FINANCE COMMITTEE MEETING

November 2, 2026

3. ANNUAL FINANCIAL AUDIT

Southern California Public Power Authority

Fiscal Year 2026 Audit Presentation

November 2, 2026

bakertilly

Your Service Team

Nature of Services Provided

Audit Opinions / Reports

Financial Statement Updates

Required Communications

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Your Service Team



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Nature of Services Provided

- Financial statement audit under Generally Accepted Auditing Standards (GAAS)
  - Materiality set and testing performed individually for each project
- Independent Auditors' Report on the financial statements of Southern California Public Power Authority
- California Minimum Standards Compliance audit for special districts
- Audit of compliance with applicable revenue bond indentures
  - Negative assurance
- Communication to those charged with governance

Audit Opinions / Reports

Financial Statements

Unmodified (clean) opinion

California Municipal Standards

No compliance findings

Bond Compliance Reports

No compliance findings

Report to TCWG

No material weaknesses

Financial Statement Updates



- New Projects
  - Clean Energy II
  - Eland 2 Solar
- New Debt & Debt Refunding
  - Clean Energy II
    - 2026A Revenue Bonds - $808,720,000
  - Mead Phoenix
    - 2026A Refunding Bonds - $8,050,000
  - Mead Adelanto
    - 2026A Refunding Bonds - $10,155,000
  - Southern Transmission System Renewal
    - 2025-1 Revenue Bonds - $303,895,000
    - 2025-2 Revenue Bonds - $250,000,000
    - 2026-1 Revenue Bonds - $589,145,000
- GASB 103, *Financial Reporting Model Improvements*
  - Disclosed in Note 2
- GASB 104, *Disclosure of Certain Capital Assets*
  - Disclosed in Note 2

Summary of Required Communications

Matters to be Communicated	Baker Tilly Comments
Auditor's responsibility under auditing standards	We are charged with communicating our views about qualitative aspects of the Authority's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures. The quality of the Authority's accounting policies, practices, and underlying estimates are discussed throughout this presentation.
Significant Accounting Policies	The Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements,* and No. 104, *Disclosure of Certain Capital Assets*. No other new accounting policies were adopted and there were no changes in the application of existing policies during fiscal year 2026.
Management judgements & accounting estimates	We evaluated the key factors and assumptions used to develop managements accounting estimates and determined that they are reasonable in relation to the combined and individual project financial statements taken as a whole.
Corrected audit adjustments	See following slides.
Uncorrected proposed audit adjustments	See following slides.

Summary of Required Communications (continued)

Matters to be Communicated	Baker Tilly Comments
Management's consultation with other accountants	To our knowledge, there were no consultations with other accountants.
Significant unusual transactions	We encountered no significant unusual transactions during our audit of the Authority's financial statements.
Difficulties in performing the audit	No significant difficulties were encountered.
Disagreements with management	There were no disagreements with management about matters that individually or in the aggregate could be significant to the Authority's financial statements, or the auditor's report.
Audit observations and recommendations	No material weaknesses noted.

Summary of Required Communications (continued)

Corrected and Uncorrected Audit Adjustments

Corrected Audit Adjustments	Amount
Linden Wind Project – To record FY2024 expense invoices	$192,362

Other Adjustments - Restatement	Amount
Apex Power Project – To adjust depreciation expense and net position to true-up depreciation expense – impact is cumulative from errors noted in prior periods and represents a restatement of prior periods	$4,369,429

Uncorrected Audit Adjustments	Amount
Magnolia Power Project - To adjust depreciation expense and net position to true-up depreciation expense – impact is cumulative from errors noted in prior periods and represents a restatement of prior periods	$2,637,995

Acknowledgements

Thank you to the Audit Committee, Aileen Ma, Grace Mao, and other staff for the excellent facilitation of the audit process.

- The audit progressed on time and in an orderly fashion; all requested schedules and draft financial statements were received on a timely basis.

- All personnel across all departments were courteous, responsive, and fulfilled all our requests in a timely manner.

- ‘Tone at the Top’ and attitude from management was one of helpfulness, candor, and openness in response to audit requests and discussion points.

Thank you.



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6. CLEAN ENERGY II PROJECT FY 2026-27 BUDGET & RELATED FY 2026-27 BUDGET REVISIONS FOR PROJECTS WITH ASSIGNED PPA



ASSET MANAGEMENT

CHARLES GUSS| *Senior Asset Manager*

LUIS CASTANEDA | *Utility Analyst*

Clean Energy II Project Fiscal Year (FY) 2026-27 Budget and related FY 2026-27 Budget Revisions for Projects with Assigned Power Purchase Agreements



Clean Energy 2 Project Budget FY 26/27

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ANNUAL BUDGET

July 1, 2026 through June 30, 2027
Clean Energy II Project
($000s)

Month	Working Capital	Direct Admin. & General	Indirect Admin. & General	**SCPPA Cost of Project**
Jul	$0	$0	$0	**$0**
Aug	$0	$0	$0	**$0**
Sep	$0	$0	$0	**$0**
Subtotal	$0	$0	$0	**$0**
Oct	$0	$0	$0	**$0**
Nov	$0	$0	$0	**$0**
Dec	$7	$27	$0	**$34**
Subtotal	$7	$27	$0	**$34**
Jan	$7	$27	$0	**$34**
Feb	$7	$27	$0	**$34**
Mar	$7	$27	$0	**$34**
Subtotal	$21	$81	$0	**$102**
Apr	$7	$27	$0	**$34**
May	$7	$27	$0	**$34**
Jun	$7	$27	$0	**$34**
Subtotal	$21	$81	$0	**$102**
Total FY	$49	$189	$0	**$238**

Draft

Antelope Big Sky Ranch Solar Project

ANNUAL BUDGET

July 1, 2026 through June 30, 2027
Antelope Big Sky Ranch Solar Project

Month	PPA Payments*	Scheduling Coordinator	Working Capital	Direct Admin. & General	Indirect Admin. & General	**Total Cost of Power**	Estimated Energy (MWH) to be Scheduled
Jul	$299	$3	$0	$2	$7	**$311**	5,597
Aug	$299	$3	$0	$2	$7	**$311**	5,294
Sep	$299	$3	$0	$2	$7	**$311**	4,588
Subtotal	$897	$9	$0	$6	$21	**$933**	15,479
Oct	$299	$3	$0	$2	$7	**$311**	3,731
Nov	$299	$3	$0	$2	$7	**$311**	2,773
Dec	$296	$3	$0	$2	$7	**$308**	2,370
Subtotal	$894	$9	$0	$6	$21	**$930**	8,874
Jan	$296	$3	$0	$2	$7	**$308**	2,521
Feb	$296	$3	$0	$2	$7	**$308**	2,874
Mar	$296	$3	$0	$2	$7	**$308**	4,286
Subtotal	$888	$9	$0	$6	$21	**$924**	9,681
Apr	$296	$3	$0	$2	$7	**$308**	4,891
May	$296	$3	$0	$2	$7	**$308**	5,647
Jun	$296	$3	$0	$2	$7	**$308**	5,849
Subtotal	$888	$9	$0	$6	$21	**$924**	16,387
Total FY	$3,567	$36	$0	$24	$84	**$3,711**	50,421

*PPA Payments have been reduced to reflect the savings on prepay energy assigned to the Clean Energy 2 Project.

