipeline system and transported to a processor for removal of NGLs. The processor delivers pipeline-quality gas to the interstate pipeline. Proceeds from the sale of gas in Texas financed the purchase of approximately 87,438 MMBtu at SoCal City Gate during fiscal year ended June 30, 2025.

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Certain Financial Statements Relating to the Natural Gas Project

The following Statement of Net Position has been prepared by the Authority based upon audited financial statements of the Authority for fiscal years ended June 30, 2025 and June 30, 2024.

Southern California Public Power Authority
Natural Gas Project Pinedale & Barnett
Statement of Net Position
(In Thousands)

	Fiscal Year Ended June 30,	
	2025	**2024**
ASSETS		
Noncurrent assets		
Net utility plant	$34,537	$39,951
Investments – restricted	40,488	37,249
Investments - unrestricted	1,000	700
Prepaid and other assets	126	126
Total noncurrent assets	76,151	78,026
Current assets		
Cash and cash equivalents – restricted	6,301	7,862
Cash and cash equivalents – unrestricted	5,130	4,877
Interest receivable	386	434
Accounts receivable	837	1,869
Prepaid and other assets	512	513
Total current assets	13,166	15,555
DEFERRED OUTFLOWS OF RESOURCES		
Reclamation and decommissioning obligation	332	378
Total deferred outflows of resources	332	378
Total assets and deferred outflows of resources	$89,649	$93,959
LIABILITIES		
Noncurrent liabilities		
Long-term debt	$23,330	$27,165
Advances from participants	9,118	11,300
Reclamation and decommissioning obligation	2,143	2,087
Total noncurrent liabilities	34,591	40,552
Current liabilities		
Debt due within one year	3,835	4,025
Advances from participant due within one year	4,248	4,188
Accrued interest	808	921
Accounts payable and accruals	2,149	2,228
Accrued property tax	91	50
Total current liabilities	11,131	11,412
Total liabilities	45,722	51,964

NET POSITION		
Net investment in capital assets	34,537	22,627
Restricted	20,271	15,058
Unrestricted	(10,881)	4,310
Total net position	43,927	41,995
Total liabilities and net position	$89,649	$93,959

The following Statement of Revenues, Expenses and Changes in Net Position has been prepared by the Authority based upon audited financial statements of the Authority for fiscal years ended June 30, 2025 and June 30, 2024.

Southern California Public Power Authority
Natural Gas Project Pinedale & Barnett
Statement of Revenues, Expenses and Changes in Net Position
(In Thousands)

	Fiscal Year Ended June 30,	
	2025	**2024**
Operating revenues:		
Sales of natural gas	$10,232	$11,954
Total operating revenues	10,232	11,954
Operating expenses:		
Operations and maintenance	3,374	3,444
Depreciation, depletion, and amortization	5,423	3,703
Decommissioning	47	47
Total operating expenses	8,844	7,194
Operating income	1,388	4,760
Non-operating revenues (expenses)		
Investment and other income	2,217	2,371
Inflation of decommissioning liability	(56)	(61)
Other interest and debt expense	(1,617)	(1,843)
Net non-operating revenues (expenses)	544	467
Change in net position	1,932	5,227
Net position – beginning of year	41,995	36,768
Net position – end of year	$43,927	$41,995

DEBT SERVICE REQUIREMENTS FOR THE BONDS

The debt service requirements for the Bonds are as follows:

Year Ending July 1	Principal	Interest	Total
2026	$1,130,000.00	$437,476.50	$1,567,476.50
2027	1,090,000.00	369,337.50	1,459,337.50
2028	1,060,000.00	303,610.50	1,363,610.50
2029	1,030,000.00	239,692.50	1,269,692.50
2030	1,005,000.00	177,583.50	1,182,583.50
2031	980,000.00	116,982.00	1,096,982.00
2032	960,000.00	57,888.00	1,017,888.00
Totals:	$7,255,000.00	$1,702,570.50	$8,957,570.50

FINANCIAL STATEMENTS

The audited financial statements of the Authority for the fiscal year ended June 30, 2025 are attached hereto. The unaudited financial statements of Burbank for the fiscal year ended June 30, 2025 are attached hereto. The audited financial statements of Burbank for the fiscal year ended June 30, 2025 will be filed with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for Municipal Securities disclosures once their audited financial statements are available to the public and the Authority.

MISCELLANEOUS; MOST RECENT AUTHORITY OFFICIAL STATEMENT

The historical information set forth in this Annual Report is not necessarily indicative of future results or performance due to various factors, including, among others, those discussed in the Authority's Official Statement, dated July 9, 2025, relating to the Southern Transmission System Renewal Project, Revenue Bonds, 2025-1 (Fixed Rate Bonds) and Southern Transmission System Renewal Project, Revenue Bonds, 2025-2 (Fixed Tender Bonds – Term Rate Mode), under the section entitled "DEVELOPMENTS IN THE CALIFORNIA ENERGY MARKETS." Such Official Statement is on file with the Municipal Securities Rulemaking Board and is available to the public.

The Disclosure Resolution provides, in part, that under no circumstances shall any person or entity be entitled to recover monetary damages in the event the Authority fails to comply with the Disclosure Resolution. The Disclosure Resolution further provides that in the event of any such failure, only certain remedies may be available to Owners or Beneficial Owners. For a description of such remedies, see section 11 of the Disclosure Resolution which is set forth in Appendix F to the Official Statement.

CITY OF BURBANK

The following is certain information concerning the City of Burbank ("Burbank" or the "City") and its electric system (the "Electric System"), prepared by Burbank for inclusion herein. This information does not purport to cover all aspects of the Electric System's business, operations and financial position. The June 30, 2025 information provided herein is preliminary and unaudited.

General

Burbank was incorporated as a general law city in 1911, adopted its City Charter in 1927, and is administered by a Council-Manager form of government. Burbank's estimated population as of January 1, 2025 was 106,146, according to the California Department of Finance. Burbank is located in the greater metropolitan Los Angeles area, approximately 12 miles northeast of the Los Angeles Civic Center complex. Burbank's Public Service Department was established in 1913 under the laws of the State of California to supervise the generation, purchase, distribution and sale of electricity and the purchase, distribution and sale of water. In 2000, the name of the Public Service Department was changed to Burbank Water and Power ("BWP"). BWP provides service to all electric and water customers within Burbank. Burbank owns and operates an integrated Electric System, which includes generation, transmission and distribution facilities, and a water system (the "Water System").

The funds and accounts of the Electric System and the Water System are held separately, and the funds and accounts of one system are not pledged to the other system's obligations.

For the Fiscal Year ended June 30, 2025, Burbank currently estimates the average number of customers of the Electric System was approximately 53,628 and the total megawatt hours ("MWh") of energy sold to customers throughout Burbank was approximately 961,401 MWhs.

Management

BWP is under the direct management of the BWP General Manager, subject to the policy and direction of the Burbank City Council and the Burbank Water and Power Board (the "BWP Board") and the broad administrative direction of the City Manager. The BWP Board consists of seven members appointed by the Burbank City Council. The BWP General Manager is responsible for policy and planning relating to the operation of both the Electric System and Water System. Legal services are provided by the City Attorney's office, and various administrative services are also provided by the City. Senior Management of the Electric System includes:

Mandip Samra, General Manager, holds a Bachelor of Arts in Economics from University of California, Los Angeles, a Master of Public Administration from The Maxwell School of Citizenship and Public Affairs at Syracuse University, and a Master of Urban Planning from the University of Southern California. Ms. Samra joined BWP in March 2021 and was promoted to General Manager in May 2024. She started her career as a Graduate Management Intern in the Customer Relations Division of Pasadena Water and Power in 2004. Prior to joining BWP, she worked in various management positions at Anaheim Public Utilities, Southern California Edison, and Pasadena Water and Power. Her experience in power supply ranges from regulatory compliance, managing the integrated resources plan, negotiating power resource contracts, representing the utility on various resource and transmission committees, and leading stakeholder engagement efforts as it relates to power supply.

Riad Sleiman, ***P.E., PMP***, Chief Assistant General Manager/Electric Services, holds a Bachelor of Science in Electrical Engineering from Loyola Marymount University and a Master of Business Administration from Woodbury University. Mr. Sleiman originally joined BWP in 2005 as an Electrical Engineering Assistant working on street lighting, major development reviews, project management, system

planning, development agreements and contract negotiations, advanced metering infrastructure deployment, and advanced grid analytics. He then worked on utility-scale battery storage, electric vehicle infrastructure planning, and deployment, implementing small cell policy and agreements, and introducing analytics and applications through the GIS and records group while at the City of Santa Clara electric utility (dba Silicon Valley Power). Mr. Sleiman rejoined BWP in 2021 as the Assistant General Manager/Electric Services. He is a licensed Electrical Engineer in the State of California and is a certified Project Management Professional.

Joseph Lillio, Chief Financial Officer ("CFO"), holds a Bachelor of Science in Business Administration with an option in accounting from California State University, Los Angeles and a Master of Public Administration with an option in public sector management and leadership from California State University, Northridge. Mr. Lillio joined BWP in May 2023. Mr. Lillio came to Burbank from the City of El Segundo where he served as the CFO for over seven years. Prior to that, he served in various leadership roles at the City of Oxnard, Las Virgenes Municipal Water District, City of San Fernando, and City of Santa Clarita. He has over 20 years of experience in municipal finance which includes water, wastewater, solid waste, and electric utilities. He also has seven years of private sector finance experience working in the corporate finance office for Princess Cruises.

Erik Olsen, Acting Assistant General Manager/Power Supply, holds a Bachelor of Science in Electrical Engineering from the University of California, Los Angeles. He is a registered Professional Engineer in the State of California with over 20 years of experience in the electric industry. Mr. Olsen joined BWP in June 2014 and has served in various roles, most recently as the Manager of the Energy Control Center and Principal Electrical Engineer in Electric Services for the Substation Engineering group. His career began as an Electrical Engineering Assistant with Glendale Water and Power in 2003, where he held several engineering and management positions. His expertise spans North American Electric Reliability Corporation (NERC) compliance, system planning, engineering, operations, and utility management.

Principal Facilities

The service area of the Electric System is solely within Burbank's boundaries, which encompasses 17.1 square miles. The principal facilities of the Electric System consist of two natural gas-fired steam electric generating units, one natural gas-fired combustion turbine electric generating unit, four microturbine electric generating units, four switching stations, 12 distributing stations, two customer stations and transmission and distribution lines aggregating approximately 411 circuit miles.

Power Distribution

Burbank interconnects its electric facilities with other electric utilities through an 806 million volt-amperes ("MVA") tie to the Los Angeles Department of Water and Power ("LADWP") at Receiving Station "E" as well as a 191-megawatt ("MW") tie with Glendale Water and Power. Presently, these ties have more than sufficient capacity to import enough power to meet Burbank's system load as well as to export power to the participants in the Magnolia Power Project. Burbank acts as the operating agent for the Magnolia Power Project and is responsible for operating the Magnolia Power Project on behalf of the Southern California Public Power Authority ("SCPPA" or the "Authority").

