



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Board of Directors Meeting

Thursday, June 18, 2026

Proposed Change to Order of Agenda

Item 1: Notice/ Agenda and Opportunity for Public to Address Board

Item 2: Executive Director Report

Item 3: Consent Calendar

Item 6: Government Affairs Report

Item 7: Closed Session

Item 8: Report Out of Closed Session and New Business

Item 4: Chief Financial and Administrative Officer Report

Item 5: Program Development Report

Item 9: Asset Management

Item 10: Board Member Comments

Item 11: Adjournment

Item 2



EXECUTIVE DIRECTOR REPORT

Daniel E Garcia | *Executive Director*

Item 3 **CONSENT CALENDAR**

A. Minutes of the Board of Directors Meeting

- Regular Meeting Minutes: May 21, 2026

B. Receive and File:

1. CY 2026 Q1 Renewables Operating Report
2. Working Group Update: June 2026
3. Magnolia Power Project Operations Report: May 2026
4. Palo Verde Nuclear Generating Station Status Report: April 2026
5. Federal Legislative Report: May 2026

C. Resolution 2026-083

Authorizing Amendment No.4 to the Power Purchase Agreement between the Authority and Bonanza Solar, LLC, Authorizing Related Actions, and Finding Such Action Exempt from the California Environmental Quality Act (“CEQA”)

D. Resolution 2026-084

Authorizing Amendment No.1 to the Power Purchase Agreement between the Authority and Grace Orchard Solar III, LLC Authorizing Related Actions; and Finding Such Action Exempt from CEQA

Item 6



SCPPA

GOVERNMENT AFFAIRS

MARIO De BERNARDO | *Director, Government Affairs*

ELISABETH de JONG | *Manager, Regulatory Affairs*

NATALIE SEITZMAN | *Manager, Legislative Affairs*

California Elections and Trending State Political Issues

California Political & Policy Landscape

Southern California Public Power Authority
Board of Directors Meeting

June 18, 2026

Post-Election Environment

- Becerra (~28%), Hilton (~25%) advance to the general election.
- Historic low turnout (~23%) reflects broad voter disengagement ahead of what is expected to be an uncompetitive general election.



- Democrats are projected to retain supermajorities in both chambers pending final certification of competitive legislative races.
- The Insurance Commissioner race — Kim vs. Allen — is among the most consequential November contests for energy, wildfire, and insurance policy.

Becerra as the Likely Winner

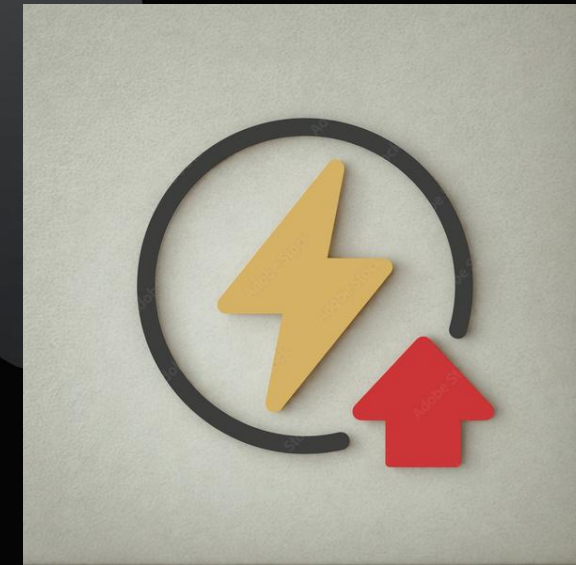
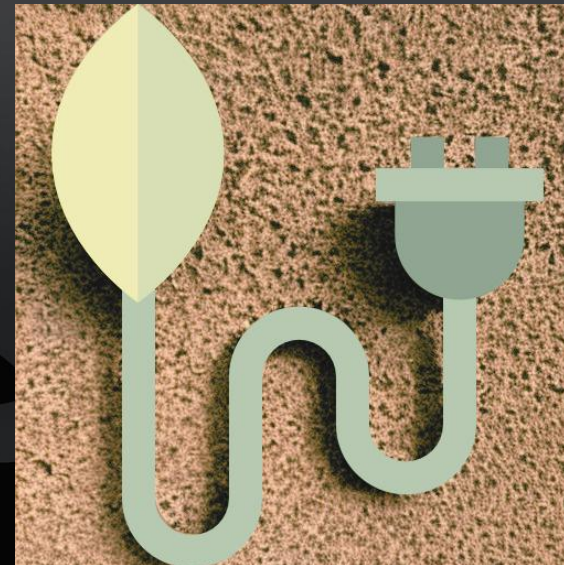
- Looking ahead to 2027, the central question is how Becerra's pragmatic approach will navigate a Legislature with the votes to continue pursuing ambitious clean energy mandates, and what that means for rates, reliability, and public power.
- Questioned whether current EV mandates are achievable, arguing California should pursue "goals that are achievable, not goals that are pie in the sky." — *Los Angeles Times*, George Skelton.
- "When we have goals they have to be achievable. . . . [I]t's looking harder and harder to get to [our carbon neutrality goals]." — *California Politics 360*

