

AGENDA

ORANGE COUNTY POWER AUTHORITY REGULAR MEETING OF THE BOARD OF DIRECTORS

Monday, November 25, 2024
11:00 a.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 items 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. (Please note that members of the public will have an opportunity to comment on Item 8.1 during the public hearing portion of that item.) 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:

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: 819 3321 7420

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. Please note that members of the public will have an opportunity to comment on Item 8.1 during the public hearing portion of that item.

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. **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 OCTOBER 15, 2024**

Recommended Action:

Approve as submitted.

2. **COMMUNITY ADVISORY COMMITTEE (CAC) REPORT**

Recommended Action

Receive and file.

3. **LEGISLATIVE AND REGULATORY COMMITTEE UPDATE**

Recommended Action

Receive and file.

4. **REGULATORY AND LEGISLATIVE UPDATE**

Recommended Action:

Receive and file.

5. **RESOLUTION APPROVING THE CITY OF FOUNTAIN VALLEY'S MEMBERSHIP IN ORANGE COUNTY POWER AUTHORITY**

Recommended Action:

Adopt Resolution No. 2024-XX, a "Resolution of the Board of Directors of the Orange County Power Authority Approving the City of Fountain Valley's Membership in Orange County Power Authority."

8. 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. CONDUCT A PUBLIC HEARING AND ADOPT A RESOLUTION APPROVING AMENDMENT NO. 2 TO THE OCPA COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT

Recommended Action:

1. Conduct a Public Hearing.
2. Adopt Resolution 2024-XX: A Resolution of the Board of Directors of Orange County Power Authority adopting an amendment to the Community Choice Aggregation Implementation Plan and Statement of Intent Providing New Electric Service to the City of Fountain Valley.

2. RECEIVE THE FINANCIAL AUDIT REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2024 AND 2023 FROM PISENTI & BRINKER, LLP

Recommended Action:

Receive the Year-End Financial Statements and Independent Auditor's Report for the fiscal year ended June 30, 2024 and 2023 from Piseni & Brinker, LLP.

3. RATIFY RATES EFFECTIVE NOVEMBER 1, 2024

Recommended Action:

Ratify rates effective November 1, 2024.

4. APPROVAL OF THE AMENDMENT TO THE CHIEF EXECUTIVE OFFICER EMPLOYMENT AGREEMENT

Recommended Action

Approval of the Amendment to the Chief Executive Officer Employment Agreement.

5. APPROVE AGREEMENT FOR POWER SUPPLY PORTFOLIO MANAGEMENT SERVICES

Recommended Action:

Approve Agreement with Pacific Energy Advisors to provide Power Supply Portfolio Management Services for the term of January 1, 2025, through December 31, 2025, for a total not-to-exceed amount of \$588,000.

6. APPROVE LONG-TERM TRANSACTION CONFIRMATION FOR FIRM AND BUNDLED RENEWABLE ENERGY – POWER CONTENT CATEGORY ONE (PCC1) WITH SHELL ENERGY NORTH AMERICA (US), L.P.

Recommended Action:

Approve long-term transaction confirmation with Shell Energy North America (US), L.P. ("Confirmation") for renewable energy qualified under California Renewable Portfolio Standard PCC1 to be delivered daily during the defined hourly period for a term from January 1, 2027 to December 31, 2040.

9. 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.

10. 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**

Tuesday, October 15, 2024

1. CALL TO ORDER

Chair Jung called to order the Regular Meeting of the Orange County Power Authority Board of Directors at 10:00 a.m. on Tuesday, October 15, 2024.

2. PLEDGE OF ALLEGIANCE

Chair Jung led the Pledge of Allegiance.

3. ROLL CALL

Present:	Director Tammy Kim	City of Irvine
	Director Kathleen Treseder	City of Irvine, Arrived at 10:18 a.m.
	Vice Chair Susan Sonne	City of Buena Park
	Chair Fred Jung	City of Fullerton

4. PUBLIC COMMENTS ON AGENDA ITEMS

None.

5. PUBLIC COMMENTS ON NON-AGENDA ITEMS

Charles Jackson
Danny Gray

6. DIRECTOR ANNOUNCEMENTS & REPORTS ON CONFERENCES/EVENTS ATTENDED

None.

7. CLOSED SESSION

Recess to Closed Session

At 10:06 a.m., Chair Jung called on Interim General Counsel Norvell to recess the Board to closed session to discuss Items 7.1 and 7.2 on the agenda. Interim General Counsel Norvell announced the Board was recessing to closed session. The following Board Members were present: Kim, Sonne, and Jung, Treseder arrived at 10:15 a.m. Also present was Board Counsel Norvell.

1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code § 54957(b)(1)
Title: Chief Executive Officer

2. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code § 54957.6

Agency designated representatives: Fred Jung, Board Chair;

Nicholaus Norvell, General Counsel

Unrepresented employee: Chief Executive Officer

Reconvene

At 10:56 a.m., the regular meeting of the Orange County Power Authority Board of Directors reconvened with the following present: Directors Kim, Treseder, Sonne, and Jung.

General Counsel Norvell reported out of closed session that the Board met in Closed Session and discussed Items 7.1 and 7.2 as listed on the agenda, and there was no reportable action taken.

8. CONSENT CALENDAR

ACTION

Director Kim made the motion, seconded by Vice Chair Sonne to:

Approve consent calendar items 9.1 – 9.7.

The motion carried unanimously by the following 4-0 vote:

Ayes: Chair Jung, Vice Chair Sonne, Director Treseder, Director Kim,

Noes: None

Absent: None

1. MINUTES FOR THE REGULAR BOARD MEETING OF SEPTEMBER 17, 2024

Action Taken:

Approved as submitted.

2. MINUTES FOR THE SPECIAL BOARD MEETING OF OCTOBER 3, 2024

Action Taken:

Approved as submitted.

3. REGULATORY AND LEGISLATIVE UPDATE

Action Taken:

Received and filed.

4. TREASURER’S REPORT – FISCAL YEAR ENDED JUNE 30, 2024 AND Q2 2024 CHECK REGISTER

Action Taken:

Received and filed.

5. AMENDMENT TO 457(b) DEFERRED COMPENSATION PLAN

Action Taken:

Approved an amendment and election form for OCPA’s 457(b) deferred compensation plan pursuant to recent changes in federal law, and authorized the Chief Executive Officer or Chief Financial Officer to complete and execute the amendment and election form.

6. PUBLIC RECORDS ACT REPORT

Action Taken:

Received and filed.

7. OCPA 2024 STRATEGIC PLAN PROGRESS UPDATE

Action Taken:

Received and filed.

9. REGULAR CALENDAR

1. OCPA TRACKING SURVEY 2024 RESULTS

Director of Communications and External Affairs Henderson summarized the presentation for this item and introduced Brenda Deeley Reveille representative and Tom Patras from EMC Research. They then provided the results of the research survey they conducted.

Director Treseder was glad to hear this news and supports continued messaging to improve OCPA’s favorability. She further announced that she was in Chihuahua, Mexico, for State business, and under State Law, she needed to report how many people over the age of 18 were with her. She was in a public lobby with over a hundred people over the age of 18, and none were with her.

Chair Jung stated that, obviously, we have been marketing the agency. At what point do we move the marketing from the member cities to other potential new city members?

Director of Communications and External Affairs Henderson confirmed that heavy marketing has been done in the City of Fountain Valley as they are a potential new member, and marketing has been done Countywide.

Brenda Deeley stated that the over-sampling was done in the member cities and the City of Fountain Valley.

Chair Jung stated that, as a representative of the City of Fullerton, he would like to forgo any advertising budget in Fullerton to allow that expense to be incurred in other potential new member cities like the City of Orange.

Action Taken:

Received and filed.

2. OCPA'S ANNUAL POWER SOURCE DISCLOSURE ATTESTATION FOR 2023

Power Resources Director Ting briefly introduced the presentation for this item and introduced Director of Communications and External Affairs Henderson and Pacific Energy Advisors representative Kirby Dusel, who provided a summary of the presentation for this item.

Director Kim made the motion, seconded by Director Treseder to:

Based on the comprehensive portfolio review completed by OCPA's consultants and staff, it is recommended that the Board endorse the accuracy of information presented in OCPA's 2023 Power Source Disclosure reports for Basic Choice, Smart Choice and 100% Renewable Choice service as well as the related Power Content Label reflecting such products.

The motion carried unanimously by the following 4-0 vote:

Ayes:	Chair Jung, Vice Chair Sonne, Director Treseder, Director Kim,
Noes:	None
Absent:	None

3. AUTHORIZE THE CEO TO TAKE NECESSARY ACTIONS TO ACCEPT THE GREENHOUSE GAS (GHG)-FREE ATTRIBUTE ALLOCATIONS FROM SOUTHERN CALIFORNIA EDISON (SCE) FOR YEARS 2025 THROUGH 2027 AND FROM PACIFIC GAS & ELECTRIC (PG&E) FOR YEARS 2025 THROUGH 2030

Power Resources Director Ting briefly summarized this item

Director Treseder stated that she was not a fan of nuclear power; however, she did support this item at this time.

Director Kim made the motion, seconded by Vice Chair Sonne to:

Authorize the CEO to take the necessary actions to accept the GHG-Free energy attribute allocations from SCE's large hydroelectric and nuclear resources for the period from 2025 to 2027 and from PG&E's Diablo Canyon Power Plant (DCPP) nuclear resources for the period from 2025 to 2030.

The motion carried unanimously by the following 4-0 vote:

Ayes:	Chair Jung, Vice Chair Sonne, Director Treseder, Director Kim,
Noes:	None
Absent:	None

10. STAFF REPORT

CEO Mosca provided his full report in the agenda packet. He emphasized the work anniversaries of Chief Financial Officer Tiffany Law, three years, and Senior Human Resources Analyst Gabriele Freedman, one year. CFO Law introduced Aracely Cardona as the new Procurement & Administrative Analyst. CEO Mosca reminded everyone that the November Board was scheduled for Monday, November 25, 2024, at 11:00 a.m.

11. ADJOURNMENT

There being no further business to come before the Board, Chair Jung adjourned the October 15, 2024, Orange County Power Authority Board Regular meeting at 11:40 a.m.

Submitted by:

Pat Jacquez-Nares, Authority Secretary

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 7.2

To: Orange County Power Authority Community Advisory Committee

From: Andrew DiGiovanna, External Affairs Manager
Linda Kraemer, Community Engagement Manager

Approved by: Joe Mosca, Chief Executive Officer

Subject: COMMUNITY ADVISORY COMMITTEE (CAC) REPORT

Date: November 25, 2024

RECOMMENDED ACTION

Receive and file.

BACKGROUND

On Monday, November 4, 2024, at 6:00 p.m., the Community Advisory Committee (CAC) held its monthly meeting. The meeting featured updates on various customer programs, new grant opportunities, and reports from recent community events. Discussions also focused on customer engagement strategies, incentive programs, and community power initiatives, with active input from committee members.

Bright Futures Grant Program Update

The committee received an update on the 2024 Bright Futures grant program, highlighting successful applicants. Award recipients included local organizations focused on renewable energy initiatives and sustainability education. These include projects like Winter Park Middle School's solar-powered irrigation system, the Girl Scouts of Orange County's renewable energy kit for camping, and OC Go Solar's outreach to low-income households. The grant program saw a 44% increase in applications compared to the previous year, indicating strong community interest and participation.

Calpine Community Benefits Grant

The CAC was introduced to the new Calpine Community Benefits Grant, a partnership with Calpine Corporation. The program offers grants of \$5,000 to \$30,000 for non-profit organizations focusing on research, education, environmental justice, and sustainability projects. This grant aims to support community organizations that align with OCPA's mission, with applications open until November 15, 2024.

California Energy Commission's Decarbonization Grant

OCPA has been awarded a sub-grant from the California Energy Commission for equitable building decarbonization efforts. This five-year grant, valued at \$1,151,000, will focus on outreach and promotion of decarbonization programs in member cities, targeting disadvantaged

communities. The grant will support direct installation of clean energy systems, enhancing community access to sustainable technologies.

Incentive Finder Tool Launch

OCPA launched a new "Incentive Finder" tool on its website, offering residents and businesses an accessible way to discover available rebates and tax incentives for energy-efficient upgrades. The tool, which is optimized for user convenience, filters incentives based on customer location, income, and other criteria. As the third Community Choice Aggregator in California to offer this tool, OCPA is committed to assisting customers in maximizing savings through energy efficiency and clean energy programs.

E-Bike Safety and Incentive Pilot Program Results

The E-Bike Safety and Incentive Pilot Program recently concluded, offering \$600 e-bike vouchers to eligible residents. A total of 40 e-bikes were distributed, with recipients attending an online safety course. The program partnered with local bike shops to provide the e-bikes, demonstrating a successful model of community engagement and promoting alternative transportation options.

Sustain SoCal Conference Participation

OCPA actively participated in the Sustain SoCal conference, held on October 24, 2024. Committee members reported on sessions that addressed battery storage, grid modernization, and clean hydrogen technologies. Other key topics included sustainable transportation, building efficiency, and the need for expanded workforce development in the clean energy sector.

Community Power Plan Development

OCPA is working with The Energy Coalition on the development of its Community Power Plan, a comprehensive strategy to assess and meet community energy needs. The plan includes a community needs assessment, which will incorporate input from the CAC and other stakeholders. The Energy Coalition will present an initial approach for feedback in early 2025, aiming to tailor future programs to address identified community priorities.

Staff Report Highlights

The staff report included updates on various community events, program marketing, and the launch of an electric dryer giveaway for customers signing up for OCPA's newsletter. Additionally, a new blog series highlighting young environmentalists in Orange County is set to launch, aimed at inspiring youth involvement in renewable energy and environmental justice.

FISCAL IMPACT

None.

ATTACHMENT

None.

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 7.3

To: Orange County Power Authority Board of Directors

From: Steven Halligan, Regulatory and Legislative Manager

Approved By: Joe Mosca, Chief Executive Officer

Subject: LEGISLATIVE AND REGULATORY COMMITTEE UPDATE

Date: November 25, 2024

RECOMMENDED ACTION

Receive and file.

OVERVIEW

The Legislative and Regulatory Committee, consisting of Chair Jung and Director Treseder, met on Wednesday, November 13, 2024. The meeting covered two topics. The first was an overview of the West-Wide Governance Pathways Initiative (Pathways Initiative). The second was a review and update of the OCPA Policy Platform.

The Pathways Initiative was launched in the summer of 2023 by a coalition of regulators from five Western states, including California, who helped form a Launch Committee representing a diverse group of Western stakeholders. The Launch Committee has been working since the Fall of 2023 to develop a proposal for the continued evolution of governance over the Western Energy Imbalance Market (WEIM) and Extended Day Ahead Market (EDAM).

The Pathways Initiative is an effort to regionalize the state's main electric grid by creating a new entity that could serve as a means for delivering a market that includes all states 14 in the Western interconnection, including California, with independent governance. A unified, west-wide market can deliver substantial customer benefits including improving grid reliability, maintaining affordability, and connecting clean energy throughout the West.

In December 2023, the Orange County Power Authority (OCPA) Board adopted the first OCPA Legislative and Regulatory Policy Platform (Platform) with the intention to review and update the policy annually. The Platform serves as a guide to the OCPA Board of Directors and staff in their advocacy efforts and engagement on policy matters of interest to OCPA. The Platform allows both members of the OCPA Board of Directors and OCPA staff to pursue actions at the regional, state, and federal legislative and regulatory levels in a consistent manner and with the understanding that they are pursuing actions in the best interest of the organization and its mission, its customers, and its member agencies.

The 2025 Policy Platform has one main addition compared to the 2024 Policy Platform. Staff are suggesting that the 2025 Policy Platform includes a new priority focus area – Regionalization. This

would be the ninth priority focus area in addition to: 1) Affordability and Rates, 2) Clean and Reliable Grid, 3) Climate Change Mitigation, 4) Customer Programs, 5) Data Access, 6) Diversity, Equity and Inclusion, 7) Local Control and Development, and 8) Power Resources Planning and Procurement.

After receiving feedback from the Legislative and Regulatory Committee, OCPA staff will solicit feedback from additional stakeholders including the Community Advisory Committee, member agencies, and non-governmental organizations. Once feedback is received, a final draft Platform will be presented to the Board in January 2025.

FISCAL IMPACT

None

ATTACHMENTS

None

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 7.4

To: Orange County Power Authority Board of Directors

From: Steven Halligan, Regulatory and Legislative Manager

Approved By: Joe Mosca, Chief Executive Officer

Subject: LEGISLATIVE AND REGULATORY UPDATE

Date: November 25, 2024

RECOMMENDED ACTION

Receive and file.

LEGISLATIVE UPDATE

Governor Newsom issued an executive order tackling rising electric bills on October 30. The executive order is designed to reduce electric costs for Californians. The Governor's executive order:

- Encourages electric bill relief. The executive order asks the California Public Utilities Commission (CPUC) to identify underperforming programs and return any unused energy program funds back to customers receiving electric and gas service from private utilities as one or more credits on their bills.
- Maximizes the California Climate Credit. The executive order directs the California Air Resources Board (CARB) to work with the CPUC to determine ways to maximize the California Climate Credit, which is a twice annual credit that shows up on many Californians' electric and gas bills in the spring and fall and is funded by the state's Cap-and-Trade program.
- Manages and reduces electric costs for the long-term. The executive order asks the CPUC to evaluate electric ratepayer supported programs and costs of regulations and make recommendations on additional ways to save consumers money. It also asks the CPUC to pursue any federal funding available to help lower electricity costs for Californians. Additionally, the executive order directs the California Energy Commission (CEC) to evaluate electric ratepayer-funded programs and identify any potential changes that could save Californians money on their bills.
- Smarter wildfire mitigation investments. The executive order directs the Office of Energy Infrastructure Safety, and requests the CPUC, to evaluate utility wildfire safety oversight practices and ensure that utility investments and activities are focused on cost-effective wildfire mitigation measures.

REGULATORY UPDATE

OCPA actively participates in several regulatory proceedings at the California Public Utilities Commission, California Independent System Operator, and the California Energy Commission. A summary and status update of active proceedings is included below.

- Disconnections – R.18-07-005
 - Summary: This proceeding was opened in 2018 to address rising disconnection rates from customer nonpayment of electric bills. After issuing several decisions instituting various rules and programs, P2 is now addressing issues to further prevent disconnections, especially following the COVID pandemic.
 - Status: On October 30 an Amended Phase 2 Scoping Ruling was issued regarding the implementation of SB 1142 and customer disconnection protections in extreme weather events. Comments on the Amended Phase 2 Scoping Ruling are due November 22.
- Provider of Last Resort - R.21-03-011
 - Summary: The CPUC issued a September 1, 2021, Scoping Ruling to set forth the scope in the Provider of Last Resort (POLR) proceeding. This proceeding implements the POLR requirements and framework directed by SB 520. The POLR proceeding will be considered in three phases. Phase 1 focuses on issues necessary to establish a comprehensive framework for existing POLRs. Phase 2 will set rules that allow a different entity to be designated as the POLR. Phase 3 may be opened to consider any additional issues not covered in Phase 1 or Phase 2.
 - Status: The Phase 2 scoping memo was issued on October 24. The scoping memo asks several questions including whether any non-Investor-owned utility (IOU) load serving entity (LSE) are interested and able to accept POLR responsibilities, and whether any IOU is interested in transferring POLR responsibilities to a non-IOU LSE. It also looks to address foundational jurisdictional questions, regulatory framework, and components of the application for a non-IOU POLR. Comments are due January 5, 2025 and reply comments are due January 24, 2025.
- Renewable Portfolio Standards Program – R.24-01-07
 - Summary: The Renewables Portfolio Standards (RPS) proceeding monitors compliance by “retail sellers,” including IOUs, CCAs, and ESPs within the RPS program. Current RPS rules require 60 percent of retail sales to be from RPS-eligible resources by 2030, and at least 65 percent of the procurement a retail seller counts toward the RPS requirements to be from long-term contracts (ten years or more in duration). In addition, the RPS proceeding is the venue in which the PCIA/RPS VAMO is being considered.
 - Status: The CEC issued a Notice and Request for Comment on the Proposed Scope for the Draft Renewables Portfolio Standard Eligibility Guidebook, Tenth Edition (Oct. 18, 2024), to revise the RPS Guidebook and issue a Tenth Edition. The Tenth edition includes clarifications and updates from legislation since the 2017-released Ninth Edition. Among the proposed revisions are expansions of the definition of a renewable electrical facility, including facilities using fuel cells or linear generators. Also included are clarifications that facilities located physically outside the Western Interconnection may be considered RPS-eligible if the “electrical first

point” is located within the Western Interconnection. Comments on the scope were due November 1, 2024.

- Resource Adequacy (RA) - R.21-10-002 and R.23-10-011

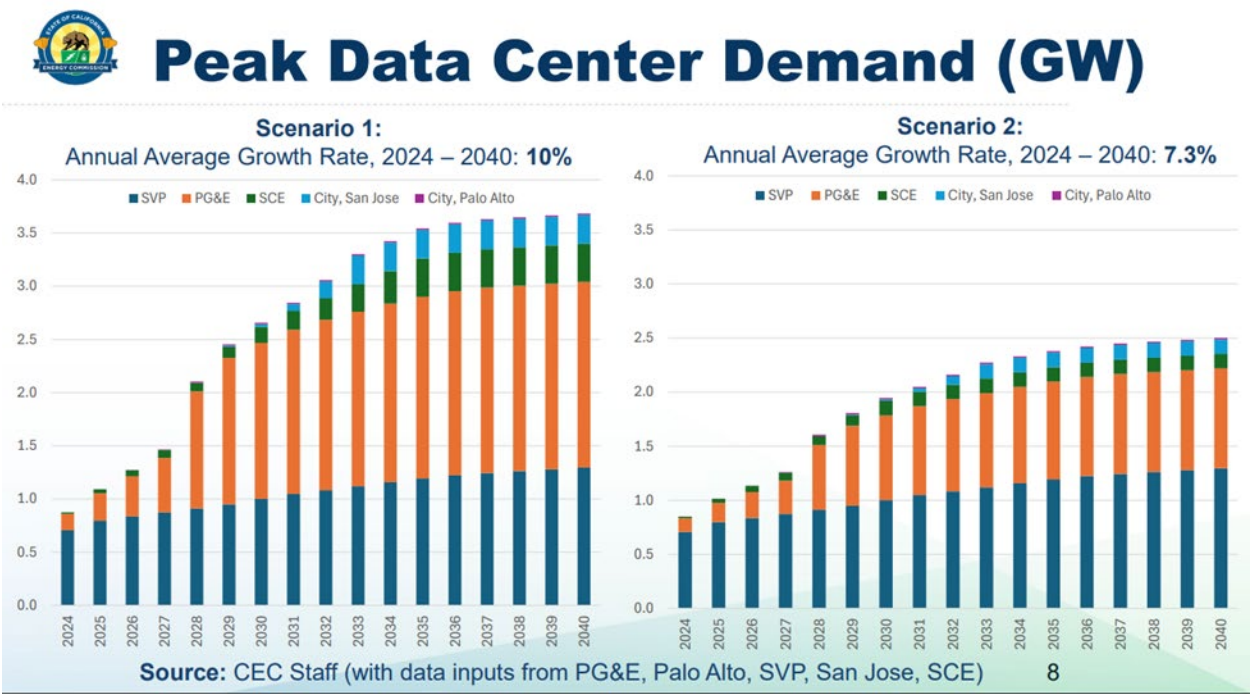
- Summary: The Order Instituting Rulemaking (OIR) for R.21-10-002 set forth the following objectives: to continue the CPUC’s oversight of the RA program, to consider broader structural reforms to the program, and to establish RA procurement obligations for LSEs beginning with the 2023 RA year. This proceeding is split into two tracks. The implementation track has considered near term reforms, including the adoption of the local and flexible capacity requirements, reforms to the Central Procurement Entity structure, modifications to the Planning Reserve Margin (PRM), and revisions to RA counting. The reform track considers broader structural changes to effectuate a 24-hour SOD framework. The OIR for R.23-10-011 continues the CPUC’s oversight of the RA program, establishes forward RA procurement obligations applicable to LSEs beginning with the 2025 compliance year, and considers structural reforms to the program. This proceeding is the successor to proceeding R.21-10-002 and includes the following issues in scope: adoption of local and flexible RA requirements, Loss of Load Expectation study and PRM, 24-hour Slice of Day framework, UCAP, QC counting conventions, RA compliance and penalties, and other refinements to the RA program.
- Status: A Proposed Decision (PD) for Track 2 was issued on October 29. Comments on the PD are due November 18 and reply comments are due 11/25. The PD addresses the 2026 PRM, UCAP methodology, reforms and refinements to the Central Procurement Entity framework, and Load Impact Protocol Simplification. The CPUC Issued a Track 3 Scoping Ruling on November 1, incorporating local and flexible RA requirements, Slice of Day, UCAP, and the 2026 PRM in scope. Proposals for Track 3 are due January 17, 2025.

Integrated Energy Policy Report (IEPR)

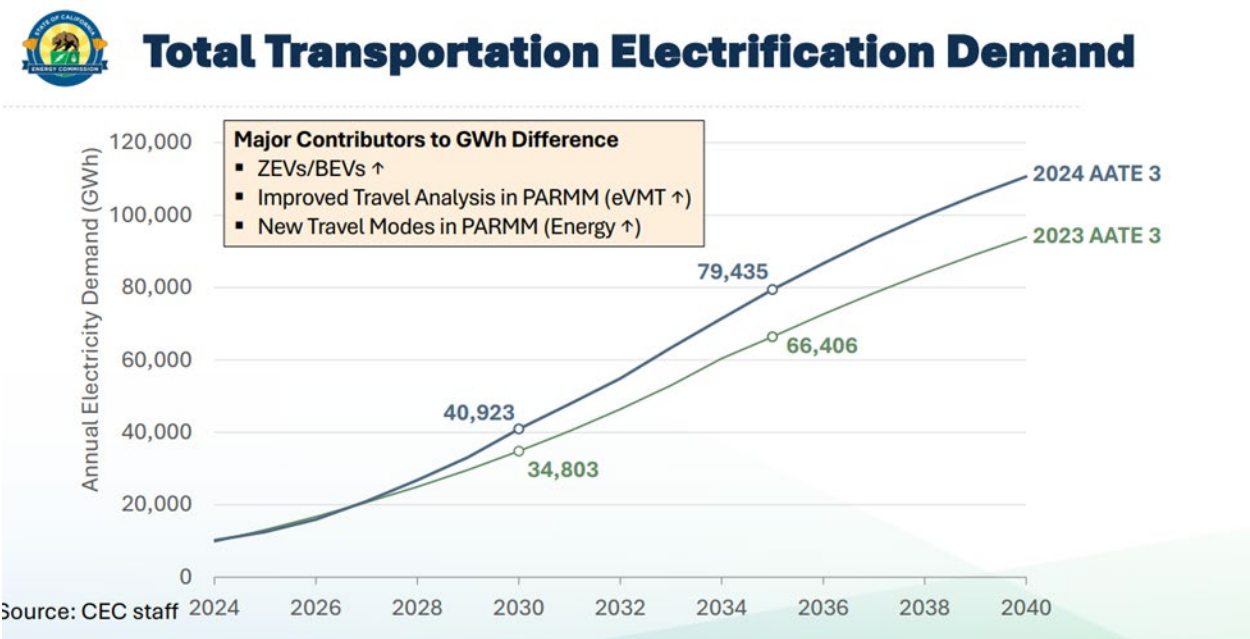
On November 7, the CEC held the IEPR Workshop on Draft Load Modifier Electricity Demand Forecast Results. During the workshop they discuss the main drivers for load growth and project growth by IOU territory.

- The CEC projects an annual average growth rate of 7.3-10% from 2024 to 2040 for Peak Data Center Demand, mostly in PG&E territory. (Graph 1 Below)
- They have increased the projected transportation electrification demand compared to last year's projection. This growth is more concentrated in the southern half of the state. (Graph 2)
- New data results in less Behind the Meter PV generation and storage use compared to previous IEPR forecasts. This will lead to higher hourly net load forecasts across planning areas and increase annual net sales forecasts. Overall annual and hourly forecast results will be presented at the November 21 Demand Analysis Working Group (DAWG) workshop and the December 12 IEPR workshop. (Graph 3)
- They anticipate lower PV adoption and lower storage adoption than previously due to Net Billing Tariff and the implementation of the Income Graduated Fixed Charge and updated modeling inputs. (Graph 4)
- Graph 5 shows SCE Area Revenue requirement projections to 2040.

Graph 1:



Graph 2:

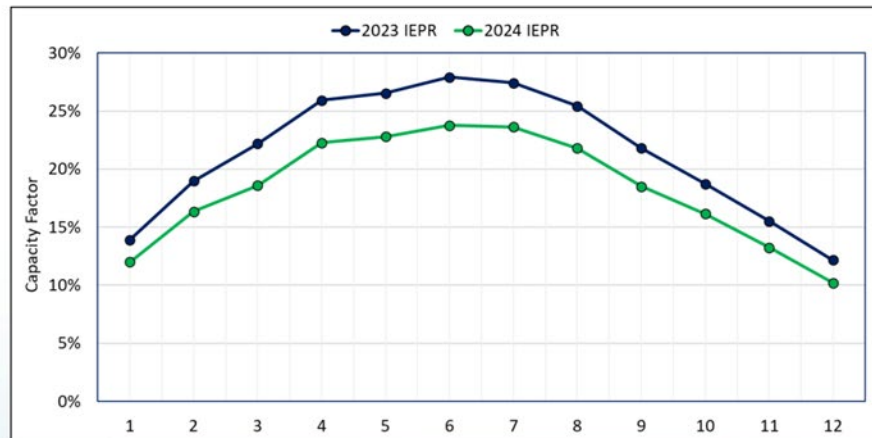


Graph 3:



Forecast Monthly PV Capacity Factors: SCE

Month	2023 IEPR	2024 IEPR
1	11.2%	9.5%
2	17.3%	14.7%
3	20.6%	17.0%
4	25.9%	22.2%
5	28.2%	23.9%
6	29.9%	25.2%
7	28.4%	24.0%
8	25.3%	21.3%
9	21.6%	18.1%
10	17.7%	14.8%
11	13.1%	11.0%
12	9.8%	7.9%



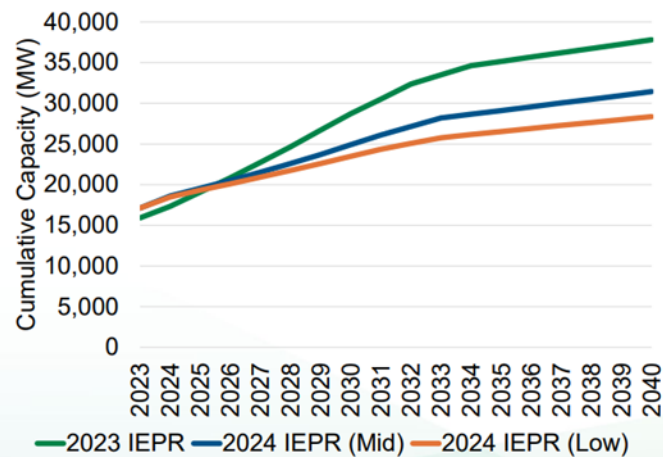
Source: CEC Staff

Graph 4:



PV Forecast Update Comparison

- Lower PV adoption in 2024 IEPR forecasts driven by changes in methodology and inputs:
 - Higher technology cost inputs
 - Single-family home renters modeled as unable to adopt
- In 2040:
 - Mid case is 17%, or 6,400 MW, lower than 2023 forecast
 - Low case is 25%, or 9,500 MW, lower than 2023 forecast

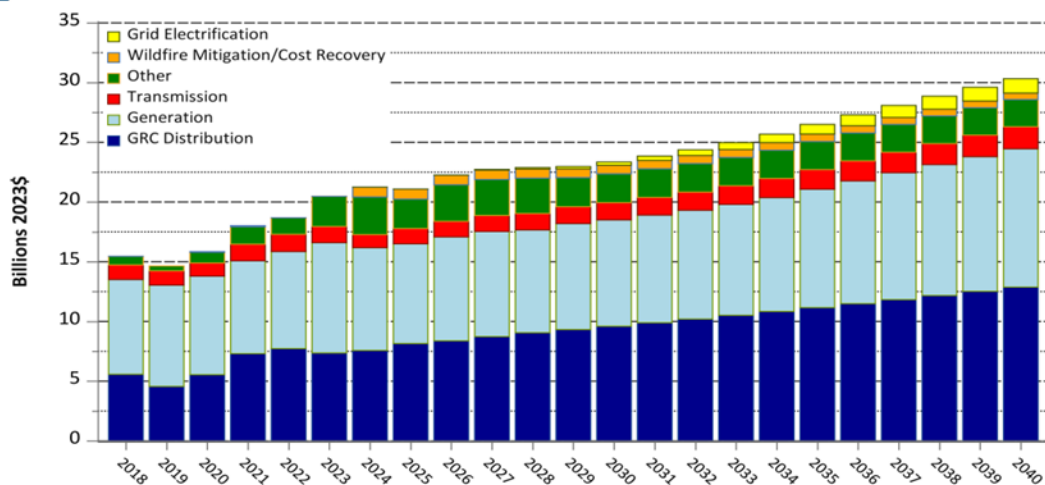


Source: CEC Staff

Graph 5:



SCE CPUC-Jurisdictional Service Area Revenue Requirements



Source: CEC Staff

- **GRC Distribution** increases 2021-2024 reflects major investment in wildfire mitigation in previous GRC; pending GRC request for 2025 reduced to a 10% nominal increase over 2024.
- **Grid Electrification** adds \$9 billion through forecast period.