Within Burbank, bulk power is transformed from 69 kilovolts ("kV") to 34.5 kV by four switching stations interconnected with nearly 34 circuit miles of 69 kV lines. There are about 44 circuit miles of 34.5 kV lines that interconnect the switching stations with 12 distributing stations and two customer stations. Burbank has about 102 distribution circuits and 5,865 distribution transformers to serve residential neighborhoods and businesses. Burbank's distribution system includes about 136 distribution circuit miles of underground lines and 200 circuit miles of overhead lines.

(Burbank 2025 R. 15c2-12)

Insurance

Burbank is self-insured and self-administered for certain exposures through Risk Management & Safety, a division of the Management Services Department of the City. Burbank is self-insured for individual claims up to $2,000,000 for worker's compensation, and $1,000,000 for general liability. Since July 1, 2004, the City has been a member in Authority for California Cities Excess Liability (ACCEL), which is a risk sharing pool for municipal excess general liability. Each individual member self-insures all general liability losses for the first $1,000,000 and the members of the pool share losses between $1,000,000 and $10,000,000. The members jointly purchase additional layers of coverage beyond the pooled layer, with Burbank purchasing an additional $55,000,000 of excess coverage, for total coverage of $65,000,000. The layers of coverage above $10,000,000 are not pooled, but rather jointly purchased. The City self-insures its worker's compensation coverage for the first $2,000,000 of each loss, and the City purchases excess coverage up to statutory limits. The City charges the Electric Fund based upon the proportional payroll cost, job classification, and claim history. There have been no significant settlements or reductions in insurance coverage for the past three years. The City maintains a $10,000,000 flood insurance policy. The City does not currently maintain insurance coverage for the Electric System for earthquake or wildfire risks.

Power Supply - General

BWP currently meets its Electric System power requirements from a combination of on-site gas-fired generating facilities, power purchase agreements, firm contracts and non-firm energy purchases. Among such resources, Burbank purchases power from the Intermountain Power Project ("IPP") of the Intermountain Power Agency ("IPA"), the Hoover Uprating Project, Powerex Corp. for Portfolio Content Category 1 ("PCC 1") and 2 ("PCC 2") renewable energy, Tule Hydro for PCC 1 renewable energy and had a power exchange agreement with Morgan Stanley Capital Group Inc. ("Morgan Stanley"). PCC 1 is the highest quality renewable energy credit associated with renewable energy in the California Energy Commission's Renewable Portfolio Standards program. In order to count as PCC 1, the renewable energy must be produced in California (or directly delivered into a California balancing authority area), as produced, without any substitute energy from any other sources. PCC 2 is renewable energy credit associated with renewable energy generated outside of California and imported into the state in the California Energy Commission's Renewable Portfolio Standards program. It is a firmed/shaped energy product where the equivalent amount of energy from a non-renewable source is delivered to California and bundled with renewable energy credit. Additionally, through its membership in SCPPA, Burbank has entitlement interests in the Palo Verde Nuclear Generating Station ("PVNGS"), Milford Phase I Wind Project, Tieton Hydropower Project and Magnolia Power Project, and purchases power from the Copper Mountain Solar 3 Project, Don A. Campbell Geothermal Project, Ameresco Chiquita Canyon Landfill Gas Project, Pebble Springs Wind Project and Desert Harvest II Solar Project. See "On-Site Resources," "Non-Burbank Owned Resources" and "Renewable Energy Resources" below.

Certain of the projects in which Burbank has an entitlement interest or participation with other parties are subject to the other parties involved in those projects meeting their respective payment obligations with respect to such projects. If a party defaults on its payment obligations, then the non-defaulting parties, subject to the utilization of any reserves, may be required to expend additional funds with respect to such project. If a non-defaulting party does "step-up" to the payment obligation of a defaulting party, the non-defaulting party may ultimately be entitled to the capacity and/or output of the defaulting party's share of the project.

During the Fiscal Year ended June 30, 2025, the Electric System generated and purchased (exclusive of purchases and sales for wholesale purposes) approximately 1,009,790 MWh of electricity for delivery to customers throughout Burbank. The following table sets forth the amounts, in MWhs and

percentages, of electricity obtained by Burbank from its current resources for sales to customers throughout Burbank during the Fiscal Year ended June 30, 2025.

Burbank Water and Power
Annual Retail Electric Supply
Fiscal Year Ended June 30, 2025

Resource	MWh	Percentage
Renewables[(1)]	508,470	50.4%
Magnolia Power Project	100,970	10.0
Intermountain Power Project	174,050	17.2
Spot Purchases	161,970	16.0
Palo Verde Nuclear	34,380	3.4
Hoover Uprating	12,070	1.2
On-Site Generation	17,880	1.8
Total[(2)]	1,009,790	100.0%

(1) Renewable resources include the Milford Phase I Wind Project, Tieton Hydropower Project, Pebble Springs Wind Project, Ameresco Chiquita Canyon Landfill Gas Project, Copper Mountain Solar Project, Don A. Campbell Geothermal Project, Desert Harvest II Solar Project, Powerex Corp. purchase of renewable energy, spot renewable energy credits, local generation from BWP Valley Pumping Plant, local landfill microturbines, customer and utility solar installations, and an exchange agreement. See "– Renewable Energy Resources." For the Fiscal Year ended June 30, 2025, renewable energy resources made up approximately 52.9% of Burbank's total retail sales. This number differs from the official Renewable Portfolio Standard (RPS) calculation and compliance period, which are based on retail sales and calendar year.

(2) Does not equal total sales to customers throughout Burbank of approximately 961,401 MWh due to distribution losses and timing differences in billing cycles between sales to customers, purchased energy, and renewable energy credits. Totals may not add due to rounding.

Source: BWP.

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On-Site Resources

Burbank owns two steam electric generating units with a total combined net capacity of 99 MW (with a nameplate capacity of 109.7 MW), one combustion turbine electric generating unit with a total continuous net capacity of 48 MW (with a nameplate capacity of 60.5 MW), and four microturbine electric generating units with a total combined net capacity of 0.5 MW (with a nameplate capacity of 0.8 MW) as indicated in the following table:

On-Site Generation
Owned by Burbank Water and Power

Unit Name	Type	Nameplate Capacity (MW)	Continuous Capacity (MW)	Year In-service	Energy Produced in Fiscal Year 2024-25 (MWh)
Olive 1[(1)]	Steam	50.0	44.0	1959	0
Olive 2[(1)]	Steam	59.7	55.0	1964	0
Lake 1	Combustion Turbine	60.5	48.0	2002	12,066
Landfill	Microturbines	0.8	0.5	2020	4,155
Total		171.0	147.5		16,221

[(1)] Olive 1 and 2 were used as planning capacity and serve as backup or emergency generation capacity.
Source: BWP.

Non-Burbank Owned Resources

Burbank purchases power and transmission capability from other sources pursuant to contracts. These contracts provide generally for Burbank to pay costs associated with the firm purchase of power (including fixed components like operations, maintenance and administrative expenses as well as variable components like fuel expenses). With respect to each of the facilities discussed herein, Burbank is one of any number of purchasers of such power and, with the exception of Magnolia Power Project and the Tieton Hydropower Project, does not control the operations or management of such facility. See also "Indebtedness; Joint Powers Agency Obligations" below.

Intermountain Power Project. Until November of 2025, the IPP consisted of: (a) a two-unit coal-fired, steam-electric generating plant with net ratings of 900 MW per unit (the "Intermountain Generating Station") and switchyard (the "Switchyard"), located near Lynndyl, in Millard County, Utah; (b) a ±500 kV direct current ("DC") transmission line approximately 490 miles in length from and including the Intermountain Converter Station (an alternating current ("AC")/DC converter station adjacent to the Switchyard) to and including a corresponding converter station at Adelanto, California (collectively, the "Southern Transmission System" or "STS") (see "Transmission Resources – Southern Transmission Project" below); (c) two 50-mile, 345 kV AC lines from the Switchyard to the Mona Substation in the vicinity of Mona, Utah, and a 144-mile, 230 kV AC transmission line from the Intermountain AC Switchyard to the Gonder Substation near Ely, Nevada (collectively, the "Northern Transmission System" or "NTS"); (d) a microwave communications system; (e) a rail car service center located in Springville, in Utah County, Utah (the "Railcar Service Center"); and (f) certain water rights and coal supplies. Such water rights and coal supplies, together with the Intermountain Generating Station, the Switchyard and the Railcar Service Center, are referred to herein collectively as the "Generation Station." As of November 26, 2025, the coal generators have been taken out of service and no longer operates for the IPP purchasers' needs. They have been replaced with two natural gas generators, and BWP no longer has coal in its resource portfolio.

IPP purchasers are 35 utilities (collectively, the "IPP Purchasers") consisting of Burbank and the California cities of Anaheim, Los Angeles, Riverside, Glendale and Pasadena (the "IPP California Participants"); the 23 members of IPA (collectively, the "Utah Municipal Purchasers"); and six rural electric cooperatives serving loads in the States of Utah, Arizona, Colorado, Nevada and Wyoming (collectively, the "Cooperative Purchasers"). After June 2027, the cities of Anaheim, Riverside and Pasadena will not be part of the project. Pursuant to a construction management and operation agreement between IPA and LADWP, LADWP acts as project manager and operating agent of the IPP, responsible for, among other things, administering, operating and maintaining the IPP. The facilities of the IPP have been in commercial operation since May 1987.

The IPP Generation Station also represents Burbank's only source of electricity generated by coal-fired plants. The power purchase contract with IPA obligates Burbank to pay in proportion to its entitlement share the costs of producing and delivering electricity (including debt service and other fixed expenses) as a cost of purchased capacity, regardless of the amount of energy scheduled to Burbank.

Transmission of the output from IPP to Burbank and the other IPP California Participants is provided by the STS. The STS was placed in operation in May 1987, and its current transfer capability is 2,400 MW. See "Transmission Resources – Southern Transmission Project" below. Burbank and SCPPA have entered into a transmission service contract to provide for transmission of Burbank's entitlement between the Generating Station and Adelanto. Transmission service from Adelanto to Burbank is provided under transmission service agreements with LADWP.

