

AGENDA
ORANGE COUNTY POWER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS
Monday, October 19, 2026
2:00 p.m.

This meeting will proceed as an in-person meeting at **15310 Barranca Parkway, Suite 250, Irvine, CA 92618**. In addition, as a convenience to the public, the Orange County Power Authority is also providing an option for members of the public to remotely view and participate in the meeting. Further details are below. Please note that, in the event of a technical issue causing a disruption in the remote participation option, the meeting may continue unless otherwise required by law.

Public Comments: Any member of the public may provide comments to the Orange County Power Authority Board of Directors on any agenda item by requesting to speak during Item 4, or on any matter not appearing on the agenda but within the jurisdiction of the Board by requesting to speak during Item 5. When providing comments to the Board, it is requested that you provide your name and city of residence for the record. Commenters are requested to address their comments to the Board as a whole through the Chair. Comments may be provided in the following manner:

Request to Speak: To provide comments during the meeting, in-person attendees, please fill out the public speaker slip and provide it to the clerk at the beginning of the meeting. Before Items 4 and 5, the Chair or Clerk will ask members of the public to join the queue to provide public comment. The queue will remain open for a reasonable amount of time to allow members of the public sufficient time to request to speak and inform the Board of the number of speakers. After such time, the queue will be closed and the members of the public who have joined the queue to speak will be recognized at the appropriate time may speak. To join the queue on Zoom video conference by computer or mobile phone, use the "Raise Hand" feature. If joining the meeting using the Zoom dial-in number, you can raise your hand and join the queue by pressing *9. Members of the public will not be shown on video but will be able to speak when called upon.

Comments shall generally be limited to three minutes when speaking, provided that the Chair may equally reduce each speaker's time to accommodate a large number of speakers or a large number of agenda items.

Written Communications: If you have a written communication that you wish to be distributed to the Board, please provide it via e-mail to comments@ocpower.org. Written communications are public records and, if received by 5:00 p.m. on the day prior to the meeting, will be distributed to the Board prior to the meeting by either e-mail or hard-copy, posted on the Authority's website and noted, but not read, at the meeting. Communications received after the 5:00 p.m. deadline will be retained in the Authority's records.

The public may participate using the following remote options:

ZOOM WEBINAR

Please click the link below to join the webinar:

[Launch Meeting - Zoom](#)

Dial-in: 1-669-900-6833

Webinar ID: 831 0591 6952

1. **CALL TO ORDER**

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL**

4. **PUBLIC COMMENTS ON AGENDA ITEMS**

Opportunity for members of the public to address the Board on any items on the agenda.

5. **PUBLIC COMMENTS ON NON-AGENDA ITEMS**

Opportunity for members of the public to address the Board on any items not on the agenda but within the jurisdiction of the Board.

6. **DIRECTOR ANNOUNCEMENTS & REPORTS ON CONFERENCES/EVENTS ATTENDED**

Board Members may briefly provide information to other members of the Board and the public, ask questions of staff, or report on conferences, events, or activities related to Authority business. There is to be no discussion or action taken on comments made by Board Members unless authorized by law.

7. **PRESENTATIONS**

1. 2025 BRIGHT FUTURES GRANT RECIPIENT PROJECTS

Staff will present last year's awardees, and recipients will present their projects.

2. BRIGHT FUTURES GRANT & 2026 RECIPIENTS

Staff will present the awardees and their projects for the 2026 Bright Futures Grant.

3. CALIFORNIA COMMUNITY CHOICE ASSOCIATION (CalCCA)

Presentation from CalCCA's Chief Executive Officer Beth Vaughan

8. **CONSENT CALENDAR**

All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Board of Directors, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Board of Directors request specific items be removed from the Consent Calendar.

1. MINUTES FOR THE REGULAR BOARD MEETING OF SEPTEMBER 14, 2026

Recommended Action:

Approve as submitted.

2. COMMUNITY ADVISORY COMMITTEE (CAC) MEETING UPDATE OCTOBER 2026

Recommended Action:

Receive and file.

3. LEGISLATIVE AND REGULATORY UPDATE

Recommended Action:

Receive and file.

4. 2026-27 STRATEGIC PLAN QUARTERLY UPDATE

Recommended Action:

Receive and file.

5. RISK OVERSIGHT COMMITTEE MEETING UPDATE

Recommended Action:

Receive and file.

6. TREASURER'S REPORT – FISCAL YEAR ENDED JUNE 30, 2026 AND Q2 2026 CHECK REGISTER

Recommended Action:

Receive and file.

7. APPROVE AMENDED ENERGY RISK MANAGEMENT POLICY

Recommended Action:

Approve amendments to Policy 011, Energy Risk Management Policy (ERMP), to:

1. Restore product-specific volumetric and notional value limits and clarify the Chief Executive Officer's (CEO) delegated procurement authority, including a uniform three-year maximum delivery tenor and a five-year forward procurement window.
2. Increase the prompt-month energy open-position threshold from 10% to 20% of forecast load. Exceeding this threshold triggers a market solicitation and a commercial decision about closing the position.
3. Update Section 1.1 to reflect OCPA's current member cities.

8. PUBLIC OUTREACH UPDATE FOR AUGUST- SEPTEMBER 2026

Recommended Action:

Receive and file.

9. REGULAR CALENDAR

The following items call for discussion or action by the Board of Directors. The Board may discuss and/or take action on any item listed below if the Board is so inclined.

1. CONSIDER AMENDED AND RESTATED JOINT POWERS AGREEMENT

Recommended Action:

1. Review the proposed Amended and Restated Joint Powers Agreement.
2. Direct staff to provide Member Agencies with the proposed Amended and Restated Joint Powers Agreement, proposed Bylaws with conforming changes, and notice of the proposed Joint Powers Agreement and Bylaws amendments in accordance with Section 3.9.4.3 of the Joint Powers Agreement.
3. Direct staff to place the Amended and Restated Joint Powers Agreement and Bylaws on a future agenda for final consideration and adoption.

10. STAFF REPORT

Staff may briefly provide information to the Board and the public. The Board may engage in discussion if the specific subject matter of the report is identified, but the Board may not take any action. There is to be no other discussion or action taken unless authorized by law.

11. **ADJOURNMENT**

Compliance with the Americans with Disabilities Act

Board of Directors meetings comply with the protections and prohibitions of the Americans with Disabilities Act. Individuals with a disability who require a modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting may contact 949-263-2612. Requests for disability-related modifications or accommodations require different lead times and should be provided at least 72-hours in advance of the public meeting.

Availability of Board Documents

Copies of the agenda and agenda packet are available at www.ocpower.org. Late-arriving documents related to a Board meeting item which are distributed to a majority of the Board prior to or during the Board meeting are available for public review as required by law. Public records, including agenda-related documents, can be requested electronically at clerk@ocpower.org or by mail to 15642 Sand Canyon Avenue, P.O. Box 54283, Irvine, CA 92619-4283. The documents may also be posted at the above website. Such public records are also available for inspection, by appointment, at 15310 Barranca Parkway, Suite 250, Irvine, CA 92618. Please contact clerk@ocpower.org to arrange an appointment.



**MINUTES
REGULAR MEETING
BOARD OF DIRECTORS
ORANGE COUNTY POWER AUTHORITY**

Monday, September 14, 2026

1. CALL TO ORDER

Chair Sonne called to order the Regular Meeting of the Orange County Power Authority Board of Directors at 2:01 p.m. on Monday, September 14, 2026.

2. PLEDGE OF ALLEGIANCE

Director Jung led the Pledge of Allegiance.

3. ROLL CALL

Present:	Director Glenn Grandis	City of Fountain Valley
	Director Fred Jung	City of Fullerton
	Director Kathleen Treseder	City of Irvine
	Vice Chair James Mai	City of Irvine
	Chair Susan Sonne	City of Buena Park

Absent: None.

4. PUBLIC COMMENTS ON AGENDA ITEMS

Vicki Johnson, City of Laguna Woods resident, commented on Agenda Item 9.2, OCPA's Annual Power Source Disclosure Attestation for Reporting Year 2025. Michelle Johnson, via Zoom, commented on Agenda Item 8.1, Minutes for the Regular Board Meeting of July 13, 2026; Agenda Item 9.5, Approval of \$60,000,000 Revolving Credit Facility with JPMorgan Chase Bank; and Agenda Item 10.1, Increase in Monthly Limit on Compensable Director Meetings and Activities from Six to Eight.

5. PUBLIC COMMENTS ON NON-AGENDA ITEMS

Vicki Johnson, City of Laguna Woods resident, made comments on a Laguna Beach council meeting, the Joint Powers Agreement, and Director meetings.

6. DIRECTOR ANNOUNCEMENTS

Chair Sonne asked to bring back the agenda item regarding amending the Joint Powers Agreement, stating the number of board members would decrease in January. Director Grandis agreed.

7. CLOSED SESSION

Recess to Closed Session

At 2:16 p.m., Chair Sonne recessed the Board of Directors to closed session to discuss Item No. 7.1 and Item No. 7.2. The following were present: Directors Grandis, Jung, Treseder, Mai, and Sonne. Also present was General Counsel Nicholas Norvell.

1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code § 54957

Title: Chief Executive Officer

2. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code § 54957.6

Agency designated representatives: Susan Sonne, Board Chair; Nicholas Norvell, General Counsel

Unrepresented employee: Chief Executive Officer

Reconvene

At 2:47 p.m., Chair Sonne reconvened the regular meeting of the Orange County Power Authority Board of Directors with the following present: Directors Grandis, Jung, Treseder, Mai, and Sonne.

General Counsel Norvell reported that there was no reportable action from the closed session.

8. CONSENT CALENDAR

Moved by Director Jung, seconded by Director Grandis to:
Approve consent calendar 7.1-7.7

The motion carried unanimously by the following 5-0-0 vote:

Ayes: Director Grandis, Director Jung, Director Treseder, Vice Chair Mai,
Chair Sonne

Noes: None

1. MINUTES FOR THE REGULAR BOARD MEETING OF JULY 13, 2026

Recommended Action:

Approve as submitted.

2. COMMUNITY ADVISORY COMMITTEE (CAC) MEETING UPDATE AUGUST 2026

Recommended Action:

Receive and file.

3. LEGISLATIVE AND REGULATORY UPDATE

Recommended Action:

Receive and file.

4. 2026-27 STRATEGIC PLAN MONTHLY UPDATE

Recommended Action:

Receive and file.

5. PUBLIC RECORDS ACT QUARTERLY REPORT

Recommended Action:

Receive and file.

6. 2026 JOINT RATE COMPARISON MAILER

Recommended Action:

Receive and file.

7. APPROVAL OF AMENDED SDRMA HEALTH BENEFITS MEMORANDUM OF UNDERSTANDING AND RESOLUTION

Recommended Action:

Adopt the Resolution approving the Amended SDRMA Health Benefits Memorandum of Understanding, authorizing its execution, and approving OCPA's continued participation in the SDRMA Health Benefits Program.

9. REGULAR CALENDAR

1. APPROVE RESOURCE MANAGEMENT AGREEMENT WITH THE ENERGY AUTHORITY, INC.

Director of Power Resources Louis Ting presented the Resource Management Agreement with The Energy Authority (TEA). Ting gave a brief description of what the agreement would consist of; Scheduling Coordinator and Congestion Revenue Rights. He noted that TEA has been the Scheduling Coordinator for OCPA since 2021, when they were awarded a five-year term.

Administrative Services Manager Saul Viramontes presented how the RFP solicitation took place and that four bids were submitted.

Energy Contracts & Compliance Analyst Lena Garvey stated that she was on the evaluation panel and described how the evaluation took place and the evaluation criteria, which excluded costs.

Power Portfolio Manager Bernard Nainggola presented how the panelists scored each individual bid and the summaries that resulted in TEA receiving the final offer.

Jacqueline Harr, Director of Account Services with The Energy Authority, gave a history of TEA and how they were formed. She also presented how TEA was organized and the services provided.

Moved by Director Jung, seconded by Director Treseder to: Approve the Resource Management Agreement with The Energy Authority, Inc. for scheduling coordinator services, congestion revenue rights management, and optional energy hedging advisory services and authorize the CEO to execute a one-year Agreement, effective October 1, 2026, through September 30, 2027, including the option for the CEO to extend the Agreement for four additional one-year terms, subject to satisfactory performance.

The motion carried unanimously by the following 5-0-0 vote:

Ayes: Director Grandis, Director Jung, Director Treseder,
Vice Chair Mai, Chair Sonne
Noes: None

2. OCPA'S ANNUAL POWER SOURCE DISCLOSURE ATTESTATION FOR REPORTING YEAR 2025

Director of Power Resources Louis Ting presented OCPA's Annual Power Source Disclosure Attestation. He stated this was OCPA's report card for 2025. The Power Source Disclosure program is administered by the California Energy Commission (CEC) and certified on an annual basis. Ting broke down what OCPA's obligation is as a load-serving entity (LSE). He stated that the Power Source Disclosure form is what is used to create the Power Content Label that is mailed to OCPA customers in October.

Ting showed the 2025 Power Source Disclosure that OCPA would send to the CEC if approved. This form showed the breakdown of power usage across the three tiers OCPA offers.

Moved by Director Jung, seconded by Director Treseder to: Endorse the accuracy of information presented in OCPA's 2025 Power Source Disclosure report for Basic Choice, Smart Choice, and 100% Renewable Choice service.

The motion carried unanimously by the following 5-0-0 vote:

Ayes: Director Grandis, Director Jung, Director Treseder,
Vice Chair Mai, Chair Sonne
Noes: None

3. CUSTOMER PROGRAM PERFORMANCE OVERVIEW

Energy Programs Manager Pranesh Venugopal presented the customer program performance overview. He stated the importance of providing these programs and the impact they have. Venugopal stated that OCPA has had over 4,400 participants across their portfolio, provided more than \$650,000 in direct customer incentives and benefits, and invested more than \$1,000,000 overall. Venugopal gave stats on a previous program, the Renter Energy Efficiency Program. He noted the challenges and lessons learned.

Energy Programs Analyst Nataly Morales Sandoval presented the overview and stats on various programs: Residential Battery Rebate; Charge@Home; Energy Efficiency Kit; E-Bike Safety & Incentive Pilot; Residential Incentive Finder; OCPA Residential Marketplace.

Action Taken:

Received and filed.

4. ESTABLISHMENT OF SMALL BUSINESS PROGRAM AND MEMORANDUM OF UNDERSTANDING WITH LOS ANGELES COUNTY INTERNAL SERVICES DEPARTMENT FOR SMALL BUSINESS PROGRAM SUPPORT

Energy Programs Manager Pranesh Venugopal presented the Small Business Program agenda item. Venugopal gave a brief background on the program and their partnership with SoCalREN. He showed the program design, energy-saving opportunities, incentive structure, financial resources

and assistance, implementation and procurement, and program goals. Venugopal gave an implementation timeline and a total budget for the program.

Board members engaged in conversations with OCPA staff and Aubrey Bragg of LA County Internal Services Division about their partnership and involvement.

Moved by Director Jung, seconded by Director Treseder to: Approve the OCPA Small Business Program, including use of \$45,000 in customer incentive funding allocated in the approved FY 2026-27 Programs budget; Authorize the Chief Executive Officer to execute the Memorandum of Understanding (MoU) with the County of Los Angeles, through its Internal Services Department, for Southern California Regional Energy Network (SoCalREN) support for the Small Business Program, substantially in the form attached hereto, with such modifications as may be approved by the Chief Executive Officer and approved as to form by General Counsel; and Authorize the Chief Executive Officer, or designee, to negotiate, execute, and administer such agreements, forms, certifications, and other documents as may be necessary or appropriate to implement and administer the Small Business Program, including agreements with participating customers, contractors, and vendors, subject to approved program budgets and applicable OCPA procurement requirements, with all such agreements and documents to be approved as to form by General Counsel, as applicable.

The motion carried unanimously by the following 5-0-0 vote:

Ayes:	Director Grandis, Director Jung, Director Treseder, Vice Chair Mai, Chair Sonne
Noes:	None

5. APPROVAL OF \$60,000,000 REVOLVING CREDIT FACILITY WITH JPMORGAN CHASE BANK, N.A.

Chief Financial Officer Tiffany Law presented the Revolving Credit Facility with JPMorgan. Law gave the background on the current revolving line of credit with U.S. Bank, how OCPA started with U.S. Bank, and the expiration date. She stated that in June, OCPA began the RFP process of securing a new credit facility, receiving five bids from financial institutions. After the RFP process, JPMorgan completed its internal credit approval process for OCPA's proposed facility.

Mike Berwanger with PFM Financial Advisors, presented the JPMorgan facility and the key terms.

Board members asked clarifying questions as to the reason and importance of the revolving credit facility. OCPA staff answered all questions.

Moved by Director Jung, seconded by Director Treseder to: Adopt a Resolution authorizing the Chief Executive Officer to execute a new Revolving Credit Agreement, Fee Agreement, and ancillary closing documents necessary to implement a \$60,000,000 revolving credit facility with JPMorgan Chase Bank, N.A. (JPMorgan), substantially in the forms presented to the Board, and to approve non-material changes thereto in consultation with General Counsel.

The motion carried unanimously by the following 5-0-0 vote:

Ayes:	Director Grandis, Director Jung, Director Treseder, Vice Chair Mai, Chair Sonne
Noes:	None

6. APPROVAL OF OCPA'S CLEAN ENERGY ACCESS (CEA) TARIFF AND RATES

Chief Financial Officer Tiffany Law presented the Clean Energy Access (CEA) Tariff and Rates item. She introduced Hongyan Sheng to give an overview.

Finance and Risk Manager Hongyan Sheng gave an overview of the CEA program. The program would meet the requirements of the CPUC's Disadvantaged Communities Green Tariff (DAC-GT) Program. She noted that enrollment and service would begin September 15th. Sheng described implementation and funding for the program. The funding would be covered through the Public Purpose Program grant.

Board members engaged in conversations about the number of customers that would be eligible. Staff ensured that OCPA is not limiting eligibility, but that it is based on CalEnviroScreen used by the CPUC.

Moved by Chair Sonne, seconded by Director Jung to: Approve OCPA's Clean Energy Access (CEA) Tariff and Rates, substantially in the forms attached, effective September 15, 2026; and Authorize the Chief Executive Officer, or designee, to make administrative updates to the CEA Rates resulting from changes to Southern California Edison (SCE) rates or

charges, as necessary to maintain the required 20% discount on participating customers' total electric bills, without further Board approval. This delegated authority does not extend to establishing or changing OCPA generation rates, which will remain subject to Board approval.

The motion carried unanimously by the following 5-0-0 vote:

Ayes: Director Grandis, Director Jung, Director Treseder,
Vice Chair Mai, Chair Sonne
Noes: None

10. BOARD MEMBER INITIATED ITEMS

1. INCREASE IN MONTHLY LIMIT ON COMPENSABLE DIRECTOR MEETINGS AND ACTIVITIES FROM SIX TO EIGHT (Director Jung)

Director Fred Jung of Fullerton presented the item to increase the monthly limit on compensable meetings and activities. The current Board Policy No. 5 has a limit of six(6) compensable meetings, and to anticipate any future issues, Director Jung requested that a change be made now.

Director Grandis noted that he donates his compensation.

Moved by Director Jung, seconded by Chair Sonne to: Approve an amendment to Policy No. 5 to increase the maximum number of meetings and activities for which Directors may receive compensation from six to eight per month, and direct the Chief Executive Officer and General Counsel to implement the amendment.

The motion passed by the following 4-1-0 vote:

Ayes: Director Jung, Director Treseder, Vice Chair Mai, Chair Sonne
Noes: Director Grandis

11. STAFF REPORT

CEO Joe Mosca provided his report in the full agenda packet. Mosca introduced and welcomed Cody Mendoza, External Affairs Manager, and Nika Ambal, Regulatory & Legislative Intern.

12. ADJOURNMENT

With no further business to come before the Board, Vice Chair Mai adjourned the September 14, 2026, Orange County Power Authority Board of Directors Regular meeting at 4:17 p.m.

Chair Sonne noted that the next Orange County Power Authority Board of Directors Regular meeting will be held on Monday, October 19, 2026, at 2:00 p.m.

Submitted by:

Rogelio Palacios, Board Secretary

DRAFT

ORANGE COUNTY POWER AUTHORITY

Staff Report – Item 8.2

To: Orange County Power Authority Board of Directors

From: Linda Kraemer, Community Engagement Manager
Michelle Nguyen, External Affairs Manager
Cody Mendoza, External Affairs Manager

Approved by: Joe Mosca, Chief Executive Officer

Subject: COMMUNITY ADVISORY COMMITTEE (CAC) MEETING UPDATE
OCTOBER 2026

Date: October 19, 2026

STRATEGIC GOALS

- ☒ Enrich & Grow the OCPA Community
- ☐ Prioritize Fiscal Sustainability & Affordability
- ☐ Design & Deploy Community-Aligned Customer Programs
- ☐ Energize Our Community with Renewable Energy Sources
- ☒ Raise Awareness of Community Energy & Advocate for Our Customers
- ☐ Not Applicable

RECOMMENDED ACTION(S)

Receive and file.

BACKGROUND

The Orange County Power Authority (OCPA) Community Advisory Committee is composed of community members from OCPA member cities. The Committee meets monthly to discuss organizationally relevant topics with the purpose of advising the OCPA Board of Directors on agency outreach, engagement, and community programs. This report will provide details on the most recent topics of discussion and feedback from the Committee.

DISCUSSION / ANALYSIS

The CAC regular meeting on October 5, 2026, included the following presentations and updates:

CalCCA Presentation on CCAs in California

OCPA staff introduced Jackson McDonough, Senior Manager of Communications, Marketing and Digital Solutions with the California Community Choice Association (CalCCA), who provided an update on CalCCA and its mission of supporting the development and long-term sustainability of locally run CCAs in California and beyond. Mr. McDonough shared detailed information on the three pillars of CalCCA's work, which include policy, communication, and membership. The presentation followed a prior CalCCA presentation provided to the CAC and included an opportunity for Committee members to ask questions.

During this presentation, the CAC asked about legislative wins that were signed into law by Governor Newsom and association concerns/priorities around data centers.

OCPA's Annual Power Source Disclosure Attestation for Reporting Year 2025

OCPA staff presented OCPA's Annual Power Source Disclosure Attestation for Reporting Year 2025. The presentation reviewed OCPA's annual California Energy Commission Power Source Disclosure requirements and the energy resources used to serve OCPA customers during 2025. Staff also reviewed the renewable and carbon-free energy content of OCPA's Basic Choice, Smart Choice, and 100% Renewable Choice service offerings. Staff highlighted that every year that OCPA has been in operation, the amount of renewable energy procured has increased.

During this presentation, the CAC commended OCPA on the significant increase in renewable content that was procured on behalf of customers. Members inquired on behalf of neighbors who have expressed concerns over higher bills during the summer; OCPA staff shared that with the extreme heat, electrical use has been high and that Southern California Edison's transmission rates have also increased.

Public Engagement for October 2026 and November 2026

Staff provided an update on upcoming OCPA community engagement activities for October and November 2026. Planned activities include the Irvine Global Village Festival, OCPA Office Hours in Fountain Valley, the Sustain SoCal Energy Event in Irvine, Costa Mesa Green Connections, and the Fullerton Arboretum BuildSMART Trailer Visit. Staff encouraged CAC members to participate in these events and help share information about OCPA with residents, businesses, and community

stakeholders. CAC members were encouraged to consider volunteering at these events to share information about OCPA in the community.

During this presentation, the CAC asked for more information on the Sustain SoCal event. The CAC also asked for additional details on how the Fountain Valley office hours are being advertised and recommended that staff share a public comment during upcoming council meetings to advise of upcoming office hours.

Updates from Staff

OCPA Staff provided updates on communications, community engagement, and outreach activities during September 2026. Staff highlighted ongoing communications through OCPA's newsroom and social media channels, as well as participation in the League of California Cities Annual Conference, where OCPA connected with elected officials, city staff, and prospective partners regarding affordability, local reinvestment, and clean energy.

Staff also highlighted OCPA's participation in National Hispanic Heritage Month events, including Fiesta Latina in Irvine and the El Grito Ceremony hosted by the Office of County Supervisor Vincent Sarmiento. OCPA staff also participated in a Day of Service with Second Harvest Food Bank of Orange County and engaged with students at the Concordia University Career Fair to promote internship opportunities, the Home Energy Audit Training Program, and green economy career pathways.

Staff provided an update on the launch of monthly OCPA Office Hours at the Fountain Valley Senior Center ahead of OCPA's service launch in the city. Staff also highlighted the launch of OCPA's new Clean Energy Access Program webpage, which provides information about the green tariff program administered by OCPA on behalf of the California Public Utilities Commission.

Finally, staff highlighted recent community engagement activities, including the Hope Can't Wait luncheon in Fullerton, the Irvine Policy Pitch Olympiad, and the Go Green and Health Expo hosted by the Filipino American Chamber of Commerce of Orange County. These engagements provided opportunities to connect with residents, students, community organizations, and business leaders while sharing information about OCPA programs, energy efficiency, sustainability, and workforce development.

FISCAL IMPACT

None.

ATTACHMENT(S)

None.

ORANGE COUNTY POWER AUTHORITY

Staff Report – Item 8.3

To: Orange County Power Authority Board of Directors
From: Frank Harris, Regulatory and Legislative Manager
Matt Chill, Regulatory Analyst
Approved by: Joe Mosca, Chief Executive Officer
Subject: LEGISLATIVE AND REGULATORY UPDATE
Date: October 19, 2026

STRATEGIC GOALS

- ☐ Enrich & Grow the OCPA Community
- ☐ Prioritize Fiscal Sustainability & Affordability
- ☐ Design & Deploy Community-Aligned Customer Programs
- ☐ Energize Our Community with Renewable Energy Sources
- ☒ Raise Awareness of Community Energy & Advocate for Our Customers
- ☐ Not Applicable

RECOMMENDED ACTION(S)

Receive and file.

BACKGROUND

Orange County Power Authority (OCPA) staff track and analyze bills in the California Legislature and in the United States Congress. OCPA actively advocates on behalf of our customers and contributes to CalCCA's legislative affairs efforts.

OCPA staff actively participate in several proceedings at the California Public Utilities Commission (CPUC), the California Energy Commission (CEC), the California Air Resources Board (CARB), the California Independent System Operator (CAISO), and the Federal Energy Regulatory Commission (FERC). This report includes a summary of high-priority proceedings.

DISCUSSION / ANALYSIS

Legislative Updates

2026 California Legislative Summary

Overview

September 30, 2026, marked the end of the second year of the 2025-2026 California Legislative session. It also marked Governor Newsom's final opportunity to sign bills. Over 60% of the bills listed in this report (23/36) address three broad areas: Data Centers, Distributed Energy Resources (DERs), and Investor-Owned Utility (IOU) and California Public Utilities Commission (CPUC) accountability. Bills focused on Data Centers and DERs passed, while most IOU and CPUC accountability measures either failed in the legislature or were vetoed.

The legislature established green hydrogen as an eligible renewable resource, directed the CEC to develop a strategic plan for developing fusion energy, and authorized funds from the Greenhouse Gas Reduction Fund (GGRF) to maintain and expand biomass generation, reiterated support for displaced workers, formalized CPUC and CAISO affordability-based portfolio planning, and clarified IOU political spending restrictions.

The Key Bills

As the table below shows, the bulk of the legislature's electricity bills focused on Data Centers, DERs, and CPUC/IOU accountability.

Focus	Theme	Representative Bills	Outcome
Data Centers	Make large new loads pay their own way	SB 886, AB 2383, SB 1168, AB 1577, SB 978	Won decisively
DERs	Create incentives for and ease DER development.	SB 913, SB 868, AB 1813, SB 905, AB 1787, SB 1295	Won as a package
CPUC and IOU Accountability	Cap returns, audit spending, restructuring the regulator	AB 1774, AB 1677, AB 705, AB 2618, ACA 9, SB 1359, AB 2338, AB 323, AB 1761, SB 1138, AB 2493, AB 1774	Lost almost entirely

Data Center Bills

Data Center bills had the greatest success. Every data center-related bill introduced either passed and was signed or subsumed within another bill. Senate Bill (SB) 886 and Assembly Bill (AB) 2383—the Padilla and Zbur companion bills—put transmission and generation cost responsibility on large loads; included a ten-year early termination fee; and set a January 1, 2028, CPUC tariff deadline. SB 1168 (McNerney) adds a rate assessment responsibility for the CPUC; AB 1577 (Bauer-Kahan) adds CEC reporting;

SB 978 (Pérez), the 75 MW-or-more special rate, was absorbed into that framework rather than passing independently. These five bills take different approaches to support the same broad policy goal: Data Centers must cover their service costs with no subsidies or risk of abandoned costs. Notably, in 2025, Governor Newsom vetoed narrower data center legislation, but in 2026, Governor Newsom called the 2026 data center legislation the most comprehensive in the nation.

Distributed Energy Resources

The six DER-related bills focused on three key pathways to increase DER development: Streamlined permitting and inspection, alternative financing, and additional revenue sources via RA eligibility. Of these six, only SB 1295 (Stern) failed in the legislature. The five remaining DER bills, SB 913 (Becker), SB 868 (Wiener), AB 1813 (Ward), SB 905 (Becker), and SB 913, passed and were sent to Governor Newsom's desk. In 2025, Governor Newsom vetoed substantially similar measures, despite bipartisan support. This year, Governor Newsom signed all but AB 1813, which overlapped with SB 905. SB 913 requires the CPUC to enhance pathways for aggregated DER to qualify as resource adequacy (RA) by June 30, 2027, which may become an important mechanism to increase RA availability, as will SB 905's utility financing and distributed-resource-utilization tracking frameworks. AB 1738 legalizes remote inspections for residential energy work, and SB 868 authorizes portable, plug-in solar panel use, but only for three years.

CPUC / IOU Accountability

Of the 12 CPUC/IOU Accountability bills, only four were signed by Governor Newsom. SB 1196 (McNerney) sets timelines and penalties for ADU and small-project energization, likely a direct response to California having no statutory hookup timelines at all. Assembly Bill 2618 (Connolly), which faced no formal opposition, prohibits CPUC Commissioners from being employed by an entity regulated by the CPUC for at least two years after their term ends. Assembly Bill 2493 (Petrie-Norris), which was opposed by the three large electric IOUs, creates an independent auditor to oversee each IOU's transmission and interconnection submissions, network upgrade progress, and remedial action compliance. Senate Bill 1359 (Stern), which had few formal supporters and a long list of opposition, directs the CPUC to align utility gas infrastructure spending with climate goals.

Notable for CCAs, SB 1138 (Padilla) failed in the Appropriations Committee. The bill would have required the CPUC to authorize RA transactions between LSEs. Assembly Bill 1761 (Rogers) would have directed the CPUC to require IOUs, LSEs, and other parties to make available all data used to calculate nonbypassable charges. The bill cleared the legislature with strong margins; 40–0 in the Senate. Despite this strong legislative support, Governor Newsom vetoed AB 1761 on September 20, 2026.

AB 2338 (Ransom) would have limited increases in approved IOU annual expenditures to no more than the federal Social Security cost-of-living adjustments. It never made it out of the Assembly Appropriations Committee. Assemblymember Boerner (District 77) introduced five bills aimed at overseeing the CPUC and IOUs. In an apparent belt-and-suspenders approach, AB 705 and AB 353 addressed the CPUC's internal audit function. AB 705 created an independent auditor that would have subsumed the transferred CPUC internal audit functions, while AB 353 required the governor to appoint an Inspector General to oversee the CPUC's internal audit unit. Governor Newsom vetoed AB 353, and AB 705 failed in Appropriations. AB 1677 (Boerner) would have prohibited the CPUC from authorizing a rate of return greater than the federal long-term debt rate plus 400 basis points. It failed in Committee. AB 1774 would have required the CPUC to complete a one-time audit of all IOU wildfire expenditures. Finally, Assemblymember Boerner proposed Assembly Constitutional Amendment 9, which would have increased the CPUC membership to nine, with the Senate Rules Committee and the Speaker of the Assembly each appointing two additional members. The Amendment failed in Committee.

Additional Bills of Interest to OCPA

California Continues to Support Electrification

On September 30, 2026, Governor Newsom signed AB 2313 (Berman), which requires natural gas IOUs to develop an incentive to offer customers alternatives when gas distribution service lines are scheduled to be replaced.

California Supports Green Hydrogen and Fusion Energy

Senate Bill 1350 (McNerney) expanded the list of eligible renewable resources to include green hydrogen. Defined as hydrogen produced using renewable generating technologies, green hydrogen can reduce wind and solar curtailment, provide cost-effective clean energy storage, and serve as an additional renewable fuel. Under SB 1350, green hydrogen is now an eligible renewable technology, but the renewable generation technology used to create green hydrogen cannot satisfy an LSE's RPS compliance requirement.

Additionally, SB 925 (McNerney) directs the CEC to develop a strategic plan for developing fusion energy in California.

IOUs Cannot Use Ratepayer Funds to Advocate Against Municipalization

While IOUs are already prohibited from using ratepayer funds for advocacy-related activities that are political or do not benefit ratepayers, SB 327 (McNerney) further clarifies that the list of activities ratepayers cannot fund includes any activities related to opposing the municipalization of electrical or gas IOU service.

California Continues to Support Workers Displaced by Electrification

The current Displaced Oil and Gas Worker Pilot program was scheduled to be repealed on July 1, 2027. Assembly Bill 2157 removes the 2027 repeal date and extends the program indefinitely, subject to available funding.

What Was Not Seen in the 2026 Session

No Wildfire Bills

Despite Governor Newsom's efforts, none of his wildfire legislative goals became law. SB 492, which would have shifted wildfire liability costs away from utilities, failed on the session's final day after a deal with the Governor collapsed. The governor vetoed two other wildfire-resiliency bills, AB 1891 (Connolly) and AB 2494 (Rogers).

With Governor Newsom being termed out, it is unclear whether the next Governor will push for similar legislation. While Xavier Becerra (D) has campaigned on wildfire, he has focused on preparedness and capping insurance rates. He has also said he will work to secure federal disaster relief for California fire victims. Steve Hilton (R) has said that insurance rates should properly price fire risk, and that California environmental and air quality regulations have blocked effective vegetation management and controlled burns.

No Diablo Canyon Extension

Additionally, the 2026 session saw no bill to extend the operational life of the Diablo Canyon Power Plant (DCPP). While Governor Newsom indicated support for a statutory extension, he later announced that any bill extending DCPP should wait until the next Governor is in office. Both leading gubernatorial candidates, Xavier Becerra and Steve Hilton, support extending DCPP operations. Becerra said he supports the extension while putting safety first. Hilton said he supports the extension and that the state should support building new nuclear plants.

Tables Showing Electricity Related Bills

The following table provides a quick reference to the electricity-related bills discussed in this report. (Shaded bills did not pass or were vetoed by Governor Newsom.)

Bill	Author	Subject	Status	Key provisions
AB 706	Aguiar-Curry	Biomass	Signed 9/30/2026	Authorizes funding from the GGRF or state Timber Fund to be directed to maintain and expand biomass generation.
AB 1301	Petrie-Norris	CEC Commissioners	Signed 9/30/2026	Eliminates the requirement that a member of the CEC be a bar-admitted attorney.
AB 942	Calderon	Climate Credits	Failed in Rules Committee	Original 10-yr NEM sunset stripped in Assembly; successor-tariff provision removed in Senate; as amended addresses climate credits
AB 1048	Becker	Climate Literacy	Signed 9/29/2026	Authorizes the State Board of Education to develop a State Seal of Climate Literacy to pupils who have demonstrated mastery in climate literacy disciplines and/or green skills.
AB 2618	Connolly	CPUC / Employment	Signed 9.27.2026	Prohibits a CPUC Commissioner from being employed by an entity subject to regulation by the CPUC for two years after the end of the Commissioner's term. Effective 1.1.2027.
SB 1196	McNerney	CPUC / Energization Timelines	Signed 9.27.2026	Requires CPUC to establish timelines for IOUs to respond to and process requests to energize small projects. Timelines due 9.30.2027.
ACA 9	Boerner	CPUC / Expansion of Commission	Failed in Committee	Would have increased the membership of CPUC to nine, with Senate Rules Committee and Speaker of the Assembly each appointing two additional members.
SB 1359	Stern	CPUC / Infrastructure spending	Signed 9.30.2026	CPUC to align utility infrastructure spending with climate goals. Becomes effective 1.1.2027.
AB 2338	Ransom	CPUC / IOU Rate Case Inflation	Failed in Appropriations	Would have limited increases in approved annual expenditures to be no greater than the federal social security cost-of-living adjustments.
AB 353	Boerner	CPUC / Oversight	Vetoed on 9.18.2026	Would have required the Governor to appoint an Inspector General to oversee the CPUC's internal audit unit.
AB 705	Boerner	CPUC / Oversight	Failed in Appropriations	Would have transferred the CPUC's internal audit unit to a newly established Independent Office of Audits and Investigations.
AB 1761	Rogers	CPUC / PCIA	Vetoed on 9.20.2026	Would have directed the CPUC to require IOUs, LSEs and other parties to make available all data used to calculate non-bypassable charges.
SB 1138	Padilla	CPUC / Resource Adequacy	Failed in Appropriations	Would have required the CPUC to authorize RA transactions between LSEs.
AB 1677	Boerner	CPUC / Return on Equity	Failed in Committee	Would have prohibited the CPUC from authorizing an IOU return on equity that exceeds the federal long term debt rate by more than 400 basis points.
AB 2493	Petrie-Norris	CPUC / Transmission audit	Signed 9.30.2026	Creates an independent auditor for each IOU's transmission and interconnection submissions, network upgrade progress, and remedial action compliance. Must establish monitor by 10.1.2027.
AB 1774	Boerner	CPUC / Wildfires	Failed in Appropriations	Would have required the CPUC to complete a one-time audit of all IOU wildfire expenditures.
SB 886	Padilla	Data Center / Transmission Tariffs	Signed 9/21/2026	CPUC tariffs by 1/1/2028; data centers at transmission level bear all transmission upgrade/usage costs incl. shared network upgrades; 10-yr early termination fee floored at revenue gap; voluntary DR program. Becomes effective 1.1.2028.
SB 887	Padilla	Data Center / CEQA	Signed 9.21.2026	Makes data centers eligible for CEQA streamlining but not exempt. Becomes effective 1.1.2027.

Bill	Author	Subject	Status	Key provisions
AB 2383	Zbur	Data Center / Generation Tariffs	Signed 9/21/2026	CPUC generation tariffs; clean energy procurement compliance; incremental generation costs for at least 10 yrs; ESPs/CCAs must conform by 1/1/2028
SB 978	Perez	Data Center / Large-load rates	Superseded in committee	Special rate structure for large-load users of 75 MW or more; absorbed into the SB 886 / AB 2383 framework
SB 1168	McNerney	Data Center / Rate Structures	Signed 9/21/2026	CPUC assesses rate structures to ensure data center costs are not shifted to other ratepayers. Becomes effective 1.1.2027.
AB 1577	Bauer-Kahan	Data Center / Reporting	Signed 9/21/2026	CEC reporting: power usage effectiveness, fuel consumption, water use, local land use disclosures. Becomes effective 1.1.2027.
AB 1813	Ward	DER / Local Clean Energy	Vetoed 9.30.2026	Compels the CPUC to evaluate alternative financing for DERs.
SB 868	Wiener	DER / Plug-in Solar	Signed 9.30.2026	Legalizes portable / plug-in balcony solar in California. Becomes effective 1.1.2027. Ends 1.1.2030.
AB 1738	Carrillo	DER / Remote Inspections	Signed 9.18.2026	Remote inspections for home improvement and energy projects on one- and two-family homes, incl. solar and heat pump water heaters. Effective date varies by population.
SB 913	Becker	DER / Resource Adequacy	Signed 9.30.2026	CPUC to enhance market-integrated pathways for aggregated DER to qualify as resource adequacy. Becomes effective no later than 6.30.2028.
SB 1295	Stern	DER / Storage Systems Reliability	Failed in Appropriations	Would have required an IOU to evaluate whether distributed energy storage systems can meet the identified reliability or capacity need, as provided.
SB 905	Becker	DER / Utility Financing	Signed 9.30.2026	CPUC evaluates alternative capital financing for distribution, generation, transmission; frameworks tracking utility utilization of distributed resources. Report due no later than 12.1.2028.
AB 2313	Berman	Electrification	Signed 9.30.2026	Requires Natural Gas IOUs to develop an incentive to offer customers alternatives when gas distribution service lines are scheduled to be replaced.
SB 925	McNerney	Fusion Energy	Signed 9/30/2026	Directs the CEC to develop a strategic plan for developing fusion energy in California.
AB 2516	Petrie-Norris	Infrastructure / Grid Components	Failed in Appropriations	Would have created a state central entity for grid component procurement and manufacturing.
SB 1097	Wiener	Infrastructure / Permitting	Failed in Appropriations	Would have streamlined permitting for energy generation, storage, and transmission.
AB 2111	Papan	Infrastructure / Planning	Signed 9.20.2026	CPUC guidance to CAISO on affordability-focused, adaptable resource portfolios allocated by region. Workplan update due no later than 1.1.2028.
AB 2157	Connolly	Labor / Worker Transition	Signed 9.20.2026	Extends California's Displaced Oil and Gas Workers Fund. No sunset.
AB 1787	Schultz	Rates / Dynamic Pricing	Failed in Committee	CPUC to require dynamic pricing offerings by 2028; second attempt after AB 1117.
SB 327	McNerney	Rates / Political Spending	Signed 9.27.2026	Specifies that existing prohibitions of using ratepayer funds include political advocacy related to opposing municipalization of electrical or gas utilities service. Becomes effective 1.1.2027.
SB 1350	McNerney	Renewables / Green Hydrogen	Signed 6.29.2026	Amends Public Resources Code section 25741 to include green hydrogen as renewable electrical generation. Becomes effective 1.1.2027.
AB 864	Ward	Solar Waste Mgt.	Signed 9/30/2026	Directs the Department of Toxic Substances Control to evaluate the applicability of federal regulations to the disposal of end-of-life solar PV panels.
SB 1282	Becker	Vehicle-to-Grid	Failed in Appropriations	Standards and regulatory framework for grid-integrated vehicle technologies
SB 492	Becker	Wildfire / Liability	Failed - no vote, final day	Would have shifted wildfire liability costs away from utilities; deal reached with Newsom, Assembly declined to take up floor vote.
AB 1891	Connolly	Wildfire / Resilience	Vetoed on 9.27.2026	Beneficial Fire Capacity Act - Would have increased wildfire resilience capacity.
AB 2494	Rogers	Wildfire/Forest Mgt.	Vetoed 9/18/2026	Would have added wildfire resilience and watershed health to the definition of forest management.

Regulatory Updates

CPUC Updates

Power Charge Indifference Adjustment Proceeding – Rulemaking 25-02-005

On February 11, 2025, the CPUC issued an Order Instituting Rulemaking (OIR) to initiate a new proceeding related to the Power Charge Indifference Adjustment (PCIA). The OIR was filed as Rulemaking (R.) 25-02-005. There are three tracks to R.25-02-005.

General Update:

On October 1, 2026, the CPUC Energy Division published the final 2026 and forecast 2027 Market Price Benchmark (MPB) values used as inputs in calculating the 2027 PCIA. The MPBs reflect the estimated market value of energy, resource adequacy (RA), and renewable attributes.

The final 2026 MPBs are used to true up the forecast market values incorporated into 2026 PCIA rates, with the resulting true-up reflected in the 2027 PCIA calculation. The forecast 2027 MPBs establish the expected market value of these products for 2027.

The newly published benchmarks reflect lower market values than the prior applicable benchmarks. All else equal, lower MPBs increase the difference between the cost of SCE's PCIA-eligible portfolio and its estimated market value, creating upward pressure on the 2027 PCIA. The final 2027 PCIA will also reflect SCE's portfolio costs, true-ups, and other applicable adjustments.

Track 1 Background:

Track 1 was an expedited track focused on potential modifications to the Resource Adequacy (RA) Market Price Benchmark (MPB). The CPUC issued Decision (D.) 25-06-049 on June 26, 2025. Among other details, the decision adopts a single RA MPB using three years of transaction data for the forecast calculation and four years of transaction data for the final calculation.

On July 28th, 2025, the California Community Choice Association (CalCCA) filed an Application for Rehearing (AFR) on Track 1 of the proceeding. CalCCA's AFR focused on CCAs' opposition on the CPUC's MPB calculation methodology for the 2025 Energy Resource Recovery Account (ERRA) True Up, asserting that this amounted to illegal retroactive ratemaking. On October 31, 2025, the CPUC issued D.25-10-061, denying CalCCA's AFR of D.25-06-049.

On December 1, 2025, CalCCA requested that the Court grant the Petition for Review of D.25-06-049 and reverse the Decision on the grounds that (1) the Decision violated the prohibition against retroactive ratemaking; and (2) the Decision's retroactive application to 2025 rates was not supported by adequate findings or substantial evidence in the record.¹

On June 25, 2026, the 3rd District Court of Appeals denied CalCCA's Petition for Writ of Review of the CPUC's decision. On July 6, 2026, CalCCA filed a Petition with the California Supreme Court on this same topic, requesting the Court to uphold California's prohibition on retroactive ratemaking and help ensure electricity costs are allocated fairly.