5

West-wide Governance Pathways Initiative (WWGPI)

On November 7, the California ISO Board of Governors and the Western Energy Markets (WEM) Governing Body approved the next legal steps to implement the West-Wide Governance Pathways Initiative Step 1, once the trigger based on formal commitments to participation in Extended Day-Ahead Market (EDAM) is met.

FISCAL IMPACT

None

ATTACHMENTS

None

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 7.5

To: Orange County Power Authority Board of Directors

From: Joe Mosca, Chief Executive Officer

Subject: RESOLUTION APPROVING THE CITY OF FOUNTAIN VALLEY’S MEMBERSHIP
IN ORANGE COUNTY POWER AUTHORITY

Date: November 25, 2024

RECOMMENDED ACTION

Adopt Resolution No. 2024-XX a “Resolution of the Board of Directors of the Orange County Power Authority Approving the City of Fountain Valley’s Membership in Orange County Power Authority.” (2/3 Vote Required)

BACKGROUND

Throughout 2024, OCPA staff has been working with the City of Fountain Valley (“City”) on its potential membership in OCPA and participation in the OCPA community choice aggregation program. On July 30, 2024, the OCPA Board of Directors reviewed and filed a feasibility study relating to the City’s potential membership in OCPA and directed OCPA staff to extend an invitation to the City to join OCPA and work with the City in effectuating its membership, including satisfaction of all requirements under OCPA’s Joint Powers Agreement and preparing an Implementation Plan Amendment for consideration by the Board of Directors.

The Fountain Valley City Council adopted a resolution on October 1, 2024, to formally request to join OCPA and approve the Joint Powers Agreement. On November 5, 2024, the Fountain Valley City Council conducted the second reading and final approval of a community choice aggregation ordinance.

Staff recommends the Board approve the City’s membership in OCPA. Section 4.1 of the Joint Powers Agreement and OCPA’s New Member Policy sets forth the procedures by which the City may participate in OCPA, including the requirement for the OCPA Board of Directors to approve the City’s membership by resolution. The Board may also require the interested member agency to satisfy any other additional considerations as may be imposed by the Board or by applicable law or regulation. Section 3.9.4.1 of the Joint Powers Agreement requires a two-thirds (2/3) vote of the Board to add a party to the Agreement. The existing member agencies were notified in writing of the City’s proposed membership on October 16, 2024.

Once authorized to join OCPA, the City’s representative may be seated on the Board in the time and manner determined by the Fountain Valley City Council. Due to California Public Utilities Commission rules, OCPA will launch customers within the City no earlier than late 2026.

In order for OCPA to provide service to the City, Public Utilities Code section 366.2 requires OCPA to adopt at a public hearing an amendment to its Implementation Plan and Statement of Intent. The public hearing and amendment to the Implementation Plan and Statement of Intent will be separately considered at this meeting.

FISCAL IMPACT

Based on the Feasibility Study for the City's proposed membership, the addition of the City will result in an estimated total revenue of \$21,800,587 in fiscal year 2026/27; \$38,308,087 in fiscal year 2027/28; \$33,012,849 in fiscal year 2028/29; and \$32,633,679 in fiscal year 2029/30. These additional revenue projects result in an estimated operating margin of \$4,577,877 in fiscal year 2026/27; \$6,309,723 in in fiscal year 2027/28; \$5,349,848 in fiscal year 2028/29; and \$5,131,812 in fiscal year 2029/30.

ATTACHMENT

Resolution No. 2024-XX a "Resolution of the Board of Directors of the Orange County Power Authority Approving the City of Fountain Valley's Membership in Orange County Power Authority."

RESOLUTION NO. 2024-XX

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE ORANGE COUNTY POWER AUTHORITY
APPROVING THE CITY OF FOUNTAIN VALLEY
MEMBERSHIP IN THE ORANGE COUNTY POWER
AUTHORITY**

A. The Orange County Power Authority (“OCPA”) was formed on November 20, 2020 pursuant to the Orange County Power Authority Joint Powers Agreement (“JPA Agreement”).

B. The City of Fountain Valley (“City”) desires to participate in OCPA’s community choice aggregation program and as a member of OCPA, and has voted to approve the JPA Agreement, adopted a resolution expressing intent to participate in OCPA, and adopted an ordinance pursuant to California Public Utilities Code § 366.2.

C. In accordance with Section 4 of the JPA Agreement, the OCPA Board of Directors may approve the City as a party to the JPA Agreement and member of OCPA with a 2/3 vote of the Directors of the entire Board of Directors.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Orange County Power Authority as follows:

Section 1. The Board of Directors hereby approves the City of Fountain Valley as a party to the JPA Agreement and member of OCPA.

Section 2. This Resolution shall be effective immediately upon its adoption by the OCPA Board of Directors.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Orange County Power Authority held on November 25, 2024.

Chair
Orange County Power Authority

Secretary
Orange County Power Authority

AYES: _____ NAYS: _____ ABSENT: _____ ABSTAIN: _____

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 8.1

To: Orange County Power Authority Board of Directors

From: Joe Mosca, Chief Executive Officer
Nicholaus Norvell, General Counsel

Subject: CONDUCT A PUBLIC HEARING AND ADOPT A RESOLUTION
APPROVING AMENDMENT NO. 2 TO THE OCPA COMMUNITY CHOICE
AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT

Date: November 25, 2024

RECOMMENDED ACTION

1. Conduct a Public Hearing.
2. Adopt Resolution 2024-XX: A Resolution of the Board of Directors of Orange County Power Authority adopting an amendment to the Community Choice Aggregation Implementation Plan and Statement of Intent Providing New Electric Service to the City of Fountain Valley

BACKGROUND

OCPA's initial Implementation Plan was certified by the California Public Utilities Commission (CPUC) on March 8, 2021, and OCPA's community choice aggregation (CCA) program launched on April 1, 2022.

At this meeting on November 25, 2024, the OCPA Board of Directors will separately consider a resolution approving the addition of the City of Fountain Valley as a new member agency and party to the Joint Powers Agreement.

DISCUSSION

Before expanding its CCA services, OCPA must meet certain legal requirements set forth in the California Public Utilities Code section 366.2 (the "Code"). The Code requires that the governing body of a CCA adopt, at a duly noticed public hearing, an amendment to its Implementation Plan, and submit the Implementation Plan to the CPUC for certification.

Amendment No. 2 to the Implementation Plan addresses the anticipated impacts of OCPA's planned expansion to the City of Fountain Valley and certain other forecast modifications reflecting recently updated projections, customer energy requirements, peak demand, renewable energy purchases, financial plan, and various other items.

The enrollment of customers in Fountain Valley is planned to occur in October 2026 and will result in an increase in customer enrollments of approximately 18,600 accounts, with annual electricity consumption of approximately 225,000 MWh. This represents an approximate 10% increase to OCPA's retail sales.

FISCAL IMPACT

Based on the Feasibility Study for the City's proposed membership, the addition of the City will result in an estimated total revenue of \$21,800,587 in fiscal year 2026/27; \$38,308,087 in fiscal year 2027/28; \$33,012,849 in fiscal year 2028/29; and \$32,633,679 in fiscal year 2029/30. These additional revenue projects result in an estimated operating margin of \$4,577,877 in fiscal year 2026/27; \$6,309,723 in in fiscal year 2027/28; \$5,349,848 in fiscal year 2028/29; and \$5,131,812 in fiscal year 2029/30.

ATTACHMENTS

1. Adopt Resolution 2024-XX: A Resolution of the Board of Directors of Orange County Power Authority adopting an amendment to the Community Choice Aggregation Implementation Plan and Statement of Intent Providing New Electric Service to the City of Fountain Valley
2. Amendment No. 2 to the Orange County Power Authority Community Choice Aggregation Implementation Plan and Statement of Intent

RESOLUTION NO. 2024-XX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ORANGE COUNTY POWER AUTHORITY APPROVING AMENDMENT NUMBER TWO TO THE COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT PROVIDING NEW ELECTRIC SERVICE TO THE CITY OF FOUNTAIN VALLEY

A. The Orange County Power Authority (“OCPA”) is a joint powers authority formed pursuant to the Joint Exercise of Powers Act (Cal. Gov. Code § 6500 *et seq.*), California Public Utilities Code § 366.2, and a Joint Powers Agreement, effective November 20, 2020, by and among the member agencies of the Cities of Buena Park, Fullerton, and Irvine.

B. On October 1, 2024, the City of Fountain Valley adopted a resolution requesting to become a member of OCPA and approved the OCPA Joint Powers Agreement. On November 5, 2024, the City of Fountain Valley adopted an ordinance pursuant to Public Utilities Code § 366.2 authorizing a community choice aggregation program for retail customers within the City of Fountain Valley with electric service provided by OCPA.

C. Public Utilities Code § 366.2 requires that prior to commencing a community choice aggregation program to a new member agency, OCPA must adopt an amended Implementation Plan and Statement of Intent to be filed with and certified by the California Public Utilities Commission.

D. OCPA’s Amendment Number Two to the Community Choice Aggregation Implementation Plan and Statement of Intent describing the provision of new retail electric service to the City of Fountain Valley was presented to the Board of Directors at a duly noticed public hearing for consideration and adoption on November 25, 2024.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Orange County Power Authority as follows:

Section 1. In accordance with California Public Utilities Code § 366.2, the Board of Directors hereby considers and approves Amendment Number Two to the OCPA Community Choice Aggregation Implementation Plan and Statement of Intent at a duly noticed public hearing held on November 25, 2024 at 11:00 a.m., after allowing interested persons the opportunity to provide public comment.

Section 2. The Board of Directors hereby directs the OCPA Chief Executive Officer to file Amendment Number Two to Community Choice Aggregation Implementation Plan and Statement of Intent with the Energy Division of the California Public Utilities Commission no later than December 31, 2024.

Section 3. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Orange County Power Authority held on November 25, 2024.

Chair
Orange County Power Authority

Secretary
Orange County Power Authority

AYES: _____ NAYS: _____ ABSENT: _____ ABSTAIN: _____

Orange County Power Authority

COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT – AMENDMENT No. 2

**To address the addition of the City of Fountain Valley and departure of the County of
Orange's unincorporated area customers and departure of the City of Huntington
Beach**

Approved November 25, 2024

Filed December , 2024

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Chapter 1 – Introduction

Orange County Power Authority (OCPA) is a joint powers authority located within Orange County, formed on November 20, 2020 pursuant to the Joint Exercise of Powers Act (California Government Code § 6500 *et seq.*) for the purpose of implementing a community choice aggregation program (“CCA” or “Program”) under California Public Utilities Code §366.2. OCPA’s original Implementation Plan and Statement of Intent (“Implementation Plan”), filed on December 28, 2020, included the municipalities of:

- City of Buena Park
- City of Fullerton
- City of Huntington Beach
- City of Irvine
- City of Lake Forest

The CPUC certified the Implementation Plan on March 8, 2021. Subsequent to the filing of OCPA’s Implementation Plan, the City of Lake Forest withdrew from OCPA. The California Public Utilities Commission (CPUC) was notified of the City of Lake Forest’s withdrawal in OCPA’s letter to CPUC Regulatory Analyst Dina Mackin, Energy Division, dated May 7, 2021.

The County of Orange joined OCPA on December 7, 2021, and Implementation Plan and Statement of Intent – Amendment No. 1 (“Amendment No. 1”) was submitted on December 30, 2021 to provide the CPUC with an update of the required operational, financial and governance elements of OCPA after the departure of Lake Forest and the addition of the County of Orange plus the remaining municipalities of Buena Park, Fullerton, Huntington Beach and Irvine.

Subsequently, the County of Orange and the City of Huntington Beach withdrew from OCPA. The California Public Utilities Commission (CPUC) was notified of the County of Orange’s withdrawal in OCPA’s letter to CPUC Regulatory Analyst Dina Mackin, Energy Division, dated May 10, 2023. The California Public Utilities Commission (CPUC) was notified of the City of Huntington Beach’s withdrawal in OCPA’s letter to CPUC Regulatory Analyst Dina Mackin, Energy Division, dated June 28, 2023.

OCPA has been serving retail electric customers in Orange County since April 1st, 2022, and currently serves customers within the following member municipalities:

- City of Buena Park
- City of Fullerton
- City of Irvine

The purpose of this Implementation Plan and Statement of Intent – Amendment No. 2 (“Amendment No. 2”) is to provide the CPUC with an update of the required operational, financial and governance elements of OCPA after the departure of the County of Orange and Huntington Beach and the addition of the City of Fountain Valley plus the remaining municipalities of Buena Park, Fullerton, and Irvine (collectively, the “Members”).

The enrollment of customers in Fountain Valley is planned to occur in October 2026 and will result in an increase in customer enrollments of approximately 18,600 accounts, with annual electricity consumption of approximately 225,000 MWh. This represents an approximate 10% increase to OCPA’s retail sales. OCPA’s summer net peak resource adequacy requirements (net of allocated demand response and other allocated resources) are estimated to increase by 50 MW per month once the Fountain Valley customers are enrolled. The load and resource figures presented in Chapter 6 include the impacts of the planned enrollment of Fountain Valley customers.

The Program provides retail electricity customers the opportunity to join together to procure electricity from competitive suppliers, with such electricity being delivered over Southern California Edison’s (“SCE”) transmission and distribution system. Retail electric service commenced on April 1, 2022. Service to customers within the City of Fountain Valley is scheduled to commence on October 1, 2026. All current SCE customers within OCPA’s service area receive information describing the Program prior to enrollment and have multiple opportunities to choose to remain full requirement (“bundled”) customers of SCE, in which case they are not be enrolled. Thus, participation in the Program is completely voluntary; however, customers, as provided by law, are automatically enrolled according to the anticipated phase-in schedule (later described in Chapter 5) unless they affirmatively elect to opt-out.

Implementation of the Program enables customers within OCPA’s service area to take advantage of the opportunities granted by Assembly Bill 117 (“AB 117”), the Community Choice Aggregation Law. OCPA’s primary objectives in implementing this Program are to provide cost-competitive electric service, promote economic development, reduce electric sector greenhouse gas emissions (“GHG”) within the OCPA service territory, stimulate renewable energy development, implement distributed energy resources, promote energy efficiency and demand reduction programs, and sustain long-term rate stability for residents and businesses through local control. The prospective benefits to consumers include stable and competitive electric rates, increased renewable and other low GHG emitting energy supplies, and the opportunity for public participation in OCPA’s operations.

California Public Utilities Code § 366.2 provides the relevant legal authority for OCPA to become a CCA and invests the CPUC with the responsibility for establishing the cost recovery mechanism that must be in place before customers can begin receiving electrical service through the Program. The CPUC has registered OCPA as a CCA and ensures compliance with basic consumer protection rules. The Public Utilities Code requires that an Implementation Plan be adopted at a duly noticed public hearing and that it be filed with the CPUC. OCPA will comply with all these directives.

On November 25, 2024, at a duly noticed public hearing, the OCPA Board considered and adopted this Amendment No. 2, through Resolution [REDACTED]. The CPUC has established the methodology that will be used to determine the cost recovery mechanism, and the incumbent utilities have approved tariffs for the cost recovery mechanism. Finally, the City of Fountain Valley has adopted an Ordinance to implement a CCA program through its participation in OCPA and has adopted a resolution adopting OCPA's joint powers agreement. With each of these milestones accomplished, OCPA submits this Amendment No. 2 to the CPUC.

Organization of this Implementation Plan

The content of this Amendment No. 2 complies with the statutory requirements of AB 117. As required by Public Utilities Code § 366.2(c)(3), Amendment No. 2 details the process and consequences of aggregation and provides OCPA's statement of intent for implementing the Program that includes the following:

- Universal access;
- Reliability;
- Equitable treatment of all customer classes; and
- Any requirements established by State law or by the CPUC concerning aggregated service.

The remainder of this Amendment No. 2 is organized as follows:

Chapter 2: Aggregation Process
Chapter 3: Organizational Structure
Chapter 4: Start-Up Plan & Funding
Chapter 5: Program Phase-In
Chapter 6: Load Forecast & Resource Plan
Chapter 7: Financial Plan
Chapter 8: Rate setting
Chapter 9: Customer Rights and Responsibilities
Chapter 10: Procurement Process
Chapter 11: Contingency Plan for Program Termination
Appendix: OCPA Joint Powers Agreement

The requirements of AB 117 are cross-referenced to Chapters of Amendment No. 2 in the following table.

Table 1
AB 117 Cross References

AB 117 REQUIREMENT	IMPLEMENTATION PLAN CHAPTER
Statement of Intent	Chapter 1: Introduction
Process and consequences of aggregation	Chapter 2: Aggregation Process
Organizational structure of the program, its operations and funding	Chapter 3: Organizational Structure Chapter 4: Start-Up Plan & Funding Chapter 7: Financial Plan
Disclosure and due process in setting rates and allocating costs among participants	Chapter 8: Rate Setting
Rate setting and other costs to participants	Chapter 8: Rate Setting Chapter 9: Customer Rights and Responsibilities
Participant rights and responsibilities	Chapter 9: Customer Rights and Responsibilities
Methods for entering and terminating agreements with other entities	Chapter 10: Procurement Process
Description of third parties that will be supplying electricity under the program, including information about financial, technical and operational capabilities	Chapter 10: Procurement Process
Termination of the program	Chapter 11: Contingency Plan for Program Termination

Chapter 2 - Aggregation Process

Introduction

This Chapter describes the background leading to the development of this Amendment No. 2, and describes the process and consequences of aggregation, consistent with the requirements of AB 117.

Beginning in 2018, the City of Irvine began investigating formation of a CCA, pursuant to California state law, with the following objectives: 1) provide cost-competitive electric services; 2) promote local economic development; 3) reduce GHG emissions related to the use of electric power within the County; and 4) increase the use of renewable energy resources relative to the incumbent utility (SCE). A technical feasibility study for a CCA Program serving the City of Irvine was completed in January 2020.

After nearly 11 months of collaborative work by representatives of the Members plus independent consultants, local experts and stakeholders, OCPA was formed on November 20, 2020 for purposes of implementing the Program. In 2021, the CPUC certified the original OCPA Implementation Plan, and in 2022 the CPUC certified Amendment No. 1. OCPA completed its registration process and began serving loads in 2022. The City of Fountain Valley adopted its ordinance on November 5, 2024 and joined OCPA on November 25, 2024 with an anticipated service launch date of October 1, 2026. Businesses and residents within the City of Fountain Valley are currently served by SCE. Subsequently, OCPA's Board of Directors (Board) approved this Amendment No. 2 through a duly noticed public hearing, complying with the standards stated in California Public Utilities Code § 366.2. OCPA is continuing discussions with additional jurisdictions regarding membership in the JPA. This Amendment No. 2 will be updated if and when additional members join OCPA.

The Program represents a culmination of planning efforts that are responsive to the expressed needs and priorities of the citizenry and business community within the OCPA Members. OCPA plans to offer choices to eligible customers through the creation of innovative programs for voluntary purchases of renewable energy, net energy metering to promote customer-owned renewable generation, energy efficiency, demand responsiveness to promote reductions in peak demand, distributed energy generation, customized pricing options for larger energy users, and support of local renewable energy projects through offering of a standardized power purchasing agreement or Feed-In Tariff. The analysis contained in this Amendment No. 2 does not include non-residential Direct Access customers as it is assumed that customers taking Direct Access service from a competitive electricity provider will continue to remain with their current provider.

Process of Aggregation

Before they are enrolled in the Program, prospective OCPA customers receive two written notices in the mail from OCPA that will provide information needed to understand the Program's terms and conditions of service, and explain how customers can opt-out of the Program, if desired. All

customers that do not follow the opt-out process specified in the customer notices are automatically enrolled, and service begins at their next regularly scheduled meter read date no later than thirty days following the date of automatic enrollment, subject to the service phase-in plan described in Chapter 5. Non-residential Direct Access and Standby customers are not automatically enrolled. The initial enrollment notices were provided to the first phase of customers in February 2022. Initial enrollment notices are provided to subsequent customer phases consistent with statutory requirements and based on schedule(s) determined by OCPA. These notices will be sent to customers in subsequent phases twice within 60 days of automatic enrollment.

Customers enrolled in the Program continue to have their electric meters read and are billed for electric service by both the distribution utility (SCE). The electric bills for Program customers show separate charges for generation procured by OCPA as well as other charges related to electricity delivery and other utility charges assessed by SCE.

After service initiation, customers have approximately 60 days (two billing cycles) to opt-out of the OCPA Program without penalty and return to the incumbent utility. OCPA customers are advised of these opportunities via the distribution of two additional enrollment notices provided within the first two months of OCPA service. Customers that opt-out between the initial cutover date and the close of the post enrollment opt-out period are responsible for Program charges for the time they were served by OCPA but are not otherwise subject to any penalty for leaving the program. Customers that have not opted-out within thirty days of the fourth enrollment notice are deemed to have elected to become a participant in the Program and to have agreed to the Program's terms and conditions, including those pertaining to requests for termination of service, as further described in Chapter 9.

Consequences of Aggregation

Rate Impacts

OCPA customers pay the generation charges incurred and set by OCPA and no longer pay the costs of SCE generation. Customers enrolled in the Program are subject to the Program's terms and conditions, including responsibility for payment of all Program charges as described in Chapter 9.

OCPA's rate setting policies described in Chapter 8 establish a goal of providing rates that are competitive with the projected generation rates offered by the incumbent utility. OCPA will establish rates sufficient to recover all costs related to operation of the Program, and actual rates are adopted and approved by the Board after public hearings and input.

Program rates are established following approval of OCPA's annual budget, reflecting final costs from the OCPA Program's energy supplier(s). OCPA's rate policies and procedures are detailed in Chapter 8. Information regarding Program rates are disclosed along with other terms and conditions of service in the pre-enrollment and post-enrollment notices sent to potential customers.

Once OCPA gives definitive notice to SCE that it will commence service to an area, OCPA customers will generally not be responsible for costs associated with the incumbent utility’s future electricity procurement contracts or power plant investments. Certain pre-existing generation costs and new generation costs that are deemed to provide system-wide benefits continue to be charged by the incumbent utility to Program customers through separate rate components, such as the Cost Responsibility Surcharge and the New System Generation Charge. These charges are shown in the incumbent utility’s electric service tariffs, which can be accessed from the SCE website, and the costs are included in charges paid by SCE and bundled customers as well as CCA and Direct Access customers.¹

Local Economic Development Impacts

The indirect effects of creating the Program include the effects of increased commerce, and disposable income. The technical feasibility study completed for OCPA included an input-output (“IO”) analysis that analyzed indirect effects of implementing a CCA. The IO model turns on the assumption that forming a CCA will lead to lower energy rates for customers. Three types of impacts are analyzed in the IO model. These are described below.

Local Investment – OCPA may choose to implement programs to incentivize investments in local distributed energy resources (“DER”). Participants in OCPA may pursue local clean DER. These resources can be behind the meter or community projects where several customers participate in a centrally located project (e.g., “community solar”). This demand for local renewable resources will lead to an increase in the manufacturing and installation of DER, and lead to an increase in employment in the related manufacturing and construction sectors.

Increased Disposable Income – OCPA retail rates may be lower than SCE rates creating more disposable income for individuals and greater revenues for businesses. These cost savings could then lead to more investment by individuals and businesses for personal or business purposes. This increase in spending could result in increased employment for multiple sectors such as retail, construction, and manufacturing.

Environmental and Health Impacts – With the creation of a CCA, such as OCPA, other non-commerce indirect effects will occur. These may be environmental, such as improved air quality or improved human health due to the CCA potentially utilizing more renewable energy sources versus continuing use of traditional energy sources which may have a greater GHG footprint.

Renewable Energy Impacts

A second consequence of the Program will be a likely increase in the proportion of energy generated and supplied by renewable resources. The OCPA Resource Plan (“Plan”) includes procurement of renewable energy sufficient to meet California’s prevailing renewable energy procurement mandate for all enrolled customers. Program customers also have the opportunity to participate in a 100 percent renewable supply option and a middle tier option that contains a

¹ For investor-owned utility (IOU) bundled service customers, the Power Charge Indifference Adjustment element of the Cost Responsibility Surcharge is contained within the tariffed Generation rate. Other elements of the Cost Responsibility Surcharge are set forth in the IOU’s tariffs as separate rates/charges paid by all customers (with limited exceptions).

renewable energy content between the base product and the 100 percent renewable supply option. To the extent that customers choose a higher renewable energy option, the renewable content of OCPA's aggregate supply portfolio will further increase. Initially, requisite renewable energy supply will be sourced through one or more power purchase agreements. Over time, however, OCPA will likely consider independent development of new local renewable generation resources. OCPA seeks to establish a resource portfolio that encourages the use and development of cost-effective local renewable and distributed energy resources.

Energy Efficiency Impacts

A third consequence of the Program will be an anticipated increase in energy efficiency program investments and activities. The existing energy efficiency programs administered by the incumbent utility are not expected to change as a result of OCPA Program implementation. OCPA customers will continue to pay the public benefits surcharges to SCE, as applicable, which will fund energy efficiency programs for all customers, regardless of generation supplier.

The energy efficiency investments ultimately planned for the Program, as described in Chapter 6, will follow OCPA's successful application for and administration of requisite program funding (from the CPUC) to independently administer energy efficiency programs within its service territory. Such programs will be in addition to the level of investment that would continue in the absence of OCPA-administered energy efficiency programs. Thus, the Program has the potential for increased energy savings and a further reduction in emissions due to expanded energy efficiency programs.

Chapter 3 – Organizational Structure

This Chapter provides an overview of the organizational structure of OCPA and its proposed implementation of the Program. Specifically, the key agreements, governance, management, and organizational functions of OCPA are outlined and discussed below.

Organizational Overview

On November 20, 2020, OCPA formed establishing a Board of Directors of elected officials appointed by the Members. The Board is responsible for establishing Program policies and objectives and overseeing OCPA's operation. On January 12, 2021, the Board appointed a Chief Executive Officer ("CEO") to manage the operation of OCPA in accordance with policies adopted by the Board. The CEO appoints staff and contractors to manage OCPA's activities. These activities include support services (administration, finance and IT), marketing and public affairs (community outreach, key account management and customer advocacy), supply acquisition (energy trading, contract negotiation and system development), and legal and government affairs.

Governance

The Program is governed by the Board, which includes two appointed designees from the City of Irvine (initially) and one appointed designee for each of the other Members. OCPA is a joint powers authority created on November 20, 2020 and formed under California law. The Members of OCPA include municipalities of Buena Park, Fullerton, and Irvine, all located within Orange County and all of which have elected to allow OCPA to provide electric generation service within their respective jurisdictions. The City of Fountain Valley also recently joined OCPA.

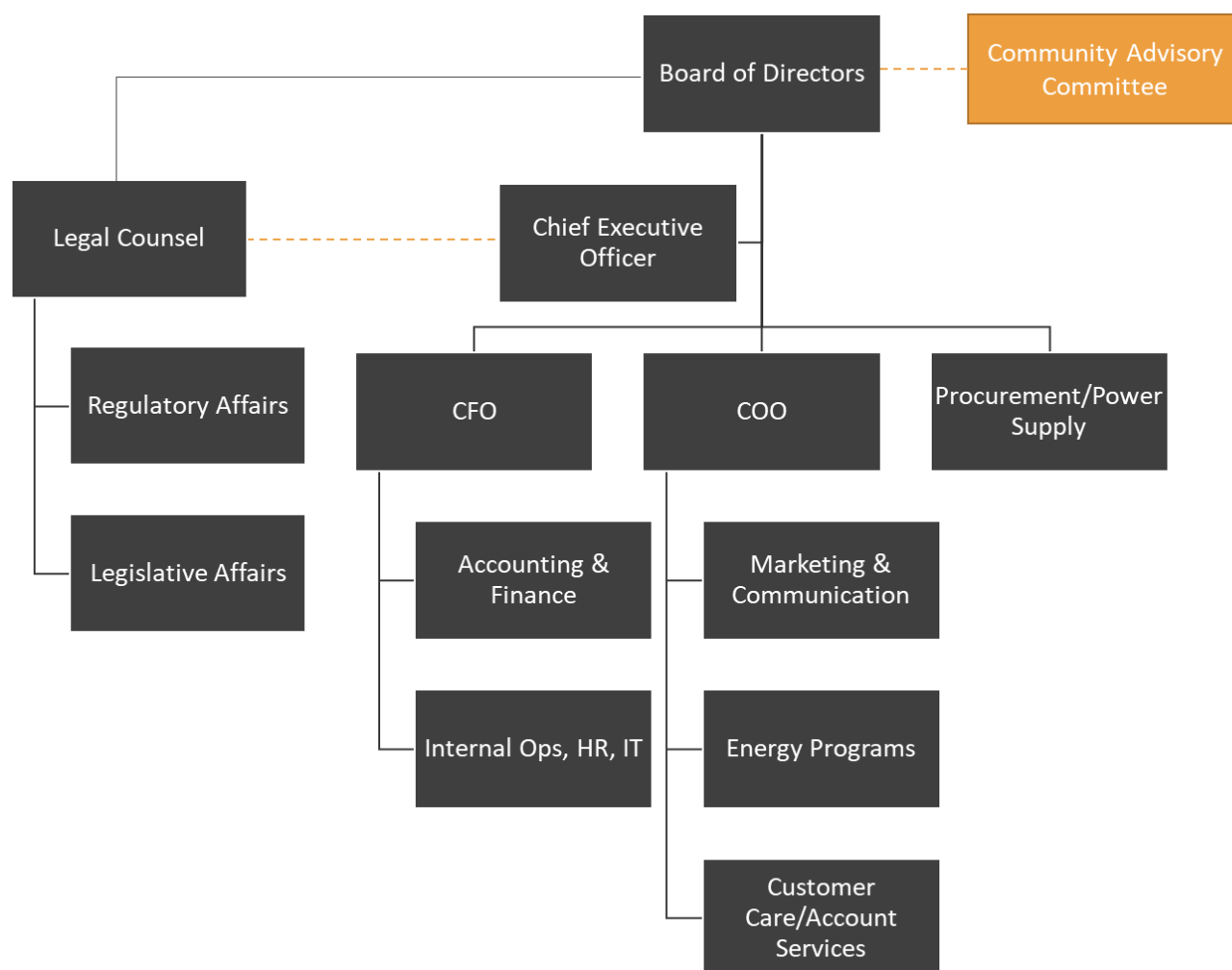
The Board's primary duties are to establish program policies, approve rates and provide policy direction to the CEO, who has general responsibility for program operations, consistent with the policies established by the Board. The Board has elected a Chair and Vice Chair and has established a Community Advisory Committee. The Board may also establish an Executive Committee, Finance Committee or other committees, as needed, to address issues that require greater expertise in particular areas. OCPA may also form various standing and ad hoc committees, as appropriate, which would have responsibility for evaluating various issues that may affect OCPA and its customers, and would provide analytical support and recommendations to the Board in these regards.

Management

The Board has appointed a CEO, who has management responsibilities over functional areas of Administration & Finance, Marketing & Public Affairs, Power Resources & Energy Programs, and Government Affairs as well as OCPA's General Counsel. In performing the obligations to

OCPA, the CEO may utilize a combination of internal staff and/or contractors. Certain specialized functions needed for Program operations, namely the electric supply and customer account management functions described below, may be performed initially by third-party contractors. The organization chart below illustrates the management structure of OCPA.

Table 2
Organization Chart for OCPA



Major functions of OCPA that will be managed by the CEO are summarized below.

Administration

OCPA's CEO is responsible for managing the organization's human resources and administrative functions and will coordinate with the Board, as necessary, with regard to these functions. The functional area of administration will include oversight of employee hiring and termination, compensation and benefits management, identification and procurement of requisite office space and various other administrative issues.

Finance

The CEO is also responsible for managing the financial affairs of OCPA, including the development of an annual budget, revenue requirement and rates, managing and maintaining cash flow requirements, arranging potential bridge loans as necessary, and other financial tools.

