FINANCE COMMITTEE MEETING

August 3, 2026

5. TIETON HYDROPOWER FY 2026-27 BUDGET REVISION

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

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

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6. MEAD-ADELANTO PROJECT RIGHT-OF-WAY FEE

Mead-Adelanto Project(s): Bureau of Land Management (BLM) Right-of-Way Fee Increase

Mead-Adelanto Project(s): BLM Right-of-Way Fee

- BLM Right-of-Way fee for 2710.3 Acres in San Berdino County, CA and Clark County, NV

- Increase in BLM ROW Rent due to Per Acre increase in **Land and Building Values for San Bernadino County** between from $15,918/acre in 2017 to $37,871/acre in 2026 a 138% Increase
  - Per Acre Linear ROW Rent for San Bernadino County increased from $528.04 in 2025 to $1,351.76 in 2026 a 156% increase

- CY 2025 vs CY 2026 BLM ROW Fees:

	CY 2025 ROW Fee	CY 2026 ROW Fee	Change	% Change
MAP	**$ 1,012,774.45**	**$ 2,522,243.10**	**$ 1,509,468.65**	**149%**
MAP (LADWP)	**$ 260,960.16**	**$ 649,902.79**	**$ 388,942.63**	**149%**
Total	**$ 1,273,734.61**	**$ 3,172,145.89**	**$ 1,898,411.28**	**149%**

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Thank You

Southern California Public Power Authority

August 2026 Finance Committee Materials

PFM Financial Advisors LLC

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El Segundo, CA 90245

213.489.4075

8. Market and Variable Rate Demand Obligation (VRDO) Update

Data, rates, and related statistics and charts are as of July 28, 2026, unless otherwise indicated

Market Overview Since July 13th

Date	DJIA	10-Yr BVAL	10-Yr Tsy	30-Yr BVAL	30-Yr Tsy
7-Jul	52,925	2.91%	4.55%	4.11%	5.05%
23-Jul	51,712	3.30%	4.71%	4.47%	5.17%
Δ	-1,213	0.39%	0.16%	0.36%	0.12%

- In early July, the collapse of the U.S.-Iran ceasefire pushed oil back above $80 and drove a Treasury selloff, lifting BVAL yields 8-10bps as investors put reinvestment cash to work against unattractive ratios.
- By mid-July, cooler June inflation (CPI 3.5% vs May's 4.2%, PPI -0.3%) took a July Fed hike off the table and left Treasuries mostly unchanged, but heavy new-issue supply and a richness correction pushed BVAL yields higher and widened ratios.
- The week of July 20th, record municipal issuance and rich ratios drove the curve sharply higher even as Treasuries dipped on favorable inflation. Supply, not rate fundamentals, drove municipal underperformance through July 23rd.