Track 1 Update

On September 23, 2026, the California Supreme Court granted CalCCA's Petition for Review of the Track 1 PCIA decision. The California Supreme Court is effectively directing the appellate court that it was wrong to not see any merit in CalCCA's appeal. Accordingly, the Third District Appellate court must hear CalCCA's argument.

Track 2 Background

Within Track 2, the CPUC was slated to determine whether the proposal to value Pre-2019 Banked Renewable Energy Credits (RECs) at a non-zero amount is consistent with applicable law and Commission precedent.

On March 27, 2026, the CPUC released a Staff Report and Proposals on Pre-2019 Banked RECs. This staff report did not draw a conclusion regarding the balance of indifference between departed and bundled load. The CPUC acknowledges the merits and challenges to the arguments of both CalCCA and the Investor-Owned Utilities (IOUs).

On August 13, 2026, the CPUC filed a Proposed Decision (PD) which addresses Track 2 of the PCIA proceeding.

Track 2 Update

The PD was approved by the CPUC Commissioners at the Voting Meeting on September 17, 2026, meaning RECs banked before 2019 will receive a \$0 valuation for the purpose of calculating the PCIA. OCPA and CalCCA will now focus on Track 3 of

¹ See <https://cal-cca.org/wp-content/uploads/2025/12/Petition-for-Writ-of-Review-with-the-California-Court-of-Appeal.pdf>.

the PCIA proceeding to seek to address additional issues around the PCIA and propose wholesale change to the PCIA as an indifference framework.

Track 3 Background

The third track within the PCIA proceeding is intended to consider wholesale changes to the PCIA.

On August 18, 2026, the CPUC released a Scoping Ruling for Track 3 of the PCIA proceeding. *The Scoping Ruling* established Track 3A as the venue for addressing updates within the confines of the existing PCIA. *This includes* updating the MPB values which are used to estimate the current year value for products in the PCIA calculation and ensuring accurate assignment of cost responsibility for resources in the PCIA. It then establishes Track 3B as the forum to consider other changes to the PCIA that can enhance transparency, reduce volatility, and minimize excess and uneconomic costs in the PCIA *through more wholesale change*. The Scoping Ruling also establishes *Track 4*, which is slated to cover additional issues that have not been resolved after Track 3B.

Notably, the Scoping Ruling also *requires* the LSEs to meet and confer on all data access issues for Tracks 3 and 4 within 60 days of the issuance of the ruling (October 19, 2026) and submit a joint report on the outcome of discussions within 75 days of the issuance of the ruling (November 2, 2026). This will enable OCPA and CalCCA to be on the same footing as the IOUs in terms of data access to develop proposals to enhance the PCIA.

This schedule would likely lead to a Final Commission decision on Track 3A late in the second quarter of 2027.

Track 3 Update

Since the last update, CalCCA and the Joint IOUs have held three Meet and Confer discussions on data request items. OCPA has provided feedback to CalCCA on the reasonableness of the data request items from the IOUs.

[Resource Adequacy - R.25-10-003](#)

Background:

R.25-10-003 continues the CPUC's oversight of the RA program. The rulemaking establishes forward RA procurement obligations for LSEs beginning with the 2027 compliance year and considers structural reforms to the program. R.25-10-003 is the successor to R.23-10-011.

This rulemaking will address the 2027 and 2028 RA compliance years, local RA obligations for the 2027-2029 and 2028-2030 compliance years, and further refinements to the RA Slice of Day (SOD) program.

On June 1, 2026, the CPUC issued a Proposed Decision (PD) on the Resource Adequacy (RA) Track 1 issues. Notably, the CPUC elected not to adopt load obligation trading – this was a proposal from CalCCA.

The CPUC approved D.26-07-008 at its July 1, 2026, Voting Meeting. The Decision adopts system-wide local capacity requirements for 2027-2029 and flexible capacity requirements for 2027. This will ultimately inform OCPA's requirements for these compliance years. The Decision also made several granular updates to the RA program, resource eligibility, and compliance requirements. These updates will affect how OCPA may comply with the RA program in the future.

Update:

Several parties have noted that there is a lack of clarity regarding whether existing contracts that are later resold after the issuance of D.26-07-008 qualify for exemptions made in the decision for existing contracts. If they do not qualify, this would make it very difficult for OCPA and other load-serving entities (LSEs) to buy and sell existing RA contracts to smooth out existing positions.

The CPUC released the 2027 RA and SOD Guide on September 18, 2026,² which officially clarifies that existing contracts from before D.26-07-008 that are resold after the issuance date of this decision qualify as "existing contracts" that are exempt from new contractual requirements. This is helpful confirmation that enables OCPA and other LSEs to continue to resell existing contracts without requiring all these RA contracts to be reopened.

[Integrated Resource Planning – R.25-06-019](#)

Background:

The Integrated Resource Planning (IRP) process requires the CPUC to identify a resource portfolio to ensure a reliable electric supply while also achieving the clean energy and environmental goals of SB 350 and SB 100. This OIR, issued on July 2, 2025, supersedes R.20-05-003 as the primary venue for CPUC oversight of the IRP process.

² See <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/resource-adequacy-homepage/resource-adequacy-compliance-materials/guides-and-resources/2027-resource-adequacy-filing-guide-final.pdf>

On February 26, 2026, the CPUC issued D.26-02-057, approving a procurement order for 6,000 megawatts (MW) of clean capacity for LSEs statewide. OCPA is now required to procure 25 MW of capacity in each of 2030, 2031, and 2032, for a total of 75 MW. Out of the 75 MW, OCPA must procure at least 19 MW of clean, firm resources and/or Long Duration Energy Storage (LDES).

The CPUC issued a notice on May 20, 2026, for a public workshop on July 23, 2026, which covered the upcoming Procurement Compliance Staff Proposal Addressing Good Faith Efforts and Net Cost of New Entry (Net CONE). OCPA supported the development of CalCCA's comments, which were submitted on July 14, 2026. These comments argued for the CPUC to maintain a flexible Good Faith Efforts Standard that balances the need for robust enforcement to incent resource development and the need for flexibility when external factors outside the control of an LSE prevent timely compliance with procurement orders. A decision is expected in mid-2027 which will inform procurement compliance requirements and regulations.

On August 28, 2026, the CPUC published the Effective Load Carrying Capability (ELCC) values to be used for the D.26-02-057 procurement order for years 2030 and 2031. Under this decision, OCPA must bring on 25 MW of net qualifying capacity (NQC) in each of these years, as well as 25 MW of NQC in 2032. OCPA will use these values to convert nameplate capacity for a resource into NQC to determine how to optimally comply with the D.26-02-057 procurement order.

[Update:](#)

The CPUC provided indicative (non-binding) ELCC values for 2032 procurement on September 15, 2026, in advance of the final values which will be submitted by December 2027.

On August 31, 2026, the CPUC issued a Ruling with a proposed resource portfolio for the CAISO's 2027-28 Transmission Planning Process (TPP) after determining its initial modeling produced unrealistic solar and storage build rates. Revised assumptions result in lower overall resource needs and a different resource mix without offshore wind. The CPUC is also considering a potential Western Los Angeles Basin procurement requirement following the cancellation of a transmission project. OCPA engaged with CalCCA and other CCAs to develop comments, which were submitted on September 28, 2026.

Among other topics, CalCCA argues that:

- The CPUC recognize TPP portfolios which inform transmission buildout serves a different purpose than resource portfolios that inform/determine procurement obligations for LSEs.
- Accept modifications that account for infeasible solar and storage build rates, and assume greater levels of gas retirements.
- The CPUC should not relax intermediate emissions reductions targets within the base case of the modeling.
- Reduce the amount of out of state resources given lack of demonstrated interest so in state alternatives are planned for.
- Work with the CAISO to reform the Max Import Capacity (MIC) process.
- Consider non wires alternatives to geographically targeted procurement and acknowledge existing analysis is insufficient to conclude a procurement order is the most effective path to resolving the concerns.
- Transmission already approved to support offshore wind should be evaluated for opportunities to reconfigure or repurpose those investments to provide near and medium term benefits, such as supporting the delivery of imports.

Reply comments were submitted on October 12, 2026.

[SDG&E Application to Withdraw from Energy Efficiency Program Administration - A.25-04-014](#)

Background:

On April 25, 2025, San Diego Gas and Electric (SDG&E) submitted an application to the CPUC, seeking to discontinue regional energy efficiency program administration. SDG&E filed this application outside of the normal cadence and cycle, citing affordability concerns in the SDG&E region, coupled with the urgency around closing non-cost-effective programs in SDG&E's program portfolio. This Application requests a budget reduction of approximately \$300 million for 2026-2031.

On September 2, 2026, the CPUC released a PD which would reject SDG&E's application to withdraw from regional energy efficiency program administration. OCPA views this as a positive outcome because:

- SDG&E customers will retain access to more programs that can help them enhance energy affordability. This includes a number of ratepayers within south Orange County.
- SDREN designed its programs around the existing program portfolio from SDG&E, so sunsetting these SDG&E programs may have created a gap in

certain types of programs that are inclusive to a wider audience since many of SDREN's programs are intended to reach hard to reach customer segments.

- The CPUC issued an important message through this PD about the value and importance that energy efficiency programs have in supporting affordability throughout the state.

Update:

Opening comments were submitted on this PD on September 22, 2026, and reply comments were submitted on September 28, 2026. This PD was approved at the CPUC's October 8, 2026, Business Meeting with a 4-1 vote. Commissioner Matthew Baker dissented.

[Climate Credit – R.25-07-013](#)

Background:

This OIR was opened on July 24, 2025, to improve the California Climate Credit (Climate Credit). The Climate Credit has historically provided residential and small business customers with semi-annual bill credits using a portion of revenues from the California Cap-and-Trade Program. In 2026, the annual credit amount is \$72 for OCPA's residential and small business customers. The CPUC opened the proceeding to further address affordability and support the California Industry Assistance, which is intended to prevent businesses from relocating to other states without emissions-compliance programs.

On April 30, 2026, the CPUC issued D.26-04-036, which requires the IOUs to distribute the residential credit in August and September due to these being two of the highest bill months for typical customers throughout California. It also requires the IOUs to update messaging on their websites with this info, put messaging on-bill during these months that lists the amount of savings and attributes those savings to the Climate Credit and the Cap-and-Invest Program. OCPA published a blog post informing its customers of the changes to the Climate Credit in 2026.

On June 29, 2026, the CPUC issued a ruling to provide guidance and direction for Phase 1B of the Climate Credit proceeding and set the procedural schedule for Phase 1B.

Update:

CalCCA submitted a joint proposal with SCE on September 14, 2026, arguing that the CPUC should retain the status quo of an equal, non-volumetric electric Climate Credit for residential customers. However, if the CPUC has decided that it will make changes to the methodology to enhance the incentive for customers who need it the most,

CalCCA proposed an alternative proposal that would provide a simple credit multiplier for customers enrolled in the California Alternative Rates for Energy (CARE) and/or Family Electric Rate Assistance (FERA) programs. The exact multiplier amount is not definitively suggested; however, it could reach up to twice the credit amount provided to non-CARE/non-FERA residential customers.

This proposal would be simpler to implement than the other proposals the CPUC has discussed (e.g., a volumetric climate credit, a climate credit that differs by climate zone) and would minimize the impact felt by low-income customers who are just outside the threshold for an elevated climate credit.

[Direct Access Rulemaking - R.19-03-009](#)

[Background:](#)

The Commission opened this OIR in 2019 to implement SB 237 (Hertzberg), which increases the number of gigawatt-hours (GWh) allowed under Direct Access (DA) arrangements for non-residential customers. The bill also directs the CPUC to provide recommendations to the Legislature on whether and how it should resume the DA program for all interested non-residential customers, among other issues. The statute asserts that all existing customers who are on DA as of January 1, 2019, remain authorized to participate in DA. Except for the express authorization for increased DA transactions under SB 237, the previously enacted suspension of DA transactions remained in effect.

On June 3, 2019, the CPUC issued D.19-05-043, establishing the process for apportioning the additional 4,000 GWh of DA among the IOUs. Also pursuant to SB 237 (Hertzberg), on June 29, 2021, the CPUC issued D.21-06-033, recommending no further expansion of the DA program beyond the 4,000 GWh ordered in D.19-05-043.

On April 6, 2026, a group of Electric Service Providers (ESPs), which provide DA services to customers in California, submitted a Petition for Modification (PFM) of D.21-06-033 since this February's procurement order from the CPUC allocated capacity for them to bring online. OCPA collaborated with CalCCA to develop the comments opposing this PFM and will continue to track this proceeding.

[Update:](#)

On September 4, 2026, the CPUC filed a PD which denies the ESPs' request to lift the cap on DA customers. The group of ESPs filed comments opposing the PD on September 24, 2026. No reply comments were filed. The PD was unanimously approved at the CPUC's October 8, 2026, Voting Meeting.

[California Advanced Rate Design - R.26-04-009](#)

Background:

On April 9, 2026, the CPUC established this proceeding to establish advanced electric rate design policies, including regulations surrounding demand flexibility, electricity rates based on marginal cost, time-of-use rate reform, rates for data centers, large commercial and industrial electrification, wildfire-related costs, and more.

Update:

On September 22, 2026, the CPUC released a Scoping Ruling for this proceeding. This Scoping Ruling created the following four tracks:

1. Data Center Tariffs and Customer Protections
2. Residential Rate Modernization
3. Non-Residential Rate Modernization
4. Dynamic Rates, Framework for Marginal Costs, and Framework for Transmission Revenue Requirements

Track 1 is expected to have the following key milestones:

1. **Workshop on SB 57** – October 2026
2. **Joint IOU Workshop Report** – 45 Days after Workshop
3. **Ruling with Staff Proposal on Data Center Tariffs** – Q1 2027
4. **PD on Data Center Tariffs** – Q2 2027

[SCE Energy Resource Recovery Account Trigger Application – A.26-09-019](#)

On September 30, 2026, SCE filed an ERRA Trigger Application due to overcollections that exceeded 5%, without clarity that it will self-correct within 120 days. SCE wants to defer a rate adjustment until it implements the 2027 ERRA Forecast rates on January 1, 2027, to minimize the number of rate changes for bundled customers. SCE also requests consolidation of this application with SCE's 2027 ERRA Forecast and its schedule, which would lead to a Final Decision on this matter on December 3, 2026.

[SoCalGas Microgrid Tariff – A.25-04-006](#)

Background:

This was an application to establish a tariff under which SoCalGas would be authorized to provide an optional microgrid tariff service to non-residential customers in its service territory. As proposed, the Microgrid Optional Tariff (MOT) is an optional program that would provide eligible existing and prospective non-residential customers in SoCalGas's territory with the opportunity to leverage microgrids to meet their energy needs. This

program would be funded by the individual tariff customers who enroll in the program and contract for services pursuant to the tariff. The customer would be able to procure and use the fuel that best suited their needs and goals.

Update:

On September 25, 2026, the CPUC released a PD rejecting SoCalGas' Application for Adoption of the MOT. The CPUC claimed that SoCalGas failed to meet its burden of demonstrating the proposed tariff is reasonable and in the public interest. This PD can be heard at the CPUC's October 29, 2026, Business Meeting at the earliest.

(New) Regionalization – R.26-09-009

At the Commission's September 17, 2026, Voting Meeting, the Commission opened R. 26-09-009 to implement AB 825 (Petrie-Norris, 2025). Among other things, AB 825 requires the CPUC to make a determination through a formal decision that various requirements have been satisfied by an independent regional organization to allow electric corporations that are transmission owners to use voluntary energy markets governed by an independent regional organization.

The goal of AB 825 is to enable a regional transmission organization to better manage generating resources in the Western Electric Coordinating Council (WECC) footprint.

The preliminary issues that were raised within this proceeding include:

- Determination of eligible participation,
- Determination of withdrawal authority,
- Authorizing additional product or service participation, and
- Potential rule revisions related to potential expansion by a regional organization, of existing CPUC rules related to portfolio content category requirements.

(New) Revising the General Rate Case Plan – R.26-09-009

The CPUC issued R.26-09-003 on September 11, 2026, to improve transparency and standardization in IOU General Rate Cases (GRCs). Through the GRC process, the CPUC reviews IOU investment plans and reported financial assumptions prior to enabling them to inform rates. This is the process that enables the CPUC to adjudicate reasonableness of proposed IOU spending without compromising reliability and safety of grid operations.

On September 22, 2026, OCPA voted for CalCCA to engage within this new proceeding. All CCAs voted for CalCCA to engage here on behalf of all CCAs.

FISCAL IMPACT

None.

ATTACHMENT(S)

None.

ORANGE COUNTY POWER AUTHORITY

Staff Report – Item 8.4

To: Orange County Power Authority Board of Directors
From: Saul Viramontes, Administrative Services Manager
Approved By: Joe Mosca, Chief Executive Officer
Subject: 2026-27 STRATEGIC PLAN QUARTERLY UPDATE
Date: October 19, 2026

STRATEGIC GOALS

- ☒ Enrich & Grow the OCPA Community
- ☒ Prioritize Fiscal Sustainability & Affordability
- ☒ Design & Deploy Community-Aligned Customer Programs
- ☒ Energize Our Community with Renewable Energy Sources
- ☒ Raise Awareness of Community Energy & Advocate for Our Customers
- ☐ Not Applicable

RECOMMENDED ACTION(S)

Receive and file.

BACKGROUND

On April 13, 2026, the Orange County Power Authority (OCPA) Board of Directors (Board) approved the 2026-27 Strategic Plan. This strategic plan marks the fourth iteration of the OCPA strategic planning process. This year's strategic plan includes five (5) strategic goals and 13 objectives. Board level updates are included in the monthly agenda as a regular reporting process.

The strategic plan is available online at – <https://www.ocpower.org/strategic-plan>

2026-27 Strategic Plan Progress Dashboard (October 2026)

Goal	Tasks	Complete	On Track / In Progress	Not Started
1. Enrich & Grow the OCPA Community	6	1	4	1
2. Fiscal Sustainability & Affordability	14	7	2	5
3. Community-Aligned Customer Programs	7	2	5	0
4. Renewable Energy Sources	12	6	6	0
5. Awareness & Advocacy	10	0	10	0
Total	49	16 (33%)	27 (55%)	6 (12%)

As of October 2026, 16 of the Strategic Plan’s 49 task-level items are complete, and 27 are on track or in progress. Five (5) of the six (6) remaining Not Started tasks support Objective 2.2 (credit rating readiness), which is scheduled for Q4 2026 through 2028.

Key Accomplishments Summary

- **2027 rate and product framework:** six (6) of eight (8) cost-of-service tasks are complete, including the draft COS model, revenue requirement analysis, and preliminary rate design scenarios. Final framework returns to the Board in December 2026.
- **Integrated Resource Plan:** submitted to the CPUC on August 10, 2026, and posted on ocpower.org.
- **DAC-GT solicitation:** issued August 15, 2026, closing October 14, with a virtual proposer Q&A held for developers.
- **Customer programs:** Three new programs are in development with a new launch expected shortly, and the income-qualified energy programs web page went live.
- **Education:** K–12 renewable energy curriculum completed for the 2026–27 school year; internship program supported two summer interns and one fall intern.
- **Long-term procurement:** solicitation responses received August 7 and are under evaluation by Power Resources.

Looking Ahead

The 2026-27 Strategic Plan was adopted with target dates set before the start of the fiscal year. As work has progressed, several task-level timelines have shifted versus what was planned as staff align schedules with actual workloads and partner

availability. To reflect these conditions while keeping each task within the current plan year, staff have revised the target date for the following tasks to June 2027:

Objective Task		Original Target	Revised
1.2	Launch youth ambassador / internship program	September 2026	June 2027
5.1	Sponsor or facilitate small business mixer	September 2026	June 2027
5.2	Develop stakeholder mapping document	September 2026	June 2027
5.3	Develop study sessions for Board members and other key stakeholders	September 2026	June 2027

These revisions do not change the scope of any task. Staff will continue to report progress monthly, and the revised dates are reflected in Attachment A.

Board Study Sessions

Board study sessions have been initiated in the form of in-depth briefings on key topics. To make sure future sessions address the subjects most useful to the Board, staff will distribute a short survey to Board members in October 2026 asking what additional topics and level of coverage they would find valuable. Survey results will help shape the remaining study sessions through June 2027.

Upcoming Milestones

Next quarter, staff expects to bring the final 2027 rate and product framework to the Board in December 2026, complete the Policy Risk Assessment Guide and advocacy accomplishment tracker (December 2026), and develop the credit rating readiness roadmap (Q4 2026).

Task-Level Detail

Attachment A provides the status of each of the 49 strategic tasks, organized by goal and objective. Status categories are defined as follows: Complete; On Track (proceeding as scheduled); In Progress (work underway); and Not Started (scheduled for a future period).”

Attachments

Attachment A - 2026-27 Strategic Plan Task Level Updates - Quarterly Report 10.2026

Goal Area	Strategic Objective	Task	Owner	Due Date	Status
Goal 1: Enrich & Grow the OCPA Community	Obj 1.1 — Expand awareness of OCPA through targeted outreach to prospective member cities and regional organizations				
		Present to 2 groups/quarter in OC region	Jacquie Henderson	Ongoing	On Track
		Present to stakeholders in 2+ prospective cities annually	Jacquie Henderson	Jun-27	On Track
		Develop stakeholder engagement talking points	Jacquie Henderson	Jul-26	On Track
Goal 1: Enrich & Grow the OCPA Community	Obj 1.2 — Develop educational programs and partnerships promoting renewable energy understanding across age groups				
		Develop school partnerships and curriculum support	Jacquie Henderson	Jun-27	Complete
		Launch youth ambassador / internship program	Jacquie Henderson	Jun-27	On Track
		Establish curriculum for community academy program(s)	Jacquie Henderson	Mar-27	Not Started
Goal 2: Fiscal Sustainability & Affordability	Obj 2.1 — Deliver a financially sustainable 2027 rate and product framework grounded in cost-of-service analysis, product pathway evaluation, and disciplined cost management				
		Launch cost-of-service and product pathway workplan, including consultant management, kickoff, data request, and internal coordination	Tiffany Law	Apr-2026	Complete
		Evaluate feasible product pathways and provide procurement, compliance, cost, and portfolio inputs to support COS and rate design	Tiffany Law & Louis Ting	Apr-May 2026	Complete
		Integrate product pathway analysis into the COS study and rate design framework	Tiffany Law	May-Jun 2026	Complete
		Complete draft COS model, revenue requirement analysis, and initial Board briefing	Tiffany Law	Jun-2026	Complete
		Evaluate additional product pathway refinements based on Board and legal feedback, and update the draft COS model and revenue requirement analysis accordingly	Tiffany Law	Jul-2026	Complete
		Develop rate design scenarios and evaluate financial, affordability, and competitiveness impacts	Tiffany Law	Aug-26	Complete
		Refine rate design scenarios and complete customer rate impact and bill impact tools	Tiffany Law	Aug-Sep 2026	On Track
		Conduct public meetings and return final rate design and product framework for Board action	Tiffany Law	Dec-26	On Track
	Obj 2.2 — Advance credit rating readiness and innovative financing strategies to position OCPA for a potential public credit rating process in 2028				
		Evaluate additional prepayment and other innovative financing opportunities	Tiffany Law	Q4 2026	Complete
		Develop a credit rating readiness roadmap and complete 2027 rate and product decisions that strengthen financial sustainability	Tiffany Law	Q4 2026	Not Started
		Strengthen procurement, hedging, portfolio risk management, and core financial/risk policies to support credit readiness	Tiffany Law & Louis Ting	Q2 2027	Not Started
		Maintain positive net income, monitor customer retention, strengthen member/customer stability narrative, and rebuild reserves toward Board targets	Tiffany Law; Joe Mosca & Jacquie Henderson	2026-29	Not Started
		Prepare rating materials, conduct mock review, brief the Board, and determine whether to pursue a formal public rating process	Tiffany Law	Q1 2028	Not Started
		Launch formal rating process, if approved	Tiffany Law	Q2-Q3 2028	Not Started
Goal 3: Design & Deploy Community-Aligned Customer Programs	Obj 3.1 — Implement customer programs informed by the Community Power Plan, with focus on equity and underserved populations				
		Implement 3 new programs based on the Community Power Plan	Jacquie Henderson	Apr-27	On Track
		Provided enhanced program opportunities to underserved populations	Jacquie Henderson	Ongoing	Complete
		Build relationships with new CBOs representing diverse ratepayers in member cities to further OCPA messaging reach	Jacquie Henderson	Ongoing	On Track
Goal 3: Design & Deploy Community-Aligned Customer Programs	Obj 3.2 — Grow grant and program participation year-over-year				
		Expand grant offerings with 25% YoY growth target	Jacquie Henderson	Jun-27	In Progress
		Measurably increase participation in long-term programs in subsequent timeframes	Jacquie Henderson	Ongoing	In Progress

Goal 3: Design & Deploy Community-Aligned Customer Programs	Obj 3.3 — Strengthen community outreach to provide customers with access to OCPA programs and resources				
	Develop a website landing page that encompasses the breadth of low-income resources available to OCPA customers	Jacquie Henderson	Sep-26	Complete	
	Establish a network of organizations, platforms, and contacts to support promotion of OCPA programs and resources	Jacquie Henderson	Ongoing	In Progress	
Goal 4: Energize Our Community with Renewable Energy Sources	Obj 4.1 — Maintain a diversified, cost-effective power portfolio with risk management protocols that adapt to market conditions				
	Establish risk matrix for hedging opportunities, determine feasibility based on ERMP	Louis Ting	Jun-27	On Track	
	Release the long-term power products solicitation and evaluate bi-lateral offers concurrently	Louis Ting	Mar-27	On Track	
	Identify and release joint procurement for resources based on alignment of priorities with other CCA's	Louis Ting	Jun-27	On Track	
	Benchmark renewable energy and GHG emissions against other LSEs and statewide metrics	Louis Ting	Ongoing	Complete	
	Utilize Integrated Resource Plan filing as the roadmap for OCPA's renewable energy future, and GHG reduction goals to meet or supass statewide goals	Louis Ting	Aug-26	Complete	
Goal 4: Energize Our Community with Renewable Energy Sources	Obj 4.2 — Advance local generation and storage programs through partnerships with member agencies and clean technology providers				
	Issue CPUC-approved solicitation for the DAC-GT program per CPUC Resolution E-5435 to implemenet OCPA's proposed 10% discount rate for CARE and FERA customers	Louis Ting	Jun-27	Complete	
	Outreach with customers, developers, clean tech companies, to garner strategies and pathways, including develop a RFI based on engagement outcomes	Louis Ting	Jun-27	In Progress	
Goal 4: Energize Our Community with Renewable Energy Sources	Obj 4.3 — Collaborate with other CCAs on joint procurement, shared resources, and knowledge exchange				
	Execute EEI agreement with Clean Power Alliance for energy trading	Louis Ting	Jun-26	Complete	
	Excute EEI agreement with Clean Energy Alliance for Prepay and other energy trading efforts	Louis Ting	Jun-26	Complete	
	Execute EEI with Dynasty Power	Louis Ting	Jun-26	Complete	
	Execute agreements with additional CCA partners and counterparties	Louis Ting	Ongoing	On Track	
	Outreach to CCA counterparts, identify CCA practices, and benchmarking relevant metrics	Louis Ting	Jun-27	On Track	
Goal 5: Raise Awareness of Community Energy & Advocate for Our Customers	Obj 5.1 — Strengthen community engagement through culturally-inclusive events, networking, and business outreach				
	Sponsor or facilitate small business mixer	Jacquie Henderson	Jun-27	In Progress	
	Continue building culturally representative outreach partnerships	Jacquie Henderson	Ongoing	In Progress	
	Increase OCPA Board member engagement in community events	Jacquie Henderson	Ongoing	In Progress	
Goal 5: Raise Awareness of Community Energy & Advocate for Our Customers	Obj 5.2 — Advance regulatory and legislative advocacy to enhance affordability for our customers, protect our customers' interests, and support CCA-favorable policy outcomes				
	Develop stakeholder mapping document for OCPA staff, board members, and community advisory committee to enable strategically targeted outreach and advocacy	Frank Harris	Jun-27	In Progress	
	Create Policy Risk Assessment Guide to analyze rulemaking and policy impacts on OCPA customer affordability, OCPA operations, and other areas to inform OCPA regulatory priorities	Frank Harris	Dec-26	On Track	
	Develop and update accomplishment tracker to illustrate impact of advocacy wins via promotional materials	Frank Harris	Dec-26	On Track	
	Develop and release an Energy Policy 101 resource to improve baseline understanding of energy policy and regulatory frameworks among stakeholders	Frank Harris	Dec-26	On Track	
	Coordinate Board member legislative visits for OCPA related priorities in Sacramento/DC (strategic assignments)	Frank Harris	Ongoing	In Progress	
Goal 5: Raise Awareness of Community Energy & Advocate for Our Customers	Obj 5.3 — Equip Board members with tools, training, and structured support for effective policy engagement				
	Develop Board member resources for prospective city engagement	Jacquie Henderson	Dec-26	In Progress	

Develop study sessions for Board members and other key stakeholders (Geopolitical and global energy updates; ERRR forecast + rates primer; summer outlook/CPUC benchmarks; PCIA; Energy costs (full stack costs and revenue model))

Joe Mosca

Jun-27

In Progress

ORANGE COUNTY POWER AUTHORITY

Staff Report – Item 8.5

To: Orange County Power Authority Board of Directors
Approved by: Joe Mosca, Chief Executive Officer
Subject: RISK OVERSIGHT COMMITTEE MEETING UPDATE
Date: October 19, 2026

STRATEGIC GOALS

- ☐ Enrich & Grow the OCPA Community
- ☐ Prioritize Fiscal Sustainability & Affordability
- ☐ Design & Deploy Community-Aligned Customer Programs
- ☐ Energize Our Community with Renewable Energy Sources
- ☐ Raise Awareness of Community Energy & Advocate for Our Customers
- ☒ Not Applicable: Promote transparency

RECOMMENDED ACTION(S)

Receive and file.

BACKGROUND

The Risk Oversight Committee (ROC) was established via the Board-adopted Energy Risk Management Policy (Policy No. 11). Per the policy, members of the ROC will be selected by the Chief Executive Officer (CEO), who will serve as the Chair of the ROC. The ROC comprises the CEO, CFO, Director of Power Resources, Pacific Energy Advisors (PEA) representatives, and transactional counsel from the Authority's contracted law firm.

The ROC has the authority to:

- Meet at least once per quarter or as otherwise called to order by the ROC's Chair.
- No less than once per quarter, report to the Board regarding its meetings, deliberations, and other areas of concern.

- From time to time, adopt and/or adapt risk management guidelines defining internal controls, strategies, and processes for managing market risks incurred through our attendant upon wholesale trading, retail marketing, long-term contracting, CRR trading, and load and generation scheduling.
- Specify the permitted transaction categories and set risk limits for wholesale trading. The ROC will receive and review information and reports regarding risk management, wholesale trading transactions, and the administration of supply contracts.
- Have direct responsibility for enforcing compliance with this Policy. Any material violations of this Policy, as determined by the ROC, shall be reported to the Board for appropriate action.

The State Auditor recommended that the Board consider amending the Energy Risk Management Policy (Policy No. 11) to alter the membership of the ROC to include a limited subset of Board members in a manner that does not violate open meeting requirements of the Brown Act. Following review and discussion with the General Counsel, it was determined that formally adding Board members to the ROC through an amendment to the Energy Risk Management Policy would make the ROC meetings subject to the Brown Act, which is incompatible with the ROC's responsibilities for reviewing and analyzing market-sensitive information and prospective transactions, substantial aspects of which are confidential under CPUC rules and best practices for CCAs. As an alternative, the CEO has initiated a practice of inviting the Board Chair and Vice Chair to ROC meetings to observe. This is intended to provide additional Board oversight of the ROC without making Board members official members of the ROC under the Energy Risk Management Policy. This practice was initiated with the April 3, 2023, meeting and will continue for future meetings.

DISCUSSION / ANALYSIS

The Risk Oversight Committee (ROC) met on Thursday, September 24, 2026, at 10:00 AM. Attendees included Joe Mosca, CEO; Tiffany Law, CFO; Louis Ting, Director of Power Resources; Owen Lee, Director of Finance & Data Analytics; Hongyen Sheng, Finance & Risk Manager; PEA consultants John Dalessi and Kirby Dusel; and Glen Price of Best, Best & Krieger. Susan Sonne, Chair of the Board of Directors, attended the ROC meeting but only observed it.

The ROC discussed the following:

- Energy Risk Management Policy Amendments
- Q3 2026 Market Update
 - Energy Position Reports
 - Market Exposure and Risk

- Long-term Contracting Update
- Portfolio Market Valuation
- Risk Management Policy

There are no Policy violations to report.

The ROC quarterly meeting schedule for 2026 is:

- March 26, 2026
- June 17, 2026
- September 24, 2026
- December 15, 2026

FISCAL IMPACT

None.

ATTACHMENT(S)

None.

ORANGE COUNTY POWER AUTHORITY

Staff Report – Item 8.6

To: Orange County Power Authority Board of Directors
From: Tiffany Law, Chief Financial Officer
Approved by: Joe Mosca, Chief Executive Officer
Subject: TREASURER’S REPORT – FISCAL YEAR ENDED JUNE 30, 2026
AND Q2 2026 CHECK REGISTER
Date: October 19, 2026

STRATEGIC GOALS

- ☐ Enrich & Grow the OCPA Community
- ☒ Prioritize Fiscal Sustainability & Affordability
- ☐ Design & Deploy Community-Aligned Customer Programs
- ☐ Energize Our Community with Renewable Energy Sources
- ☐ Raise Awareness of Community Energy & Advocate for Our Customers
- ☐ Not Applicable

RECOMMENDED ACTION(S)

Receive and file.

BACKGROUND

The Treasurer’s Report provides the Orange County Power Authority (OCPA) Board of Directors with quarterly financial information. Prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP), the report includes the statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows.

For the fiscal year ended June 30, 2026, OCPA has prepared unaudited financial statements. These are accompanied by budgetary comparisons, an investment summary, a schedule of outstanding debt, and a check register.

The financial statements for the fiscal year ended June 30, 2026, remain in draft form until completion of the annual audit.

DISCUSSION / ANALYSIS

For the fiscal year ended June 30, 2026, OCPA's third full year of operations, the unaudited financial statements reflect significant progress in strengthening the agency's financial position while maintaining customer rate stability. OCPA achieved an approximately \$16.7 million increase in net position (operating reserves), compared with a projected \$4 million deficit in the FY2025/26 Mid-Year Amended Budget and a \$0.4 million surplus in the June 2026 Reforecast. This represents a \$20.7 million favorable variance to the Amended Budget and a \$16.3 million improvement over the June Reforecast.

These favorable results reflect higher electricity sales, disciplined management of operating expenses, investment income above budget, and lower cost of energy. The largest favorable variance was attributable to the year-end adjustment of energy-related accruals following the California Public Utilities Commission's (CPUC) publication of the final 2026 Market Price Benchmarks (MPBs) on October 1, 2026, together with lower-than-anticipated Voluntary Allocation and Market Offer (VAMO) deliveries and related renewable energy credit (REC) adjustments.

As of June 30, 2026, OCPA's operating reserves, represented by its net position, increased by approximately \$16.7 million, from \$45 million at the beginning of the fiscal year to \$61.6 million at year-end, representing approximately 23% of total annual operating expenses. OCPA also maintained approximately 109 days of total liquidity coverage, including available cash and line-of-credit capacity. These results demonstrate OCPA's continued commitment to financial discipline, strengthening its reserve position, and maintaining the financial flexibility needed to address future energy market volatility while supporting the Board's commitment to customer affordability.

Financial Highlights for the Fiscal Year Ended June 30, 2026:

Actual to Amended Budget and Reforecast Analysis

The FY2025/26 Actual to Amended Budget Analysis compares actual results for the 12 months ended June 30, 2026, with both the FY2025/26 Mid-Year Amended Budget and the June 2026 Reforecast, as summarized below:

	Unaudited Actual	Approved Amended Budget	Var	%	Reforecast	Var	%
	YTD 6/30/2026	YTD 6/30/2026	YTD 6/30/2026		YTD 6/30/2026	YTD 6/30/2026	
Operating Revenues							
Electricity Sales, Net of Allowance	251,507,097	246,424,570	5,082,527	2.1%	245,500,258	6,006,839	2.4%
Revenue from (deferred to) Rate Stabilization Fund	30,000,000	30,000,000	-	0.0%	30,000,000	-	0.0%
Total Operating Revenues	281,507,097	276,424,570	5,082,527	1.8%	275,500,258	6,006,839	2.2%

- Operating Revenues** were \$5.1 million, or 2.1%, above the Amended Budget and \$6 million, or 2.4%, above the June Reforecast. The favorable variance was primarily driven by higher electricity consumption of approximately 31 GWh, partially offset by an average retail price approximately \$0.58/MWh below amended budget expectations. Sales revenue includes both amounts billed to customers and estimated unbilled customer usage at year-end. Consistent with the previously established Rate Stabilization Fund (RSF) plan, operating revenues also include \$30 million of previously deferred revenue recognized during FY2025/26. This amount was included in both the Amended Budget and the June Reforecast and therefore did not contribute to the favorable revenue variances.

	Unaudited Actual	Approved Amended Budget	Var	%	Reforecast	Var	%
	YTD 6/30/2026	YTD 6/30/2026	YTD 6/30/2026		YTD 6/30/2026	YTD 6/30/2026	
Operating Expenses							
Cost of Energy	253,082,897	267,286,540	(14,203,643)	-5.3%	262,836,664	(9,753,767)	-3.7%

- Cost of Energy** was \$14.2 million, or 5.3%, below the Amended Budget and \$9.8 million, or 3.7%, below the June Reforecast. The favorable variance was primarily attributable to updated renewable energy-related accruals following the publication of the CPUC's final 2026 MPBs. The final 2026 RPS MPB of \$30.88/MWh was significantly lower than the \$40/MWh assumption used in OCPA's June Reforecast. The final 2026 Resource Adequacy (RA) MPB was \$10.11/kW-month. These updated benchmarks, together with lower-than-anticipated VAMO delivery volumes, adjustments to associated REC accruals, and differences in energy delivery timing and market prices, resulted in lower reported energy costs. These adjustments reflect the incorporation of updated information into OCPA's year-end financial estimates.

	Unaudited Actual	Approved Amended Budget	Var	%	Reforecast	Var	%
	YTD 6/30/2026	YTD 6/30/2026	YTD 6/30/2026		YTD 6/30/2026	YTD 6/30/2026	
Operating Expenses							
Contract Services							
Professional Services	1,362,436	1,808,315	(445,879)	-24.7%	1,446,144	(83,708)	-5.8%
Data Manager	2,223,387	2,216,910	6,477	0.3%	2,220,287	3,100	0.1%
Legal	607,318	706,492	(99,174)	-14.0%	663,350	(56,032)	-8.4%
Communications & Outreach	1,354,778	1,545,506	(190,728)	-12.3%	1,397,122	(42,344)	-3.0%
Service Fees - SCE	254,626	398,601	(143,975)	-36.1%	269,645	(15,019)	-5.6%
Energy Programs	990,753	1,198,674	(207,921)	-17.3%	975,631	15,122	1.5%
Staff Compensation	5,292,616	5,198,291	94,325	1.8%	5,295,451	(2,835)	-0.1%
General & Administration	1,210,539	1,316,073	(105,534)	-8.0%	1,271,870	(61,331)	-4.8%
Total Operating Expenses (excl. COE)	13,296,453	14,388,862	(1,092,409)	-7.6%	13,539,500	(243,047)	-1.8%
Total Operating Expenses	266,379,350	281,675,402	(15,296,052)	-5.4%	276,376,164	(9,996,814)	-3.6%

- **Non-Energy Operating Expenses** were approximately \$1.1 million, or 7.6%, below the Amended Budget and approximately \$243,000, or 1.8%, below the June Reforecast. These savings reflect OCPA's continued attention to controlling operating costs and managing expenditures responsibly.

	Unaudited Actual	Approved Amended Budget	Var	%	Reforecast	Var	%
	YTD 6/30/2026	YTD 6/30/2026	YTD 6/30/2026		YTD 6/30/2026	YTD 6/30/2026	
Nonoperating Revenues (Expenses)							
Investment Income	1,869,355	1,535,357	333,998	21.8%	1,592,373	276,982	17.4%
Interest and Financing Expense	(332,551)	(316,856)	(15,695)	5.0%	(311,396)	(21,155)	6.8%
Nonoperating Revenues (Expenses), net	1,536,804	1,218,501	318,303	26.1%	1,280,977	255,827	20.0%
Change in Net Position	16,664,551	(4,032,331)	20,696,882	-513.3%	405,071	16,259,480	4014.0%
Net Position at Beginning of Period	45,014,442	45,014,442			45,014,442		
Net Position at End of Period	61,678,993	40,982,111	20,696,882	50.5%	45,419,513	16,259,480	35.8%

- Non-Operating Revenues (net)** were approximately \$318,000, or 26.1%, above the Amended Budget and \$256,000, or 20.0%, above the June Reforecast, primarily because investment income exceeded the Amended Budget by approximately \$334,000 and the June Reforecast by \$277,000. The favorable investment results reflect OCPA's ongoing management of its cash and investment portfolio to enhance earnings while maintaining liquidity.
- Net Position (Operating Reserves).** In its third full year of operations, OCPA ended FY2025/26 with an approximately \$16.7 million increase in net position (operating reserves), compared with a projected \$4 million decrease in the Amended Budget and a \$0.4 million increase in the June Reforecast. This represents a favorable variance of \$20.7 million to the Amended Budget and \$16.3 million to the Reforecast. The favorable budget variance reflects approximately \$5.1 million of higher operating revenues, \$14.2 million of lower cost of energy, \$1.1 million of savings in other operating expenses, and \$0.3 million of higher net nonoperating revenues. As a result, OCPA's operating reserves (net position) grew to approximately \$61.6 million at June 30, 2026, from \$45 million at the beginning of the fiscal year. This improvement strengthens OCPA's financial position and provides an additional cushion against future market and regulatory uncertainty.

FISCAL IMPACT

There is no financial impact from receiving the report.