Draft

SCPPA

Antelope DSR1 Solar Project

ANNUAL BUDGET

July 1, 2026 through June 30, 2027
Antelope DSR 1 Solar Project

Month	PPA Payments*	Scheduling Coordinator	Working Capital	Direct Admin. & General	Indirect Admin. & General	**Total Cost of Power**	Estimated Energy (MWH) to be Scheduled
Jul	$530	$3	$0	$2	$7	**$542**	9,851
Aug	$530	$3	$0	$2	$7	**$542**	9,851
Sep	$530	$3	$0	$2	$7	**$542**	9,851
Subtotal	$1,590	$9	$0	$6	$21	**$1,626**	29,553
Oct	$530	$3	$0	$2	$7	**$542**	9,851
Nov	$530	$3	$0	$2	$7	**$542**	9,851
Dec	$521	$3	$0	$2	$7	**$533**	9,851
Subtotal	$1,581	$9	$0	$6	$21	**$1,617**	29,553
Jan	$521	$3	$0	$2	$7	**$533**	9,851
Feb	$521	$3	$0	$2	$7	**$533**	9,851
Mar	$521	$3	$0	$2	$7	**$533**	9,851
Subtotal	$1,563	$9	$0	$6	$21	**$1,599**	29,553
Apr	$521	$3	$0	$2	$7	**$533**	9,851
May	$521	$3	$0	$2	$7	**$533**	9,851
Jun	$521	$3	$0	$2	$7	**$533**	9,851
Subtotal	$1,563	$9	$0	$6	$21	**$1,599**	29,553
Total FY	$6,297	$36	$0	$24	$84	**$6,441**	118,212

Draft

*PPA Payments have been reduced to reflect the savings on prepay energy assigned to the Clean Energy 2 Project.

Astoria 2 Solar Project

ANNUAL BUDGET

July 1, 2026 through June 30, 2027
Astoria 2 Solar Project
($000)

Month	PPA Payments*	Working Capital	Scheduling Coordinator	Direct Admin. & General	Indirect Admin. & General	**Total Cost of Power**	Estimated Energy (MWH) to be Scheduled
Jul	$533	$0	$0	$2	$9	**$544**	8,459
Aug	$533	$0	$0	$2	$9	**$544**	8,459
Sep	$533	$0	$0	$2	$9	**$544**	8,459
Subtotal	$1,599	$0	$0	$6	$27	**$1,632**	25,377
Oct	$533	$0	$0	$2	$9	**$544**	8,459
Nov	$533	$0	$0	$2	$9	**$544**	8,459
Dec	$520	$0	$0	$2	$9	**$531**	8,459
Subtotal	$1,586	$0	$0	$6	$27	**$1,619**	25,377
Jan	$520	$0	$0	$2	$9	**$531**	8,459
Feb	$520	$0	$0	$2	$9	**$531**	8,459
Mar	$520	$0	$0	$2	$9	**$531**	8,459
Subtotal	$1,560	$0	$0	$6	$27	**$1,593**	25,377
Apr	$520	$0	$0	$2	$9	**$531**	8,459
May	$520	$0	$0	$2	$9	**$531**	8,459
Jun	$520	$0	$0	$2	$9	**$531**	8,459
Subtotal	$1,560	$0	$0	$6	$27	**$1,593**	25,377
Total FY	$6,305	$0	$0	$24	$108	**$6,437**	101,508

*PPA Payments have been reduced to reflect the savings on prepay energy assigned to the Clean Energy 2 Project.

Draft

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Copper Mountain Solar Project

ANNUAL BUDGET

July 1, 2026 through June 30, 2027
Copper Mountain 3 Solar Project
($000)

Month	PPA Payments*	LADWP Project Manager	Direct Admin. & General	Indirect Admin. & General	**Total Cost of Power**	Estimated Energy (MWH) to be Scheduled
Jul	$4,744	$3	$4	$15	**$4,766**	59,505
Aug	$4,744	$3	$4	$15	**$4,766**	55,522
Sep	$4,744	$3	$4	$15	**$4,766**	51,184
Subtotal	$14,232	$9	$12	$45	**$14,298**	166,211
Oct	$4,744	$3	$4	$15	**$4,766**	50,667
Nov	$4,744	$3	$4	$15	**$4,766**	38,727
Dec	$4,723	$3	$4	$15	**$4,745**	33,645
Subtotal	$14,211	$9	$12	$45	**$14,277**	123,039
Jan	$4,723	$3	$4	$15	**$4,745**	35,591
Feb	$4,723	$3	$4	$15	**$4,745**	39,344
Mar	$4,723	$3	$4	$15	**$4,745**	48,735
Subtotal	$14,169	$9	$12	$45	**$14,235**	123,670
Apr	$4,723	$3	$4	$15	**$4,745**	59,243
May	$4,723	$3	$4	$15	**$4,745**	62,672
Jun	$4,723	$3	$4	$15	**$4,745**	59,760
Subtotal	$14,169	$9	$12	$45	**$14,235**	181,675
Total FY	$56,781	$36	$48	$180	**$57,045**	594,595

Draft

*PPA Payments have been reduced to reflect the savings on prepay energy assigned to the Clean Energy 2 Project.

Daggett Solar 2 Solar + Storage Project

ANNUAL BUDGET

July 1, 2026 through June 30, 2027
Daggett Solar 2 Solar + Storage Project
($000)

Month	PV PPA Payments*	BESS PPA Payments	Scheduling Coordinator	Direct Admin. & General	Indirect Admin. & General	**Total Cost of Power**	Estimated Energy (MWH) to be Scheduled
Jul	$456	$262	$10	$2	$14	**$744**	20,111
Aug	$456	$262	$10	$2	$14	**$744**	19,585
Sep	$456	$262	$10	$2	$14	**$744**	17,658
Subtotal	$1,368	$786	$30	$6	$42	**$2,232**	57,354
Oct	$456	$262	$10	$2	$14	**$744**	15,127
Nov	$456	$262	$10	$2	$14	**$744**	11,330
Dec	$441	$252	$10	$2	$14	**$719**	9,617
Subtotal	$1,353	$776	$30	$6	$42	**$2,207**	36,074
Jan	$441	$252	$10	$2	$14	**$719**	10,727
Feb	$441	$252	$10	$2	$14	**$719**	12,362
Mar	$441	$252	$10	$2	$14	**$719**	17,093
Subtotal	$1,323	$756	$30	$6	$42	**$2,157**	40,182
Apr	$441	$252	$10	$2	$14	**$719**	18,709
May	$441	$252	$10	$2	$14	**$719**	21,142
Jun	$441	$252	$10	$2	$14	**$719**	21,219
Subtotal	$1,323	$756	$30	$6	$42	**$2,157**	61,070
Total FY	$5,367	$3,074	$120	$24	$168	**$8,753**	194,680

Draft

*PPA Payments have been reduced to reflect the savings on prepay energy assigned to the Clean Energy 2 Project.

