SCPPA

FINANCE COMMITTEE MEETING

September 14, 2026

Southern California Public Power Authority

September 2026 Finance Committee Materials

PFM Financial Advisors LLC

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10th Floor
El Segundo, CA 90245

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

Data, rates, and related statistics and charts are as of September 8, 2026, unless otherwise indicated

Market Overview Since August 3rd

Date	DJIA	10-Yr BVAL	10-Yr Tsy	30-Yr BVAL	30-Yr Tsy
3-Aug	53,178	3.29%	4.70%	4.45%	5.23%
13-Aug	53,840	3.18%	4.63%	4.38%	5.21%
Δ	662	(0.11%)	(0.07%)	(0.07%)	(0.02%)

- BVAL eased as Treasuries rallied early in the month on optimism over a Strait of Hormuz reopening and a soft August 7th jobs report, before munis settled into a holding pattern as July CPI print showed relatively stable core inflation

Date	DJIA	10-Yr BVAL	10-Yr Tsy	30-Yr BVAL	30-Yr Tsy
13-Aug	53,840	3.18%	4.63%	4.38%	5.21%
31-Aug	53,186	3.36%	4.75%	4.58%	5.25%
Δ	-654	0.18%	0.12%	0.20%	0.04%

- BVAL climbed, cheapening munis versus Treasuries, after Treasury Secretary Bessent's long-end buyback plan and in-line jobless claims gave way to a hawkish late-month turn
- Fed Chair Warsh's Jackson Hole address on August 28th signaled the Fed still had work to do on inflation, lifting the Treasury higher on the day and pushing September rate-hike odds up
- Munis underperformed as near-record August supply and heightened volatility weighed on the long end, widening ratios across the curve

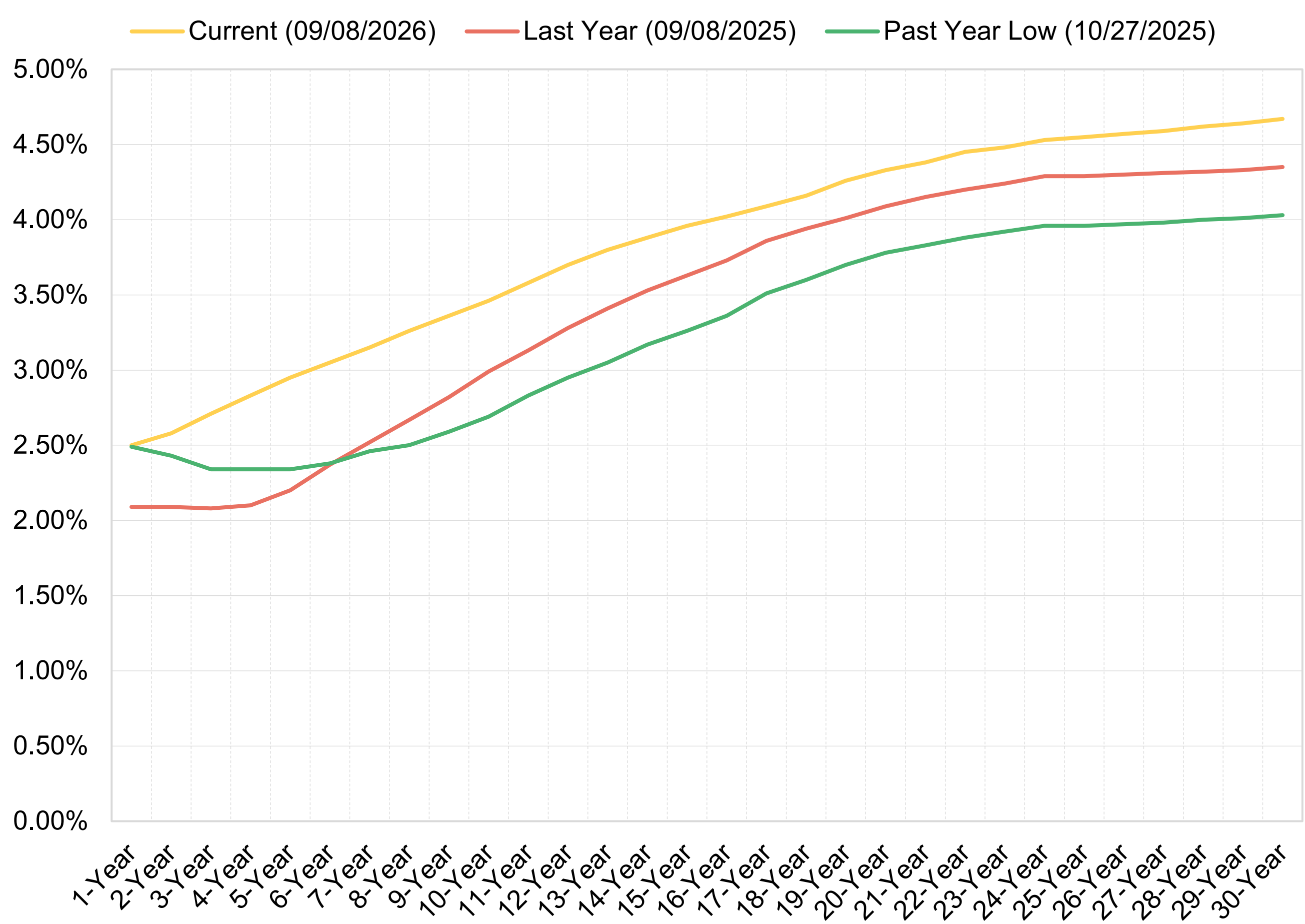
Date	DJIA	10-Yr BVAL	10-Yr Tsy	30-Yr BVAL	30-Yr Tsy
31-Aug	53,186	3.36%	4.75%	4.58%	5.25%
8-Sep	52,786	3.46%	4.80%	4.67%	5.25%
Δ	-400	0.10%	0.05%	0.09%	0.00%