ATTACHMENT(S)

1. Treasurer's Report ending June 30, 2026
2. Q2 2026 Check Register



ACCOUNTANTS' COMPILATION REPORT

Management
Orange County Power Authority

Management is responsible for the accompanying financial statements of Orange County Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of June 30, 2026, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these compiled financial statements. Orange County Power Authority's annual audited financial statements include the note disclosures omitted from these statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
October 5, 2026

ORANGE COUNTY POWER AUTHORITY
STATEMENT OF NET POSITION
As of June 30, 2026

ASSETS

Current assets

Cash - unrestricted	\$ 44,311,762
Cash - restricted	5,539,405
Investments	2,023,865
Accounts receivable, net of allowance	17,026,488
Accrued revenue	14,053,298
Other receivables	6,010,000
Prepaid expenses	3,131,594
Deposits	1,285,523
Total current assets	<u>93,381,935</u>

Noncurrent assets

Cash - restricted	148,992
Deposits	12,597,909
Capital assets, net of depreciation and amortization	893,537
Total noncurrent assets	<u>13,640,438</u>
Total assets	<u>107,022,373</u>

LIABILITIES

Current liabilities

Accrued cost of electricity	34,242,104
Accounts payable	523,925
Other accrued liabilities	2,431,783
User taxes and energy surcharges due to other governments	668,339
Lease liability	127,566
Loans payable	6,777,841
Total current liabilities	<u>44,771,558</u>

Noncurrent liabilities

Lease liability	638,706
Total noncurrent liabilities	<u>638,706</u>
Total liabilities	<u>45,410,264</u>

NET POSITION

Net investment in capital assets	127,265
Restricted for security collateral	488,397
Unrestricted	60,996,447
Total net position	<u>\$ 61,612,109</u>

ORANGE COUNTY POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Year Ended June 30, 2026

OPERATING REVENUES

Electricity sales, net	\$ 251,507,212
Revenue from (deferred to) Rate Stabilization Fund	30,000,000
Total operating revenues	<u>281,507,212</u>

OPERATING EXPENSES

Cost of electricity	253,082,897
Contract services	6,210,114
Staff compensation	5,292,616
Other operating expenses	1,666,192
Depreciation and amortization	194,414
Total operating expenses	<u>266,446,233</u>
Operating income (loss)	<u>15,060,979</u>

NONOPERATING REVENUES (EXPENSES)

Investment income	1,869,239
Interest expense	<u>(332,551)</u>
Nonoperating revenues (expenses), net	<u>1,536,688</u>

CHANGE IN NET POSITION

	16,597,667
Net position at beginning of period	<u>45,014,442</u>
Net position at end of period	<u>\$ 61,612,109</u>

ORANGE COUNTY POWER AUTHORITY
STATEMENT OF CASH FLOWS
Year Ended June 30, 2026

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 251,884,066
Receipts from wholesale sales	29,644,429
Receipts of security deposits	10,610,750
Payments to suppliers for electricity	(309,851,020)
Payments for other goods and services	(8,337,000)
Payments for deposits and collateral	(1,319,792)
Payments for staff compensation	(5,232,037)
Payments of taxes and energy surcharges to other governments	(3,037,048)
Net cash provided (used) by operating activities	<u>(35,637,652)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Principal payments - loan	(750,000)
Interest payments	<u>(814,358)</u>
Net cash provided (used) by non-capital financing activities	<u>(1,564,358)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Lease payments	<u>(164,525)</u>
Net cash (used) by capital and related financing activities	<u>(164,525)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	2,239,471
Proceeds from investment sales and maturities of investments	22,000,000
Purchase of investments	<u>(2,000,000)</u>
Net cash provided (used) by investing activities	<u>22,239,471</u>

Net change in cash	(15,127,064)
Cash at beginning of period	<u>65,127,223</u>
Cash at end of period	<u><u>\$ 50,000,159</u></u>

Reconciliation to the Statement of Net Position

Cash - unrestricted, current	\$ 44,311,762
Cash - restricted, current	5,539,405
Cash - restricted, noncurrent	<u>148,992</u>
Total cash at end of period	<u><u>\$ 50,000,159</u></u>

ORANGE COUNTY POWER AUTHORITY
STATEMENT OF CASH FLOWS (continued)
Year Ended June 30, 2026

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income (loss)	\$ 15,060,979
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation and amortization expense	194,414
(Increase) decrease in:	
Accounts receivable	(2,726,908)
Other receivables	(1,654,096)
Accrued revenue	4,296
Prepaid expenses	(3,047,353)
Deposits	9,065,315
Increase (decrease) in:	
Accrued cost of electricity	(23,767,921)
Accounts payable	(211,350)
Other accrued liabilities	1,382,554
User taxes and energy surcharges due to other governments	62,418
Rate Stabilization Fund	(30,000,000)
Net cash provided (used) by operating activities	<u>\$ (35,637,652)</u>
NONCASH INVESTING ACTIVITIES	
Change in fair value of investments	\$ 74,947
Change in interest receivable	\$ (445,179)



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Orange County Power Authority

Management is responsible for the operating fund budget comparison report of Orange County Power Authority (OCPA), a California Joint Powers Authority, for the year ended June 30, 2026, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

The special purpose statement is prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of OCPA.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these compiled financial statements. OCPA's annual audited financial statements include the note disclosures omitted from these statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to OCPA because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
October 5, 2026

ORANGE COUNTY POWER AUTHORITY
OPERATING FUND BUDGET COMPARISON REPORT
Year Ended June 30, 2026

	Year-to-Date			Actual as a
	Actual	Amended Budget	Amended Budget Variance (Under) Over	Percent of Amended Budget
OPERATING REVENUES				
Electricity Sales, net	\$ 251,507,097	\$ 246,425,000	\$ 5,082,097	102.1%
Revenue from (deferred to) Rate Stabilization Fund	30,000,000	30,000,000	-	100.0%
Total operating revenues	281,507,097	276,425,000	5,082,097	
OPERATING EXPENSES				
Cost of Energy	253,082,897	267,286,000	(14,203,103)	94.7%
Data Manager	2,223,387	2,217,000	6,387	100.3%
Utilities Service Fees	254,626	399,000	(144,374)	63.8%
Staffing Costs	5,292,616	5,198,000	94,616	101.8%
Contract Services	1,362,435	1,808,000	(445,565)	75.4%
Legal Services	607,318	706,000	(98,682)	86.0%
Marketing and Outreach	1,354,778	1,546,000	(191,222)	87.6%
Other G&A	1,210,539	1,316,000	(105,461)	92.0%
Energy Programs	990,753	1,199,000	(208,247)	82.6%
Total operating expenses	266,379,349	281,675,000	(15,295,651)	
Operating income (loss)	15,127,748	(5,250,000)	20,377,748	
NONOPERATING REVENUES (EXPENSES)				
Investment and miscellaneous income	1,869,355	1,535,000	334,355	121.8%
Interest expense	(332,551)	(317,000)	(15,551)	104.9%
Nonoperating revenues (expenses), net	1,536,804	1,218,000	318,804	
NET SURPLUS (DEFICIT)	<u>\$ 16,664,552</u>	<u>\$ (4,032,000)</u>	<u>\$ 20,696,552</u>	

See accountants' compilation report.

ORANGE COUNTY POWER AUTHORITY
BUDGET COMPARISON REPORT (CONTINUED)
RECONCILIATION OF NET INCREASE IN AVAILABLE FUND BALANCE
TO CHANGE IN NET POSITION
Year Ended June 30, 2026

Net increase (decrease) in available fund balance
per budgetary comparison schedule:

\$ 16,664,552

Adjustments needed to reconcile to the
changes in net position in the
Statement of Revenues, Expenses
and Changes in Net Position:

Subtract depreciation expense

(66,885)

Change in net position

\$ 16,597,667

ORANGE COUNTY POWER AUTHORITY
BUDGETARY COMPARISON REPORT
Year Ended June 30, 2026

Budget Item	Actual / Budget %	Comment
Electric Sales Revenue	102.1%	Year-to-date energy sales are in very close alignment to forecast. Sales revenue includes revenues actually billed to customers as well as estimated customer usage during the reporting period that is not yet billed.
Cost of Energy	94.7%	The variance is affected by increased energy purchases required to provide for greater than expected customer load. Also affecting the variance is the timing difference between projected and actual delivery of Renewable Energy Certificates (RECs) and fluctuating market prices.
Data Manager	100.3%	These are Calpine fees charged on a per active account basis.
Service Fees - SCE	63.8%	These are SCE fees charged on a per customer basis.
Personnel	101.8%	Staffing expense fluctuations are due to the timing of new hires.
Professional Services	75.4%	This category includes accounting and audit, rates and financial & planning analysis, portfolio management, scheduling coordinator, HR including recruitment services, IT, and other consultants.
Legal Costs	86.0%	This category includes outside legal costs for general counsel, energy procurement transactional support, labor, clerk support, regulatory, member agency withdrawal services.
Marketing and customer enrollment	87.6%	This category includes advertising, strategic marketing & communications, digital marketing and website development and hosting, collateral marketing, translation, sponsorships & memberships, promotional items, required customer notifications printing and mailing.
Other General & Administrative	92.0%	This category includes ordinary G&A including rent, CalCCA membership, general business insurance, small equipment and software, travel, business meals, professional development, office supplies, and one-off new office related expenses (e.g., open house, office setup, etc.).
Energy Programs	82.6%	Energy program costs include incentives and rebates paid to customers, as well as consulting and G&A costs directly related to the implementation of program activities.
Interest expenses	104.9%	This category includes accrued interest on the loan from the City, as well as imputed interest on the office lease, as required by Governmental Accounting Standards Board Statement No. 87.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
\$	48,777,090	\$ 33,353,824	\$ 29,017,248	\$ 34,791,447	\$ 36,012,641	\$ 43,320,247	\$ 45,051,786	\$ 43,886,766
\$	198,183	\$ 151,060	\$ 141,406	\$ 101,663	\$ 99,244	\$ 132,819	\$ 126,718	\$ 114,339
	4.88%	5.43%	5.85%	3.51%	3.31%	3.68%	3.38%	3.13%
\$	29,000	\$ 29,000	\$ 11,220	\$ 4,142	\$ 5,809	\$ 7,458	\$ 5,777	\$ 4,043

[illegible]

ORANGE COUNTY POWER AUTHORITY
SCHEDULE OF OUTSTANDING DEBT
As of June 30, 2026

CITY OF IRVINE

On January 2021, OCPA borrowed \$2,500,000 from the City of Irvine for working capital costs associated with OCPA's pre-launch. On September 2021, OCPA borrowed \$5,000,000 from the City of Irvine for cash collateral in the credit facility associated with OCPA's launch. The loan repayment date for the above is January 1, 2027. Interest is due on the loan in an amount based on the gross earnings for the respective quarter as reported in the City Treasurer's pooled investment portfolio report.

Also included as a loan payable are formation related costs - \$152,380 paid directly from the City to the vendors. OCPA will reimburse the City no later than January 1, 2027. Interest does not accrue on the formation costs advanced by the City. OCPA paid \$124,538.70 towards the outstanding principal on September 12, 2022.

Principal	Maturity	Interest Rate	Payments	Outstanding Principal
\$ 152,380	January 2027	0.00%	\$ 124,539	\$ 27,841
\$ 7,500,000	January 2027	Variable - City Treasurer's report	\$ 750,000.00	\$ 6,750,000

US BANKCREDIT FACILITY

On September 2021, OCPA and US Bank (formerly MUFG Union Bank, N.A.) entered into a Revolving Credit Agreement for a \$35 million credit facility, OCPA has outstanding borrowings of \$0 as of June, 2026

Credit Facility	Letter of Credit	Borrowing	Unused Credit
\$ 35,000,000	\$ -	\$ -	\$ 35,000,000

Orange County Power Authority
PAYMENTS ISSUED APRIL 1, 2026 THROUGH JUNE 30, 2026

<u>Date</u>	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
04/01/2026	US Bank Interest and Service Charges	Q1 2026 fees on unutilized balance	17,500.00
04/03/2026	California Community Choice Association	SCE 2024-2026 ERRRA Special Assessment Quarterly Invoice	10,500.00
04/03/2026	Paychex	Flexperks	6.47
04/03/2026	The DOT Printer, Inc.	CARBON REPORTING AND RENTER ENERGY EFFICIENCYFLYERS -- {PO:1049}	233.59
04/03/2026	Travel Bank	Expense Reimbursement - 2026 CalCCA Conference	329.30
04/03/2026	Travel Bank	Expense Reimbursement - CalCCA Diablo Canyon Tour	613.06
04/03/2026	Travel Bank	Expense Reimbursement - Board Meeting	547.03
04/03/2026	Travel Bank	Mileage - Administrative Services	238.96
04/06/2026	Colonial Life	March 2026 Life Insurance	937.62
04/06/2026	Lakeview Business Center LLC	Various expenses	2,462.15
04/06/2026	Lincoln Financial Group	4/08/26 Retirement debit 457B	15,300.17
04/06/2026	Southern California Edison	November 2025 RECs	1,991,346.38
04/08/2026	Lincoln Financial Group	4/06/26 Retirement debit 401A	39,704.80
04/10/2026	Calpine Energy Solutions	February 2026 services {po:1003}	199,812.70
04/10/2026	Igoe (Med-iBank)	Medical and/or Dependent Care FSA Monthly Participation Fee	50.00
04/10/2026	Igoe (Med-iBank)	Medical and/or Dependent Care FSA Monthly Participation Fee	64.99
04/13/2026	Best Best & Krieger	March 2026 - General counsel {po: 1002}	15,175.50
04/13/2026	Best Best & Krieger	March 2026 - REGULATORY - CPUC {po: 1002}	12,112.00
04/13/2026	Best Best & Krieger	March 2026 - PUBLIC RECORDS REQUESTS {po: 1002}	7,522.50
04/13/2026	Best Best & Krieger	March 2026 - COUNTY WITHDRAWAL {po: 1002}	2,683.00
04/13/2026	CITY OF BUENA PARK - UUT	March 2026 Utility User Tax	78,876.72
04/13/2026	City of Irvine	CicloIrvine 2026 - Open street sponsor	10,000.00
04/13/2026	CITY OF IRVINE - UUT	March 2026 Utility User Tax	97,692.59
04/13/2026	SDRMA	May 2026 employee benefit charges	26,248.52
04/13/2026	Shell Energy North America	February 2026 RECs	826,859.60
04/13/2026	Shell Energy North America	February 2026 Capacity	575,560.00
04/13/2026	The Energy Authority Inc. (CAISO and ENERGY)	CAISO period 3/20/26 - 3/26/26 & 12/18/25-12/23/25	316,235.71
04/13/2026	The Energy Authority Inc. (CAISO and ENERGY)	CAISO period 4/3/26 - 4/9/26 & 1/2/26-1/7/26	226,781.25
04/13/2026	The Irvine Co/Lakeview III	May 2026 - Monthly rent	20,367.40
04/13/2026	Transalta Energy Marketing Us Inc.	March 2026 Energy Purchases	3,205,641.24
04/14/2026	US Bank Interest and Service Charges	March 2026 Analysis service charge	5,960.81
04/14/2026	We Konnect, Inc.	Brivo and Eagle Eye Cloud Services {po:1037}	271.00
04/15/2026	Golden Communications Inc	ADA Audit + Remediation for ocpower.org - March 2026 -- {po: 1061}	3,500.00
04/15/2026	Igoe (Med-iBank)	Medical and/or Dependent Care FSA Monthly Participation Fee	314.70
04/16/2026	Dell Marketing L.P.	New Staff Equipment	2,125.09
04/16/2026	Earth Boutique LLC	Earth Night 2026 Sponsorship	500.00
04/16/2026	US Bank Credit Card *7799	Airfare - 2026 CalCCA Conference	350.81
04/16/2026	US Bank Credit Card *7799	Airfare Fee - 2026 CalCCA Conference	18.00
04/16/2026	US Bank Credit Card *7799	Airfare - 2026 CalCCA Conference	577.80
04/16/2026	US Bank Credit Card *7799	Event Ticket - OC Women's Business Chamber	35.00
04/16/2026	US Bank Credit Card *7799	Orange County Business Council Legislative Day (refund)	(1,300.00)
04/16/2026	US Bank Credit Card *7799	Airfare - 2026 CalCCA Conference	142.86
04/16/2026	US Bank Credit Card *7799	Business Lunch - 2026 Staffers Luncheon	245.48
04/16/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit	15.00
04/16/2026	US Bank Credit Card *7799	Working Lunch - CEA and Energy Programs Business Meeting	48.65
04/16/2026	US Bank Credit Card *7799	OC Register - Monthly subscription	14.00
04/16/2026	US Bank Credit Card *7799	Event Ticket - CA Climate and Energy Collaborative Forum	200.00
04/16/2026	US Bank Credit Card *7799	Event Ticket - CA Climate and Energy Collaborative Forum	100.00
04/16/2026	US Bank Credit Card *7799	Airfare - 2026 CalCCA Conference	367.11
04/16/2026	US Bank Credit Card *7799	Event Ticket - CA Climate and Energy Collaborative Forum	200.00
04/16/2026	US Bank Credit Card *7799	Hotel Accommodations - CalCCA Diablo Canyon Tour	291.89
04/16/2026	US Bank Credit Card *7799	Hotel Accommodations - CalCCA Diablo Canyon Tour	291.89
04/16/2026	US Bank Credit Card *7799	New Staff Business Lunch - CEO & Executive Assistant to the CEO & Board Clerk	109.61
04/16/2026	US Bank Credit Card *7799	Event Ticket - CA Climate and Energy Collaborative Forum	200.00
04/16/2026	US Bank Credit Card *7799	Airfare - Board Meeting	136.83
04/16/2026	US Bank Credit Card *7799	Airfare - Board Meeting	405.31
04/16/2026	US Bank Credit Card *7799	Airfare - Board Meeting	248.52
04/16/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - OCPA Strategic Planning Workshop	48.14
04/16/2026	US Bank Credit Card *7799	Airfare - OCPA Strategic Planning Workshop	80.00
04/16/2026	US Bank Credit Card *7799	Hotel Accommodations - Strategic Planning Workshop	265.62
04/16/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - OCPA Strategic Planning Workshop	11.70
04/16/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - OCPA Strategic Planning Workshop	116.00
04/16/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - OCPA Strategic Planning Workshop	86.00
04/16/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - OCPA Strategic Planning Workshop	141.00
04/16/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit (refund)	(58.00)
04/16/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit (refund)	(58.00)

04/16/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit (refund)	(51.00)
04/16/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit (refund)	(35.00)
04/16/2026	US Bank Credit Card *7799	Hotel Accommodations - Strategic Planning Workshop	125.64
04/16/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - OCPA Strategic Planning Workshop	11.24
04/16/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - OCPA Strategic Planning Workshop	19.24
04/16/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - OCPA Strategic Planning Workshop	32.79
04/16/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - OCPA Strategic Planning Workshop	11.00
04/16/2026	US Bank Credit Card *7799	Staff Acknowledgement - Birthday Cake	60.00
04/16/2026	US Bank Credit Card *7799	Staff Acknowledgement - Birthday Cake	45.79
04/16/2026	US Bank Credit Card *7799	Business meal - Board meeting	127.74
04/16/2026	US Bank Credit Card *7799	Office Supplies - Teambuilding Activities	52.52
04/16/2026	US Bank Credit Card *7799	Office Supplies - Teambuilding Activities	58.22
04/16/2026	US Bank Credit Card *7799	Airfare - 2026 CalCCA conference	266.79
04/16/2026	US Bank Credit Card *7799	Go to Go - Phone Forwarding Service for Call Center	107.64
04/16/2026	US Bank Credit Card *7799	Office Supplies - Teambuilding Activities	129.33
04/16/2026	US Bank Credit Card *7799	Staff Acknowledgement - Birthday Cake	48.95
04/16/2026	US Bank Credit Card *7799	Recruitment posting - Rates and Revenue Manager	549.00
04/16/2026	US Bank Credit Card *7799	Kitchen and Pantry Items	3.49
04/16/2026	US Bank Credit Card *7799	Kitchen and Pantry Items	39.50
04/16/2026	US Bank Credit Card *7799	Office Supplies - Teambuilding Activities	17.39
04/16/2026	US Bank Credit Card *7799	Office Supplies - Teambuilding Activities	45.76
04/16/2026	US Bank Credit Card *7799	Business meal - Strategic Planning Workshop	428.70
04/16/2026	US Bank Credit Card *7799	Mandatory Staff Compliance Training	27.00
04/16/2026	US Bank Credit Card *7799	Kitchen and Pantry Items	438.35
04/16/2026	US Bank Credit Card *7799	Kitchen and Pantry Items	29.48
04/16/2026	US Bank Credit Card *7799	Best Best & Krieger - Professional Development	50.00
04/16/2026	US Bank Credit Card *7799	Best Best & Krieger - Professional Development	350.00
04/16/2026	US Bank Credit Card *7799	USPS Mailing	33.25
04/16/2026	US Bank Credit Card *7799	Amazon Business Prime - Essentials Account Refund	(192.34)
04/16/2026	US Bank Credit Card *7799	Amazon Business Prime - Essentials Account	192.87
04/16/2026	US Bank Credit Card *7799	Amazon Business Prime - Essentials Account	192.87
04/16/2026	US Bank Credit Card *7799	Office Supplies	104.00
04/16/2026	US Bank Credit Card *7799	Office Supplies	850.88
04/16/2026	US Bank Credit Card *7799	Kitchen and Pantry Items	192.19
04/16/2026	US Bank Credit Card *7799	Google Monthly Subscription	14.00
04/16/2026	US Bank Credit Card *7799	Grammarly Subscription	354.00
04/16/2026	US Bank Credit Card *7799	Zoom Monthly Subscription	267.90
04/16/2026	US Bank Credit Card *7799	Recruitment posting - R&L Manager, Rates and Revenue Manager	477.47
04/16/2026	US Bank Credit Card *7799	Airfare Fees - MS Energy Prepay & Infrastructure Forum	35.00
04/16/2026	US Bank Credit Card *7799	Airfare - MS Energy Prepay & Infrastructure Forum	650.39
04/20/2026	Ameriflex	April 2026 Cobra Admin Fee	60.00
04/20/2026	AMERIFLEX (Claims)	March 2026 - FSA Claims activity from 03/20/2026 to 03/26/2026	509.58
04/20/2026	AMERIFLEX (Claims)	March 2026 - FSA Claims activity from 03/13/2026 to 03/19/2026	928.00
04/20/2026	AMERIFLEX (Claims)	March 2026 - FSA Claims activity from 03/06/2026 to 03/12/2026	709.00
04/20/2026	Ameritas Life Insurance Corp	April 2026 Dental HMO	87.80
04/20/2026	Ameritas Life Insurance Corp	April 2026 Vision	392.60
04/20/2026	Ameritas Life Insurance Corp	April 2026 Dental PPO	1,239.16
04/20/2026	Asian Business Association Orange County	Annual membership renewal	2,500.00
04/20/2026	Bella Cocina	4/6/26 Monthly meeting	150.85
04/20/2026	Best Best & Krieger	March 2026 - FINANCIAL/POWER PROCUREMENT {po: 1002}	20,128.00
04/20/2026	EBEE Connect Inc	March 2026 Multi-Language Translation Services - {PO: 1058}	2,346.43
04/20/2026	GB ENDEAVORS, LLC	March 2026 strategic meetings {PO: 1056}	14,600.00
04/20/2026	High Desert Power Project LLC	March 2026 Capacity	625,000.00
04/20/2026	McCowin Water inc.	Monthly Lease Payment: 3-Temp Cooler with RO	79.00
04/20/2026	Metlife	April 2026 - Ancillary benefits Invoice	1,683.24
04/20/2026	NewGen Strategies & Solutions, LLC	March 2026- OCPA FY26 Financial Planning & Analysis Support -- {po: 1028}	2,056.25
04/20/2026	OneOC	BP Collaborative Annual Membership	1,000.00
04/20/2026	Orange County Printing Company	SMART LETTER MAILING -- {po:1048}	696.03
04/20/2026	Orange County Printing Company	3% LESS ENVELOPES #9 ENVELOPES -- {po:1048}	19.66
04/20/2026	Reveille Inc.	March 2026 OCPA FY Marketing and PR Budget- {po: 1025}	96,385.47
04/20/2026	Southern California Edison	March 2026 Capacity Purchases	480,685.70
04/20/2026	Southern California Edison	December 2025 RECs	2,177,562.14
04/20/2026	Sunny Hills High School	Sunny Hills High School - Black Level Sponsorship	500.00
04/20/2026	Sunrise Power Company LLC	March 2026 capacity purchase	1,432,000.00
04/21/2026	Lincoln Financial Group	4/21/26 Retirement debit 457B	12,992.10
04/21/2026	Lincoln Financial Group	4/21/26 Retirement debit 401A	34,425.48
04/21/2026	Maher Accountancy	April 2026 - Treasurer and Accounting Services- {PO:1054}	23,400.00
04/22/2026	California Community Choice Association	Operational Member Dues - Q4 FY 25-26 OperationalMembership Dues Payment	105,000.00
04/22/2026	Golden Communications Inc	Monthly Managed Web Services, and Additional Labor- {po:1061}	2,149.00
04/22/2026	Grace Orchard Energy Center (Nextera)	January - March 2025 - RECs Purchases	3,350,000.00
04/22/2026	Pacific Energy Advisors Inc.	March 2026 - Monthly Services {po: 1043}	49,000.00

04/22/2026	Paychex	Flexperks	6.47
04/22/2026	The DOT Printer, Inc.	OCPA 5X7 POSTCARDS DIRECT MAIL -- {PO:1049}	2,137.96
04/22/2026	The Energy Authority Inc. (CAISO and ENERGY)	CAISO period 3/13/26 - 3/19/26 & 12/12/25-12/17/25	570,397.72
04/23/2026	Constellation Energy Generation, LLC	February 2026 energy purchases	2,737,294.56
04/23/2026	Cox Business	Internet Services from March 16, 2026 - April 15, 2026	630.00
04/23/2026	Morgan Stanley Capital Group	March 2026 energy purchases	1,160,524.80
04/23/2026	NRG BUSINESS MARKETING LLC	March 2026 energy purchases	2,708,568.37
04/23/2026	Shell Energy North America	May 2025 RECs	297,131.25
04/23/2026	Shell Energy North America	April 2025 RECs	713,440.00
04/23/2026	Shell Energy North America	March 2025 RECs	614,428.75
04/23/2026	The Energy Authority Inc. (Service Fees)	March 2026 Resource Management Monthly Fees -- {PO:1011}	16,053.22
04/23/2026	The Energy Coalition	OCPA customer programs through February 28, 2026 - {PO:1041}	28,597.15
04/23/2026	Travel Bank	Expense Reimbursement - Board Meeting	614.97
04/24/2026	Travel Bank	Mileage - Communications and External Affairs	113.97
04/24/2026	Travel Bank	Expense Reimbursement - Board Meeting	407.31
04/24/2026	Travel Bank	Mileage - Communications and External Affairs	17.84
04/27/2026	California Department of Tax and Fee Administration	January - March 2026 Electric Energy Surcharge	150,552.00
04/27/2026	California ISO (Settlement Invoices) CAISO	CAISO CRR period for 06/01/2024 to 06/30/2024, 12/18/2025 to 12/23/2025, 04/01/2025	23,233.06
04/27/2026	Just One Call Cleaning Services LLC	March 2026 cleaning services {PO: 1045}	1,339.00
05/01/2026	California Community Choice Association	This is the 1/7 quarterly invoice for the SCE ERRRA Special Assessment for 2026-2027	17,420.00
05/01/2026	Travel Bank	Mileage - Regulatory & Legislative	97.51
05/04/2026	Calpine Energy Solutions	March 2026 services {po:1003}	200,729.00
05/04/2026	Colonial Life	April 2026 Life Insurance	989.78
05/04/2026	Igoe (Med-iBank)	Medical and/or Dependent Care FSA Monthly Participation Fee	27.69
05/04/2026	Igoe (Med-iBank)	Medical and/or Dependent Care FSA Monthly Participation Fee	193.10
05/04/2026	SDRMA	June 2026 employee benefit charges	24,894.07
05/04/2026	Shell Energy North America	April 2026 RECs	1,629,879.00
05/04/2026	Sunrise Power Company LLC	April 2026 capacity purchase	1,556,250.00
05/04/2026	The DOT Printer, Inc.	OCPA - RENTER ENERGY EFFICIENCY PROGRAM BROCHURES -- {PO:1049}	397.96
05/05/2026	Paychex	Flexperks	1,006.47
05/05/2026	We Konnect, Inc.	Brivo and Eagle Eye Cloud Services {po:1037}	271.00
05/05/2026	We Mail For You Inc.	postcards, coloring pages, and flyers -- {PO:1047}	338.64
05/06/2026	Energy GPS LLC	Market analysis service subscription from 3/1/26 - 12/1/26 -- {PO:1065}	10,000.00
05/07/2026	Lincoln Financial Group	5/06/26 Retirement debit 457B	12,994.06
05/07/2026	PENINSULA CLEAN ENERGY	November and December 2025 REC's	7,300,000.00
05/07/2026	Reveille Inc.	April 2026 OCPA FY Marketing and PR Budget- {po: 1025}	75,759.17
05/08/2026	Cox Business	Internet Services from April 16, 2026 - May 15, 2026	630.00
05/08/2026	EBEE Connect Inc	April 2026 Multi-Language Translation Services - {PO: 1058}	2,581.94
05/08/2026	Travel Bank	Expense Reimbursement - 2026 CalCCA Conference	388.61
05/08/2026	Travel Bank	Mileage - Board Member	121.74
05/08/2026	Travel Bank	Expense Reimbursement - CA Clean Energy Summit Conference	995.44
05/08/2026	Travel Bank	Mileage - Customer Programs	96.86
05/08/2026	Travel Bank	Mileage - Customer Programs	161.09
05/08/2026	Travel Bank	Mileage - Customer Programs	39.73
05/08/2026	Travel Bank	Mileage - Board Member	52.19
05/08/2026	Travel Bank	Mileage - Administrative Services	74.51
05/11/2026	Fullerton Mayor's Prayer Breakfast	Premier sponsorship 2026	1,000.00
05/11/2026	Lakeview Business Center LLC	Various expenses	2,961.62
05/11/2026	Lincoln Financial Group	5/07/26 Retirement debit 401A	34,428.60
05/11/2026	NRG BUSINESS MARKETING LLC	April 2026 energy purchases	2,356,219.82
05/11/2026	OCIACC	OC Business Expo 2026 Custom to OCPA Sponsorship	1,500.00
05/11/2026	Orange County Printing Company	Posterboard we will be using at Ciclorvine on 5/2/26	234.90
05/11/2026	Orange County Printing Company	This is for the weekly mailings for the weeks of 4/1 and 4/8/26	583.96
05/11/2026	Orange County Printing Company	Smart Letter Mailing	600.33
05/11/2026	The Energy Authority Inc. (CAISO and ENERGY)	CAISO period 4/17/26 - 4/23/26, 1/15/26 - 1/22/26 & 5/1/25 - 5/31/25	313,302.35
05/11/2026	The Energy Authority Inc. (CAISO and ENERGY)	CAISO period 4/24/26 - 4/30/26, 1/23/26 - 1/29/26/1/24-7/31/24 & 4/1/24 - 4/30/24	22,541.34
05/11/2026	The Irvine Co/Lakeview III	June 2026 - Monthly rent	20,367.40
05/15/2026	Golden Communications Inc	This is for ADA remediation of OCPA's website. This is a one-time project. - {po:1061}	3,500.00
05/18/2026	Ameritas Life Insurance Corp	May 2026 Dental HMO	87.80
05/18/2026	Ameritas Life Insurance Corp	May 2026 Vision	372.36
05/18/2026	California ISO (Settlement Invoices) CAISO	CAISO CRR period for 7/01/24 - 7/31/24, 4/1/26 - 4/30/26, 1/23/26 - 1/29/26	60,830.98
05/18/2026	Wregis	Transferred- 120,993 RECs & Annual Fee	483.97
05/18/2026	Wregis	Transferred- 79,007 RECs & Annual Fee	441.03
05/19/2026	Ameriflex	May 2026 Cobra Admin Fee	60.00
05/19/2026	AMERIFLEX (Claims)	April 2026 - FSA Claims activity from 4/17/26 - 4/23/26	415.80
05/19/2026	AMERIFLEX (Claims)	April 2026 - FSA Claims activity	291.37
05/19/2026	AMERIFLEX (Claims)	April 2026 - FSA Claims activity from 04/03/26 to 04/09/2026	474.87
05/19/2026	Ameritas Life Insurance Corp	May 2026 Dental PPO	1,173.24
05/19/2026	Association of California Cities	Sponsorship - April 2026- March 2027 Affiliate membership	5,000.00
05/19/2026	Bella Cocina	5/4/26 Monthly meeting	209.04
05/19/2026	CITY OF BUENA PARK - UUT	April 2026 Utility User Tax	83,624.20

05/19/2026	City of Fountain Valley Community Foundation	Summerfest Sponsor	2,000.00
05/19/2026	CITY OF HUNTINGON BEACH - UUT	April 2026 Utility User Tax	710.03
05/19/2026	CITY OF IRVINE - UUT	April 2026 Utility User Tax	94,787.72
05/19/2026	Maher Accountancy	May 2026 - Treasurer and Accounting Services- {PO:1054}	23,400.00
05/19/2026	Maher Accountancy	December 2025 April 30, 2026 - Bill.com pass-through fees- {PO:1054}	1,012.07
05/19/2026	McCowin Water inc.	Monthly Lease Payment: 3-Temp Cooler with RO	79.00
05/19/2026	Mercuria Energy America, LLC	2025 - Emissions - Carbon Allowances	6,650,000.00
05/19/2026	Metlife	May 2026 - Ancillary benefits Invoice	1,609.26
05/19/2026	Shell Energy North America	March 2026 RECs	463,327.05
05/19/2026	US Bank Credit Card *7799	Hotel Accommodations - Community Advisory Committee Meeting	185.16
05/19/2026	US Bank Credit Card *7799	Parking Fee - Laguna Beach City Council Meeting	3.25
05/19/2026	US Bank Credit Card *7799	Parking Fee - Laguna Beach City Council Meeting	3.75
05/19/2026	US Bank Credit Card *7799	LA Times - Annual digital subscription	52.00
05/19/2026	US Bank Credit Card *7799	OC Register - Monthly subscription	14.00
05/19/2026	US Bank Credit Card *7799	Airfare - 2026 CalCCA Conference	336.81
		Business meal - City Manager of Fountain Valley and Director of Public Works for Fountain Valley	22.90
05/19/2026	US Bank Credit Card *7799	Business meal - OCPA Power Resources	38.32
05/19/2026	US Bank Credit Card *7799	Business meal - CEO, member agency repetitive	44.82
05/19/2026	US Bank Credit Card *7799	Business meal - CEO, Director Jung, Placentia Mayor Wanke, and Mayor Pro Tem Yamaguc	132.79
05/19/2026	US Bank Credit Card *7799	Business meal - Finance, Matthew Langer	93.59
05/19/2026	US Bank Credit Card *7799	Business meal - CEO, Eddie Manfro, City Manager of City of Fullerton	17.19
05/19/2026	US Bank Credit Card *7799	Business meal - Team onboarding lunch with CFO and two new team members	80.48
05/19/2026	US Bank Credit Card *7799	Rental Equipment - 2026 CalCCA Conference	248.21
05/19/2026	US Bank Credit Card *7799	Business meal - Clean Energy Summit	35.00
05/19/2026	US Bank Credit Card *7799	Airfare Fee - Board Meeting	11.49
05/19/2026	US Bank Credit Card *7799	Business meal - Clean Energy Summit	26.88
05/19/2026	US Bank Credit Card *7799	Airfare - Board Meeting	353.79
05/19/2026	US Bank Credit Card *7799	Business meal - Clean Energy Summit	27.96
05/19/2026	US Bank Credit Card *7799	Hotel Accommodations - Clean Energy Summit	901.80
05/19/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - Board Meeting	31.27
05/19/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit (refund)	(141.00)
05/19/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit (refund)	(29.00)
05/19/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - Board Meeting	91.40
05/19/2026	US Bank Credit Card *7799	Airfare - Board Meeting	398.80
05/19/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - Board Meeting	122.00
05/19/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - Board Meeting	170.00
05/19/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - Board Meeting	122.00
05/19/2026	US Bank Credit Card *7799	Hotel Accommodations - Board Meeting	224.84
05/19/2026	US Bank Credit Card *7799	Hotel Accommodations - Board Meeting	234.76
05/19/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - Board Meeting	15.70
05/19/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - Board Meeting	20.13
05/19/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - Board Meeting	37.57
05/19/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit (refund)	(49.00)
05/19/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit (refund)	(73.00)
05/19/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - Board Meeting	122.00
05/19/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - Board Meeting	67.91
05/19/2026	US Bank Credit Card *7799	Airfare - Board Meeting and Onboarding New Staff	388.80
05/19/2026	US Bank Credit Card *7799	City of Irvine Community - Facility Rental for 2026 Strategic Plan Workshop - Applied Cred	(200.00)
05/19/2026	US Bank Credit Card *7799	Business meal - Board Meeting	128.89
05/19/2026	US Bank Credit Card *7799	Phone Forwarding Service for Call Center	128.87
05/19/2026	US Bank Credit Card *7799	Adobe Annual Standard License Subscriptions	6,333.00
05/19/2026	US Bank Credit Card *7799	Adobe License Subscription - Credit	(815.52)
05/19/2026	US Bank Credit Card *7799	Adobe Annual Pro License Subscriptions	849.44
05/19/2026	US Bank Credit Card *7799	Business meal - Outreach Discussion	64.49
05/19/2026	US Bank Credit Card *7799	Airfare - 2026 CalCCA Conference	388.19
05/19/2026	US Bank Credit Card *7799	Zoom Subscription Fee	1.00
05/19/2026	US Bank Credit Card *7799	Kitchen and Pantry Items	391.45
05/19/2026	US Bank Credit Card *7799	Google Monthly Subscription	14.00
05/19/2026	US Bank Credit Card *7799	Zoom Monthly Subscription	272.90
05/19/2026	US Bank Credit Card *7799	Background Check for new employee	190.58
05/19/2026	US Bank Credit Card *7799	USPS Certified Mail - CalCCA Conference materials	137.75
05/19/2026	US Bank Credit Card *7799	Mandatory Staff Compliance Training	54.00
05/19/2026	US Bank Credit Card *7799	Kitchen and Pantry Items	69.52
05/19/2026	US Bank Credit Card *7799	Hotel Accommodations - 2026 CalCCA Conference - OCPA Group Registrations	11,163.17
05/19/2026	US Bank Credit Card *7799	Hotel Accommodations - 2026 CalCCA Conference	337.41
05/19/2026	US Bank Credit Card *7799	Kitchen Supplies	21.46
		Transportation Expense - Ride Share or Mass Transit - MS Powering & Building	
05/19/2026	US Bank Credit Card *7799	Tomorrow: Energy Prepay & Infrastructure Forum	88.98
		Business meal - MS Powering & Building Tomorrow: Energy Prepay & Infrastructure Forum	
05/19/2026	US Bank Credit Card *7799	Forum	13.78

05/19/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - MS Powering & Building	
05/19/2026	US Bank Credit Card *7799	Tomorrow: Energy Prepay & Infrastructure Forum	97.97
05/19/2026	US Bank Credit Card *7799	Business meal - MS Powering & Building Tomorrow: Energy Prepay & Infrastructure Forum	19.36
05/19/2026	US Bank Credit Card *7799	Airfare - MS Powering & Building Tomorrow: Energy Prepay & Infrastructure Forum	120.00
05/19/2026	US Bank Credit Card *7799	Hotel Accommodations - MS Powering & Building Tomorrow: Energy Prepay & Infrastructure Forum	652.82
05/19/2026	US Bank Interest and Service Charges	April 2026 Analysis service charge	5,508.73
05/20/2026	Marsh Landing, LLC	April 2026 Capacity Purchases	689,587.50
05/20/2026	Paychex	Flexperks	6.90
05/20/2026	Shell Energy North America	May 2026 RECs	1,929,319.10
05/20/2026	Shell Energy North America	June 2026 RECs	1,989,279.00
05/20/2026	Southern California Edison (Non-Energy)	March 2026 service fees	16,381.73
05/21/2026	Golden Communications Inc	April 2026 monthly service {po:1061}	1,999.00
05/21/2026	High Desert Power Project LLC	April 2026 Capacity	625,000.00
05/21/2026	Just One Call Cleaning Services LLC	April 2026 cleaning services {PO: 1045}	1,339.00
05/21/2026	The DOT Printer, Inc.	Webinar flyers -- {PO:1049}	211.66
05/21/2026	The Energy Authority Inc. (CAISO and ENERGY)	CAISO period 4/10/26 - 4/16/26 & 1/8/26-1/14/26	145,955.02
05/22/2026	Travel Bank	Mileage - Communications and External Affairs	162.33
05/22/2026	Travel Bank	Mileage - Customer Programs	35.67
05/22/2026	Travel Bank	Expense Reimbursement - 2026 CalCCA Conference	832.86
05/22/2026	Travel Bank	Mileage - Board Member	37.92
05/22/2026	Travel Bank	Mileage - Power Resources	156.60
05/26/2026	Best Best & Krieger	April 2026 - REGULATORY - CPUC {po: 1002}	6,555.50
05/26/2026	Best Best & Krieger	April 2026 - Special Counsel {po: 1002}	445.00
05/26/2026	Best Best & Krieger	April 2026 - Financial/Power Procurement {po: 1002}	9,434.00
05/26/2026	Best Best & Krieger	April 2026 - County Withdrawal {po: 1002}	1,245.50
05/26/2026	Best Best & Krieger	April 2026 - Public Records Requests {po: 1002}	11,700.00
05/26/2026	Best Best & Krieger	April 2026 - General counsel {po: 1002}	11,655.50
05/26/2026	BRAUN BLAISING & WYNNE, P.C.	IRP Procurement Compliance	10,800.00
05/26/2026	California ISO (Settlement Invoices) CAISO	CAISO CRR period for 1/1/26 - 1/31/26, 2/1/26 - 2/4/26 and 5/1/26-5/7/26	121.96
05/26/2026	Calpine Energy Services L.P.	April 2026 Capacity	309,750.00
05/26/2026	Constellation Energy Generation, LLC	March 2026 energy purchases	1,932,436.80
05/26/2026	Lincoln Financial Group	5/26/26 Retirement debit 401A	41,958.12
05/26/2026	Lincoln Financial Group	5/26/26 Retirement debit 457B	15,072.74
05/26/2026	Morgan Stanley Capital Group	April 2026 energy purchases	1,120,913.42
05/26/2026	NewGen Strategies & Solutions, LLC	April 2026- OCPA FY26 Financial Planning & Analysis Support -- {po: 1064}	1,300.00
05/26/2026	Pacific Energy Advisors Inc.	April 2026 - Monthly Services {po: 1043}	49,000.00
05/26/2026	SDI PRESENCE LLC	Services through March 31, 2026 software - {PO:1034}	1,147.96
05/26/2026	SDI PRESENCE LLC	Services through March 31, 2026 - {PO:1034}	5,104.31
05/26/2026	Shell Energy North America	March Capacity	567,530.00
05/26/2026	Southern California Edison	April capacity	480,685.70
05/26/2026	The Energy Authority Inc. (CAISO and ENERGY)	CAISO period 5/1/26 - 5/7/26, 1/30/26 - 2/4/26	163,668.47
05/26/2026	The Energy Authority Inc. (Service Fees)	April 2026 Resource Management Monthly Fees -- {PO:1011}	16,053.22
05/26/2026	The Energy Coalition	3 OCPA Residential Battery Rebate Program- {PO:1041}	3,000.00
05/26/2026	Transalta Energy Marketing Us Inc.	April 2026 Energy Purchases	2,808,247.92
05/29/2026	Travel Bank	Mileage - Board Member	27.77
05/29/2026	Travel Bank	Mileage - Communications and External Affairs	149.07
05/29/2026	Travel Bank	Mileage - Communications and External Affairs	102.30
05/29/2026	Travel Bank	Expense Reimbursement - Human Resources Supplies	159.45
05/29/2026	Travel Bank	Mileage - Finance & Data Analytics	75.84
05/29/2026	Tullett Prebon Americas Corp.	Broker Fees - Calpine Energy Services LP - April 2026	1,312.50
06/01/2026	California ISO (Settlement Invoices) CAISO	CAISO CRR period for 2/5/26-2/11/26 & 5/8/26 - 5/13/26	116.96
06/01/2026	Constellation Energy Generation, LLC	April 2026 energy purchases	1,154,266.88
06/01/2026	GB ENDEAVORS, LLC	April 2026 strategic meetings {PO: 1056}	800.00
06/01/2026	SDI PRESENCE LLC	Services through April 30, 2026 software - {PO:1034}	1,147.96
06/01/2026	SDI PRESENCE LLC	Services through May 31, 2026 software - {PO:1062}	1,147.96
06/01/2026	Southern California Edison (Non-Energy)	May 2026 service fees	15,697.25
06/01/2026	We Konnect, Inc.	Brivo and Eagle Eye Cloud Services	271.00
06/01/2026	Net Energy Metering	NEM Payout	121.96
06/02/2026	The Energy Coalition	OCPA customer programs through March 31, 2026 - {PO:1041}	23,638.04
06/04/2026	Calpine Energy Solutions	April 2026 services {po:1003}	200,835.25
06/04/2026	Paychex	Flexperks	806.44
06/05/2026	Travel Bank	Expense Reimbursement - 2026 CalCCA Conference	60.00
06/05/2026	Travel Bank	Expense Reimbursement - 2026 CalCCA Conference	174.84
06/05/2026	Travel Bank	Mileage - Customer Programs	68.37
06/05/2026	Travel Bank	Expense Reimbursement - 2026 CalCCA Conference	135.57
06/08/2026	California ISO (Settlement Invoices) CAISO	CAISO CRR period for 2/12/26-2/19/26 & 5/14/26 - 5/20/26	137.67
06/08/2026	Cox Business	Internet Services from May 16, 2026 - June 15, 2026	630.00
06/08/2026	Lincoln Financial Group	6/08/26 Retirement debit 401A	40,561.26
06/08/2026	Lincoln Financial Group	6/08/26 Retirement debit 457B	15,381.27
06/08/2026	Lincoln Financial Group	401(a) plan Q1 2026	6,515.02
06/08/2026	The Energy Authority Inc. (CAISO and ENERGY)	CAISO period 5/14/26 - 5/20/26, 2/12/26 - 2/19/26	98,274.30