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Desert Harvest Solar Project

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ANNUAL BUDGET

July 1, 2026 through June 30, 2027
Desert Harvest Solar Project
($000s)

Month	PPA Payments*	Excess Energy	Working Capital	Direct Admin. & General	Indirect Admin. & General	**Total Cost of Power**	Estimated Energy (MWH) to be Scheduled
Jul	$233	$0	$0	$2	$2	**$237**	19,047
Aug	$233	$0	$0	$2	$2	**$237**	18,205
Sep	$233	$0	$0	$2	$2	**$237**	16,172
Subtotal	$699	$0	$0	$6	$6	**$711**	53,424
Oct	$233	$0	$0	$2	$2	**$237**	14,725
Nov	$233	$0	$0	$2	$2	**$237**	11,007
Dec	$230	$0	$0	$2	$2	**$234**	9,267
Subtotal	$696	$0	$0	$6	$6	**$708**	34,999
Jan	$230	$0	$0	$2	$2	**$234**	10,018
Feb	$230	$0	$0	$2	$2	**$234**	11,996
Mar	$230	$0	$0	$2	$2	**$234**	16,007
Subtotal	$690	$0	$0	$6	$6	**$702**	38,021
Apr	$230	$0	$0	$2	$2	**$234**	17,436
May	$230	$0	$0	$2	$2	**$234**	19,817
Jun	$230	$0	$0	$2	$2	**$234**	19,450
Subtotal	$690	$0	$0	$6	$6	**$702**	56,703
Total FY	$2,775	$0	$0	$24	$24	**$2,823**	183,147

*PPA Payments have been reduced to reflect the savings on prepay energy assigned to the Clean Energy 2 Project.

Draft

SCPPA

Don Campbell I Geothermal Project

ANNUAL BUDGET

July 1, 2026 through June 30, 2027
Don Campbell I Project
($000)

Month	PPA Payments*	LADWP Project Manager	Direct Admin. & General	Indirect Admin. & General	Working Capital	**Estimated Total Cost of Power**	Energy (MWH) to be Scheduled
Jul	$865	$3	$4	$3	$0	**$875**	5,233
Aug	$865	$3	$4	$3	$0	**$875**	5,838
Sep	$865	$3	$4	$3	$0	**$875**	7,143
Subtotal	$2,595	$9	$12	$9	$0	**$2,625**	18,214
Oct	$865	$3	$4	$3	$0	**$875**	7,689
Nov	$865	$3	$4	$3	$0	**$875**	10,687
Dec	$859	$3	$4	$3	$0	**$869**	11,937
Subtotal	$2,589	$9	$12	$9	$0	**$2,619**	30,313
Jan	$859	$3	$4	$3	$0	**$869**	11,791
Feb	$859	$3	$4	$3	$0	**$869**	10,212
Mar	$859	$3	$4	$3	$0	**$869**	10,633
Subtotal	$2,577	$9	$12	$9	$0	**$2,607**	32,636
Apr	$859	$3	$4	$3	$0	**$869**	9,179
May	$859	$3	$4	$3	$0	**$869**	8,114
Jun	$859	$3	$4	$3	$0	**$869**	6,343
Subtotal	$2,577	$9	$12	$9	$0	**$2,607**	23,636
Total FY	$10,338	$36	$48	$36	$0	**$10,458**	104,799

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*PPA Payments have been reduced to reflect the savings on prepay energy assigned to the Clean Energy 2 Project.

Kingbird B Solar Project

ANNUAL BUDGET

July 1, 2026 through June 30, 2027
Kingbird B Solar Project
($000)

Month	PPA Payments*	Scheduling Coordinator	Working Capital	SCPPA Direct Admin. & General	SCPPA Indirect Admin. & General	**Total Cost of Power**	Estimated Energy (MWH) to be Scheduled
Jul	$318	$9	$0	$2	$7	**$336**	6,163
Aug	$318	$9	$0	$2	$7	**$336**	5,830
Sep	$318	$9	$0	$2	$7	**$336**	5,053
Subtotal	$954	$27	$0	$6	$21	**$1,008**	17,046
Oct	$318	$9	$0	$2	$7	**$336**	4,109
Nov	$318	$9	$0	$2	$7	**$336**	3,054
Dec	$316	$9	$0	$2	$7	**$334**	2,610
Subtotal	$952	$27	$0	$6	$21	**$1,006**	9,773
Jan	$316	$9	$0	$2	$7	**$334**	2,776
Feb	$316	$9	$0	$2	$7	**$334**	3,165
Mar	$316	$9	$0	$2	$7	**$334**	4,720
Subtotal	$948	$27	$0	$6	$21	**$1,002**	10,661
Apr	$316	$9	$0	$2	$7	**$334**	5,386
May	$316	$9	$0	$2	$7	**$334**	6,219
Jun	$316	$9	$0	$2	$7	**$334**	6,441
Subtotal	$948	$27	$0	$6	$21	**$1,002**	18,046
Total FY	$3,802	$108	$0	$24	$84	**$4,018**	55,526

*PPA Payments have been reduced to reflect the savings on prepay energy assigned to the Clean Energy 2 Project.

Draft

Mammoth Casa Diablo IV Solar Project

ANNUAL BUDGET
July 1, 2026 through June 30, 2027
Mammoth Casa Diablo IV Geothermal Project
($000)

Month	PPA Payments*	Working Capital	Excess Energy	Direct Admin. & General	Indirect Admin. & General	Excess Monthly Generation	**Total Cost of Power**	Estimated Energy (MWH) to be Scheduled
Jul	$736	$0	$0	$1	$15	$0	**$752**	11,532
Aug	$736	$0	$0	$1	$15	$0	**$752**	11,532
Sep	$736	$0	$0	$1	$15	$0	**$752**	11,532
Subtotal	$2,208	$0	$0	$3	$45	$0	**$2,256**	**34,596**
Oct	$736	$0	$0	$1	$15	$0	**$752**	11,532
Nov	$736	$0	$0	$1	$15	$0	**$752**	11,532
Dec	$728	$0	$0	$1	$15	$0	**$744**	11,532
Subtotal	$2,200	$0	$0	$3	$45	$0	**$2,248**	**34,596**
Jan	$728	$0	$0	$1	$15	$0	**$744**	11,532
Feb	$728	$0	$0	$1	$15	$0	**$744**	11,532
Mar	$728	$0	$0	$1	$15	$0	**$744**	11,532
Subtotal	$2,184	$0	$0	$3	$45	$0	**$2,232**	**34,596**
Apr	$728	$0	$0	$1	$15	$0	**$744**	11,532
May	$728	$0	$0	$1	$15	$0	**$744**	11,532
Jun	$728	$0	$0	$1	$15	$0	**$744**	11,532
Subtotal	$2,184	$0	$0	$3	$45	$0	**$2,232**	**34,596**
Total FY	$8,776	$0	$0	$12	$180	$0	**$8,968**	138,384

*PPA Payments have been reduced to reflect the savings on prepay energy assigned to the Clean Energy 2 Project.