- BVAL rose as the muni curve steepened on persistent inflation concerns and heavy supply, with short maturities firmer
- Upside August payrolls on September 4th (162k vs 53k consensus) lifted September hike odds higher ahead of the upcoming FOMC meeting (9/15-9/16), pushing Treasuries higher
- The Treasury indicated it would triple its buyback of bonds and notes, causing municipal rates to jump on September 9th ahead of the planned purchase of $6 billion in securities that Friday

Source: PFM Research, Bloomberg, Refinitiv, Trading Economics

Recent BVAL Yield Curve Movement

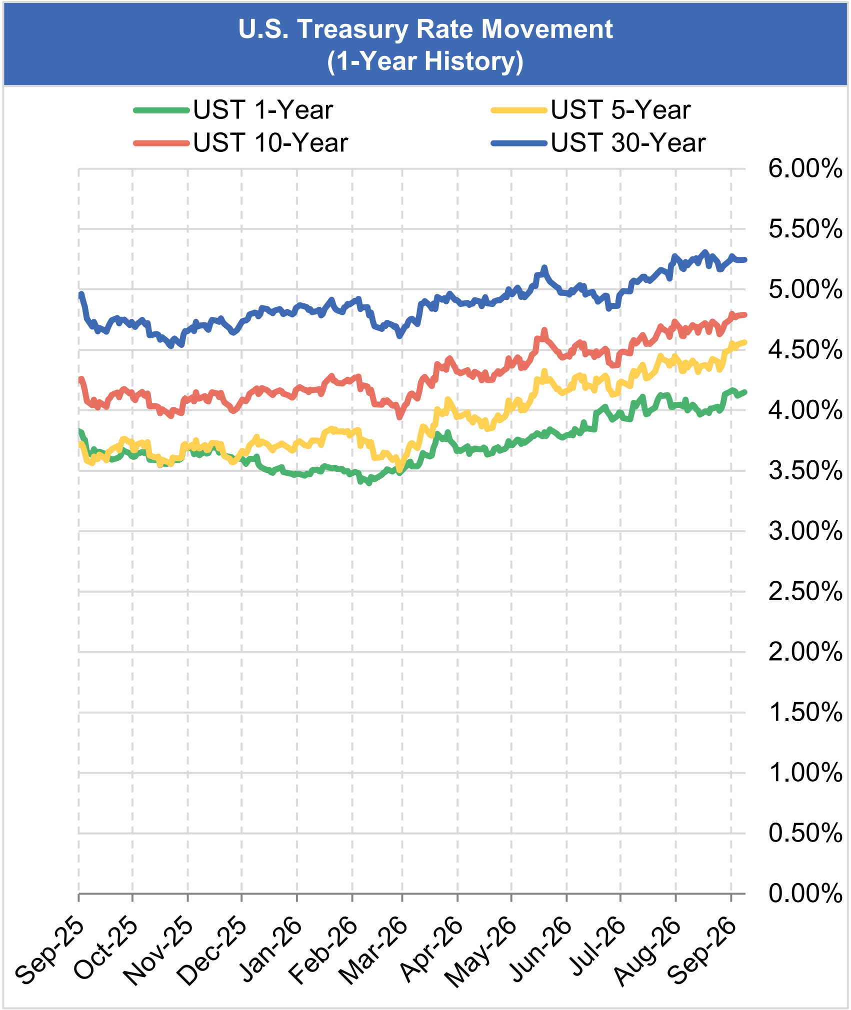
BVAL Yield Curve Movement

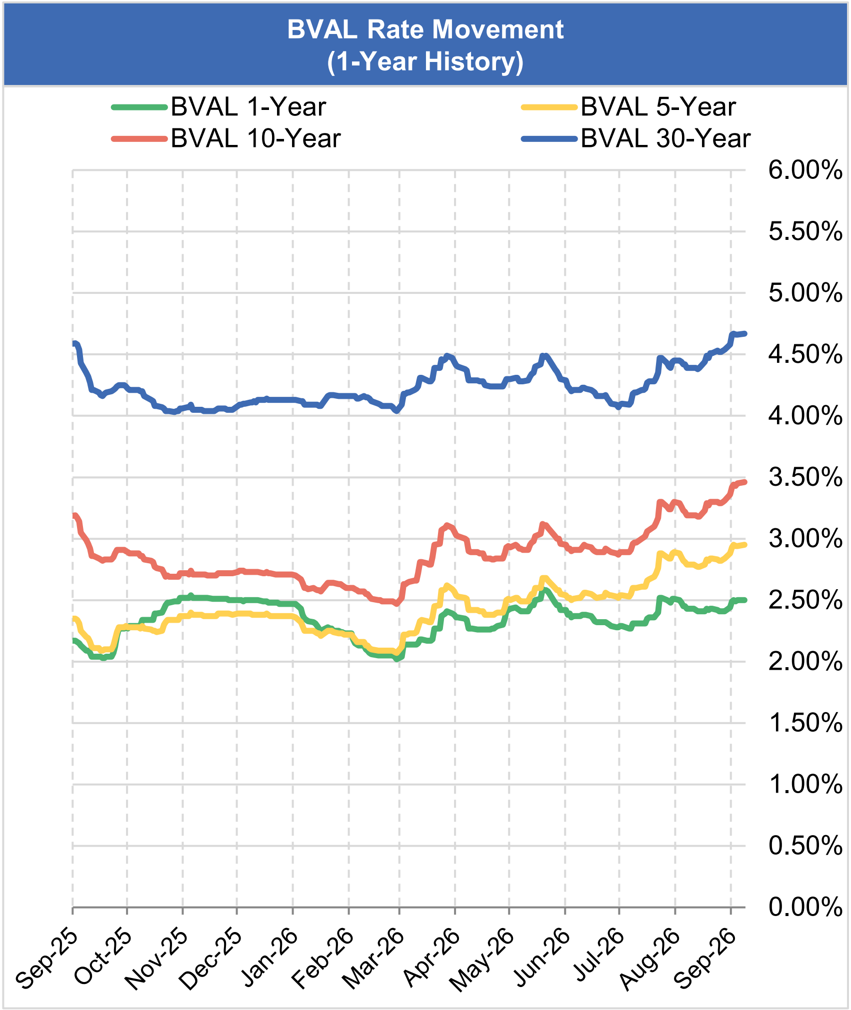


Maturity	Δ Since 09/08/2025	Δ Since 10/27/2025
1-Year	0.41%	0.01%