Revenues via rates and other funding sources (such as a rate stabilization fund, when necessary) must, at a minimum, meet the annual budgetary revenue requirement, including recovery of all expenses and any reserves or coverage requirements set forth in loan covenants or other agreements. OCPA will have the flexibility to consider rate adjustments within certain ranges, administer a standardized set of electric rates, and may offer optional rates to encourage policy goals such as economic development or low-income support programs, provided that the overall revenue requirement is achieved.

OCPA may also offer customized pricing options such as dynamic pricing or contract-based pricing for energy intensive customers to help these customers gain greater control over their energy costs. This would provide such customers – mostly larger energy users within the commercial sector – with greater rate-related flexibility than what is currently available.

OCPA's finance function will be responsible for arranging financing necessary for any capital projects, preparing financial reports, and ensuring sufficient cash flow for successful operation of the Program. The finance function will play an important role in risk management by monitoring the credit of energy suppliers so that credit risk is properly understood and mitigated. In the event that changes in a supplier's financial condition and/or credit rating are identified, OCPA will be able to take appropriate action, as would be provided for in the electric supply agreement(s).

Marketing & Public Affairs

The marketing and public affairs functions include general Program marketing and communications as well as direct customer interface ranging from management of key account relationships to call center and billing operations. OCPA will conduct Program marketing to raise consumer awareness of the Program and to establish the OCPA "brand" in the minds of the public, with the goal of retaining and attracting as many customers as possible into the Program. Outgoing communications will also promote the Programs. Additionally, OCPA will communicate with key policy makers at the state and local level, community business and opinion leaders, and the media.

In addition to general Program communications and marketing, a significant focus on customer service, particularly representation for key accounts, will enhance the Program's ability to differentiate itself as a highly customer-focused organization that is responsive to the needs

of the community. OCPA also operates a customer call center designed to field customer inquiries and routine interaction regarding customer accounts.

The customer service function also encompasses management of customer data. Customer data management services include retail settlements/billing-related activities and management of a customer database. This function processes customer service requests, and administers customer enrollments and departures from the Program and maintains a current database of enrolled customers. This function coordinates the issuance of monthly bills through the incumbent utility billing process and tracks customer payments. Activities include the electronic exchange of usage, billing, and payments data between SCE and OCPA, tracking of customer payments and accounts receivable, issuance of late payment and/or service termination notices (which would return affected customers to bundled service), and administration of customer deposits in accordance with credit policies of the Program.

The customer data management services function also manages billing-related communications with customers, customer call centers, and routine customer notices. The Program has initially contracted with a third-party that has demonstrated the necessary experience and administers an appropriate customer information system to perform the customer account and billing services functions.

Power Resources & Energy Programs

The Program must plan for meeting the electricity needs of its customers utilizing resources consistent with its policy goals and objectives as well as applicable legislative or regulatory mandates. The Program's long-term resource plans (addressing the 10 to 20-year planning horizon) will comply with California law and other pertinent requirements of California regulatory bodies. OCPA may develop and administer complementary energy programs that may be offered to Program customers, including green pricing, energy efficiency, net energy metering, feed-in-tariff or local resource portfolios, and various other programs that may be identified to support the overarching goals and objectives of OCPA.

The Program develops Integrated Resource Plans ("IRP") that meet program supply objectives and balances cost, risk and environmental considerations. IRPs are planning documents used by electric utilities to produce least cost resource planning by looking at both supply-side (solar, market) and demand-side (energy efficiency) resources. Such IRP's also conform to applicable requirements imposed by the State of California. IRP efforts by OCPA make maximum use of demand side energy efficiency, distributed generation and demand response programs as well as traditional supply options which rely on structured wholesale transactions to meet customer energy requirements. The Program's IRP will be updated and adopted by the Board on a biennial basis.

Electric Supply Operations

Electric supply operations encompass the activities necessary for wholesale procurement of

electricity to serve the Program’s customers. These highly specialized activities include the following:

- *Electricity Procurement* – assemble a portfolio of electricity resources to supply the electric needs of Program customers.
- *Risk Management* – application of standard industry techniques to reduce exposure to the volatility of energy and credit markets, and insulate customer rates from sudden changes in wholesale market prices.
- *Load Forecasting* – develop load forecasts, both long-term for resource planning and short-term for the electricity purchases and sales needed to maintain a balance between hourly resources and loads.
- *Scheduling Coordination* – scheduling and settling electric supply transactions with the California Independent System Operator (“CAISO”).

OCPA has contracted with experienced and financially sound third-party energy services providers to perform all electric supply operations for the Program. These requirements include the procurement of energy, capacity and ancillary services, scheduling coordinator services, short-term load forecasting and day-ahead and real-time electricity trading.

Local Energy Programs

A key focus of the Program will be the development and implementation of local energy programs, including energy efficiency programs, distributed generation programs (*i.e.*, behind the meter solar or community projects), and other energy programs responsive to community interests. These programs are likely to be phased in during the first several years of Program operations. The implementation of such programs will follow the attainment of requisite funding sources.

OCPA will administer energy efficiency, demand response and distributed generation programs that can be used as cost-effective alternatives to procurement of supply-resources. OCPA will attempt to consolidate existing demand-side programs into the Program and leverage the structure to expand energy efficiency offerings to customers throughout its service territory, including the CPUC application process for third party administration of energy efficiency programs and use of funds collected through the existing public benefits surcharges paid by OCPA customers. In 2021, OCPA began the process to obtain CPUC funds for energy efficiency programs.

Governmental Affairs & General Counsel

The Program will require ongoing regulatory and legislative representation to manage various regulatory compliance filings related to resource plans, resource adequacy, compliance with California’s Renewables Portfolio Standard (“RPS”), and overall representation on issues that will impact OCPA, its Members, and customers. OCPA will maintain an active role at the CPUC,

the California Energy Commission, CAISO, the California Legislature and, as necessary, the Federal Energy Regulatory Commission.

In coordination with the CEO and Board, OCPA has retained outside legal assistance in the areas of general counsel and regulatory advice/engagement to support the Program’s administrative operations and governance, review contracts, monitor regulatory proceedings and provide overall legal support related to the various activities within the Program.

Chapter 4 – Start-Up Plan & Funding

This Chapter presents OCPA's plans for the start-up period, including necessary expenses and capital outlays. The start-up period is defined as the period where OCPA requires financing for Program implementation. The start-up period is split into pre-launch and post-launch expenses. The pre-launch period began January 1, 2021 and ends on March 31, 2022 when began service to customers. Pre-launch expenses include overhead and notification for program implementation. Post launch financing includes working capital and annual debt repayment. As described in the previous Chapter, OCPA may utilize a mix of staff and contractors in its Program implementation.

Start-Up Activities

OCPA has completed all start-up activities needed to begin operation. The initial Program start-up activities included the following:

- Hire staff and/or contractors to manage implementation (partially complete)
- Identify qualified suppliers (of requisite energy products and related services) and negotiate supplier contracts (partially complete)
 - Electric supplier and scheduling coordinator
 - Data management provider (if separate from energy supply)
 - Define and execute communications plan
 - Customer research/information gathering
- Media campaign (ongoing)
 - Key customer/stakeholder outreach
 - Informational materials and customer notices
- Customer call center (ongoing)
- Post CCA bond and complete requisite registration requirements (complete)
- Pay utility service initiation, notification and switching fees (ongoing)
- Perform customer notification, opt-out and transfers (ongoing)
- Conduct load forecasting (complete and ongoing)
- Establish rates (in process)
- Legal and regulatory support (ongoing)
- Financial management and reporting (ongoing)

Other costs related to starting up the Program were the responsibility of the Program's contractors (and are assumed to be covered later by any fees/charges imposed by such contractors). These may include capital requirements needed for collateral/credit support for electric supply expenses, customer information system costs, electronic data exchange system costs, call center costs, and billing administration/settlements systems costs.

Staffing and Contract Services

Personnel in the form of OCPA staff or contractors have been added incrementally to match workloads involved in implementing the Program, managing contracts, and initiating customer outreach/marketing. During the start-up period, personnel requirements include the CEO, a General Counsel, Chief Financial Officer (“CFO”) and other personnel needed to support regulatory, procurement, finance, and communications activities.

For budgetary purposes, it was assumed that 5-10 full-time equivalents (staff or contracted professional services) would be supporting the above listed activities and would be engaged during the initial start-up period. Additional staff and/or contractors may be retained, as needed, to support the roll-out of additional value-added services (*e.g.*, efficiency projects) and local generation projects and programs.

Capital Requirements

The start-up of the Program required capital for three major functions: (1) staffing and contractor costs; (2) deposits and reserves; and (3) working capital. Based on the Program’s anticipated start-up activities and phase-in schedule, a total need of \$42.75 million was identified to support the aforementioned functions. The finance plan in Chapter 7 provides some additional detail regarding OCPA’s expected capital requirements and general Program finances.

Related to OCPA’s initial capital requirement, this amount covers staffing and contractor costs during start-up and pre-start-up activities, including direct costs related to public relations support, technical support, and customer communications. Requisite deposits and operating reserves are reflected in the initial capital requirement, including the following items: 1) operating reserves to address anticipated cash flow variations (as well as operating reserve deposits that will likely be required by OCPA’s power supplier(s)); 2) requisite deposit with the CAISO prior to commencing market operations; and 3) SCE financial security requirements.

Operating revenues from sales of electricity are remitted to OCPA approximately sixty days after the initial customer launch. This lag is due to SCE’s standard meter reading cycle of 30 days and a 30-day payment/collections cycle. OCPA requires working capital to support electricity procurement and costs related to program management. This is included in OCPA’s initial capital requirements.

Financing Plan

OCPA’s initial capital requirement has been provided via a combination of cash contributions from the City of Irvine and loans from a conventional financial institution. These loans will be repaid by OCPA no later than 2027. The Program will recover the principal and interest costs associated with the start-up funding via retail generation rates charged to Program customers.

Chapter 5 – Program Phase-In

OCPA will roll out its service offering to customers over the course of the following phases:

Phase 1 – Four Cities² All Non-Residential Accounts (April 1, 2022) - Complete

Phase 2 – Four Cities Residential Accounts (October 1, 2022) - Complete

Phase 3 – City of Fountain Valley: All Accounts (October 1, 2026)

This approach provides the Program with the ability to initiate its activities with sufficient economic scale before building to full Program integration for an expected customer base of approximately 245,000 accounts.

The Program began service on April 1, 2022 to approximately 39,000 larger commercial and industrial customers, comprised of all non-residential accounts within the four Cities. Net energy metering accounts were phased into OCPA at the time of their annual true-up.

Additional Members Roll-Out

Additional cities can join OCPA if approved by the OCPA Board. This leaves room for OCPA to expand its territory. An updated Implementation Plan will be submitted to the CPUC, if any new members join the Program, however, load will not be served until the year following the filing, in accordance with the Resource Adequacy Proceeding and Resolution E-4907.

New Residential and Non-Residential Customers

For any new customers moving into the OCPA service territory after it has begun servicing load, OCPA intends to provide service to all customer classes (*i.e.*, residential, commercial, and NEM customers) within one billing cycle. However, if a customer moved into the OCPA region prior to April 1 or October 1 launch, the Program began to service the load-based upon the timelines stated above.

² Four Cities refers to the Cities of Buena Park, Fullerton, Huntington Beach, and Irvine. Note that Huntington Beach withdrew from OCPA, and its customers exited the OCPA program in 2024.

Chapter 6 – Load Forecast & Resource Plan

Introduction

This Chapter describes the planned mix of electric resources that will meet the energy demands of Program customers using a diversified portfolio of electricity supplies. Several overarching policies govern the Resource Plan (“Plan”) and the ensuing resource procurement activities that will be conducted in accordance with the Plan. These key policies are as follows:

- The Program will manage a diverse resource portfolio to increase control over energy costs and maintain competitive and stable electric rates.
- The Program will seek to increase use of renewable energy resources and distributed energy resources in order to reduce reliance on fossil-fueled electric generation for purposes of reducing electric sector GHG emissions.
- The Program will apply for the administration of energy efficiency program funding to help customers reduce energy costs through enhanced customer energy efficiency, distributed generation, and other demand reducing programs.
- The Program will benefit the area’s economy through lower electric bills and investment in local infrastructure, energy projects and energy programs.

The Program’s initial resource mix includes a proportion of renewable energy meeting California’s prevailing RPS procurement mandate. As the Program moves forward, incremental renewable supply additions will be made based on resource availability as well as economic goals of the Program to achieve increased renewable energy content over time.

OCA’s commitment to renewable generation adoption may involve both direct investment in new renewable generating resources, partnerships with other public power developers/operators and purchases of renewable energy from third party suppliers.

The Plan described in this Chapter would accomplish the following:

- Procure energy through one or more contracts with experienced, financially stable energy suppliers sufficient to offer three distinct resource portfolio rate tariffs: 1) 100 percent renewable energy; 2) renewable energy equal to the RPS requirement; and 3) a mid-tier option between the RPS and 100 percent renewable energy.
- Choose the default option into which customers will be enrolled when service begins. After enrollment, customers will be allowed to participate in any of the three available resource portfolio options.
- Continue increasing renewable energy supplies over time to meet or exceed RPS mandates, subject to resource availability and economic viability.
- Actively pursue energy efficiency projects and programs using Program revenues, and/or other third-party funding in collaboration with the other efficiency program administrators in the region. Additionally, if OCA is successful in applying for administration of public funding to support locally administered efficiency programs, it will even more robustly work to reduce net electricity purchases within the region.

- Encourage distributed renewable generation in the local area through the offering of a net energy metering tariff, a possible standardized power purchase agreement or “Feed-In Tariff,” and other creative, customer-focused programs targeting increased access to local renewable energy sources.

The Program complies with regulatory rules applicable to California load serving entities. The Program arranges for the scheduling of sufficient electric supplies to meet the demands of its customers. The Program adheres to capacity reserve requirements established by the CPUC and the CAISO designed to address uncertainty in load forecasts and potential supply disruptions caused by generator outages and/or transmission contingencies. These rules also ensure that physical generation capacity is in place to serve OCPA’s customers. In addition, OCPA is responsible for ensuring that its resource mix contains sufficient production from renewable energy resources needed to comply with the statewide RPS (38.5 percent in 2022, increasing to 60 percent by 2030). The Program will continue to meet or exceed all the applicable regulatory requirements related to resource adequacy and the RPS.

Resource Plan Overview

To meet the aforementioned objectives and satisfy the applicable regulatory requirements pertaining to OCPA’s status as a California load serving entity, the Plan includes a diverse mix of power purchases, renewable energy, distributed energy, new energy efficiency programs, demand response and distributed generation. A diversified Plan minimizes risk and volatility that can occur from overreliance on a single resource type or fuel source, and thus increases the likelihood of rate stability. The ultimate goal of the Plan is to reduce electric sector GHG emissions while offering competitive generation rates to Program customers. The planned power supply is initially comprised of power purchases from third party electric suppliers and, in the longer-term, may also include renewable generation assets owned or controlled by OCPA.

Once the Program operations are fully mature, OCPA may begin evaluating opportunities for investment in renewable generating assets, subject to then-current market conditions, statutory requirements, financial constraints and regulatory considerations. Any renewable generation owned by OCPA or controlled under long-term power purchase agreement with a power developer, could provide a portion of the Program’s electricity requirements on a cost-of-service basis. A cost-of-service basis means that the cost of power is based on the variable cost to operate the generation asset. Depending upon market conditions and, importantly, the applicability of tax incentives for renewable energy development, electricity purchased under a cost-of-service arrangement can be more cost-effective than purchasing renewable energy from third-party developers. This option will allow the Program to pass on cost savings to its customers through more competitive generation rates. Any investment decisions will be made following thorough environmental reviews and in consultation with qualified financial and legal advisors and approval by the Board.

As an alternative to direct investment, OCPA may consider partnering with an experienced power developer and could enter into a long-term (10 years or more) power purchase agreement that

would support the development of new renewable generating capacity. Such an arrangement could be structured to reduce the Program’s operational risk associated with capacity ownership while providing its customers with all renewable energy generated by the facility under contract. This option may be attractive as it works to achieve increasing levels of renewable energy supply and competitive rate levels for its customers.

The Program will over time integrate conventional supply-side resources (solar, market, etc.) with programs that will help customers reduce their energy costs through improved energy efficiency and other demand-side measures. As part of its IRP, the Program will actively pursue, promote, and ultimately administer a variety of customer energy efficiency programs that can cost-effectively displace supply-side resources.

The Program’s indicative Plan for the years 2022 through 2031 is summarized in the following Table 3. Subject to the availability of funds, a sizable percentage of the conventional resources reflected in Table 3 may be displaced with GHG-free resources.

Table 3
Orange County Power Authority
Proposed Resource Plan (GWh)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
OCA Demand (GWh)										
Retail Demand	1,602	2,801	2,322	2,116	2,134	2,308	2,393	2,417	2,443	2,474
Distributed Generation	0	0	0	0	0	2	2	5	7	10
Energy Efficiency	0	0	0	0	0	3	3	6	12	12
Losses and UFE	96	168	139	127	128	138	143	144	145	147
TOTAL DEMAND	1,698	2,969	2,461	2,243	2,262	2,451	2,542	2,572	2,608	2,643
OCA Supply (GWh)										
Total Renewable Resources	617	1,157	1,022	988	1,080	1,237	1,311	1,384	1,460	1,513
Total Conventional Resources	1,081	1,812	1,440	1,255	1,182	1,214	1,231	1,188	1,148	1,130
TOTAL SUPPLY	1,698	2,969	2,461	2,243	2,262	2,451	2,542	2,572	2,608	2,643
Energy Open Position	0	0	0	0	0	0	0	0	0	0

Load Forecast

The Program’s load forecast is developed based on customer and consumption data provided by SCE and OCPA’s data manager. Program participation rates were originally assumed to be 95 percent for residential, lighting, and agricultural customers, and 90 percent for commercial and

industrial customers and have since been updated based on actual customer enrollments. Hourly load profiles are applied to customer rate classes and summed up to develop Program system loads by month and hour. The electric sales forecast and load profile is affected by customer phase in schedules. OCPA's phase in schedule and assumptions regarding customer participation rates are discussed below.

Customer Participation Rates

Customers are automatically enrolled in the Program unless they opt-out during the customer notification process. The Program anticipates a 90-95 percent enrollment of SCE bundled service customers into the Program, based on its own experience with its completed enrollment phases and reported opt-out rates for the other CCAs in California. It is assumed that new and existing non-residential Direct Access ("DA") customers will continue to remain with their current electricity supplier.

The Program participation rate is not expected to vary significantly among customer classes, in part due to the fact that the Program offers three distinct resource portfolio tariffs that will address the needs of cost-sensitive customers as well as the needs of both residential and business customers that prefer a highly renewable energy product.

Customer Forecast

Once customers enroll in each phase, they are switched over to service by OCPA on their regularly scheduled meter read date over an approximately thirty-day period. The estimated number of accounts by rate class is shown in Table 4 below.

Table 4
Orange County Power Authority
Eligible Retail Service Accounts¹
Not Adjusted for Participation Rates

OCPA Customers	Phase 1 April 2022 Total Eligible Accounts	Phase 2 October 2022 Total Eligible Accounts	Phase 3 October 2026 Total Eligible Accounts
Residential	--	265,785	73,857
Small Commercial	29,468	29,468	18,347
Medium Commercial	5,203	5,203	46,894
Large Commercial	405	405	22,886
Industrial	164	164	31,131
Street Lighting & Traffic	3,455	3,455	3,162
Agricultural & Pumping	165	165	1,841
Total	38,859	304,644	198,118

1. Before assumed participation rates are applied.

OCPA assumes that customer growth will generally offset customer attrition (opt-outs) over time, resulting in a relatively stable customer base over the noted planning horizon. OCPA believes that its assumptions regarding the offsetting effects of growth and attrition are reasonable in consideration of the historical customer growth within OCPA's service area and the potential for

continuing customer opt-outs following mandatory customer notification periods. The forecast of service accounts (customers) served by the Program for each of the next ten years is shown in Table 5.

Table 5
Orange County Power Authority
Retail Service Accounts (End of Year)¹

OCA Customers	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Residential	197,884	208,115	151,451	152,602	169,873	171,164	172,465	173,775	175,096	176,426
Small Commercial	24,919	25,071	17,579	17,712	19,782	19,932	20,084	20,236	20,390	20,545
Medium Commercial	4,230	4,234	3,316	3,342	3,720	3,749	3,777	3,805	3,834	3,863
Large Commercial	313	315	266	268	286	288	291	293	295	297
Industrial	97	99	125	126	133	134	135	136	137	138
Street Lighting & Traffic	2072	2,715	2,548	2,568	2,758	2,780	2,801	2,822	2,844	2,865
Agricultural & Pumping	24	105	71	72	90	91	92	94	95	96
Total	229,515	240,549	175,356	176,690	196,643	198,139	199,644	201,161	202,690	204,230

1. After assumed participation rates are applied.

Sales Forecast

OCA's forecast of GWh sales reflects the roll-out and customer enrollment schedule shown above. Annual energy requirements are shown below in GWh.

Table 6
Orange County Power Authority
Annual Energy Requirements (GWh) 2022 to 2031

OCA Energy Requirement (GWh)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Retail Energy	1,602	2,801	2,322	2,116	2,190	2,385	2,403	2,426	2,453	2,474
Losses and UFE	96	168	139	127	131	143	144	146	147	148
Total Load Requirement	1,698	2,969	2,461	2,243	2,322	2,528	2,547	2,572	2,600	2,622

Capacity Requirements/Resource Adequacy

The CPUC's Resource Adequacy standards applicable to the Program require a demonstration one year in advance that the Program has secured physical capacity for 90 percent of its projected peak loads for each of the five months May through September, plus a minimum 15 percent reserve margin. On a month-ahead basis, OCA must demonstrate 100 percent of the peak load plus a minimum 15 percent reserve margin.

Prior to 2023, a portion of the Program's capacity requirements were required to be procured locally from the SCE area as defined by the CAISO; however, a Central Procurement Entity ("CPE") has

shown in the following tables.⁴

Table 8
Orange County Power Authority
Peak Demand Forecast (MW)
2022 to 2027

Month	2022	2023	2024	2025	2026	2027
January		448	352	293	303	330
February		433	410	306	317	345
March		437	376	302	313	341
April	319	487	380	311	322	351
May	339	468	378	281	291	317
June	352	626	450	434	449	489
July	391	674	494	465	481	524
August	423	719	559	461	477	519
September	394	747	634	515	533	581
October	692	626	478	408	422	460
November	530	484	350	303	313	341
December	522	567	360	298	308	336

The Program strives to ensure that sufficient reserves are procured to meet its peak load at all times. The Program’s projected annual resource adequacy or capacity requirements are shown in the following table.

Table 9
Orange County Power Authority
Capacity Requirements (MW)
2022 to 2031

Demand (MW)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Retail Demand	653	704	598	545	551	555	558	562	566	570
Losses and UFE	39	42	36	33	33	33	33	34	34	34
Total Net Peak Demand	692	747	634	578	584	588	591	595	600	604
Reserve Requirement (%)	0	0	0	0	0	0	0	0	0	0
Capacity Reserve Requirement	104	119	108	98	99	100	100	101	102	103
Capacity Requirement Including Reserve	796	866	741	676	683	688	691	696	702	707

The Program coordinates with SCE and appropriate state agencies to manage the transition of

⁴ The figures shown are estimates. OCPA’s resource adequacy requirements will be subject to modification due to application of certain coincidence adjustments and resource allocations relating to utility demand response and energy efficiency programs, as well as generation capacity allocated through the Cost Allocation Mechanism. These adjustments are addressed through the CPUC’s resource adequacy compliance process.

responsibility for resource adequacy from SCE to OCPA during the Program’s phase-in. For system resource adequacy requirements, the Program makes month-ahead showings for each month that OCPA plans to serve load, and load migration issues are addressed through the CPUC’s approved procedures. OCPA works with the California Energy Commission and CPUC prior to commencing service to customers to ensure it meets its applicable resource adequacy obligations through its agreements with its chosen electric suppliers.

On April 20, 2022 OCPA received a citation in the amount of \$1,962,845.20 for year-ahead Resource Adequacy deficiencies covering July-September 2022⁵ and a citation in the amount of \$415,406 for its month-ahead deficiency covering September 2022 on September 16, 2022.⁶ OCPA appealed both citations but later withdrew its appeals⁷ and paid the citations timely within 30 days.⁸ On April 24, 2023 OCPA received a citation in the amount of \$147,408 for a system year-ahead deficiency covering August 2023,⁹ but OCPA was able to procure sufficient RA to cure this deficiency during its month-ahead compliance filing and the issue was resolved.¹⁰

On June 29, 2023 CPUC issued D.23-06-029¹¹ which established rules regarding expansion for CCA programs that had experienced RA deficiencies. The decision established that a CCA program which had a system RA deficiency within the prior two calendar years must first be in RA compliance for two calendar years prior to submitting an implementation plan to expand.¹² The decision also stated that only RA deficiencies which were accrued after the effective date of the decision apply to this requirement. The first year-ahead deficiencies affected by the new rule are the 2024 year-ahead RA filings due on October 31, 2023, and the first month-ahead deficiencies affected by this rule are the September 2023 month-ahead RA filings. The decision published the table below to more clearly explain the rule.

⁵ Citation E-4195-0116.

⁶ Citation E-4195-0125.

⁷ Appeal K.22-05-017, filed May 20, 2022 and withdrawn December 12, 2023; Appeal K.22-10-024, filed October 31, 2022 and withdrawn December 12, 2023.

⁸ Resolution ALJ-453 issued January 25 2024; Resolution ALJ-454, issued March 21, 2024.

⁹ Citation E-4195-0134.

¹⁰ Resolution ALJ-451, issued January 25, 2024

¹¹ July 5, 2023 effective date.

¹² Decision 23-06-029, ordering paragraph 9, page 137.

System RA Deficiencies That Apply to the LSE Expansion Requirement	
Year Plus 1 (Y+1)	Year that an LSE elects to expand
Year 0 (Y0)	Year that an LSE files its April load forecast
Year Minus 1 (Y-1)	(1) Month-Ahead deficiencies apply (2) Year-Ahead deficiency (for Y0) applies *Note: CCA Implementation Plans for Y+1 are filed by Dec 31 of Y-1.
Year Minus 2 (Y-2)	(1) Month-Ahead deficiencies apply (2) Year-Ahead deficiency (for Y-1) applies, unless Year-Ahead deficiency is cured in the Month-Ahead timeframe in Y-1

Year 0 is the year when the binding load forecast is filed. Here, Year 0 is 2025. Under the formula, any year-ahead deficiencies in Year Minus Two (2023) would apply. However, the decision states that if the YARA was cured prior to the month-ahead, then the YA deficiency doesn't prevent expansion. The rule also states that the first year-ahead deficiencies to be applied are for the 2024 YARA filing that was due on October 31, 2023, and the first MARA filing for September 2023.

OCPA received the following RA deficiency citations:

1. Citation E-4195-0116 (\$1,962,845): **System YARA – July, August and September 2022**; Flexible RA – September and October 2022 (YARA deadline was Oct. 31, 2021; citation issued April 20, 2022) (Appeal K.22-05-017)
2. Citation E-4195-0125 (\$415,406): **System MARA – September 2022**; Flexible RA – Sept. 2022 (MARA deadline was July 8, 2022; citation issued on September 16, 2022) (Appeal K.22-10-024)
3. Citation E-4195-0134 (\$147,408): **System YARA – August 2023** (YARA deadline was Oct. 31, 2022; citation issued April 24, 2023) (Appeal K.23-05-019)

OCPA's system RA deficiencies for Q3 2022 and Aug. 2023 pre-date when deficiencies first apply under the rule. Even if the formula was to apply, OCPA cured its August 2023 MA deficiency, meaning the YA would not apply.

Because OCPA's RA deficiencies occurred prior to the effective date of the decision and prior to the 2023 year-ahead and month-ahead RA compliance filing windows, OCPA's ability to expand is not impacted by the 2-year rule. OCPA is in compliance with all applicable rules established by D.23-06-029. OCPA paid all citations timely within 30 days of resolution. OCPA has been in full RA compliance since 2023, and will continue to be in full compliance for 2025.

Renewables Portfolio Standard (“RPS”) Energy Requirements

Basic RPS Requirements

As a CCA, OCPA is required by law and CPUC regulations to procure a minimum percentage of its retail electricity sales from qualified renewable energy resources. For purposes of determining the Program’s renewable energy requirements, the same standards for RPS compliance that are applicable to all load serving entities are generally applicable to the Program.

California’s RPS requires the Program to purchase a minimum of 60 percent renewable energy by 2030. OCPA will also adopt an IRP in compliance with SB 350. OCPA understands that various details related to this planning requirement are continuing to be developed, and OCPA intends to monitor and participate, as appropriate, in pertinent proceedings to promote the preparation and submittal of a responsive planning document. Furthermore, OCPA will ensure that all long-term renewable energy contracting requirements, as imposed by SB 350, will be satisfied through appropriate transactions with qualified suppliers and will also reflect this intent in ongoing resource planning and procurement efforts.

In September of 2018, SB 100 was signed into law. This bill calls for all electricity supplies in the State to be “carbon-free” by 2045. The legislation is important for all load serving entities (“LSE”) in that it tightens the RPS targets even from SB 350. The overall targets in SB 100 are as follows:

- 50 percent eligible renewable energy by 2026
- 60 percent eligible renewable by 2030
- 100 percent carbon free by 2045 (note “carbon-free” vs. “renewable”).

Table 10 summarizes the various California targets.

Table 10
California Renewable Portfolio Standards and Greenhouse Gas Mandates

Target Date:	2017	2020	2026	2030	2045
RPS Goal	20%	33%	50%	60%	100% ¹
Year Passed	2002 (SB 1078)	2011 (SB 21X)	2018 (SB 100)	2018 (SB 100)	2018 (SB 100)

¹ 100 percent carbon free, 60 percent renewable.

For the purposes of meeting the RPS, what qualifies a resource as renewable varies by the resource’s location and type of contract. Resources which have their first point of interconnection or are delivered directly to the California grid (Balancing Authorities within California) and are contracted for by the LSE as energy bundled with their renewable energy credits (“RECs”) qualify as Portfolio Content Category 1 (“PCC1”) resources. Resources which sell energy and RECs together but are not necessarily connected to the California grid and not delivered simultaneously (*i.e.*, the energy may be “shaped” into flat blocks of power) qualify as PCC2 resources. RECs sold independently of the energy produced qualify as PCC3 resources.

OCPA's Renewables Portfolio Standards Requirement

OCPA's annual RPS procurement requirements, as specified under California's RPS program, are shown in Table 11 below. When reviewing Table 11, it is important to note that OCPA projects increases in energy efficiency savings as well as increases in locally situated distributed generation capacity, resulting in only a slight upward trend in projected retail electricity sales.

Table 11
Orange County Power Authority
Minimum RPS Requirements (GWh)¹
2022 to 2031

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Retail Sales	1,602	2,801	2,322	2,116	2,190	2,385	2,403	2,426	2,453	2,474
Renewable Energy Purchase	617	1157	1022	988	1080	1240	1314	1390	1472	1484
% Current Year Retail Sales	38.50%	41.30%	44.00%	46.70%	49.30%	52.00%	54.70%	57.30%	60%	60%
65% Long-Term Contracts	721	1261	1045	952	986	1073	1081	1092	1104	1113

1. This table shows the minimum RPS requirements for OCPA projected loads. Note that Table 3 values differ because those values are based on the planned renewable purchases which are greater than the state mandate.

Purchased Power

Power purchased from power marketers, public agencies, generators, or utilities will be a significant source of supply during the first several years of OCPA Program operation. OCPA initially contracted to obtain all of its electricity from third party electric providers under various power supply agreements, and the supplier(s) are responsible for procuring the specified resource mix, including the Program's desired quantities of renewable energy, to provide a stable and cost-effective resource portfolio for the Program.

Renewable Resources

OCPA will initially secure necessary renewable power supply from third-party electric suppliers. OCPA makes direct purchases of renewable energy from energy marketers and renewable energy facility owners, and may eventually utilize energy from renewable generation developed and owned by OCPA. Future renewable energy projects will be identified in responses to the Program's ongoing renewable energy solicitations, unsolicited proposals, or discussions with other agencies. Renewable projects that are located virtually anywhere in the western U.S. can be considered as long as the electricity is deliverable to the CAISO control area, as required to meet the Commission's RPS rules and any additional guidelines ultimately adopted by OCPA. The costs of transmission access and the risk of transmission congestion costs are important factors to be considered in the bid evaluation process if the delivery point is outside of OCPA's load zone, as defined by the CAISO.

Energy Efficiency

OCPA's energy efficiency goals will reflect a commitment to increasing energy efficiency within its service area, expanding beyond the savings achieved by the incumbent utility's current programs. To promote the achievement of this goal, OCPA is in the process of completing the CPUC application process for third party administration of energy efficiency programs and use of funds collected through the existing public benefits surcharges paid by OCPA customers. To the extent that OCPA is successful in this application process, it will seek to maximize end-use customer energy efficiency by facilitating customer participation in existing utility programs as well as by forming new programs that will displace OCPA's need for traditional electric procurement activities. Additional details related to OCPA's energy efficiency plan will be developed once the Program is underway.