06/08/2026	The Energy Authority Inc. (CAISO and ENERGY)	CAISO period 5/21/26 - 5/28/26, 2/20/26 - 2/26/26, 6/1/25 - 6/30/25 & 8/1/24 - 8/31/24	88,239.38
06/09/2026	AMERIFLEX (Claims)	April 2026 - FSA Claims activity from 04/24/26 - 4/30/26	384.71
06/09/2026	AMERIFLEX (Claims)	May 2026 - FSA Claims activity from 05/15/26 to 05/21/2026	188.67
06/09/2026	Asana, Inc.	Starter-level subscription, 5 user licenses total	659.40
06/09/2026	NewGen Strategies & Solutions, LLC	April 2026- Cost of Service Study Project-- {po: 1064}	10,797.50
06/09/2026	NewGen Strategies & Solutions, LLC	May 2026- Financial Planning and Analysis Support- {po: 1064}	9,212.50
06/09/2026	The Energy Coalition	Renter Energy Efficiency Program - {PO:1041}	283,411.55
06/09/2026	We Mail For You Inc.	Business Cards{PO:1047}	230.11
06/12/2026	Travel Bank	Expense Reimbursement - 2026 CalCCA Conference	277.30
06/12/2026	Travel Bank	Mileage - Administrative Services	56.61
06/12/2026	Travel Bank	Mileage - Regulatory & Legislative	133.54
06/12/2026	US Bank Interest and Service Charges	May 2026 Analysis service charge	5,534.34
06/12/2026	Vietnamese American Chamber of Commerce	Annual membership for 7/1/2026-6/30/2027	2,500.00
06/15/2026	Best Best & Krieger	May 2026 - General Counsel {po: 1002}	7,447.00
06/15/2026	Best Best & Krieger	May 2026 - Regulatory - CPUC {po: 1002}	14,844.00
06/15/2026	California ISO (Settlement Invoices) CAISO	CAISO CRR period for 8/01/24 - 8/31/24, 6/01/25-6/30/25 & 2/2026-2/26/26	31,624.21
06/15/2026	California ISO (Settlement Invoices) CAISO	CAISO CRR period for 5/01/26 - 5/31/26, 6/1/26 - 6/4/26, 5/1/24 - 5/31/24, 3/01/26-3/05,	2,318.19
06/15/2026	Orange County Printing Company	Smart Letter Mailing	717.33
06/15/2026	Orange County Printing Company	Smart Letter Mailing	558.13
06/16/2026	AM Conservation Group Inc	April 2026 Management fees {po: 1057}	349.55
06/16/2026	AM Conservation Group Inc	March 2026 Management fees {po: 1057}	186.03
06/16/2026	AM Conservation Group Inc	Feb 2026 Management fees {po: 1057}	974.01
06/16/2026	AM Conservation Group Inc	March 2026 Marketplace invoice -1 smartthermostat {po: 1057}	86.19
06/16/2026	AM Conservation Group Inc	November 2025 Marketplace activity (18 conservation kits) {po: 1057}	903.96
06/16/2026	AM Conservation Group Inc	May 2026 Marketplace activity- 1 Sensi Lite Smart Thermostat {po: 1057}	88.97
06/16/2026	Ameriflex	June 2026 Cobra Admin Fee	60.00
06/16/2026	CITY OF BUENA PARK - UUT	May 2026 Utility User Tax	72,871.81
06/16/2026	CITY OF HUNTINGON BEACH - UUT	May 2026 Utility User Tax	2,068.69
06/16/2026	City of Irvine	City of Irvine loan repayment	307,766.30
06/16/2026	CITY OF IRVINE - UUT	May 2026 Utility User Tax	86,588.94
06/16/2026	Colonial Life	May 2026 Life Insurance	989.78
06/16/2026	INSUREONE INSURANCE SERVICES AMERICA, LLC	General Liability/Commercial Property for the period 6/3/2026-6/3/2027	3,139.84
06/16/2026	INSUREONE INSURANCE SERVICES AMERICA, LLC	Cyber renew policy for the period 6/3/2026- 6/3/2027	18,556.50
06/16/2026	Just One Call Cleaning Services LLC	May 2026 cleaning services {PO: 1045}	1,339.00
06/16/2026	The Energy Coalition	OCPA customer programs through April 30, 2026 - {PO:1041}	30,481.62
06/16/2026	The Energy Coalition	9-residential-battery rebate program - {PO:1041}	9,000.00
06/17/2026	Morgan Stanley Capital Group	May 2026 energy purchases	1,208,408.05
06/17/2026	NewGen Strategies & Solutions, LLC	May 2026- Cost of Service Study Project-- {po: 1064}	20,220.00
06/17/2026	Orange County Printing Company	Smart Letter Mailing	670.53
06/17/2026	Shell Energy North America	April 2026 Capacity	434,355.00
06/17/2026	Sunrise Power Company LLC	May 2026 capacity purchase	1,556,250.00
06/17/2026	The Energy Authority Inc. (CAISO and ENERGY)	CAISO period 5/8/26 - 5/13/26, 2/05/26 - 2/11/26	78,184.14
06/17/2026	Transalta Energy Marketing Us Inc.	May 2026 Energy Purchases	2,753,635.50
06/17/2026	Travel Bank	Mileage - Customer Programs	44.80
06/18/2026	Reveille Inc.	May 2026 OCPA FY Marketing and PR Budget- {po: 1025}	66,987.15
06/18/2026	US Bank Credit Card *7799	Event Ticket - PANC Conference	42.84
06/18/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - Board Meeting	22.94
06/18/2026	US Bank Credit Card *7799	Hotel Accommodations - Board Meeting	375.86
06/18/2026	US Bank Credit Card *7799	Business meal - Board Meeting	4.96
06/18/2026	US Bank Credit Card *7799	EV Charging Station - Employee to refund back to OCPA	27.84
06/18/2026	US Bank Credit Card *7799	Parking Fee - 2026 CalCCA Annual Conference	30.00
06/18/2026	US Bank Credit Card *7799	Business Lunch - 2026 CalCCA Conference	22.25
06/18/2026	US Bank Credit Card *7799	Business Lunch - Counterparties J. Aron/Goldman Sachs - 2026 CalCCA Conference	35.95
06/18/2026	US Bank Credit Card *7799	Airfare - Board Meeting	478.80
06/18/2026	US Bank Credit Card *7799	Hotel Accommodation - CAC Meeting	191.42
06/18/2026	US Bank Credit Card *7799	Staff Acknowledgement - Birthday Cake	45.79
06/18/2026	US Bank Credit Card *7799	Office Supplies	19.47
06/18/2026	US Bank Credit Card *7799	Office Supplies	67.41
06/18/2026	US Bank Credit Card *7799	Business meal - Board Meeting	117.74
06/18/2026	US Bank Credit Card *7799	Phone Forwarding Service for Call Center	128.33
06/18/2026	US Bank Credit Card *7799	Kitchen and Pantry	248.57
06/18/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - CAISO Tour	94.98
06/18/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - CAISO Tour	99.58
06/18/2026	US Bank Credit Card *7799	Office Supplies (refund)	(69.52)
06/18/2026	US Bank Credit Card *7799	Office Supplies (refund)	(21.46)
06/18/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - 2026 CalCCA Conference	49.03
06/18/2026	US Bank Credit Card *7799	Business meal - 2026 CalCCA Conference	8.55
06/18/2026	US Bank Credit Card *7799	Airfare - 2026 CalCCA Conference	245.99
06/18/2026	US Bank Credit Card *7799	Parking Fee - 2026 CalCCA Conference	90.00
06/18/2026	US Bank Credit Card *7799	Small Equipment - Boardroom and Conference	242.87

06/18/2026	US Bank Credit Card *7799	Business meal - 2026 CalCCA Conference	40.56
06/18/2026	US Bank Credit Card *7799	Hotel Accommodations - 2026 CalCCA Conference (refund)	(2,200.58)
06/18/2026	US Bank Credit Card *7799	Google Subscription	14.00
06/18/2026	US Bank Credit Card *7799	Business meal - REG & LEG Committee Meeting	35.09
06/18/2026	US Bank Credit Card *7799	Kitchen and Pantry	38.74
06/18/2026	US Bank Credit Card *7799	Staff Acknowledgement - Birthday Cake	25.49
06/18/2026	US Bank Credit Card *7799	Business meal - All Staff Meeting	91.58
06/18/2026	US Bank Credit Card *7799	Staff Acknowledgement - Birthday Cake	38.99
06/18/2026	US Bank Credit Card *7799	Kitchen and Pantry	37.70
06/18/2026	US Bank Credit Card *7799	Kitchen and Pantry	279.37
06/18/2026	US Bank Credit Card *7799	Kitchen and Pantry	41.48
06/18/2026	US Bank Credit Card *7799	Zoom Monthly Subscription	272.90
06/18/2026	US Bank Credit Card *7799	Small Equipment (refund)	(184.93)
06/18/2026	US Bank Credit Card *7799	Business meal - Board Meeting	133.89
06/18/2026	US Bank Credit Card *7799	Business meal - 2026 CalCCA Conference	12.61
06/18/2026	US Bank Credit Card *7799	Business meal - 2026 CalCCA Conference	18.15
06/18/2026	US Bank Credit Card *7799	Business meal - 2026 CalCCA Conference	12.00
06/18/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - 2026 CalCCA Conference	36.95
06/18/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - 2026 CalCCA Conference	7.00
06/18/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - 2026 CalCCA Conference	31.94
06/18/2026	US Bank Credit Card *7799	Business meal - 2026 CalCCA Conference	13.33
06/18/2026	US Bank Credit Card *7799	Business meal - 2026 CalCCA Conference	12.38
06/18/2026	US Bank Credit Card *7799	Constant Contact - Annual software subscription	1,190.70
06/18/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - 2026 CalCCA Conference	57.95
06/18/2026	US Bank Credit Card *7799	Airfare Fee - 2026 CalCCA Conference	24.00
06/18/2026	US Bank Credit Card *7799	OC Register - Monthly subscription	14.00
06/18/2026	US Bank Credit Card *7799	Event Ticket - Dana Point Chamber of Commerce	35.00
06/18/2026	US Bank Credit Card *7799	Event Tickets (4) - Fullerton State of the City	260.00
06/18/2026	US Bank Credit Card *7799	Event Ticket - Laguna Beach State of the City	160.00
06/18/2026	US Bank Credit Card *7799	Event Ticket - PANC Conference	42.84
06/18/2026	US Bank Credit Card *7799	Event Tickets (3) Laguna Beach State of the City	160.00
06/18/2026	US Bank Credit Card *7799	Parking Fee - Laguna Beach State of the City	17.00
06/18/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - 2026 CalCCA Conference	54.48
06/18/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - CAISO Tour	82.78
06/18/2026	US Bank Credit Card *7799	Business meal - 2026 CalCCA Conference	14.06
06/18/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - 2026 CalCCA Meeting	35.94
06/18/2026	US Bank Credit Card *7799	Parking Fee - 2026 CalCCA Conference	114.00
06/18/2026	US Bank Credit Card *7799	CA Climate and Energy Collaborative Forum (refund)	(100.00)
06/18/2026	US Bank Credit Card *7799	Parking Fee - San Juan Capistrano	2.00
06/18/2026	US Bank Credit Card *7799	Business meal - OCPA, Director Jung and Fountain Valley City Council Member Patrick Harj	121.01
06/18/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - Board Meeting	17.99
06/18/2026	US Bank Credit Card *7799	Business meal - Board Meeting	38.42
06/18/2026	US Bank Credit Card *7799	Hotel Accommodations - Board Meeting	235.86
06/18/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - Board Meeting	16.99
06/18/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - Board Meeting	45.97
06/18/2026	US Bank Credit Card *7799	Business meal - Board Meeting	28.41
06/18/2026	US Bank Credit Card *7799	Business meal - Board Meeting	23.14
06/18/2026	US Bank Credit Card *7799	Parking Fee - 2026 CalCCA Conference	18.00
06/18/2026	US Bank Credit Card *7799	Business Meal - 2026 CalCCA Conference	36.45
06/18/2026	US Bank Credit Card *7799	Airfare - Board Meeting	458.80
06/18/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - Board Meeting	42.54
06/18/2026	US Bank Credit Card *7799	Business meal - Board Meeting	46.92
06/18/2026	US Bank Credit Card *7799	Hotel Accommodations - New Hire Orientation and Board Meeting	218.22
06/18/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - New Hire Orientation and Board Me	12.01
06/18/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - New Hire Orientation and Board Me	11.23
06/18/2026	US Bank Credit Card *7799	Hotel Accommodations - New Hire Orientation and Board Meeting	109.11
06/18/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - New Hire Orientation and Board Me	14.27
06/18/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - New Hire Orientation and Board Me	95.50
06/18/2026	US Bank Credit Card *7799	Parking Fee - 2026 CalCCA Conference	19.00
06/18/2026	US Bank Credit Card *7799	Parking Fee - 2026 CalCCA Conference	10.00
06/18/2026	US Bank Credit Card *7799	Business meal - 2026 CalCCA Conference	22.35
06/18/2026	US Bank Credit Card *7799	Transportation Expense - Ride Share or Mass Transit - Board Meeting	163.00
06/22/2026	Best Best & Krieger	May 2026 - Public Records Requests {po: 1002}	8,145.00
06/22/2026	California Community Choice Association	Annual conference registration, May 12-14, 2026: 16 x \$175.00	2,800.00
06/22/2026	Calpine Energy Services L.P.	May 2026 Capacity	309,750.00
06/22/2026	Golden Communications Inc	May 2026 monthly service {po:1061}	3,349.00
06/22/2026	High Desert Power Project LLC	May 2026 Capacity	625,000.00
06/22/2026	ICE U.S. OTC Commodity Markets, LLC	May 2026 - Market Data Exchange Fees	885.00
06/22/2026	INSUREONE INSURANCE SERVICES AMERICA, LLC	Crime renew policy for the period 6/3/2026- 6/3/2027	2,172.00
06/22/2026	Lakeview Business Center LLC	Various expenses	2,514.97
06/22/2026	Marsh Landing, LLC	May 2026 Capacity Purchases	685,475.00

06/22/2026	Shell Energy North America	July Energy Purchases	1,708,348.00
06/22/2026	Southern California Edison	May capacity	480,685.70
06/22/2026	Southern California Edison (Non-Energy)	April 2026 service fees	15,683.07
06/23/2026	AM Conservation Group Inc	May 2026 Management fees {po: 1057}	351.00
06/23/2026	Amerex Brokers LLC	Counter Party Pattern Energy Management Services	5,700.00
06/23/2026	AMERIFLEX (Claims)	May 2026 - FSA Claims activity from 05/01/26 - 5/07/26	64.15
06/23/2026	Bentham Paulos	monthly licensing and maintenancefee of Feb 2026 - Apr. 2026	1,500.00
06/23/2026	Best Best & Krieger	May 2026 - Financial/Procurement {po: 1002}	4,806.00
06/23/2026	Calpine Energy Solutions	May 2026 services {po:1003}	201,668.25
06/23/2026	Fountain Valley Chamber of Commerce	2025-26 Annual Membership Fee	575.00
06/23/2026	Maher Accountancy	June 2026 - Treasurer and Accounting Services- {PO:1054}	23,400.00
06/23/2026	Metlife	June 2026 - Ancillary benefits Invoice	1,799.62
06/23/2026	NRG BUSINESS MARKETING LLC	May 2026 energy purchases	2,335,104.70
06/23/2026	Pacific Energy Advisors Inc.	May 2026 - Monthly Services {po: 1043}	49,000.00
06/23/2026	Paychex	Flexperks	6.44
06/23/2026	Santa Ana Chamber of Commerce	State of the City Table Sponsor	1,500.00
06/23/2026	SDI PRESENCE LLC	Services through May 31, 2026 software - {PO:1062}	5,104.31
06/23/2026	The Energy Authority Inc. (Service Fees)	May 2026 Resource Management Monthly Fees -- {PO:1011}	16,053.22
06/24/2026	Lincoln Financial Group	457(B) plan Q1 2026	2,178.42
06/25/2026	Lincoln Financial Group	6/25/26 Retirement debit 401A	37,814.30
06/25/2026	Lincoln Financial Group	6/25/26 Retirement debit 457B	14,392.74
06/26/2026	California Community Choice Association	This is the 2/7 quarterly invoice for the SCE ERRR Special Assessment for 2026-2027	17,420.00
06/26/2026	The Irvine Co/Lakeview III	July 2026 - Monthly rent	20,357.40
06/26/2026	Travel Bank	Mileage - Finance & Data Analytics	63.51
06/26/2026	Tullett Prebon Americas Corp.	Broker Fees - Calpine Energy Services LP - April 2026	7,500.00
06/29/2026	Ameritas Life Insurance Corp	July 2026 Dental PPO	1,306.40
06/29/2026	Ameritas Life Insurance Corp	June 2026 Dental PPO	1,239.60
06/29/2026	Ameritas Life Insurance Corp	June 2026 Vision	392.72
06/29/2026	Ameritas Life Insurance Corp	July 2026 Vision	372.48
06/29/2026	Ameritas Life Insurance Corp	June 2026 Dental HMO	87.80
06/29/2026	Ameritas Life Insurance Corp	July 2026 Dental HMO	29.28
06/29/2026	SDI PRESENCE LLC	Services through April 30, 2026 software - {PO:1034}	5,104.31
06/29/2026	SDRMA	July 2026 employee benefit charges	27,602.97
06/29/2026	The Energy Authority Inc. (CAISO and ENERGY)	CAISO period 6/05/26 - 6/11/26, 3/06/26 - 3/12/26	125,699.78
SUBTOTAL			74,604,246.36

04/03/2026		March 16 - 31 - Salaries, Wages, Fringe Benefits	122,683.41
04/03/2026		March 16 - 31 - Payroll Taxes	40,093.14
04/03/2026		March 16 - 31 - Paychex Service Fee	342.10
04/20/2026		April 1 - 15 - Salaries, Wages, Fringe Benefits	117,841.89
04/20/2026		April 1 - 15 - Payroll Taxes	35,924.95
04/20/2026		April 1 - 15 - Paychex Service Fee	782.75
05/05/2026		April 16 - 30 - Salaries, Wages, Fringe Benefits	105,685.30
05/05/2026		April 16 - 30 - Payroll Taxes	33,055.98
05/05/2026		April 16 - 30 - Paychex Service Fee	337.05
05/20/2026		May 1 - May 15 - Salaries, Wages, Fringe Benefits	135,512.09
05/20/2026		May 1 - May 15- Payroll Taxes	47,496.04
05/20/2026		May 1 - May 15 - Paychex Service Fee	757.85
06/04/2026		May 16 - May 31 - Salaries, Wages, Fringe Benefits	124,274.43
06/04/2026		May 16 - May 31 - Payroll Taxes	42,082.29
06/04/2026		May 16 - May 31 - Paychex Service Fee	277.20
06/18/2026		June 1 - June 15 - Salaries, Wages, Fringe Benefits	126,843.02
06/18/2026		June 1 - June 15 - Payroll Taxes	39,846.90
06/18/2026		June 1 - June 15 - Paychex Service Fee	796.15
SUBTOTAL			974,632.54

ORANGE COUNTY POWER AUTHORITY

Staff Report – Item 8.7

To: Orange County Power Authority Board of Directors
From: Tiffany Law, Chief Financial Officer
Owen Lee, Director of Finance & Data Analytics
Approved by: Joe Mosca, Chief Executive Officer
Subject: APPROVE AMENDED ENERGY RISK MANAGEMENT POLICY
Date: October 19, 2026

STRATEGIC GOALS

- ☐ Enrich & Grow the OCPA Community
- ☒ Prioritize Fiscal Sustainability & Affordability
- ☐ Design & Deploy Community-Aligned Customer Programs
- ☐ Energize Our Community with Renewable Energy Sources
- ☐ Raise Awareness of Community Energy & Advocate for Our Customers
- ☐ Not Applicable

RECOMMENDED ACTION(S)

Approve amendments to Policy 011, Energy Risk Management Policy (ERMP), to:

1. Restore product-specific volumetric and notional value limits and clarify the Chief Executive Officer's (CEO) delegated procurement authority, including a uniform three-year maximum delivery tenor and a five-year forward procurement window.
2. Increase the prompt-month energy open-position threshold from 10% to 20% of forecast load. Exceeding this threshold triggers a market solicitation and a commercial decision about closing the position.
3. Update Section 1.1 to reflect OCPA's current member cities.

BACKGROUND

On July 13, 2021, the Board approved OCPA's initial Energy Risk Management Policy to establish a framework for identifying, measuring, monitoring, and controlling

wholesale energy procurement risks. The Policy established internal controls, segregated Front Office, Middle Office, and Back Office responsibilities, and delegated procurement authority to the CEO within specified limits.

On January 24, 2024, the Board removed the CEO's volumetric and notional transaction limits and extended the maximum delegated tenor for Resource Adequacy transactions from three to five years. The changes responded to higher procurement prices and the need to complete time-sensitive transactions. The 2024 staff report expressly contemplated reinstating limits as market conditions and OCPA's risk management needs evolved.

As OCPA's portfolio and operating experience have developed, staff has reviewed the balance between timely procurement decisions, financial risk, and oversight under the ERMP. The proposed amendments establish clearer transaction-level approval boundaries and provide additional discretion in managing short-term energy positions. The existing requirements for risk monitoring, internal controls, and Board oversight remain in place.

At its September 24, 2026 meeting, the Risk Oversight Committee (ROC) reviewed and discussed the proposed amendments, including delegated procurement authority, prompt-month energy exposure, and related risk and liquidity considerations. Following the discussion, ROC members recommended that staff bring the proposed amendments to the Board for consideration at its October 19, 2026 meeting. No formal vote was taken.

The amendments also update Section 1.1 to reflect Buena Park, Fullerton, Irvine, and Fountain Valley as OCPA member cities. This administrative update does not change the Policy's purpose or risk management framework.

DISCUSSION / ANALYSIS

1. Restore and Clarify CEO Delegated Procurement Authority

Staff proposes restoring the product-specific volumetric and notional limits originally approved in July 2021 and establishing a consistent maximum three-year delivery tenor, including reducing the CEO's Resource Adequacy tenor from five to three years.

Delegation of Authority: Title/Governing Body	Product Type	Tenor Limit	Volumetric Limit	Notional Value Limit
Chief Executive Officer	System Power	Up to 3 years	2,000 GWh	\$ 75 M
	Resource Adequacy	Up to 3 years	3,000 MW	\$ 30 M
	Renewables	Up to 3 years	1,500 GWh	\$ 25 M
	GHG-free	Up to 3 years	1,000 GWh	\$ 10 M
OCA Board	All Products	Any	Unlimited	Unlimited

For CEO-delegated transactions, the maximum delivery period is three years, and all deliveries must occur within five years after the transaction is executed. The volumetric and notional limits each apply to an individual transaction.

These limits define the CEO's maximum authority to approve an individual contract. They are not aggregate spending limits, procurement targets, or substitutes for transaction-level review of portfolio needs, pricing, budget impact, credit, and other risks.

Transactions exceeding an applicable limit will require Board approval. OCPA will continue to monitor its total procurement commitments and portfolio exposure, including the combined effect of transactions individually within the CEO's authority. OCPA will also consider adjustments to the tenor limits depending on procurement requirement changes set by the CPUC.

2. Increase the Prompt-Month Energy Open-Position Threshold

The prompt month is the next calendar month. Under the existing ERMP, an energy open position greater than 10% of load triggers a requirement to solicit market energy and make a commercial decision about closing the position.

Staff proposes increasing that threshold to 20% of forecast load. The requirement to solicit energy and make a commercial decision when the threshold is exceeded would remain unchanged.

Wholesale energy markets are inherently volatile, and forward procurement provides important protection against unexpected price increases. However, higher hedge coverage can also limit OCPA's ability to benefit from lower market prices. Maintaining a larger open position creates the opposite exposure: potentially lower procurement costs when prices decline, but higher costs and potentially greater near-term cash requirements when prices rise.

The proposed amendment would provide additional flexibility to balance procurement costs, price stability, and liquidity considerations as market conditions evolve, while maintaining OCPA's existing risk monitoring and internal controls.

Importantly, the 20% threshold is not a procurement target or a direction to leave 20% of load unhedged. Staff may maintain higher hedge coverage when warranted by market conditions, load uncertainty, liquidity considerations, and risk analysis. If the open position exceeds 20% for the prompt month, the Policy would continue to require a market solicitation and a commercial decision about closing the position. All transactions would remain subject to applicable approval requirements and risk controls.

3. Financial Risk and Liquidity Considerations

The proposed flexibility carries a financial tradeoff. While a larger open position may reduce procurement costs when market prices decline, it can also increase exposure to higher costs and near-term settlement or collateral requirements if prices rise sharply.

To evaluate the potential liquidity implications, staff conducted scenario analysis and collateral stress testing using an illustrative 80% hedge scenario and a separate adverse stress scenario. The results are summarized below.

Modeled Collateral Exposure	80% Hedge Scenario	Adverse Stress Scenario
Peak gross collateral exposure	\$2.8 million	\$5.1 million
Assumed collateral credit	\$1.5 million	\$1.5 million
Estimated maximum posting	\$1.3 million	\$3.6 million

The adverse stress scenario incorporated substantial energy-price and load shocks. Under this scenario, the estimated maximum collateral posting requirement was approximately \$3.6 million after an assumed \$1.5 million collateral credit through OCPA's scheduling coordinator.

These modeled amounts are illustrative and do not represent guaranteed maximum exposures. Actual financial results and liquidity needs will depend on future energy prices, customer load, contracted coverage, collateral arrangements, and available liquidity. Market events more severe than those modeled could produce higher cash requirements.

OCPA's ERMP already requires monthly open-position monitoring, at least quarterly market and counterparty exposure reporting, and liquidity monitoring no less than weekly. Staff will continue evaluating both procurement-cost exposure and available

liquidity when making hedging decisions and will adjust procurement strategies as market conditions warrant.

4. Continued Risk Management and Oversight

The proposed amendments retain OCPA's existing risk management framework, including segregation of duties, independent risk monitoring, and management oversight.

The Front Office remains responsible for portfolio planning and procurement. The Middle Office independently monitors risk, compliance, counterparty credit, and collateral exposures. The Back Office remains responsible for transaction verification, reconciliation, and settlements.

The ROC will continue to receive risk and compliance information under the Policy, including notification of any limit or control violation. Transactions exceeding the CEO's delegated authority and future substantive policy changes will continue to require Board approval, as applicable.

The proposed amendments do not authorize a particular transaction, adopt a new hedge methodology, or change OCPA's existing budget or reserve approval requirements.

FISCAL IMPACT

Approval of the proposed policy amendments would not require an immediate budget appropriation.

Future procurement decisions made under the amended Policy may increase or decrease power-supply costs depending on market conditions. Maintaining a larger open position may also increase exposure to short-term price volatility and collateral requirements.

Staff will continue to evaluate these financial impacts through OCPA's existing procurement, risk monitoring, liquidity management, and budgeting processes. Any required budget amendment will follow OCPA's normal budget approval process.

ATTACHMENT(S)

1. Proposed Amended Energy Risk Management Policy (Redline)
2. Proposed Amended Energy Risk Management Policy (Clean Version)
3. Initial Energy Risk Management Policy, approved July 13, 2021
4. Amended Energy Risk Management Policy, approved January 24, 2024

Orange County Power Authority
Policy 011: Energy Risk Management Policy
Approved: 7/13/2021 | Revised: 1/24/2024 | Revised: 10/19/2026

Table of Contents

1.0	General Provisions.....	2
1.1	Background and Purpose of Policy.....	2
1.2	Scope of Business and Related Market Risks	2
1.3	Policy Administration	2
1.4	Policy Distribution and Acknowledgment	3
1.5	Policy Interpretation.....	3
2.0	Risk Management Goals.....	4
3.0	Risk Management Principles	5
3.1	General Risk Management Principles	5
3.2	Conflicts of Interest	5
3.3	Adherence to Statutory Requirements	5
3.4	System of Records	6
4.0	Definitions of Market Risks.....	7
4.1	Market Price Risk	7
4.2	Counterparty Credit and Performance Risk	7
4.3	Load and Generation Volumetric Risk	8
4.4	Operational Risk	8
4.5	Liquidity Risk	9
4.6	Regulatory/Legislative Risk.....	9
5.0	Internal Control Principles.....	10
6.0	Risk Management Business Practices.....	12
6.1	Risk Measurement Metrics and Reporting.....	12
6.2	Market Price Risk	12
6.3	Counterparty Credit and Performance Risk	13
6.4	Load and Generation Volumetric Risk	13
6.5	Operational Risk	14
6.6	Liquidity Risk	14
6.7	Regulatory/Legislative Risk.....	14
7.0	Risk Management Policy Governance.....	15
7.1	OCPA Board of Directors.....	15
7.2	Risk Oversight Committee (ROC).....	15

1.0 General Provisions

1.1 Background and Purpose of Policy

The Orange County Power Authority (OCPA) participates in energy markets for purposes of fulfilling its role as a Community Choice Aggregator that will serve retail electricity customers within the cities of Buena Park, Fullerton, ~~Huntington Beach~~, Irvine, Fountain Valley, and other jurisdictions that may become OCPA members (OCPA's "service territory"). Service commencement to end use customers is expected to occur in April 2022. This Policy defines OCPA's general energy risk management framework and provides management with the authority to establish processes for monitoring, measuring, reporting, and controlling market and credit risks to which OCPA is exposed in its normal course of business.

1.2 Scope of Business and Related Market Risks

OCPA's retail electric provider operations encompass the following business activities covered within the scope of this policy: bilateral purchases and sales of electricity under short-, medium- and long-term contracts; scheduling of electric load and generation into California Independent System Operator (CAISO) markets; retail marketing of electricity to consumers within its service territory; compliance with voluntary objectives and regulatory requirements that relate to Renewables Portfolio Standard (RPS) energy acquisition and carbon-free energy supply; participation in the CAISO-administered Congestion Revenue Rights (CRRs) market; management of the balance between load and generation over the short-, medium- and long-term planning horizons; and compliance with applicable Resource Adequacy (RA) requirements. Participation in such activities exposes OCPA to certain risks, which include, but are not limited to, the following:

- Market Price Risk
- Counterparty Credit and Performance Risk
- Load and Generation Volumetric Risk
- Operational Risk
- Liquidity Risk
- Regulatory/Legislative Risk

Unless individually addressed, the aforementioned risks shall be collectively referred to as "market risks" within this Policy. OCPA's framework for mitigating exposure to such risks includes the following elements:

- Specification of Risk Management Goals and Principles
- Definitions of Risks
- Internal Control Principles
- Risk Management Business Practices
- Risk Management Governance

This Policy does not address the following types of general business risk, which should be treated separately in other policies, ordinances and regulations pertaining to OCPA: fire, accident and casualty; health, safety, and workers' compensation; general liability; and other typically insurable perils.

1.3 Policy Administration

This version of the Energy Risk Management Policy was adopted by the OCPA Board of Directors on July 13, 2021. This Policy may be amended as needed by OCPA's Board.

1.4 Policy Distribution and Acknowledgment

This Policy shall be distributed to all OCPA employees and third-party contractors engaged in the planning, procurement, sale and scheduling of electricity and related products on OCPA's behalf and/or in other OCPA departments, which may provide oversight and support for these activities. All such employees and contractors are required to annually confirm, in writing, that they:

- Have read OCPA's Risk Management Policy
- Understand pertinent terms and requirements of the Policy
- Affirm their intent to comply with the Policy
- Understand that any violation of the Policy shall subject the employee to disciplinary action, which may include termination of employment.

1.5 Policy Interpretation

Questions related to interpretation of the Policy should be referred to the Risk Oversight Committee (ROC) or, if the ROC has not yet been formed, OCPA's Board. All legal matters stemming from this Policy will be referred to OCPA's General Counsel.

2.0 Risk Management Goals

The goals of OCPA's energy risk management practices are to:

- [1] assist in achieving the business objectives of retail rate stability and competitiveness;
- [2] avoid losses and excessive costs, which would materially impact the financial condition of OCPA;
- [3] establish the parameters for energy procurement and sales activity to minimize costs while ensuring compliance with approved risk limits and policy objectives;
- [4] assist in assuring that market activities and transactions are undertaken in compliance with established procurement authorities, applicable laws, regulations and orders; and
- [5] encourage the development and maintenance of a corporate culture at OCPA that strikes the proper balance between control and facilitation and in which professionalism, discipline, technical skills, and analytical rigor are applied and cultivated to achieve OCPA's objectives.

3.0 Risk Management Principles

3.1 General Risk Management Principles

OCPA manages its energy resources and transactions with the objectives of providing customers with stable and competitive electric rates, achieving applicable compliance mandates and supporting local economic development while contemporaneously minimizing risks. OCPA's risk management principles are focused on the identification of relevant risks, systematic risk measurement and reporting, and strict adherence to established risk policies. OCPA will not engage in transactions without proper authorization or if such transactions are determined to be inconsistent with this Policy.

It is the policy of OCPA that all personnel, including the Board, management, and agents, adhere to standards of integrity, ethics, conflicts of interest, compliance with statutory law and regulations and other applicable OCPA standards of personal conduct while employed by or affiliated with OCPA.

3.2 Conflicts of Interest

All OCPA directors, managers, employees, consultants, and agents participating in any transaction or activity within the coverage of this Policy are obligated to advise OCPA in writing of any financial interest in any counterparty seeking to do business with OCPA. Such directors, managers, employees, consultants, and agents must also identify any real or potential conflict of interest related to any existing or potential contract/transaction with OCPA. To the extent that a financial interest or conflict is identified by one or more of the aforementioned individuals, any such person shall be prohibited from personally participating in a related transaction or similar activity that is within the coverage of this Policy or prohibited by California Government Code § 1090.

If there is any doubt as to whether a prohibited condition or conflict exists, it shall be the responsibility of the potentially affected director, manager, employee, consultant or agent to discuss the prospective issue with her/his manager or supervisor before further participating in related procurement/transactional activities.

3.3 Adherence to Statutory Requirements

Compliance shall be required with all applicable rules promulgated by the state of California, the California Public Utilities Commission, the California Energy Commission, the Federal Energy Regulatory Commission (FERC), the Commodity Futures Trading Commission (CFTC), and other regulatory agencies.

Congress, the FERC and the CFTC have enacted laws, regulations, and rules that prohibit, amongst other things, any action or course of conduct that actually or potentially operates as a fraud or deceit upon any person in connection with the purchase or sale of electric energy or transmission services. These laws also prohibit any person or entity from making an untrue statement or factual omission where such an omission would result in a statement being misleading. Violation of these laws can lead to both civil and criminal actions against the individual involved as well as OCPA. This Policy is intended to promote compliance with such laws, regulations and rules and to avoid improper conduct on the part of anyone employed by or working on behalf of OCPA. These procedures may be modified from time to time by legal requirements, auditor recommendations, requests from OCPA's CEO and/or ROC, and other considerations.

In the event of an investigation or inquiry by a regulatory agency, OCPA will provide legal counsel to employees. However, OCPA will not appoint legal counsel to an employee if OCPA's General Counsel and

Chief Executive Officer determine that the employee was not acting in good faith within its scope of employment. OCPA employees are prohibited from working for another power supplier, CCA or utility in a related position while they are simultaneously employed by OCPA unless an exception is authorized by the Board. For clarity, this prohibition is not intended to prevent OCPA staff from performing non-CCA activities on behalf of OCPA in the normal course of its business.

3.4 System of Records

OCPA will maintain a set of records for all transactions executed in association with OCPA's procurement activities. The records will be maintained in US dollars and transactions will be separately recorded and categorized by type of transaction. This system of record shall be auditable.

4.0 Definitions of Market Risks

The term “market risks,” as used herein, refers specifically to those categories of risk which relate to OCPA’s participation in wholesale and retail markets as a Load Serving Entity (LSE) as well as OCPA’s interests in certain long-term contracting opportunities. Market risks include market price risk, counterparty credit and performance risk, load and generation volumetric risk, operational risk and liquidity risk, as well as regulatory and legislative risk. These categories are defined and explained as follows.

4.1 Market Price Risk

Market price risk is defined as exposure to changes in wholesale energy prices. Market price risk is a function of price volatility and the volume of energy that is contracted at fixed prices over a defined period of time. Prices in electricity markets exhibit high volatility, and appropriate forward procurement and hedging are generally necessary to manage such exposure.

Market price risk is also impacted by market liquidity, which may be an issue for certain energy or capacity products that OCPA intends to procure. Illiquid markets are characterized by relatively few buyers or sellers, which makes it more difficult to buy or sell a commodity and often results in higher price premiums (on purchases) or deeper discounts (on sales).

Another dimension of market price risk is congestion or “basis” risk. Congestion risks arise from locational differences in pricing between the point of contracted supply and the related point of delivery (meaning, the point at which procured power is received by OCPA on the bulk electric system).

For OCPA, market price risk manifests in two types of exposure. The first type of market price risk exposure is the potential for variations in power costs that are related to OCPA’s “open positions”, meaning the volume of energy that will ultimately be required for delivery to OCPA customers but has not yet been placed under contract. Increases in market prices will impose increased costs on OCPA when those open positions are eventually filled at such higher prices. To the extent that power costs are higher than anticipated, anticipated OCPA fund balances (such as those designated for financial reserves, program administration or other complementary uses) may be lower than expected, necessitating customer rate increases. Market price risk exposure related to open positions are monitored through net open position valuations and value at risk metrics, as described in Section 6.1 of this Policy.

The second type of market price risk exposure is the potential for wholesale trading positions, long-term supply contracts and generation resources to move “out of the money,” that is, become less valuable when compared to similar positions, contracts or resources obtainable at present prices. These same positions can also be “in the money” if such positions become more valuable when compared to similar positions, contracts or resources obtainable at present market prices. This valuation methodology is commonly referred to as “Mark to Market.” Transaction valuation and reporting of positions shall be based on objective, market-observed prices. If OCPA is “out of the money” on a substantial portion of its contracts, it may have to charge higher retail rates relative to competitors. Such a situation could erode OCPA’s competitive position and market share if other market participants (e.g., Direct Access providers or the incumbent utility) are able to procure power at a lower cost and offer lower retail electric rates.

4.2 Counterparty Credit and Performance Risk

Performance and credit risk refer to the inability or unwillingness of a counterparty to perform according to its contractual obligations. Failure to perform may arise if an energy supplier fails to deliver energy as agreed. There are four general performance and credit risk scenarios:

[1] counterparties and wholesale suppliers may fail to deliver energy or environmental attributes, requiring OCPA to purchase replacement products elsewhere, possibly at higher costs;

[2] counterparties may fail to take delivery of energy or environmental attributes sold to them, necessitating an unexpected and expeditious resale of the product to another buyer, possibly at a lower price;

[3] counterparties may fail to pay for delivered energy or environmental attributes; or

[4] counterparties and suppliers may refuse to extend credit to OCPA, possibly resulting in higher collateral posting costs, which could impact OCPA's cash position and/or bank lines of credit.

An important subcategory of credit risk is concentration risk. When a portfolio of positions and resources is concentrated with one or a very small number of counterparties, generating resources, or geographic locations, it becomes more likely that major losses will be sustained in the event of non-performance by a counterparty/supplier or as a result of unexpected price fluctuations at one location.

4.3 Load and Generation Volumetric Risk

Energy deliveries must be planned in consideration of forecasted load. OCPA forecasts load over the long and short term and enters into long- and short-term fixed price energy contracts to hedge its load consistent with the provisions of its resource plan.

Load forecasting risk arises from inaccurate load forecasts and may result in the over- or under-procurement of energy and/or customer rate revenues that deviate from approved budgets. Energy delivery risk occurs if a generator fails to deliver expected or forecasted energy volumes. Variations in wind speed and cloud cover, for example, can also impact the respective amount of electricity generated by wind and solar resources. Furthermore, the occasional oversupply of power on California's electric grid can lead to curtailment of energy deliveries or reduced revenue resulting from low or negative prices at certain energy delivery points. In general, weather is an important variable that can result in higher or lower electricity usage due to its impact on customer electricity usage (heating and cooling needs, for example) as well as energy production (by generators that are commonly impacted by ambient weather conditions).

In the CAISO markets, this situation can result from both the oversupply and undersupply of electricity relative to OCPA's load as well as the over- or under-scheduling of generation or load into the day-ahead market (relative to actual energy consumed or delivered in the real-time market). Load and generation volumetric risk may result in unanticipated open positions and imbalance energy costs, which are assessed when actual and scheduled loads do not align. More specifically, imbalance energy costs result from temporal pricing differences that often exist in the day-ahead and real-time energy markets during discrete scheduling intervals. For example, if OCPA's actual load is higher than scheduled in the day-ahead market, and real-time prices are comparatively high during such instances, then OCPA bears the risk of higher-than-anticipated energy costs due to such variation.

4.4 Operational Risk

Operational risk consists of the potential for failure to execute and control business activities relative to plan. Operational risk includes the potential for:

[1] organizational structure that proves to be ineffective in addressing risk, i.e., the lack of sufficient authority to make and execute decisions, inadequate supervision, ineffective internal checks and balances, incomplete, inaccurate and untimely forecasts or reporting, failure to separate incompatible functions, etc.;

[2] absence, shortage or loss of key personnel or lack of cross-functional training;

[3] lack or failure of facilities, equipment, systems and tools, such as computers, software, communications links and data services;

[4] exposure to litigation or sanctions resulting from violating laws and regulations, not meeting contractual obligations, failure to address legal issues and/or receive competent legal advice, not drafting and analyzing contracts effectively, etc.; and

[5] errors or omissions in the conduct of business, including failure to execute transactions, violation of guidelines and directives, etc.

4.5 Liquidity Risk

Liquidity Risk is the risk that OCPA will be unable to meet its financial obligations. This can be caused by unexpected financial events and/or inaccurate pro forma calculations, rate analyses, and debt analyses. Some unexpected financial events impacting liquidity could include:

[1] breach of OCPA credit covenants or thresholds – OCPA has credit covenants included in its banking agreements and may, eventually, have similar covenants within its energy contracts. Breach of credit covenants or thresholds could result in the withdrawal of OCPA's line of credit or may trigger the requirement to post collateral;

[2] contractual requirements to post collateral (with counterparties) due to a decline in market prices below the contract price; and

[3] from time-to-time OCPA may be the subject of legal or other claims arising from the normal course of business. Payment of a claim by OCPA could reduce OCPA's liquidity if the cause of loss is not covered by OCPA's insurance policies.

4.6 Regulatory/Legislative Risk

Regulatory risk encompasses market structure and operational risks associated with shifting state and federal regulatory policies, rules, and requirements that could negatively impact OCPA. An example is the potential increase in exit fees for customers served by Community Choice Aggregators that could result in higher overall electricity costs for OCPA customers (relative to the incumbent utility or DA service options).

Legislative risk is associated with actions by federal and state legislative bodies, which may impose adverse changes or requirements that could infringe upon OCPA's autonomy, increase its costs, or otherwise negatively impact OCPA's ability to fulfill its goals and objectives.

5.0 Internal Control Principles

Internal controls are based on proven principles that meet or exceed the requirements of financial institutions and credit rating agencies while also being considerate of good utility practice. The required controls shall include all customary business practices designed to prevent errors and improprieties, ensure accurate and timely reporting of results of operations as well as information pertinent to management, and facilitate attainment of business objectives. These controls shall remain fully integrated in all activities of the business and shall be consistent with stated objectives. There shall be active participation and oversight by senior management in such processes.

The required controls include the following:

[1] Segregation of duties and functions between front-, middle-, and back-office activities. In general terms, the designation of responsibilities shall be organized as follows:

- Front office is responsible for planning (e.g. preparation of OCPA's resource plan and other planning activities) and procurement (e.g. solicitation management, contract negotiation, structuring and pricing as well as contract execution), contract management, compliance and oversight of scheduling coordinator functions with the CAISO;
- Middle office is responsible for controls and reporting (e.g., risk monitoring, risk measurement, risk reporting, procurement compliance, counterparty credit review, approval and monitoring); and
- Back office is responsible for settlements and processing (e.g., verification, validation, reconciliation and analysis of transactions, tracking, processing and settlement of transactions).

[2] Delegation of authority, as defined in section 6.5 (below), that is commensurate with responsibility and capability as well as relevant training to ensure compliance with applicable rules within the markets in which such personnel may transact (e.g., CAISO). Contract origination, commercial approval, legal review, invoice validation, and transaction auditing shall be performed by separate staff or contractors for each transaction. No individual staff member shall perform all of these functions related to a single transaction.

[3] Defining authorized products and transactions. In general terms, authorized and prohibited transactions are defined as follows:

- Authorized transactions are those transactions directly related to the procurement and/or administration of electric energy, reserve capacity, transmission and distribution service, ancillary services, congestion revenue rights, renewable energy, renewable energy credits, scheduling activities, tolling agreements, and bilateral purchases of energy products. All transactions must be consistent with this Policy and the Board approved resource plan.
- It is the expressed intent of this Policy to prohibit the acquisition of risk beyond that encountered in the efficient optimization of OCPA's generation portfolio and execution of procurement strategies. Prohibited transactions are those transactions that are not related to serving retail electric load and/or reducing financial exposure. Speculative buying and selling of energy products or maintenance of open positions that do not conform with agreed upon thresholds is prohibited. Speculation is defined as buying energy in excess of forecasted load plus reasonable planning reserves, intentionally under procuring energy relative to minimum load hedging targets or selling energy or environmental attributes that are not yet owned by OCPA. In no event shall speculative transactions be permitted. If any questions arise as to whether a proposed transaction constitutes speculation, OCPA shall conduct an analysis of the transaction and the Board shall review such transaction to determine whether the transaction would constitute speculation and document its

finding in the meeting minutes.

[4] Defining proper process for executing power supply contracts. OCPA will ensure power supply contracts are approved by pertinent technical personnel. Legal review will be required of various forms of agreement used by OCPA.

[5] Accurately capturing transactions and other data, with standardization of electronic and hard copy documentation.

[6] Summarizing and reporting of transactions and other activity at regular intervals.

[7] Measuring risk and performance in a timely manner and at regular intervals.

[8] Regularly reviewing compliance to ensure that this Policy and related risk management guidelines are adhered to, with specific guidelines for resolving instances of noncompliance.

[9] Ensuring active participation by senior management in risk management processes.

6.0 Risk Management Business Practices

6.1 Risk Measurement Metrics and Reporting

A vital element of this Policy is the regular identification, measurement and communication of risk. To effectively communicate risk, all risk management activities must be monitored on a frequent basis using risk measurement methodologies that quantify the risks associated with OCPA's procurement-related business activities and performance relative to stated goals.

OCPA measures and updates its risks using a variety of tools that model programmatic financial projections, market exposure and risk metrics, as well as through short-term budget updates. The following items are measured, monitored and reported:

[1] Mark-to-Market Valuation – marking to market is the process of determining the current value of contracted supply relative to current market conditions. A mark-to-market valuation shall be performed at least once per quarter.

[2] Exposure Reporting – calculates the notional dollar risk exposure and value at risk of open portfolio positions at current market prices. The exposure risk calculations shall be performed at least once per quarter.