2-Year	0.49%	0.15%
3-Year	0.63%	0.37%
4-Year	0.73%	0.49%
5-Year	0.75%	0.61%
6-Year	0.68%	0.67%
7-Year	0.63%	0.69%
8-Year	0.59%	0.76%
9-Year	0.54%	0.77%
10-Year	0.47%	0.77%
11-Year	0.45%	0.75%
12-Year	0.42%	0.75%
13-Year	0.39%	0.75%
14-Year	0.35%	0.71%
15-Year	0.33%	0.70%
16-Year	0.29%	0.66%
17-Year	0.23%	0.58%
18-Year	0.22%	0.56%
19-Year	0.25%	0.56%
20-Year	0.24%	0.55%
21-Year	0.23%	0.55%
22-Year	0.25%	0.57%
23-Year	0.24%	0.56%
24-Year	0.24%	0.57%
25-Year	0.26%	0.59%
26-Year	0.27%	0.60%
27-Year	0.28%	0.61%
28-Year	0.30%	0.62%
29-Year	0.31%	0.63%
30-Year	0.32%	0.64%

Source: Bloomberg, PFM Research

U.S. Treasury & BVAL Rate Movement

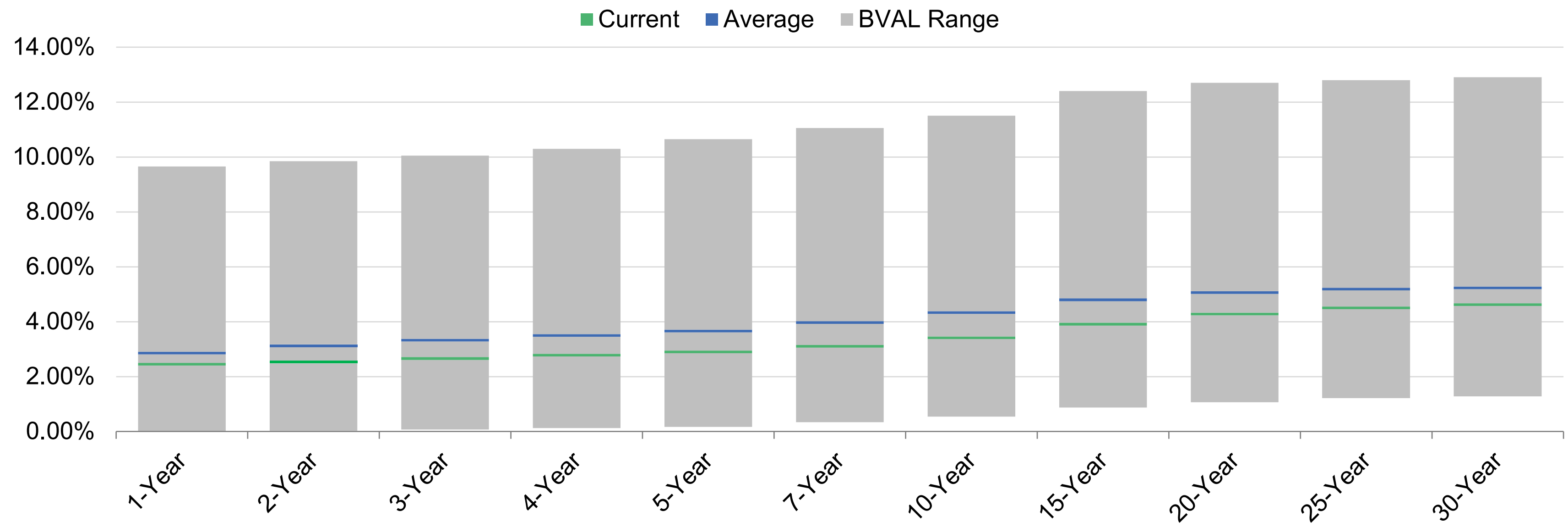




Source: Bloomberg, PFM Research

Tax-Exempt Rate Position Since Inception

Tax-Exempt Rate Position
(June 8, 1981, Inception to September 8, 2026)



Summary of September 8, 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
September 8, 2026	2.50%	2.58%	2.71%	2.83%	2.95%	3.15%	3.46%	3.96%	4.33%	4.55%	4.67%
Historical Average	2.81%	3.07%	3.27%	3.45%	3.61%	3.92%	4.28%	4.75%	5.01%	5.14%	5.18%
Spread to Average	-0.31%	-0.49%	-0.56%	-0.62%	-0.66%	-0.77%	-0.82%	-0.79%	-0.68%	-0.59%	-0.51%
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	43.55%	43.41%	43.77%	43.87%	44.08%	41.91%	40.49%	41.62%	43.87%	45.07%	46.48%

Source: Bloomberg, PFM Research

Interest Rate Forecasts

- Most market participants do not expect Fed rate movement within the next quarter, although sentiment shifted over the course of the week.