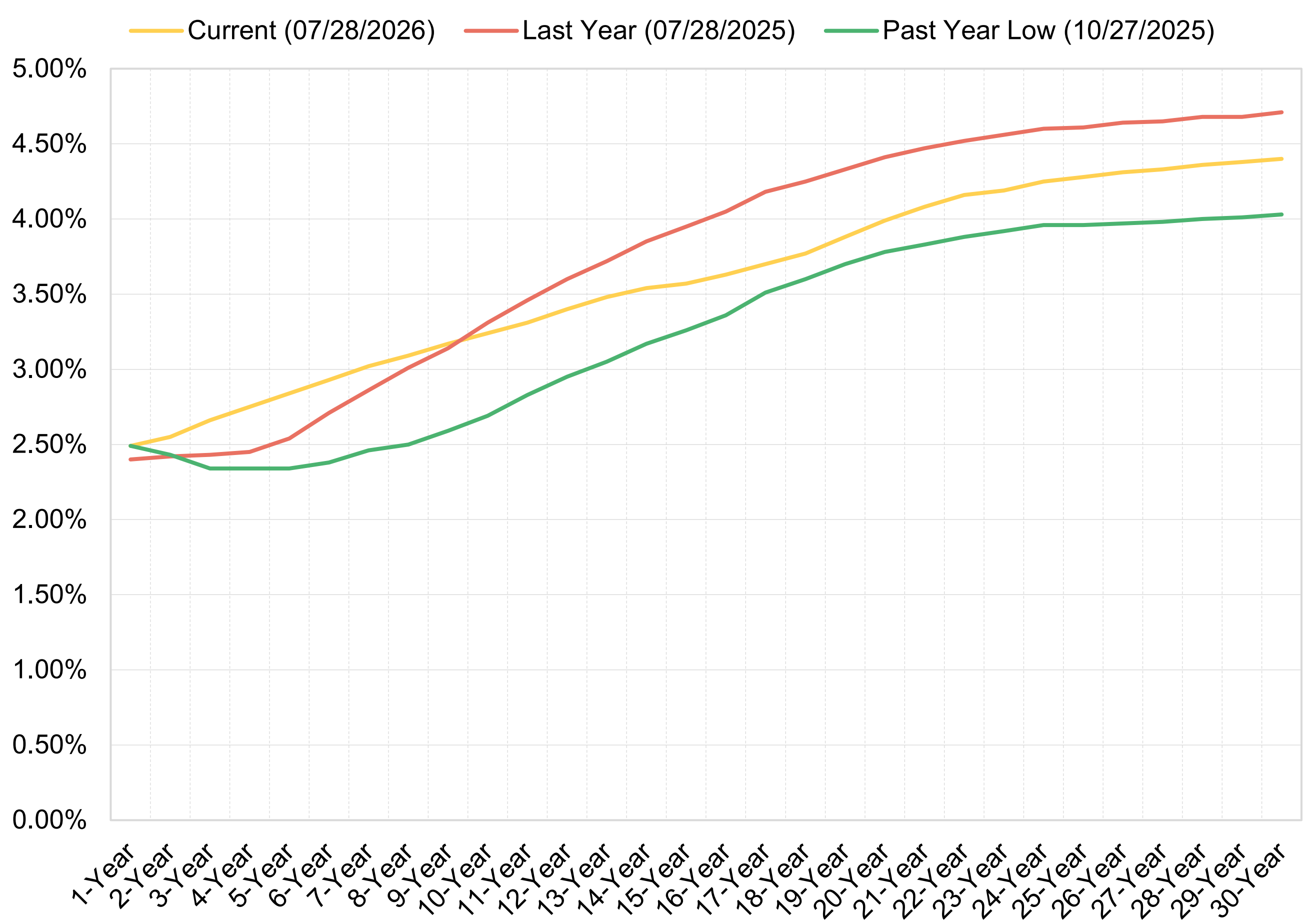
Date	DJIA	10-Yr BVAL	10-Yr Tsy	30-Yr BVAL	30-Yr Tsy
23-Jul	51,712	3.30%	4.71%	4.47%	5.17%
28-Jul	52,747	3.24%	4.61%	4.40%	5.09%
Δ	1,036	(0.06%)	(0.10%)	(0.07%)	(0.08%)

- Rates eased into month-end as oil prices declined and the U.S. suspended its two-week strike campaign against Iran late on July 24th, with Tehran halting retaliation and opening talks with Oman on Strait of Hormuz shipping; the 10-year Treasury fell for three straight sessions by July 28th.
- At the July 28-29 FOMC, the Fed held interest rates static, with three of the 12 voting policymakers dissenting in favor of a rate hike. In the press conference, Chairman Warsh reiterated the Central Bank's commitment to bring inflation down to the 2% target.
  - Following the meeting, bond yields jumped, with the 30-year Treasury hitting 5.2%, its highest level since 2007.