Demand Response

Demand response programs provide incentives to customers to reduce demand upon request by the load serving entity (*i.e.*, OCPA), reducing the amount of generation capacity that must be maintained as reserves. Demand response programs can be cost effective alternatives to procured capacity that would otherwise be needed to comply with California's resource adequacy requirements. These programs also provide rate benefits to customers who have the flexibility to reduce or shift consumption for relatively short periods of time when generation capacity is most scarce. Like energy efficiency, demand response can be a win/win proposition, providing economic benefits to the electric supplier as well as customer service benefits.

SCE offers several demand response programs to its customers, and the Program intends to recruit those customers that have shown a willingness to participate in utility programs into similar programs offered by OCPA. OCPA may also adopt a demand response program that enables it to request customer demand reductions during times when capacity is in short supply or spot market energy costs are exceptionally high.

Appropriate limits on customer curtailments, both in terms of the length of individual curtailments and the total number of curtailment hours that can be called should be included in the Program's demand response design. It will also be important to establish a reasonable measurement protocol for customer performance of its curtailment obligations and deploy technology to automate customer notifications and responses. Performance measurement should include establishing a customer specific baseline of usage prior to the curtailment request from which demand reductions can be measured. The Program may utilize experienced third-party contractors to design, implement and administer its demand response programs.

Distributed Generation

Consistent with the Program’s policies and the state’s Energy Action Plan, clean distributed generation is a component of the IRP. The Program will work to promote deployment of photovoltaic (“PV”) plus storage systems within OCPA’s service territory, with the goal of optimizing the use of the available incentives that are funded through current utility distribution rates and public benefits surcharges. OCPA also plans to implement a net energy metering program and possibly a feed-in-tariff to promote local investment in distributed generation.

There are clear environmental benefits and strong customer interest in distributed PV systems. To support such systems, the Program may provide direct financial incentives from revenues funded by customer rates to further support use of solar power or other renewable resources within the local area. Due to the increasing penetration of solar PV in California’s energy mix, the Program will also consider incentives for behind the meter solar plus storage projects.

OCPA’s net energy metering program allows participating customers to sell excess energy produced by customer-sited renewable generating sources to OCPA. Such a program is consistent with principles identified in Assembly Bill 920 (“AB 920”), which directed the CPUC to establish and implement a compensation methodology for surplus renewable generation produced by net energy metered facilities located within the service territories of California’s large investor-owned utilities, including SCE. OCPA may choose to offer enhanced compensation structures, relative to those implemented as a result of AB 920, as part of the direct incentives that may be established to promote distributed generation development within OCPA’s service area. To the extent that incentives offered by OCPA improve project economics for its customers, it is reasonable to assume that the penetration of distributed generation within OCPA’s service area would increase.

Chapter 7 – Financial Plan

This Chapter examines the cash flows expected during the start-up and customer phase-in period of the Program and identifies the anticipated financing requirements. It includes estimates of Program start-up costs, including necessary expenses and capital outlays. It also describes the requirements for working capital and long-term financing for the potential investment in renewable generation, consistent with the Plan contained in Chapter 6.

Description of Cash Flow Analysis

OCA's cash flow analysis estimates the level of capital that will be required during the start-up and phase-in period. The analysis focuses on the Program's costs and revenues and specifically accounts for the phased enrollment of Program customers described in Chapter 5.

Cost of CCA Program Operations

The first category of the cash flow analysis is the Cost of CCA Program Operations. To estimate the overall costs associated with CCA Program Operations, the following components were taken into consideration:

- Electricity Procurement
- Ancillary Service Requirements
- Grid Management and other CAISO Charges
- Scheduling Coordination
- Exit Fees
- Staffing and Professional Services
- Data Management Costs
- Administrative Overhead
- Billing Costs
- SCE Financial Security Requirements ("FSR")
- Pre-Start-Up Cost
- Debt Service

Revenues from CCA Program Operations

The cash flow analysis provides estimates for revenues generated from CCA operations or from electricity sales to customers. In determining the level of revenues, the analysis assumes the customer phase-in schedule described herein, and assumes that the Program charges a standard, default electricity tariff similar in rate design as the generation rates of the incumbent utility for each customer class and optional 100 percent and mid-tier renewable energy tariff, both at a premium reflective of incremental renewable power costs. More detail on Program rates can be found in Chapter 8. Projected revenues assume no rate discount compared with the incumbent utility's generation rates.

Cash Flow Analysis Results

The results of the cash flow analysis provide an estimate of the level of capital required for the Program to move through the start-up and phase-in periods. This estimated level of capital is determined by examining the monthly cumulative net cash flows (revenues from CCA operations minus cost of CCA operations) based on assumptions for payment of costs or other cash requirements (*e.g.*, deposits) by OCPA, along with estimates for when customer payments will be received. This identifies what level of cash flow is available in terms of a surplus or deficit.

The cash flow analysis identifies funding requirements in recognition of the potential lag between revenues received and payments made during the phase-in period. The estimated financing requirements for the start-up and phase-in period, including working capital needs associated with all three phases of customer enrollments, was determined to be \$42.75 million. This \$42.75 million will be covered via a loan from the City of Irvine and external financing already authorized with a commercial bank.

CCA Program Implementation Pro Forma

In addition to developing a cash flow analysis which estimates the level of working capital required to move OCPA through full CCA phase-in, a summary pro forma analysis that evaluates the financial performance of the Program is shown below. The difference between the cash flow analysis and the CCA pro forma analysis is that the pro forma analysis does not include a lag associated with payment streams. In essence, costs and revenues are reflected in the month in which service is provided. All other items, such as costs associated with Program operations and rates charged to customers remain the same. Cash provided by financing activities are shown in the pro forma analysis as are the payments for associated debt service.

The results of the pro forma analysis are shown in the following tables. In particular, the summary of Program start-up and phase-in addresses projected Program operations for the period beginning January 2021 through December 2031.¹³

¹³ Costs projected for staffing & professional services and other administrative & general relate to energy procurement, administration of energy efficiency and other local programs, generation development, customer service, marketing, accounting, finance, legal and regulatory activities necessary for program operation.

TABLE 12
ORANGE COUNTY POWER AUTHORITY
10-YEAR PROFORMA

(\$ in thousands)	Projection FY2024/25	Projection FY2025/26	Projection FY2026/27	Projection FY2027/28	Projection FY2028/29	Projection FY2029/30	Projection FY2030/31	Projection FY2031/32	Projection FY2032/33	Projection FY2033/34
Period Ending Jun 30										
REVENUE AND OTHER SOURCES										
Revenue - Electricity Base	296,009	337,659	393,735	399,569	351,522	337,174	354,163	389,691	378,127	382,018
Revenue - Smart Choice Premium	4,833	4,769	4,919	4,904	4,940	4,977	4,931	5,422	5,263	5,316
Revenue - 100% Renewable Premium	20,584	20,283	21,189	21,401	21,562	21,723	21,521	23,666	22,968	23,203
Less: Uncollectible Accounts	(5,625)	(6,347)	(7,347)	(7,453)	(6,615)	(6,368)	(6,284)	(6,914)	(6,709)	(6,778)
Net Revenue - Electricity	315,801	356,363	412,496	418,422	371,409	357,507	374,331	411,865	399,648	403,759
Investment and Miscellaneous Income	3,016	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Total Net Revenue and Other Sources	318,817	358,763	414,896	420,822	373,809	359,907	376,731	414,265	402,048	406,159
EXPENDITURES AND OTHER USES										
CURRENT EXPENDITURES										
Cost of Energy	297,223	336,555	338,616	401,324	352,981	337,691	353,478	389,929	376,559	379,879
Data Manager	1,923	2,245	2,654	2,775	2,850	2,927	2,956	2,985	3,015	3,045
Utilities Service Fees	579	703	708	714	719	722	721	724	755	376
Staffing Costs	6,504	7,458	8,234	9,050	9,906	10,806	11,454	12,141	12,870	13,642
Contract Services	1,607	1,476	935	1,013	991	1,016	1,036	1,057	1,078	1,100
Legal Services	652	599	628	661	697	697	711	725	740	754
Marketing and Customer Enrollment	2,013	1,829	1,920	2,014	2,114	2,217	2,261	2,307	2,353	2,400
Other G&A	1,563	1,476	1,495	1,520	1,552	1,582	1,614	1,646	1,679	1,713
Energy Programs	831	1,250	1,500	1,750	2,000	2,250	2,500	2,750	3,000	3,250
	312,895	353,590	356,690	420,822	373,809	359,907	376,731	414,265	402,048	406,159
DEBT SERVICE										
Interest costs - nonoperating	106	72	18	0	0	0	0	0	0	0
Finance costs - Principal	0	0	3,257	0	0	0	0	0	0	0
Total Expenditures and Other Uses	313,001	353,662	359,965	420,822	373,809	359,907	376,731	414,265	402,048	406,159
Net Income Surplus/(Deficit)	5,816	5,101	54,931	0	0	0	(0)	0	0	0
Reserve Balance:										
Adjusted Ending balance	80,436	85,537	140,468	140,468	140,468	140,468	140,468	140,468	140,468	140,468
% of operating expenses	31%	29%	44%	37%	42%	43%	41%	38%	39%	38%

The surpluses achieved during this period serve to build the Program’s net financial position and credit profile, and to provide operating reserves for the Program in the event that operating costs (such as power purchase costs) exceed collected revenues for short periods of time. In addition, financial surpluses could be used to provide a Program generation rate discount, increase renewable and GHG-free resource purchases, accumulate additional cash reserves and/or fund customer programs. The priority for using these surplus proceeds will be determined by the Board.

OCPA Financing

The Program has already secured financing from the City of Irvine and a commercial bank. After start-up, subsequent capital requirements will be funded internally from the Program’s accrued financial reserves. The anticipated financing approach is described below.

CCA Program Start-up and Working Capital

As previously discussed, the anticipated start-up and working capital requirements for the Program are \$42.75 million. This amount is dependent upon the electric load served by the Program, actual energy prices, payment terms established with the third-party supplier and Program rates. This \$42.75 million will be refined during the start-up period as these variables become known. Once the Program is up and running, all costs would be recovered from customers through retail rates.

Renewable Resource Project Financing

OCPA may consider project financings for renewable resources, likely local wind, solar, biomass or geothermal as well as energy efficiency projects. These financings would only occur after a sustained period of successful Program operation, and after appropriate project opportunities are identified and subjected to appropriate environmental review. OCPA’s ability to directly finance projects will likely require a track record of successful Program operations demonstrating strong underlying credit to support the financing.

In the event that such financing occurs, funds would include any short-term financing for the renewable resource project development costs, and financing would likely extend over a 20- to 30-year term. The security for such financing would be the revenue from sales to the retail customers of the Program.

Chapter 8 – Rate Setting, Program Terms and Conditions

Introduction

This Chapter describes the initial policies proposed for OCPA in setting its rates for electric aggregation services. These include policies regarding rate design, rate objectives and provision for due process in setting Program rates. Program rates are ultimately approved by the Board. OCPA would retain authority to modify Program policies from time to time at the Board's discretion.

Rate Policies

OCPA will establish rates sufficient to recover all costs related to operation of the Program, including any reserves that may be required as a condition of financing and other discretionary reserve funds that may be approved by the Board. As a general policy, rates will be uniform for all similarly situated customers enrolled in the Program throughout the service area.

The primary objectives of the rate setting plan are to set rates that achieve the following:

- Rate competitive tariff option including a proportionate quantity of renewable energy meeting California's prevailing renewable energy procurement mandate
- 100 percent renewable energy supply option and mid-tier renewable energy supply option
- Allow individual Members to choose the default energy supply option into which their customers will be enrolled
- Allow customers to participate in any of the three energy supply options after enrollment
- Rate stability
- Equity among customers in each tariff
- Customer understanding
- Revenue sufficiency

Each of these objectives is described below.

Rate Competitiveness

OCPA's primary goal is to offer its customers competitive rates for electric services relative to the incumbent utility. As planned, the value provided by the Program will also include options for a higher proportion of renewable energy and reduced GHG emissions relative to the incumbent utility, enhanced energy efficiency and customer programs, community focus, local investment and control. OCPA currently plans to offer customers rates that are competitive to SCE bundled rates. Final rates for the launch phase will be subject to final power price bids.

As previously discussed, the Program will offer increased renewable energy supply to program customers, relative to SCE, by offering three distinct rate tariffs. The initial renewable energy content provided under the Program’s base tariff will meet California’s prevailing renewable energy procurement mandate, and OCPA will endeavor to increase this percentage on a going forward basis, subject to operational and economic constraints. The Program will also offer its customers a mid-tier and 100 percent renewable energy tariff, which will supply participating customers with reflective renewable energy supply at rates equal to the procurement cost for those portfolios.

Participating qualified low- or fixed-income households, such as those currently enrolled in the California Alternate Rates for Energy (“CARE”) program, will be automatically enrolled in the standard tariff and will continue to receive related discounts on monthly electricity bills through the incumbent utility.

Rate Stability

The Program will offer stable rates by hedging its supply costs over multiple time horizons and by including longer-term renewable energy supplies that exhibit stable costs. OCPA will attempt to maintain general rate design parity with the incumbent utility, or less, to ensure that Program rates are not drastically different from the competitive alternative.

Equity Among Customer Classes

The Program’s initial rates will be set based on the rates offered by the incumbent utility, subject to final power price bids. The level of rates will depend upon the default product chosen by the Member. Rate differences among customer classes will reflect the rates charged by the incumbent utility as well as differences in the costs of providing service to each class. Rates may also vary among customers within the major customer class categories, depending upon the specific rate designs adopted by the Board.

Customer Understanding

The goal of customer understanding involves rate designs that are relatively straightforward so that customers can readily understand how their bills are calculated. This not only minimizes customer confusion and dissatisfaction but will also result in fewer billing inquiries. Customer understanding also requires rate structures to reflect rational rate design principles (*i.e.*, there should not be differences in rates that are not justified by costs or by other policies such as providing incentives for conservation).

Revenue Sufficiency

Program rates must collect sufficient revenue from participating customers to fully fund the Program’s annual budget. Rates will be set to collect the adopted budget based on a forecast of electric sales for the budget year. Rates will be adjusted as necessary to maintain the ability to fully recover all of costs of the Program, subject to the disclosure and due process policies described later in this Chapter. To ensure rate stability, funds available in the Program’s rate stabilization fund may be used from time to time to augment operating revenues.

Rate Design

The Program will initially match the rate structures from SCE standard rates to avoid the possibility that customers would see significantly different bill impacts as a result of changes in rate structures. In 2020 SCE began to move bundled residential customers toward default time-of-use (“TOU”) rates. The Program rates implemented at launch were based on default SCE TOU rates.

Custom Pricing Options

OCPA may work to develop specially-tailored rate and electric service products that meet the specific load characteristics or power market risk profiles of larger commercial and industrial customers. This will allow such customers to have access to a wider range of products than is currently available with the incumbent utility and potentially reduce the cost of power for these customers. Some examples of potential custom pricing options are rates that are based on an observable market index (e.g., CAISO prices) or fixed priced contracts of various terms.

Net Energy Metering

Customers with on-site generation eligible for net metering from the incumbent utility are offered a net energy metering rate from OCPA. Net energy metering allows for customers with certain qualified solar or wind distributed generation to be billed on the basis of their net energy consumption. OCPA plans to pay customers for excess power produced from net energy metered generation systems in accordance with the rate designs adopted by the Board.

Disclosure and Due Process in Setting Rates and Allocating Costs among Participants

Initial Program rates were adopted by the Board following the establishment of the first year’s operating budget prior to initiating the customer notification process. Subsequently, OCPA prepares an annual budget and corresponding customer rates. Any proposed rate adjustment will be made by the Board and ample time will be given to affected customers to provide comment on the proposed rate changes.

After proposing a rate adjustment, the Program will furnish affected customers with a notice of its intent to adjust rates. The notices may be issued via separate mail to affected customers, as part of the regular billing and/or placed on the various social media options. The notice will provide a summary of the proposed rate adjustment and will include a link to the Program’s website where information will be posted regarding the amount of the proposed adjustment, a brief statement of the reasons for the adjustment and the mailing address of OCPA to which any customer inquiries relative to the proposed adjustment, including a request by the customer to receive notice of the date, time and place of any hearing on the proposed adjustment, may be directed.

Chapter 9 – Customer Rights and Responsibilities

This Chapter discusses customer rights, including the right to opt-out of the OCPA Program and the right to privacy of customer usage information, as well as obligations customers undertake upon agreement to enroll in the CCA Program. All customers that do not opt out within 30 days of the fourth enrollment notice will have agreed to become full status program participants and must adhere to the obligations set forth below, as may be modified and expanded by the Board from time to time. OCPA retains authority to modify program policies from time to time at its discretion.

Customer Notices

At the initiation of the customer enrollment process, a total of four notices are provided to customers describing the Program, informing them of their opt-out rights to remain with utility bundled generation service and containing a simple mechanism for exercising their opt-out rights. The first notice is mailed to customers approximately sixty days prior to the date of automatic enrollment. A second notice is sent approximately thirty days later. OCPA uses its own mailing service for requisite enrollment notices rather than including the notices in SCE monthly bills. This is intended to increase the likelihood that customers will read the enrollment notices, which may otherwise be ignored if included as a bill insert. Customers may opt out by notifying OCPA using the Program's designated telephone-based or internet opt-out processing service. Should customers choose to initiate an opt-out request by contacting SCE, as applicable, they are transferred to the Program's call center to complete the opt-out request. Consistent with CPUC regulations, notices returned as undelivered mail are treated as a failure to opt out, and the customer is automatically enrolled.

Following automatic enrollment, at least two addressed notices are mailed to customers within the first two billing cycles (approximately sixty days) after OCPA service commences. Opt-out requests made on or before the sixtieth day following start of Program service result in customer transfer to bundled utility service with no penalty. Such customers are obligated to pay charges associated with the electric services provided by OCPA during the time the customer took service from the Program, but they are otherwise not subject to any penalty or transfer fee from OCPA.

Customers who establish new electric service accounts within the Program's service area are automatically enrolled in the Program and have sixty days from the start of service to opt out if they so desire. Such customers are provided with two enrollment notices within this sixty-day post enrollment period. Such customers also receive a notice detailing the Program's privacy policy regarding customer usage information. OCPA has the authority to implement entry fees for customers that initially opt out of the Program, but later decide to participate.

Termination Fee

Customers that are automatically enrolled in the Program can elect to transfer back to SCE without penalty within the first two months of service. After this free opt-out period, customers are allowed to terminate their participation but may be subject to payment of a Termination Fee.

Customers that relocate within OCPA’s service territory have OCPA service continued at their new address. If a customer relocating to an address within OCPA’s service territory elects to cancel OCPA service, the Termination Fee could be applied. Program customers that move out of OCPA’s service territory are not subject to the Termination Fee. If deemed applicable by OCPA, SCE would collect the Termination Fee from returning customers as part of OCPA’s final bill to the customer.

For illustrative purposes, OCPA Termination Fees could be set at \$5 per residential account and \$25 per non-residential account. Actual fee amounts and requirements to impose Termination Fees are subject to a final determination by the Board.

If adopted, the Termination Fee would be clearly disclosed in all enrollment notices sent to customers during the sixty-day period before automatic enrollment and following commencement of service. The fee could also be changed prospectively by OCPA subject to applicable customer noticing requirements.

Customers electing to terminate service after the initial notification period are transferred to their incumbent utility on their next regularly scheduled meter read date if the termination notice is received a minimum of fifteen days prior to that date. Such customers are also liable for the nominal reentry fees imposed by SCE and would be required to remain on bundled utility service for a period of one year, as described in the utility CCA tariff.

Customer Confidentiality

OCPA maintains policies covering confidentiality of customer data that are fully compliant with the required privacy protection rules for CCA customer energy usage information, as detailed within Decision 12-08-045. OCPA will maintain the confidentiality of individual customer data including service addresses, billing addresses, telephone numbers, account numbers and electricity consumption, except where reasonably necessary to conduct business of OCPA or to provide services to customers, including but not limited to where such disclosure is necessary to (a) comply with the law or regulations; (b) enable OCPA to provide service to its customers; (c) collect unpaid bills; (d) obtain and provide credit reporting information; or (e) resolve customer disputes or inquiries. OCPA will not disclose customer information for telemarketing, e-mail or direct mail solicitation. Aggregate data may be released at OCPA’s discretion.

Responsibility for Payment

Customers are obligated to pay Program charges for service provided through the date of transfer including any applicable Termination Fees. Pursuant to current CPUC regulations, OCPA is not able to direct that electricity service be shut off for failure to pay OCPA bills. However, the incumbent utility has the right to shut off electricity to customers for failure to pay electricity bills, and SCE Electric Rule 23 mandates that partial payments are to be allocated pro rata between the incumbent utility and the CCA. In most circumstances, customers would be returned to utility service for failure to pay bills in full and customer deposits (if any) would be withheld in the case of unpaid bills. The incumbent utility would attempt to collect any outstanding balance from customers in accordance with their Electric Rules and the related CCA Service Agreement.

The process is for two late payment notices to be provided to the customer within 30 days of the original bill due date. If payment is not received within 45 days from the original due date, service is transferred to the utility on the next regular meter read date, unless alternative payment arrangements have been made. Consistent with the CCA tariffs, service cannot be discontinued to a residential customer for a disputed amount if that customer has filed a complaint with the CPUC and that customer has paid the disputed amount into an escrow account.

Customer Deposits

Under certain circumstances, OCPA customers may be required to post a deposit equal to the estimated charges for two months of CCA service prior to obtaining service from the Program. A deposit may be required for an applicant who previously had been a customer of SCE or OCPA and whose electric service has been discontinued by SCE or OCPA during the last twelve months of that prior service arrangement as a result of bill nonpayment. Such customers may be required to reestablish credit by depositing the prescribed amount. Additionally, a customer who fails to pay bills before they become past due (Discontinuance and Restoration of Service), and who further fails to pay such bills within five days after presentation of a discontinuance of service notice for nonpayment of bills, may be required to pay said bills and reestablish credit by depositing the prescribed amount. This rule will apply regardless of whether or not service has been discontinued for such nonpayment.¹⁴ Failure to post deposit, as required, would cause the account service transfer request to be rejected, and the account would remain with the incumbent utility.

¹⁴ A customer whose service is discontinued by OCPA is returned to the incumbent utility's generation service.

Chapter 10 - Procurement Process

Introduction

This Chapter describes OCPA's initial procurement policies and the key third party service agreements by which OCPA obtains operational services for the Program. OCPA retains authority to modify Program policies from time to time at its discretion.

Procurement Methods

OCPA has and will continue to enter into agreements for a variety of services needed to support program development, operation and management. OCPA will generally utilize competitive procurement methods for services but may also utilize direct procurement or sole source procurement, depending on the nature of the services to be procured. Direct procurement is the purchase of goods or services without competition when multiple sources of supply are available. Sole source procurement is generally to be performed only in the case of emergency or when a competitive process would be an idle act.

OCPA utilizes competitive solicitation processes to enter into agreements with entities providing electrical services for the Program. Agreements with entities that provide professional legal or consulting services, and agreements pertaining to unique or time sensitive opportunities, may be entered into on a direct procurement or sole source basis at OCPA's discretion. Authority for terminating agreements will generally mirror the authority for entering into such agreements.

Key Contracts

Electric Supply Contracts

OCPA initiated service using supply contracts with qualified providers to supply sufficient electric energy resources to meet the Program's customer demand as well as applicable resource adequacy requirements, ancillary and other necessary services. OCPA periodically completes additional solicitations to supplement its energy supply and/or to replace contract volumes provided under the original contracts. OCPA begins such procurement sufficiently in advance of contract expiration so that the transition from the initial supply contracts occurs smoothly, avoiding dependence on market conditions existing at any single point in time.

OCPA has contracted with a certified Scheduling Coordinator to schedule loads and resources to meet Program customer demand and a Power Management Coordinator to help with longer-term power supply needs. OCPA may designate the Schedule Coordinator and/or Power Management Coordinator to be responsible for day-to-day energy supply operations of the Program and for managing the predominant supply risks for the term of all power contracts. The Scheduling Coordinator and Power Management Coordinator work to ensure OCPA meets renewable energy mandates as well as resource-specific mandates such as the storage requirement.¹⁵ Finally, the Schedule Coordinator and Power Management Coordinator work to ensure OCPA's compliance

¹⁵ Assembly Bill 2514 requires LSEs to procure energy storage targets by 2020

with all applicable resource adequacy and regulatory requirements imposed by the CPUC or FERC.

Data Management Contract

OCPA's data manager provides the retail customer services of billing and other customer account services (electronic data interchange or EDI with SCE, billing, remittance processing and account management). A single contractor has been selected to perform all of the data management functions.

The data manager is responsible for the following services:

- Data exchange with SCE
- Technical testing
- Customer information system
- Customer call center
- Billing administration/retail settlements
- Settlement quality meter data reporting
- Reporting and audits of utility billing

Utilizing a third party for account services eliminates a significant expense associated with implementing a customer information system.

OCPA has completed its competitive solicitation process and retained a data manager and customer call center services consultant.

Chapter 11 – Contingency Plan for Program Termination

Introduction

This Chapter describes the process to be followed in the case of Program termination. In the unexpected event that OCPA would terminate the Program and return its customers to the incumbent utility's service, the proposed process is designed to minimize the impacts on its customers and the incumbent utility. The proposed termination plan follows the requirements set forth in SCE's tariffs governing service to CCAs. OCPA retains authority to modify program policies from time to time at its discretion.

Termination by OCPA

OCPA will offer services for the long term with no planned Program termination date. In the unanticipated event that OCPA decides to terminate the Program, each of its Members would be required to adopt a termination ordinance or resolution and provide adequate notice to OCPA consistent with the terms set forth in the JPA Agreement. Following such notice, the Board would vote on Program termination subject to voting provisions as described in the JPA Agreement. In the event that OCPA affirmatively votes to proceed with JPA termination, OCPA would disband under the provisions identified in its JPA Agreement.

After any applicable restrictions on such termination have been satisfied, notice would be provided to customers six months in advance that they will be transferred back to the incumbent utility. A second notice would be provided during the final sixty days in advance of the transfer. The notice would describe the applicable distribution utility bundled service requirements for returning customers then in effect, such as any transitional or bundled portfolio service rules.

It is anticipated that one year of advance notice would be provided to the incumbent utility and the CPUC before transferring customers, and OCPA would coordinate the customer transfer process to minimize impacts on customers and ensure no disruption in service. Once the customer notice period is complete, customers would be transferred *en masse* on the date of their regularly scheduled meter read date.

OCPA will post a bond or maintain funds held in reserve to pay for potential transaction fees charged to the Program for switching customers back to distribution utility service. Reserves would be maintained against the fees imposed for processing customer transfers ("FSR"). The Public Utilities Code requires demonstration of insurance or posting of a bond sufficient to cover reentry fees imposed on customers that are involuntarily returned to distribution utility service under certain circumstances. The cost of re-entry fees is the responsibility of the energy services provider or the community choice aggregator, except in the case of a customer returned for default or because its contract has expired. OCPA will post financial security in the appropriate amount as part of its registration materials and will maintain the financial security in the required amount, as necessary.

Termination by Members

Pursuant to the OCPA JPA Agreement, a Party may withdraw its membership in OCPA, effective as of the beginning of OCPA's fiscal year, by giving no less than one hundred eighty (180) days advance written notice of its election to do so. Notice must be provided to OCPA and each member Party. Withdrawal of a Party requires an affirmative vote of the Party's governing board. A Party that withdraws from OCPA may be subject to certain continuing liabilities as described in the OCPA JPA Agreement. The withdrawing Party and OCPA must 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.

An OCPA member Party may be terminated for material non-compliance with provisions of the OCPA JPA upon a two-thirds vote of the entire Board (excluding the vote of the Party subject to possible termination). Prior to any vote to terminate 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 30 days prior to the regular Board meeting at which such matter shall first be discussed as an agenda item. The Party subject to termination shall have the opportunity at the next regular Board meeting following the expiration of the 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 OCPA terminated may be subject to certain continuing liabilities, as described in the OCPA JPA Agreement.

Appendix – OCPA Joint Powers Agreement Signed by Fountain Valley, Fountain Valley Resolution and Ordinance to Join OCPA, and Certificate of Service

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ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 8.2

To: Orange County Power Authority Board of Directors

From: Tiffany Law, Chief Financial Officer

Approved: Joe Mosca, Chief Executive Officer

Subject: RECEIVE THE FINANCIAL AUDIT REPORT FOR THE FISCAL YEAR
ENDED JUNE 30, 2024 AND 2023 FROM PISENTI & BRINKER, LLP

Date: November 25, 2024

RECOMMENDED ACTION

Receive the Year-End Financial Statements and Independent Auditor's Report for the fiscal year ended June 30, 2024 and 2023 from Pisenti & Brinker, LLP.

BACKGROUND

The financial statements of Orange County Power Authority (OCPA) undergo an annual audit by an independent certified public accountant, which must be completed within six months after the fiscal year-end.

In December 2021, Pisenti & Brinker, LLP (P&B) – a CPA firm with extensive experience auditing Community Choice Aggregators (CCAs) and other California local government entities – completed the first independent audit of OCPA's financial statements for the fiscal period ending June 30, 2021. P&B subsequently conducted the second and third audits for the fiscal years ending June 30, 2022, and June 30, 2023. Each audit resulted in a clean opinion, confirming that the financial statements are materially accurate and present a true and fair view of OCPA's financial position. No material weaknesses in internal control were identified, affirming the strength of OCPA's internal control framework.

The attached reports present the results of P&B's audit for the fiscal year ending June 30, 2024, and offer detailed insights into OCPA's financial position and operations.

DISCUSSION

The annual audit of OCPA's financial statements has now been completed, with P&B issuing the comparative report. The auditors provided a clean audit opinion, affirming the material accuracy of the financial statements and finding no material weaknesses in internal control. Key highlights from the report include:

- Adherence to Generally Accepted Auditing Standards (GAAS), ensuring integrity and thoroughness in the audit process.
- Compliance of OCPA's financial statements with Generally Accepted Accounting Principles (GAAP), reflecting transparency and alignment with standard accounting practices.

- No need for revisions to the financial statements prepared by OCPA staff, indicating strong accuracy and reliability in financial reporting.
- Demonstration of OCPA's financial strength, as validated in the Independent Auditor's comprehensive report.
- Confirmation of appropriate and transparent operations, as noted in the conclusion of the Required Board Communications.

Financial Highlights for the Fiscal Year Ended June 30, 2024:

The audited financial statements for the fiscal year ending June 30, 2024, highlight OCPA's strong financial health, positioning it effectively to serve its customers and fulfill its mission. During the year, OCPA increased its net position by \$51 million, reaching a total accumulated net position of \$90 million by fiscal year-end. This provides 119 days of liquidity on hand, or 27% of total operating expenses as of June 30, 2024, in full compliance with OCPA's credit covenants.

OCPA's solid financial performance in FY2023/24 enabled it to defer \$45 million of operating revenue into the Rate Stabilization Fund (RSF), a strategic financial move approved by the Board in June 2024. The RSF serves as both a vital accounting tool under GASB 62 and a critical risk management strategy, enhancing OCPA's ability to address financial challenges. This proactive allocation helps shield customers from potential rate fluctuations, ensuring competitive rates even amid significant changes in SCE's Power Charge Indifference Adjustments (PCIA) and generation rates, or in the event of unexpected energy cost increases, such as surges in renewable energy (PCC1) and Resource Adequacy (RA) costs.

ATTACHMENTS

1. P&B Report to the Board of Directors
2. Orange County Power Authority's Audited Financial Statements for the Fiscal Year Ended June 30, 2024 and 2023 with Report of Independent Auditors

Orange County Power Authority

Report to the Board of Directors

Year Ended June 30, 2024

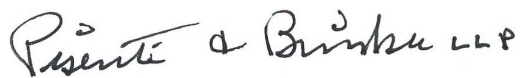


PISENTI & BRINKER LLP
Certified Public Accountants & Advisors

To the Board of Directors
Orange County Power Authority
15642 Sand Canyon Avenue
P.O. Box 54283
Irvine, CA 92619-4283

We are pleased to present this report related to our audit of the financial statements of Orange County Power Authority ("OCPA") as of and for the year ended June 30, 2024. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for OCPA's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management of OCPA and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to Orange County Power Authority.

A handwritten signature in black ink, reading "Pimentel & Brinkman LLP". The signature is written in a cursive, flowing style.