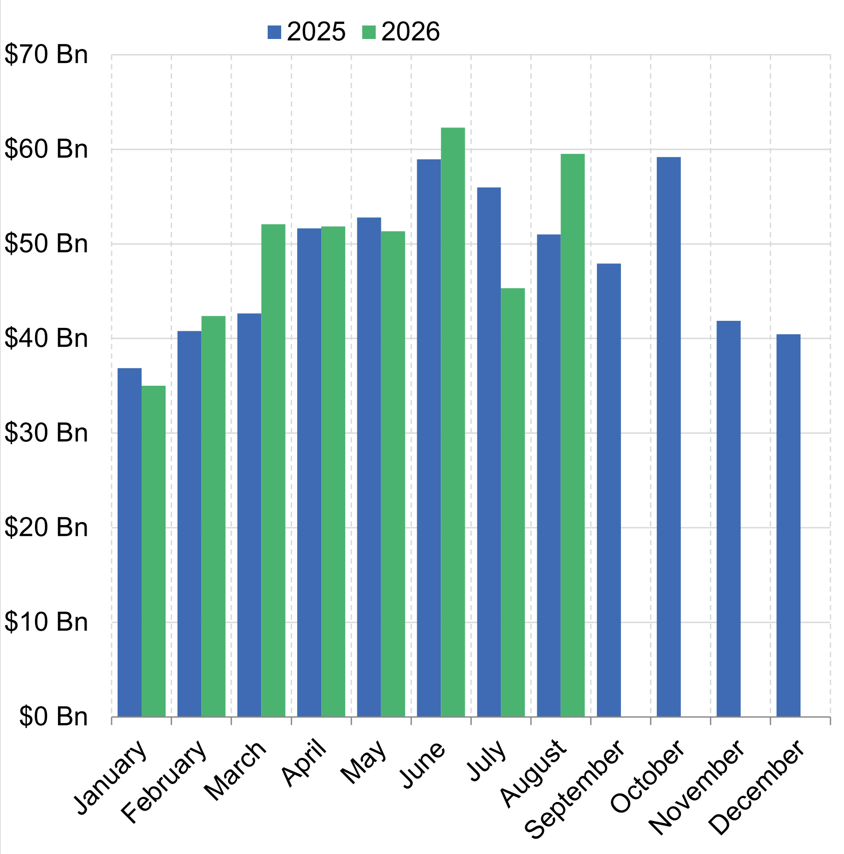
The Street's Interest Rate Forecast (As of September 8, 2026)										
Average Forecasts	**Current**	**Q3 26**	**Q3 Δ vs. Current**	**Q4 26**	**Q1 27**	**Q2 27**	**Q3 27**	**Q4 27**	**Q1 28**	**Q2 28**
30-Year UST	5.24%	5.04%	-0.20%	5.03%	4.97%	4.92%	4.90%	4.89%	4.82%	4.76%
10-Year UST	4.79%	4.53%	-0.26%	4.54%	4.47%	4.41%	4.37%	4.37%	4.30%	4.24%
2-Year UST	4.38%	4.11%	-0.27%	4.02%	3.93%	3.84%	3.78%	3.73%	3.63%	3.58%
3M Term SOFR	3.81%	3.76%	-0.05%	3.71%	3.65%	3.57%	3.50%	3.47%	3.41%	3.37%
Fed Funds Target Rate (Lower)	3.50%	3.57%	0.07%	3.61%	3.53%	3.39%	3.34%	3.30%	3.19%	3.16%
Fed Funds Δ Since August FC Meeting	*0.00%*	*0.05%*		*0.09%*	*0.06%*	*0.02%*	*0.03%*	*0.05%*	*0.05%*	*0.00%*