Source: PFM Research, Bloomberg, Refinitiv, Trading Economics

Recent BVAL Yield Curve Movement

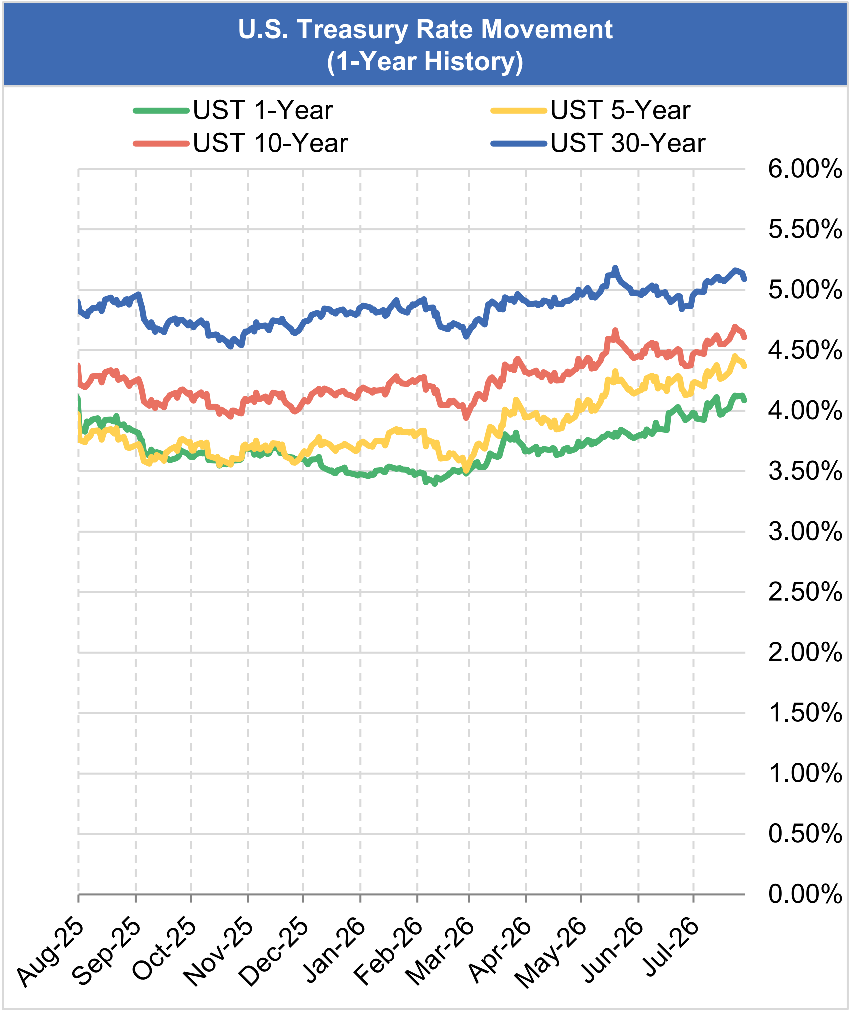
BVAL Yield Curve Movement

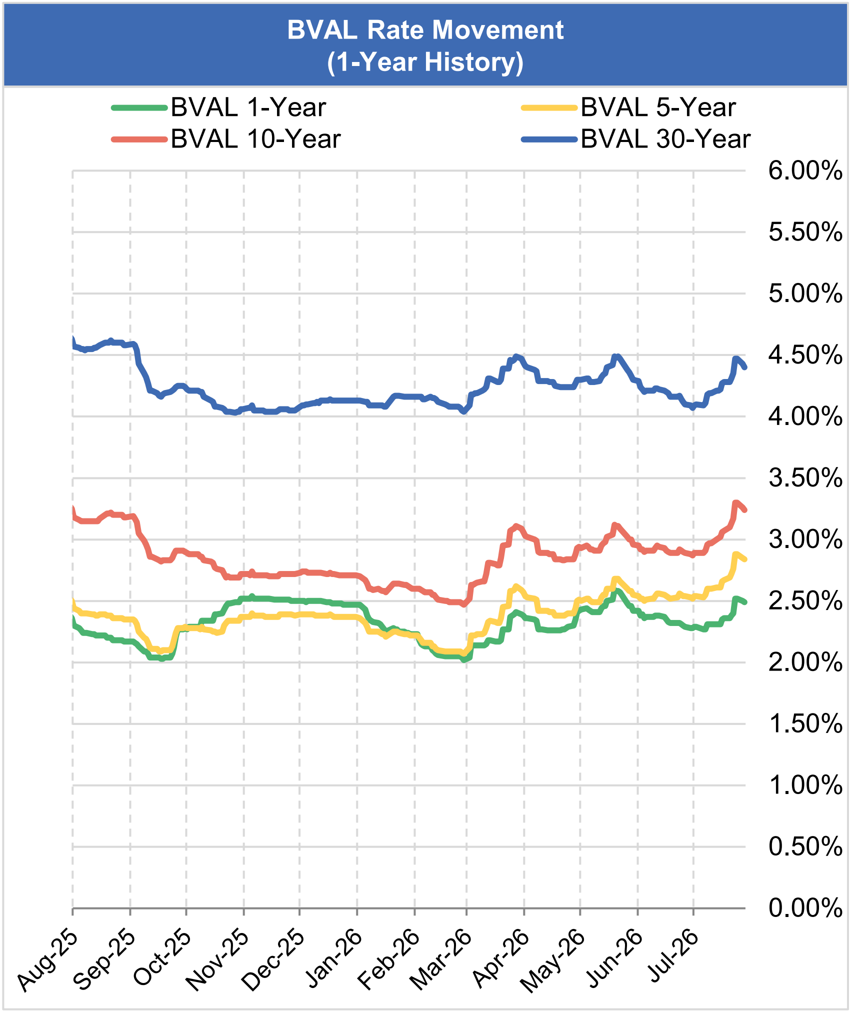


Maturity	Δ Since 07/28/2025	Δ Since 10/27/2025
1-Year	0.09%	0.00%
2-Year	0.13%	0.12%
3-Year	0.23%	0.32%
4-Year	0.30%	0.41%
5-Year	0.30%	0.50%
6-Year	0.22%	0.55%
7-Year	0.16%	0.56%
8-Year	0.08%	0.59%
9-Year	0.03%	0.58%
10-Year	-0.07%	0.55%
11-Year	-0.15%	0.48%
12-Year	-0.20%	0.45%
13-Year	-0.24%	0.43%
14-Year	-0.31%	0.37%
15-Year	-0.38%	0.31%
16-Year	-0.42%	0.27%
17-Year	-0.48%	0.19%
18-Year	-0.48%	0.17%
19-Year	-0.45%	0.18%
20-Year	-0.42%	0.21%
21-Year	-0.39%	0.25%
22-Year	-0.36%	0.28%
23-Year	-0.37%	0.27%
24-Year	-0.35%	0.29%
25-Year	-0.33%	0.32%
26-Year	-0.33%	0.34%
27-Year	-0.32%	0.35%
28-Year	-0.32%	0.36%
29-Year	-0.30%	0.37%
30-Year	-0.31%	0.37%