Draft

SCPPA

Summer Solar Project

ANNUAL BUDGET

July 1, 2026 through June 30, 2027
Summer Solar Project
($000)

Month	PPA Payments*	Scheduling Coordinator	Working Capital	Direct Admin. & General	Indirect Admin. & General	**Total Cost of Power**	Estimated Energy (MWH) to be Scheduled
Jul	$316	$3	$0	$2	$7	**$328**	5,899
Aug	$316	$3	$0	$2	$7	**$328**	5,580
Sep	$316	$3	$0	$2	$7	**$328**	4,836
Subtotal	$948	$9	$0	$6	$21	**$984**	16,315
Oct	$316	$3	$0	$2	$7	**$328**	3,933
Nov	$316	$3	$0	$2	$7	**$328**	2,923
Dec	$313	$3	$0	$2	$7	**$325**	2,498
Subtotal	$945	$9	$0	$6	$21	**$981**	9,354
Jan	$313	$3	$0	$2	$7	**$325**	2,657
Feb	$313	$3	$0	$2	$7	**$325**	3,029
Mar	$313	$3	$0	$2	$7	**$325**	4,517
Subtotal	$939	$9	$0	$6	$21	**$975**	10,203
Apr	$313	$3	$0	$2	$7	**$325**	5,155
May	$313	$3	$0	$2	$7	**$325**	5,952
Jun	$313	$3	$0	$2	$7	**$325**	6,165
Subtotal	$939	$9	$0	$6	$21	**$975**	17,272
Total FY	$3,771	$36	$0	$24	$84	**$3,915**	53,144

*PPA Payments have been reduced to reflect the savings on prepay energy assigned to the Clean Energy 2 Project.

Draft

SCPPA



Thank You

Southern California Public Power Authority

November 2026 Finance Committee Materials

PFM Financial Advisors LLC

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10th Floor
El Segundo, CA 90245

213.489.4075

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

Data, rates, and related statistics and charts are as of October 27, 2026, unless otherwise indicated

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Market Overview Since October 5th

Date	DJIA	10-Yr BVAL	10-Yr Tsy	30-Yr BVAL	30-Yr Tsy
5-Oct	51,268	3.97%	5.31%	5.16%	5.66%
7-Oct	51,180	4.07%	5.28%	5.25%	5.67%
Δ	-88	0.10%	(0.03%)	0.09%	0.01%

- BVAL rose roughly 10 bps through October 7th as the muni market worked through a backlog of potential sellers and postponed issuance, while Treasuries were little changed

Date	DJIA	10-Yr BVAL	10-Yr Tsy	30-Yr BVAL	30-Yr Tsy
7-Oct	51,180	4.07%	5.28%	5.25%	5.67%
15-Oct	52,178	3.74%	5.10%	4.97%	5.43%
Δ	998	(0.33%)	(0.18%)	(0.28%)	(0.24%)

- BVAL reversed sharply lower, with the 30-year muni posting its strongest performance in over a year, as funds returned to inflows (over $1B, then $1.6B) and the new-issue calendar thinned ($10.6B in the week of 10/12 vs $16.6B prior)
- Hotter-than-expected September CPI (3.7% vs 3.6% forecast) and PPI (6.3%) on October 14th and 15th lifted October hike odds from roughly 20% to 44%, yet munis outperformed Treasuries and the 10-year ratio richened from 75.9% to 73.8%

Date	DJIA	10-Yr BVAL	10-Yr Tsy	30-Yr BVAL	30-Yr Tsy
15-Oct	52,178	3.74%	5.10%	4.97%	5.43%
27-Oct	52,378	3.46%	4.99%	4.84%	5.30%
Δ	200	(0.28%)	(0.11%)	(0.13%)	(0.13%)

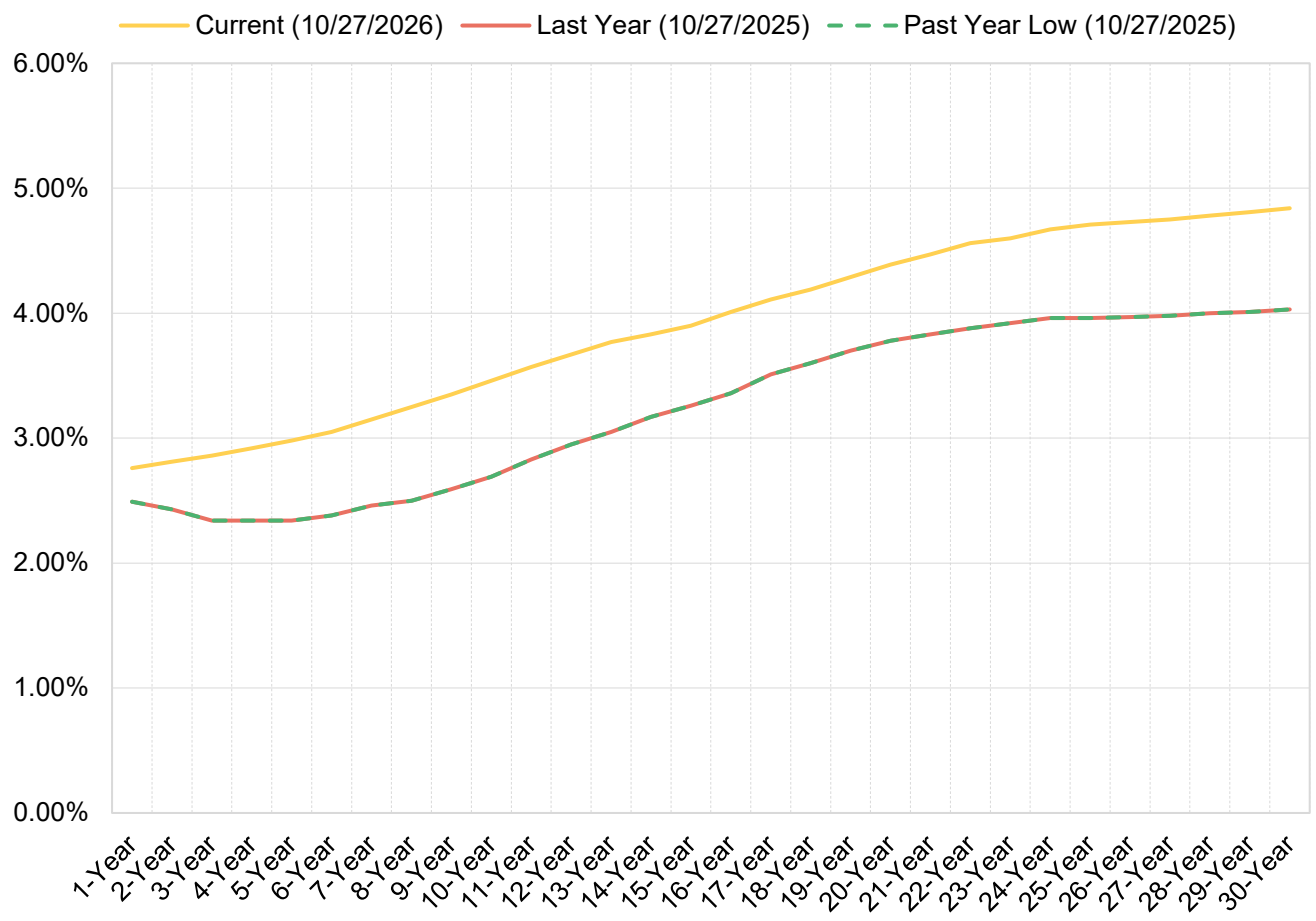
- Munis outperformed again in the week of 10/19 as BVAL fell 22-23 bps through 10 years vs 5-9 bps for Treasuries, supported by another $1.6B of fund inflows
- Treasuries posted their best day since August 2025 on October 22nd (10-year -17 bps) on haven demand despite oil topping $110 amid Houthi conflict in Saudi Arabia, and BVAL followed up to 12 bps lower
- Munis rallied again on October 23rd even as Treasuries retraced on higher oil, and BVAL edged lower into the FOMC (10/27-10/28) amid light supply ($7.2B calendar) and markets pricing a rate hold near 90%
- At the October FOMC, the Fed held rates as expected, with Chairman Warsh noting there are no “firm” conclusions yet on future monetary policy