Source: Bloomberg

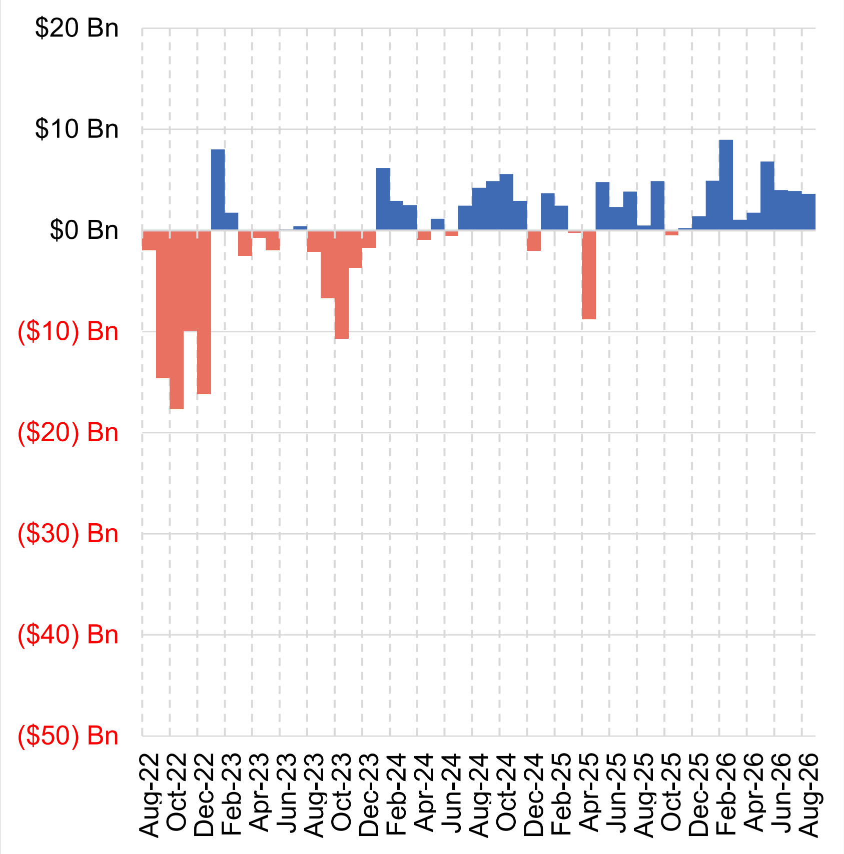
Municipal Market Supply & Demand

- Municipal funds experienced net inflows in August. New issuance volume was up 16.71% year-over-year in August, and year-to-date new issuance volume was 2.34% higher than 2025 issuance through August.

Overall Municipal Market Volume (Supply)



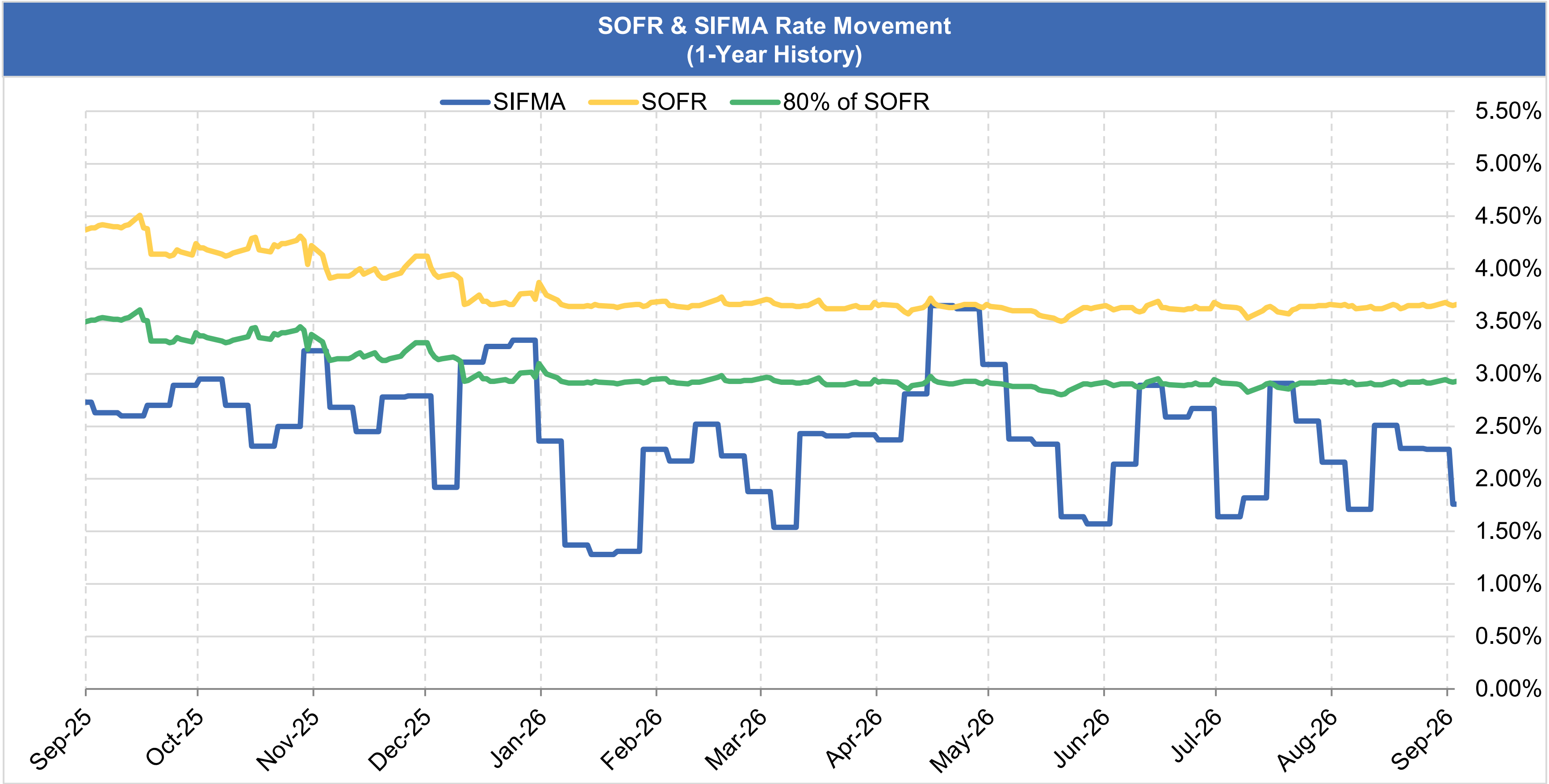
Municipal Fund Flows (Demand)