Source: Bloomberg, PFM Research

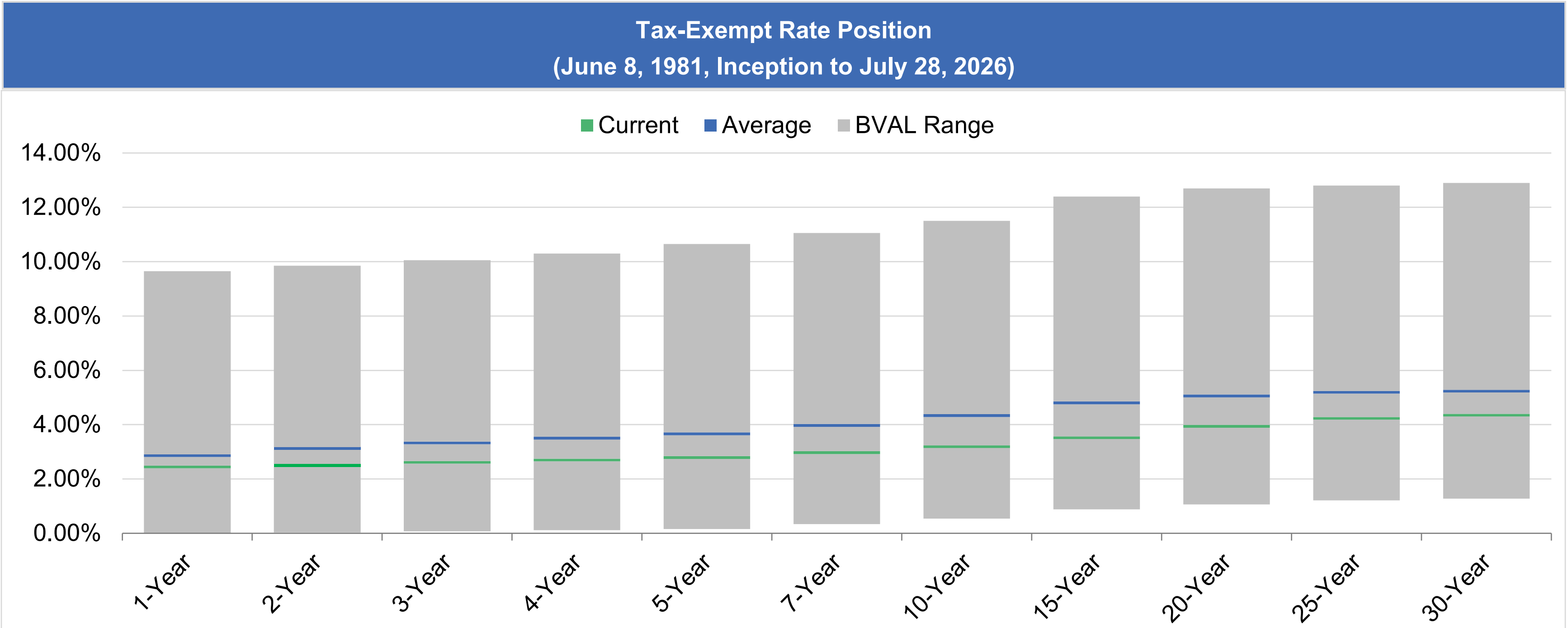
U.S. Treasury & BVAL Rate Movement





Source: Bloomberg, PFM Research

Tax-Exempt Rate Position Since Inception



Summary of July 28, 2026 vs. Historical (since Inception) Tax-Exempt Rates

Statistic	1-Year	2-Year	3-Year	4-Year	5-Year	7-Year	10-Year	15-Year	20-Year	25-Year	30-Year
July 28, 2026	2.49%	2.55%	2.66%	2.75%	2.84%	3.02%	3.24%	3.57%	3.99%	4.28%	4.40%
Historical Average	2.81%	3.07%	3.28%	3.45%	3.61%	3.92%	4.28%	4.75%	5.01%	5.14%	5.19%
Spread to Average	-0.32%	-0.52%	-0.62%	-0.70%	-0.77%	-0.90%	-1.04%	-1.18%	-1.02%	-0.86%	-0.79%
Minimum	0.01%	0.03%	0.07%	0.12%	0.16%	0.34%	0.54%	0.88%	1.06%	1.22%	1.28%
Maximum	9.65%	9.85%	10.05%	10.30%	10.65%	11.05%	11.50%	12.40%	12.70%	12.80%	12.90%
% of Time Lower	43.27%	42.95%	42.95%	42.46%	42.31%	39.66%	37.61%	34.78%	35.40%	37.51%	39.18%