Source: PFM Research, Bloomberg, Refinitiv, Trading Economics

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Recent BVAL Yield Curve Movement

BVAL Yield Curve Movement

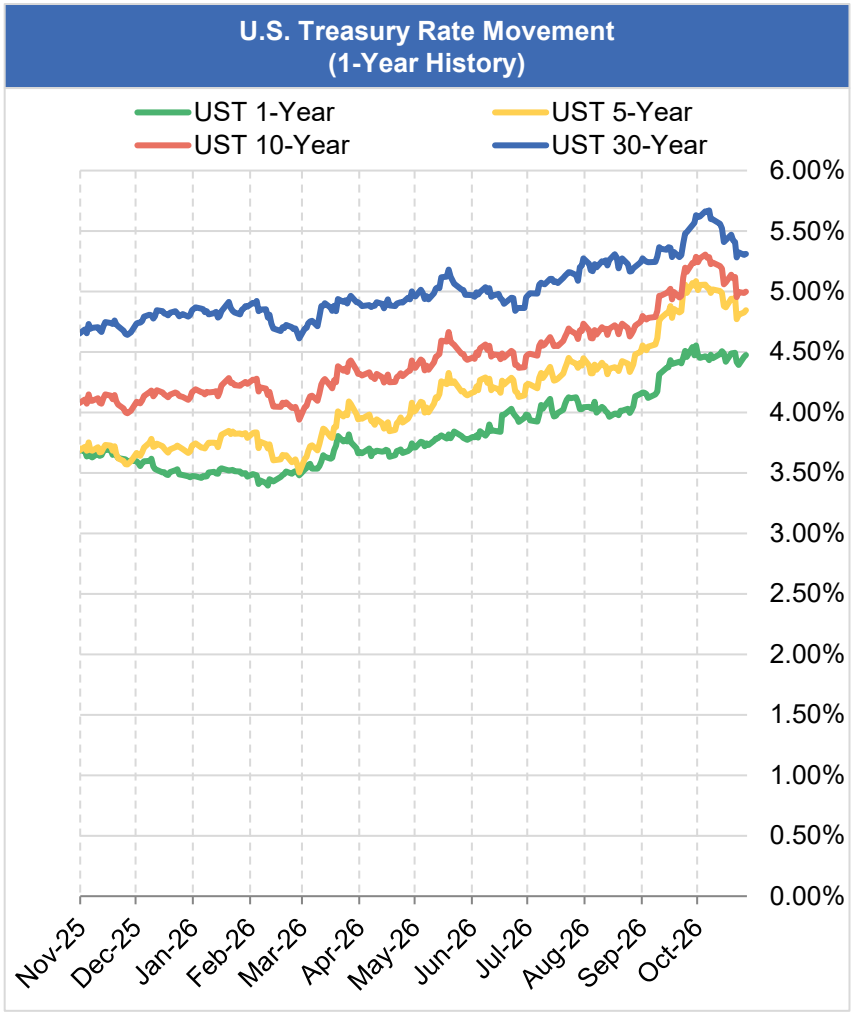


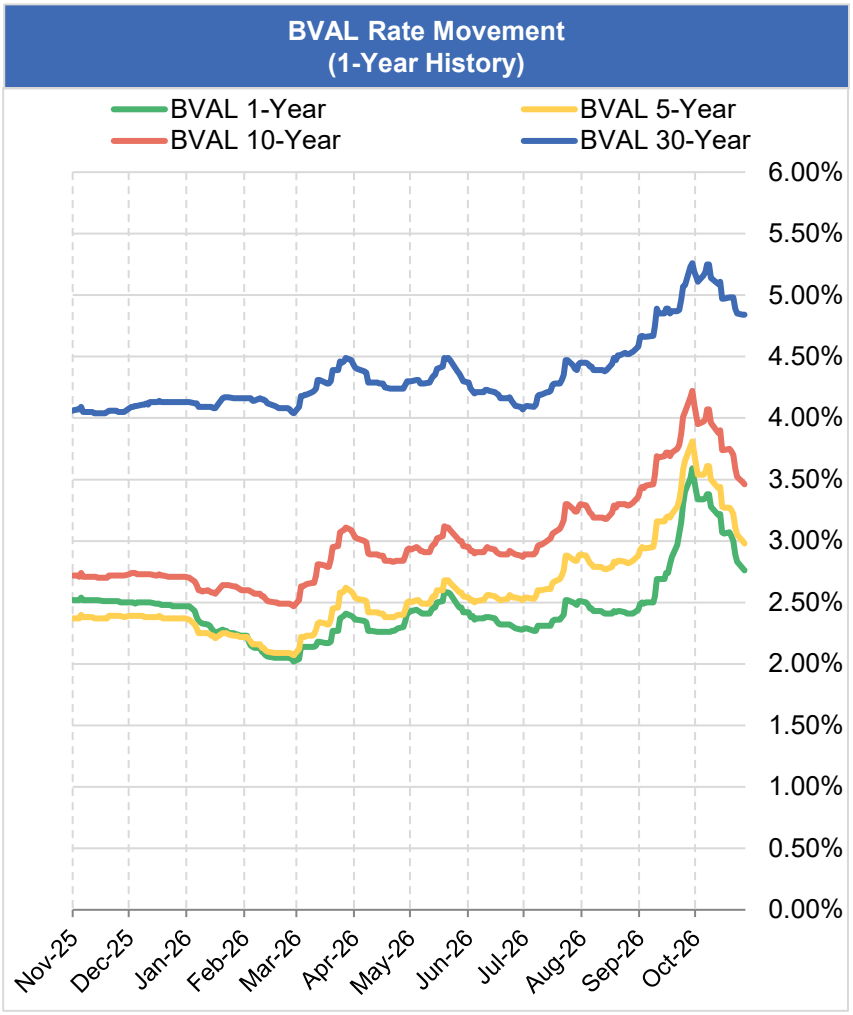
Maturity	Δ Since 10/27/2025	Δ Since 10/27/2025
1-Year	0.27%	0.27%
2-Year	0.38%	0.38%
3-Year	0.52%	0.52%
4-Year	0.58%	0.58%
5-Year	0.64%	0.64%
6-Year	0.67%	0.67%
7-Year	0.69%	0.69%
8-Year	0.75%	0.75%
9-Year	0.76%	0.76%
10-Year	0.77%	0.77%
11-Year	0.74%	0.74%
12-Year	0.72%	0.72%
13-Year	0.72%	0.72%
14-Year	0.66%	0.66%
15-Year	0.64%	0.64%
16-Year	0.65%	0.65%
17-Year	0.60%	0.60%
18-Year	0.59%	0.59%
19-Year	0.59%	0.59%
20-Year	0.61%	0.61%
21-Year	0.64%	0.64%
22-Year	0.68%	0.68%
23-Year	0.68%	0.68%
24-Year	0.71%	0.71%
25-Year	0.75%	0.75%
26-Year	0.76%	0.76%
27-Year	0.77%	0.77%
28-Year	0.78%	0.78%
29-Year	0.80%	0.80%
30-Year	0.81%	0.81%