VOTE



Public Opinion: Climate Change & Energy Affordability

- 44% of Californians name cost of living and the economy as the state's top issue. (PPIC, May 2026)
- 8 in 10 Californians still view climate change as a serious threat, but cost of living, electricity rates, and gas prices are driving voting behavior.
- Just 40% of Californians are willing to pay more for renewable energy — down sharply from 56% in 2016. (PPIC, July 2025)
- The political environment for rate increases requires careful navigation — any rate proceeding, capital recovery request, or clean energy investment program over the next two to four years will face heightened scrutiny.



Governor's Race: Approaches to Clean Energy

Newsom (D)

- Established California's 100% clean electricity target by 2045
- Advanced the 2035 zero-emission vehicle mandate through executive action and CARB regulation
- Appointed climate-focused leadership at CARB and the CPUC
- Defended Cap-and-Invest as a cornerstone of California's climate strategy

Becerra (D)

- Open to revisiting climate goals to prioritize affordability
- Views EV mandates as an affordability and infrastructure challenge
- Expected to appoint CPUC and CARB leadership with a cost-first focus
- Open to revisiting Cap-and-Invest on affordability grounds

Hilton (R)

- Would roll back the 2035 EV mandate and key CARB regulations
- Would align California energy policy more closely with the federal administration
- Would eliminate Cap-and-Invest, citing high gas prices and refinery closures
- Would appoint deregulation-oriented CPUC and CARB leadership

Implications for Public Power



- SCPPA’s existing relationship with Becerra may provide the organization with early access and engagement opportunities.
- His focus on affordability aligns with public power’s cost-competitiveness message but may increase scrutiny of rates, infrastructure investments, and cost recovery.
- During SCPPA’s annual conference, Xavier Becerra stated that if affordability is at stake, it may be prudent to allow natural gas plants to continue operating longer than previously planned.



Insurance Commissioner



Jane Kim (D)

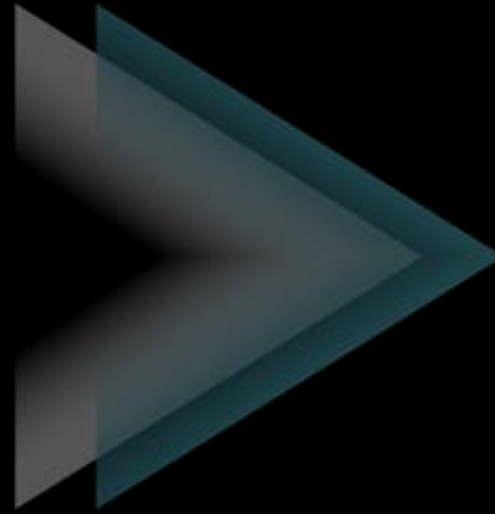
- State-backed insured model
- “Disaster Insurance for All” program
- Replace the FAIR Plan with a public program
- More aggressive rate regulation of insurers
- Broadly socializes wildfire risk through a state-backed framework
- Greater government role in insurance markets



Ben Allen (D)

- Market-stabilization model
- CAL Reinsure wildfire backstop
- Phase out the FAIR Plan through private market participation
- Balances consumer protection with insurer solvency
- Emphasizes mitigation and risk reduction to stabilize rates
- Greater reliance on private market participation

Energy Policy in the Legislature



Wildfires

Wildfire liability, cost recovery, and insurance market stabilization remain the most actively contested terrain heading into the August 31 deadline — with no consensus yet on how costs are allocated across utilities, ratepayers, and the public.