Senate Bill 1368 ("SB 1368"), which became effective in January 2007, prohibits any investment in baseload generation that does not meet specific emissions performance standards, subject to certain exceptions. In light of the restriction, the coal-powered generation facility has been replaced by combined cycle natural gas units (the "IPP Repowering Project"), which have reached Firm Operations as of December 4, 2025 and will allow for compliance with greenhouse gas emissions ("GHG") performance standards. The total cost of the IPP Repowering Project is estimated to be $4.96 billion. The IPP Repowering Project includes hydrogen betterments, gas pipeline, generation and decommissioning costs, and the STS Renewal Project (as defined and described in "– Transmission Resources – *Southern Transmission Renewal Project*"). Approximately half, or $2.5 billion, of the total IPP Repowering Project cost is for the STS Renewal Project, and the City's share of such cost is 4.22%. The City's share of the remaining estimated $2.46 billion IPP Repowering Project cost is 3.33%. The existing power sales contracts will terminate on June 15, 2027 and will be replaced by renewal power sales contracts ("IPA Renewal Power Sales Contracts") (which were executed in 2017) for the combined cycle natural gas units, which will continue for a term ending in 2077. The City will be obligated to pay for the capacity and energy purchased under its IPA Renewal Power Sales Contract on a "take-or-pay" basis as operating expenses of the Electric System, including principal of debt issued for the project, capital costs and costs related to operation and maintenance. See "– Indebtedness; Joint Powers Agency Obligations – *Joint Powers Agency Obligations*." Based on the most recent study (conducted in 2019) available to the City, the City expects that its proportionate share of the cost of decommissioning the coal-powered generation facility to be approximately $14 million. Pursuant to the provisions of the IPA Renewal Power Sales Contracts, the IPP participants also agreed to reduce the initially planned generation capacity for the repowered plant from 1,200 MW to 840 MW. Some of the power purchasers under the original power sales contracts will continue to be IPP participants under the IPA Renewal Power Sales Contracts. The cities of Anaheim, Riverside, and Pasadena will not be power purchasers under the IPA Renewal Power Sales Contracts. The City will take a smaller share of 28 MW generation capacity (3.334%) under the IPA Renewal Power Sales Contracts, and LADWP and the City of Glendale will both increase their respective generation shares. These units are capable of being powered by 30% green hydrogen, with an aim for 100% green hydrogen (i.e. hydrogen created solely by use of renewable energy) by 2045. Burbank has the option, however does not have the obligation, to become a hydrogen purchaser, and to participate in the use of hydrogen at the project. To date, Burbank has not participated in the production of hydrogen.

(Burbank 2025 R. 15c2-12)

IPA is working with participants to develop a plan to achieve the goal of reaching 100% green hydrogen fueled operation by 2045, pending the availability and the advancement of the required technology to reach those scales. IPA secured hydrogen storage facilities adjacent to the existing site. Such facilities use salt cavern storage capacity, along with energy conversion services. This provides the IPP participants the ability to convert renewable energy into green hydrogen to fuel the new generating units and is currently undergoing testing. LADWP is the only IPP participant that is required to purchase hydrogen under the conversion services agreement, however the City and Glendale each have the option to elect to become a hydrogen purchaser.

The Utah Legislature enacted Utah Senate Bill 161 ("Utah S.B. 161") in its 2024 General Session, which became effective on May 1, 2024. The reported purpose of Utah S.B. 161 was to induce IPA to amend IPA's environmental permits to provide for the operation of at least one of the IPP coal-fired units after July 1, 2025, the date by which IPA was to have ceased operation of the IPP coal units permanently. IPA now anticipates that the coal units will cease operation by December 2025. Utah S.B. 161 also required IPA to grant an option to the State of Utah for the purchase of at least one of the IPP coal-fired units with such option to be effective for two years starting on July 2, 2025. Following the enactment of Utah S.B. 161, the governor of Utah called a special session of the Utah Legislature resulting in the enactment of Utah House Bill 3004 ("Utah H.B. 3004"), which became effective on June 21, 2024. Utah H.B. 3004 repealed the provisions of Utah S.B. 161 relating to IPA amending its environmental permits. IPA's obligation to provide the purchase option to the State with respect to one of the IPP coal-fired units remained, however. Utah H.B. 3004 also directed a state agency, the Decommissioned Asset Disposition Authority (the "Utah Disposition Authority"), to submit an application to amend IPA's air permit to allow for a coal unit to operate after July 1, 2025. Utah H.B. 3004 also directed environmental regulators in the State of Utah to determine whether such an application would be granted if submitted by IPA. The Utah Disposition Authority was also directed to determine the regulatory and commercial feasibility of operating an IPP coal unit after July 1, 2025, and to conduct a process for soliciting bids from qualified purchasers for the coal unit.

The Utah Disposition Authority submitted its air application with respect to the coal units by December 31, 2024, proposing to amend the provisions of IPA's existing permit that require the coal units to cease operation following commercial operation of the IPP natural gas units. The application contemplated operation of the natural gas units at 100% of their design capacity and operation of the coal units at a 60% capacity factor. In a letter dated January 22, 2025, the State of Utah reported to the Utah Disposition Authority that, if officially submitted by IPA, the State of Utah "could approve a similar application based on the information included" in the application submitted by the Utah Disposition Authority.

Prior to the enactment of H.B. 3004, IPA stated that Utah S.B. 161 purported to create obligations for IPA that were inconsistent with IPA's obligations under federal regulations and the IPP construction and operating permits issued under federal law; and that if IPA had complied with Utah S.B. 161, as originally enacted, IPA may have been subject to enforcement actions that could have resulted in IPA being required to cease operation of the IPP coal units prior to the scheduled commercial operation date of the IPP repowering project and that may have interfered with the construction and operation of the IPP repowering project. In public testimony with respect to Utah H.B. 3004, IPA management stated that the new bill made some important adjustments to the legislation and moved things in the right direction. Pursuant to Utah S.B. 161, IPA did grant to the State of Utah an option to purchase the coal units and related assets specified in the bill. IPA has indicated that it is still working to determine the impact of Utah S.B. 161, as modified by Utah H.B. 3004, and to identify the appropriate course of action in response to the recent enactments. The City cannot predict the impacts of this legislation on the operation of IPP or the construction and operation of the IPP Repowering Project.

(Burbank 2025 R. 15c2-12)

Although Utah law did not explicitly require IPA to submit such an application, in light of the Utah Legislature's stated intent to preserve the coal units for future operation, and demonstrated willingness to take action if IPA did not submit such an application, IPA submitted an application to amend its existing permit to construct the natural gas units as part of the IPP Repowering Project to allow the coal units to resume operation at a date after the natural gas units commence commercial operation. Utah House Bill 70 (discussed below) provides, however, that even after issuance of such an amended permit, the existing permit, including the requirement that the coal units cease operation and be placed in maintenance status, will remain in effect during the period that ends upon the earlier of when IPA sells the coal units or both (i) the resolution of all administrative and judicial challenges to the amended permit and (ii) the expiration of the applicable limitations period to file such challenges. Accordingly, IPA has indicated that it does not anticipate that the coal units will resume operation while IPA continues to own the coal units. In fact, Utah House Bill 70 relieves IPA of any obligation to commence operation of either coal unit during such period and contemplates that the Utah Energy Council, as established by that bill, will take title to and contract with a third party for the operation of one or both of the coal units.

On October 3, 2025, the Utah Department of Air Quality issued a permit to IPA that, in substance, approved IPA's amendment application. On October 31, 2025, Sierra Club and Healthy Environment Alliance of Utah filed an administrative appeal before the Utah Department of Environmental Quality challenging the issuance of the permit. IPA is a party to the appeal by operation of Utah law. Briefing on the matter will proceed through 2026. IPA is still assessing the potential impact of the appeal.

During its 2025 General Session, the Utah Legislature enacted Utah House Bill 70 ("Utah H.B. 70"). The bill became effective on March 24, 2025.

The bill requires IPA to maintain, indefinitely (i) power to station service for both of the coal units, (ii) an ongoing connection of one of its coal units to the IPP Switchyard, and (iii) interconnection and switchyard facilities that will allow the remaining coal unit to be interconnected with the IPP Switchyard without the need for a new interconnection request. Utah H.B. 70 also creates the Utah Energy Council for, among other purposes, the purposes of taking title to one or both of the coal units and assuming operational responsibility for each coal unit it acquires from IPA. Utah H.B. 70 also repeals the provisions of the Utah Code establishing the Utah Disposition Authority (effectively dissolving the Utah Disposition Authority) and the provisions specifying the functions that the Utah Disposition Authority was to have performed.

IPA is working with engineering personnel to reconfigure the proposed connections of synchronous condensers to the IPP Switchyard (connecting three synchronous condensers to the IPP Switchyard at one point of interconnection as opposed to two synchronous condensers at one point of interconnection and one synchronous condenser at another). IPA is constructing the synchronous condenser facilities to provide sufficient spinning mass to allow for operation of the natural gas units as designed and to maintain the rating of IPA's transmission facilities. IPA has indicated that it believes that it will be able to comply with the requirements of Utah H.B. 70, though such requirements will result in additional costs to IPA and will diminish the redundancy that would have resulted from having two points of interconnection for the synchronous condensers to the IPP Switchyard. IPA is continuing to evaluate the future impacts of complying with Utah H.B. 70.

IPA has indicated that it is still working to determine the impact of Utah S.B. 161, as modified by Utah H.B. 3004, and Utah H.B. 70 and to identify the appropriate course of action in response to the recent enactments. These efforts are ongoing, and the City cannot predict the impacts of the new legislation on the operation of IPP or the construction and operation of the IPP Repowering Project.

Hoover Uprating Project. Burbank is a participant in the Hoover Uprating Project, consisting primarily of the uprating of the 17 generating units at the hydroelectric power plant of the Hoover Dam.
(Burbank 2025 R. 15c2-12)

Burbank has a 0.98% (20.325 MW) entitlement interest in the total capacity and allocated energy of Hoover. Burbank has executed a power sales contract and has agreed to make monthly payments in exchange for its share of Hoover capacity and allocated energy, which contract expires in 2067. The region where Hoover Dam and its hydroelectric facilities are located has been experiencing drought conditions for approximately 20 years. Hoover Dam can generate power when Lake Mead level is above 950 ft above sea level or higher. The operation of Hoover Dam is expected to continue until Lake Mead drops below the 950 ft minimum or additional water sources are available from upstream sources.

Palo Verde Nuclear Generating Station (PVNGS). Through its membership in SCPPA, Burbank has a 4.40% entitlement interest (9.7 MW) in SCPPA's 5.91% ownership interest in PVNGS, including certain associated facilities and contractual rights, a 5.44% ownership in the Arizona Nuclear Power Project ("ANPP") High Voltage Switchyard and associated contractual rights, and a 6.55% share of the rights to use certain portions of the ANPP Valley Transmission System. Commercial operation and initial deliveries from PVNGS Units 1 and 2 commenced in 1986 and Unit 3 commenced in 1987. Transmission for PVNGS energy is provided to Burbank by the Mead-Adelanto Transmission Project and the Mead-Phoenix Transmission Project (see "Transmission Resources" below) and agreements with Salt River Project, LADWP and Southern California Edison Company.

