



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Board of Directors Meeting

Thursday, August 20, 2026



EXECUTIVE DIRECTOR REPORT

Daniel E Garcia | *Executive Director*

CONSENT CALENDAR

A. Minutes of the Board of Directors Meeting

- Regular Meeting Minutes: July 16, 2026

B. Receive and File:

1. Finance Committee Meeting Minutes: July 13, 2026
2. Monthly Investment Report: June 2026
3. Quarterly Investment Report: June 2026
4. SCPPA A&G Budget Comparison Report: Preliminary June 2026
5. Working Group Update: July 2026
6. Magnolia Power Project Operations Report: July 2026
7. Palo Verde Nuclear Generating Station Status Report: June 2026
8. Federal Legislative Report: July 2026

C. Resolution 2026-091

Providing Authorization to Executive Director to Execute Agreements to Implement Southern California Public Power Authority's Annual Conferences and Authorizing Certain Related Action



ASSET MANAGEMENT

CHARLES GUSS | *Senior Asset Manager*

BRIAN LEUNG | *Senior Utility Analyst*

Tieton Hydropower Project Fiscal Year 2026-27 Budget Revision No. 1



Tieton Hydropower Project Fiscal Year 2026-27 Budget Revision No. 1

ANNUAL BUDGET

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July 1, 2026 through June 30, 2027
Tieton Hydro Project - Revision No. 1
(\$000)

Month	Net Debt Service	Capital & Operating Expense	Project Manager	Transmission Cost	Direct Admin. & General	Indirect Admin. & General	Total Cost of Power	Estimated Energy (MWH) to be Scheduled
Jul	\$204	\$286	\$20	\$0	\$19	\$5	\$534	5,423
Aug	\$204	\$286	\$20	\$0	\$19	\$5	\$534	5,764
Sep	\$204	\$286	\$20	\$72	\$19	\$5	\$606	6,974
Subtotal	\$612	\$858	\$60	\$72	\$57	\$15	\$1,674	18,161
Oct	\$204	\$286	\$20	\$72	\$19	\$5	\$606	2,525
Nov	\$204	\$286	\$20	\$72	\$19	\$5	\$606	0
Dec	\$204	\$286	\$20	\$72	\$19	\$5	\$606	0
Subtotal	\$612	\$858	\$60	\$216	\$57	\$15	\$1,818	2,525
Jan	\$204	\$286	\$20	\$72	\$19	\$5	\$606	0
Feb	\$204	\$286	\$20	\$72	\$19	\$5	\$606	0
Mar	\$204	\$286	\$20	\$72	\$19	\$5	\$606	1,317
Subtotal	\$612	\$858	\$60	\$216	\$57	\$15	\$1,818	1,317
Apr	\$204	\$286	\$20	\$72	\$19	\$5	\$606	4,674
May	\$204	\$286	\$20	\$72	\$19	\$5	\$606	7,981
Jun	\$204	\$286	\$20	\$72	\$19	\$5	\$606	3,404
Subtotal	\$612	\$858	\$60	\$216	\$57	\$15	\$1,818	16,059
Total FY	\$2,448	\$3,432	\$240	\$720	\$228	\$60	\$7,128	38,062

Resolutions 2026-092

Recommended for Approval:
Tieton Hydropower Project
FY 26/27 Budget Revision No. 1





Authorization to
Pseudo-Tie SCPPA's
share of the Palo Verde
under Operating
Agreement between
APS and LADWP

Palo Verde Project

- ▶ 4,200 MW nuclear generating station and related facilities near Phoenix, AZ, in APS Balancing Authority Area (BAA)
- ▶ Co-Owners: SCPPA, LADWP, APS, El Paso, PNM, SRP, SCE
- ▶ SCPPA owns 5.91%
- ▶ LADWP serves as SCPPA's Operating Agent and Scheduling Agent



SCPPA Palo Verde Participants

<u>Project Participant</u>	<u>Project Entitlement Share</u>
City of Azusa	1.000%
City of Banning	1.000
City of Burbank	4.400
City of Colton	1.000
City of Glendale	4.400
Imperial Irrigation District	6.500
Department of Water and Power of The City of Los Angeles	67.000
City of Pasadena	4.400
City of Riverside	5.400
City of Vernon	4.900
Total	100.000%