ACF

Potential legislative effort if CARB does not formalize—through publicly issued enforcement policy—its stated intent to emphasize flexibility, education, and case-by-case support during early ACF implementation





Cost of Living and Affordability



CEQA and Permitting Reform



Housing



Budget



Water & Climate Resilience



Data Centers & Load Growth



Broader Issues Shaping California Politics

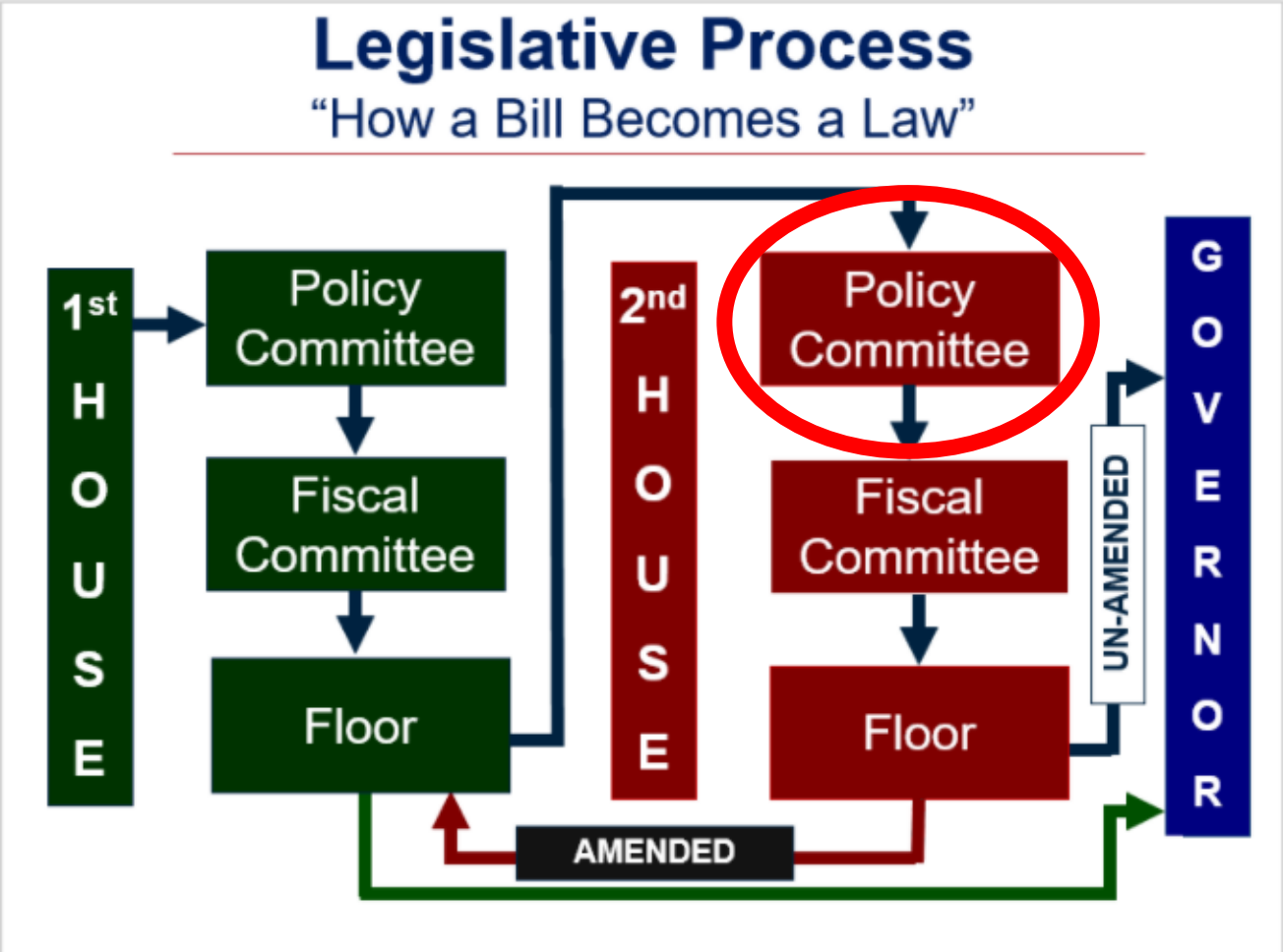
Thank You.