Burbank has a power sales agreement with SCPPA which obligates Burbank to pay for its share of capacity and energy on a "take-or-pay" basis, including debt service on bonds issued by SCPPA for the project, capital costs and costs related to operation and maintenance.

The co-owners of PVNGS have created external accounts for the decommissioning of PVNGS at the end of its life. Decommissioning is expected to begin between 2045-2047. Based on the most recent estimate of decommissioning costs, SCPPA has advised Burbank that its estimated share of decommissioning costs through SCPPA is approximately 94% funded. Burbank's obligation is 4.4% of the cost, or approximately $8.7 million, which is based on the most recent study that was conducted in 2019. No assurance can be given, however, that the amount accumulated to date will continue to be sufficient to fully fund SCPPA's share of decommissioning costs. SCPPA has advised Burbank that it anticipates it will receive a new estimate of decommissioning costs every three years.

Magnolia Power Project. Burbank is a participant and the operating agent of SCPPA's Magnolia Power Project, a 323 MW natural gas-fired combined-cycle electrical power generating facility. The Magnolia Power Project is located in the city of Burbank and is owned by SCPPA. The Magnolia Power Project was constructed and acquired for the primary purpose of providing participants in the Magnolia Power Project with firm capacity and energy to help meet their power and energy requirements. Burbank has a 30.9917% entitlement (75 MW base capacity and 97.6 MW peaking capacity) in the project through a long-term power purchase agreement with SCPPA which obligates the City to pay for its share of capacity and energy on a "take-or-pay" basis, including debt service on bonds issued by SCPPA for the project, capital costs and costs related to operation and maintenance.

Renewable Energy Resources

For the Fiscal Year ended June 30, 2025, the Electric System's renewable energy resources made up approximately 52.9% of its total retail sales. The Electric System is on track to meet the Renewables Portfolio Standard (RPS) of 46% for the calendar year 2025.

Burbank's renewable energy resources are described below.

Milford Wind Corridor Phase I Project. Burbank is a participant in SCPPA's Milford Wind Corridor Phase I Project, providing for the purchase over a 20-year term of all of the energy generated by a 203.5 MW nameplate capacity, wind-powered electric generating facility located near Milford, Utah.

Burbank entered into a Power Sales Agreement with SCPPA for 5.0% (approximately 10 MW) of the output (including capacity, energy and associated environmental attributes) of the Milford Wind Corridor Phase I Project. The facility is owned by Milford Wind Corridor Phase I, LLC, a limited liability company organized and existing under the laws of the State of Delaware. The facility went into commercial operation on November 16, 2009. Burbank is able to accept the delivered facility energy utilizing its capacity rights in the IPP Switchyard that are provided under agreements relating to the IPP. The facility energy is then delivered over the STS to the Adelanto terminal in California utilizing Burbank's capacity rights in the STS. The facility energy delivered at Adelanto is then transmitted to Burbank under certain transmission arrangements between LADWP and Burbank.

Tieton Hydropower Project. Burbank is a participant in, and the operating agent of, SCPPA's Tieton Hydropower Project, a 13.6 MW nameplate capacity "run of the reservoir" hydroelectric generation facility located in the State of Washington. Burbank has entered into a power sales and acquisition contract with SCPPA, under which SCPPA has sold to Burbank on a "take-or-pay" basis, its entitlement of 50.0% (approximately 6.8 MW) of the capacity and energy of the Tieton Hydropower Project. Burbank's power sales and acquisition contract with SCPPA obligates Burbank to pay its share of debt service on bonds or notes issued by SCPPA for the project, as well as capital costs and costs related to operation and maintenance. Minor increases in the average annual and seasonal temperature in the Pacific Northwest are projected to continue as a result of global warming. However, projected changes in annual precipitation are expected to be very small. There has been no discernable impact to the project due to global warming to date. Tieton Hydropower Project averages about 48,000 MWhs of generation per year with slight annual variations attributable to year-to-year weather variations as well as changes in U.S. Bureau of Reclamation operations. For example, fish pulsing has had the greatest impact on water flow rates to the Tieton Hydropower Project.

Pebble Springs Wind Project. SCPPA, on behalf of three project participants, including Burbank, signed a long-term power purchase agreement with Pebble Springs Wind Project LLC for the purchase of the generating capacity of 98.7 MW (total capacity) wind project, comprised of 47 Suzlon 2.1 MW wind turbines. The facility is located in Oregon. Burbank has a 10.132% (approximately 10 MW) entitlement interest in the total capacity, energy and environmental attribute rights produced by the facility. The agreement expires on January 31, 2027.

Ameresco Chiquita Canyon Landfill Gas Project. Burbank entered into a power sales agreement with SCPPA for 16.7% (approximately 1.33 MW) of the output of Ameresco Chiquita Canyon Landfill Gas Project. The facility is developed, owned and operated by Ameresco Chiquita Energy, LLC in Chiquita Canyon Landfill in Valencia, California, near Highway 126 and west of Santa Clarita with a total capacity of 9.2 MW (gross), 7.8 MW (net). Burbank has an entitlement interest of 16.7% of the total capacity, energy and environmental attribute rights produced by the facility for 20 years. The plant began commercial operation on November 23, 2010. On February 22, 2024, SCPPA received a notice of force majeure due to a subsurface chemical reaction changing the hydrogen sulfide to dimethyl sulfide where the plant is not designed to treat or able to remove the substance, rendering it unable to operate in compliance with its air permit. The dimethyl sulfide overwhelms the gas treatment capacity of the plant. On October 16, 2024, SCPPA rejected the notice of force majeure and required that the plant owner make necessary upgrades to restore the plant to its historic quality and quantity.

Copper Mountain Solar 3 Project. SCPPA, on behalf of Burbank and LADWP, entered into a power purchase agreement for 250 MW of generating capacity of the Copper Mountain Solar 3 Project, located on the desert plains near Boulder City, Nevada. This energy is transferred to the Marketplace Switchyard, where the Mead-Adelanto transmission line runs to California. The commercial operation date for the project was declared on April 8, 2015. The agreement expires on April 9, 2035. Burbank has a 16.0% (approximately 40 MW) entitlement interest in the total capacity, energy and environmental attribute rights produced by the facility.

(Burbank 2025 R. 15c2-12)

Don A. Campbell I Geothermal Project. SCPPA, on behalf of Burbank and LADWP, entered into a power purchase agreement for 16 MW of net generating capacity of the Don A. Campbell I Geothermal Project located in Nevada. The commercial operation date for the project was declared on December 19, 2014. The agreement expires on January 1, 2034. Burbank has a 15.38% (approximately 3.845 MW) entitlement interest in the total capacity, energy and environmental attribute rights produced by the facility.

Valley Pumping Plant. In 2002, Burbank installed a small micro-hydro system to take advantage of a required pressure reduction where Burbank's water facilities interface with The Metropolitan Water District of Southern California ("MWD") at the Valley Pumping Plant. Peak output of the facility is approximately 550 kilowatts ("kW"). The micro-hydro system generates power when BWP purchases water from MWD.

Burbank Landfill Microturbines. The Burbank Landfill produces landfill gas ("LFG") that is collected to generate renewable power. Ten Capstone microturbines (of 30 kW capacity each) installed at the site in 2001 and one Ingersoll-Rand microturbine (of 250 kW capacity) installed in 2006 reached their end-of-life in 2014. The site was then repowered in 2020 using microturbines with 800 kW of new generating capacity. The LFG is reliable and sufficient to support 800 kW of power generating capacity. The equipment installed includes necessary gas pretreatment system that will effectively remove undesirable constituents such as moisture, volatile organics, hydrogen sulfide, and siloxanes from the LFG before it is combusted in the power generating equipment. The modernized control system also allows for remote monitoring and control of the operation.

Solar. Burbank has distributed generation in the form of behind the meter customer-owned rooftop solar photovoltaic (PV) systems throughout Burbank. As of June 2025, there were 2,030 residential and commercial owned solar PV systems in Burbank totaling more than 18 MW of capacity. Burbank expects that by 2026, there will be between 20 and 22 MW of cumulative capacity installed in Burbank with approximately 34,000 to 38,000 MWh of solar generation from customers annually.

Exchange Agreement. On August 3, 2016, Burbank and Morgan Stanley entered into an energy exchange agreement from April 1, 2017 to March 31, 2022. Under the agreement, Burbank will receive 23,500 PCC 1 qualified renewable energy and associated Renewable Energy Credits ("RECs") per year, 23,500 MWh of firm energy and PCC 2 qualified RECs per year, and 9,500 PCC 3 RECs per year. In exchange, Burbank will be obligated to deliver to Morgan Stanley approximately 131,400 MWh annually of firm energy at a rate of 15 MW per hour. On July 8, 2021, the City and Morgan Stanley entered into another energy exchange agreement from April 1, 2022 to June 30, 2025 for the same terms.

Desert Harvest II Solar Project. In December 2017, Burbank, along with the Cities of Anaheim and Vernon, entered into a power sales agreement with SCPPA for Desert Harvest Project. The Desert Harvest Project is located in Riverside County, California and began commercial operations in December 2020. Desert Harvest II Solar Project supplies energy and renewable attributes to SCPPA under a twenty-five-year REC + Index structure contract. The City contracted to purchase approximately 31.34% of its output.

Powerex Renewable Energy. In September 2022, Burbank and Powerex Corp. entered into a purchase agreement for 220,000 MWh bundled renewable energy with energy generated by projects and all associated green and environmental attributes. Under the agreement, Burbank will receive 20,000 MWh PCC 1 qualified renewable energy and associated RECs per calendar year. The contract will be effective from October 1, 2022 to September 30, 2032.

Tule Small Hydroelectric Project. Burbank and Tule Hydro LLC entered into a 15-year power purchase agreement for 6.4 MW of installed generating capacity located in Tulare County, California. The

project's commercial operation date was February 2025. The project is expected to deliver approximately 330,000 MWh of energy and PCC 1 RECs over the course of the contract.

Renewables 10-Year PCC 3. Burbank entered into two 10-year agreements to purchase PCC 3 from 3 Degrees Group, Inc. The contracts will deliver 70,000 PCC 3 RECs per annual for a total of 700,000 RECs and a total cost of $6.6 million. The PCC 3 certificates will contribute to the 60% RPS long term requirement and interim compliance period targets. The long-term requirement of the RPS regulation also requires 65% of all renewable contracts be at least 10 years or long in duration.

Battery Storage. In May 2024, Burbank commissioned its first long-duration energy storage (LDES) system, a 75 kW / 500 kWh ESS Energy Warehouse iron flow battery on Burbank 's EcoCampus. This system, integrated with a 265-kW solar array, will provide enough renewable power for 300 homes annually.