Source: Bloomberg, PFM Research

Interest Rate Forecasts

- Market participants do not expect a rate cut within the next quarter.

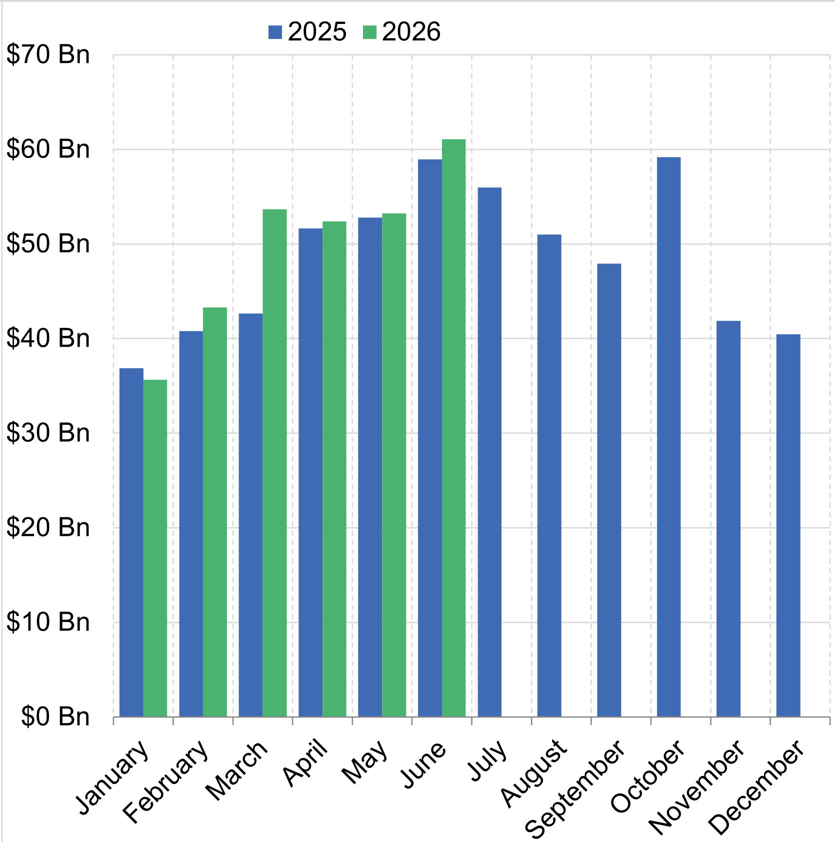
The Street's Interest Rate Forecast (As of July 27, 2026)										
Average Forecasts	**Current**	**Q3 26**	**Q3 Δ vs. Current**	**Q4 26**	**Q1 27**	**Q2 27**	**Q3 27**	**Q4 27**	**Q1 28**	**Q2 28**
30-Year UST	5.13%	4.95%	-0.18%	4.93%	4.89%	4.86%	4.83%	4.83%	4.77%	4.76%
10-Year UST	4.65%	4.46%	-0.19%	4.43%	4.40%	4.35%	4.32%	4.32%	4.26%	4.24%
2-Year UST	4.32%	4.05%	-0.27%	3.98%	3.89%	3.81%	3.75%	3.71%	3.62%	3.60%
3M Term SOFR	3.84%	3.70%	-0.14%	3.69%	3.63%	3.57%	3.51%	3.47%	3.39%	3.40%
Fed Funds Target Rate (Lower)	3.50%	3.52%	0.02%	3.52%	3.47%	3.37%	3.31%	3.25%	3.14%	3.16%
Fed Funds Δ Since July FC Meeting	*0.00%*	*0.01%*		*0.03%*	*0.04%*	*0.05%*	*0.04%*	*0.03%*	*-0.01%*	*0.03%*