Source: Bloomberg, PFM Research

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U.S. Treasury & BVAL Rate Movement



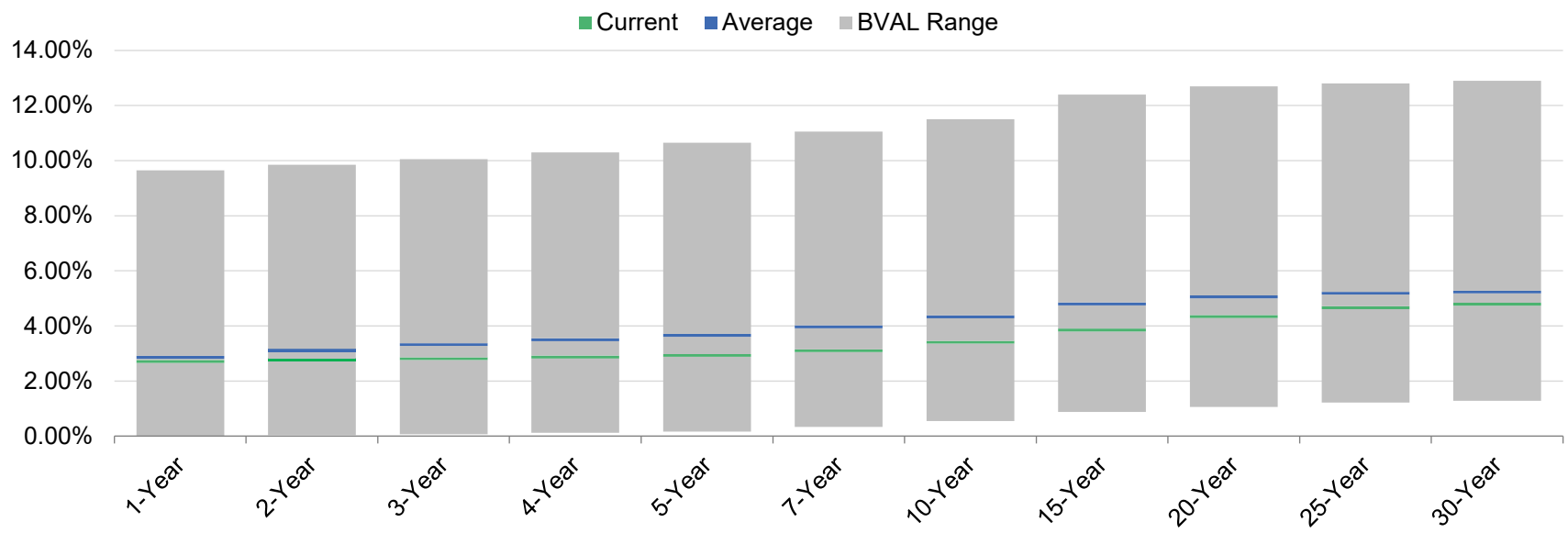


Source: Bloomberg, PFM Research

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Tax-Exempt Rate Position Since Inception

Tax-Exempt Rate Position
(June 8, 1981, Inception to October 27, 2026)



Summary of October 27, 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
October 27, 2026	2.76%	2.81%	2.86%	2.92%	2.98%	3.15%	3.46%	3.90%	4.39%	4.71%	4.84%
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	-0.05%	-0.26%	-0.41%	-0.53%	-0.63%	-0.77%	-0.82%	-0.85%	-0.62%	-0.43%	-0.34%
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	49.47%	46.62%	46.23%	45.56%	44.42%	41.78%	40.37%	39.84%	45.51%	48.19%	49.50%

Source: Bloomberg, PFM Research

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Interest Rate Forecasts

- Market participants are largely still expecting a rate hike in Q4.

The Street's Interest Rate Forecast (As of October 26, 2026)										
Average Forecasts	**Current**	**Q4 26**	**Q4 Δ vs. Current**	**Q1 27**	**Q2 27**	**Q3 27**	**Q4 27**	**Q1 28**	**Q2 28**	**Q3 28**
30-Year UST	5.49%	5.28%	-0.21%	5.21%	5.16%	5.09%	5.04%	4.97%	4.94%	4.89%
10-Year UST	5.15%	4.90%	-0.25%	4.81%	4.72%	4.66%	4.60%	4.52%	4.47%	4.40%
2-Year UST	4.77%	4.51%	-0.26%	4.40%	4.29%	4.20%	4.09%	3.99%	3.91%	3.83%
3M Term SOFR	4.08%	4.13%	0.05%	4.15%	4.12%	4.04%	3.99%	3.83%	3.75%	3.68%
Fed Funds Target Rate (Lower)	3.75%	3.98%	0.23%	4.01%	3.97%	3.88%	3.80%	3.57%	3.47%	3.40%
Fed Funds Δ Since October FC Meeting	*0.00%*	*0.02%*		*0.02%*	*0.01%*	*0.01%*	*0.00%*	*0.01%*	*0.00%*	*0.00%*