Fuel Supply

Fuel procurement for BWP's local generation units and the City's participation in the SCPPA Magnolia Power Project is addressed as part of its overall energy hedging strategy and undertaken in accordance with the BWP Energy Risk Management Policy. Fuel procurement instruments used include over the counter physical contracts, over the counter financial swap contracts, options, the SCPPA Natural Gas Reserves Project and the SCPPA Prepaid Natural Gas Project (described below), and biomethane contracts. Energy hedging decisions are continuously monitored and reviewed at the Risk Oversight Committee. See "Electric System Initiatives – *Wholesale Margins*" below for additional information about the Risk Oversight Committee. In August 2023, the California Public Utilities Commission (the "CPUC") approved an increase in the allowable storage at the Aliso Canyon facility. Prior to that decision, the use of Aliso Canyon Storage had been limited and protocols were in place that allowed for gas withdrawal to meet demand and ensure reliability of the electricity and natural gas systems. After the CPUC August 2023 approval to increase the allowable storage at the facility, the use of Aliso Canyon by Southern California Gas Company has been less restrictive and has helped to reduce volatility of spot natural gas prices. Thus far, there has been no adverse impact to the City relating to Aliso Canyon operations.

Natural Gas Reserves Project. Burbank is a participant in SCPPA's Natural Gas Reserves Project. The Natural Gas Reserves Project includes SCPPA's leasehold interests in (i) certain natural gas resources, reserves, fields, wells and related facilities located near Pinedale, Wyoming and (ii) certain natural gas resources, reserves, fields, wells and related facilities in (or near) the Barnett Shale geological formation in Texas. Burbank has an interest in a portion of the production capacity of SCPPA's leasehold interests in the Natural Gas Reserves Project through a gas sales agreement with SCPPA, which agreement obligates Burbank to pay for its share of capital costs and costs related to operation and maintenance of the Natural Gas Reserves Project on a "take-or-pay" basis, as well as 100% of the debt service (on a several basis) on bonds issued by SCPPA to finance Burbank's share of the costs of development and acquisition of the Natural Gas Reserves Project.

Prepaid Natural Gas Project. Burbank and several members of SCPPA completed a prepaid natural gas financing to secure another source of long-term supply of gas to provide fuel for the Magnolia Power Project and other gas-fired generation stations. In connection with the prepaid natural gas financing, Burbank has entered into a natural gas supply agreement with SCPPA pursuant to which Burbank purchases on a "take-and-pay" basis natural gas acquired by SCPPA pursuant to the terms of a prepaid natural gas sales agreement between SCPPA and J. Aron & Company ("J. Aron") at a discount from the spot price over a term of the arrangement (as subsequently restructured) of approximately 27 years beginning on July 1, 2008.

Transmission Resources

Southern Transmission Project. The Southern Transmission System is owned by IPA and is one of the major components of IPP. Burbank is a participant in SCPPA's Southern Transmission Project, which provides Burbank with a 4.498% (currently 108 MW) entitlement in the transfer capability of the STS. Among other things, the STS provides for the transmission of energy from the IPP Generating Station to the California transmission grid. See "Power Supply-General – Non-Burbank Owned Resources – *Intermountain Power Project*" above. Burbank has a transmission service contract with SCPPA which obligates Burbank to pay its share of debt service on bonds issued by SCPPA for the project on a "take-or-pay" basis, as well as capital costs and costs related to operation and maintenance. In connection with its entitlement to IPP, the City assigned its entitlement to capacity of the STS to SCPPA, in exchange for which SCPPA agreed to make payments-in-aid of construction of the STS and issued revenue bonds to finance the costs thereof.

Southern Transmission Renewal Project. As part of the IPP Repowering Project (see "– Non-Burbank Owned Resources – *Intermountain Power Project*"), SCPPA is financing the costs of acquisition and construction of additional capital improvements to the Southern Transmission System (the "STS Renewal Project"), which initially will include new converter stations and AC switchyard expansions at the Adelanto Converter Station and the Intermountain Converter Station, and reactive power equipment. The total cost of the STS Renewal Project is estimated to be $2.5 billion, and the City's share of such cost is 4.22%. The City has entered into a renewal transmission service contract related to the STS Renewal Project. Under such an existing agreement with IPP and such renewal transmission service contract the City is obligated to pay the cost of its share of the transfer capability on a "take-or-pay" basis, including principal of debt issued for the project, capital costs and costs related to operation and maintenance. See "– Indebtedness; Joint Powers Agency Obligations – *Joint Powers Agency Obligations*."

The IPA Renewal Power Sales Contracts provided a process for IPP members to subscribe for shares of the new gas-fired or alternative repowering plant. The Burbank City Council approved BWP's recommendation for continued participation in the IPP project which enabled the City to retain its share of the project. The City's share under the IPA Renewal Power Sales Contract is 4.222%, or 101.33 MW.

Mead-Phoenix Transmission Project, Authority Interest (Multiple Members). Burbank is a participant in SCPPA's member-related interest in the Mead-Phoenix Transmission Project, a 256 mile, 500-kV AC transmission line that extends between a southern terminus at the existing Westwing Substation (in the vicinity of Phoenix, Arizona) and a northern terminus at Marketplace Substation, a substation located approximately 17 miles southwest of Boulder City, Nevada. Burbank has entered into a transmission service contract with SCPPA under which SCPPA has sold to Burbank, on a "take-or-pay" basis, its entitlement share of 15.4% (approximately 35 MW) of the Authority's member-related ownership interest in the Mead-Phoenix Transmission Project and which obligates Burbank to pay its share of capital costs and costs related to operation and maintenance.

Mead-Adelanto Transmission Project, Authority Interest (Multiple Members). In connection with the Mead-Phoenix Transmission Project, Burbank has an 11.5337% (approximately 101 MW) entitlement to SCPPA's member-related interest in the Mead-Adelanto Transmission Project, an approximately 202-mile, 500-kV AC transmission line that extends between a southwest terminus at the existing Adelanto Substation in southern California and a northeast terminus at Marketplace Substation, a substation located approximately 17 miles southwest of Boulder City, Nevada. Burbank has entered into a transmission service contract with SCPPA, under which SCPPA has sold to Burbank, on a "take-or-pay" basis, its entitlement of SCPPA's member-related ownership interest in the Mead-Adelanto Transmission Project. Burbank's transmission service contract with SCPPA obligates Burbank to pay its share of capital costs and costs related to operation and maintenance.

Pacific Northwest-Pacific Southwest 500 kV DC Transmission Line. The DC Intertie is an 850 mile ± 500 kV DC line rated 3,100 MW connecting the Pacific Northwest with the Los Angeles Basin. The line is operated by both LADWP and Bonneville Power Administration ("BPA"). LADWP operates the southern section and BPA operates the northern section. Burbank and the cities of Glendale and Pasadena participated in the Sylmar Expansion Project which was completed in 1991 and which provided a 1,100 MW expansion (from 2,000 MW to 3,100 MW) of the DC Intertie's AC/DC terminal converter station located at Sylmar, California. Burbank has ownership in 119 MW of capacity at the Nevada-Oregon border. Burbank currently has excess capacity on this line.

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Customers and Energy Sales

The following table sets forth the electric revenues derived by Burbank from sales by classification of services and peak demand during the five fiscal years shown.

Burbank Water and Power
Electric Revenues and Peak Demand
($000's)

	Fiscal Year Ended June 30,				
	2021	**2022**	**2023**	**2024**	**2025 (Unaudited)**
Electric Revenues from Sales:					
Residential	$45,553	$43,974	$48,931	$49,794	$59,217
Commercial[1]	39,435	42,876	46,242	48,736	52,872
Large Commercial[1]	58,345	60,875	66,082	67,060	69,047
Other Retail Revenues	6,513	6,578	4,161	7,861	10,855
Total Retail Revenues	$149,846	$154,304	$165,417	$173,453	$191,991
Wholesale	42,088[2]	21,486	40,324[2]	23,197[2]	22,452[2]
Other Operating Revenues[3]	9,040	6,600	7,146	6,962	16,035
Total Revenues[4]	$200,974	$182,390	$212,887	$203,612	$230,478
Peak Demand (MW)	292	246	290	263	309

(1) Declines in Fiscal Year ended June 30, 2021 are due primarily to the effects of the COVID-19 pandemic.

(2) Increase in Wholesale in Fiscal Year ended June 30, 2021 is due to higher demand during extreme weather events during the year. Increase in Wholesale in Fiscal Year ended June 30, 2023 is due to higher demand during extreme weather events and the resale of excess gas during the year. Decrease in Wholesale in Fiscal Year ended June 30, 2024, and Fiscal Year ended June 30, 2025, is due to less extreme weather events and the mild summer during the year. Wholesale uses excess assets to move energy outside of Burbank's retail system.

(3) Other operating revenues include transmission, telecommunications, intergovernmental, and other miscellaneous revenues. Other operating revenues do not include aid-in-construction.

(4) Totals may not add due to rounding.

Source: BWP.

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The following tables set forth the average number of retail customers and total retail energy sold during the past five fiscal years.

Burbank Water and Power
Average Number of Retail Customers

	Fiscal Year Ended June 30,				
	2021	**2022**	**2023**	**2024**	**2025**
Residential	46,152	46,290	46,688	46,155	46,658
Commercial	6,861	6,880	6,959	6,914	6,890
Large Commercial	84	82	82	84	80
Total	53,097	53,252	53,729	53,153	53,628

Source: BWP.

Burbank Water and Power
Total Retail Energy Sold
(Millions of kWh)

	Fiscal Year Ended June 30,				
	2021	**2022**	**2023**	**2024**	**2025**
Residential	287	275	286	259	275
Commercial	448	476	475	461	475
Large Commercial	227	228	232	223	211
Total	962	979	993	943	961

Source: BWP.

Largest Electric Customers

Burbank's five largest retail electric customers (excluding other City departments) accounted for approximately 17.04% of Burbank's energy sales for the Fiscal Year ended June 30, 2025. Burbank's ten largest retail electric customers (excluding other City departments), comprised of large commercial customers, accounted for approximately 22.26% of Burbank's energy sales for the Fiscal Year ended June 30, 2025, and Burbank's 25 largest retail electric customers (excluding other City departments), comprised of large commercial customers, accounted for approximately 31.38% of Burbank's energy sales for the Fiscal Year ended June 30, 2025.

Electric Rates and Charges

Per Burbank Municipal Code, the utility must remain self-supporting from a financial standpoint and requires rates sufficient to maintain its financial health. Because costs can change suddenly and materially, a regular review and report on rates is necessary. BWP regularly evaluates such information needed to maintain adequate rates and uses such information in its assessment of its rates. Electric rates are established by the Burbank City Council and are not subject to regulation by the CPUC or by any other state agency.