Pseudo-Tie Proposal

- ▶ APS plans to join SPP's Markets+ in 2027
 - ▶ As a result, all Palo Verde Co-owners will become subject to Markets+ Tariff and all costs, charges, and fees
 - ▶ To avoid Markets+, SCPPA's share of PV would need to be relocated to LADWP BAA through a Pseudo-Tie agreement between APS and LADWP

Dynamic Transfer BA Operating Agreement

- ▶ Between the two Balancing Authorities: LADWP and APS
- ▶ Subject to FERC and LADWP approval
- ▶ Contractually removes generation from APS BAA to LADWP BAA
- ▶ Applies to both SCPPA and LADWP Palo Verde shares; LADWP performs BAA functions for both shares
- ▶ No effect on transmission agreements or transmission paths, POR/ PODs
- ▶ The transfer of energy from LADWP's BAA to the member utilities will continue using normal tags/static schedules
 - ▶ The only significant tagging change will be the source BAA, changing from AZPS to LDWP

Letter of Authorization

Provides SCPPA's/ Participants' approval to pseudo-tie and authorizes APS and LADWP to proceed with implementation

Confirms:

- ▶ LADWP will perform all BA functions for SCPPA's share
- ▶ No change to SCPPA/ Participants' costs under Agency Agreement associated with LADWP's administration, implementation, and operation of the pseudo-tie under the BA Operating Agreement
- ▶ SCPPA/ Participants to be responsible for actual CAISO market costs/ credits associated with SCPPA's generation share; to be suballocated by LADWP with LADWP providing supporting documentation from CAISO
- ▶ SCPPA right to approve material amendments to BA Operating Agreement

Alternatives

- ▶ Agree to pseudo-tie. Pending FERC and LADWP approval of BA Operating Agreement, SCPPA's entire share will be pseudo tied into LADWP BAA. Participants will bear actual costs, or receive revenue, associated with CAISO market related charges.
- ▶ Do not agree to pseudo-tie. SCPPA's entire share will remain with APS BAA and will become subject to the Markets+ Tariff and its associated market related charges. SCPPA will have to meet Markets+ scheduling coordinator requirements.
- ▶ Costs depend on market conditions, market rules, and BA operations

▶ APS cannot accommodate a partial pseudo-tie

Next Steps

- ▶ Updates to Palo Verde Project Agreements
 - ▶ Participation Agreement between Owners
 - ▶ Power Sales Contracts between SCPPA & Participants
 - ▶ Agency Agreement between SCPPA & LADWP

Resolution 2026-093

Recommended for Approval: Authorize Pseudo-Tie of SCPPA's share of the Palo Verde Project generation under Agreement between APS and LADWP; Authorize Related Actions; Find Such Action Exempt from California Environmental Quality Act





Thank You



PROGRAM DEVELOPMENT

MARIO DE BERNARDO

BRANDON CZWORNIAK | *Senior Utility Analyst*

RESOURCE INNOVATION CONTRACT

BACKGROUND

- Energy Efficiency Audits and Direct Installation Services
- SCPPA Board Approved Contract in 2025
- Not-to-Exceed is **\$1.5 Million**
- Azusa and Burbank Task Orders include **\$1.2 Million** in Costs
- Additional SCPPA Member Demand Expected

PROPOSED AMENDMENT NO. 2

PURPOSE

- To increase the Master Agreement's not-to-exceed from **\$1.5 million** to **\$2.5 million**

PARTICIPATING MEMBERS

- Azusa, Burbank and Vernon

RECOMMENDATION

APPROVAL OF RESOLUTION

- ***2026-094 - Amendment No. 2 to the Master Goods and Services Agreement with *Resource Innovations****