[3] Open Position Monitoring – on a monthly basis, OCPA shall calculate/monitor its open positions for all energy and capacity products. If energy open positions for the month following the then current month (prompt month) exceed ~~40~~20% of load, OCPA will solicit market energy to close open positions and shall make a commercial decision to close the position. Open positions for terms beyond the prompt month will be monitored monthly and addressed in accordance with OCPA's planning models and related policies.

[4] Counterparty Credit Exposure – calculates the notional and mark-to-market exposure to each OCPA counterparty: 1) by deal; and 2) in aggregate. Counterparty credit exposure shall be reported on a quarterly basis. Counterparty exposure reporting includes contingent collateral posting risks arising from changes in market prices and other factors.

[5] Reserve Requirement Targets – no less than once per year, OCPA staff will monitor OCPA's reserves to ensure that they meet targeted thresholds.

Consistent with the above, the Middle Office will develop reports and provide feedback to the Risk Oversight Committee. If a limit or control established by this Policy is violated, the Middle Office will send notification to the responsible party and the Risk Oversight Committee. The Risk Oversight Committee will discuss the cause and potential remediation of any violation to determine next steps for curing the violation.

Risk measurement methodologies shall be re-evaluated on a periodic basis to ensure OCPA adjusts its methods to reflect the evolving competitive landscape and its unique needs.

6.2 Market Price Risk

OCPA manages market price risk using its planning models, which define forecasted load, energy under contract and OCPA's open positions across various energy product types, including renewable energy (Portfolio Content Category I, II and III), carbon-free energy (if needed to support any portfolio emissions metrics adopted by OCPA), system power and resource adequacy capacity. Such positions will be measured and monitored relative to OCPA's procurement targets.

OCPA determines the annual quantity of energy it intends to place under contract through the use of its planning models and in consideration of stated procurement targets. The planning models include an outline of the delivery term and quantity of each energy product that OCPA intends to fill in the upcoming year. The planning models inform OCPA's solicitation planning, including solicitation timing and strategy as well as the person/team responsible for such efforts.

In general, OCPA will seek to purchase some long-term renewable energy each year for purposes of promoting compliance with applicable requirements of California's Renewables Portfolio Standard program. Long-term renewable energy purchases may also serve to diversify market exposure. Regularly administered, recurring procurement efforts focused on long-term renewable energy should also minimize exposure to "planning cliffs", which can occur when a significant portion of long-term contracts expire at or near the same point in time.

For products generally purchased through short- and medium-term contracts, OCPA follows a similar temporal diversification strategy, with multiple procurement cycles occurring throughout the year.

Congestion risk is managed through the contracting process with a preference for day-ahead energy delivery at the SP 15 trading hub. Once energy is procured, OCPA manages congestion risks through the application of CRRs consistent with its Congestion Revenue Rights Risk Management Guidelines – OCPA anticipates that its scheduling coordinator or another qualified contractor will be primarily responsible for the management of CRRs. Presently, OCPA uses a third-party scheduling coordinator to manage its CRR portfolio. CRRs are financial instruments used to hedge against transmission congestion costs encountered in the CAISO day-ahead market. OCPA primarily uses CRRs to reduce its exposure to congestion charges.

6.3 Counterparty Credit and Performance Risk

OCPA shall evaluate and monitor the financial strength of its suppliers in consideration of adopted Credit Guidelines. Generally, OCPA manages its exposure to energy suppliers by exhibiting a preference for counterparties with Investment Grade Credit ratings as determined by Moody's or Standard & Poor's and through the use of security requirements in the form of cash and letters of credit. OCPA measures its mark-to-market counterparty credit exposure consistent with industry best practices.

6.4 Load and Generation Volumetric Risk

OCPA manages energy delivery risks by ensuring that contracts include appropriate contractual penalties for non-delivery, acquiring energy from a geographically and technologically diverse portfolio of generating assets (with a range of generation profiles that are generally complementary to the manner in which OCPA's customers use electric power). Due to known production variability and supply uncertainty related to renewable and other carbon-free energy products, OCPA includes planning margins in its procurement of such products to ensure that related targets/mandates are achieved.

OCPA manages load forecasting and related weather risks by contracting with qualified data management and scheduling coordinators, which independently or jointly provide the systems and data necessary to forecast and schedule load using good utility practice. Load variability is also considered in establishing appropriate planning margins for renewable and other carbon free energy sources.

OCPA's load scheduling strategy, as executed by its scheduling coordinator, shall be in accordance with adopted Load Bidding/Scheduling Guidelines. This strategy shall ensure that price risk in the day-ahead and real-time CAISO markets is managed effectively and is consistent with good utility practice.

6.5 Operational Risk

Operational risks are managed through:

- Adherence to this Policy, and oversight of procurement activity including delegation of authority;
- Conformance with applicable human resources policies and guidelines;
- Staff resources, expertise and/or training reinforcing a culture of compliance;
- Use of qualified, highly experienced contractors on an as-needed basis in the event that necessary expertise does not exist within OCPA's own organization;
- Ongoing and timely internal and external audits; and
- Cross-training amongst staff

To ensure proper controls for executing energy transactions and to facilitate the efficient operation of OCPA in its ordinary course of business, the Board delegates transactional authority that is commensurate with responsibility and capability. Accordingly, by approving this Policy, the Board delegates the following energy procurement authorities by product type and tenor to its Chief Executive Officer and the ROC:

Delegation of Authority:- Title/Governing Body	Product Type	Tenor Limit
Chief Executive Officer	System Power	Up to 3 years
	Resource Adequacy	Up to 5 years
	Renewables	Up to 3 years
	GHG-free	Up to 3 years
OCPA Board	All Products	Any

Delegation of Authority: Title/Governing Body	Product Type	Tenor Limit	Volumetric Limit	Notional Value Limit
Chief Executive Officer	System Power	Up to 3 years	2,000 GWh	\$ 75 M
	Resource Adequacy	Up to 3 years	3,000 MW	\$ 30 M
	Renewables	Up to 3 years	1,500 GWh	\$ 25 M
	GHG-free	Up to 3 years	1,000 GWh	\$ 10 M
OCPA Board	All Products	Any	Unlimited	Unlimited

Any changes to the delegation of authority will require Board approval.

For purposes of the Chief Executive Officer's delegated authority, the Tenor Limit refers to the length of the delivery period under an individual transaction. Transactions executed under this delegated authority must have delivery periods that fall within the next five years from the date of execution. A transaction may have a delivery period of up to three years, provided that the delivery period does not extend beyond the applicable five-year forward procurement window.

The Volumetric Limit and Notional Value Limit set forth in the table above apply to each individual transaction.

6.6 Liquidity Risk

OCPA manages liquidity risk through adherence to its loan and power purchase agreement credit covenants; limiting commitments to provide security consistent with adopted Credit Guidelines; ensuring it has adequate loan facilities, prudent cash and investment management; and adherence to any applicable reserve policies. OCPA monitors its liquidity (defined as unrestricted cash, investments, and unused bank

lines of credit) no less than weekly. OCPA utilizes scenario and sensitivity analyses while preparing budget, rate, and pro forma analyses to identify potential financial outcomes and ensure sufficient liquidity under adverse conditions.

6.7 Regulatory/Legislative Risk

OCPA manages its regulatory and legislative risk through active participation in working groups and advocacy coalitions. OCPA regularly monitors and participates in, as necessary, regulatory rulemaking proceedings and legislative affairs to protect OCPA's interests.

7.0 Risk Management Policy Governance

7.1 OCPA Board of Directors

The OCPA Board is responsible for adopting this Policy. The Board also approves OCPA's annual budget, contracting authorities and delegated responsibilities for the management of OCPA's operations to its Chief Executive Officer and staff. The Board is responsible for reviewing and recommending approval of substantive changes to this Policy, as needed, and for initiating and overseeing a review of the implementation of this Policy as it deems necessary. The Chief Executive Officer and Risk Oversight Committee (described below) may make reports and seek approval for any substantive changes to this Policy, and any such changes would be subject to Board approval.

7.2 Risk Oversight Committee (ROC)

To ensure the implementation of and compliance with this Policy, the Board will establish a Risk Oversight Committee prior to the commencement of retail electric service by OCPA. Members of the ROC will be selected by the Chief Executive Officer, who will serve as the ROC's Chair. The ROC will have authority to:

- Meet at least once per quarter, or as otherwise called to order by the ROC's Chair.
- No less than once per quarter, provide a report to the Board regarding its meetings, deliberations and any other areas of concern.
- From time to time, adopt and/or adapt risk management guidelines defining internal controls, strategies and processes for managing market risks incurred through or attendant upon wholesale trading, retail marketing, long-term contracting, CRR trading and load and generation scheduling.
- Specify the categories of permitted transactions and set risk limits for wholesale trading. The ROC will receive and review information and reports regarding risk management, wholesale trading transactions, and the administration of supply contracts.
- Have direct responsibility for enforcing compliance with this Policy. Any material violations of this Policy, as determined by the ROC, shall be reported to the Board for appropriate action.

Orange County Power Authority
Policy 011: Energy Risk Management Policy
Approved: 7/13/2021 | Revised: 1/24/2024 | Revised: 10/19/2026

Table of Contents

1.0	General Provisions.....	2
1.1	Background and Purpose of Policy.....	2
1.2	Scope of Business and Related Market Risks	2
1.3	Policy Administration	2
1.4	Policy Distribution and Acknowledgment	3
1.5	Policy Interpretation.....	3
2.0	Risk Management Goals.....	4
3.0	Risk Management Principles	5
3.1	General Risk Management Principles	5
3.2	Conflicts of Interest	5
3.3	Adherence to Statutory Requirements	5
3.4	System of Records	6
4.0	Definitions of Market Risks.....	7
4.1	Market Price Risk	7
4.2	Counterparty Credit and Performance Risk	7
4.3	Load and Generation Volumetric Risk	8
4.4	Operational Risk	8
4.5	Liquidity Risk	9
4.6	Regulatory/Legislative Risk.....	9
5.0	Internal Control Principles.....	10
6.0	Risk Management Business Practices.....	12
6.1	Risk Measurement Metrics and Reporting.....	12
6.2	Market Price Risk	12
6.3	Counterparty Credit and Performance Risk	13
6.4	Load and Generation Volumetric Risk	13
6.5	Operational Risk	14
6.6	Liquidity Risk	14
6.7	Regulatory/Legislative Risk.....	14
7.0	Risk Management Policy Governance.....	15
7.1	OCPA Board of Directors.....	15
7.2	Risk Oversight Committee (ROC).....	15

1.0 General Provisions

1.1 Background and Purpose of Policy

The Orange County Power Authority (OCPA) participates in energy markets for purposes of fulfilling its role as a Community Choice Aggregator that will serve retail electricity customers within the cities of Buena Park, Fullerton, Irvine, Fountain Valley, and other jurisdictions that may become OCPA members (OCPA's "service territory"). Service commencement to end use customers is expected to occur in April 2022. This Policy defines OCPA's general energy risk management framework and provides management with the authority to establish processes for monitoring, measuring, reporting, and controlling market and credit risks to which OCPA is exposed in its normal course of business.

1.2 Scope of Business and Related Market Risks

OCPA's retail electric provider operations encompass the following business activities covered within the scope of this policy: bilateral purchases and sales of electricity under short-, medium- and long-term contracts; scheduling of electric load and generation into California Independent System Operator (CAISO) markets; retail marketing of electricity to consumers within its service territory; compliance with voluntary objectives and regulatory requirements that relate to Renewables Portfolio Standard (RPS) energy acquisition and carbon-free energy supply; participation in the CAISO-administered Congestion Revenue Rights (CRRs) market; management of the balance between load and generation over the short-, medium- and long-term planning horizons; and compliance with applicable Resource Adequacy (RA) requirements. Participation in such activities exposes OCPA to certain risks, which include, but are not limited to, the following:

- Market Price Risk
- Counterparty Credit and Performance Risk
- Load and Generation Volumetric Risk
- Operational Risk
- Liquidity Risk
- Regulatory/Legislative Risk

Unless individually addressed, the aforementioned risks shall be collectively referred to as "market risks" within this Policy. OCPA's framework for mitigating exposure to such risks includes the following elements:

- Specification of Risk Management Goals and Principles
- Definitions of Risks
- Internal Control Principles
- Risk Management Business Practices
- Risk Management Governance

This Policy does not address the following types of general business risk, which should be treated separately in other policies, ordinances and regulations pertaining to OCPA: fire, accident and casualty; health, safety, and workers' compensation; general liability; and other typically insurable perils.

1.3 Policy Administration

This version of the Energy Risk Management Policy was adopted by the OCPA Board of Directors on July 13, 2021. This Policy may be amended as needed by OCPA's Board.

1.4 Policy Distribution and Acknowledgment

This Policy shall be distributed to all OCPA employees and third-party contractors engaged in the planning, procurement, sale and scheduling of electricity and related products on OCPA's behalf and/or in other OCPA departments, which may provide oversight and support for these activities. All such employees and contractors are required to annually confirm, in writing, that they:

- Have read OCPA's Risk Management Policy
- Understand pertinent terms and requirements of the Policy
- Affirm their intent to comply with the Policy
- Understand that any violation of the Policy shall subject the employee to disciplinary action, which may include termination of employment.

1.5 Policy Interpretation

Questions related to interpretation of the Policy should be referred to the Risk Oversight Committee (ROC) or, if the ROC has not yet been formed, OCPA's Board. All legal matters stemming from this Policy will be referred to OCPA's General Counsel.

2.0 Risk Management Goals

The goals of OCPA's energy risk management practices are to:

- [1] assist in achieving the business objectives of retail rate stability and competitiveness;
- [2] avoid losses and excessive costs, which would materially impact the financial condition of OCPA;
- [3] establish the parameters for energy procurement and sales activity to minimize costs while ensuring compliance with approved risk limits and policy objectives;
- [4] assist in assuring that market activities and transactions are undertaken in compliance with established procurement authorities, applicable laws, regulations and orders; and
- [5] encourage the development and maintenance of a corporate culture at OCPA that strikes the proper balance between control and facilitation and in which professionalism, discipline, technical skills, and analytical rigor are applied and cultivated to achieve OCPA's objectives.

3.0 Risk Management Principles

3.1 General Risk Management Principles

OCPA manages its energy resources and transactions with the objectives of providing customers with stable and competitive electric rates, achieving applicable compliance mandates and supporting local economic development while contemporaneously minimizing risks. OCPA's risk management principles are focused on the identification of relevant risks, systematic risk measurement and reporting, and strict adherence to established risk policies. OCPA will not engage in transactions without proper authorization or if such transactions are determined to be inconsistent with this Policy.

It is the policy of OCPA that all personnel, including the Board, management, and agents, adhere to standards of integrity, ethics, conflicts of interest, compliance with statutory law and regulations and other applicable OCPA standards of personal conduct while employed by or affiliated with OCPA.

3.2 Conflicts of Interest

All OCPA directors, managers, employees, consultants, and agents participating in any transaction or activity within the coverage of this Policy are obligated to advise OCPA in writing of any financial interest in any counterparty seeking to do business with OCPA. Such directors, managers, employees, consultants, and agents must also identify any real or potential conflict of interest related to any existing or potential contract/transaction with OCPA. To the extent that a financial interest or conflict is identified by one or more of the aforementioned individuals, any such person shall be prohibited from personally participating in a related transaction or similar activity that is within the coverage of this Policy or prohibited by California Government Code § 1090.

If there is any doubt as to whether a prohibited condition or conflict exists, it shall be the responsibility of the potentially affected director, manager, employee, consultant or agent to discuss the prospective issue with her/his manager or supervisor before further participating in related procurement/transactional activities.

3.3 Adherence to Statutory Requirements

Compliance shall be required with all applicable rules promulgated by the state of California, the California Public Utilities Commission, the California Energy Commission, the Federal Energy Regulatory Commission (FERC), the Commodity Futures Trading Commission (CFTC), and other regulatory agencies.

Congress, the FERC and the CFTC have enacted laws, regulations, and rules that prohibit, amongst other things, any action or course of conduct that actually or potentially operates as a fraud or deceit upon any person in connection with the purchase or sale of electric energy or transmission services. These laws also prohibit any person or entity from making an untrue statement or factual omission where such an omission would result in a statement being misleading. Violation of these laws can lead to both civil and criminal actions against the individual involved as well as OCPA. This Policy is intended to promote compliance with such laws, regulations and rules and to avoid improper conduct on the part of anyone employed by or working on behalf of OCPA. These procedures may be modified from time to time by legal requirements, auditor recommendations, requests from OCPA's CEO and/or ROC, and other considerations.

In the event of an investigation or inquiry by a regulatory agency, OCPA will provide legal counsel to employees. However, OCPA will not appoint legal counsel to an employee if OCPA's General Counsel and

Chief Executive Officer determine that the employee was not acting in good faith within its scope of employment. OCPA employees are prohibited from working for another power supplier, CCA or utility in a related position while they are simultaneously employed by OCPA unless an exception is authorized by the Board. For clarity, this prohibition is not intended to prevent OCPA staff from performing non-CCA activities on behalf of OCPA in the normal course of its business.

3.4 System of Records

OCPA will maintain a set of records for all transactions executed in association with OCPA's procurement activities. The records will be maintained in US dollars and transactions will be separately recorded and categorized by type of transaction. This system of record shall be auditable.

4.0 Definitions of Market Risks

The term “market risks,” as used herein, refers specifically to those categories of risk which relate to OCPA’s participation in wholesale and retail markets as a Load Serving Entity (LSE) as well as OCPA’s interests in certain long-term contracting opportunities. Market risks include market price risk, counterparty credit and performance risk, load and generation volumetric risk, operational risk and liquidity risk, as well as regulatory and legislative risk. These categories are defined and explained as follows.

4.1 Market Price Risk

Market price risk is defined as exposure to changes in wholesale energy prices. Market price risk is a function of price volatility and the volume of energy that is contracted at fixed prices over a defined period of time. Prices in electricity markets exhibit high volatility, and appropriate forward procurement and hedging are generally necessary to manage such exposure.

Market price risk is also impacted by market liquidity, which may be an issue for certain energy or capacity products that OCPA intends to procure. Illiquid markets are characterized by relatively few buyers or sellers, which makes it more difficult to buy or sell a commodity and often results in higher price premiums (on purchases) or deeper discounts (on sales).

Another dimension of market price risk is congestion or “basis” risk. Congestion risks arise from locational differences in pricing between the point of contracted supply and the related point of delivery (meaning, the point at which procured power is received by OCPA on the bulk electric system).

For OCPA, market price risk manifests in two types of exposure. The first type of market price risk exposure is the potential for variations in power costs that are related to OCPA’s “open positions”, meaning the volume of energy that will ultimately be required for delivery to OCPA customers but has not yet been placed under contract. Increases in market prices will impose increased costs on OCPA when those open positions are eventually filled at such higher prices. To the extent that power costs are higher than anticipated, anticipated OCPA fund balances (such as those designated for financial reserves, program administration or other complementary uses) may be lower than expected, necessitating customer rate increases. Market price risk exposure related to open positions are monitored through net open position valuations and value at risk metrics, as described in Section 6.1 of this Policy.

The second type of market price risk exposure is the potential for wholesale trading positions, long-term supply contracts and generation resources to move “out of the money,” that is, become less valuable when compared to similar positions, contracts or resources obtainable at present prices. These same positions can also be “in the money” if such positions become more valuable when compared to similar positions, contracts or resources obtainable at present market prices. This valuation methodology is commonly referred to as “Mark to Market.” Transaction valuation and reporting of positions shall be based on objective, market-observed prices. If OCPA is “out of the money” on a substantial portion of its contracts, it may have to charge higher retail rates relative to competitors. Such a situation could erode OCPA’s competitive position and market share if other market participants (e.g., Direct Access providers or the incumbent utility) are able to procure power at a lower cost and offer lower retail electric rates.

4.2 Counterparty Credit and Performance Risk

Performance and credit risk refer to the inability or unwillingness of a counterparty to perform according to its contractual obligations. Failure to perform may arise if an energy supplier fails to deliver energy as agreed. There are four general performance and credit risk scenarios:

[1] counterparties and wholesale suppliers may fail to deliver energy or environmental attributes, requiring OCPA to purchase replacement products elsewhere, possibly at higher costs;

[2] counterparties may fail to take delivery of energy or environmental attributes sold to them, necessitating an unexpected and expeditious resale of the product to another buyer, possibly at a lower price;

[3] counterparties may fail to pay for delivered energy or environmental attributes; or

[4] counterparties and suppliers may refuse to extend credit to OCPA, possibly resulting in higher collateral posting costs, which could impact OCPA's cash position and/or bank lines of credit.

An important subcategory of credit risk is concentration risk. When a portfolio of positions and resources is concentrated with one or a very small number of counterparties, generating resources, or geographic locations, it becomes more likely that major losses will be sustained in the event of non-performance by a counterparty/supplier or as a result of unexpected price fluctuations at one location.

4.3 Load and Generation Volumetric Risk

Energy deliveries must be planned in consideration of forecasted load. OCPA forecasts load over the long and short term and enters into long- and short-term fixed price energy contracts to hedge its load consistent with the provisions of its resource plan.

Load forecasting risk arises from inaccurate load forecasts and may result in the over- or under-procurement of energy and/or customer rate revenues that deviate from approved budgets. Energy delivery risk occurs if a generator fails to deliver expected or forecasted energy volumes. Variations in wind speed and cloud cover, for example, can also impact the respective amount of electricity generated by wind and solar resources. Furthermore, the occasional oversupply of power on California's electric grid can lead to curtailment of energy deliveries or reduced revenue resulting from low or negative prices at certain energy delivery points. In general, weather is an important variable that can result in higher or lower electricity usage due to its impact on customer electricity usage (heating and cooling needs, for example) as well as energy production (by generators that are commonly impacted by ambient weather conditions).

In the CAISO markets, this situation can result from both the oversupply and undersupply of electricity relative to OCPA's load as well as the over- or under-scheduling of generation or load into the day-ahead market (relative to actual energy consumed or delivered in the real-time market). Load and generation volumetric risk may result in unanticipated open positions and imbalance energy costs, which are assessed when actual and scheduled loads do not align. More specifically, imbalance energy costs result from temporal pricing differences that often exist in the day-ahead and real-time energy markets during discrete scheduling intervals. For example, if OCPA's actual load is higher than scheduled in the day-ahead market, and real-time prices are comparatively high during such instances, then OCPA bears the risk of higher-than-anticipated energy costs due to such variation.

4.4 Operational Risk

Operational risk consists of the potential for failure to execute and control business activities relative to plan. Operational risk includes the potential for:

[1] organizational structure that proves to be ineffective in addressing risk, i.e., the lack of sufficient authority to make and execute decisions, inadequate supervision, ineffective internal checks and balances, incomplete, inaccurate and untimely forecasts or reporting, failure to separate incompatible functions, etc.;

[2] absence, shortage or loss of key personnel or lack of cross-functional training;

[3] lack or failure of facilities, equipment, systems and tools, such as computers, software, communications links and data services;

[4] exposure to litigation or sanctions resulting from violating laws and regulations, not meeting contractual obligations, failure to address legal issues and/or receive competent legal advice, not drafting and analyzing contracts effectively, etc.; and

[5] errors or omissions in the conduct of business, including failure to execute transactions, violation of guidelines and directives, etc.

4.5 Liquidity Risk

Liquidity Risk is the risk that OCPA will be unable to meet its financial obligations. This can be caused by unexpected financial events and/or inaccurate pro forma calculations, rate analyses, and debt analyses. Some unexpected financial events impacting liquidity could include:

[1] breach of OCPA credit covenants or thresholds – OCPA has credit covenants included in its banking agreements and may, eventually, have similar covenants within its energy contracts. Breach of credit covenants or thresholds could result in the withdrawal of OCPA's line of credit or may trigger the requirement to post collateral;

[2] contractual requirements to post collateral (with counterparties) due to a decline in market prices below the contract price; and

[3] from time-to-time OCPA may be the subject of legal or other claims arising from the normal course of business. Payment of a claim by OCPA could reduce OCPA's liquidity if the cause of loss is not covered by OCPA's insurance policies.

4.6 Regulatory/Legislative Risk

Regulatory risk encompasses market structure and operational risks associated with shifting state and federal regulatory policies, rules, and requirements that could negatively impact OCPA. An example is the potential increase in exit fees for customers served by Community Choice Aggregators that could result in higher overall electricity costs for OCPA customers (relative to the incumbent utility or DA service options).

Legislative risk is associated with actions by federal and state legislative bodies, which may impose adverse changes or requirements that could infringe upon OCPA's autonomy, increase its costs, or otherwise negatively impact OCPA's ability to fulfill its goals and objectives.

5.0 Internal Control Principles

Internal controls are based on proven principles that meet or exceed the requirements of financial institutions and credit rating agencies while also being considerate of good utility practice. The required controls shall include all customary business practices designed to prevent errors and improprieties, ensure accurate and timely reporting of results of operations as well as information pertinent to management, and facilitate attainment of business objectives. These controls shall remain fully integrated in all activities of the business and shall be consistent with stated objectives. There shall be active participation and oversight by senior management in such processes.

The required controls include the following:

[1] Segregation of duties and functions between front-, middle-, and back-office activities. In general terms, the designation of responsibilities shall be organized as follows:

- Front office is responsible for planning (e.g. preparation of OCPA's resource plan and other planning activities) and procurement (e.g. solicitation management, contract negotiation, structuring and pricing as well as contract execution), contract management, compliance and oversight of scheduling coordinator functions with the CAISO;
- Middle office is responsible for controls and reporting (e.g., risk monitoring, risk measurement, risk reporting, procurement compliance, counterparty credit review, approval and monitoring); and
- Back office is responsible for settlements and processing (e.g., verification, validation, reconciliation and analysis of transactions, tracking, processing and settlement of transactions).

[2] Delegation of authority, as defined in section 6.5 (below), that is commensurate with responsibility and capability as well as relevant training to ensure compliance with applicable rules within the markets in which such personnel may transact (e.g., CAISO). Contract origination, commercial approval, legal review, invoice validation, and transaction auditing shall be performed by separate staff or contractors for each transaction. No individual staff member shall perform all of these functions related to a single transaction.

[3] Defining authorized products and transactions. In general terms, authorized and prohibited transactions are defined as follows:

- Authorized transactions are those transactions directly related to the procurement and/or administration of electric energy, reserve capacity, transmission and distribution service, ancillary services, congestion revenue rights, renewable energy, renewable energy credits, scheduling activities, tolling agreements, and bilateral purchases of energy products. All transactions must be consistent with this Policy and the Board approved resource plan.
- It is the expressed intent of this Policy to prohibit the acquisition of risk beyond that encountered in the efficient optimization of OCPA's generation portfolio and execution of procurement strategies. Prohibited transactions are those transactions that are not related to serving retail electric load and/or reducing financial exposure. Speculative buying and selling of energy products or maintenance of open positions that do not conform with agreed upon thresholds is prohibited. Speculation is defined as buying energy in excess of forecasted load plus reasonable planning reserves, intentionally under procuring energy relative to minimum load hedging targets or selling energy or environmental attributes that are not yet owned by OCPA. In no event shall speculative transactions be permitted. If any questions arise as to whether a proposed transaction constitutes speculation, OCPA shall conduct an analysis of the transaction and the Board shall review such transaction to determine whether the transaction would constitute speculation and document its

finding in the meeting minutes.

[4] Defining proper process for executing power supply contracts. OCPA will ensure power supply contracts are approved by pertinent technical personnel. Legal review will be required of various forms of agreement used by OCPA.

[5] Accurately capturing transactions and other data, with standardization of electronic and hard copy documentation.

[6] Summarizing and reporting of transactions and other activity at regular intervals.

[7] Measuring risk and performance in a timely manner and at regular intervals.

[8] Regularly reviewing compliance to ensure that this Policy and related risk management guidelines are adhered to, with specific guidelines for resolving instances of noncompliance.

[9] Ensuring active participation by senior management in risk management processes.

6.0 Risk Management Business Practices

6.1 Risk Measurement Metrics and Reporting

A vital element of this Policy is the regular identification, measurement and communication of risk. To effectively communicate risk, all risk management activities must be monitored on a frequent basis using risk measurement methodologies that quantify the risks associated with OCPA's procurement-related business activities and performance relative to stated goals.

OCPA measures and updates its risks using a variety of tools that model programmatic financial projections, market exposure and risk metrics, as well as through short-term budget updates. The following items are measured, monitored and reported:

[1] Mark-to-Market Valuation – marking to market is the process of determining the current value of contracted supply relative to current market conditions. A mark-to-market valuation shall be performed at least once per quarter.

[2] Exposure Reporting – calculates the notional dollar risk exposure and value at risk of open portfolio positions at current market prices. The exposure risk calculations shall be performed at least once per quarter.

[3] Open Position Monitoring – on a monthly basis, OCPA shall calculate/monitor its open positions for all energy and capacity products. If energy open positions for the month following the then current month (prompt month) exceed 20% of load, OCPA will solicit market energy to close open positions and shall make a commercial decision to close the position. Open positions for terms beyond the prompt month will be monitored monthly and addressed in accordance with OCPA's planning models and related policies.

[4] Counterparty Credit Exposure – calculates the notional and mark-to-market exposure to each OCPA counterparty: 1) by deal; and 2) in aggregate. Counterparty credit exposure shall be reported on a quarterly basis. Counterparty exposure reporting includes contingent collateral posting risks arising from changes in market prices and other factors.

[5] Reserve Requirement Targets – no less than once per year, OCPA staff will monitor OCPA's reserves to ensure that they meet targeted thresholds.

Consistent with the above, the Middle Office will develop reports and provide feedback to the Risk Oversight Committee. If a limit or control established by this Policy is violated, the Middle Office will send notification to the responsible party and the Risk Oversight Committee. The Risk Oversight Committee will discuss the cause and potential remediation of any violation to determine next steps for curing the violation.

Risk measurement methodologies shall be re-evaluated on a periodic basis to ensure OCPA adjusts its methods to reflect the evolving competitive landscape and its unique needs.

6.2 Market Price Risk

OCPA manages market price risk using its planning models, which define forecasted load, energy under contract and OCPA's open positions across various energy product types, including renewable energy (Portfolio Content Category I, II and III), carbon-free energy (if needed to support any portfolio emissions metrics adopted by OCPA), system power and resource adequacy capacity. Such positions will be measured and monitored relative to OCPA's procurement targets.

OCPA determines the annual quantity of energy it intends to place under contract through the use of its planning models and in consideration of stated procurement targets. The planning models include an outline of the delivery term and quantity of each energy product that OCPA intends to fill in the upcoming year. The planning models inform OCPA's solicitation planning, including solicitation timing and strategy as well as the person/team responsible for such efforts.

In general, OCPA will seek to purchase some long-term renewable energy each year for purposes of promoting compliance with applicable requirements of California's Renewables Portfolio Standard program. Long-term renewable energy purchases may also serve to diversify market exposure. Regularly administered, recurring procurement efforts focused on long-term renewable energy should also minimize exposure to "planning cliffs", which can occur when a significant portion of long-term contracts expire at or near the same point in time.

For products generally purchased through short- and medium-term contracts, OCPA follows a similar temporal diversification strategy, with multiple procurement cycles occurring throughout the year.

Congestion risk is managed through the contracting process with a preference for day-ahead energy delivery at the SP 15 trading hub. Once energy is procured, OCPA manages congestion risks through the application of CRRs consistent with its Congestion Revenue Rights Risk Management Guidelines – OCPA anticipates that its scheduling coordinator or another qualified contractor will be primarily responsible for the management of CRRs. Presently, OCPA uses a third-party scheduling coordinator to manage its CRR portfolio. CRRs are financial instruments used to hedge against transmission congestion costs encountered in the CAISO day-ahead market. OCPA primarily uses CRRs to reduce its exposure to congestion charges.

6.3 Counterparty Credit and Performance Risk

OCPA shall evaluate and monitor the financial strength of its suppliers in consideration of adopted Credit Guidelines. Generally, OCPA manages its exposure to energy suppliers by exhibiting a preference for counterparties with Investment Grade Credit ratings as determined by Moody's or Standard & Poor's and through the use of security requirements in the form of cash and letters of credit. OCPA measures its mark-to-market counterparty credit exposure consistent with industry best practices.

6.4 Load and Generation Volumetric Risk

OCPA manages energy delivery risks by ensuring that contracts include appropriate contractual penalties for non-delivery, acquiring energy from a geographically and technologically diverse portfolio of generating assets (with a range of generation profiles that are generally complementary to the manner in which OCPA's customers use electric power). Due to known production variability and supply uncertainty related to renewable and other carbon-free energy products, OCPA includes planning margins in its procurement of such products to ensure that related targets/mandates are achieved.

OCPA manages load forecasting and related weather risks by contracting with qualified data management and scheduling coordinators, which independently or jointly provide the systems and data necessary to forecast and schedule load using good utility practice. Load variability is also considered in establishing appropriate planning margins for renewable and other carbon free energy sources.

OCPA's load scheduling strategy, as executed by its scheduling coordinator, shall be in accordance with adopted Load Bidding/Scheduling Guidelines. This strategy shall ensure that price risk in the day-ahead and real-time CAISO markets is managed effectively and is consistent with good utility practice.

6.5 Operational Risk

Operational risks are managed through:

- Adherence to this Policy, and oversight of procurement activity including delegation of authority;
- Conformance with applicable human resources policies and guidelines;
- Staff resources, expertise and/or training reinforcing a culture of compliance;
- Use of qualified, highly experienced contractors on an as-needed basis in the event that necessary expertise does not exist within OCPA's own organization;
- Ongoing and timely internal and external audits; and
- Cross-training amongst staff

To ensure proper controls for executing energy transactions and to facilitate the efficient operation of OCPA in its ordinary course of business, the Board delegates transactional authority that is commensurate with responsibility and capability. Accordingly, by approving this Policy, the Board delegates the following energy procurement authorities by product type and tenor to its Chief Executive Officer and the ROC:

Delegation of Authority: Title/Governing Body	Product Type	Tenor Limit	Volumetric Limit	Notional Value Limit
Chief Executive Officer	System Power	Up to 3 years	2,000 GWh	\$ 75 M
	Resource Adequacy	Up to 3 years	3,000 MW	\$ 30 M
	Renewables	Up to 3 years	1,500 GWh	\$ 25 M
	GHG-free	Up to 3 years	1,000 GWh	\$ 10 M
OCPA Board	All Products	Any	Unlimited	Unlimited

Any changes to the delegation of authority will require Board approval.

For purposes of the Chief Executive Officer's delegated authority, the Tenor Limit refers to the length of the delivery period under an individual transaction. Transactions executed under this delegated authority must have delivery periods that fall within the next five years from the date of execution. A transaction may have a delivery period of up to three years, provided that the delivery period does not extend beyond the applicable five-year forward procurement window.

The Volumetric Limit and Notional Value Limit set forth in the table above apply to each individual transaction.

6.6 Liquidity Risk

OCPA manages liquidity risk through adherence to its loan and power purchase agreement credit covenants; limiting commitments to provide security consistent with adopted Credit Guidelines; ensuring it has adequate loan facilities, prudent cash and investment management; and adherence to any applicable reserve policies. OCPA monitors its liquidity (defined as unrestricted cash, investments, and unused bank lines of credit) no less than weekly. OCPA utilizes scenario and sensitivity analyses while preparing budget, rate, and pro forma analyses to identify potential financial outcomes and ensure sufficient liquidity under adverse conditions.

6.7 Regulatory/Legislative Risk

OCPA manages its regulatory and legislative risk through active participation in working groups and advocacy coalitions. OCPA regularly monitors and participates in, as necessary, regulatory rulemaking

proceedings and legislative affairs to protect OCPA's interests.

7.0 Risk Management Policy Governance

7.1 OCPA Board of Directors

The OCPA Board is responsible for adopting this Policy. The Board also approves OCPA's annual budget, contracting authorities and delegated responsibilities for the management of OCPA's operations to its Chief Executive Officer and staff. The Board is responsible for reviewing and recommending approval of substantive changes to this Policy, as needed, and for initiating and overseeing a review of the implementation of this Policy as it deems necessary. The Chief Executive Officer and Risk Oversight Committee (described below) may make reports and seek approval for any substantive changes to this Policy, and any such changes would be subject to Board approval.

7.2 Risk Oversight Committee (ROC)

To ensure the implementation of and compliance with this Policy, the Board will establish a Risk Oversight Committee prior to the commencement of retail electric service by OCPA. Members of the ROC will be selected by the Chief Executive Officer, who will serve as the ROC's Chair. The ROC will have authority to:

- Meet at least once per quarter, or as otherwise called to order by the ROC's Chair.
- No less than once per quarter, provide a report to the Board regarding its meetings, deliberations and any other areas of concern.
- From time to time, adopt and/or adapt risk management guidelines defining internal controls, strategies and processes for managing market risks incurred through or attendant upon wholesale trading, retail marketing, long-term contracting, CRR trading and load and generation scheduling.
- Specify the categories of permitted transactions and set risk limits for wholesale trading. The ROC will receive and review information and reports regarding risk management, wholesale trading transactions, and the administration of supply contracts.
- Have direct responsibility for enforcing compliance with this Policy. Any material violations of this Policy, as determined by the ROC, shall be reported to the Board for appropriate action.

Orange County Power Authority
Policy 011: Energy Risk Management Policy
Approved: 7/13/2021

Table of Contents

1.0	General Provisions.....	2
1.1	Background and Purpose of Policy.....	2
1.2	Scope of Business and Related Market Risks	2
1.3	Policy Administration	2
1.4	Policy Distribution and Acknowledgment	3
1.5	Policy Interpretation.....	3
2.0	Risk Management Goals.....	4
3.0	Risk Management Principles	5
3.1	General Risk Management Principles	5
3.2	Conflicts of Interest	5
3.3	Adherence to Statutory Requirements	5
3.4	System of Records	6
4.0	Definitions of Market Risks.....	7
4.1	Market Price Risk	7
4.2	Counterparty Credit and Performance Risk	7
4.3	Load and Generation Volumetric Risk	8
4.4	Operational Risk	8
4.5	Liquidity Risk	9
4.6	Regulatory/Legislative Risk.....	9
5.0	Internal Control Principles.....	10
6.0	Risk Management Business Practices.....	12
6.1	Risk Measurement Metrics and Reporting.....	12
6.2	Market Price Risk	12
6.3	Counterparty Credit and Performance Risk	13
6.4	Load and Generation Volumetric Risk	13
6.5	Operational Risk	14
6.6	Liquidity Risk	14
6.7	Regulatory/Legislative Risk.....	14
7.0	Risk Management Policy Governance.....	15
7.1	OCPA Board of Directors.....	15
7.2	Risk Oversight Committee (ROC).....	15

1.0 General Provisions

1.1 Background and Purpose of Policy

The Orange County Power Authority (OCPA) participates in energy markets for purposes of fulfilling its role as a Community Choice Aggregator that will serve retail electricity customers within the cities of Buena Park, Fullerton, Huntington Beach, Irvine, and other jurisdictions that may become OCPA members (OCPA's "service territory"). Service commencement to end use customers is expected to occur in April 2022. This Policy defines OCPA's general energy risk management framework and provides management with the authority to establish processes for monitoring, measuring, reporting, and controlling market and credit risks to which OCPA is exposed in its normal course of business.

1.2 Scope of Business and Related Market Risks

OCPA's retail electric provider operations encompass the following business activities covered within the scope of this policy: bilateral purchases and sales of electricity under short-, medium- and long-term contracts; scheduling of electric load and generation into California Independent System Operator (CAISO) markets; retail marketing of electricity to consumers within its service territory; compliance with voluntary objectives and regulatory requirements that relate to Renewables Portfolio Standard (RPS) energy acquisition and carbon-free energy supply; participation in the CAISO-administered Congestion Revenue Rights (CRRs) market; management of the balance between load and generation over the short-, medium- and long-term planning horizons; and compliance with applicable Resource Adequacy (RA) requirements. Participation in such activities exposes OCPA to certain risks, which include, but are not limited to, the following:

- Market Price Risk
- Counterparty Credit and Performance Risk
- Load and Generation Volumetric Risk
- Operational Risk
- Liquidity Risk
- Regulatory/Legislative Risk

Unless individually addressed, the aforementioned risks shall be collectively referred to as "market risks" within this Policy. OCPA's framework for mitigating exposure to such risks includes the following elements:

- Specification of Risk Management Goals and Principles
- Definitions of Risks
- Internal Control Principles
- Risk Management Business Practices
- Risk Management Governance

This Policy does not address the following types of general business risk, which should be treated separately in other policies, ordinances and regulations pertaining to OCPA: fire, accident and casualty; health, safety, and workers' compensation; general liability; and other typically insurable perils.

1.3 Policy Administration

This version of the Energy Risk Management Policy was adopted by the OCPA Board of Directors on July 13, 2021. This Policy may be amended as needed by OCPA's Board.

1.4 Policy Distribution and Acknowledgment

This Policy shall be distributed to all OCPA employees and third-party contractors engaged in the planning, procurement, sale and scheduling of electricity and related products on OCPA's behalf and/or in other OCPA departments, which may provide oversight and support for these activities. All such employees and contractors are required to annually confirm, in writing, that they:

- Have read OCPA's Risk Management Policy
- Understand pertinent terms and requirements of the Policy
- Affirm their intent to comply with the Policy
- Understand that any violation of the Policy shall subject the employee to disciplinary action, which may include termination of employment.

1.5 Policy Interpretation

Questions related to interpretation of the Policy should be referred to the Risk Oversight Committee (ROC) or, if the ROC has not yet been formed, OCPA's Board. All legal matters stemming from this Policy will be referred to OCPA's General Counsel.

2.0 Risk Management Goals

The goals of OCPA's energy risk management practices are to:

- [1] assist in achieving the business objectives of retail rate stability and competitiveness;
- [2] avoid losses and excessive costs, which would materially impact the financial condition of OCPA;
- [3] establish the parameters for energy procurement and sales activity to minimize costs while ensuring compliance with approved risk limits and policy objectives;
- [4] assist in assuring that market activities and transactions are undertaken in compliance with established procurement authorities, applicable laws, regulations and orders; and
- [5] encourage the development and maintenance of a corporate culture at OCPA that strikes the proper balance between control and facilitation and in which professionalism, discipline, technical skills, and analytical rigor are applied and cultivated to achieve OCPA's objectives.

3.0 Risk Management Principles

3.1 General Risk Management Principles

OCPA manages its energy resources and transactions with the objectives of providing customers with stable and competitive electric rates, achieving applicable compliance mandates and supporting local economic development while contemporaneously minimizing risks. OCPA's risk management principles are focused on the identification of relevant risks, systematic risk measurement and reporting, and strict adherence to established risk policies. OCPA will not engage in transactions without proper authorization or if such transactions are determined to be inconsistent with this Policy.

It is the policy of OCPA that all personnel, including the Board, management, and agents, adhere to standards of integrity, ethics, conflicts of interest, compliance with statutory law and regulations and other applicable OCPA standards of personal conduct while employed by or affiliated with OCPA.

3.2 Conflicts of Interest

All OCPA directors, managers, employees, consultants, and agents participating in any transaction or activity within the coverage of this Policy are obligated to advise OCPA in writing of any financial interest in any counterparty seeking to do business with OCPA. Such directors, managers, employees, consultants, and agents must also identify any real or potential conflict of interest related to any existing or potential contract/transaction with OCPA. To the extent that a financial interest or conflict is identified by one or more of the aforementioned individuals, any such person shall be prohibited from personally participating in a related transaction or similar activity that is within the coverage of this Policy or prohibited by California Government Code § 1090.

If there is any doubt as to whether a prohibited condition or conflict exists, it shall be the responsibility of the potentially affected director, manager, employee, consultant or agent to discuss the prospective issue with her/his manager or supervisor before further participating in related procurement/transactional activities.

3.3 Adherence to Statutory Requirements

Compliance shall be required with all applicable rules promulgated by the state of California, the California Public Utilities Commission, the California Energy Commission, the Federal Energy Regulatory Commission (FERC), the Commodity Futures Trading Commission (CFTC), and other regulatory agencies.

Congress, the FERC and the CFTC have enacted laws, regulations, and rules that prohibit, amongst other things, any action or course of conduct that actually or potentially operates as a fraud or deceit upon any person in connection with the purchase or sale of electric energy or transmission services. These laws also prohibit any person or entity from making an untrue statement or factual omission where such an omission would result in a statement being misleading. Violation of these laws can lead to both civil and criminal actions against the individual involved as well as OCPA. This Policy is intended to promote compliance with such laws, regulations and rules and to avoid improper conduct on the part of anyone employed by or working on behalf of OCPA. These procedures may be modified from time to time by legal requirements, auditor recommendations, requests from OCPA's CEO and/or ROC, and other considerations.

In the event of an investigation or inquiry by a regulatory agency, OCPA will provide legal counsel to employees. However, OCPA will not appoint legal counsel to an employee if OCPA's General Counsel and

Chief Executive Officer determine that the employee was not acting in good faith within its scope of employment. OCPA employees are prohibited from working for another power supplier, CCA or utility in a related position while they are simultaneously employed by OCPA unless an exception is authorized by the Board. For clarity, this prohibition is not intended to prevent OCPA staff from performing non-CCA activities on behalf of OCPA in the normal course of its business.

3.4 System of Records

OCPA will maintain a set of records for all transactions executed in association with OCPA's procurement activities. The records will be maintained in US dollars and transactions will be separately recorded and categorized by type of transaction. This system of record shall be auditable.