Santa Rosa, California
November 18, 2024

cc: Tiffany Law, CFO

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REQUIRED COMMUNICATIONS

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated April 27, 2022. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated August 16, 2024 regarding the planned scope and timing of our audit and identified significant risks, if any.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by OCPA. OCPA did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

Significant or Unusual Transactions

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Management's Judgments and Accounting Estimates

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.

Audit Adjustments and Uncorrected Misstatements

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Departure From the Auditor's Standard Report

Reporting – Expected Other-Matter Paragraph

Accounting principles generally accepted in the United States of America and the Governmental Accounting Standards Board require that the management's discussion and analysis be presented to supplement the financial statements. We do not express an opinion or provide any assurance on the information. In light of this matter, we will include an other-matter paragraph in the auditor's report. This matter will not modify the opinion. Below is the paragraph included in the auditor's report:

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for other information in documents containing OCPA's audited financial statements is to read the information and consider whether its content or manner of its presentation is materially inconsistent with the financial information covered by our auditor's report or whether it contains a material misstatement of fact. We read OCPA's Board of Directors meeting packet materials. We did not identify material inconsistencies with the audited financial statements.

Observations About the Audit Process

Disagreements With Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

Consultations With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Observations About the Audit Process (continued)

Significant Issues Discussed With Management

No significant issues arising from the audit were discussed or the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

Shared Responsibilities: AICPA Independence

The American Institute of Certified Public Accountants (AICPA) regularly emphasizes that auditor independence is a joint responsibility and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with AICPA independence rules. For Pimenti & Brinker LLP (the Firm) to fulfill its professional responsibility to maintain and monitor independence, management, Board of Directors, and the Firm each play an important role.

Our Responsibilities

- AICPA rules require independence both of mind and in appearance when providing audit and other attestation services. The Firm is to ensure that the AICPA's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

OCA's Responsibilities

- Timely inform the Firm, before the effective date of transactions or other business changes, of the following:
 - New affiliates, directors, or officers.
- Understand and conclude on the permissibility, prior to OCA's, officers, directors, or persons in a decision-making capacity, engaging in business relationships with the Firm.
- Not entering into relationships resulting in close family members of the Firm covered persons, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the Company.

Significant Written Communications Between Management and Our Firm

Copies of significant written communications between our firm and the management of OCA, are attached as Exhibit A.

SIGNIFICANT ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following summarizes the significant accounting estimates reflected in OCPA's June 30, 2024 financial statements.

Significant Accounting Estimates

Accrued Revenue

Accounting policy/ Management's estimation process	Management's estimate of accrued revenue includes historical trends and anticipated energy usage.
Basis for our conclusion on the reasonableness of the estimate	We tested management's estimate analytically and determined management's estimate to be reasonable in relation to the financial statements taken as a whole.

Cost of Electricity

Accounting policy/ Management's estimation process	Management's estimate of accrued cost of electricity includes historical trends and anticipated energy usage.
Basis for our conclusion on the reasonableness of the estimate	We tested management's estimate through subsequent disbursements and analytical procedures and determined management's estimate to be reasonable in relation to the financial statements taken as a whole.

Allowance for Uncollectible Accounts

Accounting policy/ Management's estimation process	Management's estimate of the allowance for uncollectible accounts includes historical collection trends and anticipated future collections.
Basis for our conclusion on the reasonableness of the estimate	We evaluated the key factors and assumptions used to develop the estimate in determining that the allowance is reasonable in relation to the financial statements taken as a whole.

EXHIBIT A

**Significant Written Communications Between Management and
Our Firm**



November 18, 2024

Pisenti & Brinker LLP
3562 Round Barn Circle, Suite 200
Santa Rosa, CA 95403

This representation letter is provided in connection with your audit of the basic financial statements of Orange County Power Authority ("OCPA") as of and for the years ended June 30, 2024 and 2023, respectively, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, that as of November 18, 2024:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated April 27, 2022, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.



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9. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
10. Deposit risk has been properly and fully disclosed.
11. The government has properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in the debt agreements related to significant default or termination events with finance-related consequences and significant subjective acceleration clauses in accordance with GASB Statement No. 88.
12. Components of net position (net investment in capital assets, restricted, and unrestricted) are properly classified and, if applicable, approved.
13. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance.
14. We have no knowledge of any uncorrected misstatements in the financial statements.

Information Provided

15. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within OCPA from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
16. All transactions have been recorded in the accounting records and are reflected in the basic financial statements.
17. We have disclosed to you the results of our assessment of risk that the basic financial statements may be materially misstated as a result of fraud.
18. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud.
19. We have no knowledge of allegations of fraud or suspected fraud affecting OCPA's basic financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.



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c. Others where the fraud could have a material effect on the basic financial statements.

20. We have no knowledge of any allegations of fraud or suspected fraud affecting OCPA's basic financial statements received in communications from employees, former employees, analysts, regulators, short sellers or others.
21. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
22. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements. We have not consulted legal counsel concerning litigation or claims.
23. We have disclosed to you the identity of all of OCPA's related parties and all the related-party relationships and transactions of which we are aware.
24. We are aware of no significant deficiencies in internal control over financial reporting, including significant deficiencies or material weaknesses, in the design or operation of internal controls that could adversely affect OCPA's ability to record, process, summarize and report financial data.
25. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
26. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
27. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts.
28. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
29. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB 62.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB 62.



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Required Supplementary Information

30. With respect to the Management's Discussion and Analysis presented as required by GAAP and the Governmental Accounting Standards Board to supplement the basic financial statements:
- a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.

Tiffany Law

Tiffany Law, Chief Financial Officer
Orange County Power Authority

Michael Maher

Mike Maher, Accountant



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EXHIBIT B
Recent Accounting Pronouncements

RECENT ACCOUNTING PRONOUNCEMENTS

The following accounting pronouncements have been issued as of November 18, 2024 but are not effective and may affect future financial reporting by OCPA.

Pronouncement	Summary
GASB Statement No. 102, <i>Certain Risk Disclosure</i>	GASB Statement No. 102, Certain Risk Disclosures, is effective for fiscal years beginning July 1, 2024. The objective of this Statement is to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.
GASB Statement No. 103, <i>Financial Reporting Model Improvements</i>	GASB Statement No. 103, Financial Reporting Model Improvements, is effective for fiscal years beginning July 1, 2025. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.



Financial Statements

Fiscal Years Ended June 30, 2024 and 2023
with Report of Independent Auditors

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Independent Auditor's Report

To the Board of Directors
Orange County Power Authority

Opinion

We have audited the accompanying financial statements of Orange County Power Authority (OCPA), which comprise the statements of net position as of June 30, 2024 and 2023, the related statements of revenue, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of OCPA as of June 30, 2024 and 2023, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of OCPA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about OCPA's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

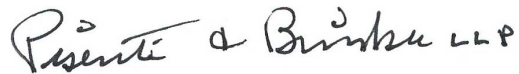
In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of OCPA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about OCPA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in black ink that reads "Pimentel & Brink LLP". The signature is written in a cursive, flowing style.

Santa Rosa, California
November 18, 2024

**ORANGE COUNTY POWER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

The purpose of management's discussion and analysis (MD&A) is to help stakeholders and other readers understand what the financial statements and notes in this report say about Orange County Power Authority's (OCPA) financial health and why it has changed since last year. It contains information drawn from other parts of the report, accompanied by explanations informed by the finance staff's knowledge of OCPA's finances.

If you have questions about this report or require further information, our website at <https://www.ocpower.org/contact-us/> contains information on how to contact us.

Overview of the Financial Statements

OCPA's financial report contains basic financial statements, which include:

- The *Statements of Net Position* include all of OCPA's assets, liabilities, and net position and provides information about the nature and amount of resources and obligations at a specific point in time.
- The *Statements of Revenues, Expenses, and Changes in Net Position* report all of OCPA's revenue and expenses for the years shown.
- The *Statements of Cash Flows* report the cash provided and used by operating activities, as well as other sources and uses, such as capital and investing activities.
- The notes to the Basic Financial Statements provide additional details and information related to the basic financial statements.

**ORANGE COUNTY POWER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

Financial Summary

OCA's Net Position

	2024	2023	2022
Current assets	\$158,152,396	\$ 88,628,950	\$ 45,652,857
Noncurrent assets	14,278,857	5,000,000	-
Total assets	172,431,253	93,628,950	45,652,857
Current liabilities	74,718,452	47,445,424	30,048,848
Noncurrent liabilities	7,847,131	7,646,933	15,394,307
Total liabilities	82,565,583	55,092,357	45,443,155
Deferred inflows of resources	45,000,000	-	-
Net position			
Unrestricted	\$ 44,865,670	\$ 38,536,593	\$ 209,702

As of June 30, 2024, OCA's total net position was approximately \$44,900,000, an increase of \$6,300,000 or 16% as compared to June 30, 2023. This increase in net position primarily reflects the growth in cash and investments resulting from OCA's operating surplus, as discussed below.

OCA's Changes in Net Position

	2024	2023	2022
Operating revenues	\$ 337,084,243	\$ 275,734,014	\$ 37,789,664
Nonoperating revenues	2,467,019	963,543	852
Total income	339,551,262	276,697,557	37,790,516
Operating expenses	332,757,588	237,669,189	36,446,326
Nonoperating expenses	464,597	701,477	199,424
Total expenses	333,222,185	238,370,666	36,645,750
Change in net position	\$ 6,329,077	\$ 38,326,891	\$ 1,144,766

Increased electricity sales accounted for most of the growth in total income. The cost of electricity, the largest component of operating expenses, increased from fiscal year 2023 to fiscal year 2024 due to higher renewable energy and resource adequacy market costs.

**ORANGE COUNTY POWER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

Detailed Analysis

Current assets increased from \$88,600,000 at the end of fiscal year 2023 to \$158,200,000 at the end of fiscal year 2024. This increase was due to an operating surplus primarily driven by an increase in electricity rates charged to customers and to the territory expansion that occurred during fiscal year 2023 that affected the entirety of fiscal year 2024. Current assets at the end of fiscal year 2024 were primarily comprised of cash and investments of \$100,300,000, accounts receivable of \$26,800,000, and accrued revenue of \$20,100,000.

Noncurrent assets increased due to collateral deposits required to be paid to energy suppliers. Also included in noncurrent assets at the end of fiscal year 2023 and 2024 is restricted cash of \$5,000,000 held as part of OCPA's credit agreement.

The largest component of current liabilities is the cost of electricity delivered to customers that is not yet paid by OCPA. Current liabilities for the cost of energy increased each year due to greater volumes purchased, changes in payment terms for certain energy products, and rising prices of those products. Accrued cost of electricity was approximately \$71,600,000 and \$44,700,000 at the end of fiscal years 2024 and 2023, respectively.

Noncurrent liabilities consist of supplier security deposits and a loan due to the City of Irvine. The large decrease during fiscal year 2023 is a result of retiring debt to a financial institution lender.

In fiscal year 2024 OCPA set aside \$45,000,000 in a Rate Stabilization Fund in accordance with the Board approved Rate Stabilization Fund Policy. The Rate Stabilization Fund is used to defer revenue for future years when financial results necessitate draws on reserves. By postponing revenue recognition to future years, OCPA aims to avoid sudden rate increases due to unanticipated spikes in energy costs and other unforeseen circumstances. OCPA anticipates reducing the deferral and recognizing the related revenue in fiscal year 2025.

Operating revenues increased each year from fiscal years 2022 to 2024, primarily due to territory expansions and increases in rates charged to customers. However, this increase was reduced in 2024 by the deferral of revenue into the Rate Stabilization Fund.

**ORANGE COUNTY POWER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

Detailed Analysis (continued)

Nonoperating revenues include interest and investment income, with year-over-year changes reflecting higher average balances in diversified interest-bearing accounts.

The largest operating expense is the cost of electricity which increased each year, primarily from territory expansion and higher prices charged by electricity providers. As OCPA transitioned into operational strength in fiscal years 2022 and 2023, there was an increase in expenses related to contract services, staff compensation, and other general and administrative costs.

Significant Capital Asset and Long-Term Financing Activity

OCPA does not own assets used for electric generation or distribution.

During 2021, OCPA borrowed approximately \$2,700,000 from the City of Irvine, which is classified as a noncurrent liability. These funds were primarily allocated to cover formation costs of \$152,000, paid directly to various professional consultants by the City of Irvine, and pre-launch costs of \$2,500,000 incurred during OCPA's start-up phase. Additionally, OCPA borrowed an additional \$5,000,000 from the City of Irvine to be used as collateral for its bank credit facility.

Throughout 2022 and 2023, OCPA made several draws from and repayments to its financial institution lender. These borrowings were fully repaid by March 2023. Consequently, as of June 30, 2023, the outstanding balance on this note payable was \$0, down from \$7,650,000 as of June 30, 2022.

**ORANGE COUNTY POWER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

Currently Known Facts, Decisions, or Conditions

OCPA continues to navigate industry-wide challenges, including significant increases in renewable energy procurement and resource adequacy costs. These challenges, combined with the projected reduction in rate advantages between OCPA and Southern California Edison (SCE) in 2025, have prompted the agency to refine its procurement strategies and financial planning. To manage these risks, OCPA may need to consider adjusting its rates and renewable energy portfolio to better balance revenues and costs, while still meeting California's Renewable Portfolio Standard requirements.

OCPA is developing a Community Power Plan, a five-year strategic initiative to address gaps in local energy programs and respond to evolving community needs and market conditions. To further support its clean energy initiatives, OCPA is actively pursuing federal and state funding opportunities. These include the California Energy Commission's Equitable Decarbonization Direct Install Program, which helps low-income residents electrify their homes at no cost, and the California Public Utilities Commission's Public Purpose Program, which promotes local economic development, reduces greenhouse gas emissions, and increases the use of renewable energy.

Looking ahead, OCPA is preparing to expand its service area by adding new member communities. OCPA anticipates adding an estimated 12% to its load starting in the fall of 2026.

Requests for information

This financial report is designed to provide OCPA's board members, stakeholders, customers, and creditors with a general overview of OCPA's finances and to demonstrate OCPA's accountability for the funds under its stewardship.

Please address any questions about this report or requests for additional financial information to the Chief Financial Officer, 15310 Barranca Parkway, Suite 250, Irvine, CA 92618.

BASIC FINANCIAL STATEMENTS

ORANGE COUNTY POWER AUTHORITY
STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash - unrestricted	\$ 79,735,416	\$ 26,027,295
Cash - restricted	600,000	800,000
Investments	19,975,918	-
Accounts receivable, net of allowance	26,828,551	23,368,725
Accrued revenue	20,085,848	22,063,462
Other receivables	6,977,630	3,271,945
Prepaid expenses	193,444	11,356,560
Deposits	3,755,589	1,740,963
Total current assets	<u>158,152,396</u>	<u>88,628,950</u>
Noncurrent assets		
Cash - restricted	5,000,000	5,000,000
Deposits	9,278,857	-
Total noncurrent assets	<u>14,278,857</u>	<u>5,000,000</u>
Total assets	<u>172,431,253</u>	<u>93,628,950</u>
LIABILITIES		
Current liabilities		
Accrued cost of electricity	71,612,632	44,739,619
Accounts payable	1,005,354	511,743
Other accrued liabilities	895,522	944,349
User taxes and surcharges due to other governments	1,204,944	1,249,713
Total current liabilities	<u>74,718,452</u>	<u>47,445,424</u>
Noncurrent liabilities		
Loans payable	7,527,841	7,527,841
Accrued interest and financing costs	319,290	119,092
Total noncurrent liabilities	<u>7,847,131</u>	<u>7,646,933</u>
Total liabilities	<u>82,565,583</u>	<u>55,092,357</u>
DEFERRED INFLOWS OF RESOURCES		
Rate Stabilization Fund	<u>45,000,000</u>	<u>-</u>
NET POSITION		
Unrestricted	<u>44,865,670</u>	<u>38,536,593</u>
Total net position	<u>\$ 44,865,670</u>	<u>\$ 38,536,593</u>

**ORANGE COUNTY POWER AUTHORITY
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Electricity sales, net	\$ 382,084,243	\$ 275,734,014
Revenue deferred to Rate Stabilization Fund	(45,000,000)	-
Total operating revenues	<u>337,084,243</u>	<u>275,734,014</u>
OPERATING EXPENSES		
Cost of electricity	321,916,334	229,232,658
Contract services	7,279,861	5,279,249
Staff compensation	2,563,579	2,435,733
Other operating expenses	997,814	721,549
Total operating expenses	<u>332,757,588</u>	<u>237,669,189</u>
Operating income	<u>4,326,655</u>	<u>38,064,825</u>
NONOPERATING REVENUES (EXPENSES)		
Miscellaneous income	-	913,358
Investment income	2,467,019	50,185
Interest and financing expense	(464,597)	(701,477)
Nonoperating revenues (expenses), net	<u>2,002,422</u>	<u>262,066</u>
CHANGE IN NET POSITION	6,329,077	38,326,891
Net position at beginning of year	38,536,593	209,702
Net position at end of year	<u>\$ 44,865,670</u>	<u>\$ 38,536,593</u>

ORANGE COUNTY POWER AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$388,331,143	\$259,631,530
Receipts from market settlements	-	44,563,948
Other operating receipts	1,466,303	1,410,916
Payments to suppliers for electricity	(299,814,653)	(266,607,579)
Payments for goods and services	(8,240,147)	(5,448,214)
Payments of staff compensation and benefits	(2,444,883)	(2,381,535)
Payments of taxes and surcharges to other governments	(7,773,881)	(5,163,302)
Net cash provided by operating activities	<u>71,523,882</u>	<u>26,005,764</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Proceeds from note payable	-	34,100,000
Payments of note principal	-	(41,750,000)
Payments of loan principal	-	(124,539)
Payments of interest and related expenses	(264,862)	(694,109)
Net cash used by non-capital financing activities	<u>(264,862)</u>	<u>(8,468,648)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	2,199,657	50,185
Purchase of investments	(19,950,556)	-
Net cash (used) provided by investing activities	<u>(17,750,899)</u>	<u>50,185</u>
Net change in cash	<u>53,508,121</u>	<u>17,587,301</u>
Cash at beginning of year	<u>31,827,295</u>	<u>14,239,994</u>
Cash at end of year	<u><u>\$ 85,335,416</u></u>	<u><u>\$ 31,827,295</u></u>
Reconciliation to the Statement of Net Position		
Cash, unrestricted	\$ 79,735,416	\$ 26,027,295
Restricted cash, current	600,000	800,000
Restricted cash, noncurrent	5,000,000	5,000,000
Total cash at end of period	<u><u>\$ 85,335,416</u></u>	<u><u>\$ 31,827,295</u></u>

**ORANGE COUNTY POWER AUTHORITY
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2024 AND 2023**

**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES**

	<u>2024</u>	<u>2023</u>
Operating income	\$ 4,326,655	\$ 38,064,825
Adjustments to reconcile operating income to net cash provided by operating activities		
(Increase) decrease in:		
Accounts receivable, net	(3,459,826)	(12,367,406)
Other receivables	(3,463,685)	(485,671)
Accrued revenue	1,977,614	(9,553,310)
Prepaid expenses	11,163,116	(5,552,658)
Deposits	(11,293,483)	(1,516,387)
Increase (decrease) in:		
Accrued cost of electricity	26,873,013	16,138,451
Accounts payable	493,611	(72,009)
Other accrued liabilities	(48,364)	695,000
User taxes and surcharges due to other governments	(44,769)	654,929
Rate Stabilization Fund	45,000,000	-
Net cash provided by operating activities	<u>\$ 71,523,882</u>	<u>\$ 26,005,764</u>

**ORANGE COUNTY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Orange County Power Authority (OCPA) is a California joint powers authority created on November 20, 2020, and its jurisdictions consist of the following local governments as of June 30, 2024:

Cities	
Buena Park	Huntington Beach *
Fullerton	Irvine

* On July 1, 2024, Huntington Beach
terminated its membership

OCPA is separate from and derives no financial support from its members. It is governed by a Board of Directors consisting of five regular members and three alternates, all of whom are elected officials representing the participating communities.

OCPA was established to procure retail electricity for residents and businesses within its members' jurisdiction, promote and manage energy and climate change programs, and exercise all other necessary powers to achieve these objectives. A core function of OCPA is to provide electric service using renewable energy sources through the Community Choice Aggregation Program, as authorized by California Public Utilities Code Section 366.2.

OCPA began energy delivery operations in April 2022. Electricity is purchased from commercial suppliers and delivered through the existing infrastructure and equipment managed by Southern California Edison (SCE).

BASIS OF ACCOUNTING

OCPA's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements.

OCPA's operations are accounted for as a governmental enterprise fund and are reported using the economic resources measurement focus and the accrual basis of accounting, similar to business enterprises. Accordingly, revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred. Enterprise fund-type operating statements present increases (revenues) and decreases (expenses) in total net position. Reported net position is segregated into three categories, if applicable – investment in capital assets, restricted and unrestricted. When both restricted and unrestricted resources are available for use, OCPA will use restricted resources first, and then unrestricted resources as they are needed.

**ORANGE COUNTY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CASH

For purposes of the Statement of Cash Flows, OCPA defines cash to include cash on hand, demand deposits, and short-term investments with an original maturity of three months or less. Restricted cash reported on the Statements of Net Position includes collateral for a note payable as well as a required minimum balance that must be maintained in one of OCPA's bank accounts.

INVESTMENTS

Investments are stated at fair value based on prices listed on a national exchange for debt securities, while certificates of deposits are stated at cost. OCPA intends to hold its securities to maturity. Investments with a maturity of less than one year are classified as current assets in the Statement of Net Position, while those with a maturity of one year or more are classified as noncurrent assets.

OCA's Investment Policy permits the following types of investments:

U.S. Treasury obligations	Commercial paper
U.S. agency obligations	Medium-term notes
Municipal obligations	Negotiable certificates of deposits
Deposits at banks	Mortgage pass-through and asset-backed securities
Placement service deposits	Supranational obligations
Local Agency Investment Fund	Joint power authority pool

PREPAID EXPENSES

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid expenses.

DEPOSITS

Contracts to purchase energy may require OCPA to provide the supplier with advanced payments or security deposits. Deposits are generally held for the term of the contract and are classified as current or noncurrent assets depending on the length of time the deposits will be outstanding.

**ORANGE COUNTY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

RATE STABILIZATION FUND

In June 2024, OCPA established a Rate Stabilization Fund in accordance with GASB Statement No. 62. This fund allows OCPA to defer revenue in years when financial results are strong for use in future years when financial results may decline. The amount deposited into the fund is shown as a reduction of operating revenues and reported on the statements of net position as a deferred inflow of resources. Deferrals to this fund were \$45,000,000 and \$0 in fiscal years 2024 and 2023, respectively.

NET POSITION

Net position is presented in the following components:

Unrestricted: This component of net position consists of net position that does not meet the definition of “investment in capital assets” or “restricted.”

OPERATING AND NONOPERATING REVENUES

Revenues that are derived from or related to the delivery of energy or other programs are classified as operating revenues. Electricity sales revenue is reported net of an allowance for uncollectible accounts. Operating revenue are decreased by contributions to the Rate Stabilization Fund, and are increased by distributions from it.

Nonoperating revenues include interest earnings on investments, as well as an exit fee charged to a member who elects to withdraw from OCPA.

REVENUE RECOGNITION

OCPA recognizes revenue on the accrual basis. This includes invoices issued to customers during the reporting period and electricity estimated to have been delivered, but not yet billed. Management estimates that a portion of the billed amounts will be uncollectible. Accordingly, an allowance for uncollectible accounts has been recorded and revenues are reported net of this allowance.

OPERATING AND NONOPERATING EXPENSES

Operating expenses include the costs of electricity, data management expenses, SCE service fees, consultants, and other professional fees, legal services, staff compensation and benefits, and general and administrative expenses. Expenses not meeting this definition are reported as nonoperating expenses.

**ORANGE COUNTY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ELECTRICAL POWER PURCHASED

During the normal course of business, OCPA purchases electrical power from numerous suppliers. Electricity costs include the cost of energy and capacity arising from contracts with energy suppliers as well as generation credits, load and other charges arising from OCPA's participation in the California Independent System Operator's (CAISO) centralized market. The cost of electricity and capacity is recognized as "Cost of Electricity" in the Statements of Revenues, Expenses and Changes in Net Position.

To comply with the State of California's Renewable Portfolio Standards (RPS) and self-imposed benchmarks, OCPA acquires RPS eligible renewable energy evidenced by Renewable Energy Certificates (Certificates) recognized by the Western Renewable Energy Generation Information System (WREGIS). OCPA obtains Certificates with the intent to retire them and does not sell or build surpluses of Certificates with a profit motive. An expense is recognized at the point that the cost of the Certificate is due and payable to the supplier.

OCPA purchases capacity commitments from qualifying generators to comply with the California Public Utilities Commission's Resource Adequacy Program. The goals of the Resource Adequacy Program are to provide sufficient resources to the CAISO to ensure the safe and reliable operation of the grid in real-time and to provide appropriate incentives for the development of new resources necessary for future reliability.

STAFFING COSTS

OCPA pays employees semi-monthly and fully pays its obligation for health insurance and retirement contribution benefits each month. OCPA is not obligated to provide post-employment healthcare or other fringe benefits and, accordingly, no related liability is recorded in these financial statements. OCPA provides compensated time off, and the related liability is recorded in these financial statements.

INCOME TAXES

OCPA is a joint powers authority under the provision of the California Government Code and is not subject to federal or state income or franchise taxes.

USER TAXES AND ENERGY SURCHARGES DUE TO OTHER GOVERNMENTS

OCPA is required by governmental authorities to collect and remit user taxes on certain customer sales. These taxes are not considered revenues or expenses to OCPA.

**ORANGE COUNTY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

RECLASSIFICATIONS

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation of the current-year financial statements. These reclassifications did not result in any change to the previously reported net position or change in net position.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. CASH

OCPA maintains its cash in interest and non-interest-bearing accounts at U.S. Bank. OCPA's deposits are subject to California Government Code Section 16521 which requires banks to collateralize the amount of public funds in excess of the Federal Deposit Insurance Corporation limit of \$250,000 by 110%. OCPA has an investment policy addressing risks beyond the requirements of the relevant code. Accordingly, the amount of risk is not disclosed. OCPA monitors its risk exposure on an ongoing basis. As of June 30, 2024 and 2023, all of OCPA's cash was held in depository accounts or certificates of deposit.

3. ACCOUNTS RECEIVABLE

Accounts receivable were as follows as of June 30:

	<u>2024</u>	<u>2023</u>
Accounts receivable from customers	\$35,595,551	\$27,349,043
Allowance for uncollectible accounts	<u>(8,767,000)</u>	<u>(3,980,318)</u>
Net accounts receivable	<u><u>\$26,828,551</u></u>	<u><u>\$23,368,725</u></u>

The majority of account collections occur within the first few months following customer invoicing. OCPA estimates that a portion of the billed accounts will not be collected. OCPA continues collection efforts on delinquent accounts in excess of *de minimis* balances regardless of the age of the account. Although collection success generally decreases with the age of the receivable, OCPA continues to have success in collecting older accounts. The allowance for uncollectible accounts at the end of a period includes amounts billed during the current and prior fiscal years. Amounts estimated to be uncollectable are reported as a reduction in electricity sales in the Statement of Revenues, Expenses and Changes in Net Position.

**ORANGE COUNTY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

4. INVESTMENTS

During the year ended June 30, 2024, OCPA purchased investments with original maturities of three months or more. As of June 30, 2024, the fair value of investments was as follows:

Current Investments:	
Certificate of deposits	\$ 18,000,000
U.S. Treasury Securities	<u>1,975,918</u>
Total current investments	<u>\$ 19,975,918</u>

FAIR VALUE MEASUREMENT

GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. This framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. OCPA's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

As of June 30, 2024, OCPA's investments are considered Level 1 inputs. Quoted prices in active markets were used for determining fair value measurement.

CREDIT RISK

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations.

OCPA's investment policy addresses this risk by limiting investments to those allowed by Section 53601 of the California Government Code which specifies the risk allowable for each type of investment.

CUSTODIAL CREDIT RISK

Cash and Cash Equivalents

Custodial credit risk is the risk that in the event of a financial institution failure, OCPA's deposits may not be returned. OCPA's deposits are fully insured or collateralized.

As of June 30, 2024 and 2023, none of OCPA's bank balances were known to be individually exposed to custodial credit risk.

**ORANGE COUNTY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

4. INVESTMENTS (continued)

CUSTODIAL CREDIT RISK (continued)

Investments

Custodial credit risk for investments is the risk that, in the event of a counterparty's failure, OCPA would not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. All of OCPA's investments are exposed to custodial credit risk.

OCPA's investment policy addresses custodial credit risk by requiring all investments owned by OCPA be held in safekeeping by a third-party custodian, acting as an agent for OCPA under the terms of a custody agreement.

5. CAPITAL ASSETS

Capital assets for the year ended June 30, 2024 consisted of a lease asset related to its office premises. There were no capital assets for the year ended June 30, 2023.

6. DEBT

LOANS PAYABLE

Pre-launch

In January 2021, OCPA borrowed \$2,500,000 from the City of Irvine for working capital costs associated with its launch. In September 2021, OCPA borrowed an additional \$5,000,000 from the City of Irvine to use as collateral for its bank credit facility. The loan repayment is due on January 1, 2027. Interest on the loan is calculated based on the quarterly yield on the City of Irvine's Pooled Investment Portfolio. As of June 30, 2024, the estimated interest rate was 2.75% per annum.

Formation costs

In addition to the loans mentioned, formation-related costs were paid directly by the City of Irvine to various professional consultants. OCPA is obligated to reimburse the City of Irvine for these costs no later than January 1, 2027. Interest does not accrue on the formation costs advanced by the City of Irvine. In 2023, OCPA repaid approximately \$125,000 of these costs, leaving a balance of approximately \$28,000 outstanding as of June 30, 2024 and June 30, 2023.

ORANGE COUNTY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

6. DEBT (continued)

NOTE PAYABLE

In September 2021, OCPA and US Bank entered into a Revolving Credit Agreement for a \$35,000,000 credit facility. The credit agreement enhances OCPA's overall liquidity for potential working capital needs and collateral requirements. This agreement terminates in September 2026. The borrowing rate on the credit facility is based on the daily Secured Overnight Financing Rate (SOFR) plus 1.5%. OCPA had no debt outstanding under the credit agreement at June 30, 2024 or 2023. OCPA did issue Standby Letters of Credit secured by the line of credit. At June 30, 2024 and June 30, 2023, these Letters of Credit reduced the available portion of the line by approximately \$6,200,000 and \$15,200,000, respectively, but are not considered debt to OCPA.

Note and loan principal activity and balances were as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending</u>
Year ended June 30, 2024				
Note payable	\$ -	\$ -	\$ -	\$ -
Loan payable-pre-launch costs	7,500,000	-	-	7,500,000
Loan payable-formation costs	27,841	-	-	27,841
Total	<u>\$ 7,527,841</u>	<u>\$ -</u>	<u>\$ -</u>	<u>7,527,841</u>
Amounts due within one year				-
Amounts due after one year				<u>\$ 7,527,841</u>
	<u>Beginning</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending</u>
Year ended June 30, 2023				
Note payable	\$ 7,650,000	\$ 34,100,000	\$ (41,750,000)	\$ -
Loan payable-pre-launch costs	7,500,000	-	-	7,500,000
Loan payable-formation costs	152,380	-	(124,539)	27,841
Total	<u>\$ 15,302,380</u>	<u>\$ 34,100,000</u>	<u>\$ (41,874,539)</u>	<u>7,527,841</u>
Amounts due within one year				-
Amounts due after one year				<u>\$ 7,527,841</u>

ORANGE COUNTY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

7. DEFINED CONTRIBUTION RETIREMENT PLAN

OCPA provides retirement benefits to eligible employees through a 401(a) Retirement Plan (Plan), which is a defined contribution (IRC 401(a)) retirement plan administered by Lincoln Financial. As of June 30, 2024, there were 11 plan participants. OCPA is required to contribute 10% of annual covered payroll as a match to employee contributions. During the fiscal years ended June 30, 2024 and 2023, OCPA contributed approximately \$252,000 and \$203,000, respectively, to the 401(a) Retirement Plan. OCPA has elected out of the Social Security system for employees eligible for the Plan. The Plan's provisions and contribution requirements are established and may be amended by the Board of Directors. Additionally, OCPA offers a 457(b) Retirement Plan where employees may elect to participate and make tax-deferred contributions. OCPA provides an employer contribution to the 457(b) plan that matches the employee's voluntary contribution, up to a maximum of 4% of salary.

8. RISK MANAGEMENT

OCPA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. During the year, OCPA purchased insurance policies from investment-grade commercial carriers to mitigate risks that include those associated with cyber and private liability, earthquakes, theft, general liability, errors and omissions, and property damage. OCPA has general liability coverage of \$2,000,000 with a deductible of \$250.