Thank You





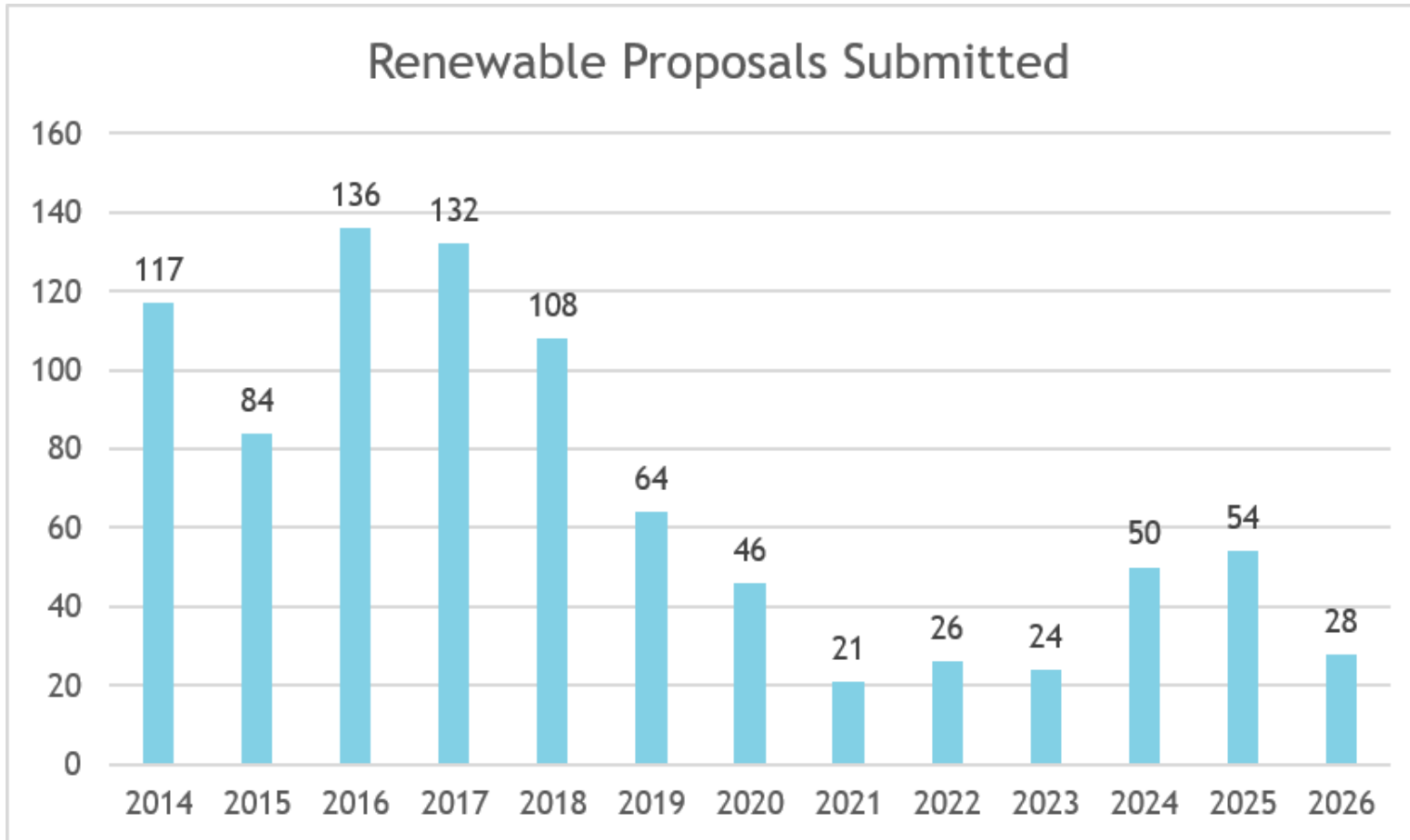
PROJECT DEVELOPMENT

Update regarding SCPPA's 2026 Renewable Energy
Resource and Energy Storage Procurement