SAMSONADVISORS

State Legislative Update

State Legislative Calendar



Notable Dates:

July 2: 2nd House Policy Comm Deadline

July 2-August 3: Summer Recess

August 14: 2nd House Fiscal Comm Deadlines

Wildfire Liability Reform

▶ SB 254 (Becker, 2025)

- Requires Report from California Earthquake Authority (CEA)
- Evaluate New Models to Equitably Socialize Risk that Balance the State's Goal
- Report Published April 2026

Senate Bill (SB) 254 Rationale for the Study: *“To address the emerging climate-fueled economic crisis, California must evaluate new models to equitably socialize risk that balance the state’s goals...”*

Provide Californians with safe, affordable, and reliable energy

Maintain progress toward climate goals

Mitigate the incidence of and harm from wildfires and other disasters

Stabilize insurance markets to protect both access and affordability

Provide swift and fair compensation to those harmed



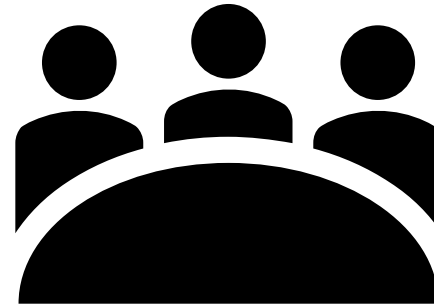
Wildfire Liability Reform

▶ CMUA's Position

- ❖ Distinguishes POUs from IOUs
- ❖ Highlights Threats to Utility and City Solvency
- ❖ Supports
 - Inverse Condemnation Reform
 - State-funded Backstop
 - CEQA Streamlining for Mitigation

▶ IOUs Focused on Backstop

▶ CalCities and Insurance Focused on Mitigation



Wildfire Liability Reform

Latest News

- ▶ Sen. Becker - Incremental Change Is More Likely
- ▶ Sen. Stern - Expedite Review for Mitigation
- ▶ Assembly Energy Committee - Lack of Sense of Urgency
- ▶ Senate Energy Committee - Utility Liability Insurance



High-Speed Rail SB 1425 (Cortese)

- ▶ Gives High-Speed Rail Authority (HSRA) permitting authority to issue encroachment permits
- ▶ Bill gives HSRA a broader impact than other agencies
- ▶ Effort to narrow the bill, exclude routine and emergency maintenance
- ▶ Three hearings next week: Transportation, Judiciary, and Utilities & Energy
- ▶ **SCPPA Position: Oppose**



State Regulatory Update

CARB: Cap-and-Invest

- ▶ Cap-and-Invest and MRR Rulemaking Draft Regulations
- ▶ Approved at May 28 & 29 Hearing
- ▶ SCPPA provided verbal comments
- ▶ Commenters (~120 in-person & 100+ virtual) included Assemblymembers Irwin & Petrie-Norris
- ▶ Change go into effect in September



CARB: Advanced Clean Fleets

- ▶ CARB Posted Second “15-Day Changes” Proposal
- ▶ Joint POU Comments Submitted
- ▶ Overview of comments:
 - Withdrawal of second 15-day changes
 - More durable Guidance Document
 - Need important improvements to be adopted
- ▶ Recent engagement:
 - Mini Capitol Day meeting with leadership, outreach with Chair’s Office & Executive Director



Federal Update

Federal Permitting Reform

- **POLITICO Energy Summit**
 - **Sen. Shelley Moore Capito (R-W.Va.)**
 - ❑ Permitting reform is “very much alive”
 - **Sen. Sheldon Whitehouse (D-R.I.)**
 - ❑ “Back to negotiating,” but “significant number of projects need to move”
- **Many sectors are being considered**
- **Timetable is uncertain**
- **Protecting renewable projects is the crux**



SCPPA Advocacy Events

Data Centers and Utilities Workshop

- ▶ June 15th Workshop on Data Centers/AI
- ▶ CMUA and SCPPA Co-Hosted
- ▶ Interconnection & Permitting Needs
- ▶ Lessons Learned
- ▶ Good Utility-Data Center Partnerships
- ▶ Artificial Intelligence in Utility Operations

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SCPPA's Mini-Capitol Day

- ▶ Held on June 4 in Sacramento
- ▶ 7 Members represented: APU, BWP, CEU, GWP, IID, LADWP, PWP
- ▶ Meetings with:
 - CARB: Advanced Clean Fleets
 - CEC: Integrated Energy Policy Report
 - Legislative Offices: Assembly Utilities & Energy, Senate Energy, Assembly Transportation, Senator Becker's Office