OCPA maintains energy risk management policies, procedures and systems that help mitigate credit, liquidity, market, operating, regulatory and other risks that arise from participation in the California energy market.

Credit guidelines include a preference for transacting with investment-grade counterparties, evaluating counterparties' financial condition and assigning credit limits as applicable. These credit limits are established based on risk and return considerations under terms customarily available in the industry. In addition, OCPA enters into netting arrangements whenever possible and where appropriate obtains collateral and other performance assurances from counterparties.

9. LEASES

In February 2024, OCPA entered into an 84-month non-cancelable lease for its office premises effective July 2024. As part of a prior office space lease, OCPA made rental payments in the amounts of \$228,000 and \$163,000 for the fiscal years ended June 30, 2024 and 2023, respectively.

ORANGE COUNTY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

9. LEASES (continued)

As of June 30, 2024, future minimum lease payments were projected as follows:

Year ending June 30,	Principal	Interest	Total
2025	\$ 57,236	\$ 35,465	\$ 92,701
2026	109,330	55,195	164,525
2027	122,788	47,346	170,134
2028	137,190	38,553	175,743
2029	153,566	28,720	182,286
2030-2031	338,307	23,303	361,610
Total	<u>\$ 918,417</u>	<u>\$ 228,582</u>	<u>\$ 1,146,999</u>

10. PURCHASE COMMITMENTS

POWER AND ELECTRIC CAPACITY

In the ordinary course of business, OCPA enters into various power purchase agreements to procure renewable energy, and other energy and electric capacity. The price and volume of purchased power are typically fixed but can also be variable. Variable pricing is generally based on the market price of either natural gas or electricity at the time of delivery. Variable volume is generally associated with contracts to purchase energy from as-available resources such as solar, wind, and hydroelectric facilities.

OCPA enters into power purchase agreements in order to comply with state law and voluntary targets for renewable and greenhouse gas free products and to ensure stable and competitive electric rates for its customers.

The following table details the expected, undiscounted, contractual obligations outstanding as of June 30, 2024:

Year ended June 30,	
2025	\$ 207,100,000
2026	180,900,000
2027	136,400,000
2028	88,200,000
2029	72,000,000
2030-2047	584,600,000
Total	<u>\$ 1,269,200,000</u>

**ORANGE COUNTY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

11. FUTURE GASB PRONOUNCEMENTS

The requirements of the following GASB Statements are effective for years ending after June 30, 2024:

GASB has approved GASB No. 102, *Certain Risk Disclosures*, and GASB No. 103, *Financial Reporting Model Improvements*.

Management is evaluating the effect of implementation of these statements.

12. WITHDRAWAL OF MEMBERS

COUNTY OF ORANGE

On December 21, 2022, the County of Orange (the County) provided notice of its withdrawal from the OCPA. Following the County's notice, OCPA adjusted its load expectations and procurement strategy, effectively mitigating energy products attributable to the County's load by fully utilizing its existing contracts for energy and renewable energy for ongoing operations (excluding the County).

However, OCPA faced challenges in mitigating costs related to resource adequacy capacity. Due to the California Public Utilities Commission's (CPUC) year-ahead resource adequacy rules, OCPA was required to maintain all the resource adequacy it had procured for the County's anticipated 2023 load, as reflected in OCPA's binding load forecast filed in April 2022. Selling this resource adequacy would have resulted in significant penalties from the CPUC, so it had to be kept by OCPA and could not be monetized or mitigated.

As a result, under Section 6.3 of the Joint Powers Agreement (JPA), the County is responsible for the cost of this unutilized resource adequacy capacity. The cost for this resource adequacy, covering November and December 2023, amounted to \$888,508, calculated by multiplying the County's resource adequacy needs for these months by the average price of OCPA's contracts. Additionally, OCPA incurred \$24,850 in expenses with professional advisors to address legal and regulatory issues arising from the County's withdrawal. Therefore, as of June 30, 2024, the total receivable for the County's withdrawal amounted to \$913,358.

CITY OF HUNTINGTON BEACH

On May 17, 2023, the City of Huntington Beach (the City) gave notice of its withdrawal as a member of OCPA. According to the terms of the JPA, the City's withdrawal took effect on July 1, 2024, and all OCPA customers within the City's geographic boundary have transitioned to SCE bundled service.

**ORANGE COUNTY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

12. WITHDRAWAL OF MEMBERS (continued)

CITY OF HUNTINGTON BEACH (continued)

After receiving the City's withdrawal notice in May 2023, OCPA took steps to adjust its system energy and renewables portfolio for 2024. These adjustments included reducing the acquisition of system energy and renewables to fill open positions for the year, effectively mitigating potential liabilities. As a result, OCPA did not incur any liabilities related to system energy contracts due to the City's withdrawal and its share of OCPA's load.

OCPA had already purchased resource adequacy for 2024 to meet its year-ahead obligations with the CPUC and CAISO. The CPUC informed OCPA that its year-ahead load forecast could not be amended to reflect the City's return to SCE bundled service, meaning OCPA could not reduce its resource adequacy obligations. As a result, OCPA retained the resource adequacy attributed to the City's load for the months of July through December 2024, creating a stranded cost of \$6,680,079, for which the City was liable.

Under Rule 23, OCPA is subject to SCE's imposition of reentry fees for the return of the City's customers, which includes SCE's incremental administrative and procurement costs. Additionally, OCPA incurred internal administrative and legal costs related to the City's reentry, including consulting fees, the hiring of a project manager to ensure a smooth transition back to SCE, printing costs for customer notifications, and legal expenses. These expenses totaled \$352,029, for which the City was liable.

On October 23, 2023, the City approved the transition of all existing customers from the 100% Renewable Choice to the Basic Choice tier, effective January 1, 2024. This change reduced the cost of renewable energy that OCPA needed to purchase for the first six months of 2024 by \$7,467,753 (Renewable Cost Savings). These savings, directly related to the withdrawal and transition of the City's customers, were applied to offset the City's liability for withdrawal costs, including stranded resource adequacy costs, SCE administrative costs, and OCPA administrative, consulting, and legal expenses.

On September 3, 2024, OCPA determined the final withdrawal costs incurred in connection with the City's departure, including resource adequacy costs, SCE reentry fees, and OCPA administrative expenses. These costs did not exceed the Renewable Cost Savings. As a result, the City has no further liability to OCPA regarding its withdrawal.

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 8.3

To: Orange County Power Authority Board of Directors

From: Tiffany Law, Chief Financial Officer

Approved: Joe Mosca, Chief Executive Officer

Subject: RATIFY RATES EFFECTIVE NOVEMBER 1, 2024

Date: November 25, 2024

RECOMMENDED ACTION

Ratify rates effective November 1, 2024.

BACKGROUND

The rate design of the Orange County Power Authority (OCPA) depends on Southern California Edison's (SCE) generation rates and the Power Charge Indifference Adjustments (PCIA). In January 2024, the Board approved the OCPA 2024 rate design, setting Basic Choice rates at a 3% discount to SCE's equivalent generation rates, Smart Choice rates at 1 cent per kWh above Basic Choice, and 100% Renewable Choice rates at 1.5 cents per kWh above Basic Choice.

On December 28, 2023, SCE filed an advice letter to adjust electric rates effective January 1, 2024, reflecting the final ERRA Forecast and related balancing accounts. Additional adjustments followed on March 1, 2024, to account for SCE's new CPUC-approved cost of capital, and on June 1, 2024, implementing a 7% generation rate reduction due to the removal of the 2023 ERRA Trigger surcharge.

The most significant update came on October 1, 2024, when the CPUC approved SCE's ERRA Trigger, leading to a \$742.4 million reduction in bundled generation rates, averaging an 11.6% rate decrease. This adjustment is projected to reduce OCPA revenue by approximately \$4.3 million for November through December 2024.

ANALYSIS AND DISCUSSION

Due to Calpine's billing system requirements, OCPA's rates took effect on November 1, 2024. The attached OCPA rate schedules, effective November 1, 2024, have been published on the OCPA website. These rates have been communicated to customers on their bills and implemented in the OCPA rates comparison tool, also available on the OCPA website.

FISCAL IMPACT

The Board's ratification of the OCPA November 2024 rates has no fiscal impact.

ATTACHMENTS

OCPA Rate Schedules Effective November 1, 2024 – Residential and Commercial Customers

RESIDENTIAL CUSTOMERS

OCA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
DOMESTIC					
GENERATION CHARGE (\$/KWH)	YEAR-ROUND	\$ 0.11766	\$ 0.12766	\$ 0.13266	All electric usage
TOU-D-4 Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.24136	\$ 0.25136	\$ 0.25636	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.13414	\$ 0.14414	\$ 0.14914	4pm - 9pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ 0.07848	\$ 0.08848	\$ 0.09348	All other hours
	WINTER MID-PEAK	\$ 0.17462	\$ 0.18462	\$ 0.18962	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.10325	\$ 0.11325	\$ 0.11825	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.08632	\$ 0.09632	\$ 0.10132	8am - 4pm, every day
TOU-D-5 Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.37748	\$ 0.38748	\$ 0.39248	5pm - 8pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.19863	\$ 0.20863	\$ 0.21363	5pm - 8pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ 0.06946	\$ 0.07946	\$ 0.08446	All other hours
	WINTER MID-PEAK	\$ 0.25520	\$ 0.26520	\$ 0.27020	5pm - 8pm, every day
	WINTER OFF-PEAK	\$ 0.10157	\$ 0.11157	\$ 0.11657	8pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.07717	\$ 0.08717	\$ 0.09217	8am - 5pm, every day
TOU-D-A Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.27242	\$ 0.28242	\$ 0.28742	2pm - 8pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.11357	\$ 0.12357	\$ 0.12857	8am - 2pm & 8pm - 10pm, Monday - Friday
	SUMMER SUPER OFF-PEAK	\$ 0.07989	\$ 0.08989	\$ 0.09489	8am - 10pm, Saturday, Sunday & holidays
	WINTER ON-PEAK	\$ 0.16167	\$ 0.17167	\$ 0.17667	10pm - 8am, every day
	WINTER OFF-PEAK	\$ 0.08640	\$ 0.09640	\$ 0.10140	2pm - 8pm, Monday - Friday
	WINTER SUPER OFF-PEAK	\$ 0.08174	\$ 0.09174	\$ 0.09674	8am - 2pm & 8pm - 10pm, Monday - Friday
					8am - 10pm, Saturday, Sunday & holidays
					10pm - 8am, every day
TOU-D-B Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.41397	\$ 0.42397	\$ 0.42897	2pm - 8pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.11352	\$ 0.12352	\$ 0.12852	8am - 2pm & 8pm - 10pm, Monday - Friday
	SUMMER SUPER OFF-PEAK	\$ 0.03941	\$ 0.04941	\$ 0.05441	8am - 10pm, Saturday, Sunday & holidays
	WINTER ON-PEAK	\$ 0.15593	\$ 0.16593	\$ 0.17093	10pm - 8am, every day
	WINTER OFF-PEAK	\$ 0.08641	\$ 0.09641	\$ 0.10141	2pm - 8pm, Monday - Friday
	WINTER SUPER OFF-PEAK	\$ 0.04033	\$ 0.05033	\$ 0.05533	8am - 2pm & 8pm - 10pm, Monday - Friday
					8am - 10pm, Saturday, Sunday & holidays
					10pm - 8am, every day
TOU-D-PRIME Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.29603	\$ 0.30603	\$ 0.31103	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10511	\$ 0.11511	\$ 0.12011	4pm - 9pm, Saturday, Sunday, & holidays
	SUMMER OFF-PEAK	\$ 0.07005	\$ 0.08005	\$ 0.08505	All other hours
	WINTER MID-PEAK	\$ 0.26730	\$ 0.27730	\$ 0.28230	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.05915	\$ 0.06915	\$ 0.07415	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.05915	\$ 0.06915	\$ 0.07415	8am - 4pm, every day
TOU-D-T Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.14916	\$ 0.15916	\$ 0.16416	12pm - 6pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.13557	\$ 0.14557	\$ 0.15057	except holidays*
	WINTER ON-PEAK	\$ 0.10984	\$ 0.11984	\$ 0.12484	All other hours
	WINTER OFF-PEAK	\$ 0.09983	\$ 0.10983	\$ 0.11483	12pm - 6pm, Monday - Friday
					except holidays*
					All other hours

*Holidays are New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, and Christmas.



Orange County Power Authority Rate Identification Number (RIN) Key

The tables below show the corresponding Rate Identification Number (RIN) to Orange County Power Authority (OCPA) rate. OCPA rates that are not time-dependent or Time-of-Use (TOU) do not have a corresponding RIN and are therefore excluded from this key. Your RIN can also be found below the "Details of your new charges" section on the generation portion of your utility bill.

Residential Customers			
OCPA Rate	RIN - Basic Choice	RIN - Smart Choice	RIN - 100% Renewable
TOU-D-4	USCA-XXOC-0017-0000	USCA-XXOC-0125-0000	USCA-XXOC-0124-0000
TOU-D-5	USCA-XXOC-0018-0000	USCA-XXOC-0127-0000	USCA-XXOC-0126-0000
TOU-D-A	USCA-XXOC-0019-0000	USCA-XXOC-0129-0000	USCA-XXOC-0128-0000
TOU-D-B	USCA-XXOC-0020-0000	USCA-XXOC-0131-0000	USCA-XXOC-0130-0000
TOU-D-PRIME	USCA-XXOC-0021-0000	USCA-XXOC-0133-0000	USCA-XXOC-0132-0000
TOU-D-T	USCA-XXOC-0022-0000	USCA-XXOC-0135-0000	USCA-XXOC-0134-0000

COMMERCIAL CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
TOU-GS-1-D					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.12988	\$ 0.13988	\$ 0.14488	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.11881	\$ 0.12881	\$ 0.13381	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.08328	\$ 0.09328	\$ 0.09828	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.12317	\$ 0.13317	\$ 0.13817	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.09158	\$ 0.10158	\$ 0.10658	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.07247	\$ 0.08247	\$ 0.08747	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kv (\$/kWh)	\$ (0.00046)	\$ (0.00046)	\$ (0.00046)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kv (\$/kWh)	\$ (0.00089)	\$ (0.00089)	\$ (0.00089)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kv (\$/kWh)	\$ (0.00091)	\$ (0.00091)	\$ (0.00091)	All electric usage
DEMAND CHARGE (\$/KW)					
	SUMMER ON-PEAK	\$ 16.09	\$ 16.09	\$ 16.09	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 4.94	\$ 4.94	\$ 4.94	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 2-50kv (\$/kW)	\$ (0.19)	\$ (0.19)	\$ (0.19)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 51-219kv (\$/kW)	\$ (0.45)	\$ (0.45)	\$ (0.45)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 220kv (\$/kW)	\$ (0.45)	\$ (0.45)	\$ (0.45)	4pm - 9pm, Monday - Friday
TOU-GS-1-E					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.44149	\$ 0.45149	\$ 0.45649	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.12907	\$ 0.13907	\$ 0.14407	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.09675	\$ 0.10675	\$ 0.11175	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.18775	\$ 0.19775	\$ 0.20275	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.11128	\$ 0.12128	\$ 0.12628	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.06588	\$ 0.07588	\$ 0.08088	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kv (\$/kWh)	\$ (0.00128)	\$ (0.00128)	\$ (0.00128)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kv (\$/kWh)	\$ (0.00280)	\$ (0.00280)	\$ (0.00280)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kv (\$/kWh)	\$ (0.00283)	\$ (0.00283)	\$ (0.00283)	All electric usage
TOU-GS-1-ES					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.47583	\$ 0.48583	\$ 0.49083	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.14180	\$ 0.15180	\$ 0.15680	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.10290	\$ 0.11290	\$ 0.11790	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.17855	\$ 0.18855	\$ 0.19355	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.10388	\$ 0.11388	\$ 0.11888	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.06233	\$ 0.07233	\$ 0.07733	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kv (\$/kWh)	\$ (0.00128)	\$ (0.00128)	\$ (0.00128)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kv (\$/kWh)	\$ (0.00280)	\$ (0.00280)	\$ (0.00280)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kv (\$/kWh)	\$ (0.00283)	\$ (0.00283)	\$ (0.00283)	All electric usage
TOU-GS-1-A					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.16849	\$ 0.17849	\$ 0.18349	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.15861	\$ 0.16861	\$ 0.17361	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.15321	\$ 0.16321	\$ 0.16821	All other hours
	WINTER MID-PEAK	\$ 0.11711	\$ 0.12711	\$ 0.13211	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.10697	\$ 0.11697	\$ 0.12197	All other hours
TOU-GS-1-B					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.09904	\$ 0.10904	\$ 0.11404	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.09365	\$ 0.10365	\$ 0.10865	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.09071	\$ 0.10071	\$ 0.10571	All other hours
	WINTER MID-PEAK	\$ 0.11711	\$ 0.12711	\$ 0.13211	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.10697	\$ 0.11697	\$ 0.12197	All other hours
DEMAND CHARGE (\$/KW)					
	SUMMER ON-PEAK	\$ 11.80	\$ 11.80	\$ 11.80	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 3.83	\$ 3.83	\$ 3.83	8am - 12pm & 6pm - 11pm, Monday - Friday

COMMERCIAL CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
TOU-GS-2-D					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.12647	\$ 0.13647	\$ 0.14147	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.11676	\$ 0.12676	\$ 0.13176	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.08082	\$ 0.09082	\$ 0.09582	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.09072	\$ 0.10072	\$ 0.10572	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.09117	\$ 0.10117	\$ 0.10617	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.05569	\$ 0.06569	\$ 0.07069	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kv (\$/kWh)	\$ (0.00090)	\$ (0.00090)	\$ (0.00090)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kv (\$/kWh)	\$ (0.00199)	\$ (0.00199)	\$ (0.00199)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kv (\$/kWh)	\$ (0.00201)	\$ (0.00201)	\$ (0.00201)	All electric usage
DEMAND CHARGE (\$/KW)					
	SUMMER ON-PEAK	\$ 20.41	\$ 20.41	\$ 20.41	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 5.36	\$ 5.36	\$ 5.36	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 2-50kv (\$/kw)	\$ (0.47)	\$ (0.47)	\$ (0.47)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 51-219kv (\$/kw)	\$ (1.06)	\$ (1.06)	\$ (1.06)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 220kv (\$/kw)	\$ (1.08)	\$ (1.08)	\$ (1.08)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 2-50kv (\$/kw)	\$ (0.11)	\$ (0.11)	\$ (0.11)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 51-219kv (\$/kw)	\$ (0.28)	\$ (0.28)	\$ (0.28)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 220kv (\$/kw)	\$ (0.28)	\$ (0.28)	\$ (0.28)	4pm - 9pm, Monday - Friday
TOU-GS-2-E					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.38611	\$ 0.39611	\$ 0.40111	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.11676	\$ 0.12676	\$ 0.13176	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.08082	\$ 0.09082	\$ 0.09582	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.13195	\$ 0.14195	\$ 0.14695	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.09117	\$ 0.10117	\$ 0.10617	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.05569	\$ 0.06569	\$ 0.07069	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kv (\$/kWh)	\$ (0.00134)	\$ (0.00134)	\$ (0.00134)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kv (\$/kWh)	\$ (0.00301)	\$ (0.00301)	\$ (0.00301)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kv (\$/kWh)	\$ (0.00303)	\$ (0.00303)	\$ (0.00303)	All electric usage
DEMAND CHARGE (\$/KW)					
	SUMMER ON-PEAK	\$ 5.73	\$ 5.73	\$ 5.73	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 2.22	\$ 2.22	\$ 2.22	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 2-50kv (\$/kw)	\$ (0.19)	\$ (0.19)	\$ (0.19)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 51-219kv (\$/kw)	\$ (0.44)	\$ (0.44)	\$ (0.44)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 220kv (\$/kw)	\$ (0.44)	\$ (0.44)	\$ (0.44)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 2-50kv (\$/kw)	\$ (0.05)	\$ (0.05)	\$ (0.05)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 51-219kv (\$/kw)	\$ (0.12)	\$ (0.12)	\$ (0.12)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 220kv (\$/kw)	\$ (0.12)	\$ (0.12)	\$ (0.12)	4pm - 9pm, Monday - Friday
TOU-GS-2-B					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.09608	\$ 0.10608	\$ 0.11108	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.09094	\$ 0.10094	\$ 0.10594	8am - 12pm & 6pm - 11pm, Monday - Friday

COMMERCIAL CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
	SUMMER OFF-PEAK	\$ 0.08812	\$ 0.09812	\$ 0.10312	All other hours
	WINTER MID-PEAK	\$ 0.11322	\$ 0.12322	\$ 0.12822	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.07362	\$ 0.08362	\$ 0.08862	All other hours
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 14.16	\$ 14.16	\$ 14.16	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 4.76	\$ 4.76	\$ 4.76	8am - 12pm & 6pm - 11pm, Monday - Friday
TOU-GS-2-R					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.28299	\$ 0.29299	\$ 0.29799	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.14313	\$ 0.15313	\$ 0.15813	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.08812	\$ 0.09812	\$ 0.10312	All other hours
	WINTER MID-PEAK	\$ 0.11322	\$ 0.12322	\$ 0.12822	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.07362	\$ 0.08362	\$ 0.08862	All other hours
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kv (\$/kWh)	\$ (0.00231)	\$ (0.00231)	\$ (0.00231)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kv (\$/kWh)	\$ (0.00518)	\$ (0.00518)	\$ (0.00518)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kv (\$/kWh)	\$ (0.00523)	\$ (0.00523)	\$ (0.00523)	All electric usage

COMMERCIAL CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
TOU-GS-3-D					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.11795	\$ 0.12795	\$ 0.13295	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10896	\$ 0.11896	\$ 0.12396	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07879	\$ 0.08879	\$ 0.09379	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.08846	\$ 0.09846	\$ 0.10346	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08890	\$ 0.09890	\$ 0.10390	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.05428	\$ 0.06428	\$ 0.06928	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kv (\$/kWh)	\$ (0.00090)	\$ (0.00090)	\$ (0.00090)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kv (\$/kWh)	\$ (0.00198)	\$ (0.00198)	\$ (0.00198)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kv (\$/kWh)	\$ (0.00201)	\$ (0.00201)	\$ (0.00201)	All electric usage
DEMAND CHARGE (\$/KW)					
	SUMMER ON-PEAK	\$ 17.51	\$ 17.51	\$ 17.51	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 6.33	\$ 6.33	\$ 6.33	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 2-50kv (\$/kw)	\$ (0.40)	\$ (0.40)	\$ (0.40)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 51-219kv (\$/kw)	\$ (0.93)	\$ (0.93)	\$ (0.93)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 220kv (\$/kw)	\$ (0.94)	\$ (0.94)	\$ (0.94)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 2-50kv (\$/kw)	\$ (0.15)	\$ (0.15)	\$ (0.15)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 51-219kv (\$/kw)	\$ (0.33)	\$ (0.33)	\$ (0.33)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 220kv (\$/kw)	\$ (0.34)	\$ (0.34)	\$ (0.34)	4pm - 9pm, Monday - Friday
TOU-GS-3-E					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.31726	\$ 0.32726	\$ 0.33226	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10896	\$ 0.11896	\$ 0.12396	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07879	\$ 0.08879	\$ 0.09379	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.13266	\$ 0.14266	\$ 0.14766	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08890	\$ 0.09890	\$ 0.10390	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.05428	\$ 0.06428	\$ 0.06928	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kv (\$/kWh)	\$ (0.00165)	\$ (0.00165)	\$ (0.00165)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kv (\$/kWh)	\$ (0.00370)	\$ (0.00370)	\$ (0.00370)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kv (\$/kWh)	\$ (0.00375)	\$ (0.00375)	\$ (0.00375)	All electric usage
DEMAND CHARGE (\$/KW)					
	SUMMER ON-PEAK	\$ 4.91	\$ 4.91	\$ 4.91	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 2.61	\$ 2.61	\$ 2.61	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 2-50kv (\$/kw)	\$ (0.16)	\$ (0.16)	\$ (0.16)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 51-219kv (\$/kw)	\$ (0.38)	\$ (0.38)	\$ (0.38)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 220kv (\$/kw)	\$ (0.38)	\$ (0.38)	\$ (0.38)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 2-50kv (\$/kw)	\$ (0.06)	\$ (0.06)	\$ (0.06)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 51-219kv (\$/kw)	\$ (0.13)	\$ (0.13)	\$ (0.13)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 220kv (\$/kw)	\$ (0.13)	\$ (0.13)	\$ (0.13)	4pm - 9pm, Monday - Friday
TOU-GS-3-B					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.09186	\$ 0.10186	\$ 0.10686	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.08683	\$ 0.09683	\$ 0.10183	8am - 12pm & 6pm - 11pm, Monday - Friday

COMMERCIAL CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
	SUMMER OFF-PEAK	\$ 0.08427	\$ 0.09427	\$ 0.09927	All other hours
	WINTER MID-PEAK	\$ 0.11226	\$ 0.12226	\$ 0.12726	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.07209	\$ 0.08209	\$ 0.08709	All other hours
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 11.73	\$ 11.73	\$ 11.73	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 3.92	\$ 3.92	\$ 3.92	8am - 12pm & 6pm - 11pm, Monday - Friday
TOU-GS-3-R					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.23630	\$ 0.24630	\$ 0.25130	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.12462	\$ 0.13462	\$ 0.13962	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.08427	\$ 0.09427	\$ 0.09927	All other hours
	WINTER MID-PEAK	\$ 0.11226	\$ 0.12226	\$ 0.12726	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.07209	\$ 0.08209	\$ 0.08709	All other hours
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kv (\$/kWh)	\$ (0.00194)	\$ (0.00194)	\$ (0.00194)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kv (\$/kWh)	\$ (0.00437)	\$ (0.00437)	\$ (0.00437)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kv (\$/kWh)	\$ (0.00443)	\$ (0.00443)	\$ (0.00443)	All electric usage

COMMERCIAL CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
TOU-8-SEC-D					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.11619	\$ 0.12619	\$ 0.13119	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10732	\$ 0.11732	\$ 0.12232	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07774	\$ 0.08774	\$ 0.09274	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.08732	\$ 0.09732	\$ 0.10232	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08776	\$ 0.09776	\$ 0.10276	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.05347	\$ 0.06347	\$ 0.06847	8am - 4pm, every day
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 18.24	\$ 18.24	\$ 18.24	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 5.59	\$ 5.59	\$ 5.59	4pm - 9pm, Monday - Friday
TOU-8-PRI-D					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.11155	\$ 0.12155	\$ 0.12655	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10326	\$ 0.11326	\$ 0.11826	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07475	\$ 0.08475	\$ 0.08975	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.08407	\$ 0.09407	\$ 0.09907	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08464	\$ 0.09464	\$ 0.09964	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.05166	\$ 0.06166	\$ 0.06666	8am - 4pm, every day
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 17.54	\$ 17.54	\$ 17.54	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 6.56	\$ 6.56	\$ 6.56	4pm - 9pm, Monday - Friday
TOU-8-SUB-D					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.10467	\$ 0.11467	\$ 0.11967	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.09713	\$ 0.10713	\$ 0.11213	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07003	\$ 0.08003	\$ 0.08503	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.07878	\$ 0.08878	\$ 0.09378	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.07956	\$ 0.08956	\$ 0.09456	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04858	\$ 0.05858	\$ 0.06358	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00059)	\$ (0.00059)	\$ (0.00059)	All electric usage
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 19.35	\$ 19.35	\$ 19.35	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 6.26	\$ 6.26	\$ 6.26	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 220kV (\$/kW)	\$ (0.19)	\$ (0.19)	\$ (0.19)	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 220kV (\$/kW)	\$ (0.06)	\$ (0.06)	\$ (0.06)	4pm - 9pm, Monday - Friday
TOU-8-SEC-E					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.30346	\$ 0.31346	\$ 0.31846	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10732	\$ 0.11732	\$ 0.12232	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07774	\$ 0.08774	\$ 0.09274	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.12359	\$ 0.13359	\$ 0.13859	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08776	\$ 0.09776	\$ 0.10276	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.05347	\$ 0.06347	\$ 0.06847	8am - 4pm, every day
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 5.12	\$ 5.12	\$ 5.12	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 2.32	\$ 2.32	\$ 2.32	4pm - 9pm, Monday - Friday
TOU-8-PRI-E					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.28873	\$ 0.29873	\$ 0.30373	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10326	\$ 0.11326	\$ 0.11826	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07475	\$ 0.08475	\$ 0.08975	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.14100	\$ 0.15100	\$ 0.15600	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08464	\$ 0.09464	\$ 0.09964	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.05166	\$ 0.06166	\$ 0.06666	8am - 4pm, every day
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 4.30	\$ 4.30	\$ 4.30	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 0.75	\$ 0.75	\$ 0.75	4pm - 9pm, Monday - Friday
TOU-8-SUB-E					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.31487	\$ 0.32487	\$ 0.32987	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.09713	\$ 0.10713	\$ 0.11213	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07003	\$ 0.08003	\$ 0.08503	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.12466	\$ 0.13466	\$ 0.13966	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.07956	\$ 0.08956	\$ 0.09456	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04858	\$ 0.05858	\$ 0.06358	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00074)	\$ (0.00074)	\$ (0.00074)	All electric usage
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 1.84	\$ 1.84	\$ 1.84	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 0.89	\$ 0.89	\$ 0.89	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 220kV (\$/kW)	\$ (0.02)	\$ (0.02)	\$ (0.02)	4pm - 9pm, Monday - Friday

COMMERCIAL CUSTOMERS					
OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
	WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 220kV (\$/kW)	\$ (0.01)	\$ (0.01)	\$ (0.01)	4pm - 9pm, Monday - Friday

COMMERCIAL CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
TOU-8-SEC-B Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.09056	\$ 0.10056	\$ 0.10556	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.08535	\$ 0.09535	\$ 0.10035	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.08306	\$ 0.09306	\$ 0.09806	All other hours
	WINTER MID-PEAK	\$ 0.10714	\$ 0.11714	\$ 0.12214	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.07205	\$ 0.08205	\$ 0.08705	All other hours
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 12.56	\$ 12.56	\$ 12.56	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 4.12	\$ 4.12	\$ 4.12	8am - 12pm & 6pm - 11pm, Monday - Friday
TOU-8-PRI-B Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.08727	\$ 0.09727	\$ 0.10227	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.08195	\$ 0.09195	\$ 0.09695	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.08006	\$ 0.09006	\$ 0.09506	All other hours
	WINTER MID-PEAK	\$ 0.11034	\$ 0.12034	\$ 0.12534	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.07075	\$ 0.08075	\$ 0.08575	All other hours
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 12.35	\$ 12.35	\$ 12.35	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 3.97	\$ 3.97	\$ 3.97	8am - 12pm & 6pm - 11pm, Monday - Friday
TOU-8-SUB-B Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.08177	\$ 0.09177	\$ 0.09677	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.07660	\$ 0.08660	\$ 0.09160	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.07504	\$ 0.08504	\$ 0.09004	All other hours
	WINTER MID-PEAK	\$ 0.10215	\$ 0.11215	\$ 0.11715	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.06697	\$ 0.07697	\$ 0.08197	All other hours
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00059)	\$ (0.00059)	\$ (0.00059)	All electric usage
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 14.10	\$ 14.10	\$ 14.10	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 4.56	\$ 4.56	\$ 4.56	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER ON-PEAK AND MID-PEAK VOLTAGE DISCOUNT - DEMAND 220kV (\$/kW)	\$ (0.28)	\$ (0.28)	\$ (0.28)	8am - 11pm, Monday - Friday
TOU-8-SEC-R Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.23479	\$ 0.24479	\$ 0.24979	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.12046	\$ 0.13046	\$ 0.13546	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.08306	\$ 0.09306	\$ 0.09806	All other hours
	WINTER MID-PEAK	\$ 0.10714	\$ 0.11714	\$ 0.12214	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.07205	\$ 0.08205	\$ 0.08705	All other hours
TOU-8-PRI-R Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.22694	\$ 0.23694	\$ 0.24194	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.11359	\$ 0.12359	\$ 0.12859	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.08006	\$ 0.09006	\$ 0.09506	All other hours
	WINTER MID-PEAK	\$ 0.11034	\$ 0.12034	\$ 0.12534	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.07075	\$ 0.08075	\$ 0.08575	All other hours
TOU-8-SUB-R Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.22432	\$ 0.23432	\$ 0.23932	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10793	\$ 0.11793	\$ 0.12293	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.07504	\$ 0.08504	\$ 0.09004	All other hours
	WINTER MID-PEAK	\$ 0.10215	\$ 0.11215	\$ 0.11715	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.06697	\$ 0.07697	\$ 0.08197	All other hours
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00092)	\$ (0.00092)	\$ (0.00092)	All electric usage
TOU-8-SEC-RBU Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.11619	\$ 0.12619	\$ 0.13119	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10732	\$ 0.11732	\$ 0.12232	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07774	\$ 0.08774	\$ 0.09274	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.08732	\$ 0.09732	\$ 0.10232	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08776	\$ 0.09776	\$ 0.10276	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.05347	\$ 0.06347	\$ 0.06847	8am - 4pm, every day
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 18.24	\$ 18.24	\$ 18.24	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 5.59	\$ 5.59	\$ 5.59	4pm - 9pm, Monday - Friday