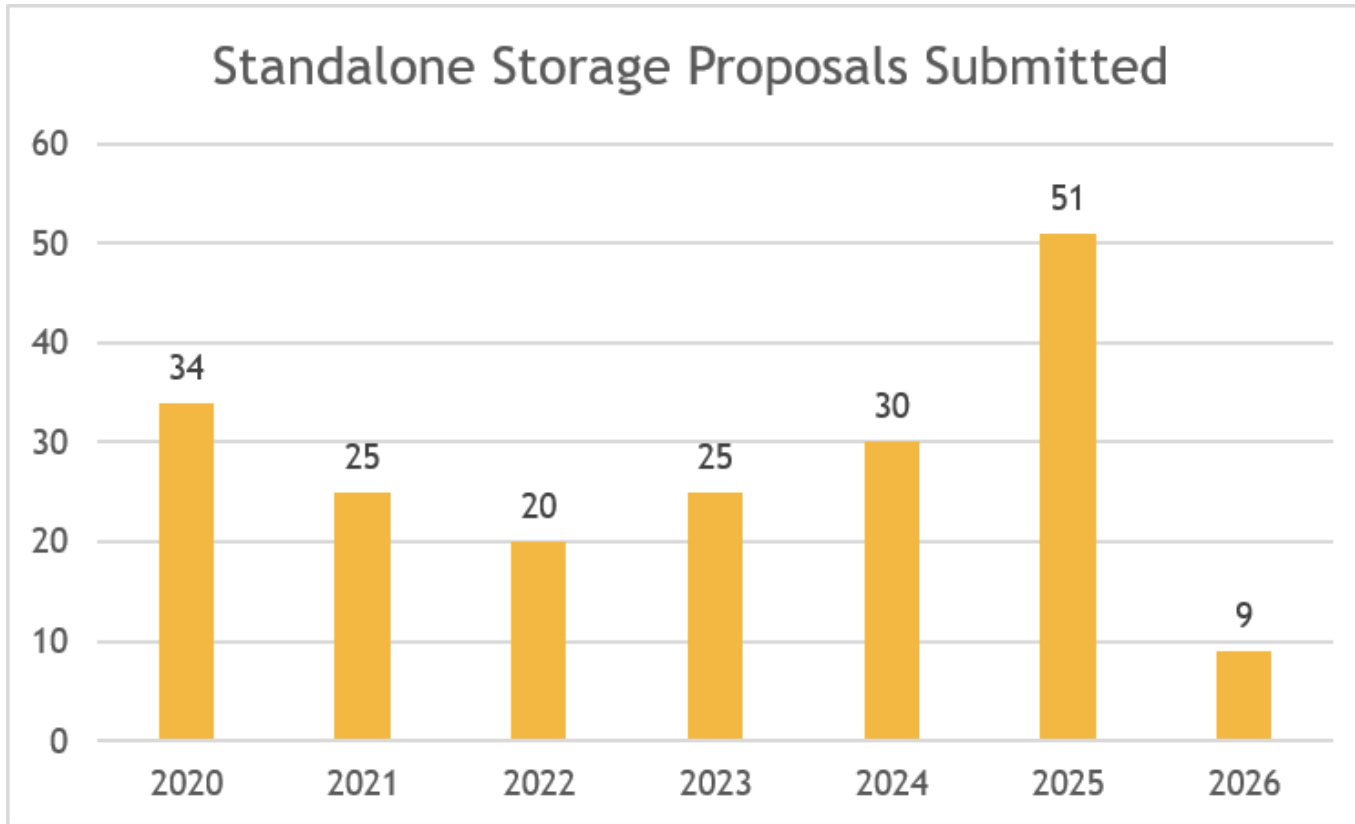
RANDY KRAGER | *Sr. Project Development Manager*

JOHN QUAN | *Principal Utility Analyst*

Renewable Proposals (2014-2026)

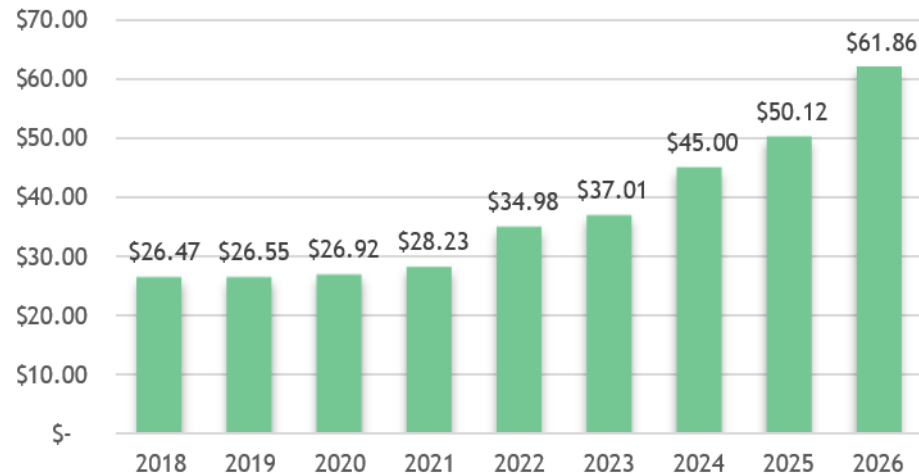


Standalone Storage Proposals (2020-2026)