Upcoming SCPPA Events

- ▶ **July 29-31 SCPPA Policy Staff Tour**
 - **Stops:**
 - LADWP - Pacific Palisades & Power Yard
 - Vernon - Clean Hydrogen & Data Centers
 - Anaheim - Park Station & OCVibe
 - Hoover Dam
 - **SCPPA Board Dinner: Wednesday, July 29
DTLA**
- ▶ **August 27 CEC/SCPPA Field Trip**
 - **CEC Vice Chair Gunda, Commissioner Gallardo, CEC senior staff**
 - **Featuring Vernon & LADWP**
 - **SCPPA Board Dinner: Burbank**

Upcoming SCPPA Events



- ▶ What: CEC/POU Summit
- ▶ When: September 3
- ▶ Where: Sacramento
- ▶ Who: CEC Commissioners, principle-level utility representatives, + public
- ▶ Why: Educational & partnership-building opportunity to highlight POU strengths and challenges

Item 7

**The Board will enter
closed session and resume
open session shortly**

Report out of Closed Session and New Business

Item 4



SCPPA

FINANCE REPORT

Aileen Ma | *Chief Financial & Administrative Officer*

Anna Mendoza | *Senior Utility Analyst*

**PROPOSED FY 2026-27
ADMINISTRATIVE & GENERAL
EXPENSE BUDGET**

FY 2025-26 A&G PROJECTIONS

	Current FY 2025-26 Budget	Projected FY 2025-26 Actual	Under/ (Over) Budget	% Variance
Total Indirect A&G Excluding Budget Contingency	\$ 5,988,200	\$ 5,916,057	\$ 72,143	1.2%
Total Direct A&G	\$ 4,613,490	\$ 4,416,884	\$ 196,606	4.3%

FY 2026-27 A&G BUDGET

	Current FY 2025-26 Budget	Proposed FY 2026-27 Budget	Increase/ (Decrease)	% Variance
Total Indirect A&G	\$ 6,139,260	\$ 6,880,790	\$ 741,530	12.1%
Total Direct A&G	4,613,490	4,854,200	240,710	5.2%
Total A&G	\$ 10,752,750	\$ 11,734,990	\$ 982,240	9.1%

FY 2026-27 INDIRECT A&G BUDGET

- Salaries - Increase \$329,500
 - 18 full-time and 2 part-time positions; 5% merit pool; 2.8% COLA
- Employee Benefits Cost - Increase \$144,400
 - Pension contributions
 - Soft Fresh Start additional contribution
 - Amortization of Unfunded Accrued Liability & employer normal cost
 - Universal Leave payout for staff retirement
 - Deferred compensation plan
 - \$125 per month match - no change

FY 2026-27 INDIRECT A&G BUDGET

➤ Medical insurance contribution

CY 2026 Monthly Contribution			Proposed CY 2027 Monthly Contribution	
	Glendora	Sacramento	Glendora	Sacramento
Employee	\$800.51	\$996.53	\$873.39	\$1,079.57
Employee +1	\$1,524.46	\$1,916.50	\$1,637.31	\$2,049.67
Family	\$2,038.04	\$2,547.69	\$2,187.63	\$2,723.70
Opt-Out Allowance	\$500.00	\$500.00	\$500.00	\$500.00

FY 2026-27 INDIRECT A&G BUDGET

Other Changes from FY 2025-26 Budget

- Office Building Costs - Increase \$63,240
- Government Affairs (Sacramento Office) - Increase \$31,050
- Consulting/Other Services - Increase \$81,000
- Financial Advisory - Increase \$39,000
- Insurance (includes OPEB) - Decrease (\$1,810)
 - OPEB - Retiree medical insurance - \$2,546 per month covering 6 retired employees

FY 2026-27 DIRECT A&G BUDGET

Changes from FY 2025-26 Budget

- Consulting & Other Services - Increase \$231,100
- Trustee Fees - Increase \$18,100
- Agent Billable Costs - Increase \$66,200
- Outside Counsels- Decrease (\$77,800)

FY 2026-27 A&G BUDGET

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

Recommendation:

- ▶ Adopt Resolution No. 2026-085 approving the FY 2026-27 A&G Budget

CLASSIFICATION & SALARY SCHEDULE

CLASSIFICATION & SALARY SCHEDULE

- ▶ Apply 2.8% COLA to the current salary ranges for all positions
- ▶ Add Associate Counsel classification
- ▶ Separate action from the Board is required by CalPERS