COMMERCIAL CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
TOU-8-PRI-RBU					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.11155	\$ 0.12155	\$ 0.12655	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10326	\$ 0.11326	\$ 0.11826	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07475	\$ 0.08475	\$ 0.08975	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.08407	\$ 0.09407	\$ 0.09907	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08464	\$ 0.09464	\$ 0.09964	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.05166	\$ 0.06166	\$ 0.06666	8am - 4pm, every day
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 17.54	\$ 17.54	\$ 17.54	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 6.56	\$ 6.56	\$ 6.56	4pm - 9pm, Monday - Friday
TOU-8-SUB-RBU					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.10467	\$ 0.11467	\$ 0.11967	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.09713	\$ 0.10713	\$ 0.11213	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07003	\$ 0.08003	\$ 0.08503	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.07878	\$ 0.08878	\$ 0.09378	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.07956	\$ 0.08956	\$ 0.09456	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04858	\$ 0.05858	\$ 0.06358	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00059)	\$ (0.00059)	\$ (0.00059)	All electric usage
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 19.35	\$ 19.35	\$ 19.35	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 6.26	\$ 6.26	\$ 6.26	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK VOLTAGE DISCOUNT - DEMAND 220kV (\$/kW)	\$ (0.19)	\$ (0.19)	\$ (0.19)	4pm - 9pm, Monday - Friday
	WINTER WEEKDAYS VOLTAGE DISCOUNT - DEMAND 220kV (\$/kW)	\$ (0.06)	\$ (0.06)	\$ (0.06)	4pm - 9pm, Monday - Friday

BUSINESS ELECTRIC VEHICLE CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
TOU-EV-7					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.33505	\$ 0.34505	\$ 0.35005	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.12907	\$ 0.13907	\$ 0.14407	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.10886	\$ 0.11886	\$ 0.12386	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.18775	\$ 0.19775	\$ 0.20275	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.12530	\$ 0.13530	\$ 0.14030	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.06588	\$ 0.07588	\$ 0.08088	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kV (\$/kWh)	\$ (0.00128)	\$ (0.00128)	\$ (0.00128)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kV (\$/kWh)	\$ (0.00280)	\$ (0.00280)	\$ (0.00280)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00283)	\$ (0.00283)	\$ (0.00283)	All electric usage
TOU-EV-8					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.36963	\$ 0.37963	\$ 0.38463	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.11676	\$ 0.12676	\$ 0.13176	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.09405	\$ 0.10405	\$ 0.10905	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.16098	\$ 0.17098	\$ 0.17598	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.10765	\$ 0.11765	\$ 0.12265	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.05569	\$ 0.06569	\$ 0.07069	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kV (\$/kWh)	\$ (0.00231)	\$ (0.00231)	\$ (0.00231)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kV (\$/kWh)	\$ (0.00518)	\$ (0.00518)	\$ (0.00518)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00523)	\$ (0.00523)	\$ (0.00523)	All electric usage
TOU-EV-9-SEC					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.28627	\$ 0.29627	\$ 0.30127	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10732	\$ 0.11732	\$ 0.12232	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.08682	\$ 0.09682	\$ 0.10182	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.14913	\$ 0.15913	\$ 0.16413	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.09737	\$ 0.10737	\$ 0.11237	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.05347	\$ 0.06347	\$ 0.06847	8am - 4pm, every day
TOU-EV-9-PRI					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.26351	\$ 0.27351	\$ 0.27851	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10326	\$ 0.11326	\$ 0.11826	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.08261	\$ 0.09261	\$ 0.09761	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.14830	\$ 0.15830	\$ 0.16330	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.09233	\$ 0.10233	\$ 0.10733	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.05166	\$ 0.06166	\$ 0.06666	8am - 4pm, every day
TOU-EV-9-SUB					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.25624	\$ 0.26624	\$ 0.27124	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.09713	\$ 0.10713	\$ 0.11213	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07713	\$ 0.08713	\$ 0.09213	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.13228	\$ 0.14228	\$ 0.14728	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08582	\$ 0.09582	\$ 0.10082	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04858	\$ 0.05858	\$ 0.06358	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00092)	\$ (0.00092)	\$ (0.00092)	All electric usage

AGRICULTURE CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
TOU-PA-2-D					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.12683	\$ 0.13683	\$ 0.14183	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.11707	\$ 0.12707	\$ 0.13207	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.08293	\$ 0.09293	\$ 0.09793	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.10282	\$ 0.11282	\$ 0.11782	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.08512	\$ 0.09512	\$ 0.10012	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.07506	\$ 0.08506	\$ 0.09006	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kv (\$/kWh)	\$ (0.00093)	\$ (0.00093)	\$ (0.00093)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kv (\$/kWh)	\$ (0.00205)	\$ (0.00205)	\$ (0.00205)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kv (\$/kWh)	\$ (0.00206)	\$ (0.00206)	\$ (0.00206)	All electric usage
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 11.21	\$ 11.21	\$ 11.21	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 2.54	\$ 2.54	\$ 2.54	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 2-50kv (\$/kW)	\$ (0.16)	\$ (0.16)	\$ (0.16)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 51-219kv (\$/kW)	\$ (0.34)	\$ (0.34)	\$ (0.34)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 220kv (\$/kW)	\$ (0.34)	\$ (0.34)	\$ (0.34)	4pm - 9pm, Monday - Friday
	WINTER WIND MACHINE CREDIT (\$/kW)	\$ (9.76)	\$ (9.76)	\$ (9.76)	All electric usage
TOU-PA-2-D5					
Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.23662	\$ 0.24662	\$ 0.25162	5pm - 8pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.22410	\$ 0.23410	\$ 0.23910	5pm - 8pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07874	\$ 0.08874	\$ 0.09374	8pm - 5pm, every day
	WINTER MID-PEAK	\$ 0.10599	\$ 0.11599	\$ 0.12099	5pm - 8pm, every day
	WINTER OFF-PEAK	\$ 0.08764	\$ 0.09764	\$ 0.10264	8pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.07719	\$ 0.08719	\$ 0.09219	8am - 5pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kv (\$/kWh)	\$ (0.00096)	\$ (0.00096)	\$ (0.00096)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kv (\$/kWh)	\$ (0.00212)	\$ (0.00212)	\$ (0.00212)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kv (\$/kWh)	\$ (0.00213)	\$ (0.00213)	\$ (0.00213)	All electric usage
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 10.72	\$ 10.72	\$ 10.72	5pm - 8pm, Monday - Friday
	WINTER MID-PEAK	\$ 2.14	\$ 2.14	\$ 2.14	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 2-50kv (\$/kW)	\$ (0.14)	\$ (0.14)	\$ (0.14)	5pm - 8pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 51-219kv (\$/kW)	\$ (0.31)	\$ (0.31)	\$ (0.31)	5pm - 8pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 220kv (\$/kW)	\$ (0.32)	\$ (0.32)	\$ (0.32)	5pm - 8pm, Monday - Friday
	WINTER WIND MACHINE CREDIT (\$/kW)	\$ (9.76)	\$ (9.76)	\$ (9.76)	All electric usage

AGRICULTURE CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
TOU-PA-2-E		Summer - June through September; Winter - October through May			
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.38857	\$ 0.39857	\$ 0.40357	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.11707	\$ 0.12707	\$ 0.13207	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.08293	\$ 0.09293	\$ 0.09793	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.11652	\$ 0.12652	\$ 0.13152	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.09602	\$ 0.10602	\$ 0.11102	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.08435	\$ 0.09435	\$ 0.09935	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kV (\$/kWh)	\$ (0.00150)	\$ (0.00150)	\$ (0.00150)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kV (\$/kWh)	\$ (0.00332)	\$ (0.00332)	\$ (0.00332)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00333)	\$ (0.00333)	\$ (0.00333)	All electric usage
DEMAND CHARGE (\$/KW)	YEAR ROUND WIND MACHINE CREDIT (\$/kW)	\$ (9.76)	\$ (9.76)	\$ (9.76)	All electric usage
TOU-PA-2-E5		Summer - June through September; Winter - October through May			
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.63603	\$ 0.64603	\$ 0.65103	5pm - 8pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.22410	\$ 0.23410	\$ 0.23910	5pm - 8pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07874	\$ 0.08874	\$ 0.09374	8pm - 5pm, every day
	WINTER MID-PEAK	\$ 0.11695	\$ 0.12695	\$ 0.13195	5pm - 8pm, every day
	WINTER OFF-PEAK	\$ 0.09636	\$ 0.10636	\$ 0.11136	8pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.08464	\$ 0.09464	\$ 0.09964	8am - 5pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kV (\$/kWh)	\$ (0.00149)	\$ (0.00149)	\$ (0.00149)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kV (\$/kWh)	\$ (0.00331)	\$ (0.00331)	\$ (0.00331)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00333)	\$ (0.00333)	\$ (0.00333)	All electric usage
DEMAND CHARGE (\$/KW)	YEAR ROUND WIND MACHINE CREDIT (\$/kW)	\$ (9.76)	\$ (9.76)	\$ (9.76)	All electric usage
TOU-PA-2-A		Summer - June through September; Winter - October through May			
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.25094	\$ 0.26094	\$ 0.26594	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.12344	\$ 0.13344	\$ 0.13844	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.08886	\$ 0.09886	\$ 0.10386	All other hours
	WINTER MID-PEAK	\$ 0.11563	\$ 0.12563	\$ 0.13063	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.08187	\$ 0.09187	\$ 0.09687	All other hours
DEMAND CHARGE (\$/KW)	YEAR ROUND WIND MACHINE CREDIT (\$/kW)	\$ (9.76)	\$ (9.76)	\$ (9.76)	All electric usage
TOU-PA-2-B		Summer - June through September; Winter - October through May			
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.09694	\$ 0.10694	\$ 0.11194	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.09082	\$ 0.10082	\$ 0.10582	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.08886	\$ 0.09886	\$ 0.10386	All other hours
	WINTER MID-PEAK	\$ 0.11563	\$ 0.12563	\$ 0.13063	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.08187	\$ 0.09187	\$ 0.09687	All other hours
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 7.95	\$ 7.95	\$ 7.95	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 2.43	\$ 2.43	\$ 2.43	8am - 12pm & 6pm - 11pm, Monday - Friday
	WINTER WIND MACHINE CREDIT (\$/kW)	\$ (9.76)	\$ (9.76)	\$ (9.76)	All electric usage

AGRICULTURE CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
TOU-PA-3-D Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.11212	\$ 0.12212	\$ 0.12712	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10368	\$ 0.11368	\$ 0.11868	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07408	\$ 0.08408	\$ 0.08908	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.09033	\$ 0.10033	\$ 0.10533	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.09081	\$ 0.10081	\$ 0.10581	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.05532	\$ 0.06532	\$ 0.07032	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kv (\$/kWh)	\$ (0.00091)	\$ (0.00091)	\$ (0.00091)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kv (\$/kWh)	\$ (0.00201)	\$ (0.00201)	\$ (0.00201)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kv (\$/kWh)	\$ (0.00205)	\$ (0.00205)	\$ (0.00205)	All electric usage
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 11.96	\$ 11.96	\$ 11.96	4pm - 9pm, Monday - Friday
	WINTER MID-PEAK	\$ 2.58	\$ 2.58	\$ 2.58	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 2-50kv (\$/kW)	\$ (0.18)	\$ (0.18)	\$ (0.18)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 51-219kv (\$/kW)	\$ (0.42)	\$ (0.42)	\$ (0.42)	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 220kv (\$/kW)	\$ (0.42)	\$ (0.42)	\$ (0.42)	4pm - 9pm, Monday - Friday
TOU-PA-3-D5 Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.20340	\$ 0.21340	\$ 0.21840	5pm - 8pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.19276	\$ 0.20276	\$ 0.20776	5pm - 8pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07063	\$ 0.08063	\$ 0.08563	8pm - 5pm, every day
	WINTER MID-PEAK	\$ 0.09068	\$ 0.10068	\$ 0.10568	5pm - 8pm, every day
	WINTER OFF-PEAK	\$ 0.09115	\$ 0.10115	\$ 0.10615	8pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.05543	\$ 0.06543	\$ 0.07043	8am - 5pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kv (\$/kWh)	\$ (0.00092)	\$ (0.00092)	\$ (0.00092)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kv (\$/kWh)	\$ (0.00202)	\$ (0.00202)	\$ (0.00202)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kv (\$/kWh)	\$ (0.00207)	\$ (0.00207)	\$ (0.00207)	All electric usage
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 11.46	\$ 11.46	\$ 11.46	5pm - 8pm, Monday - Friday
	WINTER MID-PEAK	\$ 2.86	\$ 2.86	\$ 2.86	4pm - 9pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 2-50kv (\$/kW)	\$ (0.18)	\$ (0.18)	\$ (0.18)	5pm - 8pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 51-219kv (\$/kW)	\$ (0.41)	\$ (0.41)	\$ (0.41)	5pm - 8pm, Monday - Friday
	SUMMER ON-PEAK AND WINTER MID-PEAK (WEEKDAYS) VOLTAGE DISCOUNT - DEMAND 220kv (\$/kW)	\$ (0.41)	\$ (0.41)	\$ (0.41)	5pm - 8pm, Monday - Friday
TOU-PA-3-E Summer - June through September; Winter - October through May					
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.33477	\$ 0.34477	\$ 0.34977	4pm - 9pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10368	\$ 0.11368	\$ 0.11868	4pm - 9pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07408	\$ 0.08408	\$ 0.08908	9pm - 4pm, every day
	WINTER MID-PEAK	\$ 0.12216	\$ 0.13216	\$ 0.13716	4pm - 9pm, every day
	WINTER OFF-PEAK	\$ 0.10055	\$ 0.11055	\$ 0.11555	9pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04675	\$ 0.05675	\$ 0.06175	8am - 4pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kv (\$/kWh)	\$ (0.00142)	\$ (0.00142)	\$ (0.00142)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kv (\$/kWh)	\$ (0.00318)	\$ (0.00318)	\$ (0.00318)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kv (\$/kWh)	\$ (0.00322)	\$ (0.00322)	\$ (0.00322)	All electric usage

AGRICULTURE CUSTOMERS

OCPA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
TOU-PA-3-E5		Summer - June through September; Winter - October through May			
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.53890	\$ 0.54890	\$ 0.55390	5pm - 8pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.19276	\$ 0.20276	\$ 0.20776	5pm - 8pm, Saturday, Sunday, & holidays*
	SUMMER OFF-PEAK	\$ 0.07063	\$ 0.08063	\$ 0.08563	8pm - 5pm, every day
	WINTER MID-PEAK	\$ 0.12706	\$ 0.13706	\$ 0.14206	5pm - 8pm, every day
	WINTER OFF-PEAK	\$ 0.10446	\$ 0.11446	\$ 0.11946	8pm - 8am, every day
	WINTER SUPER OFF-PEAK	\$ 0.04817	\$ 0.05817	\$ 0.06317	8am - 5pm, every day
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 2-50kV (\$/kWh)	\$ (0.00142)	\$ (0.00142)	\$ (0.00142)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 51-219kV (\$/kWh)	\$ (0.00318)	\$ (0.00318)	\$ (0.00318)	All electric usage
	YEAR ROUND VOLTAGE DISCOUNT - ENERGY 220kV (\$/kWh)	\$ (0.00322)	\$ (0.00322)	\$ (0.00322)	All electric usage
TOU-PA-3-A		Summer - June through September; Winter - October through May			
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.22015	\$ 0.23015	\$ 0.23515	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.10806	\$ 0.11806	\$ 0.12306	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.07914	\$ 0.08914	\$ 0.09414	All other hours
	WINTER MID-PEAK	\$ 0.10159	\$ 0.11159	\$ 0.11659	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.07563	\$ 0.08563	\$ 0.09063	All other hours
TOU-PA-3-B		Summer - June through September; Winter - October through May			
GENERATION CHARGE (\$/KWH)	SUMMER ON-PEAK	\$ 0.08617	\$ 0.09617	\$ 0.10117	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 0.08076	\$ 0.09076	\$ 0.09576	8am - 12pm & 6pm - 11pm, Monday - Friday
	SUMMER OFF-PEAK	\$ 0.07914	\$ 0.08914	\$ 0.09414	All other hours
	WINTER MID-PEAK	\$ 0.10159	\$ 0.11159	\$ 0.11659	8am - 9pm, Monday - Friday
	WINTER OFF-PEAK	\$ 0.07563	\$ 0.08563	\$ 0.09063	All other hours
DEMAND CHARGE (\$/KW)	SUMMER ON-PEAK	\$ 8.43	\$ 8.43	\$ 8.43	12pm - 6pm, Monday - Friday
	SUMMER MID-PEAK	\$ 2.47	\$ 2.47	\$ 2.47	8am - 12pm & 6pm - 11pm, Monday - Friday

STREETLIGHT CUSTOMERS

OCA Rate Schedule	Period	Basic Choice	Smart Choice	100% Renewable Choice	Time Period Definitions
Streetlighting (LS-1, LS-2, DWL, and OL-1)					
GENERATION CHARGE (\$/KWH)	YEAR-ROUND	\$ 0.08264	\$ 0.09264	\$ 0.09764	All electric usage
LS-3					
GENERATION CHARGE (\$/KWH)	YEAR-ROUND	\$ 0.08274	\$ 0.09274	\$ 0.09774	All electric usage
AL-2-F					
GENERATION CHARGE (\$/KWH)	YEAR-ROUND	\$ 0.08274	\$ 0.09274	\$ 0.09774	All electric usage
AL-2-GF Summer - June through September; Winter - October through May					
	SUMMER ON-PEAK	\$ 0.16849	\$ 0.17849	\$ 0.18349	8am - 4pm, every day
	SUMMER OFF-PEAK	\$ 0.08274	\$ 0.09274	\$ 0.09774	All other hours
	WINTER ON-PEAK	\$ 0.11711	\$ 0.12711	\$ 0.13211	8am - 4pm, every day
	WINTER OFF-PEAK	\$ 0.08274	\$ 0.09274	\$ 0.09774	All other hours
TC-1					
GENERATION CHARGE (\$/KWH)	YEAR-ROUND	\$ 0.10812	\$ 0.11812	\$ 0.12312	All electric usage
WTR					
GENERATION CHARGE (\$/KWH)	YEAR-ROUND	\$ 0.10807	\$ 0.11807	\$ 0.12307	All electric usage
*Applicable holidays for rate time periods are as follows: New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, and Christmas Day. When any holiday listed above falls on Sunday, the following Monday will be recognized as a holiday. No change will be made for holidays falling on Saturday.					

OCA Rates in SCE Territory

Wildfire Fund Non-Bypassable Charge

The **Wildfire Fund Non-Bypassable Charge (WFC)** supports the California Wildfire Fund. This charge is assessed to all customers, including SCE-only customers, but is collected separately for CCA customers. The funds go to the State of California for potential disbursement to IOUs, such as SCE, if a catastrophic event occurs. Customers on CARE and Medical Baseline Programs are currently exempt from these charges.

Competition Transition Charge

The ongoing **Competition Transition Charge (CTC)** recovers the CPUC-approved market price limit for legacy electricity contracts (signed prior to 1998), as well as statutorily authorized costs that are related to restructuring of California's electric industry prior to the energy crisis. These charges are assessed to all customers, including SCE-only customers, but are collected separately for CCA customers and go directly to SCE.

Surcharge

The **Generation Municipal Surcharge (GMS) Factor** recovers franchise fees paid by SCE to operate within certain municipal jurisdictions within California. This charge is assessed to all customers, including SCE-only customers, but is collected separately for CCA customers. The charge equals the product of the GMS factor and the SCE rates or charges that have been removed from the bill of a customer receiving CCA service. An exemption applies to CA political subdivision and certain cogeneration or nonutility generation facilities. It is the responsibility of the customer to self-identify for exemption.

Rate Group	WFC (All Vintages)	CTC (All Vintages)	GMS Factor (All Vintages)
Domestic ¹	\$ 0.00561	\$ (0.00039)	0.009261
GS-1 ²	\$ 0.00561	\$ (0.00028)	0.009261
TC-1 ³	\$ 0.00561	\$ (0.00030)	0.009261
GS-2 ⁴	\$ 0.00561	\$ (0.00029)	0.009261
TOU-GS-3 ⁵	\$ 0.00561	\$ (0.00029)	0.009261
TOU-8-Sec ⁶	\$ 0.00561	\$ (0.00028)	0.009261
TOU-8-Pri ⁶	\$ 0.00561	\$ (0.00027)	0.009261
TOU-8-Sub ⁶	\$ 0.00561	\$ (0.00026)	0.009261
Small AG ⁷	\$ 0.00561	\$ (0.00029)	0.009261
Large AG ⁸	\$ 0.00561	\$ (0.00029)	0.009261
St. Lighting ⁹	\$ 0.00561	\$ (0.00036)	0.009261

² Includes Schedules GS-1, TOU-GS-1, TOU-GS-1-RTP, AL-2 (On-Peak), LS-3 Option B (On-Peak), and TOU-EV-7.

³ Includes Schedules TC-1, Wi-Fi-1, and WTR.

⁴ Includes Schedules GS-2, TOU-EV-8, TOU-GS-2, and TOU-GS-2-RTP.

⁵ Includes Schedules TOU-GS-3 and TOU-GS-3-RTP.

⁶ Includes Schedules TOU-EV-9, TOU-8, TOU-8-RBU, and TOU-8-RTP.

⁷ Includes Schedules PA-1, PA-2, TOU-PA-2, and TOU-PA-2-RTP.

⁸ Includes Schedules TOU-PA-3 and TOU-PA-3-RTP.

⁹ Includes Schedules AL-2 (Off-Peak), DWL, LS-1, LS-2, LS-3, LS-3 Option B (Off-Peak), and OL-1.

OCA Rates in SCE Territory

Power Charge Indifference Adjustment

The **Power Charge Indifference Adjustment (PCIA)** is a fee collected by SCE and assessed to customers who receive their electric generation services from another provider. The PCIA is considered an "exit fee" assessed by SCE to cover costs for departing customers; resources acquired prior to a customer's change in service providers, and to ensure their current customers are "indifferent" to costs associated with the departed customers. SCE assigns customers a "PCIA Vintage" based on the date a customer's respective community enrolled in alternative service; this date is reset upon reenrollment if a customer opts-out and later re-enrolls in OCA service. The PCIA is charged on a per kWh basis based on net monthly usage, and is unaffected by time of use.

Rate Group	PCIA	Vintage
Domestic ¹	\$ 0.00077	2022
GS-1 ²	\$ (0.01592)	2021
TC-1 ³	\$ (0.01691)	2021
GS-2 ₄	\$ (0.01669)	2021
TOU-GS-3 ₅	\$ (0.01621)	2021
TOU-8-Sec ⁶	\$ (0.01580)	2021
TOU-8-Pri ⁶	\$ (0.01546)	2021
TOU-8-Sub ⁶	\$ (0.01461)	2021
Small AG ⁷	\$ (0.01636)	2021
Large AG ⁸	\$ (0.01616)	2021
St. Lighting ⁹	\$ (0.02040)	2021



Orange County Power Authority Rate Identification Number (RIN) Key

The tables below show the corresponding Rate Identification Number (RIN) to Orange County Power Authority (OCPA) rate. OCPA rates that are not time-dependent or Time-of-Use (TOU) do not have a corresponding RIN and are therefore excluded from this key. Your RIN can also be found below the "Details of your new charges" section on the generation portion of your utility bill.

Commercial Customers			
OCPA Rate	RIN - Basic Choice	RIN - Smart Choice	RIN - 100% Renewable
TOU-GS-1-SEC-D	USCA-XXOC-0038-0000	USCA-XXOC-0167-0000	USCA-XXOC-0166-0000
TOU-GS-1-PRI-D	USCA-XXOC-0035-0000	USCA-XXOC-0161-0000	USCA-XXOC-0160-0000
TOU-GS-1-SUB-D	USCA-XXOC-0041-0000	USCA-XXOC-0173-0000	USCA-XXOC-0172-0000
TOU-GS-1-SEC-E	USCA-XXOC-0039-0000	USCA-XXOC-0169-0000	USCA-XXOC-0168-0000
TOU-GS-1-PRI-E	USCA-XXOC-0036-0000	USCA-XXOC-0163-0000	USCA-XXOC-0162-0000
TOU-GS-1-SUB-E	USCA-XXOC-0042-0000	USCA-XXOC-0175-0000	USCA-XXOC-0174-0000
TOU-GS-1-SEC-ES	USCA-XXOC-0040-0000	USCA-XXOC-0171-0000	USCA-XXOC-0170-0000
TOU-GS-1-PRI-ES	USCA-XXOC-0037-0000	USCA-XXOC-0165-0000	USCA-XXOC-0164-0000
TOU-GS-1-SUB-ES	USCA-XXOC-0043-0000	USCA-XXOC-0177-0000	USCA-XXOC-0176-0000
TOU-GS-1-A	USCA-XXOC-0033-0000	USCA-XXOC-0157-0000	USCA-XXOC-0156-0000
TOU-GS-1-B	USCA-XXOC-0034-0000	USCA-XXOC-0159-0000	USCA-XXOC-0158-0000
TOU-GS-2-SEC-D	USCA-XXOC-0048-0000	USCA-XXOC-0187-0000	USCA-XXOC-0186-0000
TOU-GS-2-PRI-D	USCA-XXOC-0045-0000	USCA-XXOC-0181-0000	USCA-XXOC-0180-0000
TOU-GS-2-SUB-D	USCA-XXOC-0051-0000	USCA-XXOC-0193-0000	USCA-XXOC-0192-0000
TOU-GS-2-SEC-E	USCA-XXOC-0049-0000	USCA-XXOC-0189-0000	USCA-XXOC-0188-0000
TOU-GS-2-PRI-E	USCA-XXOC-0046-0000	USCA-XXOC-0183-0000	USCA-XXOC-0182-0000
TOU-GS-2-SUB-E	USCA-XXOC-0052-0000	USCA-XXOC-0195-0000	USCA-XXOC-0194-0000
TOU-GS-2-B	USCA-XXOC-0044-0000	USCA-XXOC-0179-0000	USCA-XXOC-0178-0000
TOU-GS-2-SEC-R	USCA-XXOC-0050-0000	USCA-XXOC-0191-0000	USCA-XXOC-0190-0000
TOU-GS-2-PRI-R	USCA-XXOC-0047-0000	USCA-XXOC-0185-0000	USCA-XXOC-0184-0000
TOU-GS-2-SUB-R	USCA-XXOC-0053-0000	USCA-XXOC-0197-0000	USCA-XXOC-0196-0000
TOU-GS-3-SEC-D	USCA-XXOC-0058-0000	USCA-XXOC-0207-0000	USCA-XXOC-0206-0000
TOU-GS-3-PRI-D	USCA-XXOC-0055-0000	USCA-XXOC-0201-0000	USCA-XXOC-0200-0000
TOU-GS-3-SUB-D	USCA-XXOC-0061-0000	USCA-XXOC-0213-0000	USCA-XXOC-0212-0000
TOU-GS-3-SEC-E	USCA-XXOC-0059-0000	USCA-XXOC-0209-0000	USCA-XXOC-0208-0000
TOU-GS-3-PRI-E	USCA-XXOC-0056-0000	USCA-XXOC-0203-0000	USCA-XXOC-0202-0000
TOU-GS-3-SUB-E	USCA-XXOC-0062-0000	USCA-XXOC-0215-0000	USCA-XXOC-0214-0000
TOU-GS-3-B	USCA-XXOC-0054-0000	USCA-XXOC-0199-0000	USCA-XXOC-0198-0000
TOU-GS-3-SEC-R	USCA-XXOC-0060-0000	USCA-XXOC-0211-0000	USCA-XXOC-0210-0000
TOU-GS-3-PRI-R	USCA-XXOC-0057-0000	USCA-XXOC-0205-0000	USCA-XXOC-0204-0000
TOU-GS-3-SUB-R	USCA-XXOC-0063-0000	USCA-XXOC-0217-0000	USCA-XXOC-0216-0000
TOU-8-SEC-D	USCA-XXOC-0008-0000	USCA-XXOC-0107-0000	USCA-XXOC-0106-0000
TOU-8-PRI-D	USCA-XXOC-0003-0000	USCA-XXOC-0097-0000	USCA-XXOC-0096-0000
TOU-8-SUB-D	USCA-XXOC-0013-0000	USCA-XXOC-0117-0000	USCA-XXOC-0116-0000
TOU-8-SEC-E	USCA-XXOC-0009-0000	USCA-XXOC-0109-0000	USCA-XXOC-0108-0000
TOU-8-PRI-E	USCA-XXOC-0004-0000	USCA-XXOC-0099-0000	USCA-XXOC-0098-0000
TOU-8-SUB-E	USCA-XXOC-0014-0000	USCA-XXOC-0119-0000	USCA-XXOC-0118-0000
TOU-8-SEC-B	USCA-XXOC-0007-0000	USCA-XXOC-0105-0000	USCA-XXOC-0104-0000

TOU-8-PRI-B	USCA-XXOC-0002-0000	USCA-XXOC-0095-0000	USCA-XXOC-0094-0000
TOU-8-SUB-B	USCA-XXOC-0012-0000	USCA-XXOC-0115-0000	USCA-XXOC-0114-0000
TOU-8-SEC-R	USCA-XXOC-0010-0000	USCA-XXOC-0111-0000	USCA-XXOC-0110-0000
TOU-8-PRI-R	USCA-XXOC-0005-0000	USCA-XXOC-0101-0000	USCA-XXOC-0100-0000
TOU-8-SUB-R	USCA-XXOC-0015-0000	USCA-XXOC-0121-0000	USCA-XXOC-0120-0000
TOU-8-SEC-RBU	USCA-XXOC-0011-0000	USCA-XXOC-0113-0000	USCA-XXOC-0112-0000
TOU-8-PRI-RBU	USCA-XXOC-0006-0000	USCA-XXOC-0103-0000	USCA-XXOC-0102-0000
TOU-8-SUB-RBU	USCA-XXOC-0016-0000	USCA-XXOC-0123-0000	USCA-XXOC-0122-0000
TOU-EV-7-SEC	USCA-XXOC-0025-0000	USCA-XXOC-0141-0000	USCA-XXOC-0140-0000
TOU-EV-7-PRI	USCA-XXOC-0024-0000	USCA-XXOC-0139-0000	USCA-XXOC-0138-0000
TOU-EV-7-SUB	USCA-XXOC-0026-0000	USCA-XXOC-0143-0000	USCA-XXOC-0142-0000
TOU-EV-8-SEC	USCA-XXOC-0028-0000	USCA-XXOC-0147-0000	USCA-XXOC-0146-0000
TOU-EV-8-PRI	USCA-XXOC-0027-0000	USCA-XXOC-0145-0000	USCA-XXOC-0144-0000
TOU-EV-8-SUB	USCA-XXOC-0029-0000	USCA-XXOC-0149-0000	USCA-XXOC-0148-0000
TOU-EV-9-SEC	USCA-XXOC-0031-0000	USCA-XXOC-0153-0000	USCA-XXOC-0152-0000
TOU-EV-9-PRI	USCA-XXOC-0030-0000	USCA-XXOC-0151-0000	USCA-XXOC-0150-0000
TOU-EV-9-SUB	USCA-XXOC-0032-0000	USCA-XXOC-0155-0000	USCA-XXOC-0154-0000
TOU-PA-2-SEC-D	USCA-XXOC-0070-0000	USCA-XXOC-0231-0000	USCA-XXOC-0230-0000
TOU-PA-2-PRI-D	USCA-XXOC-0066-0000	USCA-XXOC-0223-0000	USCA-XXOC-0222-0000
TOU-PA-2-SUB-D	USCA-XXOC-0074-0000	USCA-XXOC-0239-0000	USCA-XXOC-0238-0000
TOU-PA-2-SEC-D5	USCA-XXOC-0071-0000	USCA-XXOC-0233-0000	USCA-XXOC-0232-0000
TOU-PA-2-PRI-D5	USCA-XXOC-0067-0000	USCA-XXOC-0225-0000	USCA-XXOC-0224-0000
TOU-PA-2-SUB-D5	USCA-XXOC-0075-0000	USCA-XXOC-0241-0000	USCA-XXOC-0240-0000
TOU-PA-2-SEC-E	USCA-XXOC-0072-0000	USCA-XXOC-0235-0000	USCA-XXOC-0234-0000
TOU-PA-2-PRI-E	USCA-XXOC-0068-0000	USCA-XXOC-0227-0000	USCA-XXOC-0226-0000
TOU-PA-2-SUB-E	USCA-XXOC-0076-0000	USCA-XXOC-0243-0000	USCA-XXOC-0242-0000
TOU-PA-2-SEC-E5	USCA-XXOC-0073-0000	USCA-XXOC-0237-0000	USCA-XXOC-0236-0000
TOU-PA-2-PRI-E5	USCA-XXOC-0069-0000	USCA-XXOC-0229-0000	USCA-XXOC-0228-0000
TOU-PA-2-SUB-E5	USCA-XXOC-0077-0000	USCA-XXOC-0245-0000	USCA-XXOC-0244-0000
TOU-PA-2-A	USCA-XXOC-0064-0000	USCA-XXOC-0219-0000	USCA-XXOC-0218-0000
TOU-PA-2-B	USCA-XXOC-0065-0000	USCA-XXOC-0221-0000	USCA-XXOC-0220-0000
TOU-PA-3-SEC-D	USCA-XXOC-0084-0000	USCA-XXOC-0259-0000	USCA-XXOC-0258-0000
TOU-PA-3-PRI-D	USCA-XXOC-0080-0000	USCA-XXOC-0251-0000	USCA-XXOC-0250-0000
TOU-PA-3-SUB-D	USCA-XXOC-0088-0000	USCA-XXOC-0267-0000	USCA-XXOC-0266-0000
TOU-PA-3-SEC-D5	USCA-XXOC-0085-0000	USCA-XXOC-0261-0000	USCA-XXOC-0260-0000
TOU-PA-3-PRI-D5	USCA-XXOC-0081-0000	USCA-XXOC-0253-0000	USCA-XXOC-0252-0000
TOU-PA-3-SUB-D5	USCA-XXOC-0089-0000	USCA-XXOC-0269-0000	USCA-XXOC-0268-0000
TOU-PA-3-SEC-E	USCA-XXOC-0086-0000	USCA-XXOC-0263-0000	USCA-XXOC-0262-0000
TOU-PA-3-PRI-E	USCA-XXOC-0082-0000	USCA-XXOC-0255-0000	USCA-XXOC-0254-0000
TOU-PA-3-SUB-E	USCA-XXOC-0090-0000	USCA-XXOC-0271-0000	USCA-XXOC-0270-0000
TOU-PA-3-SEC-E5	USCA-XXOC-0087-0000	USCA-XXOC-0265-0000	USCA-XXOC-0264-0000
TOU-PA-3-PRI-E5	USCA-XXOC-0083-0000	USCA-XXOC-0257-0000	USCA-XXOC-0256-0000
TOU-PA-3-SUB-E5	USCA-XXOC-0091-0000	USCA-XXOC-0273-0000	USCA-XXOC-0272-0000
TOU-PA-3-A	USCA-XXOC-0078-0000	USCA-XXOC-0247-0000	USCA-XXOC-0246-0000
TOU-PA-3-B	USCA-XXOC-0079-0000	USCA-XXOC-0249-0000	USCA-XXOC-0248-0000
AL-2-GF	USCA-XXOC-0001-0000	USCA-XXOC-0093-0000	USCA-XXOC-0092-0000

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 8.4

To: Orange County Power Authority Board of Directors

From: Nicholaus Norvell, General Counsel

Subject: FIRST AMENDMENT TO CHIEF EXECUTIVE OFFICER EMPLOYMENT AGREEMENT

Date: November 25, 2024

RECOMMENDATIONS

Approve First Amendment to Chief Executive Officer Employment Agreement with Joseph Mosca, providing for an adjustment to base salary.