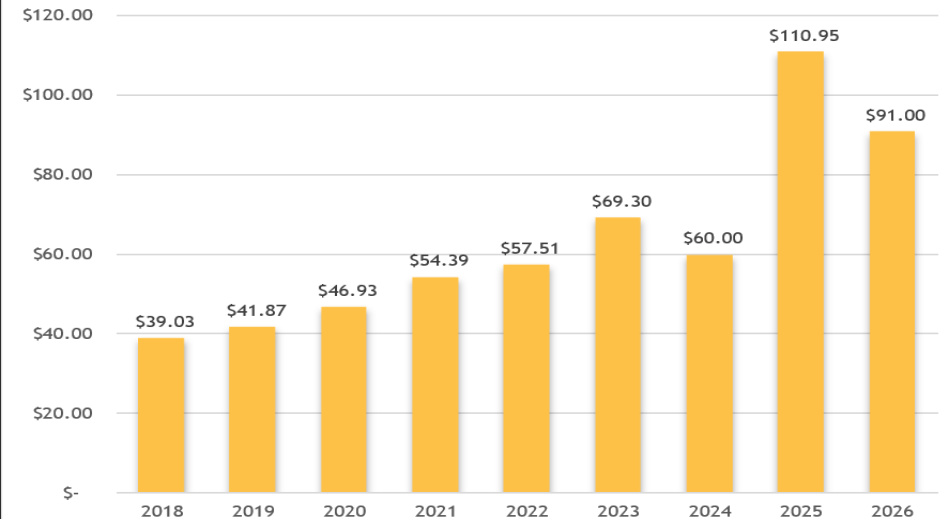


Average Renewables Prices

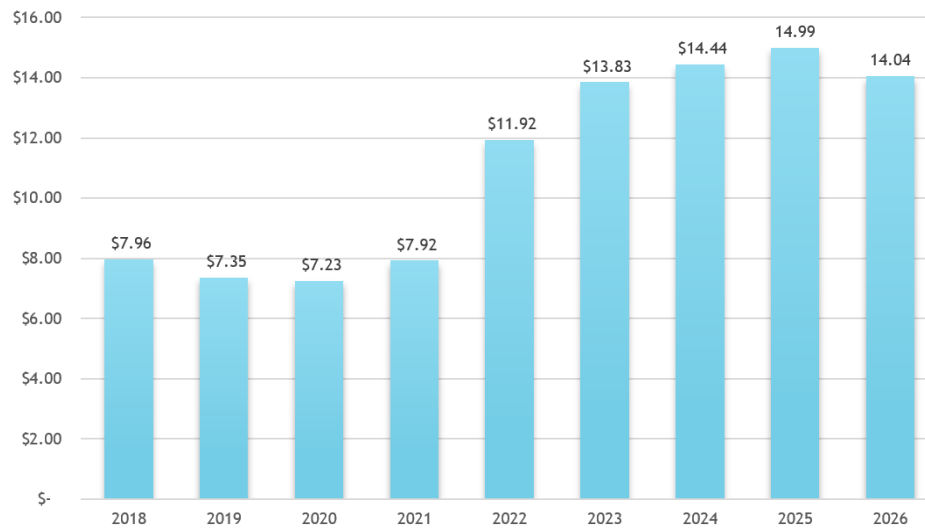
Average Solar price (\$/MWh)



Average Wind price (\$/MWh)



Average Storage price (\$/kW/Month)



Average Geothermal price (\$/MWh)



Developing Projects

- ▶ Currently 10 in Development:
 - ▶ California- 6
 - ▶ Nevada- 1
 - ▶ Utah- 3
- ▶ Assigned PPA
 - ▶ 6 Currently completed PPA
 - ▶ 4 Currently in negotiations



2026 Risks Inhibiting RFP Proposal Submittals and Negotiations

▶ Risks for Buyer

- ▶ Increased Contract Price
- ▶ Future Amendments
- ▶ Delays in COD (Permitting)
- ▶ Risks of Terminating Effective Contracts
- ▶ Meeting Compliance
- ▶ FCDS (Deliverability) Awards and Delays
- ▶ Limited Staff Resources

▶ Risks for Seller

- ▶ Tariffs impose increased costs (Equipment- Panels, BESS, Transformers, etc.)
- ▶ Competition for Suppliers (other Developers, Tech Companies)
- ▶ Recent Conflict: Iran
- ▶ IRA Elimination or haircut scares
- ▶ Financing issues from Lenders
- ▶ Interconnection Delays from TOs

QUESTIONS ???