Although its rates are not subject to approval by any federal agency, Burbank is subject to certain provisions of the federal Public Utility Regulatory Policies Act of 1978 ("PURPA"). PURPA requires state regulatory authorities and nonregulated electric utilities, including Burbank, to consider certain rate-making standards and to make certain determinations in connection therewith. Burbank believes that it is operating in compliance with PURPA.

The Electric System's base rates have been changed ten times over the period beginning July 1, 2013. Burbank provides no free electric services. A 1.5% increase originally scheduled to take effect in July 2020 was postponed due to the COVID-19 pandemic. In May 2021, the Burbank City Council approved a 2.5% rate increase, spread out over two increases of 1.24% each effective October 1, 2021 and April 1, 2022. The rate increases were phased in to allow economic recovery from the COVID-19 pandemic for the community. In May 2022, the Burbank City Council approved a total overall increase of 6.0%, effective July 1, 2022. In June 2023, the Burbank City Council approved a total overall increase of 8.5%, which was effective July 1, 2023, and an overall rate increase of 8.0%, effective July 1, 2024. In May 2025, the Burbank City Council approved a total overall increase of 9.9%, effective January 1, 2026, and an overall rate increase of 9.9%, effective January 1, 2027.

Burbank Water and Power
Percentage Change in Electric Rates[(1)]

Effective Date	Overall System
07/01/13	1.75%
07/01/14	2.90
07/01/15	2.10
07/01/16	2.10
07/01/19	1.00
10/01/21	1.24
04/01/22	1.24
07/01/22[(2)]	6.00
07/01/23[(2)]	8.50
07/01/24	8.00
01/01/26	9.90
01/01/27	9.90

(1) Percentage change is based upon the immediately preceding rate.
(2) The increases effective July 1, 2022 and July 1, 2023 were higher than previous increases due to higher energy prices, investments in future sustainability, higher operating and maintenance expenses driven by inflation and supply chain issues.
Source: BWP.

The table below sets forth the weighted average billing price per kWh of Burbank's various retail customer classes for the five fiscal years shown.

Burbank Water and Power
Weighted Average Retail Billing Price[(1)]
(Cents per kWh)

	Fiscal Year Ended June 30,				
	2021	2022	2023	2024	2025
Residential	15.86	16.01	17.12	19.25	21.50
Commercial	16.02	16.21	17.30	18.51	19.83
Large Commercial	13.96	14.08	15.05	16.02	16.53
Weighted Average – All Classes Combined	15.49	15.66	16.72	18.12	19.58

(1) All weighted average rates exclude annual in-lieu transfers to the City's General Fund and street lighting transfers. City voters passed Measure T in June 2018 to continue a direct transfer of not more than 7% of BWP's gross annual sales of electricity to pay for City's essential services. See " – Transfers to the City's General Fund."
Source: BWP.

(Burbank 2025 R. 15c2-12)

Transfers to Burbank's General Fund

In accordance with the City Charter, the Burbank City Council has a long-standing practice of authorizing annual transfers from the Electric Enterprise Fund to the City's General Fund in the form of an in-lieu transfer of 5.0% and a street lighting transfer of 1.5% of the City's gross sales of electricity (exclusive of wholesale sales to other public or privately-owned utilities). The practice of transfer from the Electric Enterprise Fund to the General Fund was challenged by a plaintiff in a complaint filed in June 2016, *Christopher Matthew Spencer v. the City of Burbank* (Case Number: BS162779). In June 2018, the voters of Burbank passed Measure T, a ballot measure that amended the City of Burbank Charter to continue this practice of annual transfers from BWP's gross annual sales of electricity, paid by retail electric ratepayers. On October 30, 2018, the plaintiff and the City entered into a settlement agreement in connection with their dispute over these transfers. The City receives a 7% In-lieu of Taxes on electric retail revenues that is not reflected in the Electric Fund's financial statements. This amount for the year ended June 30, 2025 is Electric in-lieu of $10,378,720 and Street Lighting transfer of $2,830,497.

Historical Net Revenues and Statement of Net Position of the Electric System

The following two tables set forth (i) summaries of net revenues of the Electric System for the five fiscal years shown together with debt service coverage ratios with respect to BWP's Electric System revenue bonds and (ii) the statement of net position of BWP's Electric System for the five fiscal years shown.

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Burbank Water and Power
Historical Net Revenues and Debt Service Coverage
Electric System
($000's)

	Fiscal Year Ended June 30,				
	2021	**2022**	**2023**	**2024**	**2025 (Unaudited)**
Operating revenue:					
Retail	$149,846	$154,304	$165,417	$173,453	$191,991
Wholesale[1]	42,088	21,486	40,324	23,197	22,452
Other Operating Revenues[2]	9,040	6,600	7,146	6,962	16,035
Total Operating Revenue	$200,974	$182,390	$212,887	$203,612	$230,478
Operating expenses:					
Retail (Fuel, Purchased Power and Power Operations)[3]	$93,250	$108,323	$119,701	$101,742	$123,879
Wholesale[1]	34,197	18,845	37,386	20,975	20,942
Other (Distribution and Other O&M)[4]	47,147	35,617	49,265	52,212	58,262
Optional advanced pension payment[5]	2,750	2,750	2,750	1,030	2,062
Total Operating Expenses[6]	$177,344	$165,535	$209,102	$175,959	$205,145
Operating income/(loss)	$23,630	$16,855	$3,785	$27,653	$25,333
Other non-operating income[7]	2,375	2,508	4,201	1,841	3,238
Net Income Available for Debt Service (a)	$26,005	$19,363	$7,986	$29,494	$28,571
Net Debt Service (b)[8]	$3,403	$3,403	$3,788	$10,412	$10,046
Rate Covenant Coverage (Prior to In-Lieu) (a) / (b)	7.64x	5.69x	2.11x	2.83x	2.84x
Revenues Available After Debt Service (a) – (b)	$22,602	$10,944	$4,198	$19,082	$18,525

(1) The increase in Wholesale in Fiscal Year 2020-21 is due to higher demand during extreme weather events during the year. Wholesale uses excess assets to move energy outside of Burbank's retail system. See "– Electric System Initiatives – Wholesale Margins."

(2) Other operating revenues include transmission, telecommunications, intergovernmental income, and other miscellaneous revenues.

(3) The increase in Retail Operating Expenses in Fiscal Year 2021-22 is primarily due to higher energy prices, coal supply issues at Intermountain Power Project, and one-time repairs for the Lake generating unit. The increase in Fiscal Year 2022-23 is primarily due to higher energy and gas prices, and the continued coal supply issues at Intermountain Power Project.

(4) The decrease in Other (Distribution and Other O&M) Operating expenses in Fiscal Year 2021-22 is primarily due to higher than expected CalPERS investment returns.

(5) During the Fiscal Year 2020-21 audit, the amount of optional advanced payment to CalPERS to reduce the City's unfunded actuarial liability for Fiscal Year 2019-20 and Fiscal Year 2020-21 was reclassified from non-operating expense to operating expense.

(6) Operating expenses exclude depreciation, in lieu of taxes, and interest expense.

(7) Other non-operating income includes interest income and other non-operating revenues, less other non-operating expenses. Other non-operating income does not include capital contributions, Build America Bonds subsidy, and non-cash adjustments to record market value adjustment for investment per Governmental Accounting Standards Board ("GASB") Statement No. 31 and market value adjustment for pension per GASB 68.

(8) Represents net debt service on outstanding bonds. Debt service on the Electric Revenue Bonds, Series of 2010B (Build America Bonds) (the "2010B Refunded Bonds") is net of the federal subsidy on the 2010B Refunded Bonds. Annual debt service beginning in Fiscal Year 2020-21 was much lower due to early redemption of the Electric Revenue Bonds, Series of 2010A. . In March 2023, the Electric System issued $120 million of fixed rate tax-exempt bonds to fund capital expenditures. The 2010B Refunded Bonds were redeemed in full with proceeds of the Electric Revenue Refunding Bonds, Series of 2024 on June 18, 2024.

Source: BWP.

Burbank Water and Power
Statement of Net Position
($000's)

	Fiscal Year Ended June 30,				
	2021	2022	2023	2024	2025 (Unaudited)
ASSETS					
Current and regulatory assets:					
Cash and cash equivalents	$85,228	$80,996	$180,142	$181,816	$182,294
Accounts receivable, net	21,974	16,875	26,276	20,442	20,169
Inventories	8,747	8,813	9,752	14,522	19,914
Derivative instruments	-	2,020	1,417	3,729	1,162
Deposits and prepaid expenses	17,104	16,164	17,493	17,402	18,224
Interest receivable	159	285	191	246	545
Leases Receivable	-	302	310	319	327
Due from the City of Burbank	-	284	299	310	276
Regulatory costs to be recovered in one year	14	-	-	-	-
Restricted nonpooled investments	-	-	-	-	-
Total current and regulatory assets[(1)]	133,226	125,739	235,880	238,786	242,911
Noncurrent and regulatory assets:					
Interfund receivable	6,450	-	-	-	-
Regulatory costs for future recovery	-	-	-	-	-
Leases receivables	-	4,557	4,247	3,929	3,601
OPEB assets[(1)]	-	2,450	2,007	2,814	3,413
Total noncurrent and regulatory assets	6,450	7,007	6,254	6,743	7,014
Capital assets:					
Land	2,734	2,734	2,734	2,734	2,734
Rights to purchase power	1,335	1,335	1,335	1,335	1,335
Utility plant and equipment	619,709	561,708	588,686	601,876	646,614
Machinery and Equipment	-	78,957	80,175	88,417	91,073
Leased Assets	-	1,779	1,779	1,151	1,309
Subscription Assets	-	-	1,718	2,529	1,886
Construction in progress	29,527	36,323	44,368	54,972	66,130
Total utility plant and equipment	653,305	682,836	720,796	753,014	811,081
Less accumulated depreciation	(339,915)	(361,212)	(381,583)	(394,814)	(416,615)
Net utility plant and equipment	313,390	321,624	339,213	358,200	394,466
Deferred outflows of resources:					
Deferred amounts from loss on bond refunding	-	-	-	-	2,588
Deferred amounts from pensions	14,001	10,925	33,119	29,789	17,908
Deferred amounts from OPEB	1,214	1,660	4,510	3,604	2,058
Total deferred from pensions and OPEB	15,215	12,585	37,629	33,393	22,554
Total assets & deferred outflows of resources	$468,282	$466,954	$618,975	$637,122	$666,945
LIABILITIES AND FUND EQUITY					
Current liabilities:					
Accounts payable and accrued expenses	$13,059	$12,630	$13,820	$12,256	$15,563
Bond interest payable	279	275	775	763	684
Lease liability	-	245	247	215	264
Subscription payable	-	-	477	786	454
Interfund payable	12	-	-	-	-
Customer deposits	8,535	16,427	20,869	30,780	57,023
Deferred revenue	-	548	47	46	-
Current portion of revenue bonds payable, net	1,145	-	2,210	2,295	4,140
Current portion of compensated absences	305	328	306	340	536
Total current liabilities	23,335	30,453	38,751	47,481	78,664
Noncurrent liabilities:					
Revenue bonds payable[(1)]	52,497	52,499	181,444	178,568	175,635
Compensated absences	6,922	6,688	7,207	8,054	8,314
Regulatory credits	327	302	208	1,106	836
Subscription payable	-	-	768	708	254
Lease liability	-	1,127	891	301	195
Net OPEB liability	3,766	-	5,098	2,730	1,808

(Burbank 2025 R. 15c2-12)

Net pension liability[2]	75,580	33,366	80,714	79,303	72,693
Total non-current and regulatory liabilities	139,092	93,982	276,331	270,770	259,735
Deferred inflows of resources:					
Deferred amounts on pensions and OPEB	2,864	36,229	5,765	6,399	4,640
Deferred amount from leases	-	4,859	4,557	4,087	3,731
Derivative Instruments[3]	-	2,020	1,417	3,729	1,162
Total deferred inflows of resources	2,864	43,108	11,739	14,215	9,533
Total liabilities and deferred inflows of resources	165,291	167,542	326,821	332,466	347,932
Fund equity:					
Total net position	302,991	299,412	292,154	304,656	319,013
Total liabilities and net assets	$468,282	$466,954	$618,975	$637,122	$666,945

[1] In Fiscal Year 2022-23, the City issued the Electric Revenue Bonds, Series of 2023 in the principal amount of $120,000,000 for capital improvement.