Source: Bond Buyer, Investment Company Institute

SOFR & SIFMA Rate Movement

- SIFMA fluctuated in August within 1.71% and 2.51%. SOFR has held relatively steady within 3.62% and 3.68% throughout August.



Source: Bloomberg, PFM Research

Magnolia – August Variable-Rate Resets

Magnolia Power Project A, Refunding Revenue Bonds, 2020-3							
Variable Rate Daily Resets – August 2026							
08/03/2026	1.00% – 116 bps vs. SIFMA Approximate Net Cost 1.971%	08/11/2026	1.40% – 31 bps vs. SIFMA Approximate Net Cost 2.821%	08/19/2026	1.65% – 64 bps vs. SIFMA Approximate Net Cost 2.491%	08/27/2026	2.35% + 7 bps vs. SIFMA Approximate Net Cost 3.201%
08/04/2026	0.80% – 136 bps vs. SIFMA Approximate Net Cost 1.771%	08/12/2026	1.90% – 61 bps vs. SIFMA Approximate Net Cost 2.521%	08/20/2026	2.00% – 29 bps vs. SIFMA Approximate Net Cost 2.841%	08/28/2026	2.45% + 17 bps vs. SIFMA Approximate Net Cost 3.301%
08/05/2026	0.70% – 101 bps vs. SIFMA Approximate Net Cost 2.121%	08/13/2026	2.15% – 36 bps vs. SIFMA Approximate Net Cost 2.771%	08/21/2026	1.75% – 54 bps vs. SIFMA Approximate Net Cost 2.591%	08/31/2026	2.35% + 7 bps vs. SIFMA Approximate Net Cost 3.201%
08/06/2026	0.65% – 106 bps vs. SIFMA Approximate Net Cost 2.071%	08/14/2026	2.00% – 51 bps vs. SIFMA Approximate Net Cost 2.621%	08/24/2026	1.30% – 99 bps vs. SIFMA Approximate Net Cost 2.141%		
08/07/2026	0.70% – 101 bps vs. SIFMA Approximate Net Cost 2.121%	08/17/2026	1.30% – 121 bps vs. SIFMA Approximate Net Cost 1.921%	08/25/2026	1.65% – 64 bps vs. SIFMA Approximate Net Cost 2.491%		
08/10/2026	1.10% – 61 bps vs. SIFMA Approximate Net Cost 2.521%	08/18/2026	1.00% – 151 bps vs. SIFMA Approximate Net Cost 1.621%	08/26/2026	1.85% – 43 bps vs. SIFMA Approximate Net Cost 2.701%		