4.0 Definitions of Market Risks

The term “market risks,” as used herein, refers specifically to those categories of risk which relate to OCPA’s participation in wholesale and retail markets as a Load Serving Entity (LSE) as well as OCPA’s interests in certain long-term contracting opportunities. Market risks include market price risk, counterparty credit and performance risk, load and generation volumetric risk, operational risk and liquidity risk, as well as regulatory and legislative risk. These categories are defined and explained as follows.

4.1 Market Price Risk

Market price risk is defined as exposure to changes in wholesale energy prices. Market price risk is a function of price volatility and the volume of energy that is contracted at fixed prices over a defined period of time. Prices in electricity markets exhibit high volatility, and appropriate forward procurement and hedging are generally necessary to manage such exposure.

Market price risk is also impacted by market liquidity, which may be an issue for certain energy or capacity products that OCPA intends to procure. Illiquid markets are characterized by relatively few buyers or sellers, which makes it more difficult to buy or sell a commodity and often results in higher price premiums (on purchases) or deeper discounts (on sales).

Another dimension of market price risk is congestion or “basis” risk. Congestion risks arise from locational differences in pricing between the point of contracted supply and the related point of delivery (meaning, the point at which procured power is received by OCPA on the bulk electric system).

For OCPA, market price risk manifests in two types of exposure. The first type of market price risk exposure is the potential for variations in power costs that are related to OCPA’s “open positions”, meaning the volume of energy that will ultimately be required for delivery to OCPA customers but has not yet been placed under contract. Increases in market prices will impose increased costs on OCPA when those open positions are eventually filled at such higher prices. To the extent that power costs are higher than anticipated, anticipated OCPA fund balances (such as those designated for financial reserves, program administration or other complementary uses) may be lower than expected, necessitating customer rate increases. Market price risk exposure related to open positions are monitored through net open position valuations and value at risk metrics, as described in Section 6.1 of this Policy.

The second type of market price risk exposure is the potential for wholesale trading positions, long-term supply contracts and generation resources to move “out of the money,” that is, become less valuable when compared to similar positions, contracts or resources obtainable at present prices. These same positions can also be “in the money” if such positions become more valuable when compared to similar positions, contracts or resources obtainable at present market prices. This valuation methodology is commonly referred to as “Mark to Market.” Transaction valuation and reporting of positions shall be based on objective, market-observed prices. If OCPA is “out of the money” on a substantial portion of its contracts, it may have to charge higher retail rates relative to competitors. Such a situation could erode OCPA’s competitive position and market share if other market participants (e.g., Direct Access providers or the incumbent utility) are able to procure power at a lower cost and offer lower retail electric rates.

4.2 Counterparty Credit and Performance Risk

Performance and credit risk refer to the inability or unwillingness of a counterparty to perform according to its contractual obligations. Failure to perform may arise if an energy supplier fails to deliver energy as agreed. There are four general performance and credit risk scenarios:

[1] counterparties and wholesale suppliers may fail to deliver energy or environmental attributes, requiring OCPA to purchase replacement products elsewhere, possibly at higher costs;

[2] counterparties may fail to take delivery of energy or environmental attributes sold to them, necessitating an unexpected and expeditious resale of the product to another buyer, possibly at a lower price;

[3] counterparties may fail to pay for delivered energy or environmental attributes; or

[4] counterparties and suppliers may refuse to extend credit to OCPA, possibly resulting in higher collateral posting costs, which could impact OCPA's cash position and/or bank lines of credit.

An important subcategory of credit risk is concentration risk. When a portfolio of positions and resources is concentrated with one or a very small number of counterparties, generating resources, or geographic locations, it becomes more likely that major losses will be sustained in the event of non-performance by a counterparty/supplier or as a result of unexpected price fluctuations at one location.

4.3 Load and Generation Volumetric Risk

Energy deliveries must be planned in consideration of forecasted load. OCPA forecasts load over the long and short term and enters into long- and short-term fixed price energy contracts to hedge its load consistent with the provisions of its resource plan.

Load forecasting risk arises from inaccurate load forecasts and may result in the over- or under-procurement of energy and/or customer rate revenues that deviate from approved budgets. Energy delivery risk occurs if a generator fails to deliver expected or forecasted energy volumes. Variations in wind speed and cloud cover, for example, can also impact the respective amount of electricity generated by wind and solar resources. Furthermore, the occasional oversupply of power on California's electric grid can lead to curtailment of energy deliveries or reduced revenue resulting from low or negative prices at certain energy delivery points. In general, weather is an important variable that can result in higher or lower electricity usage due to its impact on customer electricity usage (heating and cooling needs, for example) as well as energy production (by generators that are commonly impacted by ambient weather conditions).

In the CAISO markets, this situation can result from both the oversupply and undersupply of electricity relative to OCPA's load as well as the over- or under-scheduling of generation or load into the day-ahead market (relative to actual energy consumed or delivered in the real-time market). Load and generation volumetric risk may result in unanticipated open positions and imbalance energy costs, which are assessed when actual and scheduled loads do not align. More specifically, imbalance energy costs result from temporal pricing differences that often exist in the day-ahead and real-time energy markets during discrete scheduling intervals. For example, if OCPA's actual load is higher than scheduled in the day-ahead market, and real-time prices are comparatively high during such instances, then OCPA bears the risk of higher-than-anticipated energy costs due to such variation.

4.4 Operational Risk

Operational risk consists of the potential for failure to execute and control business activities relative to plan. Operational risk includes the potential for:

[1] organizational structure that proves to be ineffective in addressing risk, i.e., the lack of sufficient authority to make and execute decisions, inadequate supervision, ineffective internal checks and balances, incomplete, inaccurate and untimely forecasts or reporting, failure to separate incompatible functions, etc.;

[2] absence, shortage or loss of key personnel or lack of cross-functional training;

[3] lack or failure of facilities, equipment, systems and tools, such as computers, software, communications links and data services;

[4] exposure to litigation or sanctions resulting from violating laws and regulations, not meeting contractual obligations, failure to address legal issues and/or receive competent legal advice, not drafting and analyzing contracts effectively, etc.; and

[5] errors or omissions in the conduct of business, including failure to execute transactions, violation of guidelines and directives, etc.

4.5 Liquidity Risk

Liquidity Risk is the risk that OCPA will be unable to meet its financial obligations. This can be caused by unexpected financial events and/or inaccurate pro forma calculations, rate analyses, and debt analyses. Some unexpected financial events impacting liquidity could include:

[1] breach of OCPA credit covenants or thresholds – OCPA has credit covenants included in its banking agreements and may, eventually, have similar covenants within its energy contracts. Breach of credit covenants or thresholds could result in the withdrawal of OCPA's line of credit or may trigger the requirement to post collateral;

[2] contractual requirements to post collateral (with counterparties) due to a decline in market prices below the contract price; and

[3] from time-to-time OCPA may be the subject of legal or other claims arising from the normal course of business. Payment of a claim by OCPA could reduce OCPA's liquidity if the cause of loss is not covered by OCPA's insurance policies.

4.6 Regulatory/Legislative Risk

Regulatory risk encompasses market structure and operational risks associated with shifting state and federal regulatory policies, rules, and requirements that could negatively impact OCPA. An example is the potential increase in exit fees for customers served by Community Choice Aggregators that could result in higher overall electricity costs for OCPA customers (relative to the incumbent utility or DA service options).

Legislative risk is associated with actions by federal and state legislative bodies, which may impose adverse changes or requirements that could infringe upon OCPA's autonomy, increase its costs, or otherwise negatively impact OCPA's ability to fulfill its goals and objectives.

5.0 Internal Control Principles

Internal controls are based on proven principles that meet or exceed the requirements of financial institutions and credit rating agencies while also being considerate of good utility practice. The required controls shall include all customary business practices designed to prevent errors and improprieties, ensure accurate and timely reporting of results of operations as well as information pertinent to management, and facilitate attainment of business objectives. These controls shall remain fully integrated in all activities of the business and shall be consistent with stated objectives. There shall be active participation and oversight by senior management in such processes.

The required controls include the following:

[1] Segregation of duties and functions between front-, middle-, and back-office activities. In general terms, the designation of responsibilities shall be organized as follows:

- Front office is responsible for planning (e.g. preparation of OCPA's resource plan and other planning activities) and procurement (e.g. solicitation management, contract negotiation, structuring and pricing as well as contract execution), contract management, compliance and oversight of scheduling coordinator functions with the CAISO;
- Middle office is responsible for controls and reporting (e.g., risk monitoring, risk measurement, risk reporting, procurement compliance, counterparty credit review, approval and monitoring); and
- Back office is responsible for settlements and processing (e.g., verification, validation, reconciliation and analysis of transactions, tracking, processing and settlement of transactions).

[2] Delegation of authority, as defined in section 6.5 (below), that is commensurate with responsibility and capability as well as relevant training to ensure compliance with applicable rules within the markets in which such personnel may transact (e.g., CAISO). Contract origination, commercial approval, legal review, invoice validation, and transaction auditing shall be performed by separate staff or contractors for each transaction. No individual staff member shall perform all of these functions related to a single transaction.

[3] Defining authorized products and transactions. In general terms, authorized and prohibited transactions are defined as follows:

- Authorized transactions are those transactions directly related to the procurement and/or administration of electric energy, reserve capacity, transmission and distribution service, ancillary services, congestion revenue rights, renewable energy, renewable energy credits, scheduling activities, tolling agreements, and bilateral purchases of energy products. All transactions must be consistent with this Policy and the Board approved resource plan.
- It is the expressed intent of this Policy to prohibit the acquisition of risk beyond that encountered in the efficient optimization of OCPA's generation portfolio and execution of procurement strategies. Prohibited transactions are those transactions that are not related to serving retail electric load and/or reducing financial exposure. Speculative buying and selling of energy products or maintenance of open positions that do not conform with agreed upon thresholds is prohibited. Speculation is defined as buying energy in excess of forecasted load plus reasonable planning reserves, intentionally under procuring energy relative to minimum load hedging targets or selling energy or environmental attributes that are not yet owned by OCPA. In no event shall speculative transactions be permitted. If any questions arise as to whether a proposed transaction constitutes speculation, OCPA shall conduct an analysis of the transaction and the Board shall review such transaction to determine whether the transaction would constitute speculation and document its

finding in the meeting minutes.

[4] Defining proper process for executing power supply contracts. OCPA will ensure power supply contracts are approved by pertinent technical personnel. Legal review will be required of various forms of agreement used by OCPA.

[5] Accurately capturing transactions and other data, with standardization of electronic and hard copy documentation.

[6] Summarizing and reporting of transactions and other activity at regular intervals.

[7] Measuring risk and performance in a timely manner and at regular intervals.

[8] Regularly reviewing compliance to ensure that this Policy and related risk management guidelines are adhered to, with specific guidelines for resolving instances of noncompliance.

[9] Ensuring active participation by senior management in risk management processes.

6.0 Risk Management Business Practices

6.1 Risk Measurement Metrics and Reporting

A vital element of this Policy is the regular identification, measurement and communication of risk. To effectively communicate risk, all risk management activities must be monitored on a frequent basis using risk measurement methodologies that quantify the risks associated with OCPA's procurement-related business activities and performance relative to stated goals.

OCPA measures and updates its risks using a variety of tools that model programmatic financial projections, market exposure and risk metrics, as well as through short-term budget updates. The following items are measured, monitored and reported:

[1] Mark-to-Market Valuation – marking to market is the process of determining the current value of contracted supply relative to current market conditions. A mark-to-market valuation shall be performed at least once per quarter.

[2] Exposure Reporting – calculates the notional dollar risk exposure and value at risk of open portfolio positions at current market prices. The exposure risk calculations shall be performed at least once per quarter.

[3] Open Position Monitoring – on a monthly basis, OCPA shall calculate/monitor its open positions for all energy and capacity products. If energy open positions for the month following the then current month (prompt month) exceed 10% of load, OCPA will solicit market energy to close open positions and shall make a commercial decision to close the position. Open positions for terms beyond the prompt month will be monitored monthly and addressed in accordance with OCPA's planning models and related policies.

[4] Counterparty Credit Exposure – calculates the notional and mark-to-market exposure to each OCPA counterparty: 1) by deal; and 2) in aggregate. Counterparty credit exposure shall be reported on a quarterly basis. Counterparty exposure reporting includes contingent collateral posting risks arising from changes in market prices and other factors.

[5] Reserve Requirement Targets – no less than once per year, OCPA staff will monitor OCPA's reserves to ensure that they meet targeted thresholds.

Consistent with the above, the Middle Office will develop reports and provide feedback to the Risk Oversight Committee. If a limit or control established by this Policy is violated, the Middle Office will send notification to the responsible party and the Risk Oversight Committee. The Risk Oversight Committee will discuss the cause and potential remediation of any violation to determine next steps for curing the violation.

Risk measurement methodologies shall be re-evaluated on a periodic basis to ensure OCPA adjusts its methods to reflect the evolving competitive landscape and its unique needs.

6.2 Market Price Risk

OCPA manages market price risk using its planning models, which define forecasted load, energy under contract and OCPA's open positions across various energy product types, including renewable energy (Portfolio Content Category I, II and III), carbon-free energy (if needed to support any portfolio emissions metrics adopted by OCPA), system power and resource adequacy capacity. Such positions will be measured and monitored relative to OCPA's procurement targets.

OCPA determines the annual quantity of energy it intends to place under contract through the use of its

planning models and in consideration of stated procurement targets. The planning models include an outline of the delivery term and quantity of each energy product that OCPA intends to fill in the upcoming year. The planning models inform OCPA's solicitation planning, including solicitation timing and strategy as well as the person/team responsible for such efforts.

In general, OCPA will seek to purchase some long-term renewable energy each year for purposes of promoting compliance with applicable requirements of California's Renewables Portfolio Standard program. Long-term renewable energy purchases may also serve to diversify market exposure. Regularly administered, recurring procurement efforts focused on long-term renewable energy should also minimize exposure to "planning cliffs", which can occur when a significant portion of long-term contracts expire at or near the same point in time.

For products generally purchased through short- and medium-term contracts, OCPA follows a similar temporal diversification strategy, with multiple procurement cycles occurring throughout the year.

Congestion risk is managed through the contracting process with a preference for day-ahead energy delivery at the SP 15 trading hub. Once energy is procured, OCPA manages congestion risks through the application of CRRs consistent with its Congestion Revenue Rights Risk Management Guidelines – OCPA anticipates that its scheduling coordinator or another qualified contractor will be primarily responsible for the management of CRRs. Presently, OCPA uses a third-party scheduling coordinator to manage its CRR portfolio. CRRs are financial instruments used to hedge against transmission congestion costs encountered in the CAISO day-ahead market. OCPA primarily uses CRRs to reduce its exposure to congestion charges.

6.3 Counterparty Credit and Performance Risk

OCPA shall evaluate and monitor the financial strength of its suppliers in consideration of adopted Credit Guidelines. Generally, OCPA manages its exposure to energy suppliers by exhibiting a preference for counterparties with Investment Grade Credit ratings as determined by Moody's or Standard & Poor's and through the use of security requirements in the form of cash and letters of credit. OCPA measures its mark-to-market counterparty credit exposure consistent with industry best practices.

6.4 Load and Generation Volumetric Risk

OCPA manages energy delivery risks by ensuring that contracts include appropriate contractual penalties for non-delivery, acquiring energy from a geographically and technologically diverse portfolio of generating assets (with a range of generation profiles that are generally complementary to the manner in which OCPA's customers use electric power). Due to known production variability and supply uncertainty related to renewable and other carbon-free energy products, OCPA includes planning margins in its procurement of such products to ensure that related targets/mandates are achieved.

OCPA manages load forecasting and related weather risks by contracting with qualified data management and scheduling coordinators, which independently or jointly provide the systems and data necessary to forecast and schedule load using good utility practice. Load variability is also considered in establishing appropriate planning margins for renewable and other carbon free energy sources.

OCPA's load scheduling strategy, as executed by its scheduling coordinator, shall be in accordance with adopted Load Bidding/Scheduling Guidelines. This strategy shall ensure that price risk in the day-ahead and real-time CAISO markets is managed effectively and is consistent with good utility practice.

6.5 Operational Risk

Operational risks are managed through:

- Adherence to this Policy, and oversight of procurement activity including delegation of authority;
- Conformance with applicable human resources policies and guidelines;
- Staff resources, expertise and/or training reinforcing a culture of compliance;
- Use of qualified, highly experienced contractors on an as-needed basis in the event that necessary expertise does not exist within OCPA's own organization;
- Ongoing and timely internal and external audits; and
- Cross-training amongst staff

To ensure proper controls for executing energy transactions and to facilitate the efficient operation of OCPA in its ordinary course of business, the Board delegates transactional authority that is commensurate with responsibility and capability. Accordingly, by approving this Policy, the Board delegates the following energy procurement authorities by product type, tenor, volume and notional value to its Chief Executive Officer and the ROC:

Delegation of Authority: Title/Governing Body	Product Type	Tenor Limit	Volumetric Limit	Notional Value Limit
Chief Executive Officer	System Power	Up to 3 years	2,000 GWh	\$ 75 M
	Resource Adequacy	Up to 3 years	3,000 MW	\$ 30 M
	Renewables	Up to 3 years	1,500 GWh	\$ 25 M
	GHG-free	Up to 3 years	1,000 GWh	\$ 10 M
OCPA Board	All Products	Any	Unlimited	Unlimited

Any changes to the delegation of authority will require Board approval.

6.6 Liquidity Risk

OCPA manages liquidity risk through adherence to its loan and power purchase agreement credit covenants; limiting commitments to provide security consistent with adopted Credit Guidelines; ensuring it has adequate loan facilities, prudent cash and investment management; and adherence to any applicable reserve policies. OCPA monitors its liquidity (defined as unrestricted cash, investments, and unused bank lines of credit) no less than weekly. OCPA utilizes scenario and sensitivity analyses while preparing budget, rate, and pro forma analyses to identify potential financial outcomes and ensure sufficient liquidity under adverse conditions.

6.7 Regulatory/Legislative Risk

OCPA manages its regulatory and legislative risk through active participation in working groups and advocacy coalitions. OCPA regularly monitors and participates in, as necessary, regulatory rulemaking proceedings and legislative affairs to protect OCPA's interests.

7.0 Risk Management Policy Governance

7.1 OCPA Board of Directors

The OCPA Board is responsible for adopting this Policy. The Board also approves OCPA's annual budget, contracting authorities and delegated responsibilities for the management of OCPA's operations to its Chief Executive Officer and staff. The Board is responsible for reviewing and recommending approval of substantive changes to this Policy, as needed, and for initiating and overseeing a review of the implementation of this Policy as it deems necessary. The Chief Executive Officer and Risk Oversight Committee (described below) may make reports and seek approval for any substantive changes to this Policy, and any such changes would be subject to Board approval.

7.2 Risk Oversight Committee (ROC)

To ensure the implementation of and compliance with this Policy, the Board will establish a Risk Oversight Committee prior to the commencement of retail electric service by OCPA. Members of the ROC will be selected by the Chief Executive Officer, who will serve as the ROC's Chair. The ROC will have authority to:

- Meet at least once per quarter, or as otherwise called to order by the ROC's Chair.
- No less than once per quarter, provide a report to the Board regarding its meetings, deliberations and any other areas of concern.
- From time to time, adopt and/or adapt risk management guidelines defining internal controls, strategies and processes for managing market risks incurred through or attendant upon wholesale trading, retail marketing, long-term contracting, CRR trading and load and generation scheduling.
- Specify the categories of permitted transactions and set risk limits for wholesale trading. The ROC will receive and review information and reports regarding risk management, wholesale trading transactions, and the administration of supply contracts.
- Have direct responsibility for enforcing compliance with this Policy. Any material violations of this Policy, as determined by the ROC, shall be reported to the Board for appropriate action.

Orange County Power Authority
Policy 011: Energy Risk Management Policy
Approved: 7/13/2021 | Revised: 1/24/2024

Table of Contents

1.0	General Provisions.....	2
1.1	Background and Purpose of Policy	2
1.2	Scope of Business and Related Market Risks	2
1.3	Policy Administration	2
1.4	Policy Distribution and Acknowledgment	3
1.5	Policy Interpretation.....	3
2.0	Risk Management Goals.....	4
3.0	Risk Management Principles	5
3.1	General Risk Management Principles	5
3.2	Conflicts of Interest	5
3.3	Adherence to Statutory Requirements	5
3.4	System of Records	6
4.0	Definitions of Market Risks.....	7
4.1	Market Price Risk	7
4.2	Counterparty Credit and Performance Risk	7
4.3	Load and Generation Volumetric Risk.....	8
4.4	Operational Risk	8
4.5	Liquidity Risk	9
4.6	Regulatory/Legislative Risk.....	9
5.0	Internal Control Principles.....	10
6.0	Risk Management Business Practices.....	12
6.1	Risk Measurement Metrics and Reporting.....	12
6.2	Market Price Risk	12
6.3	Counterparty Credit and Performance Risk	13
6.4	Load and Generation Volumetric Risk.....	13
6.5	Operational Risk	14
6.6	Liquidity Risk	14
6.7	Regulatory/Legislative Risk.....	14
7.0	Risk Management Policy Governance.....	15
7.1	OCPA Board of Directors.....	15
7.2	Risk Oversight Committee (ROC).....	15

1.0 General Provisions

1.1 Background and Purpose of Policy

The Orange County Power Authority (OCPA) participates in energy markets for purposes of fulfilling its role as a Community Choice Aggregator that will serve retail electricity customers within the cities of Buena Park, Fullerton, Huntington Beach, Irvine, and other jurisdictions that may become OCPA members (OCPA's "service territory"). Service commencement to end use customers is expected to occur in April 2022. This Policy defines OCPA's general energy risk management framework and provides management with the authority to establish processes for monitoring, measuring, reporting, and controlling market and credit risks to which OCPA is exposed in its normal course of business.

1.2 Scope of Business and Related Market Risks

OCPA's retail electric provider operations encompass the following business activities covered within the scope of this policy: bilateral purchases and sales of electricity under short-, medium- and long-term contracts; scheduling of electric load and generation into California Independent System Operator (CAISO) markets; retail marketing of electricity to consumers within its service territory; compliance with voluntary objectives and regulatory requirements that relate to Renewables Portfolio Standard (RPS) energy acquisition and carbon-free energy supply; participation in the CAISO-administered Congestion Revenue Rights (CRRs) market; management of the balance between load and generation over the short-, medium- and long-term planning horizons; and compliance with applicable Resource Adequacy (RA) requirements. Participation in such activities exposes OCPA to certain risks, which include, but are not limited to, the following:

- Market Price Risk
- Counterparty Credit and Performance Risk
- Load and Generation Volumetric Risk
- Operational Risk
- Liquidity Risk
- Regulatory/Legislative Risk

Unless individually addressed, the aforementioned risks shall be collectively referred to as "market risks" within this Policy. OCPA's framework for mitigating exposure to such risks includes the following elements:

- Specification of Risk Management Goals and Principles
- Definitions of Risks
- Internal Control Principles
- Risk Management Business Practices
- Risk Management Governance

This Policy does not address the following types of general business risk, which should be treated separately in other policies, ordinances and regulations pertaining to OCPA: fire, accident and casualty; health, safety, and workers' compensation; general liability; and other typically insurable perils.

1.3 Policy Administration

This version of the Energy Risk Management Policy was adopted by the OCPA Board of Directors on July 13, 2021. This Policy may be amended as needed by OCPA's Board.

1.4 Policy Distribution and Acknowledgment

This Policy shall be distributed to all OCPA employees and third-party contractors engaged in the planning, procurement, sale and scheduling of electricity and related products on OCPA's behalf and/or in other OCPA departments, which may provide oversight and support for these activities. All such employees and contractors are required to annually confirm, in writing, that they:

- Have read OCPA's Risk Management Policy
- Understand pertinent terms and requirements of the Policy
- Affirm their intent to comply with the Policy
- Understand that any violation of the Policy shall subject the employee to disciplinary action, which may include termination of employment.

1.5 Policy Interpretation

Questions related to interpretation of the Policy should be referred to the Risk Oversight Committee (ROC) or, if the ROC has not yet been formed, OCPA's Board. All legal matters stemming from this Policy will be referred to OCPA's General Counsel.

2.0 Risk Management Goals

The goals of OCPA's energy risk management practices are to:

- [1] assist in achieving the business objectives of retail rate stability and competitiveness;
- [2] avoid losses and excessive costs, which would materially impact the financial condition of OCPA;
- [3] establish the parameters for energy procurement and sales activity to minimize costs while ensuring compliance with approved risk limits and policy objectives;
- [4] assist in assuring that market activities and transactions are undertaken in compliance with established procurement authorities, applicable laws, regulations and orders; and
- [5] encourage the development and maintenance of a corporate culture at OCPA that strikes the proper balance between control and facilitation and in which professionalism, discipline, technical skills, and analytical rigor are applied and cultivated to achieve OCPA's objectives.

3.0 Risk Management Principles

3.1 General Risk Management Principles

OCPA manages its energy resources and transactions with the objectives of providing customers with stable and competitive electric rates, achieving applicable compliance mandates and supporting local economic development while contemporaneously minimizing risks. OCPA's risk management principles are focused on the identification of relevant risks, systematic risk measurement and reporting, and strict adherence to established risk policies. OCPA will not engage in transactions without proper authorization or if such transactions are determined to be inconsistent with this Policy.

It is the policy of OCPA that all personnel, including the Board, management, and agents, adhere to standards of integrity, ethics, conflicts of interest, compliance with statutory law and regulations and other applicable OCPA standards of personal conduct while employed by or affiliated with OCPA.

3.2 Conflicts of Interest

All OCPA directors, managers, employees, consultants, and agents participating in any transaction or activity within the coverage of this Policy are obligated to advise OCPA in writing of any financial interest in any counterparty seeking to do business with OCPA. Such directors, managers, employees, consultants, and agents must also identify any real or potential conflict of interest related to any existing or potential contract/transaction with OCPA. To the extent that a financial interest or conflict is identified by one or more of the aforementioned individuals, any such person shall be prohibited from personally participating in a related transaction or similar activity that is within the coverage of this Policy or prohibited by California Government Code § 1090.

If there is any doubt as to whether a prohibited condition or conflict exists, it shall be the responsibility of the potentially affected director, manager, employee, consultant or agent to discuss the prospective issue with her/his manager or supervisor before further participating in related procurement/transactional activities.

3.3 Adherence to Statutory Requirements

Compliance shall be required with all applicable rules promulgated by the state of California, the California Public Utilities Commission, the California Energy Commission, the Federal Energy Regulatory Commission (FERC), the Commodity Futures Trading Commission (CFTC), and other regulatory agencies.

Congress, the FERC and the CFTC have enacted laws, regulations, and rules that prohibit, amongst other things, any action or course of conduct that actually or potentially operates as a fraud or deceit upon any person in connection with the purchase or sale of electric energy or transmission services. These laws also prohibit any person or entity from making an untrue statement or factual omission where such an omission would result in a statement being misleading. Violation of these laws can lead to both civil and criminal actions against the individual involved as well as OCPA. This Policy is intended to promote compliance with such laws, regulations and rules and to avoid improper conduct on the part of anyone employed by or working on behalf of OCPA. These procedures may be modified from time to time by legal requirements, auditor recommendations, requests from OCPA's CEO and/or ROC, and other considerations.

In the event of an investigation or inquiry by a regulatory agency, OCPA will provide legal counsel to employees. However, OCPA will not appoint legal counsel to an employee if OCPA's General Counsel and

Chief Executive Officer determine that the employee was not acting in good faith within its scope of employment. OCPA employees are prohibited from working for another power supplier, CCA or utility in a related position while they are simultaneously employed by OCPA unless an exception is authorized by the Board. For clarity, this prohibition is not intended to prevent OCPA staff from performing non-CCA activities on behalf of OCPA in the normal course of its business.

3.4 System of Records

OCPA will maintain a set of records for all transactions executed in association with OCPA's procurement activities. The records will be maintained in US dollars and transactions will be separately recorded and categorized by type of transaction. This system of record shall be auditable.

4.0 Definitions of Market Risks

The term “market risks,” as used herein, refers specifically to those categories of risk which relate to OCPA’s participation in wholesale and retail markets as a Load Serving Entity (LSE) as well as OCPA’s interests in certain long-term contracting opportunities. Market risks include market price risk, counterparty credit and performance risk, load and generation volumetric risk, operational risk and liquidity risk, as well as regulatory and legislative risk. These categories are defined and explained as follows.

4.1 Market Price Risk

Market price risk is defined as exposure to changes in wholesale energy prices. Market price risk is a function of price volatility and the volume of energy that is contracted at fixed prices over a defined period of time. Prices in electricity markets exhibit high volatility, and appropriate forward procurement and hedging are generally necessary to manage such exposure.

Market price risk is also impacted by market liquidity, which may be an issue for certain energy or capacity products that OCPA intends to procure. Illiquid markets are characterized by relatively few buyers or sellers, which makes it more difficult to buy or sell a commodity and often results in higher price premiums (on purchases) or deeper discounts (on sales).

Another dimension of market price risk is congestion or “basis” risk. Congestion risks arise from locational differences in pricing between the point of contracted supply and the related point of delivery (meaning, the point at which procured power is received by OCPA on the bulk electric system).

For OCPA, market price risk manifests in two types of exposure. The first type of market price risk exposure is the potential for variations in power costs that are related to OCPA’s “open positions”, meaning the volume of energy that will ultimately be required for delivery to OCPA customers but has not yet been placed under contract. Increases in market prices will impose increased costs on OCPA when those open positions are eventually filled at such higher prices. To the extent that power costs are higher than anticipated, anticipated OCPA fund balances (such as those designated for financial reserves, program administration or other complementary uses) may be lower than expected, necessitating customer rate increases. Market price risk exposure related to open positions are monitored through net open position valuations and value at risk metrics, as described in Section 6.1 of this Policy.

The second type of market price risk exposure is the potential for wholesale trading positions, long-term supply contracts and generation resources to move “out of the money,” that is, become less valuable when compared to similar positions, contracts or resources obtainable at present prices. These same positions can also be “in the money” if such positions become more valuable when compared to similar positions, contracts or resources obtainable at present market prices. This valuation methodology is commonly referred to as “Mark to Market.” Transaction valuation and reporting of positions shall be based on objective, market-observed prices. If OCPA is “out of the money” on a substantial portion of its contracts, it may have to charge higher retail rates relative to competitors. Such a situation could erode OCPA’s competitive position and market share if other market participants (e.g., Direct Access providers or the incumbent utility) are able to procure power at a lower cost and offer lower retail electric rates.

4.2 Counterparty Credit and Performance Risk

Performance and credit risk refer to the inability or unwillingness of a counterparty to perform according to its contractual obligations. Failure to perform may arise if an energy supplier fails to deliver energy as agreed. There are four general performance and credit risk scenarios:

[1] counterparties and wholesale suppliers may fail to deliver energy or environmental attributes, requiring OCPA to purchase replacement products elsewhere, possibly at higher costs;

[2] counterparties may fail to take delivery of energy or environmental attributes sold to them, necessitating an unexpected and expeditious resale of the product to another buyer, possibly at a lower price;

[3] counterparties may fail to pay for delivered energy or environmental attributes; or

[4] counterparties and suppliers may refuse to extend credit to OCPA, possibly resulting in higher collateral posting costs, which could impact OCPA's cash position and/or bank lines of credit.

An important subcategory of credit risk is concentration risk. When a portfolio of positions and resources is concentrated with one or a very small number of counterparties, generating resources, or geographic locations, it becomes more likely that major losses will be sustained in the event of non-performance by a counterparty/supplier or as a result of unexpected price fluctuations at one location.

4.3 Load and Generation Volumetric Risk

Energy deliveries must be planned in consideration of forecasted load. OCPA forecasts load over the long and short term and enters into long- and short-term fixed price energy contracts to hedge its load consistent with the provisions of its resource plan.

Load forecasting risk arises from inaccurate load forecasts and may result in the over- or under-procurement of energy and/or customer rate revenues that deviate from approved budgets. Energy delivery risk occurs if a generator fails to deliver expected or forecasted energy volumes. Variations in wind speed and cloud cover, for example, can also impact the respective amount of electricity generated by wind and solar resources. Furthermore, the occasional oversupply of power on California's electric grid can lead to curtailment of energy deliveries or reduced revenue resulting from low or negative prices at certain energy delivery points. In general, weather is an important variable that can result in higher or lower electricity usage due to its impact on customer electricity usage (heating and cooling needs, for example) as well as energy production (by generators that are commonly impacted by ambient weather conditions).

In the CAISO markets, this situation can result from both the oversupply and undersupply of electricity relative to OCPA's load as well as the over- or under-scheduling of generation or load into the day-ahead market (relative to actual energy consumed or delivered in the real-time market). Load and generation volumetric risk may result in unanticipated open positions and imbalance energy costs, which are assessed when actual and scheduled loads do not align. More specifically, imbalance energy costs result from temporal pricing differences that often exist in the day-ahead and real-time energy markets during discrete scheduling intervals. For example, if OCPA's actual load is higher than scheduled in the day-ahead market, and real-time prices are comparatively high during such instances, then OCPA bears the risk of higher-than-anticipated energy costs due to such variation.

4.4 Operational Risk

Operational risk consists of the potential for failure to execute and control business activities relative to plan. Operational risk includes the potential for:

[1] organizational structure that proves to be ineffective in addressing risk, i.e., the lack of sufficient authority to make and execute decisions, inadequate supervision, ineffective internal checks and balances, incomplete, inaccurate and untimely forecasts or reporting, failure to separate incompatible functions, etc.;

[2] absence, shortage or loss of key personnel or lack of cross-functional training;

[3] lack or failure of facilities, equipment, systems and tools, such as computers, software, communications links and data services;

[4] exposure to litigation or sanctions resulting from violating laws and regulations, not meeting contractual obligations, failure to address legal issues and/or receive competent legal advice, not drafting and analyzing contracts effectively, etc.; and

[5] errors or omissions in the conduct of business, including failure to execute transactions, violation of guidelines and directives, etc.

4.5 Liquidity Risk

Liquidity Risk is the risk that OCPA will be unable to meet its financial obligations. This can be caused by unexpected financial events and/or inaccurate pro forma calculations, rate analyses, and debt analyses. Some unexpected financial events impacting liquidity could include:

[1] breach of OCPA credit covenants or thresholds – OCPA has credit covenants included in its banking agreements and may, eventually, have similar covenants within its energy contracts. Breach of credit covenants or thresholds could result in the withdrawal of OCPA's line of credit or may trigger the requirement to post collateral;

[2] contractual requirements to post collateral (with counterparties) due to a decline in market prices below the contract price; and

[3] from time-to-time OCPA may be the subject of legal or other claims arising from the normal course of business. Payment of a claim by OCPA could reduce OCPA's liquidity if the cause of loss is not covered by OCPA's insurance policies.

4.6 Regulatory/Legislative Risk

Regulatory risk encompasses market structure and operational risks associated with shifting state and federal regulatory policies, rules, and requirements that could negatively impact OCPA. An example is the potential increase in exit fees for customers served by Community Choice Aggregators that could result in higher overall electricity costs for OCPA customers (relative to the incumbent utility or DA service options).

Legislative risk is associated with actions by federal and state legislative bodies, which may impose adverse changes or requirements that could infringe upon OCPA's autonomy, increase its costs, or otherwise negatively impact OCPA's ability to fulfill its goals and objectives.

5.0 Internal Control Principles

Internal controls are based on proven principles that meet or exceed the requirements of financial institutions and credit rating agencies while also being considerate of good utility practice. The required controls shall include all customary business practices designed to prevent errors and improprieties, ensure accurate and timely reporting of results of operations as well as information pertinent to management, and facilitate attainment of business objectives. These controls shall remain fully integrated in all activities of the business and shall be consistent with stated objectives. There shall be active participation and oversight by senior management in such processes.

The required controls include the following:

[1] Segregation of duties and functions between front-, middle-, and back-office activities. In general terms, the designation of responsibilities shall be organized as follows:

- Front office is responsible for planning (e.g. preparation of OCPA's resource plan and other planning activities) and procurement (e.g. solicitation management, contract negotiation, structuring and pricing as well as contract execution), contract management, compliance and oversight of scheduling coordinator functions with the CAISO;
- Middle office is responsible for controls and reporting (e.g., risk monitoring, risk measurement, risk reporting, procurement compliance, counterparty credit review, approval and monitoring); and
- Back office is responsible for settlements and processing (e.g., verification, validation, reconciliation and analysis of transactions, tracking, processing and settlement of transactions).

[2] Delegation of authority, as defined in section 6.5 (below), that is commensurate with responsibility and capability as well as relevant training to ensure compliance with applicable rules within the markets in which such personnel may transact (e.g., CAISO). Contract origination, commercial approval, legal review, invoice validation, and transaction auditing shall be performed by separate staff or contractors for each transaction. No individual staff member shall perform all of these functions related to a single transaction.

[3] Defining authorized products and transactions. In general terms, authorized and prohibited transactions are defined as follows:

- Authorized transactions are those transactions directly related to the procurement and/or administration of electric energy, reserve capacity, transmission and distribution service, ancillary services, congestion revenue rights, renewable energy, renewable energy credits, scheduling activities, tolling agreements, and bilateral purchases of energy products. All transactions must be consistent with this Policy and the Board approved resource plan.
- It is the expressed intent of this Policy to prohibit the acquisition of risk beyond that encountered in the efficient optimization of OCPA's generation portfolio and execution of procurement strategies. Prohibited transactions are those transactions that are not related to serving retail electric load and/or reducing financial exposure. Speculative buying and selling of energy products or maintenance of open positions that do not conform with agreed upon thresholds is prohibited. Speculation is defined as buying energy in excess of forecasted load plus reasonable planning reserves, intentionally under procuring energy relative to minimum load hedging targets or selling energy or environmental attributes that are not yet owned by OCPA. In no event shall speculative transactions be permitted. If any questions arise as to whether a proposed transaction constitutes speculation, OCPA shall conduct an analysis of the transaction and the Board shall review such transaction to determine whether the transaction would constitute speculation and document its

finding in the meeting minutes.

[4] Defining proper process for executing power supply contracts. OCPA will ensure power supply contracts are approved by pertinent technical personnel. Legal review will be required of various forms of agreement used by OCPA.

[5] Accurately capturing transactions and other data, with standardization of electronic and hard copy documentation.

[6] Summarizing and reporting of transactions and other activity at regular intervals.

[7] Measuring risk and performance in a timely manner and at regular intervals.

[8] Regularly reviewing compliance to ensure that this Policy and related risk management guidelines are adhered to, with specific guidelines for resolving instances of noncompliance.

[9] Ensuring active participation by senior management in risk management processes.

6.0 Risk Management Business Practices

6.1 Risk Measurement Metrics and Reporting

A vital element of this Policy is the regular identification, measurement and communication of risk. To effectively communicate risk, all risk management activities must be monitored on a frequent basis using risk measurement methodologies that quantify the risks associated with OCPA's procurement-related business activities and performance relative to stated goals.

OCPA measures and updates its risks using a variety of tools that model programmatic financial projections, market exposure and risk metrics, as well as through short-term budget updates. The following items are measured, monitored and reported:

[1] Mark-to-Market Valuation – marking to market is the process of determining the current value of contracted supply relative to current market conditions. A mark-to-market valuation shall be performed at least once per quarter.

[2] Exposure Reporting – calculates the notional dollar risk exposure and value at risk of open portfolio positions at current market prices. The exposure risk calculations shall be performed at least once per quarter.

[3] Open Position Monitoring – on a monthly basis, OCPA shall calculate/monitor its open positions for all energy and capacity products. If energy open positions for the month following the then current month (prompt month) exceed 10% of load, OCPA will solicit market energy to close open positions and shall make a commercial decision to close the position. Open positions for terms beyond the prompt month will be monitored monthly and addressed in accordance with OCPA's planning models and related policies.

[4] Counterparty Credit Exposure – calculates the notional and mark-to-market exposure to each OCPA counterparty: 1) by deal; and 2) in aggregate. Counterparty credit exposure shall be reported on a quarterly basis. Counterparty exposure reporting includes contingent collateral posting risks arising from changes in market prices and other factors.

[5] Reserve Requirement Targets – no less than once per year, OCPA staff will monitor OCPA's reserves to ensure that they meet targeted thresholds.

Consistent with the above, the Middle Office will develop reports and provide feedback to the Risk Oversight Committee. If a limit or control established by this Policy is violated, the Middle Office will send notification to the responsible party and the Risk Oversight Committee. The Risk Oversight Committee will discuss the cause and potential remediation of any violation to determine next steps for curing the violation.

Risk measurement methodologies shall be re-evaluated on a periodic basis to ensure OCPA adjusts its methods to reflect the evolving competitive landscape and its unique needs.

6.2 Market Price Risk

OCPA manages market price risk using its planning models, which define forecasted load, energy under contract and OCPA's open positions across various energy product types, including renewable energy (Portfolio Content Category I, II and III), carbon-free energy (if needed to support any portfolio emissions metrics adopted by OCPA), system power and resource adequacy capacity. Such positions will be measured and monitored relative to OCPA's procurement targets.

OCPA determines the annual quantity of energy it intends to place under contract through the use of its planning models and in consideration of stated procurement targets. The planning models include an outline of the delivery term and quantity of each energy product that OCPA intends to fill in the upcoming year. The planning models inform OCPA's solicitation planning, including solicitation timing and strategy as well as the person/team responsible for such efforts.

In general, OCPA will seek to purchase some long-term renewable energy each year for purposes of promoting compliance with applicable requirements of California's Renewables Portfolio Standard program. Long-term renewable energy purchases may also serve to diversify market exposure. Regularly administered, recurring procurement efforts focused on long-term renewable energy should also minimize exposure to "planning cliffs", which can occur when a significant portion of long-term contracts expire at or near the same point in time.

For products generally purchased through short- and medium-term contracts, OCPA follows a similar temporal diversification strategy, with multiple procurement cycles occurring throughout the year.

Congestion risk is managed through the contracting process with a preference for day-ahead energy delivery at the SP 15 trading hub. Once energy is procured, OCPA manages congestion risks through the application of CRRs consistent with its Congestion Revenue Rights Risk Management Guidelines – OCPA anticipates that its scheduling coordinator or another qualified contractor will be primarily responsible for the management of CRRs. Presently, OCPA uses a third-party scheduling coordinator to manage its CRR portfolio. CRRs are financial instruments used to hedge against transmission congestion costs encountered in the CAISO day-ahead market. OCPA primarily uses CRRs to reduce its exposure to congestion charges.

6.3 Counterparty Credit and Performance Risk

OCPA shall evaluate and monitor the financial strength of its suppliers in consideration of adopted Credit Guidelines. Generally, OCPA manages its exposure to energy suppliers by exhibiting a preference for counterparties with Investment Grade Credit ratings as determined by Moody's or Standard & Poor's and through the use of security requirements in the form of cash and letters of credit. OCPA measures its mark-to-market counterparty credit exposure consistent with industry best practices.

6.4 Load and Generation Volumetric Risk

OCPA manages energy delivery risks by ensuring that contracts include appropriate contractual penalties for non-delivery, acquiring energy from a geographically and technologically diverse portfolio of generating assets (with a range of generation profiles that are generally complementary to the manner in which OCPA's customers use electric power). Due to known production variability and supply uncertainty related to renewable and other carbon-free energy products, OCPA includes planning margins in its procurement of such products to ensure that related targets/mandates are achieved.

OCPA manages load forecasting and related weather risks by contracting with qualified data management and scheduling coordinators, which independently or jointly provide the systems and data necessary to forecast and schedule load using good utility practice. Load variability is also considered in establishing appropriate planning margins for renewable and other carbon free energy sources.

OCPA's load scheduling strategy, as executed by its scheduling coordinator, shall be in accordance with adopted Load Bidding/Scheduling Guidelines. This strategy shall ensure that price risk in the day-ahead and real-time CAISO markets is managed effectively and is consistent with good utility practice.

6.5 Operational Risk

Operational risks are managed through:

- Adherence to this Policy, and oversight of procurement activity including delegation of authority;
- Conformance with applicable human resources policies and guidelines;
- Staff resources, expertise and/or training reinforcing a culture of compliance;
- Use of qualified, highly experienced contractors on an as-needed basis in the event that necessary expertise does not exist within OCPA's own organization;
- Ongoing and timely internal and external audits; and
- Cross-training amongst staff

To ensure proper controls for executing energy transactions and to facilitate the efficient operation of OCPA in its ordinary course of business, the Board delegates transactional authority that is commensurate with responsibility and capability. Accordingly, by approving this Policy, the Board delegates the following energy procurement authorities by product type and tenor to its Chief Executive Officer and the ROC:

Delegation of Authority: Title/Governing Body	Product Type	Tenor Limit
Chief Executive Officer	System Power	Up to 3 years
	Resource Adequacy	Up to 5 years
	Renewables	Up to 3 years
	GHG-free	Up to 3 years
OCPA Board	All Products	Any

Any changes to the delegation of authority will require Board approval.

6.6 Liquidity Risk

OCPA manages liquidity risk through adherence to its loan and power purchase agreement credit covenants; limiting commitments to provide security consistent with adopted Credit Guidelines; ensuring it has adequate loan facilities, prudent cash and investment management; and adherence to any applicable reserve policies. OCPA monitors its liquidity (defined as unrestricted cash, investments, and unused bank lines of credit) no less than weekly. OCPA utilizes scenario and sensitivity analyses while preparing budget, rate, and pro forma analyses to identify potential financial outcomes and ensure sufficient liquidity under adverse conditions.