[2] Net pension liability was lower in Fiscal Year 2021-22 due to significantly higher investment returns. Investment returns were lower in Fiscal Year 2022-23 causing net pension liability to increase.

[3] In Fiscal Year 2021-22, the City implemented GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments" recording the fair value of the financial natural gas hedges.

Source: BWP.

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Capital Improvements

Burbank has a capital improvement program designed to meet load requirements, repair and replace facilities as needed, and satisfy new safety and regulatory requirements. All capital improvements are normally considered and adopted as part of Burbank's annual budget process, although additional capital expenditures may be approved as needed. Burbank currently expects to finance such capital improvements through a combination of bond financing, governmental grants and a "pay-as-you-go" basis.

The following table is a summary of Burbank's Five-Year Capital Improvement Program for the Electric System.

Burbank Water and Power
Five-Year Capital Improvement Program
($000's)

	2025-26 Adopted	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast	Total Forecast
Power Supply Improvement Projects	$9,525	$2,775	$16,125	$950	$21,175	$50,550
Distribution Expansion Projects	20,344	6,042	11,059	16,138	7,569	61,152
Distribution Replacement Projects	32,668	28,308	28,246	18,338	19,085	126,645
New Customer Projects/AIC	56,285	7,050	11,242	15,178	10,750	100,505
Customer Service and others	6,906	2,213	4,469	3,092	1,925	18,605
Capital Outlay and other	7,992	7,098	11,945	11,046	8,943	47,024
Total CIP	$133,720	$53,486	$83,086	$64,742	$69,447	$404,481

Source: BWP.

Indebtedness; Joint Powers Agency Obligations

Electric System Revenue Bonds. As of December 31, 2025, Burbank has $164,055,000 in outstanding principal amount of long-term obligations payable from net revenues of the Electric System (after the payment of operating and maintenance expenses of the Electric System) consisting of $44,055,000 in outstanding principal of Electric Revenue Bonds, Series of 2024 Refunding bonds and $120,000,000 in outstanding principal of Electric Revenue Bonds, Series of 2023.

Joint Powers Agency Obligations. As described herein, Burbank contracts with IPA and SCPPA. Obligations of Burbank under the agreements with IPA and SCPPA constitute operating and maintenance expenses of the Electric System payable prior to any of the payments required to be made on Burbank's Electric System revenue bonds. Agreements between Burbank and IPA and Burbank and SCPPA (other than the agreement relating to SCPPA's Prepaid Natural Gas Project bonds) are on a "take-or-pay" basis, which requires payments to be made whether or not applicable projects are operating or operable, or whether the output from such projects is suspended, interfered with, reduced, curtailed or terminated in whole or in part. In addition, all of these agreements (other than the agreements relating to SCPPA's Prepaid Natural Gas Project bonds and the Natural Gas Reserves Project bonds) contain "step up" provisions obligating Burbank to pay its relevant share following a failure to pay by a defaulting participant. Burbank's participation and share of principal obligations (without giving effect to interest due on the obligations or any "step up" provisions) for each of the joint powers agency projects in which it participates are shown in the following table.

Outstanding Debt of Joint Powers Agencies and Burbank's Share
(as of December 1, 2025)

	Principal Amount of Outstanding Debt	City's Participation[1]	City's Share of Principal Amount of Outstanding Debt[2]
Intermountain Power Agency			
Intermountain Power Project (IPP)[3]	$112,520,000	4.021%	$4,524,429
IPP Renewal Project	1,695,130,000	3.334	56,515,634
Southern California Public Power Authority			
STS Project	72,190,000	4.498	3,247,106
STS Renewal Project[4]	1,790,705,000	4.222	75,603,565
Magnolia Power Project[5]	187,770,000	32.350	60,744,346
Milford Wind Corridor Phase I	52,835,000	5.000	2,641,750
Prepaid Natural Gas Project[6]	219,555,000	33.000	72,453,150
Natural Gas Project	7,255,000	100.000	7,255,000
Tieton Hydropower Project	26,585,000	50.000	13,292,500
Total	$4,164,545,000		$296,277,481

(1) Obligation is subject to increase upon default of another project participant (other than with respect to SCPPA's Prepaid Natural Gas Project bonds and the Natural Gas Project bonds).
(2) Excludes interest on the debt.
(3) Does include Burbank's share of the IPP excess power sales agreement.
(4) Until the effective date of the IPA Renewal Power Sales Contract, debt service will be based on the original transmission service contract. As a result, the City's share of outstanding debt is currently 4.498%, and upon the effective date of the IPA Renewal Power Sales Contract will be 4.222%. See "– Non-Burbank Owned Resources – Intermountain Power Project" and "– Transmission Resources – Southern Transmission Renewal Project." Subsequent to March 31, 2024, SCPPA issued $562,855,000 principal amount of bonds for the STS Renewal Project, of which the City's share is $21,901,633.
(5) Excludes bonds relating solely to City of Cerritos.
(6) The Prepaid Natural Gas Project is a "take-and-pay" contract. Payments by Burbank are contingent upon the delivery of gas.

Source: BWP; IPA.

For the Fiscal Year ended June 30, 2025, Burbank's payments of debt service on its joint powers agency obligations aggregated approximately $11.3 million. Unreimbursed draws under liquidity arrangements supporting joint powers agency variable rate debt obligations bear interest at a maximum rate substantially in excess of the assumed rates stated above and may be subject to repayment to the liquidity provider over a significantly shorter period than the originally scheduled payment of principal on the related bonds. Interest rate swap agreements entered into by joint powers agencies in connection with hedged variable rate joint powers agency obligations may be subject to early termination. In the event of early termination of a joint powers agency interest rate swap agreement, the joint powers agency could be obligated to make a substantial payment to the applicable swap provider a corresponding amount of which termination payment (proportionate to each project participants' participation share in the related project) could be due from the applicable project participants.

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Electric System Initiatives

Competitiveness Transition Plan. In 1998, the BWP Board and the Burbank City Council adopted, and has subsequently from time to time updated, its "Competitiveness Transition Plan" (as updated, the "Plan") in response to the then anticipated impacts of deregulation in California. Burbank has never granted open access for Burbank customers.

These goals have been adopted to fulfill the Plan:

- Maintain competitive and stable rates for all customer classes;
- Optimize use of assets, manage costs, and increase reserves;
- Maintain sound financial policies to ensure BWP's financial stability;
- Ensure that BWP is competitive with other Western utilities; and
- Uphold standards of customer service and reliability.

Power Supply Resources. The availability of local generation through existing facilities (the cost of which is more economic during periods of high cost in the power market) as well as the additional facilities utilizing state-of-the-art natural gas-fired technology (including the Lake 1 Unit and the Magnolia Power Project) are designed to allow Burbank to more efficiently dispatch local generation and to hedge against future market volatility in energy prices. In addition, utilizing local generation generally improves regional electric reliability because it does not depend on long-distance interstate transmission lines.

Burbank has taken the following actions to serve its customers and to mitigate the impact of recent changes in its power supply resource portfolio:

Integrated Resource Plan ("IRP"). The Burbank City Council approved the most recent IRP on December 5, 2023; the prior IRP was approved on December 11, 2018 and focused on decisions affecting coal-fired generation and the addition of cost-effective renewable energy in an environment of reduced load growth. The IRPs provide a long-term strategic framework for BWP's power supply portfolio, incorporating statewide policies, regional market conditions, and community priorities. Both IRPs recognized the need to plan for continued reductions in greenhouse gas emissions and outlined the City's strategy to meet Renewable Portfolio Standard (RPS) requirements.

Forward Purchases and Energy Risk Management. BWP has developed short-term as well as long-term energy procurement strategies to reduce price risks and volatility. These strategies are monitored by BWP management utilizing the Energy Risk Management Policy originally adopted in 2003 and last amended in 2022.

Renewable Energy. As described under "– Renewable Energy Resources" above, the Burbank City Council has adopted a RPS policy consistent with State law. For the Fiscal Year ended June 30, 2025, renewable energy resources made up approximately 52.9% of Burbank's total retail sales. Burbank is on track to meet the Renewables Portfolio Standard of 46% for calendar year 2025. As Burbank expects that the cost of renewable energy, relative to other energy options, may be greater, the acquisition of additional renewable resources may result in increased costs to Burbank and may require future rate increases, which are subject to Burbank City Council review and approval.

Wholesale Margins. Wholesale margins for the Fiscal Year ended June 30, 2025 were $1,510,000. Wholesale margins continue to contribute to Burbank's financial performance by reducing the utility's overall power supply costs. Wholesale trading opportunities exist because Burbank is able to market

BWP's excess capacity, energy or transmission. Burbank believes that wholesale transactions are low risk because they are short-term (*e.g.*, mostly less than 30 days), and not open-ended transactions. The trading risks are also mitigated through the adoption of the Energy Risk Management Policy, the formation of the Risk Oversight Committee ("ROC") and oversight by the Financial Planning and Risk Manager. The ROC meets regularly to review counterparty credits and transactions. Voting members of the ROC include the General Manager, Chief Financial Officer, Assistant General Manager/Power Supply, Energy Control Center Manager, Power Production Manager, Power Resource Manager, and Financial Planning and Risk Manager.