Source: EMMA, PFM/SCPPA

Linden – August Variable-Rate Resets

Linden Wind Energy Project, Refunding Revenue Bonds, 2024 Series A							
Variable Rate Daily Resets – August 2026							
08/03/2026	0.80% – 136 bps vs. SIFMA	08/11/2026	1.55% – 16 bps vs. SIFMA	08/19/2026	1.60% – 69 bps vs. SIFMA	08/27/2026	2.30% + 2 bps vs. SIFMA
08/04/2026	0.75% – 141 bps vs. SIFMA	08/12/2026	1.90% – 61 bps vs. SIFMA	08/20/2026	2.00% – 29 bps vs. SIFMA	08/28/2026	2.40% + 12 bps vs. SIFMA
08/05/2026	0.70% – 101 bps vs. SIFMA	08/13/2026	2.15% – 36 bps vs. SIFMA	08/21/2026	1.75% – 54 bps vs. SIFMA	08/31/2026	2.35% + 7 bps vs. SIFMA
08/06/2026	0.70% – 101 bps vs. SIFMA	08/14/2026	2.00% – 51 bps vs. SIFMA	08/24/2026	1.40% – 89 bps vs. SIFMA		
08/07/2026	0.65% – 106 bps vs. SIFMA	08/17/2026	1.35% – 116 bps vs. SIFMA	08/25/2026	1.65% – 64 bps vs. SIFMA		
08/10/2026	1.05% – 66 bps vs. SIFMA	08/18/2026	1.20% – 131 bps vs. SIFMA	08/26/2026	1.85% – 43 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
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%
07/30/2026	1.78%	-38 bps	-78 bps	2.34%
08/06/2026	1.30%	-41 bps	-126 bps	1.86%
08/13/2026	2.12%	-39 bps	-41 bps	2.70%
08/20/2026	1.89%	-40 bps	-65 bps	2.46%
08/27/2026	1.88%	-40 bps	-67 bps	2.44%
09/03/2026	1.36%	-40 bps	-120 bps	1.91%

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.	$761,210.33
MG	Series 2009	3.1250%	SIFMA Swap Index	7/1/2036	$110,888,878	The Bank of New York Mellon	$477,985.96
MG	-	SIFMA Swap Index	80.4% of USD SOFR + 0.21033%	7/1/2036	$100,000,000	Barclays Bank PLC	$2,051,488.11
MG	-	SIFMA Swap Index	81.0% of 3-Month Fallback SOFR*	7/1/2036	$100,000,000	Royal Bank of Canada	$2,114,548.82
GP	Series 2007B	5.0475%	67% of 3 Month CME Term SOFR + 1.64528%	11/1/2035	$36,000,000	J. Aron & Company	($1,688,044.05)
CY	Series 2022B	3.1100%	70% of SOFR	7/1/2036	$72,415,000	Goldman Sachs Bank USA	$300,073.14

Source: PFM SwapViewer
As of 9/9/2026
** Receipts were originally indexed to 3-Month LIBOR, calculated using 3-Month Fallback Rate (SOFR) effective 7/1/2023*

6. Unsolicited Proposals

Summary of Unsolicited Proposals Received

- August 11, 2026, Truist Securities:
  - Canyon Power Project, 2022 and 2025 Series B – Upcoming Considerations

- August 13, 2026, Cabrera Capital Markets:
  - Firm Update
  - Market Update
  - Fixed Rate Put Bonds: Canyon 2025B Bonds
  - STS Renewal Project
  - Investor Overview
  - Tender Bonds Refinancing: STS Renewal 2023-1 Bonds

- August 24, 2026, RBC Capital Markets:
  - Basis Swap Considerations

- August 24, 2026, Wells Fargo:
  - Upcoming Refunding Opportunities: Magnolia 2003-1 Bonds, Magnolia 2020-3 Bonds
  - Market Update

Summary of Unsolicited Proposals Received (Cont.)

- August 26, 2026, Barclays:
  - Market Update
  - Debt Profile
  - Financing Update: STS Renewal Project, Magnolia Basis Swaps, Canyon 2025B Bonds

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