GOVERNMENT AFFAIRS

MARIO De BERNARDO | *Director, Government Affairs*

ELISABETH de JONG | *Manager, Regulatory Affairs*

NATALIE SEITZMAN | *Manager, Legislative Affairs*

State Regulatory Update

CARB: Advanced Clean Fleets

- ▶ **Rule Pending Office of Administrative Law Review**
- ▶ **SCPPA's Main Concerns**
 - ❑ Flexibility of Exemptions
- ▶ **SCPPA's Next Steps**
 - ❑ Finalizing "Options Document"
 - ❑ SCPPA Strategy Meeting on 9/8
 - ❑ Laying Foundation with Legislature

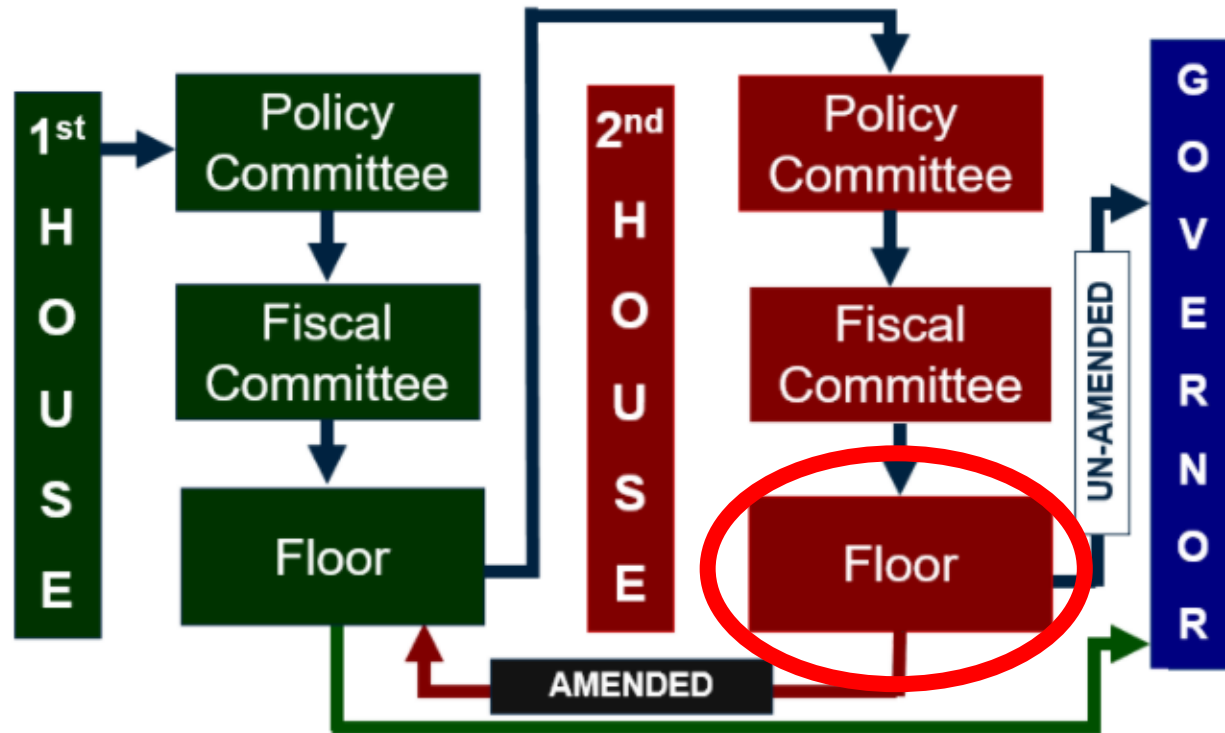


State Legislative Update

State Legislative Calendar

Legislative Process

“How a Bill Becomes a Law”



Notable Dates:

August 31: Last Day of Session

Governor's Wildfire Proposal: What We Know

- ▶ No proposal in print yet
- ▶ Gov's "Term Sheet" claims 55% liability reduction
 - ❑ Eliminate insurance subrogation
 - ❑ Limit attorney's fees
 - ❑ Limit damage claims, including from public entity
- ▶ POUs eligible for liability reform if WMP approved by state



Governor's Wildfire Proposal: What We Want

- ▶ Study on a voluntary state backstop due 4/1/27
- ▶ Replacement value for POU critical infrastructure
- ▶ Workable process for state approval of POU wildfire mitigation plans



High-Speed Rail SB 1425 (Cortese)