Financial Reserves. BWP management initially developed a financial reserve policy to maintain its long-term rate stability in 2003. The policy was last updated in 2023. Financial reserves are established for general operating expenses, debt repayment and capital funding, fleet replacement and general plant replacement. Under the financial reserve policy, BWP's updated financial reserve is based on available cash to fund normal operation per day or days cash on hand. Days cash on hand is calculated by taking the unrestricted cash and investments less depreciation and dividing by the annual operating expenses for one day. The financial reserve policy includes a minimum reserve and a recommended reserve. The approved minimum financial reserve for the Electric System is 105 days cash on hand and a recommended range between 160 to 240. The Electric System had 176 days cash on hand on June 30, 2025.

Customer Relations. As a community owned utility, BWP's relationship with its customers and community stakeholders continues to be an important focus. As the utility moves towards more renewable energy, which is intermittent in nature and as customers continue to electrify their transportation and homes, BWP will educate, engage, and work with customers to adopt beneficial electrification and to manage and shape load.

In late 2020, BWP's marketing group began pursuing an omni-channel marketing strategy with an emphasis on digital and social media channels to broaden its reach. This has resulted in greater opportunities for engagement with both residential and commercial customers about key issues such as COVID-19 relief, water conservation, and new EV rebate programs. Seventy-six percent of customers in the latest residential survey rated outbound communications as highly satisfactory, and BWP recently won two national awards from the American Public Power Association ("APPA"). APPA recognized BWP in print/digital and web/social media categories with Awards of Excellence. Burbank has maintained an outstanding system-wide reliability statistic. For Fiscal Year 2024-25, the system average interruption was only 12.03 (SAIDI) minutes per customer. A low frequency of outages helped minimize the system average outage duration. The Burbank outage frequency rate was approximately 0.32 (SAIFI) outages per customer every year.

Employee Relations

As of June 30, 2025, 273 full-time equivalent Burbank employees were assigned to the Electric System. Certain functions supporting the Electric System's operations, including but not limited to, meter reading, customer billing and collection, finance, administration, and operations technology are performed by BWP staff.

All BWP employees fall into one of four categories:

(1) Those represented by Local No. 18 of the International Brotherhood of Electrical Workers ("IBEW");

(2) Those represented by the Burbank City Employees' Association ("BCEA"), which is affiliated with the American Federation of State, County and Municipal Employees as Local No. 3143;

(3) Those represented by the Burbank Management Association ("BMA"); and

(4) Those that are unrepresented.

The BCEA, BMA and IBEW labor contracts are current. The BCEA labor contract will expire on June 30, 2026. The BMA labor contract will expire on June 30, 2028, and the IBEW labor contract will expire on June 30, 2027. Work will continue under the terms of the existing labor contract during negotiations pursuant to each labor contract until a new contract is in place.

There have been no strikes or other material work stoppages by Burbank employees within the last fifteen years.

Pension Plan and Other Post-Employment Employee Benefits for Employees of the Electric System

Pension Plan. Burbank's defined benefit pension plan, the Public Employees Retirement System ("PERS"), provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and their beneficiaries. PERS is part of the Public Agency portion of the California Public Employees Retirement System ("CalPERS"), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions, as well as other requirements, is established by state statutes within the Public Employees' Retirement Law. Burbank selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. 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 at *www.calpers ca.gov*. *The foregoing internet address is included for reference only, and the information on the internet site is not incorporated by reference herein.*

Employees of the Electric System participate in Burbank's CalPERS Miscellaneous Plan. Burbank active plan members in the CalPERS Miscellaneous Plan hired prior to January 1, 2013, are required to contribute 8.00% to 9.14% of their annual covered salary. Miscellaneous Plan members hired on or after January 1, 2013, and who have no prior membership in any California public retirement system are required to contribute 7.50% of their annual covered salary. All Public Employees' Pension Reform Act members pay their full employee contribution. The City no longer pays for any employee contributions for any bargaining group.

Burbank is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. Burbank is required to contribute at an actuarially determined rate for the normal cost and a flat dollar amount for the required unfunded liability contribution. In Fiscal Year 2024-25, Burbank contributed 30.19% of annual covered payroll. The contribution requirements of plan members are established by state statute and the employer contribution rate is established and may be amended by CalPERS. The Electric System is allocated its portion of the required contributions. Approximately 34.74% of Burbank's CalPERS obligations are allocated to the Electric System. Burbank contributed 100% of the portion of the employer's actuarially required contribution allocable to the Electric System from the Electric Utility Fund for the Fiscal Years ending June 30, 2023, June 30, 2024, and June 30, 2025, in the amounts of $6,589,114, $5,770,282, and $6,613,596, respectively. Burbank has budgeted to contribute $7,909,688 as the Electric System's allocable share of the required contribution for Fiscal Years 2025-26. In addition to the annual required contribution, the Electric Utility Fund also made an additional voluntary lump sum payment of $2,062,200 to CalPERS to reduce the City's unfunded actuarial liability during Fiscal Year 2024-25. This payment was the second year of a two-year citywide funding plan that began in Fiscal Year 2023-24 to reduce future pension obligations. Burbank's Miscellaneous Plan had a funded ratio of 81.27% and 78.59% as of June 30, 2025, and 2024, respectively.

(Burbank 2025 R. 15c2-12)

In Fiscal Year 2014-15, Burbank implemented Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68." These GASB Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. For defined benefit pension plans, these GASB Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. As of June 30, 2025, the proportionate share of Burbank's net pension liabilities allocable to the Electric System was reported to be $72,693,000 (measured as of June 30, 2024, and based upon a June 30, 2023, actuarial valuation rolled forward to June 30, 2024, using standard update procedures), a decrease of $6,610,000 over the prior fiscal year. The Electric System's proportionate share of the Net Pension Liabilities was 34.74% of the Net Pension Liabilities for Burbank's Miscellaneous Plan as a whole for Fiscal Year 2024-25. Reported deferred outflows of resources as of June 30, 2025 (to be recognized as a reduction of net pension liability in future periods) were $17,907,799 with reported deferred inflows of resources (to be recognized as pension expense in future periods) of $76. For the Fiscal Year ended June 30, 2025, Burbank's Miscellaneous Plan Net Pension Liability as a percentage of covered-employee payroll was 229.48%. The Miscellaneous Plan Net Pension Liability as a percentage of the Total Pension Liability for Burbank's Miscellaneous Plan was 81.27% for such Fiscal Year.

Post-Retirement Health Care Plans. Burbank also administers certain post-employment health care benefits under Burbank Employees Retiree Medical Trust ("BERMT"), the Utility Retiree Medical Trust ("URMT"), and the CalPERS Public Employees' Medical and Hospital Care Act ("PEMHCA") plan. The Electric System also makes contributions for such other post-employment benefits ("OPEB"). The Electric System assumes its share of OPEB costs based upon the results of actuarial studies. The City has pre-funded the PEMHCA and URMT plans through CalPERS OPEB Trust ("CERBT") and has a policy of contributing 100% of the City's actuarially determined contribution each year.

BERMT is a single employer, defined benefit plan which was established in April 2003 by Burbank's employee associations to provide post-retirement medical benefits to all non-safety employees, including elected and appointed officials. The trust is controlled by seven voting members from the various employee associations appointed to three-year terms. Burbank appoints an eighth member to the board, but that member is non-voting. Represented plan members are required to contribute $50 per bi-weekly pay period, which Burbank matches. Plan provisions and contribution requirements are established by and may be amended by the BERMT board. Investments are determined by the BERMT plan trustees and are governed by ERISA provisions. Eligibility for benefits requires that members are retired and have reached age 58 with a minimum of five years of contributions into the plan. The benefit provided ranges from $150 to $630 in reimbursements per month for eligible medical expenses. The Electric System has allocated its portion of the required contributions. For the Fiscal Year ended June 30, 2024, the allocable portion of Burbank's contributions to BERMT paid from the Electric Utility Fund totaled $364,495. For the Fiscal Year ended June 30, 2025, the allocable portion of Burbank's contributions to BERMT paid from the Electric Utility Fund totaled $371,950. The Electric Utility Fund has budgeted $368,223 for its share of contributions to BERMT in Fiscal Year 2025-26.

The PEMHCA Plan was established with CalPERS as a single employer plan. Burbank pays the required PEMHCA minimum contribution for all miscellaneous and safety employees retiring directly from Burbank. The Fiscal Year 2024-25 PEMHCA minimum contribution was $158.00 per month. In addition, Burbank paid $100.00 per month for 13 management retirees and paid $188.00 per month for nine IBEW retirees. For these management/IBEW retirees, the PEMHCA minimum required contribution of $158.00 is paid in addition to the retiree health contribution amounts. The PEMHCA benefit provisions are established and amended through negotiations between Burbank and its employee associations. For the Fiscal Year ended June 30, 2025, Burbank's annual determined contribution was $4,768,000 and the

allocable portion of Burbank's contributions to the PEMHCA plan paid from Electric Utility Fund totaled $939,296. As of June 30, 2025, the PEMHCA plan had a funded ratio of 84.66%.

Burbank also entered into an agreement on July 22, 2008, to provide certain OPEB to the IBEW employees, through the URMT, an agent multiple employer plan. The agreement is to supplement benefit payments from BERMT and PEMHCA for IBEW members and 12 management employees. The total target benefit is $1,200/month for individuals age 50 to age 64 and $750/month for those age 65 and above, with the exception that for qualifying employees who retire after December 16, 2015 and who have not contributed to Medicare while employed at Burbank and who are also not otherwise eligible for premium-free Medicare Part A at age 65 and older, the maximum amount at age 65 and older shall be $975/month, including payments from BERMT, PEMHCA minimum and the URMT. For the Fiscal Year ended June 30, 2025, Burbank's annual determined contribution was $39,000 and Burbank contributed $48,000 for the URMT. As of June 30, 2025, the URMT had a funded ratio of 129.03%.

In Fiscal Year 2017-18, Burbank implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefit Other Than Pension Plans." This Statement replaces the requirements of Statements No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", as amended, and No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans", for OPEB. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB are also addressed. As of June 30, 2025, the proportionate share of Burbank's net OPEB liabilities allocable to the Electric System was $1,808.

Litigation

At any given time, there are certain claims and disputes, including those currently in litigation, that arise in the normal course of Burbank's Electric System enterprise activities. In the view of BWP management, based on consultation with the City Attorney, there is no litigation, present or pending, which will, individually or in the aggregate, materially impair Burbank's ability to service its Electric System indebtedness or which will have a material adverse effect on the business operations of the Electric System.

Future Developments

There has been increased development and service requests including large site developments, major housing developments, and accessory dwelling units during recent years and this trend is expected to continue in the years to come. In the last decade, BWP has energized about 400 new residential units. Based on the current proposed development, BWP is on the path to energize more than 2,000 new residential units in the next three to four years.