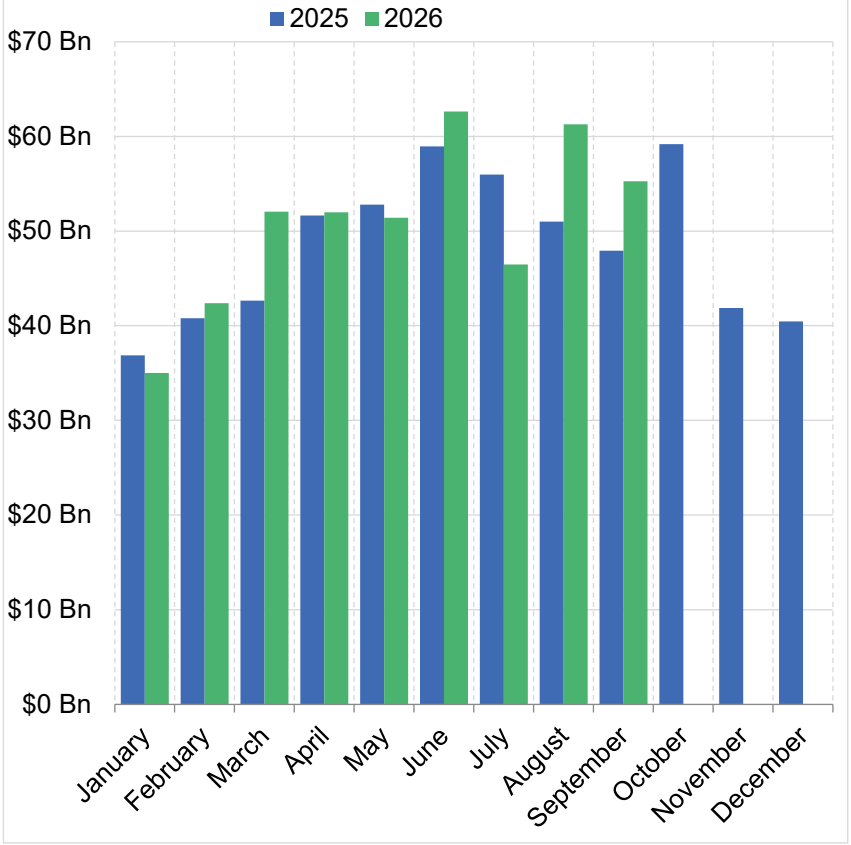
Source: Bloomberg

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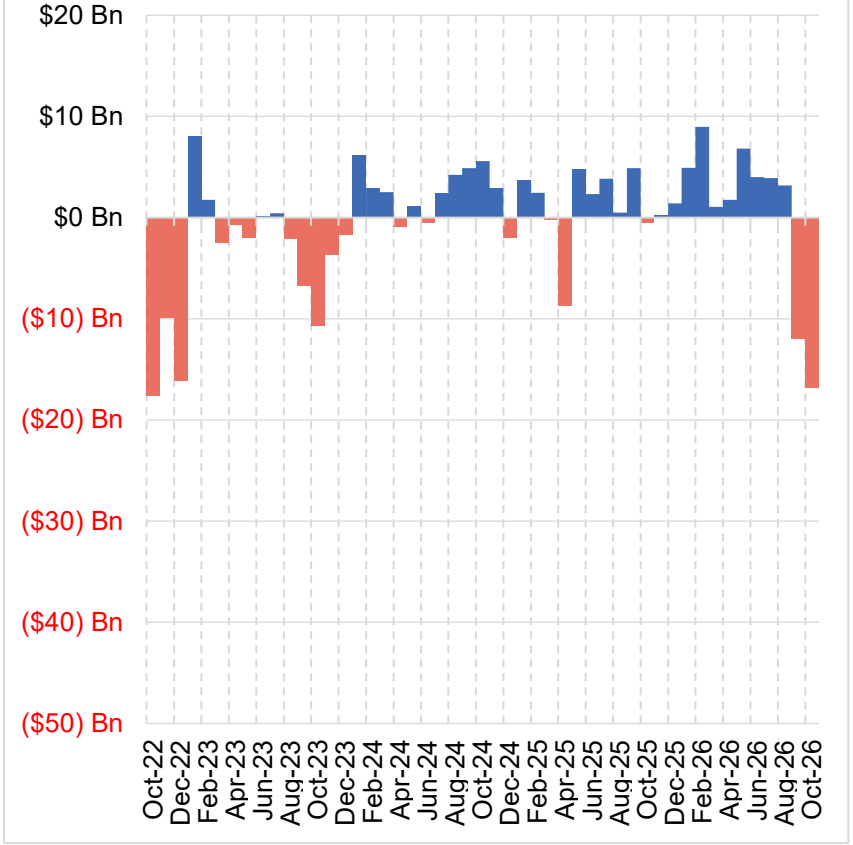
Municipal Market Supply & Demand

- Municipal funds experienced net outflows in October. New issuance volume was up 15.31% year-over-year in September, and year-to-date new issuance volume was 4.54% higher than 2025 issuance through September.

Overall Municipal Market Volume (Supply)



Municipal Fund Flows (Demand)