Source: Bloomberg

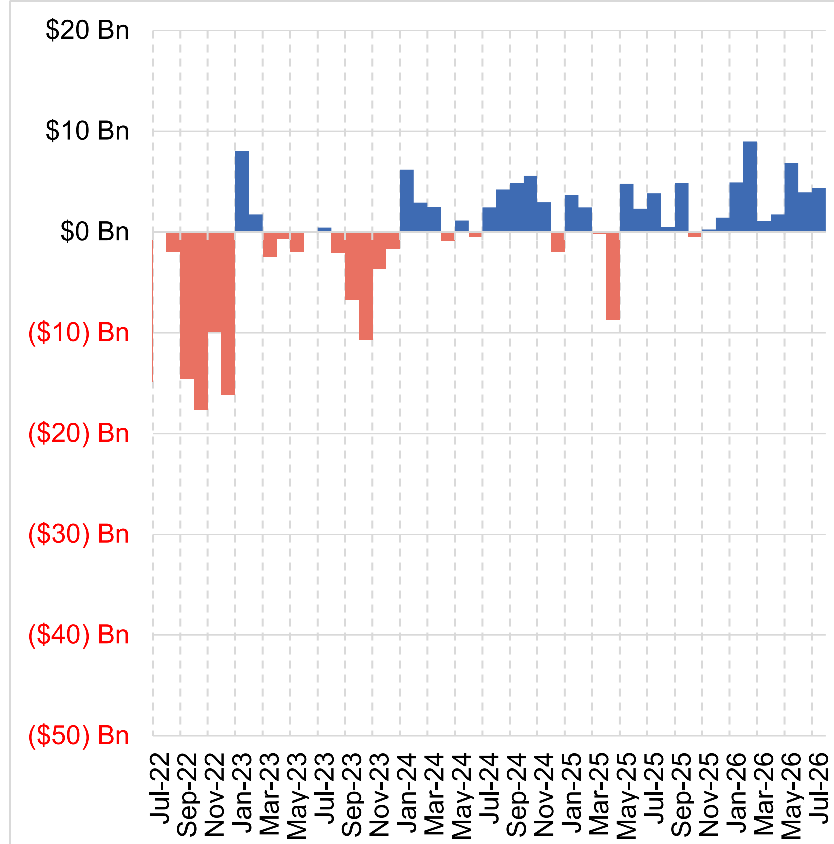
Municipal Market Supply & Demand

- Municipal funds experienced net inflows in July. New issuance volume was up 3.62% year-over-year in June, and year-to-date new issuance volume was 5.50% higher than 2025 issuance through June.

Overall Municipal Market Volume (Supply)



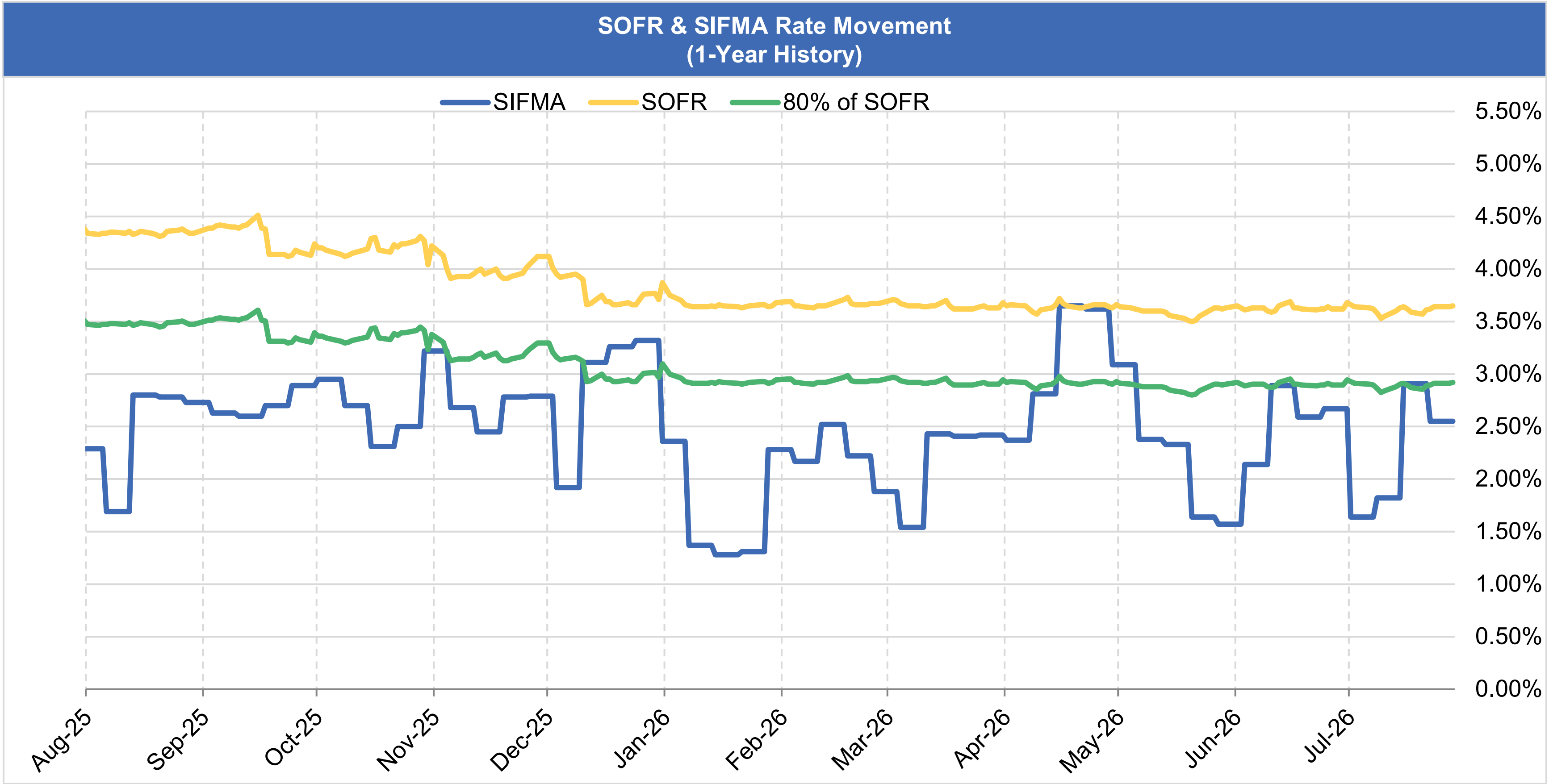
Municipal Fund Flows (Demand)