Recommendation:

- ▶ Adopt Resolution No. 2026-086 approving the revised Classification and Salary Schedule

CLEAN ENERGY II PROJECT REVENUE BONDS SERIES 2026A

CLEAN ENERGY II PROJECT REVENUE BONDS

Bonds Issued	2026A
Pricing Date	5/26/2026
Closing Date	6/11/2026
Par Amount Issued	\$808,720,000
Premium	\$45,777,198
Initial Term (7 years)	
- Mandatory Tender Date	11/1/2033
- Aggregate savings	10.8%
- Est. Annual Cashflow Savings	\$5.1 million
- Burbank (\$1.2M); Colton (\$350K); Pasadena (\$810K); Vernon (\$2.7M)	

THANK YOU

Item 5



SCPPA

PROGRAM DEVELOPMENT

MARIO DE BERNARDO

BRANDON CZWORNIAK | *Utility Analyst*

NEHA MALHOTRA | *Senior Utility Analyst*

ONLINE REBATE PROCESSING & ENERGY EFFICIENCY PLATFORM RFP

PURPOSE

- Procurement of an *Online Rebate Processing and Energy Efficiency Platform* that would provide electric utility customers with access to a comprehensive digital energy efficiency portal, streamlined rebate processing for eligible products and services, and virtual home energy reports

OUTREACH & RESPONSES

- SCPPA Staff conducted extensive outreach to local and national trade organizations
- SCPPA received eight proposals in response to the solicitation

EVALUATION PROCESS

- Evaluated by Staff of Azusa, Banning and Colton
- Final Selection Based on RFP Scoring



ONLINE REBATE PROCESSING & ENERGY EFFICIENCY PLATFORM RFP

RECOMMENDED AWARD



BRILLION

RESOLUTION 2026-087

SERVICE OFFERINGS

- Automated residential & commercial rebate processing
- Automated incentive calculations and workflow management
- Virtual home energy assessments

BRILLION

RESOLUTION 2026-087

CONTRACT TYPE:

- Master Professional Services Agreement

AMOUNT NOT TO EXCEED:

- \$500,000 over the three-year term of the Agreement

TERM:

- 3 Years with 3-Year Extension Option

PARTICIPATING MEMBERS:

- Azusa, Banning and Colton
Other Members can participate as each may choose

RECOMMENDATION

APPROVAL OF RESOLUTION

- ***2026-087 - SCPPA Professional Services Agreement with **Brillion*****

Item 9



SCPPA

ASSET MANAGEMENT

CHARLES GUSS | *Senior Asset Manager*

BRIAN LEUNG | *Senior Utility Analyst*

Amendment No. 3 to TSA between Authority and SRP for the Palo Verde Project

► Resolution 2026-088



Amendment No. 3 to TSA for Palo Verde

- ▶ Arizona Nuclear Power Project (“ANPP”) or Palo Verde is a 4,200 MW nuclear generating station near Tonopah, Arizona
- ▶ Approved under Resolution 1980-005 for 5.91% of Palo Verde
- ▶ Transmission Service Agreement (“TSA”) between SCPPA and SRP for service between Palo Verde and Westwing included in Assignment Agreement
 - ▶ ANPP Valley Transmission System (“VTS”)
 - ▶ Requires physical, or in-kind, loss settlement
 - ▶ TSA used by all participants except Imperial Irrigation District
- ▶ Beginning in April 2023, VTS E&O Committee approved new financial loss settlements methodology
- ▶ From April 2023 through April 2026, SRP has invoiced SCPPA for \$1,542,409.59 for financial losses on the VTS

Amendment No. 3 to TSA for Palo Verde

- ▶ TSA Amendment No. 3 memorializes change from physical to financial loss settlement
 - ▶ SCPPA rate cannot be higher than other users
 - ▶ SCPPA will be treated as VTS owner for loss procedures and loss factor
 - ▶ Requires written notice of changes to loss procedure
 - ▶ Loss rate will not exceed 2.25% over first three years
 - ▶ Right to audit
 - ▶ Removal of language that allows unilateral changes by SRP
- ▶ SCPPA has previously collected funds to pay financial losses incurred to date
- ▶ Next Steps:
 - ▶ Update Power Sales Contracts and Agency Agreement

Resolutions 2026-088

Recommended For Approval of
Amendment No. 3 of TSA with SRP for
Palo Verde





Thank You