6.7 Regulatory/Legislative Risk

OCPA manages its regulatory and legislative risk through active participation in working groups and advocacy coalitions. OCPA regularly monitors and participates in, as necessary, regulatory rulemaking proceedings and legislative affairs to protect OCPA's interests.

7.0 Risk Management Policy Governance

7.1 OCPA Board of Directors

The OCPA Board is responsible for adopting this Policy. The Board also approves OCPA's annual budget, contracting authorities and delegated responsibilities for the management of OCPA's operations to its Chief Executive Officer and staff. The Board is responsible for reviewing and recommending approval of substantive changes to this Policy, as needed, and for initiating and overseeing a review of the implementation of this Policy as it deems necessary. The Chief Executive Officer and Risk Oversight Committee (described below) may make reports and seek approval for any substantive changes to this Policy, and any such changes would be subject to Board approval.

7.2 Risk Oversight Committee (ROC)

To ensure the implementation of and compliance with this Policy, the Board will establish a Risk Oversight Committee prior to the commencement of retail electric service by OCPA. Members of the ROC will be selected by the Chief Executive Officer, who will serve as the ROC's Chair. The ROC will have authority to:

- Meet at least once per quarter, or as otherwise called to order by the ROC's Chair.
- No less than once per quarter, provide a report to the Board regarding its meetings, deliberations and any other areas of concern.
- From time to time, adopt and/or adapt risk management guidelines defining internal controls, strategies and processes for managing market risks incurred through or attendant upon wholesale trading, retail marketing, long-term contracting, CRR trading and load and generation scheduling.
- Specify the categories of permitted transactions and set risk limits for wholesale trading. The ROC will receive and review information and reports regarding risk management, wholesale trading transactions, and the administration of supply contracts.
- Have direct responsibility for enforcing compliance with this Policy. Any material violations of this Policy, as determined by the ROC, shall be reported to the Board for appropriate action.

ORANGE COUNTY POWER AUTHORITY

Staff Report – Item 8.8

To: Orange County Power Authority Board of Directors
Approved by: Joe Mosca, Chief Executive Officer
Subject: PUBLIC OUTREACH UPDATE FOR AUGUST- SEPTEMBER 2026
Date: October 19, 2026

STRATEGIC GOALS

- ☒ Enrich & Grow the OCPA Community
- ☒ Prioritize Fiscal Sustainability & Affordability
- ☒ Design & Deploy Community-Aligned Customer Programs
- ☒ Energize Our Community with Renewable Energy Sources
- ☒ Raise Awareness of Community Energy & Advocate for Our Customers
- ☐ Not Applicable

RECOMMENDED ACTION(S)

Receive and file.

DISCUSSION / ANALYSIS

The following is a summary of the Orange County Power Authority (OCPA) Public Outreach efforts for the months of August – September 2026.

Public Outreach

- Clean Energy Lesson Plans
- Large Commercial Energy Efficiency Case Study
- Home Energy Score Assessor Training
- Keynote for the Filipino American Chamber of Commerce Go Green & Health Expo
- Clean Energy Access Program Customer Enrollment Postcard
- Fountain Valley Senior Center Office Hours
- Customer Testimonial Tabletop Booth Display

Advertising

- Miss Fountain Valley Program
- New Ad Creative In Market

Digital Communications

- August Newsletter
- OCPA Intern Blog Post
- Student Explainer Video: Where Does Energy Come From?
- OCPA Explainer Video: What is Orange County Power Authority?
- Customer & Community Leader Testimonial Videos
- OCPA Unplugged Videos Featuring New Team Members

Media Relations

- Bright Futures Grant Application
- OCPA New Hire Spotlights
- Multicultural Media Briefing

FISCAL IMPACT

None.

ATTACHMENT(S)

Attachment A: August-September 2026 Public Outreach Update

Public Outreach Update

August – September 2026





HIGHLIGHTS

Public Outreach

- Clean Energy Lesson Plans
- Large Commercial Energy Efficiency Case Study
- Home Energy Score Assessor Training
- Keynote for the Filipino American Chamber of Commerce Go Green & Health Expo
- Clean Energy Access Program Customer Enrollment Postcard
- Fountain Valley Senior Center Office Hours
- Customer Testimonial Tabletop Booth Display

Advertising

- Miss Fountain Valley Program
- New Ad Creative In Market



HIGHLIGHTS

Media Relations

- Bright Futures Grant Application
- OCPA New Hire Spotlights
- Multicultural Media Briefing

Digital Communications

- August Newsletter
- OCPA Intern Blog Post
- Student Explainer Video: Where Does Energy Come From?
- OCPA Explainer Video: What is Orange County Power Authority?
- Customer & Community Leader Testimonial Videos
- OCPA Unplugged Videos Featuring New Team Members



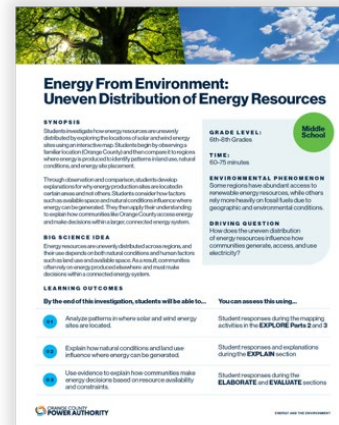
PUBLIC OUTREACH – Clean Energy Lesson Plans



OCPA commissioned Inside the Outdoors Foundation, a program administered by the Orange County Department of Education to develop curriculum that helps students:

- Learn about renewable energy
- Engage in conversations around environmental stewardship
- Understand clean energy's impact on communities
- Think critically about the role they play in creating a greener, more sustainable future

Curriculum meets California Next Generation Science Standards





PUBLIC OUTREACH – Wild Rivers Case Study

- Created a case study about the high touch customer support OCPA provided to commercial customer, Wild Rivers Waterpark.



A Partner in Energy Savings

OCPA's tailored energy analysis helped Wild Rivers Waterpark save on monthly energy costs



The Challenge

As a large seasonal attraction, Wild Rivers Waterpark expects high energy costs during peak summer months. What they didn't expect was equally high energy bills during the winter off season.

Like many commercial customers, Wild Rivers lacks full-time energy staff and needed a partner to go beyond simply providing electricity and help them understand how their operations impact their energy costs.

How Orange County Power Authority Helped

Orange County Power Authority (OCPA) provided a high-touch, consultative approach tailored specifically to Wild Rivers' operational needs. The OCPA team analyzed the park's energy usage, including:

- Historical monthly energy consumption and billing trends
- Historical 15-minute interval and hourly load data
- Seasonal peak demand patterns
- Recent peak demand events and their impact on costs

OCPA went the extra mile by creating a customer dashboard that provided increased visibility into their energy decisions and their impact.

Results



Wild Rivers implemented operational changes that made an immediate impact on their bottom line. **In one month, they reduced their energy costs by 54% – approximately \$5,000 in savings in a single month.**

The Wild Rivers partnership demonstrates how OCPA delivers personalized customer service and value beyond electricity procurement.

This level of white-glove service reflects OCPA's commitment to supporting local businesses with practical solutions that improve operational efficiency while strengthening the local economy.



PUBLIC OUTREACH – Keynote Presentation

- Designed keynote presentation for the Go Green & Health Expo hosted by the Filipino American Chamber of Commerce of Orange County.



THE POWER IS LOCAL
**Building A Cleaner Future,
Community By Community**

Filipino American Chamber of Commerce of Orange County
GO GREEN & HEALTH EXPO





PUBLIC OUTREACH – Home Energy Score Assessor Training

- Designed a suite of marketing assets to support the launch of OCPA's Home Energy Score Assessor training reimbursement program.

ORANGE COUNTY POWER AUTHORITY
YOUR CLEAN ENERGY CHOICE

Up to \$250
Reimbursement
APPLY BY 12/1

Become a Certified Home Energy Score Assessor

Orange County Power Authority (OCPA) is supporting local workforce capacity by recruiting residential building and energy professionals interested in becoming Home Energy Score (HES) Assessors. Interested? Apply for training reimbursement through OCPA!

WHAT DOES AN HES ASSESSOR DO?

1. Conduct in-home energy assessments
2. Collect information about the home's construction and energy systems
3. Generate a Department of Energy (DOE) HES
4. Provide recommendations and estimated savings

WHY BECOME AN HES ASSESSOR?

- Grow business by adding a nationally recognized DOE-backed service to your credentials
- Provide trusted guidance to improve home comfort and energy performance
- Advance energy efficiency and electrification in Orange County
- The potential to receive compensation through participating HES programs, including Home Energy Score California

WHO SHOULD APPLY?

Home Inspectors	Construction and Remodeling Professionals
Home Energy Rating System (HERS) Raters	Solar, Battery and Electrification Professionals
HVAC Professionals	Residential Energy Professionals

HOW TO BECOME AN HES ASSESSOR

1. Obtain an eligible minimum qualification with up to \$250 reimbursement from OCPA
2. Complete HES online training and a mentored assessment at no cost through Home Energy Score California

WHAT OCPA OFFERS

1. Applicants may receive up to \$250 reimbursement toward obtaining an eligible minimum qualification needed to begin the HES certification. Visit the U.S. DOE website to see a full list of the eligible credentials
2. Support connecting with an Home Energy Score California training provider
3. An opportunity to join OCPA's HES professional network and participate in future residential audit-related opportunities

SERVICE AREAS

To be eligible for OCPA reimbursement, applicants should currently serve, or be willing to serve, **Buena Park, Fullerton, Irvine, Fountain Valley and other Orange County communities.**

IMPORTANT NOTES

Participation does not guarantee reimbursement or future work.

Reimbursement, if approved, is limited to up to \$250 per selected participant and is subject to completion of applicable requirements and OCPA approval.

HOME ENERGY SCORE DETAILS

A Home Energy Score Assessor collects information during a home inspection walk-through and scores the home on a scale of 1-10.

USES MORE ENERGY

1 2 3 4 5 6 7 8 9 10

USES MORE ENERGY

A score of 1 indicates the home needs **extensive energy improvements.**

A score of 10 indicates the home has **excellent energy performance.**

Scan to learn more or apply today

For more information and to apply, visit: <https://www.surveymonkey.com/s/PM8RTKL>

Apply by 12/1

ORANGE COUNTY POWER AUTHORITY
YOUR CLEAN ENERGY CHOICE

Up to \$250
Reimbursement
APPLY BY 12/1

Become a Home Energy Score Assessor



PUBLIC OUTREACH – Clean Energy Access Program

- Designed the Clean Energy Access program customer enrollment postcard.

Good News!

You're now receiving an additional **20% discount** on your monthly electricity bill.



Dear OCPA Customer:

Welcome to Orange County Power Authority's (OCPA)

Clean Energy Access Program. You are enrolled to receive 100% renewable energy and an additional 20% discount on your monthly electric bill. **When combined with your CARE or FERA discount, your total monthly bill savings may be about 35% to 45%.**

Your Clean Energy Access discount has already been applied. By the time you receive this notice, you should have received at least one Southern California Edison bill showing the discount in the OCPA section. No action is required.



Learn more at
[ocpower.org/
energy-programs/
clean-energy-
access-program](https://ocpower.org/energy-programs/clean-energy-access-program)



Find more
ways to save at
[ocpower.org/
energy-programs](https://ocpower.org/energy-programs)

Questions?

Call (866) 262 - 7693 or email info@ocpower.org

Sincerely,
Orange County Power Authority





PUBLIC OUTREACH – Fountain Valley Senior Center Office Hours

- Launched the Fountain Valley Senior Center office hours initiative with assets including a social media post, newsletter story, flyer and homepage carousel tile on the OCPA website.





PUBLIC OUTREACH – Customer Testimonial Tabletop Booth Display

- Designed a tabletop booth display for events featuring a customer testimonial and promoting OCPA's Incentive Finder.

Orange County Power Authority Customer Saves Energy and Money

Orange County Power Authority (OCPA) customer, William Lushbaugh, has taken advantage of several energy and money-saving programs. From a deep discount on an electric bike to a no cost electric vehicle charger and a Wi-Fi thermostat rebate, he's accelerating his clean energy goals.



Check out the OCPA Incentive Finder – a one-stop shop for local, state and federal rebates.





MEDIA RELATIONS

- Distributed the announcement for this year's Bright Futures Grant. Awardees will be announced and promoted in October.



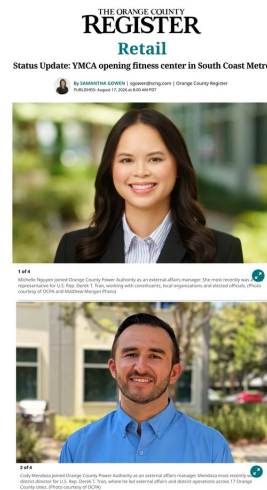
LAST CHANCE TO APPLY
Bright Futures Grant

THRU
JULY 3



MEDIA RELATIONS

- Distributed news releases announcing OCPA's new team members: Frank Harris, Carlo Bencomo-Jasso, Michelle Nguyen and Cody Mendoza.





MEDIA RELATIONS

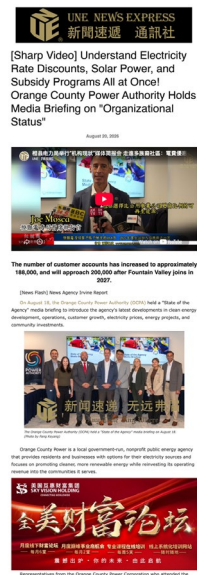
- Hosted a State of the Agency briefing for multicultural media with 15 media representatives in attendance.





MEDIA RELATIONS

- Earned 10 media placements following the State of the Agency briefing.





ADVERTISING

- Designed a new ad for the Miss Fountain Valley scholarship competition.



Coming to Fountain Valley April 2027!

Meet Orange County's clean energy provider.

The City of Fountain Valley will soon begin providing residents and businesses a clean energy choice through the the Orange County Power Authority, putting community first while building a healthier, more sustainable future.

- + Cleaner power at stable rates
- + Reinvesting into our communities
- + Locally controlled by community leaders
- + Offering programs to help save money and energy

OCOPA is locally governed by representatives from each member city.

Have questions?
We're here to help!
info@ocpower.org
866-262-7693

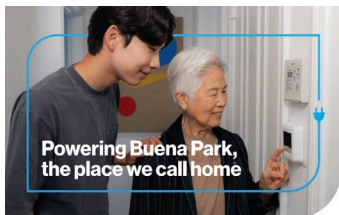
 **ORANGE COUNTY POWER AUTHORITY**
YOUR CLEAN ENERGY CHOICE

Learn more at
ocpower.org/fountainvalley



ADVERTISING

- Placed new ad creative across member cities in parks & recreation community guides.



**Powering Buena Park,
the place we call home**

Orange County Power Authority (OCPA) was created to give residents and businesses a real choice over their energy supply. By purchasing electricity from cleaner sources like wind, solar, and hydroelectric, OCPA offers renewable energy at stable rates—and reinvests revenue back into our communities.

As a locally governed, not-for-profit provider, OCPA is committed to programs and services that make it easier to save energy, cut costs, and create a healthier future for our community.

Cleaner power at stable rates

Reinvesting into our communities

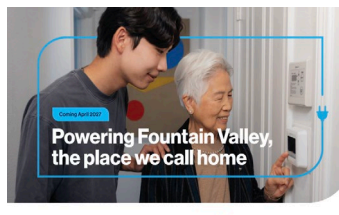
Locally controlled by community leaders

Offering programs to help save money and energy

2 billion pounds of carbon emission
equal to taking 284,500 cars off the road.

ORANGE COUNTY POWER AUTHORITY
YOUR CLEAN ENERGY CHOICE

Explore your energy options
ocpower.org



**Powering Fountain Valley,
the place we call home**

Orange County Power Authority (OCPA) was created to give residents and businesses a real choice over their energy supply. By purchasing electricity from cleaner sources like wind, solar, and hydroelectric, OCPA offers renewable energy at stable rates—and reinvests revenue back into our communities.

As a locally governed, not-for-profit provider, OCPA is committed to programs and services that make it easier to save energy, cut costs, and create a healthier future for our community.

Cleaner power at stable rates

Reinvesting into our communities

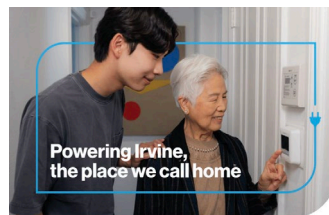
Locally controlled by community leaders

Offering programs to help save money and energy

2 billion pounds of carbon emission
equal to taking 255,000 cars off the road.

ORANGE COUNTY POWER AUTHORITY
YOUR CLEAN ENERGY CHOICE

Explore your energy options
ocpower.org/fountainvalley



**Powering Irvine,
the place we call home**

Orange County Power Authority (OCPA) was created to give residents and businesses a real choice over their energy supply. By purchasing electricity from cleaner sources like wind, solar, and hydroelectric, OCPA offers renewable energy at stable rates—and reinvests revenue back into our communities.

As a locally governed, not-for-profit provider, OCPA is committed to programs and services that make it easier to save energy, cut costs, and create a healthier future for our community.

Cleaner power at stable rates

Reinvesting into our communities

Locally controlled by community leaders

Offering programs to help save money and energy

2 billion pounds of carbon emission
equal to taking 284,500 cars off the road.

ORANGE COUNTY POWER AUTHORITY
YOUR CLEAN ENERGY CHOICE

Explore your energy options
ocpower.org



**Powering Fullerton,
the place we call home**

Orange County Power Authority (OCPA) was created to give residents and businesses a real choice over their energy supply. By purchasing electricity from cleaner sources like wind, solar, and hydroelectric, OCPA offers renewable energy at stable rates—and reinvests revenue back into our communities.

As a locally governed, not-for-profit provider, OCPA is committed to programs and services that make it easier to save energy, cut costs, and create a healthier future for our community.

Cleaner power at stable rates

Reinvesting into our communities

Locally controlled by community leaders

Offering programs to help save money and energy

2 billion pounds of carbon emission
equal to taking 284,500 cars off the road.

ORANGE COUNTY POWER AUTHORITY
YOUR CLEAN ENERGY CHOICE

Explore your energy options
ocpower.org



ADVERTISING

- New creative and translated ads will also be placed across hyperlocal member city and multicultural publications.
 - Irvine World News
 - North County News-Tribune
 - Inside Irvine
 - Buena Park Today
 - Fountain Pen
 - School news
 - Nguoi Viet Daily News
 - World Journal (Chinese Daily)
 - US News Express
 - Korea Times
 - Korea Daily

DIGITAL COMMUNICATIONS

- Distributed August newsletter to 6,232 subscribers.



The Team That's Powering the Communities We Call Home

At Orange County Power Authority (OCPA), our work is driven by team members who are passionate about serving the communities we call home. From expanding renewable energy programs to advocating for energy affordability and keeping customers informed, each of us plays a crucial role in the clean energy transition.



K-12 Teachers - Free Clean Energy Lessons Plans Now Available

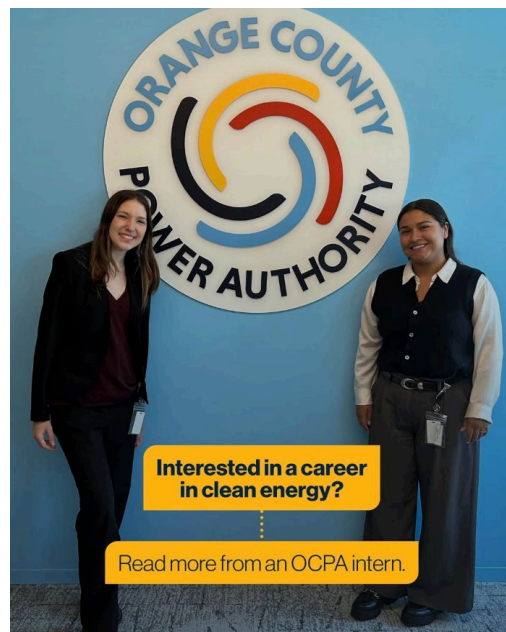
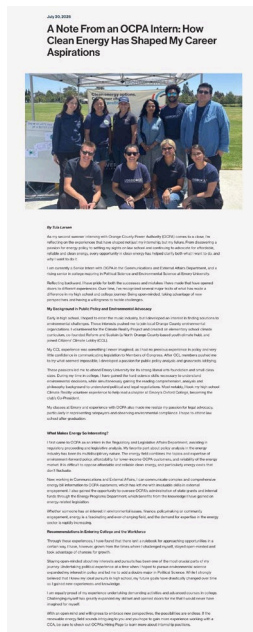
OCPA commissioned Inside the Outdoors Foundation, administered by the Orange County Department of Education, to create engaging, hands-on classroom resources to inspire the next generation of clean energy leaders. Designed for educators, the ready-to-use lesson plans explore topics including energy, climate, environmental justice, renewable resources and energy infrastructure. Lessons include Universal K-12, Fourth Grade, Middle School and High School, and all align with California Next Generation Science Standards.

[Review Lesson Plans](#)



DIGITAL COMMUNICATIONS

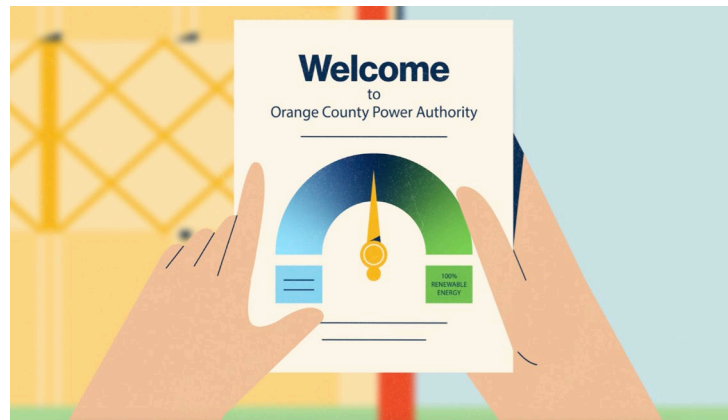
- Shared intern Tula Larsen's blog post, "A Note From an OCPA Intern: How Clean Energy Has Shaped My Career Aspirations," on the OCPA website and social media.





VIDEOS

- Created a new animated student video as part of the Clean Energy Lesson Plans curriculum.
- Created a new animated general explainer video.





VIDEOS

- Customer and Community Leader Testimonials video shoot (launching fall 2026).
- Participants included:
 - Farah Kanchar, Arab American Business Chamber President
 - John Guterrez, Hispanic Chamber President
 - Jeff Bautista, Filipino American Chamber President
 - Representative, Wild Rivers
 - Dr. Alqahtani, AQ Skin
 - Jay Beckelheimer, Principal of Buena Park Middle School
 - Melinda Maines, Residential Customer



VIDEOS

- Filmed OCPA Unplugged videos (launching fall 2026).
- Participants included:
 - Carlo Bencomo-Jasso, OCPA Rates & Revenue Manager
 - Cody Mendoza, OCPA External Affairs Manager





PUBLIC OUTREACH – OCPA in the Community

- Attended 11 events in member cities between August and October.



State of the County
2026



Buena Park's 30th Annual
Super Senior Saturday



Santa Ana
State of the City



Buena Park
Trade and
Apprenticeship
Fair



THANK YOU!

ORANGE COUNTY POWER AUTHORITY

Staff Report – Item 9.1

To: Orange County Power Authority Board of Directors
From: Nicholas Norvell, General Counsel
Approved by: Joe Mosca, Chief Executive Officer
Subject: CONSIDER AMENDED AND RESTATED JOINT POWERS AGREEMENT
Date: October 19, 2026

STRATEGIC GOALS

- ☐ Enrich & Grow the OCPA Community
- ☐ Prioritize Fiscal Sustainability & Affordability
- ☐ Design & Deploy Community-Aligned Customer Programs
- ☐ Energize Our Community with Renewable Energy Sources
- ☐ Raise Awareness of Community Energy & Advocate for Our Customers
- ☐ Not Applicable

RECOMMENDED ACTION(S)

1. Review the proposed Amended and Restated Joint Powers Agreement.
2. Direct staff to provide Member Agencies with the proposed Amended and Restated Joint Powers Agreement, proposed Bylaws with conforming changes, and notice of the proposed Joint Powers Agreement and Bylaws amendments in accordance with Section 3.9.4.3 of the Joint Powers Agreement.
3. Direct staff to place the Amended and Restated Joint Powers Agreement and Bylaws on a future agenda for final consideration and adoption.

BACKGROUND

At the February 9, 2026 Board meeting, Vice Chair Mai presented an item requesting to form an Ad Hoc Committee to review and recommend amendments to the OCPA Joint Powers Agreement (JPA), including potential amendments on whether the City of Irvine should retain two Board seats beyond December 31, 2026, when the Irvine Capital

Loan will be fully repaid. The Board unanimously approved the creation of an Ad Hoc Committee to review and recommend amendments to the JPA.

OCPA's has been amended several times since OCPA's formation in 2020. Rather than continuing to amend the agreement through multiple standalone amendments, the Ad Hoc Committee has proposed an Amended and Restated Joint Powers Agreement that incorporates all previously adopted amendments into a single document, while also including a limited number of additional governance and clarifying revisions.

The Board reviewed and discussed the proposed Amended and Restated Joint Powers Agreement at its July 14, 2026 meeting. At that time, the Board did not direct staff to notify the Member Agencies of the proposed amendments and consider approval of the amendments at a future meeting.

At the September 14, 2026 meeting, the Board requested that staff re-agendize the proposed Amended and Restated Joint Powers Agreement at the October Board meeting for further discussion and consideration.

The attached draft identifies the revisions using color coding. Revisions highlighted in green incorporate amendments previously approved by the Board into the consolidated JPA. Revisions highlighted in blue consist of additional recommendations developed through discussions of the Board's Ad Hoc Committee on JPA amendments, together with clarifying revisions recommended by legal counsel to improve the administration and interpretation of the Agreement.

DISCUSSION / ANALYSIS

The principal substantive revisions include the following:

1. **Board Composition.** Revises the Board representation structure from the current model of one Director per Member Agency, except two Directors for the City of Irvine, to a model under which each Member Agency is entitled to appoint two Directors, except that any Member Agency whose voting shares exceed fifty percent (50%) under Exhibit C is entitled to appoint a third Director.

However, the draft establishes an automatic transition in Board representation once the Board reaches fifteen regular Directors, at which point each Member Agency will be represented by one Director, except that any Member Agency holding more than fifty percent (50%) of the voting shares under Exhibit C will be entitled to appoint two Directors.

2. **Alternate Directors.** Clarifies that each Member Agency may appoint one alternate Director regardless of the number of Directors appointed by that Member Agency.
3. **Board Leadership.** Requires that the Chair and Vice-Chair be appointed from different Member Agencies.
4. **Voting Procedures.** Clarifies the procedures governing Voting Shares Votes.
5. **Executive Committee.** Removes provisions requiring establishment of an Executive Committee when OCPA reaches a specified membership threshold. Rather, the Board can authorize the creation of an Executive Committee at any time under its authority to create Board committees.
6. **Administrative and Legal Clarifications.** Includes various revisions recommended by legal counsel to improve consistency throughout the Agreement, clarify existing provisions, update terminology, remove obsolete transitional language, and improve overall readability without materially changing the OCPA's governance structure or operations.

The remainder of the revisions consist primarily of conforming, organizational, and technical edits necessary to consolidate the existing JPA and prior amendments into a single comprehensive governing document.

Pursuant to Section 3.9.4.3 of the JPA, Member Agencies must receive at least thirty (30) days' advance written notice before the Board may consider final approval of amendments to the Joint Powers Agreement or Bylaws. Accordingly, staff recommends that the Board review the proposed Amended and Restated Joint Powers Agreement, provide any comments or direction, and, if desired, authorize staff to distribute the proposed agreement and conforming amendments to the Bylaws to the Member Agencies for the required notice period before returning the item to the Board for final consideration.

FISCAL IMPACT

Based on FY 2025/26 data, the average annual cost associated with Board-related meetings, stipends, training, travel, and other reimbursable expenses is approximately \$23,000 per Board member.

Accordingly, increasing the size of the Board to nine (9) members would result in the following estimated annual fiscal impacts:

- Approximately \$92,000 annually if the Board increases from five (5) to nine (9) members; or
- Approximately \$115,000 annually if the Board increases from four (4) to nine (9) members following repayment of the Irvine loan.

In addition to the direct Board-related costs, maintaining the current level of administrative support and service for an expanded Board would likely require at least one (1.0) additional full-time equivalent (FTE) position, and potentially up to 1.5 FTEs, to support increased meeting coordination, agenda preparation, records management, communications, and related administrative functions.

These estimates are based on current expenditure and staffing levels and may vary depending on future meeting frequency, reimbursement activity, Board initiatives, and operational support requirements.

ATTACHMENT(S)

1. Draft Amended & Restated Joint Powers Agreement

Key: (1) Prior OCPA JPA amendments); (2) Additional revisions.



Amended & Restated Joint Powers Agreement

Effective _____, 202

Previous Versions/Amendments:

Original Agreement effective November 20, 2020

First Amendment effective February 9, 2021

Second Amendment effective October 25, 2022

Third Amendment effective May 17, 2023

Key: (1) **Prior OCPA JPA amendments**; (2) **Additional revisions**.

ORANGE COUNTY POWER AUTHORITY
AMENDED AND RESTATED
JOINT POWERS AGREEMENT

This Joint Powers Agreement (“**Agreement**”), **first** effective as of November **20**, 2020 (“**Effective Date**”) **and amended and restated effective** **202**, 202**2** is made and entered into pursuant to the Joint Exercise of Powers Act (California Government Code § 6500 *et seq.*) relating to the joint exercise of powers among the parties set forth in Exhibit A. All parties that execute this Agreement prior to December 31, 2020 shall be designated individually as **“Founding Party”** and collectively as “**Founding Parties**”. All cities, counties, or other public agencies added as parties to this agreement after December 31, 2020 shall be designated individually as “**Additional Party**” and collectively “**Additional Parties**”. The term “**Party**” refers individually to any Founding Party or Additional Party, and the term “**Parties**” refers collectively to the Founding Parties and the Additional Parties.

Deleted: the date specified in Section 1.2, below, which is

Deleted: **202**

RECITALS

A. In 2002, Assembly Bill 117 (Stat. 2002, Ch. 838, codified at Public Utilities Code Sections 218.3, 366, 394, 394.25, 331.1 366.2, and 381.1) was signed into law allowing customers to aggregate their electrical loads as members of their local community with public agencies designated as community choice aggregators, and allowing such public agencies to aggregate the electrical load of interested consumers within their jurisdictional boundaries and purchase electricity on behalf of those consumers.

B. In 2006, Assembly Bill 32 (Stat. 2006, Ch. 488, codified at Health and Safety Code Sections 38500 *et seq.*), known as the Global Warming Solutions Act, was signed into law, mandating a reduction in greenhouse gas emissions to 1990 levels by 2020.

C. In 2015, Senate Bill 350 (Stat. 2015, Ch. 547, codified at Health and Safety Code Section 44258.5; Labor Code Section 1720; Public Resources Code Sections 25302.2, 25310, 25327 and 25943; and Public Utilities Code Sections 237.5, 337, 352, 359, 365.2, 366.3, 399.4, 399.11, 399.12, 399.13, 399.15, 399.16, 399.18, 399.21, 399.30, 454.51, 454.52, 454.55, 454.56, 701.1, 740.8, 740.12, 9505, 9620, 9621, 9622, and Article 17 (commencing with Public Utilities Code Section 400)) was signed into law, mandating a reduction in greenhouse gas emissions to 40 percent below 1990 levels by 2030 and to 80 percent below 1990 levels by 2050.

D. In 2018, Senate Bill 10 (Stat. 2018, Ch. 312, codified at Public Utilities Code sections 399.11, 399.15, 399.30, and 454.53) was signed into law, directing that the Renewables Portfolio Standard to be increased to 60 percent renewables by 2030 and establishing a policy for eligible renewable energy resources and zero-carbon resources to supply 100 percent of electricity retail sales to California end-use customers by 2045.

Deleted: **202**

E. The Parties each hold various powers under California law, including, but not limited to, the power to purchase, supply, and aggregate electricity for themselves and customers within their jurisdictions in accordance with Public Utilities Code Sections 333.1 and 366.2; they

Key: (1) **Prior OCPA JPA amendments**; (2) **Additional revisions**.

are therefore properly empowered to enter into this Agreement under the Joint Exercise of Powers Act (Government Code Section 6500 *et seq.*, the “**Act**”).

F. The purposes for entering into this Agreement are more fully specified in subsection 1.4 below, but principally consist of the study, promotion, development, funding, financing, purchasing, conduct, operation, and management of energy, energy efficiency and conservation, and other energy-related and community choice aggregation programs (the “**CCA Program**”), through which the following objectives may be advanced: (a) reducing greenhouse gas emissions related to the use of power throughout the Parties’ jurisdictions and neighboring regions; (b) providing electric power and other forms of energy to customers at a competitive cost; (c) carrying out programs for ratepayers of all income levels to reduce energy consumption; (d) stimulating and sustaining the local economy by developing local jobs in renewable and conventional energy; and (e) promoting long-term electric rate stability, energy security and reliability for residents through local control of electric generation resources.

G. The Founding Parties desire to establish a separate public agency, known as the Orange County Power Authority (“**Authority**”), under the Act and consistent with Assembly Bill 117, in order to collectively implement the CCA Program, and to exercise any powers common to the Authority’s members to further these purposes.

H. The Parties have each adopted an ordinance electing to participate as a group in a community choice aggregation program through the Authority, as authorized by California Public Utilities Code § 366.2(a)(12)(B).

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Parties as follows:

SECTION 1. FORMATION OF AUTHORITY

1.1 **Creation of Agency**. Pursuant to the Act there is hereby created a public entity to be known as The Orange County Power Authority. Pursuant to Section 6507 of the Act, the Authority is a public agency separate from the Parties. The jurisdiction of the Authority shall be all territory within the geographic boundaries of the Parties; however, the Authority may, as authorized under applicable law, undertake any action outside such geographic boundaries as is necessary to accomplish its purpose.

1.2 **Effective Date and Term**. This Agreement becomes effective and the Authority existed as a separate public agency on November 20, 2020, the date this Agreement was originally executed by at least two Parties. **This Amended and Restated Agreement shall be effective as of January 1, 2027**. The Authority shall continue to exist, and this Agreement shall be effective, until this Agreement is terminated in accordance with this Agreement, subject to the rights of a Party to withdraw from the Authority.

Deleted: shall

Deleted: a

Deleted: shall

Deleted: is

Key: (1) Prior OCPA JPA amendments); (2) Additional revisions.

1.3 **Parties.** The names, particular capacities, and addresses of the Parties are shown on Exhibit A, as it may be ministerially amended from time to time when a Party joins or withdraws from the Authority pursuant to the provisions of this Agreement.

1.4 **Purpose.** The purpose of this Agreement is to establish an independent public agency in order to exercise powers common to each Party to implement the CCA Program, and to exercise all other powers necessary and incidental to accomplishing this purpose. This Agreement authorizes the Authority to provide opportunities by which the Parties can work cooperatively to create economies of scale and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency, provide consumer choice and cost savings, and advance the use of clean, efficient, and renewable resources in the region for the benefit of all the Parties and their constituents, including, but not limited to, establishing and operating a CCA Program (collectively, the “Purpose”). The Parties intend for this Agreement to be used as a contractual mechanism by which they are authorized to participate in the CCA Program and achieve the Purpose. The Parties intend that other agreements shall define the terms and conditions associated with the implementation of the CCA Program and any energy programs approved by the Authority.

SECTION 2. POWERS OF AUTHORITY

2.1 **Powers.** The Authority shall have all powers common to the Parties and such additional powers accorded to it by law. The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its Purpose, including, but not limited to, each of the following powers:

2.1.1 Serve as a forum for the consideration, study, and recommendation of energy services for the CCA Program;

2.1.2 To make and enter into any and all contracts to effectuate the purpose of this Agreement, including, but not limited to, those relating to the purchase or sale of electrical energy or attributes thereof, and related service agreements;

2.1.3 To employ agents and employees, including, but not limited to, engineers, attorneys, planners, financial consultants, and separate and apart therefrom to employ such other persons, as it deems necessary;

2.1.4 To acquire, contract, manage, maintain, and operate any buildings, works, or improvements, including, but not limited to, electric generation resources;

2.1.5 To acquire property by eminent domain, or otherwise, except as limited by Section 6508 of the Act, and to hold or dispose of property;

2.1.6 To lease or license any property;

2.1.7 To sue and be sued in its own name;

Key: (1) **Prior OCPA JPA amendments**; (2) **Additional revisions**.

2.1.8 To incur debts, liabilities, and obligations, including, but not limited to, loans from private lending sources pursuant to its temporary borrowing powers, such as California Government Code § 53850 *et seq.* and authority under the Act;

2.1.9 To form subsidiary or independent corporations or entities, if appropriate, to carry out energy supply and energy conservation programs, or to take advantage of legislative or regulatory changes;

2.1.10 To issue revenue bonds and other forms of indebtedness;

2.1.11 To apply for, accept, and receive all licenses, permits, grants, loans, or other assistance from any federal, state, or local agency;

2.1.12 To submit documentation and notices, register, and comply with orders, tariffs, and agreements for the establishment and implementation of the CCA Program and other energy and climate change programs;

2.1.13 To adopt rules, regulations, policies, bylaws, and procedures governing the operation of the Authority;

2.1.14 To receive loans, gifts, contributions, and donations of property, funds, services, and other forms of financial assistance from persons, firms, corporations, and any governmental entity;

2.1.15 To make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support services;

2.1.16 To receive revenues from sale of electricity and other energy-related programs;

2.1.17 To partner or otherwise work cooperatively with other CCAs on the acquisition of electric resources, joint programs, advocacy and other efforts in the interests of the Authority; and

2.1.18 To the extent not specifically provided in this Agreement, to exercise any powers authorized by the member agencies to achieve the Authority's objectives and such further powers not specifically mentioned herein, but common to Parties, and authorized by the California Government Code.

2.2 Additional Powers to be Exercised. In addition to those powers common to each of the Parties, the Authority shall have those powers that may be conferred upon it by law and by subsequently enacted legislation.

2.3 Manner of Exercising Powers. The powers specified in subsections 2.1 and 2.2 shall be exercised by the Board (as defined in subsection 3.1, below), unless otherwise delegated

Key: (1) **Prior OCPA JPA amendments**; (2) **Additional revisions**.

to a committee of the Board or the Chief Executive Officer of the Authority in accordance with a Board adopted policy or action. All such powers shall be exercised in the manner set forth in this Agreement.

2.4 Limitation on Exercise of Powers: The powers of the Authority are subject to the restrictions upon the manner of exercising power possessed by the City of Irvine, California and any other restrictions on exercising the powers of the Authority that may be adopted by the Authority's Board of Directors.

SECTION 3: GOVERNANCE

3.1 General Governance; Board of Directors. The governing body of the Authority shall be a Board of Directors ("**Board**") consisting of **two Director** for each Party appointed in accordance with subsection 3.2, **except that any Party whose voting shares exceed 50% under Exhibit C shall also be entitled to a third Director.**

Notwithstanding the foregoing, effective 30 days after the admission of a Party that results in the Board consisting of fifteen or more regular Directors under the representation described in the preceding paragraph, the composition of the Board shall automatically transition such that each Party shall thereafter be entitled to appoint one Director, except that any Party whose voting shares exceed 50% under Exhibit C shall be entitled to appoint two Directors. The Board shall thereafter remain constituted in accordance with this paragraph unless this Agreement is amended.

3.2 Appointment of Directors. The governing body of each Party shall appoint and designate in writing the Director(s) who shall be authorized to act for and on behalf of the Party on matters within the powers of the Authority. The governing body of each Party shall also appoint and designate in writing **one** alternate Director who may vote in matters when **a** regular Director is absent from a Board meeting. **Each Party shall be entitled to only one alternate Director regardless of the number of regular Directors the Party is entitled to appoint under Section 3.1.** The governing bodies of the Founding Parties may, in their sole discretion, elect to appoint their respective Director(s) prior to the Effective Date, in which case such appointment(s) to the Board shall take effect on the Effective Date. The persons appointed and designated as **a** regular Director and the alternate Director shall be a member of the governing body of the Party.

3.3 Terms of Office. Each regular **or** alternate Director shall serve a term of **office of two (2) years or until a successor is appointed.** **A regular or alternate Director shall serve at the pleasure of the governing body of the Party that the regular or alternate Director represents and may be removed by such governing body at any time, with or without cause. If a regular or alternate Director's membership on the governing body of a Party ceases, his or her membership on the Board shall also cease.** If at any time a vacancy occurs on the Board, a replacement shall be appointed by the governing body to fill the position of the previous Director within **forty-five (45)** days of the date that such position becomes vacant. **A** replacement Director shall serve until the scheduled expiration of the four year term of the **Director** they replace.

3.4 Quorum. A majority of the Directors of the entire Board shall constitute, and is necessary to constitute, a quorum, except that less than a quorum may adjourn a meeting from time to time in accordance with law.

Deleted: one director

Deleted: except the City of Irvine whose governing body shall appoint two directors (the "Irvine Directors")

Deleted: Notwithstanding the foregoing, the governing body of the City of Irvine shall appoint one director upon the full satisfaction and repayment of the Capital Loan, as defined in subsection 5.5.

Deleted: an

Deleted: (s)

Deleted: the

Deleted: the

Deleted: when appointed

Deleted: and

Deleted: four

Deleted: binary

Deleted: 90

Deleted: 8

Deleted: s

Deleted: Board member

Deleted: that

Key: (1) **Prior OCPA JPA amendments**; (2) **Additional revisions**.

3.5 **Powers of the Board of Directors.** The Board may exercise all the powers enumerated in this Agreement and shall conduct all business and activities of the Authority consistent with this Agreement and any bylaws, operating procedures, and applicable law.

3.6 **Reserved.**

3.7 **Committees.** The Board may establish committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the purposes of this Agreement. In accordance with subsection 2.3, the Board may delegate to any committees that consist solely of Board members any of the powers specified in subsection 2.1, except for the power to acquire property by eminent domain specified in subsection 2.1.5. Committees that include or consist of non-Board members shall be advisory only.

3.8 **Director Compensation.** The Board shall adopt policies establishing compensation attendance at Board and Committee meetings and work performed by each Director on behalf of the Authority as well as policies for the reimbursement of expenses incurred by each Director; provided that in no instance shall the per meeting or per day compensation be less than the compensation provided to directors of the Orange County Sanitation District.

3.9 **Voting by the Board of Directors.**

3.9.1 **Equal Vote.** Each Director or participating alternate shall have one vote. Except as provided for in Sections 3.9.2, 3.9.3 and 3.9.4, action of the Board on all matters shall require an affirmative vote of a majority of all Directors who are present at the subject meeting ("**Equal Vote**").

3.9.2 **Voting Shares Vote to Reconsider Approved Actions or Break Tie Votes.** Immediately after (and during the same Board Meeting as) an affirmative or tie Equal Vote, two or more Directors **representing different Parties** shall have the right to request and conduct a Voting Shares Vote (defined below) to reconsider that action approved by the Equal Vote **or approve an action that failed on a tie Equal Vote.** **If the Voting Shares Vote is to reconsider an action approved by an Equal Vote,** a "yes" vote on the Voting Shares Vote shall be a vote to reverse and reject the Equal Vote; a "no" vote on the Voting Shares Vote shall be a vote to affirm the Equal Vote. **If the Voting Shares Vote is to break a tie Equal Vote, a "yes" vote on the Voting Shares Vote shall be a vote to approve the action proposed in the tie Equal Vote; a "no" vote on the Voting Shares Vote shall be a vote to reject the action proposed in the tie Equal Vote.** For Voting Shares Votes, votes shall be weighted as described in subsection 3.9.3. A "yes" vote on a Voting Shares Vote shall require (i) for votes requiring a majority under subsection 3.9.1, more than fifty percent (50%) of the voting shares of all Directors voting; (ii) for votes requiring a supermajority of two-thirds under this Agreement, sixty-seven percent (67%) or more of the voting shares of all Directors voting; and (iii) for votes requiring a supermajority of three quarters under this Agreement more than seventy-five percent (75%) of the voting shares of all Directors voting. All votes taken pursuant to this subsection 3.9.2 shall be referred to as a "**Voting Shares Vote.**" If a Voting Shares Vote **to reconsider an action approved on an Equal Vote**

Deleted: **Executive Committee.** The Board shall establish an executive committee consisting of a smaller number of Directors upon the Authority's membership consisting of nine or more members. The initial members of the executive committee shall be the Directors of the Founding Members with the chair of the Board serving as chair of the Executive Committee.

Deleted: In the event of a Voting Shares Vote where the City of Irvine appoints two Directors to the Board and one or more Irvine Directors requests a Voting Shares Vote, a Party other than the City of Irvine must constitute the second Director for purposes of having the right to request and conduct a Voting Shares Vote.

Deleted: A

Key: (1) **Prior OCPA JPA amendments**; (2) **Additional revisions**.

yields a “no” vote, the legal effect is to affirm the Equal Vote with respect to which the Voting Shares Vote was taken. If the Voting Shares Vote succeeds, the legal effect is to nullify the Equal Vote with respect to which the Voting Shares Vote was taken. If the underlying Equal Vote was a tie, the Voting Shares Vote replaces that tie vote. No action may be taken solely by a Voting Shares Vote without first having taken an Equal Vote.