Source: Bond Buyer, Investment Company Institute

SOFR & SIFMA Rate Movement

- SIFMA fluctuated in July within 1.64% and 2.91%. SOFR has held relatively steady within 3.53% and 3.66% throughout July.



Source: Bloomberg, PFM Research

Magnolia – July Variable-Rate Resets

Magnolia Power Project A, Refunding Revenue Bonds, 2020-3							
Variable Rate Daily Resets – July 2026							
07/01/2026	0.95% – 69 bps vs. SIFMA Approximate Net Cost 2.441%	07/10/2026	2.90% + 108 bps vs. SIFMA Approximate Net Cost 4.211%	07/20/2026	2.45% – 46 bps vs. SIFMA Approximate Net Cost 2.671%	07/28/2026	1.60% – 95 bps vs. SIFMA Approximate Net Cost 2.181%
07/02/2026	0.55% – 109 bps vs. SIFMA Approximate Net Cost 2.041%	07/13/2026	2.80% + 98 bps vs. SIFMA Approximate Net Cost 4.111%	07/21/2026	2.25% – 66 bps vs. SIFMA Approximate Net Cost 2.471%		
07/06/2026	0.15% – 149 bps vs. SIFMA Approximate Net Cost 1.641%	07/14/2026	2.95% + 113 bps vs. SIFMA Approximate Net Cost 4.261%	07/22/2026	1.85% – 70 bps vs. SIFMA Approximate Net Cost 2.431%		
07/07/2026	0.45% – 119 bps vs. SIFMA Approximate Net Cost 1.941%	07/15/2026	2.55% – 36 bps vs. SIFMA Approximate Net Cost 2.771%	07/23/2026	2.45% – 10 bps vs. SIFMA Approximate Net Cost 3.031%		
07/08/2026	1.25% – 57 bps vs. SIFMA Approximate Net Cost 2.561%	07/16/2026	2.65% – 26 bps vs. SIFMA Approximate Net Cost 2.871%	07/24/2026	2.60% + 5 bps vs. SIFMA Approximate Net Cost 3.181%		
07/09/2026	2.85% + 103 bps vs. SIFMA Approximate Net Cost 4.161%	07/17/2026	2.50% – 41 bps vs. SIFMA Approximate Net Cost 2.721%	07/27/2026	2.20% – 35 bps vs. SIFMA Approximate Net Cost 2.781%		