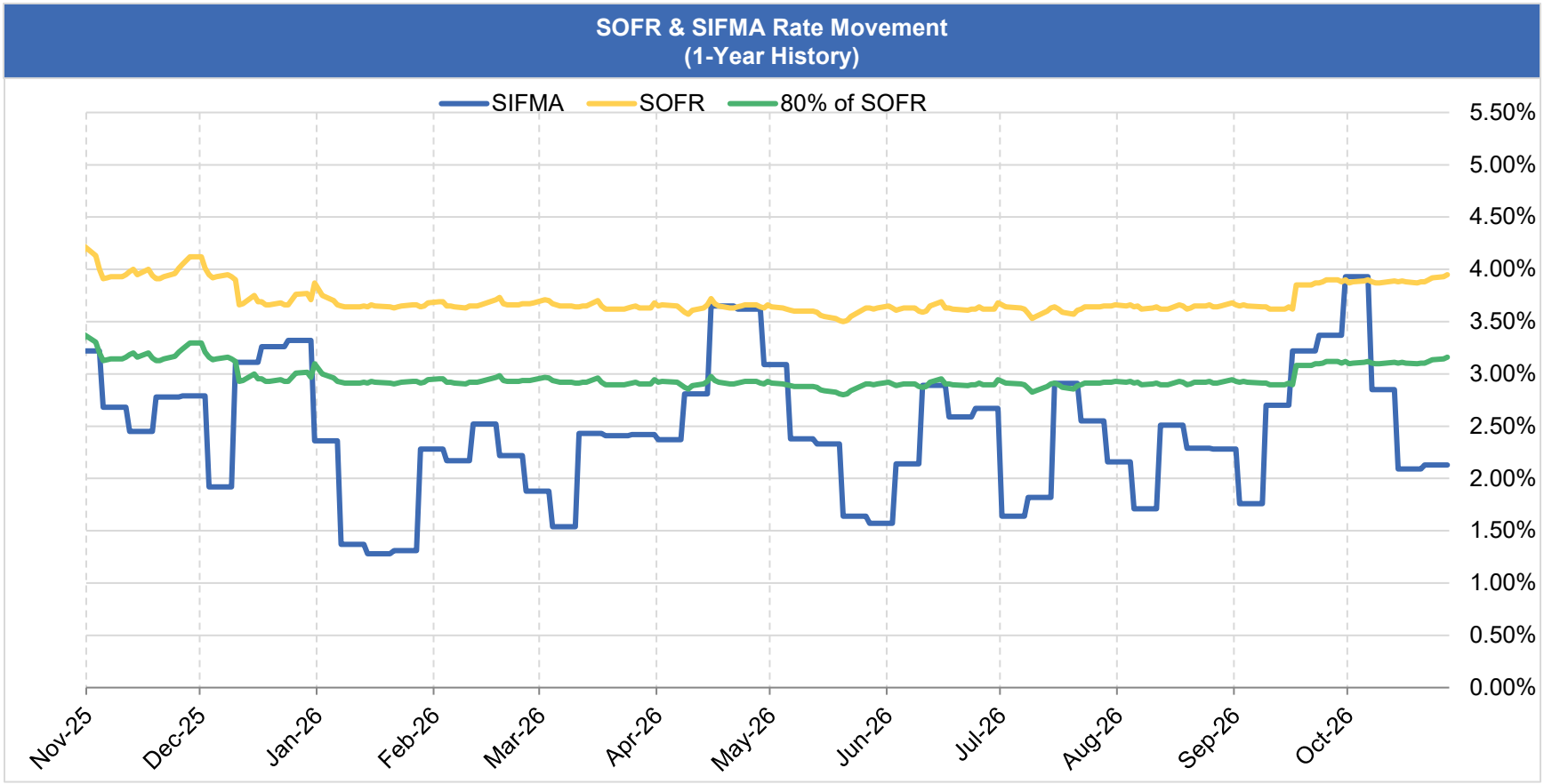


Source: Bond Buyer, Investment Company Institute

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SOFR & SIFMA Rate Movement

- SIFMA fluctuated in October within 2.09% and 3.93%. SOFR has held relatively steady within 3.87% and 3.95% throughout October.



Source: Bloomberg, PFM Research

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Magnolia – October Variable-Rate Resets

Magnolia Power Project A, Refunding Revenue Bonds, 2020-3					
Variable Rate Daily Resets – October 2026					
10/01/2026	2.23% – 170 bps vs. SIFMA Approximate Net Cost 1.431%	10/09/2026	1.10% – 175 bps vs. SIFMA Approximate Net Cost 1.381%	10/20/2026	0.60% – 149 bps vs. SIFMA Approximate Net Cost 1.641%
10/02/2026	1.73% – 220 bps vs. SIFMA Approximate Net Cost 0.931%	10/13/2026	0.50% – 235 bps vs. SIFMA Approximate Net Cost 0.781%	10/21/2026	0.80% – 133 bps vs. SIFMA Approximate Net Cost 1.801%
10/05/2026	1.45% – 248 bps vs. SIFMA Approximate Net Cost 0.651%	10/14/2026	0.20% – 189 bps vs. SIFMA Approximate Net Cost 1.241%	10/22/2026	1.10% – 103 bps vs. SIFMA Approximate Net Cost 2.101%
10/06/2026	1.45% – 248 bps vs. SIFMA Approximate Net Cost 0.651%	10/15/2026	0.60% – 149 bps vs. SIFMA Approximate Net Cost 1.641%	10/23/2026	1.65% – 48 bps vs. SIFMA Approximate Net Cost 2.651%
10/07/2026	1.85% – 100 bps vs. SIFMA Approximate Net Cost 2.131%	10/16/2026	0.45% – 164 bps vs. SIFMA Approximate Net Cost 1.491%	10/26/2026	1.05% – 108 bps vs. SIFMA Approximate Net Cost 2.051%
10/08/2026	1.40% – 145 bps vs. SIFMA Approximate Net Cost 1.681%	10/19/2026	0.55% – 154 bps vs. SIFMA Approximate Net Cost 1.591%	10/27/2026	1.70% – 43 bps vs. SIFMA Approximate Net Cost 2.701%

Source: EMMA, PFM/SCPPA

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Linden – October Variable-Rate Resets

Linden Wind Energy Project, Refunding Revenue Bonds, 2024 Series A						
Variable Rate Daily Resets – October 2026						
10/01/2026	2.25% – 168 bps vs. SIFMA	10/09/2026	1.15% – 170 bps vs. SIFMA	10/20/2026	0.60% – 149 bps vs. SIFMA	
10/02/2026	1.80% – 213 bps vs. SIFMA	10/13/2026	0.50% – 235 bps vs. SIFMA	10/21/2026	0.65% – 148 bps vs. SIFMA	
10/05/2026	1.40% – 253 bps vs. SIFMA	10/14/2026	0.35% – 174 bps vs. SIFMA	10/22/2026	1.10% – 103 bps vs. SIFMA	
10/06/2026	1.40% – 253 bps vs. SIFMA	10/15/2026	0.65% – 144 bps vs. SIFMA	10/23/2026	1.65% – 48 bps vs. SIFMA	
10/07/2026	1.85% – 100 bps vs. SIFMA	10/16/2026	0.45% – 164 bps vs. SIFMA	10/26/2026	1.05% – 108 bps vs. SIFMA	
10/08/2026	1.40% – 145 bps vs. SIFMA	10/19/2026	0.55% – 154 bps vs. SIFMA	10/27/2026	1.70% – 43 bps vs. SIFMA	

Source: EMMA, PFM/SCPPA

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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
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%
09/10/2026	2.34%	-36 bps	-19 bps	2.92%
09/17/2026	2.89%	-33 bps	20 bps	3.31%
09/24/2026	2.98%	-39 bps	26 bps	3.37%
10/01/2026	3.55%	-38 bps	82 bps	3.93%
10/08/2026	2.44%	-41 bps	-28 bps	2.83%
10/15/2026	1.68%	-41 bps	-104 bps	2.07%
10/22/2026	1.72%	-41 bps	-100 bps	2.11%

Source: EMMA, PFM/SCPPA

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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.	$1,407,144.85
MG	Series 2009	3.1250%	SIFMA Swap Index	7/1/2036	$110,888,878	The Bank of New York Mellon	$1,142,247.66
MG	-	SIFMA Swap Index	80.4% of USD SOFR + 0.21033%	7/1/2036	$100,000,000	Barclays Bank PLC	$1,594,859.79
MG	-	SIFMA Swap Index	81.0% of 3-Month Fallback SOFR*	7/1/2036	$100,000,000	Royal Bank of Canada	$1,773,061.25
GP	Series 2007B	5.0475%	67% of 3 Month CME Term SOFR + 1.64528%	11/1/2035	$36,000,000	J. Aron & Company	($1,438,531.95)
CY	Series 2022B	3.1100%	70% of SOFR	7/1/2036	$72,415,000	Goldman Sachs Bank USA	$599,187.62

Source: PFM SwapViewer
As of 10/27/2026
** Receipts were originally indexed to 3-Month LIBOR, calculated using 3-Month Fallback Rate (SOFR) effective 7/1/2023*

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8. Unsolicited Proposals

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Summary of Unsolicited Proposals Received

- October 2, 2026, Loop Capital:
  - 2027 STS Renewal Project Update
  - Municipal Market Update

- October 8, 2026, TD Financial Products:
  - Team & Credentials
  - Market Update and Investor Analysis
  - Debt Profile with Refunding Analyses: Canyon 2020B, Magnolia 2003-1

- October 26, 2026, RBC Capital Markets:
  - STS Renewal
  - Basis Swap Considerations
  - Energy Prepay Update
  - Market Update

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