3.9.3 Voting Shares Formula. When a Voting Shares Vote is requested by two or more Directors, voting shares of each Director shall be determined by the following formula:

$$(\text{Annual Energy Use/Total Annual Energy}) \times 100$$

For purposes of this formula (a) “**Annual Energy Use**” means (i) for the first two years following the Effective Date, the annual electricity usage, expressed in kilowatt hours (“**kWh**”), within the jurisdiction of the Party appointing the Director(s) and (ii) following the second anniversary of the Effective Date, the annual electricity usage, expressed in kWh, of accounts within the jurisdiction of the Party appointing the Director(s) that are served by the Authority, and (b) “**Total Annual Energy**” means the sum of all Parties’ Annual Energy Use. The initial values for Annual Energy use are designated in Exhibit B and the initial voting shares are designated in Exhibit C. Both Exhibit B and Exhibit C shall be adjusted annually as soon as reasonably practicable after January 1 of each year, but no later than March 1 of each year, subject to the approval of the Board. Voting shares attributable to **each Party** shall be divided equally between the Directors **representing such Party**.

Deleted: **Irvine**

Deleted: **Irvine**

3.9.4 Special Voting.

3.9.4.1 Two-Thirds Supermajority Votes. An affirmative vote of two-thirds of the Directors of the entire Board shall be required to take any action on the following (i) issuing of bonds, loans, or other forms of debt; (ii) adding or removing Parties on or after January 1, 2021; (iii) amending or terminating this Agreement or adopting or amending the bylaws of the Authority; and (iv) terminating the CCA Program.

Deleted: **or repayment**

3.9.4.2 Three-Fourths Supermajority Votes. An affirmative vote of three-fourths of the Directors of the Board shall be required to initiate any action for eminent domain and no eminent domain action shall be approved within the jurisdiction of a Party without the affirmative vote of **each of** such Party’s Director.

Deleted: **(or both Irvine Directors, if applicable, in the case of eminent domain action within the City of Irvine)**

3.9.4.3 Advance Notice of Special Voting. At least thirty (30) days advance written notice to the Parties shall be provided for all special voting items under subsection 3.9.4.1 and/or subsection 3.9.4.2. Such notice shall include a copy of all substantive documents necessary to meaningfully deliberate and consider the proposed vote (e.g., any proposed amendment to this Agreement or the bylaws of the Authority). The Authority shall also provide prompt written notice to all Parties of the action taken, which shall include any resolution, ordinance, rule, policy, agreement, filing or other operative document (if any) adopted or approved by the Board.

Key: (1) **Prior OCPA JPA amendments**; (2) **Additional revisions**.

3.10 Officers.

3.10.1 Chair and Vice Chair. The Directors shall select from among themselves a Chair and a Vice-Chair. **The Chair and Vice-Chair shall not be Directors appointed by the same Party.** The Chair shall be the presiding officer of all Board meetings. The Vice-Chair shall serve in the absence of the Chair. **The terms of office of the Chair and Vice-Chair shall be one (1) year with an election held annually in January or, if the January meeting is cancelled, the next meeting of the Board.** There shall be no limit on the number of terms held by the Chair and the Vice-Chair. The office of either the Chair or Vice-Chair shall be declared vacant and a new selection shall be made if: (i) the person serving dies, resigns, **is removed from the Board by the appointing Party** or becomes legally unable to fulfill his or her duties, or (ii) **the Party that appointed the Chair or Vice-Chair withdraws from the Authority pursuant to the provisions of this Agreement.** **Upon a vacancy in the office of Chair or Vice Chair, the position shall be filled at the next regular meeting of the Board held after such vacancy occurs or as soon as practicable thereafter. Succeeding officers shall perform the duties normal to said offices for the remainder of the respective term.**

Deleted: The term of office of the Chair and Vice-Chair shall continue until the expiration of the office of the Directors serving in such positions.

Deleted: i

3.10.2 Secretary. **The Board shall appoint a qualified person who is not on the Board to serve as Secretary.** The Secretary shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority.

3.10.3 Treasurer/Auditor. In accordance with California Government Code § 6505.5, the Board shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Auditor, neither of whom need be members of the Board. The Treasurer and the Auditor shall possess the powers of, and shall perform those functions required of them by California Government Code §§ 6505, 6505.5, and 6505.6, and by all other applicable laws and regulations and amendments thereto.

3.11 Meetings. The Board shall provide for its regular meetings, the date, hour, and place of which shall be fixed by resolution of the Board. Regular, adjourned, and special meetings shall be called and conducted in accordance with the provisions of the Ralph M. Brown Act, California Government Code § 54950 *et seq.*

3.12 Chief Executive Officer. The Board shall appoint a Chief Executive Officer. The Chief Executive Officer shall be the chief administrative officer of the Authority. The powers and duties of the Chief Executive Officer shall be those delegated and/or assigned to the Chief Executive Officer by duly adopted action of the Board.

Deleted: and shall be Secretary of the Board

3.13 Additional Officers and Employees. The Board shall have the power to authorize such additional officers and assistants as may be necessary and appropriate, including retaining one or more administrative service providers for planning, implementing, and administering the CCA Program. Such officers and employees may also be, but are not required to be, officers and employees of the Parties.

Key: (1) **Prior OCPA JPA amendments**; (2) **Additional revisions**.

3.14 **Bonding Requirement.** The officers or persons who have charge of, handle, or have access to any property of the Authority shall be the members of the Board, the Treasurer, the **Chief Executive Officer**, and any such officers or persons to be designated or empowered by the Board. Each such officer or person shall be required to file an official bond with the Authority in an amount which shall be established by the Board. Should the existing bond or bonds of any such officer be extended to cover the obligations provided herein, said bond shall be the official bond required herein. The premiums on any such bond attributable to the coverage required herein shall be the appropriate expenses of the Authority.

Deleted: **Director**

3.15 **Audit.** The records and accounts of the Authority shall be audited annually by an independent certified public accountant with the final audit completed within six months of the fiscal year end, and copies of such audit report shall be filed with the State Controller, and each Party no later than fifteen (15) days after receipt of said audit by the Board.

3.16 **Privileges and Immunities from Liability.** All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workers' compensation, and other benefits which apply to the activities of officers, agents, or employees of a public agency when performing their respective functions shall apply to the officers, agents, or employees of the Authority to the same degree and extent while engaged in the performance of any of the functions and other duties of such officers, agents, or employees under this Agreement. None of the officers, agents, or employees directly employed by the Authority shall be deemed, by reason of such employment to be employed by the Parties (or any of them).

SECTION 4: ADDITIONAL PARTIES AND IMPLEMENTATION OF CCA PROGRAM

4.1 **Additional Parties.** An incorporated city or county, or other public agency as authorized by California Public Utilities Code § 331.1, may become a member of the Authority and a Party to this Agreement upon satisfaction of the following:

4.1.1 Adoption of a resolution by the governing body of the proposed additional party approving the Agreement, and requesting participation and an intent to join the Authority;

4.1.2 Adoption by the Board of a resolution authorizing participation of the proposed additional party;

4.1.3 Satisfaction of any additional conditions as established by the Board or applicable laws or regulations; and

4.1.4 Execution of the Agreement by the proposed additional party.

4.2 **Continuing Participation.** The Parties acknowledge that participation in the CCA Program may change by the addition or withdrawal or termination of a Party. The Parties agree to participate in good faith with additional members as may later be added. The Parties also agree that the withdrawal or termination of a Party shall not affect the enforceability of this Agreement as to the remaining Parties, or the remaining Parties' continuing obligations under this Agreement.

Key: (1) **Prior OCPA JPA amendments**; (2) **Additional revisions**.

4.3 **Implementation of CCA Program.** The Authority shall cause to be prepared an implementation plan meeting the requirements of California Public Utilities Code § 366.2 (“**Implementation Plan**”) and any applicable regulations of the California Public Utilities Commission (“**CPUC**”). The Board shall approve the Implementation Plan prior to it being filed with the CPUC. The Authority, acting by and through the Board, shall take all such steps as are necessary and appropriate to implement the Implementation Plan and the CCA Program in a manner consistent with this Agreement.

4.4 **Power Supply.** The Board will establish power supply options for the Authority. The Authority’s power supply options will include, but not be limited to, renewable and GHG-free base product that is equivalent to the minimum required by law. Each Party may select its power supply base product for the ratepayers in its jurisdiction. Each Party shall also have the flexibility to achieve its climate goals without impeding any other Party from doing the same.

4. **Authority Documents.** The Parties acknowledge and agree that the operations of the Authority will be implemented through various program documents and regulatory filings duly adopted by the Board, including, but not limited to, bylaws, an annual budget, and plans and policies related to the CCA Program. The Parties agree to abide by and comply with the terms and conditions of all such Authority documents that may be approved or adopted by the Board.

4. **Termination of CCA Program.** Nothing contained in this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA Program at any time, so long as such termination is in accordance with any applicable requirements of state law and the voting procedures specified in subsection 3.9.4.1, above.

Deleted: 4

Deleted: 5

SECTION 5: FINANCIAL PROVISIONS

5.1 **Fiscal Year.** The Authority’s fiscal year shall be twelve (12) months commencing July 1 of each year and ending June 30 of the succeeding year.

5.2 **Treasurer.** The Treasurer for the Authority shall be the depository for the Authority. The Treasurer of the Authority shall have custody of all funds and shall provide for strict accountability thereof in accordance with California Government Code § 6505.5 and other applicable laws. The Treasurer shall perform all of the duties required in California Government Code § 6505 *et seq.* and all other such duties as may be prescribed by the Board.

5.3 **Depository & Accounting.** All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with the funds of any Party or any other person or entity. Disbursement of such funds during the term of this Agreement shall be accounted for in accordance with generally accepted accounting principles applicable to governmental entities and pursuant to California Government Code § 6505 *et seq.* and other applicable laws. There shall be a strict accountability of all funds. All revenues and expenditures shall be reported regularly to the Board. The books and records of the Authority shall be promptly open to inspection by the Parties at all reasonable times.

Key: (1) **Prior OCPA JPA amendments**; (2) **Additional revisions**.

5.4 **Budget.** The Board shall establish the budget for the Authority, and may from time to time amend the budget to incorporate additional income and disbursements that might become available to the Authority for its purposes during a fiscal year.

5.5 **City of Irvine Initial Funding of Authority.** The Authority shall, concurrent with the execution of this Agreement, enter into an agreement that covers repayment to the City of Irvine of (i) funding and collateral provided by the City of Irvine to the Authority to facilitate start-up and launch costs for the Authority and the CCA Program, and (ii) costs incurred by the City (including staff, consultant, and legal expenses, and associated allocated overhead and administrative expenses) in connection with the study and analysis of the CCA, the formation of the Authority, and the creation of the Implementation Plan (the “**Capital Loan Agreement**” or the “**Capital Loan**”). The Capital Loan shall be repaid from customer charges for electrical services to the extent permitted by law when the CCA Program becomes operational. The form of the Capital Loan Agreement is attached hereto as Exhibit D. The Authority shall enter into the Capital Loan Agreement so long as its final form is substantially consistent with the form attached as Exhibit D.

5.6 **No Requirement for Contributions or Payments.** Except as otherwise specified herein, the Parties are not required under this Agreement to make any financial contributions or payments to the Authority, and the Authority shall have no right to require such a contribution or payment.

5.6.1 Notwithstanding subsection 5.6, the Board may adopt a membership fee to be paid by Additional Parties upon entering into the Agreement, which membership fee shall be established (if at all) by the Board and may cover a reasonable estimate of the transactional and other costs incurred by the Authority in processing the addition of the Additional Party to the Authority.

5.6.2 Notwithstanding subsection 5.6, the Authority and a Party may mutually and voluntarily enter into an agreement to provide the following: (i) contributions of public funds for the purposes set forth in this Agreement; (ii) advances of public funds for the purposes set forth in this Agreement, such advances to be repaid as provided by such written agreement; or (iii) its personnel, equipment or property.

5.6.3 For the avoidance of doubt, nothing in this Agreement requires, nor shall the Authority for any reason ever require, that any Party adopt any local tax, assessment, fee or charge for the benefit of the Authority.

5.7 **Obligations of the Authority.** Unless otherwise agreed by the Parties, the debts, liabilities, and obligations of the agency shall not be the debts, liabilities, and obligations, either jointly or severally, of the members of the agency. A Party may, in its sole discretion, agree to assume one or more of the debts, liabilities, and obligations of the Authority if, and only if, such Party, with the approval of its governing body, agrees in writing to assume any such debts, liabilities, or obligation of the Authority.

Key: (1) **Prior OCPA JPA amendments**; (2) **Additional revisions**.

SECTION 6: WITHDRAWAL AND TERMINATION

6.1 Right to Withdraw.

6.1.1 Right to Withdraw Prior to April 1, 2021. Except for the City of Irvine, a Party may withdraw from the Authority for any reason and without liability or cost prior to April 1, 2021 upon providing the Authority fifteen (15) days advance written notice.

Deleted: March

Deleted: March

6.1.2 Right to Withdraw After April 1, 2021. Except for the withdrawal provided for in Section 6.1.1, a Party may withdraw its membership in the Authority on or after April 1, 2021, effective as of the beginning of the Authority's fiscal year, by giving no less than one hundred eighty (180) days advance written notice of its election to do so, which notice shall be given to the Authority and each Party. Withdrawal of a Party shall require an affirmative vote of the Party's governing board. A Party that withdraws from the Authority pursuant to this subsection may be subject to certain continuing liabilities as described in this Agreement. The withdrawing Party and the Authority shall execute and deliver all further instruments and documents, and take any further actions as may be reasonably necessary to effectuate the orderly withdrawal of such Party.

Deleted: March

6.2 Involuntary Termination. This Agreement may be terminated with respect to a Party for material non-compliance with provisions of this Agreement upon a two-thirds vote of the entire Board (excluding the vote of the Party subject to possible termination) taken in accordance with subsection 3.9.4.1. Prior to any vote to terminate this Agreement with respect to a Party, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Party whose termination is proposed at least thirty (30) days prior to the regular Board meeting at which such matter shall first be discussed as an agenda item. The written notice of proposed termination shall specify the particular provisions of this Agreement that the Party has allegedly violated with supporting documentation. The Party subject to possible termination shall have the opportunity at the next regular Board meeting following the expiration of the thirty-day (30) day notice period to respond to any reasons and allegations that may be cited as a basis for termination. The Party's response shall be evaluated at a public meeting prior to a vote regarding termination. A Party that has had its membership in the Authority terminated may be subject to certain continuing liabilities, as described in subsection 6.3. If the Board votes to terminate a Party's membership in the Authority, the effective date of the termination shall be scheduled by the Board, in its reasonable discretion, to ensure adequate time for the transition of the terminated Party's CCA Program customers to another electricity provider. The Parties expressly intend, agree and acknowledge that a Board action to terminate a Party's membership in the Authority shall be upheld so long as it is not arbitrary and capricious, and is supported by substantial evidence.

6.3 Continuing Liability; Refund. Upon a withdrawal of a Party under subsection 6.1.2 or involuntary termination of a Party under subsection 6.2, the Party shall be responsible for any claims, demands, damages, or liabilities attributable to the Party through the effective date of its withdrawal or involuntary termination. Such Party also shall be responsible liable to the Authority for (a) any damages, losses, or costs incurred by the Authority which result directly from the Party's withdrawal or termination, including, but not limited to, costs arising from the resale of

Key: (1) **Prior OCPA JPA amendments**; (2) **Additional revisions**.

capacity, electricity, or any attribute thereof no longer needed to serve such Party's load, and removal of customers from the CCA Program resulting from the withdrawal or termination of the Party; and (b) any costs or obligations associated with the Party's participation in any program in accordance with the program's terms, provided such costs or obligations were incurred prior to the withdrawal of the Party. Except as otherwise specified, such Party shall not be responsible for any claims, demands, damages, or liabilities commencing or arising after the effective date of the Party's withdrawal or involuntary termination. From and after the date a Party provides notice of its withdrawal or is terminated, the Authority shall reasonably and in good faith seek to mitigate any costs and obligations to be incurred by the withdrawing or terminated Party under this subsection through measures reasonable under the circumstances; provided, however, that this obligation to mitigate does not impose any obligation on the Authority to transfer any cost or obligation directly attributable to the membership and withdrawal or termination of the withdrawing or terminated Party to the ratepayers of the remaining Parties. Further the liability of the withdrawing or terminated Party shall be based on actual costs or damages incurred by the Authority and shall not include any penalties or punitive charges imposed by the Authority. The Authority may withhold funds otherwise owing to the Party or may require the Party to deposit sufficient funds with the Authority, as reasonably determined by the Authority, to cover the Party's liability for the costs described above. The withdrawing or terminated Party agrees to pay any such deposit determined by the Authority in consultation with a third party audit firm. Any amount of the withdrawing or terminated Party's funds held on deposit with the Authority above that which is required to pay any liabilities or obligations shall be returned to that Party. In the implementation of this subsection 6.3, the Parties intend, to the maximum extent possible, without compromising the viability of ongoing Authority operations, that any claims, demands, damages, or liabilities covered hereunder, be funded from the rates paid by CCA Program customers located within the service territory of the withdrawing Party, and not from the general fund of the withdrawing Party itself. The liability of a withdrawing Party under this subsection shall be only to the Authority and not to any other Party.

6.4 Termination of Agreement. This Agreement may be terminated by vote of the Board in accordance with subsection 3.9.4.1, or by mutual agreement of all the Parties approved by majority votes of their respective governing bodies, provided, however, that this subsection shall not be construed as limiting the rights of a Party to withdraw in accordance with Section 6.

6.5 Disposition of Authority Assets Upon Termination of Agreement. Upon termination of this Agreement, any surplus money or assets in possession of the Authority for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred by the Authority, shall be returned to the then-existing Parties in proportion to the contributions made by each.

SECTION 7: MISCELLANEOUS PROVISIONS

7.1 Dispute Resolution. The Parties and Authority shall make efforts to settle all disputes arising out of or in connection with this Agreement. Before exercising any remedy provided by law, a Party or Parties and the Authority shall engage in nonbinding mediation in the manner agreed to by the Party or Parties and the Authority. In the event that nonbinding mediation

Key: (1) **Prior OCPA JPA amendments**; (2) **Additional revisions**.

does not resolve a dispute within one hundred twenty (120) days after the demand for mediation is made, any Party or the Authority may pursue any all remedies provided by law.

7.2 Liability of Directors, Officers, and Employees. The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify, and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by California Government Code § 995 *et seq.* Nothing in this subsection shall be construed to limit the defenses available under the law to the Parties, the Authority, or its Directors, officers, or employees.

7.3 Indemnification. The Authority shall acquire such insurance coverage as the Board deems necessary to protect the interests of the Authority, the Parties, and the Authority's ratepayers. The Authority shall indemnify, defend, and hold harmless the Parties and each of their respective board members or council members, officers, agents, and employees, from any and all claims, losses, damages, costs, injuries, and liabilities of every kind to the extent arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

7.4 Assignment. The rights and duties of a Party may not be assigned or delegated without the advance written consent of all other Parties. Any attempt to assign or delegate such rights or duties without express written consent of all other Parties shall be null and void. This Agreement shall inure to the benefit of, and shall be binding upon, the successors and assigns of the Parties. This subsection does not prohibit a Party from entering into an independent agreement with another entity regarding the financing of that Party's contributions to the Authority (if any), or the disposition of proceeds which that Party receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the Parties under this Agreement.

7.5 Severability. If any part of this Agreement is held, determined, or adjudicated to be illegal, void, or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

7.6 Further Assurances. Each Party agrees to execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary to effectuate the purposes of this Agreement.

7.7 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

7.8 Notices. Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service to the

Key: (1) **Prior OCPA JPA amendments**; (2) **Additional revisions**.

addresses specified on Exhibit A. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 48 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Party, as the case may be, or such other person designated in writing by the Authority or Party. Notices given to one Party shall be copied to all other Parties. Notices given to the Authority shall be copied to all Parties.

[Signatures to Follow on Next Page(s)]

Key: (1) **Prior OCPA JPA amendments**; (2) **Additional revisions**.

IN WITNESS WHEREOF, this Amended and Restated Joint Powers Agreement was duly approved by the Orange County Power Authority's Board of Directors on _____, 202_, as evidenced by the signatures below.

ORANGE COUNTY POWER AUTHORITY

By: _____
_____, Chair, Board of Directors
Orange County Power Authority

Attest:

By: _____
Secretary, Board of Directors
Orange County Power Authority

Approved as to Form:

By: _____
General Counsel
Orange County Power Authority

[Signature Pages of Original Agreement to Follow]

Key: (1) Prior OCPA JPA amendments); (2) Additional revisions.

[Insert Signature Page 1/3 of Original Agreement]

Key: (1) Prior OCPA JPA amendments); (2) Additional revisions.

[Insert Signature Page 2/3 of Original Agreement]

Key: (1) Prior OCPA JPA amendments); (2) Additional revisions.

[Insert Signature Page 3/3 of Original Agreement]

Key: (1) Prior OCPA JPA amendments; (2) Additional revisions.

**EXHIBIT A
LIST OF PARTIES**

Founding Members:

City of Irvine
1 Civic Center Plaza
Irvine, CA 92606
Joined November 20, 2020

City of Fullerton
303 W. Commonwealth Ave.
Fullerton, CA 92832
Joined November 20, 2020

City of Buena Park
6650 Beach Blvd.
Buena Park, CA 90622
Joined December 16, 2020

Additional Members:

City of Fountain Valley
10200 Slater Ave.
Fountain Valley, CA 92708
Joined [REDACTED]

Key: (1) Prior OCPA JPA amendments); (2) Additional revisions.

EXHIBIT B
ANNUAL ENERGY USAGE BY JURISDICTION

Effective

[Current Exhibit to be Added]

*Subject to annual updates pursuant to Section 3.9.3.

Key: (1) Prior OCPA JPA amendments); (2) Additional revisions.

**EXHIBIT C
PARTY VOTING SHARES**

Effective

[Current Exhibit to be Added]

*Subject to annual updates pursuant to Section 3.9.3.

Key: (1) **Prior OCPA JPA amendments**; (2) **Additional revisions**.

EXHIBIT D
FORM OF CAPITAL LOAN AGREEMENT

**AGREEMENT BETWEEN THE CITY OF IRVINE AND THE ORANGE COUNTY
POWER AUTHORITY FOR THE ADVANCE OF FUNDS FOR IMPLEMENTATION
OF A COMMUNITY CHOICE ENERGY PROGRAM**

This Agreement, effective _____ (“**Effective Date**”), is by and between the CITY OF IRVINE, a municipal corporation and charter city (“**City**”), and the ORANGE COUNTY POWER AUTHORITY, a California joint powers authority (“**Authority**”), for the purpose of stating the terms for an advance of funds from the City to be repaid to City by the Authority as provided herein. City and Authority shall be referred to individually as a “**Party**” collectively as the “**Parties**.”

RECITALS

- A. On _____, the Authority was formed by participating Orange County cities, including the City, to administer a community choice aggregation (“**CCA**”) program within the jurisdictional boundaries of its members in Orange County.
- B. Prior to formation of the Authority, the City funded a feasibility study, peer review, and other activities necessary to evaluate the feasibility and implementation of a CCA program. The City also funded certain costs to form the Authority and implement the CCA program for itself and the Authority’s founding members.
- C. As expressly stated in that certain document entitled, *Orange County Power Authority Joint Powers Agreement*, at Section 5.5, which is incorporated herein by this reference, it was agreed upon by the parties thereto that the City would be reimbursed by the Authority for all costs regarding the feasibility and implementation of the CCA program, contingent upon the Authority’s launch of the CCA program.
- D. The City estimates that its costs to study, form and implement the Authority are \$250,000, which include, but are not limited to, costs for its feasibility study, peer review, City staffing, legal costs, member and stakeholder outreach, and formation of the Authority (“**Formation Costs**”).
- E. The City estimates that the Authority will need approximately \$2,500,000 for working capital to pay for implementation costs through a projected launch of the CCA program in 2022 (“**Pre-Launch Costs**”).
- F. The City further estimates that the Authority will need up to an additional \$8,000,000 to \$20,000,000 in the form of a credit facility for operational support and power procurement as well as other cash flow needs, and that any such credit facility may require cash collateral from an Authority member between \$2,000,000 to \$5,000,000 (“**Launch Costs**”).

Key: (1) **Prior OCPA JPA amendments**; (2) **Additional revisions**.

G. The Parties desire to enter into this Agreement to document the Authority's repayment obligations to the City for all such funds expended on behalf of, or in support of, the formation of the Authority and implementation of the CCA program.

AGREEMENT

NOW THEREFORE, in consideration of their mutual promises and obligations, the Parties hereby agree as follows:

1. **City Loan to the Authority.**

1.1. **Formation Costs.** The Authority acknowledges that the City has expended certain City funds toward Formation Costs and agrees to reimburse the City for such costs in an amount not to exceed \$250,000 dollars, subject to the repayment provisions herein.

1.2. **Pre-Launch Costs.** The City agrees to loan the Authority Pre-Launch Costs in the amount of \$2,500,000 by January 1, 2021, which shall be used by the Authority for working capital costs associated with the Authority's launch, anticipated in 2022.

1.3. **Launch Costs.** The City agrees to post the necessary cash collateral, not to exceed \$5,000,000, in order for the Authority to secure a credit facility for its Launch Costs for additional working capital associated with power procurement and operational support ("**Credit Agreement**"). The City will also provide a loan for Launch Costs if needed by the Authority should a Credit Agreement be unavailable or insufficient to cover the Authority's working capital needs. The terms and conditions of any City loan to the Authority for Launch Costs (excluding the cash collateral requirement above) shall be negotiated and agreed upon in an amendment to this Agreement, subject to the reasonable approval of the Parties. The Authority shall provide the City with the Authority's *pro forma* demonstrating the amount needed for the aforementioned City loan.

1.4. **City Loan Amount.** Formation Costs, Pre-Launch Costs, and Launch Costs shall be collectively referred to herein as "**City Loan Amount.**"

2. **Repayment; Interest.**

2.1. **Repayment Date.** The Authority shall repay the City Loan Amount to City, plus interest, no later than the repayment date, which shall be January 1, 2027. The Parties acknowledge that they may modify the Repayment Date for the Launch Costs in an amendment to this Agreement depending on the terms and conditions of the Credit Agreement.

2.2. **Interest Rate.** In accordance with subsection 2.3, interest shall be paid on all outstanding portions of the City Loan Amount that bear interest. The interest rate on any outstanding amount shall be calculated according to the sum of the following calculation of each respective quarter:

Key: (1) **Prior OCPA JPA amendments**; (2) **Additional revisions**.

Principal x Quarterly Interest Rate x (No. of Days in Quarter/No. of Days in Year)

Where “**Principal**” is the relevant funding of the City Loan Amount as described herein; “**Quarterly Interest Rate**” is the gross earnings for the respective quarter as reported in the City of Irvine Treasurer’s monthly investment report found on the Treasurer’s website <https://www.cityofirvine.org/administrative-services-department/investment-policies-and-reports> “**No. of Days in Quarter**” is the sum of days of each month that make up each respective quarter; and “**No. of Days in Year**” is 365, except in leap years, in which the number of days in the year shall be 366.

The City Loan Amount shall bear interest as follows:

- a. Formation Costs shall bear no interest whatsoever and shall be repaid to City as reimbursement for out-of-pocket expenses by the Repayment Date.
- b. Pre-Launch Costs shall bear interest beginning January 1, 2021 through the Repayment Date as estimated and set forth on Exhibit A, attached hereto.
- c. Launch Costs for the City’s collateral associated with the Credit Agreement shall bear interest beginning on the effective date of the Credit Agreement. Launch Costs for amendment to this Agreement, as set forth in subsection 1.3, through the Repayment Date.

In the event the City Loan Amount, along with any and all interest owed pursuant to this Section 2, are not repaid by the Repayment Date, any such amounts that remain outstanding shall accrue interest at the rate specified by law for prejudgment interest.

3. City Liability; Hold Harmless; Indemnification.

3.1 City Liability. The Authority acknowledges and agrees that by lending said funds to the Authority, the City does not assume any debt, liability, obligation, or duty whatsoever with respect to the Authority’s operations, liabilities, business, or transactions.

3.2. Hold Harmless/Indemnification. The Authority shall hold harmless, indemnify and defend the City, its elected officials, officers, employees, and agents from and against any and all claims, suits or actions of every kind which arise out of the performance or nonperformance of the Authority’s covenants, responsibilities, and obligations under this Agreement, and which result from the negligent or wrongful acts of the Authority or its board members, officers, employees, or agents. City shall hold harmless, indemnify and defend the Authority, its board members, officers, employees and agents from and against any and all claims, suits or actions of any kind which arise out of the performance or non-performance of the City’s covenants, responsibilities and obligations under this Agreement and which result from the negligent or wrongful acts of the City or its elected officials, officers, employees or agents. In the event of concurrent negligence of the City, its officer or employees, and the Authority, its officers and employees, the liability for any and all claims for injuries or damages to persons

Key: (1) **Prior OCPA JPA amendments**; (2) **Additional revisions**.

and/or property or any other loss or costs which arise out of the terms, conditions, covenants or responsibilities of this Agreement shall be apportioned according to the California theory of comparative negligence.

4. General Provisions.

4.1. Audit. Prior to January 1, 2023, the City may audit the Authority's expenditure of Pre-Launch Costs to confirm that such expenditures have been made consistent with the purposes of this Agreement.

4.2. Waiver. The waiver by City or Authority of any term, covenant, or condition herein contained shall not be deemed to a waiver of such term, covenant, or condition or any subsequent breach of the same or any other term, covenant, or condition herein contained.

4.2. Successors and Assigns/Assignment. The terms of this Agreement shall apply and bind the heirs, successors, executors, administrators and assigns of the Parties. No Party may assign this Agreement without the express written consent of the other Party, which shall not be unreasonably withheld.

4.3. Entirety/Amendment. This Agreement contains the entire understanding between the Parties relating to the obligations of the Parties described herein. No provision of this Agreement may be amended or added to except by an agreement in writing signed by the Parties or their respective successors in interest. This Agreement shall not be effective or binding until fully executed by both Parties.

4.4. Venue & Choice of Law. This Agreement shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California.

4.5. Independent Entities. This Agreement is by and between two independent entities and is not intended to and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture, joint employer, or association.

4.6. Authority to Execute Agreement. The Parties each warrant that they have the authority to execute this Agreement and that all actions have occurred, and all necessary approvals or consents have been obtained to allow each party to enter into this Agreement.

4.7. Notices. All notices provided for herein shall be in writing and shall be delivered to the appropriate parties as provided below:

For City: Attn: City Manager
City of Irvine
1 Civic Center Plaza
Irvine, CA 92606

Key: (1) Prior OCPA JPA amendments); (2) Additional revisions.

For Authority: TBD

//

Key: (1) **Prior OCPA JPA amendments**; (2) **Additional revisions**.

IN WITNESS WHEREOF, Authority and City have executed this Agreement on the date set forth below.

CITY OF IRVINE

Date: _____

By: _____

Title: _____

Approved as to Form:

City Attorney

ORANGE COUNTY POWER AUTHORITY

Date: _____

By: _____

Title: _____

Approved as to Form:

General Counsel

Key: (1) Prior OCPA JPA amendments); (2) Additional revisions.

**EXHIBIT A
PRE-LAUNCH COSTS INTEREST SCHEDULE**

Loan Borrower	Orange County Power Authority	
Loan Amount/Pre-Launch	\$2,500,000	
Loan Start Date	1/1/2021	
Loan Maturity Date	1/1/2027	
Estimated Interest Rate	1.75%	See Note on Interest Rate

	Period Interest	Cumulative Interest
3/31/2021	10,787.67	\$10,787.67
6/30/2021	10,907.53	21,695.21
9/30/2021	11,027.40	32,722.60
12/31/2021	11,027.40	43,750.00
3/31/2022	10,787.67	54,537.67
6/30/2022	10,907.53	65,445.21
9/30/2022	11,027.40	76,472.60
12/31/2022	11,027.40	87,500.00
3/31/2023	10,787.67	98,287.67
6/30/2023	10,907.53	109,195.21
9/30/2023	11,027.40	120,222.60
12/31/2023	11,027.40	131,250.00
3/31/2024	10,877.73	142,127.73
6/30/2024	10,877.73	153,005.46
9/30/2024	10,997.27	164,002.73
12/31/2024	10,997.27	175,000.00
3/31/2025	10,787.67	185,787.67
6/30/2025	10,907.53	196,695.21
9/30/2025	11,027.40	207,722.60
12/31/2025	11,027.40	218,750.00
3/31/2026	10,787.67	229,537.67
6/30/2026	10,907.53	240,445.21
9/30/2026	11,027.40	251,472.60
12/31/2026	11,027.40	\$262,500.00

Pre-Launch Loan	\$2,500,000.00
-----------------	----------------

Total Due 1/1/2027	\$2,762,500.00
--------------------	----------------

Note: Interest Rate is based on the average of last six months of interest earned on the City's investment portfolio.

ORANGE COUNTY POWER AUTHORITY

Staff Report – Item 10

To: Orange County Power Authority Board of Directors
From: Joe Mosca, Chief Executive Officer
Subject: CHIEF EXECUTIVE OFFICER'S REPORT
Date: October 19, 2026

Irvine Capital Loan Repayment Update

On October 13, 2025, the Board approved an accelerated repayment plan for the Irvine Capital Loan and authorized staff to proceed in accordance with the approved schedule. Consistent with the Board's direction, OCPA made four repayments totaling approximately \$4.12 million between November 2025 and September 2026. These included payments of \$913,892.11 on November 10, 2025; \$342,702.67 on March 31, 2026; \$307,766.30 on June 30, 2026; and \$2,556,315.34 on September 30, 2026. The four payments included \$3.25 million in principal and approximately \$870,676 in accrued interest. Following the September 30 payment, one quarterly repayment remains under the Board-approved schedule. OCPA anticipates completing repayment by January 1, 2027. Total repayments under the plan are currently estimated at approximately \$8.43 million, consisting of \$7.53 million in principal and \$906,134 in accrued interest, subject to final interest calculations.

FY2025/26 Financial Audit Update

OCPA is working with its independent external auditor, Sorren, to complete the financial statement audit for the fiscal year ended June 30, 2026. This represents OCPA's sixth annual financial audit. The audit is progressing toward the scheduled presentation of the audited financial statements to the Board on November 9, 2026. Staff continues to coordinate with Sorren and OCPA's accounting team to address audit requests and support timely completion.

Risk Management Update

OCPA continues to enhance its procurement and risk management practices through improved market monitoring, load forecasting, analytical capabilities, and the evaluation of practices employed by other established Community Choice Aggregators (CCAs). During the early October heat event, staff closely monitored weather forecasts, electricity demand, and wholesale market conditions, refined Day-Ahead load forecasts,

and assessed supplemental hedging opportunities to balance procurement costs and short-term market exposure. Staff also developed an incremental system energy hedging plan for the upcoming winter months, informed by updated portfolio positions, market conditions, and risk assessments. In parallel, staff is evaluating procurement strategies to address remaining 2027 Resource Adequacy (RA) and Renewable Portfolio Standard (RPS) requirements. Proposed procurement activities will continue to undergo applicable financial, risk, and compliance reviews prior to execution. OCPA will continue monitoring market conditions, evaluating longer-term procurement opportunities, and providing updates on material developments and significant decision points.

Communications & External Affairs

Communications

- OCPA distributed its October newsletter to 6,232 subscribers, supporting ongoing customer and stakeholder engagement through timely agency updates and program information.
- OCPA launched a new animated explainer video on YouTube, expanding access to educational resources that help customers and stakeholders better understand the agency's role, services, and community benefits.
- On September 24, OCPA earned regional recognition for public communications. OCPA received a first-place PROTOS Award from the Public Relations Society of America, Orange County Chapter, recognizing excellence in the agency's social media program. This recognition reinforces OCPA's commitment to communicating timely, accessible, and engaging information to customers and community stakeholders.
- OCPA launched a new Clean Energy Access landing page on its website, expanding customer access to information and resources that support participation in clean energy programs.
<https://www.ocpower.org/energy-programs/clean-energy-access-program/>
- OCPA also completed a multimedia storytelling initiative featuring community leaders from the Hispanic Chamber of Commerce, Filipino Chamber of Commerce, and Arab American Business Chamber, along with business and residential customers, a Bright Futures grant recipient, and OCPA employees, strengthening community engagement and amplifying diverse customer and stakeholder perspectives.
- Staff captured and shared highlights from the UEI College engagement through OCPA's social media channels to expand visibility of workforce and program initiatives.

Community Engagement & External Affairs

- OCPA engaged organizations including GRID Alternatives, Waymakers, The Cambodian Family, Bracken's Kitchen, Radiant Futures, Homeless Intervention Services of Orange County, and Second Harvest Food Bank. These relationships create trusted pathways for sharing energy-saving information, customer assistance resources, and future grant programs with residents who may otherwise be difficult to reach.
- OCPA connected with students and educational partners from UC Irvine, Cal State Fullerton, Concordia University Irvine, Orange Coast College, the Coast Community College District Foundation, Irvine Unified School District, Newport-Mesa Unified School District, and Fullerton High School. Engagement focused on clean-energy careers, internships, STEM education, and potential training opportunities that could help prepare the region's future energy workforce.
- Through Fiesta Latina, the Filipino American Chamber of Commerce Go Green and Health Expo, The Cambodian Family, the Center for Asian Americans in Action, and other community partners, OCPA shared information about bill-saving strategies, heat preparedness, energy efficiency, workforce development, and customer choice. This outreach helps ensure OCPA programs are visible and accessible across the diverse communities served by the agency.
- OCPA completed a storytelling initiative featuring leaders from the Hispanic, Filipino, and Arab American business chambers, along with residential and business customers, a Bright Futures grant recipient, and OCPA employees. The initiative provides a platform for authentic community perspectives and helps the public better understand how OCPA's programs and services connect to customers' experiences.
- Engagement through the Buena Park Collaborative, Fountain Valley Senior Center, Placentia small-business community, Community Advisory Committee leadership, and direct customer-service interactions provided insight into customer assistance, affordability, rates, program awareness, and local energy choice.
- OCPA participated in the Net Zero Conference, advanced planning for Sustain SoCal's Energy Event, engaged the South Coast Air Quality Management District, and connected with municipal leaders through the League of California Cities. These activities support regional coordination on renewable energy, air quality, building efficiency, and Southern California's broader decarbonization objectives.
- OCPA worked with chambers of commerce, regional business organizations, Sustain SoCal, SoCal REN, and individual employers to discuss business energy efficiency, renewable energy adoption, and future customer programs. Engagement with Placentia small-business owners and sustainability leaders at organizations such as Yamaha and Masimo also helped identify customer questions and opportunities for more targeted business outreach.

- OCPA engaged residents and stakeholders through Irvine Global Village, Buena Park Silverado Days, Fountain Valley Senior Center office hours, Irvine's Fiesta Latina, nonprofit leadership events, career fairs, and other community activities. This broad geographic presence supports greater public awareness while creating opportunities for customers to ask questions and connect directly with agency representatives.

Customer Programs

- Community Power Plan: The full plan is now published on the [OCPA website](#), where you can click a link to view a reactive [dashboard](#) of data.
- BuildSMART Trailer (US Green Building Council): The team is partnering with the U.S. Green Building Council (USGBC) to bring its BuildSMART Trailer to member cities. OCPA is hoping to bring this to each member city by the end of 2026.
- Equitable Building Decarbonization Direct Install Grant: The program has launched, with participant enrollment and community outreach underway. Orange County United Way will support outreach and engagement efforts as a program subgrantee.
- Bright Futures Grant: The evaluations were completed, and OCPA staff are working on sharing the recommendations with the Board in October.
- Home Energy Audit Training program — The program has launched, and outreach has commenced. To date, there have been 15 applications.

**Future programs in development*:*

- Small Business Program — The MOU with LA County has been executed, and program design and planning have commenced.
- Multifamily housing energy efficiency rebate program – anticipated launch in 2026 Q4, subject to the findings of the needs assessment.
- Residential energy audit program + support for energy efficiency implementation — anticipated launch in Q2 2027.
- Second round of Renter Energy Efficiency Program — anticipated launch in Q1 2027.

Human Resources Updates

- Energy Intelligence Manager: Panel interviews are concluding this week, with final interview selections to follow.
- Director of Communications & External Affairs: Panel interviews are concluding this week, with final interview selections to follow.

Events & Stakeholder Outreach

The OCPA team attended the following events and community meetings since our last Board meeting:

DATE	HOST	EVENT/MEETING	CITY	START	END
9/15/2026	Second Harvest Food Bank	2026 OCPA Day of Service	Orange County (All)	12:30 PM	4:30 PM
9/16/2026	Orange County Business Council	OCBC 2026 First Responders Dinner	Orange County (All)	5:30 PM	7:30 PM
9/17/2026	Pathways of Hope	Hope Can't Wait Luncheon	Fullerton	11:30 AM	1:00 PM
9/23/2026	Go Green and Health Expo	Filipino Chamber	Orange County (All)	9:00 AM	3:00 PM
9/23/2026	League of California Cities	2026 Annual Conference and Expo	Orange County (All)	8:00 AM	5:00 PM
9/24/2026-9/27/2026	The City of Westminster/Little Saigon TV	2026 Moon Lantern Celebration	Orange County (All)	5:00 PM	11:00 PM
9/26/2026	City of Fountain Valley	Hyundai Hope On Wheels	Fountain Valley	6:00 AM	12:00 PM
9/27/2026	City of Fountain Valley	Around the Table Event	Fountain Valley	3:00 PM	6:00 PM
9/28/2026	Second Harvest Foodbank	Hunger Action Month Panel	Irvine	10:00 AM	11:30 AM
10/1/2026	Placentia Chamber of Commerce	Placentia State of the City	Orange County (All)	11:15 AM	1:00 PM
10/1/2026	OC Grantmakers	Annual Forum	Orange County (All)	8:00 AM	6:00 PM
10/2/2026	City of Irvine	Stronger Together Non-Profit Leadership Conf	Irvine	10:00 AM	1:00 PM
10/3/2026	HIS Orange County	Fall Festival	Orange County (All)	9:00 AM	11:00 AM
10/7/2026	Fullerton High School	3rd Annual Career Fair	Fullerton	N/A	N/A
10/7/2026	FV Chamber of Commerce	FV Candidates Forum 2026	Fountain Valley	6:00 PM	8:00 PM
10/8/2026	The League of Women Voters North Orange County	Buena Park Candidates Forum	Buena Park	7:00 PM	8:30 PM
10/8/2026	Greater Irvine Chamber of Commerce	Irvine Candidates Forum	Irvine	1:00 PM	4:50 PM

10/10/2026	City of Irvine	Global Village Festival	Irvine	10:00 AM	6:00 PM
10/15/2028	City of Irvine/Solarize Irvine	Electrification Workshop	Irvine	6:30 PM	8:00 PM
10/15/2026	Orange County Power Authority	OCPA Office Hours	Fountain Valley	11:00 AM	12:30 PM
10/17/2026	Huntington Valley Boys and Girls Club	Edward Arnold Gala	Fountain Valley	5:00 PM	10:00 PM

We are looking forward to many opportunities to engage with the community and key stakeholders, including:

DATE	HOST	EVENT/MEETING	CITY	START	END
10/19/2026	CalCCA	CalCCA Site Visit	Irvine	All Day	All Day
10/21/2026	City of Buena Park	State of the City	Buena Park	11:30 AM	1:30 PM
10/21/2026	Irvine CA Green Business	Recognition Mixer	Irvine	5:00 PM	7:00 PM
10/22/2026	Energy Event	Sustain SoCal	Orange County (All)	9:00 AM	6:30 PM
10/22/2026	Latino Health Access	33rd Anniversary Gala	Orange County (All)	N/A	N/A
10/23/2026	American Business Women's Association	Windsong Chapter Women's Conference	Fountain Valley	8:30 AM	3:30 PM
10/24/2026	FV Chamber of Commerce	An Evening of Nostalgia: Honoring Mayor Jim Cunneen	Fountain Valley	5:30 PM	6:45 PM
10/28/2026	OC Women's Business Chamber	Women's Expo at the OC Fairgrounds	Orange County (All)	9:00 AM	6:00 PM
10/29/2026	Miss FV	Meet and Greet	Fountain Valley	5:00 PM	7:00 PM
10/30/2026	XBN	Conference (X)	Orange County (All)	9:00 AM	6:00 PM
11/4/2026	OCICC	Green Connections	Orange County (All)	4:00 PM	7:00 PM
11/7/2026	CSUF Arboretum	OCPA hosts USGBC BuildSMART Trailer	Fullerton	9:00 AM	3:00 PM
11/13/2026	Climate Action Campaign	After the Election: Energy, Affordability, and Action	Orange County (All)	9:00 AM	1:00 PM

Attachments

Attachment A – Non-Power Supply Contracts In Excess of \$50,000 to Under \$100,000

Orange County Power Authority
Non Power Supply Contracts In Excess of \$50,000 to Under \$100,000

Item No	Vendor	Term	Contract Amount	Brief Service Description	Remark