Source: EMMA, PFM/SCPPA

Linden – July Variable-Rate Resets

Linden Wind Energy Project, Refunding Revenue Bonds, 2024 Series A							
Variable Rate Daily Resets – July 2026							
07/01/2026	1.00% – 64 bps vs. SIFMA	07/10/2026	3.00% + 118 bps vs. SIFMA	07/20/2026	2.40% – 51 bps vs. SIFMA	07/28/2026	1.60% – 95 bps vs. SIFMA
07/02/2026	0.55% – 109 bps vs. SIFMA	07/13/2026	2.80% + 98 bps vs. SIFMA	07/21/2026	2.25% – 66 bps vs. SIFMA		
07/06/2026	0.20% – 144 bps vs. SIFMA	07/14/2026	2.85% + 103 bps vs. SIFMA	07/22/2026	1.85% – 70 bps vs. SIFMA		
07/07/2026	0.45% – 119 bps vs. SIFMA	07/15/2026	2.60% – 31 bps vs. SIFMA	07/23/2026	2.45% – 10 bps vs. SIFMA		
07/08/2026	1.05% – 77 bps vs. SIFMA	07/16/2026	2.65% – 26 bps vs. SIFMA	07/24/2026	2.60% + 5 bps vs. SIFMA		
07/09/2026	2.60% + 78 bps vs. SIFMA	07/17/2026	2.50% – 41 bps vs. SIFMA	07/27/2026	2.20% – 35 bps vs. SIFMA		

Source: EMMA, PFM/SCPPA

Canyon – Variable-Rate Resets

Canyon Power Project, Refunding Revenue Bonds, 2022 Series B				
Variable Rate Weekly Resets				
Date	Reset	Spread to SIFMA	Spread to 70% of SOFR	Approximate Net Cost
02/26/2026	1.26%	-62 bps	-131 bps	1.80%
03/05/2026	0.93%	-61 bps	-163 bps	1.48%
03/12/2026	1.82%	-61 bps	-74 bps	2.38%
03/19/2026	1.85%	-56 bps	-68 bps	2.43%
03/26/2026	1.86%	-56 bps	-69 bps	2.42%
04/02/2026	1.85%	-52 bps	-71 bps	2.40%
04/09/2026	2.40%	-41 bps	-10 bps	3.01%
04/16/2026	3.20%	-45 bps	63 bps	3.74%
04/23/2026	3.20%	-42 bps	65 bps	3.76%
04/30/2026	2.70%	-39 bps	14 bps	3.25%
05/07/2026	1.97%	-41 bps	-55 bps	2.56%
05/14/2026	1.92%	-41 bps	-57 bps	2.54%
05/21/2026	1.25%	-39 bps	-121 bps	1.90%
05/28/2026	1.18%	-39 bps	-135 bps	1.76%
06/04/2026	1.74%	-40 bps	-79 bps	2.32%
06/11/2026	2.49%	-40 bps	-3 bps	3.08%
06/18/2026	2.19%	-40 bps	-34 bps	2.77%
06/25/2026	2.29%	-38 bps	-26 bps	2.85%
07/02/2026	1.23%	-41 bps	-132 bps	1.79%
07/09/2026	1.44%	-38 bps	-103 bps	2.08%
07/16/2026	2.51%	-40 bps	-2 bps	3.09%
07/23/2026	2.14%	-41 bps	-41 bps	2.70%

Source: EMMA, PFM/SCPPA

SCPPA's Swap Portfolio

Swap Valuations							
Project	**Associated Bonds**	**SCPPA Pays**	**SCPPA Receives**	**Maturity Date**	**Initial Notional (most recent trade)**	**Bank Counterparty**	**Valuation**
MG	Series 2009	3.1390%	SIFMA Swap Index	7/1/2036	$63,840,000	JPMorgan Chase Bank, N.A.	$241,569.00
MG	Series 2009	3.1250%	SIFMA Swap Index	7/1/2036	$110,888,878	The Bank of New York Mellon	($24,654.28)
MG	-	SIFMA Swap Index	80.4% of USD SOFR + 0.21033%	7/1/2036	$100,000,000	Barclays Bank PLC	$2,003,143.54
MG	-	SIFMA Swap Index	81.0% of 3-Month Fallback SOFR*	7/1/2036	$100,000,000	Royal Bank of Canada	$1,773,385.44
GP	Series 2007B	5.0475%	67% of 3 Month CME Term SOFR + 1.64528%	11/1/2035	$36,000,000	J. Aron & Company	($1,754,832.43)
CY	Series 2022B	3.1100%	70% of SOFR	7/1/2036	$72,415,000	Goldman Sachs Bank USA	$109,116.25

Source: PFM SwapViewer
As of 7/28/2026
** Receipts were originally indexed to 3-Month LIBOR, calculated using 3-Month Fallback Rate (SOFR) effective 7/1/2023*

9. Unsolicited Proposals

Summary of Unsolicited Proposals Received

- July 24, 2026, Loop Capital:
  - Public Power Sector Update
  - Prepay Market Update
  - Municipal Market Update
  - Public Power and Utility Sector Experience

- July 28, 2026, PNC Capital Markets:
  - STS Renewal Update
  - Market Update
  - Recent PNCCM Case Studies

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