- ▶ Gives High-Speed Rail Authority (HSRA) encroachment permitting authority
- ▶ Narrowed to “operating” right-of-way
- ▶ Preserves relocation rules and protected agreements
- ▶ Recent amendments shore up emergency provisions
- ▶ **SCPPA Position: Neutral**



Balcony Solar SB 868 (Wiener)

- ▶ Exempts qualified balcony solar from interconnection agreements and utility fees
- ▶ Utilities may require registration of devices
- ▶ Recent amendments establish a sunset in 2030
 - ❑ Sunsets exemption from interconnection requirements, fees
 - ❑ Non-qualified devices will be prohibited from sale
- ▶ **SCPPA Position: Oppose**



Nuclear Assessment AB 2647 (Calderon)

- ▶ Initially Aimed to Lift State Mortarium
- ▶ Current Bill: Requires a State Assessment on New Nuclear in California
- ▶ **SCPPA Position: Support**

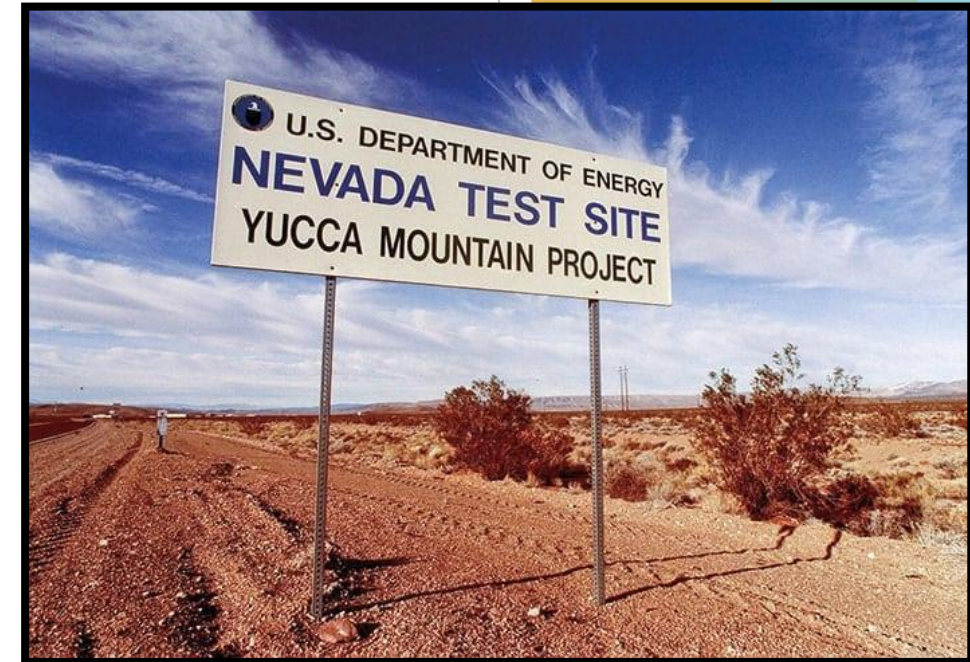
- ▶ In Other Nuclear News...
 - ❑ Newsom: Diablo Canyon extension is for the next governor
 - ❑ PG&E agreement with San Luis Obispo county for community funding



Federal Issues

Nuclear Waste

- ▶ **Leaked Doc Shows Trump's Nuclear Waste Plans**
 - ❑ Focuses on "Willing States"
 - ❑ Allows Storage at "Life-cycle Innovation Campuses"
 - ❑ Scraps Yucca Mountain
 - ❑ Restarts Disposal Fee
- ▶ **Legislation is Required**
 - ❑ Yucca Mountain the Only Option by Law Since 1987
- ▶ **Trump's Goal: Quadruple Nuclear Power in Next 25 Years**



Advocacy Events

SCPPA Policy Staff Tour

- ▶ July 29-31
- ▶ 24 Policy Staff
- ▶ Theme: Powering Progress
- ▶ Stops
 - ❑ LADWP - Pacific Palisades & Power Yard
 - ❑ Vernon - Clean Hydrogen & Data Centers
 - ❑ Anaheim - Park Station & OCVibe
 - ❑ Hoover Dam



Upcoming SCPPA Events

► August 27th: SCPPA Field Trip for CEC

- ❑ CEC Vice Chair Gunda, Commissioner Gallardo, CEC Senior Staff
- ❑ Features: Vernon, LADWP
- ❑ SCPPA Board Dinner in Burbank