BACKGROUND

In March 2024, the Board of Directors of Orange County Power Authority (OCPA) appointed Joseph Mosca as Chief Executive Officer (CEO) and entered into an Employment Agreement with Mr. Mosca. Prior to serving as OCPA's permanent CEO, Mr. Mosca served as OCPA's Interim CEO from June 2023 until March 2024.

Section 3(c)(i) of the CEO Employment Agreement provides that the Board of Directors will conduct a performance evaluation of the CEO within six months of the start of his employment, and at least once annually thereafter. Under Section 3(c)(ii) of the Employment Agreement, the Board of Directors may review and adjust the CEO's compensation and benefits following or in conjunction with his performance review, including a potential merit increase in base salary or an adjustment based on a review of similar positions at comparable agencies.

On September 17, 2024, the Board of Directors met in closed session to begin the CEO's initial performance evaluation. On October 15, 2024, the Board concluded the CEO performance evaluation.

Following the evaluation of the CEO and the successful completion of negotiations between the Board and CEO, the General Counsel was directed to prepare an amendment to the CEO Employment Agreement for consideration by the Board. The proposed amendment would increase the CEO's salary to \$375,000, which remains below the industry-benchmark salary range identified in the Mercer study and presented to the Board in May 2024 (\$396,800 to \$674,500).

FISCAL IMPACT

The adjusted salary under the proposed First Amendment to the CEO Employment Agreement is within the budgeted amounts for Fiscal Year 2024-25.

ATTACHMENTS

Attachment A: CEO Employment Agreement

Attachment B: Proposed First Amendment to CEO Employment Agreement

ORANGE COUNTY POWER AUTHORITY
EMPLOYMENT AGREEMENT
(Chief Executive Officer)

This Employment Agreement (“**Agreement**”) dated as of March 19, 2024 (“**Effective Date**”), is entered into by and between Orange County Power Authority, a California joint powers authority (“**Authority**” or “**Employer**”) and Joseph Mosca (“**Employee**”). Authority and Employee may be referred to herein individually as a “**Party**” and collectively as the “**Parties**.” Authority and Employee agree to the following terms and conditions of employment.

1. **TERM.** Employer shall employ Employee for two (2) years, from the Effective Date of this Agreement until March 18, 2026, unless the employment is terminated earlier in accordance with Section 4 of this Agreement.

2. **POSITION AND RESPONSIBILITIES.**

(a) **Position and Duties.** Employee accepts employment with Employer as Chief Executive Officer (“CEO”) and shall perform all services appropriate to that position pursuant to Authority’s Joint Powers Agreement; any resolutions, bylaws, policies, procedures, rules, or other enactments of the Authority Board of Directors; any directions of the Authority Board of Directors; and as otherwise provided by applicable law or regulation. The CEO’s duties include, but are not limited to, those set forth in the position description which appears as Exhibit A, attached hereto. Employee shall devote Employee’s best efforts and full-time attention to the performance of Employee’s duties. Employee agrees that Employee has a duty of loyalty and a general fiduciary duty to Authority. Employee shall receive formal direction as to matters of Authority business only from the Board of Directors.

(b) **Hours of Work.** Employee is an exempt employee but is expected to engage in those hours of work that are necessary to fulfill the obligations of the CEO position. Employee does not have set hours of work as Employee is expected to be available at all times. It is recognized that Employee must devote a great deal of time to the business of the Authority outside of the Authority’s customary office hours, and to that end Employee’s schedule of work each day and week may vary in accordance with the work required to be performed and in accordance with any specific direction provided by the Authority Board of Directors.

(c) **Outside Activities.**

(i) Employee agrees to devote Employee’s full time and attention to the discharge of Employee’s duties as Chief Executive Officer, except that this provision shall be construed so as to permit Employee to participate in community service, public service, or non-profit activities which, in the opinion of the Board of Directors, do not constitute a conflict of interest and do not unreasonably interfere with the performance of the Employee’s duties as Chief Executive Officer, Authority operations, or Authority’s reputation in the community.

(ii) Except upon the prior written consent of the Board of Directors or as stated above in Section 2(c)(i), Employee (during the term of this Agreement) shall not: (A) accept any other employment; or (B) engage, directly or indirectly, in any other business, commercial, or professional activity (whether or not pursued for pecuniary advantage) that is or

may be competitive with Authority that might create a conflict of interest with Authority or that otherwise might interfere with the business and operations of Authority. So that Authority may be aware of the extent of any other demands upon Employee's time and attention, Employee shall disclose in confidence to the Board of Directors the nature and scope of any other business activity in which Employee is or may become engaged during the term of this Agreement (provided, however, that such activity may be subject to public disclosure as required by law or Authority's Conflict of Interest Code). This section shall not be deemed to prohibit passive personal investments.

(d) **Work Product.** Employee agrees that all documents and writings of any type produced in the performance of this Agreement shall be the sole property of Authority including all rights therein of whatever kind and whether arising from common or civil law or equity. Upon termination of this Agreement for any reason all such documents and writings produced in the performance of this Agreement shall be transferred to and become the property of Authority upon its request without additional compensation.

3. **COMPENSATION AND BENEFITS; PERFORMANCE REVIEWS.**

(a) **Base Annual Salary.** In consideration of the services to be rendered under this Agreement, Authority shall pay Employee, as base annual salary, Three Hundred Thousand Dollars (\$300,000.00) per year. This amount shall be paid on a pro rata basis pursuant to the procedures regularly established and as they may be amended by Authority in its sole discretion.

(b) **Cost of Living Adjustment.** Employee shall receive a cost of living increase in his annual salary each January 1 equal to the amount of the cost of living increase granted to other Authority employees, provided that the cost of living increase is in compliance with and shall not exceed the maximum set forth in Government Code sections 3511.1-3511.2.

(c) **Performance Reviews and Changes in Compensation.**

(i) Performance Reviews. Employee's performance of his duties and responsibilities shall be evaluated by the Board of Directors within six (6) months of the Effective Date and thereafter on or before the one (1) year anniversary of the initial evaluation. Employee will request and schedule such reviews, as appropriate, pursuant to Board of Directors agenda procedures or as otherwise directed by the Board of Directors. The initial and annual performance reviews shall be in accordance with specific criteria developed by the Board of Directors, in consultation with Employee. Said criteria may be added to or deleted as the Board of Directors may from time-to-time determine, in consultation with the Employee. Nothing in this paragraph is intended to limit other evaluations or reviews or to limit the normal communications process between the Board of Directors and Employee. Further, nothing in this paragraph shall be deemed to alter or change the employment status of Employee, nor shall this paragraph be construed as requiring "cause" to terminate this Agreement or the services of Employee hereunder.

(ii) Changes in Compensation. Following or in conjunction with Employee's initial and annual performance reviews, the Board of Directors may, in its sole discretion, review and adjust Employee's compensation and benefits, which may include, but not be limited to: a merit increase in base salary, an adjustment based on a review of similar positions at comparable agencies, and/or a merit bonus of up to five percent (5%) of base salary.

(d) **Benefits.** Employee shall be entitled to receive the same type and level of benefits afforded by Authority to other executive staff employees as established from time to time by Authority's Board of Directors, which may include, but not be limited to, health insurance benefits (medical, vision, and dental), retirement benefits, leaves, disability coverage, auto allowance, term life insurance and/or other benefits as they may be modified or amended from time to time. No statement concerning benefits or compensation to which Employee is entitled shall alter in any way the term of this Agreement, any renewal thereof, or its termination.

4. NATURE AND TERMINATION OF EMPLOYMENT.

(a) **At-Will Employment; Termination.** Authority and Employee expressly agree that the employment relationship created by this Agreement is "at-will," that Employee serves at the will and pleasure of the Board of Directors, and Employee may be terminated at any time, with or without cause. Nothing in this Agreement or any statute, ordinance, or rule shall prevent, limit or otherwise interfere with the right of Authority to terminate, without cause or right of appeal or grievance, the services of the Employee at any time. The provisions below apply to termination:

(i) Termination by Authority for Cause. At any time, Authority may immediately terminate this Agreement for cause by providing written notification to the Employee with the basis for the cause. All compensation and benefits shall immediately terminate upon the effective date of any notice of for-cause termination. For the purposes of this Agreement, "cause" shall include, but not be limited to, bribery, theft, embezzlement, conviction of any criminal act involving fraud, malfeasance, or an act of misfeasance, unlawful discrimination, commission of a felony, moral turpitude, material dishonesty related to Employee's duties or the Authority, material violation of the Authority's personnel policies or procedures as discussed in Section 5 herein, or other gross misconduct in the performance of his or her job. Employee shall not be entitled to any severance under this Agreement, as described below in paragraph (ii), if terminated for cause.

(ii) Termination by Authority Without Cause. At any time, Authority may terminate this Agreement without cause. In the event that Employee's employment is terminated without cause, Employee shall be entitled to receive severance pay equal to six (6) months' salary ("**Severance Pay**") in accordance with the provisions of this section. Severance Pay shall be computed based upon Employee's base monthly salary in effect at the time of termination. In exchange for the Severance Pay mentioned above, Employee hereby expressly waives any right he or she may have under any applicable law, Authority policy or otherwise to appeal or grieve the termination. Employee further agrees that payment of Severance Pay is contingent on execution of a severance agreement by Employee including a general waiver of claims consistent with this paragraph and California Civil Code section 1542. The Parties expressly acknowledge and agree that these Severance Pay provisions have been independently negotiated. Acceptance at the time of termination by Employee of the Severance Pay shall operate as a full and complete waiver and release of any and all rights, claims, and/or causes of action which Employee may have, or have had, at any time, in the past or in the future, arising out of Employee's employment by Authority including, but not limited to, claims for wrongful termination with the exception of any claims for worker's compensation benefits or any other claims which cannot be waived under applicable law. If Employee wishes to retain any such rights, Employee must decline to accept the Severance Pay provided by this paragraph. This section is intended to comply with the provisions of California Government Code §§ 53260 and 53261, *et seq.*, and in no event shall Employee be entitled to severance benefits greater than provided for therein.

(b) **Resignation.** In the event that Employee voluntarily resigns Employee's position with Authority, Employee shall provide a minimum of thirty (30) days' notice unless the parties agree otherwise.

5. **AUTHORITY POLICIES AND PROCEDURES.** In addition to the terms and conditions of this Agreement, the terms and conditions of Employee's employment, including additional employment benefits of Employee not specifically provided for in this Agreement, shall be governed by Authority's personnel policies and procedures to the extent not inconsistent with the provisions of the Agreement. In the event of any conflict with an express provision of this Agreement, this Agreement shall control.

6. **STATUTORY REQUIREMENTS.** Pursuant to Government Code section 53243, *et seq.*, which became effective on January 1, 2012, if Employee is convicted of a crime involving an abuse of his office or position, all of the following will apply: (1) if Employee is provided with administrative leave pay pending an investigation, Employee shall be required to fully reimburse such amounts paid; (2) if the Authority pays for the criminal legal defense of Employee (which would be in its sole discretion, as it is generally not obligated to pay for a criminal defense), Employee shall be required to fully reimburse such amounts paid; and (3) if the Employee's employment is terminated, any cash settlement related to the termination that the Employee may receive from the Authority shall be fully reimbursed to the Authority. For purposes of this section, "abuse of office or position" means either: (1) an abuse of public authority, including, but not limited to, waste, fraud, and violation of the law under color of authority; or (2) a crime against public justice, including, but not limited to, a crime described in Titles 5, 6, or 7 of Part 1 of the Penal Code. The provisions of California Government Code Sections 53243 to 53243.4, as those sections now or hereafter exist are hereby incorporated by reference into this Agreement.

7. **PAYMENT OF EXPENSES OF EMPLOYMENT.** Authority shall pay the following usual and customary employment expenses:

(a) **Job-Related Expenses; Professional Development.** Reimbursement for ordinary and necessary job-related expenses incurred on behalf of Authority in accordance with Authority policy and applicable law. Subject to the limitations of applicable law and Authority policy, Authority shall pay or otherwise reimburse Employee for the costs of necessary meetings and functions Employee attends on Authority's behalf, including transportation, registration, meals and hotel accommodations. Employee shall provide appropriate receipts to Authority for any expense reimbursements. Authority shall pay reasonable sums for professional development services or dues and subscriptions for Employee's participation in associations and organizations, which memberships are necessary and desirable for the continued professional development of Employee and for the good of Authority. Notwithstanding the foregoing, the Authority's Board of Directors shall have discretion to establish appropriate amounts, in the annual Authority budget or otherwise, for job-related and professional development expenses and travel costs.

(b) **Fidelity Bonds.** The cost of any fidelity or other bonds required by law for Employee.

(c) **Defense and Indemnity.** Subject to Section 6 of this Agreement, the cost to defend and indemnify Employee to the full extent of the law as provided by the California Government Claims Act (Government Code § 810 *et seq.*) or otherwise. Notwithstanding the foregoing, Authority's obligation to defend and indemnify Employee shall extend only to the entry of a final judgment by the trial court, and shall not extend to providing defense or indemnity in connection with an appeal of the judgment, unless otherwise specifically provided by law. Authority will determine, in its sole discretion, whether to compromise and settle any such claim or suit against Employee and the amount of any settlement or judgment rendered thereon.

8. **NOTICES.** Any notice or other communication under this Agreement must be in writing and shall be effective upon delivery by hand or three (3) business days after deposit in the United States mail, postage prepaid, certified or registered, and addressed to Authority or to Employee at the address described below. Employee shall be obligated to notify Authority in writing of any change in address.

(a) Notice to Authority shall be made to the attention of the Chair of Authority's Board of Directors at Authority's then-current principal place of business as identified in a resolution or other enactment of Authority's Board of Directors, as may be amended from time to time.

(b) Notice to Employee shall be made to Employee's then-current address on file with Authority Human Resources.

9. **INTEGRATION.** This Agreement is intended to be the final, complete, and exclusive statement of the terms of Employee's employment by Authority. This Agreement supersedes all other prior and contemporaneous agreements and statements, whether written or oral, express or implied, pertaining in any manner to the employment of Employee, and it may not be contradicted by evidence of any prior or contemporaneous statements or agreements. To the extent that the practices, policies, or procedures of Authority, now or in the future, apply to Employee and are inconsistent with the terms of this Agreement, the provisions of this Agreement shall control.

10. **AMENDMENTS; WAIVERS.** This Agreement may not be amended except by an instrument in writing, signed by each of the parties. No failure to exercise and no delay in exercising any right, remedy, or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy, or power provided herein or by law or in equity.

11. **SEVERABILITY.** If any provision of this Agreement, or its application to any person, place, or circumstance is held by an arbitrator or a court of competent jurisdiction to be invalid, unenforceable, or void, such provision shall be enforced to the greatest extent permitted by law, and the remainder of this Agreement and such provision as applied to other persons, places, and circumstances shall remain in full force and effect.

12. **ATTORNEYS' FEES.** In any legal action, arbitration, or other proceeding brought to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs.

13. **GOVERNING LAW; VENUE.** This Agreement shall be governed by and construed in accordance with the law of the State of California. Employee and Employer agree that venue for any dispute shall be in Orange County, California.

14. **COUNTERPARTS.** This Agreement may be executed in two or more counterparts, including via facsimile or electronically-transmitted signature, each of which shall be deemed an original, but all of which together shall constitute one-in-the-same document.

15. **EMPLOYEE ACKNOWLEDGMENT.** Employee acknowledges that Employee has had the opportunity to consult legal counsel in regard to this Agreement, that Employee has read and understands this Agreement, that Employee is fully aware of its legal effect, and that Employee has entered into it freely and voluntarily and based on Employee's own judgment and not on any representations or promises other than those contained in this Agreement.

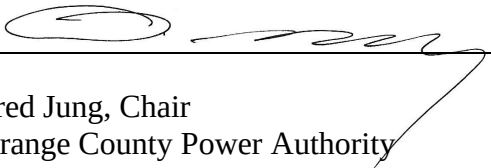
SIGNATURES ON FOLLOWING PAGE

The Parties have duly executed this Employment Agreement between Orange County Power Authority and Joseph Mosca as of the date first written above.

Dated: 3/19/2024

Joseph M. Mosca
Joseph Mosca

Dated: March 19, 2024


Fred Jung, Chair
Orange County Power Authority

Attest:

Pat Jacquez-Nares
Pat Jacquez-Nares, Board Clerk/Secretary

Approval as to Form:

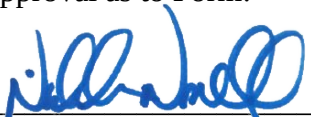

Nicholaus Norvell, Interim General Counsel

EXHIBIT A

Job Description - Chief Executive Officer

The Chief Executive Officer is responsible for the day-to-day operation and management of the Orange County Power Authority (“Authority”) and its community choice aggregation (“CCA”) program. The Chief Executive Officer may exercise all powers of the Authority except those powers specifically reserved to the Board under the Authority’s Joint Powers Agreement, the Authority’s bylaws, or other enactments or directions of the Board. Responsibilities of the Chief Executive Officer include:

- **Authority Direction and Supervision.** Oversee all functions of the Authority, including administration, finance, staffing, marketing, public affairs, power planning and procurement, supply operations, local energy programs, and legislative and regulatory affairs; provide administrative direction and supervision to employees, including assigning projects and objectives; conducting performance evaluations; developing, motivating, and training; and, hiring, terminating and disciplining.
- **Board Relations; Implementation of Policies.** Foster and maintain a strong relationship with the Board; approve agendas for presentation to the Board; present briefings, policies, reports, and recommendations to the Board; administer and implement Board-adopted ordinances, resolutions, bylaws, policies, procedures, and other enactments.
- **Contracting.** Enter into and execute contracts, including power purchase agreements and other agreements, in accordance with criteria and policies established by the Board.
- **Internal Leadership.** Provide direction and assistance to staff members, including management team building and training.
- **Customer and Stakeholder Relations.** Interact with Authority customers and stakeholders regarding a variety of issues; interact with the media presenting appropriate information on programs, services, and events.
- **Inter-Agency Relations.** Foster and maintain strong relationships with external agencies, including the Authority member agencies, other local, state, and federal governments, the California Public Utilities Commission, and other key agencies and stakeholders.
- **Recruitment and Development.** Adding member agencies and engaging potential member agencies.
- **Strategies.** Develop and implement Authority strategies in conjunction with other the Authority management staff; approve strategies and communicate to staff.
- **Reports and Correspondence.** Prepare, review, and approve a variety of reports and correspondence.
- **Other.** Perform other duties of a similar nature or level.

**ORANGE COUNTY POWER AUTHORITY
FIRST AMENDMENT TO EMPLOYMENT AGREEMENT
(Chief Executive Officer)**

This First Amendment (“**First Amendment**”) is entered into effective as of November 25, 2024 (“**Amendment Effective Date**”), by and between Orange County Power Authority, a California joint powers authority (“**Authority**” or “**Employer**”) and Joseph Mosca (“**Employee**”). Authority and Employee may be referred to herein individually as a “**Party**” and collectively as the “**Parties**.”

RECITALS

A. The Parties entered into a Chief Executive Officer Employment Agreement dated March 19, 2024 (“**Agreement**”).

B. Pursuant to the Agreement, Employee serves as the Chief Executive Officer of Authority and is required to perform the functions and duties specified by Authority’s Board of Directors and as provided by any such other resolutions of the Board, applicable laws, rules, regulations, orders, directives, policies, or procedures in effect or adopted by Authority.

C. The Parties desire to execute this First Amendment as of the effective date.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the Parties agree to the following terms and conditions:

1. Amendment 1 to the Agreement. The Parties hereby agree to amend Section 3(a) of the Agreement to read as follows:
 - a. **Base Annual Salary**. In consideration of the services to be rendered under this Agreement, Authority shall pay Employee, as base annual salary, Three Hundred and Seventy Five Dollars (\$375,000.00) per year. This amount shall be paid on a pro rata basis pursuant to the procedures regularly established and as they may be amended by Authority in its sole discretion.
2. Capitalized Terms. Any capitalized terms not defined herein shall have the meanings set forth in the Agreement.
3. Counterparts. This Amendment 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.
4. Full Force. Except as expressly set forth herein, the Agreement shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this First Amendment to the Chief Executive Officer Employment Agreement between Orange County Power Authority and Joseph Mosca as of the date first set forth above.

Dated: _____

Joseph Mosca

Dated: _____

Fred Jung, Chair
Orange County Power Authority

Approval as to Form:

Nicholaus Norvell, Interim General Counsel

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 8.5

To: Orange County Power Authority Board of Directors

From: Louis Ting, Director of Power Resources

Approved By: Joe Mosca, Chief Executive Officer

Subject: APPROVE AGREEMENT FOR POWER SUPPLY PORTFOLIO MANAGEMENT SERVICES

Date: November 25, 2024

RECOMMENDED ACTION

Approve Agreement with Pacific Energy Advisors to provide Power Supply Portfolio Management Services for the term of January 1, 2025, through December 31, 2025, for a total not-to-exceed amount of \$588,000.

BACKGROUND

Pacific Energy Advisors (PEA) has supported the Orange County Power Authority (OCPA) in the role of Power Supply Portfolio Management Services since inception in June 9, 2021. The current agreement with PEA will expire on December 31, 2024. This sole-source Agreement is intended to ensure a balanced transition between PEA's scope of services and OCPA's plan to staff the Power Resources team and to issue a Request for Proposal (RFP) soliciting the necessary technical platform and services to ensure continuity in meeting OCPA's power supply requirements.

OCPA offers three (3) service offerings – Basic Choice, Smart Choice, and 100% Renewable Choice. Maintaining multiple service offerings requires extensive energy market acumen and experience to ensure compliance while maintaining stable and affordable rates.

In addition to adequately serving OCPA customers' energy needs with significantly higher levels of renewable energy and complying with regulatory mandates from the California Public Utilities Commission (CPUC) and the Renewable Portfolio Standards (RPS) program; Power Supply Portfolio Management Services include constant monitoring of the energy market as well as procuring and managing vast amounts of resource contracts while working closely with external and internal stakeholders including our financial team to ensure fiscal responsibility and risk management. With these interdependencies associated with PEA's scope of services, that dovetail with OCPA's service providers for scheduling and dispatch and data management and customer call management, the transition will be paramount to ensure no gap in service with a streamlined transition.

For the current professional services agreement, PEA was originally selected through an RFP for Multiple Services in 2021: Power Supply Portfolio Management, Scheduling and Dispatch, and Data Management and Customer Call Management Services (Solicitation Number: 21-003). Three (3) firms submitted proposals for the Power Supply Portfolio Management Services: Alliance for Cooperative Energy

Services, PEA, and The Energy Authority. After careful consideration, PEA was recommended to the Board, and the Board approved PEA to provide the power supply and portfolio management services from June 2021 to December 2024.

Since executing the original agreement with PEA, OCPA has made great strides in building our internal capacity, including hiring a Power Resources Director and Board action to approve three (3) staff positions for the Power Resources team. In the coming months, OCPA will move forward with hiring the remaining three positions budgeted for the Power Resources team with the goal to be fully staffed before the end of the current fiscal year.

The agreement with PEA provides the following services:

1. Portfolio management strategy development including load forecasting and planning.
2. Power supply portfolio management and procurement including short-, mid-, and long-term energy, capacity, and renewable energy attributes.
3. Legislative and regulatory compliance filings with CPUC and other regulatory agencies.
4. Policy and program development.
5. Risk management program implementation and administration.
6. Perform cash flow analysis and update the pro forma.

Based in Folsom, CA, PEA provides multiple services to seven (7) CCAs, including: California Clean Choice Energy Authority, CleanPowerSF, Lancaster Choice Energy, MCE, Sonoma Clean Power, Silicon Valley Clean Energy, and San Diego Community Power. PEA brings a wealth of experience and provides a broad array of services related to CCA implementation and launch.

PEA was formed in November 2013 with the mission of providing strategic advice and technical support to organizations within California's energy market. PEA's consultants have held senior leadership positions in the wholesale, retail, and regulated sectors of the electric utility industry and are widely recognized as the state's foremost experts regarding CCA evaluation, implementation, operation, and related advisory services. PEA's consultants have assisted with the implementation of sixteen (16) operational California CCAs and PEA continues to provide planning and operational support to more California CCAs than any other technical advisory firm in the industry. PEA is conveniently located in Folsom, California adjacent to the California Independent System Operator.

FISCAL IMPACT

The fiscal impact for the twelve (12) month term is \$588,000.

ATTACHMENT

Attachment A – Agreement with Pacific Energy Advisors for Power Supply Portfolio Management Services

Attachment B – Sole-Source Justification Form

**PROFESSIONAL SERVICES AGREEMENT BETWEEN ORANGE COUNTY POWER
AUTHORITY AND PACIFIC ENERGY ADVISORS, INC. FOR PORTFOLIO
MANAGEMENT SERVICES**

This Professional Services Agreement (“**Agreement**”) is made and entered into on November 25, 2024 (“**Effective Date**”), by and between ORANGE COUNTY POWER AUTHORITY, a California joint powers authority (“**Authority**” or “**OCPA**”) and PACIFIC ENERGY ADVISORS, INC., a California corporation (“**Consultant**” or “**PEA**”). Authority and Consultant are sometimes individually referred to as “**Party**” and collectively as “**Parties.**”

RECITALS

- A. Consultant desires to perform and assume responsibility for the provision of certain professional services required by Authority on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing wholesale energy services and is familiar with the plans of Authority.
- B. Authority desires to engage Consultant to render such professional services for the Authority’s community choice aggregation program (“**Project**”) as set forth in this Agreement.

AGREEMENT

1. Scope of Services and Term.

1.1 General Scope of Services. Consultant promises and agrees to furnish to Authority all labor and services and incidental and customary work necessary to fully and adequately provide the services necessary for the Project (“**Services**”). The Services are more particularly described in Exhibit A attached hereto. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto, and all applicable local, state and federal laws, rules and regulations.

1.2 Term. The term of this Agreement shall be from January 1, 2025 to December 31, 2025, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement and shall meet any other established schedules and deadlines.

2. Fees and Payments.

2.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit B, attached hereto. The total compensation shall not exceed five hundred eighty-eight thousand dollars (\$588,000.00) without written approval of Authority’s Board of Directors or Chief Executive Officer, as appropriate. Extra Work may be authorized, as described below, and, if authorized, said Extra Work will be compensated at the rates and manner set forth in this Agreement.

2.2 Payment of Compensation. Consultant shall submit to Authority a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. Authority shall, within 30 days of Consultant's delivery of such statement, review the statement and pay all approved charges thereon.

2.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by Authority.

2.4 Extra Work. At any time during the term of this Agreement, Authority may request that Consultant perform Extra Work. As used herein, "**Extra Work**" means any work which is determined by Authority to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from Authority's Representative. Any Extra Work approved by the Authority shall be completed by Consultant in consideration of the hourly service rates reflected in Exhibit B, a mutually agreeable schedule of completion and a mutually agreeable description of pertinent work items.

3. **Responsibilities of Consultant.**

3.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Authority retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of Authority and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Scope of Services set forth in Exhibit A attached hereto. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's performance of the Services, Authority shall respond to Consultant's submittals in a timely manner. Upon request of Authority, Consultant shall provide a more detailed schedule of anticipated performance to provide the Services.

3.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of Authority.

3.4 Substitution of Key Personnel. Consultant has represented to Authority that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of Authority. In the event that Authority and Consultant cannot agree as to the substitution of key personnel, Authority shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to Authority, or who are determined by the Authority to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the Authority. The key personnel for performance of this Agreement are as follows:

Kirby Dusel and John Dalessi

3.5 Authority's Representative. Authority hereby designates the Chief Executive Officer, or designee, to act as its representative for the performance of this Agreement ("**Authority's Representative**"). Authority's Representative shall have the power to act on behalf of Authority for all purposes under this Agreement. Consultant shall not accept direction or orders from any person other than Authority's Representative, or designee.

3.6 Consultant's Representative. Consultant hereby designates **Kirby Dusel and John Dalessi**, or their designee, to act as its Representative for the performance of this Agreement ("**Consultant's Representative**"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.7 Coordination of Services. Consultant agrees to work closely with Authority staff in the performance of Services and shall be available to Authority's staff, consultants and other staff at all reasonable times.

3.8 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and sub- contractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from Authority, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its subcontractors who is determined by Authority to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to

perform the Services in a manner acceptable to Authority, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.9 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to Authority, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold Authority, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.10 Insurance.

3.10.1 Time for Compliance. Consultant shall not commence the Services under this Agreement until it has provided evidence satisfactory to Authority that it has secured all insurance required under this section, in a form and with insurance companies acceptable to Authority. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to Authority that the subcontractor has secured all insurance required under this section.

3.10.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subcontractors. Consultant shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001 or exact equivalent); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or exact equivalent); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability*: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by

the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease.

3.10.3 Professional Liability. Consultant shall procure and maintain, and require its subcontractors to procure and maintain, for a period of two (2) years following completion of the Services, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$2,000,000 per claim. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

3.10.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by Authority to add the following provisions to the insurance policies:

(A) General Liability.

(i) Commercial General Liability Insurance must include coverage for (1) Bodily Injury and Property Damage; (2) Personal Injury/Advertising Injury; (3) Premises/Operations Liability; (4) Products/Completed Operations Liability; (5) Aggregate Limits that Apply per Project; (6) [reserved]; (7) Contractual Liability with respect to this Agreement; (8) Broad Form Property Damage; and (9) Independent Consultants Coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to the Agreement.

(iii) The policy shall give Authority, its directors, officials, officers, employees, and agents insured status using ISO endorsement forms 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(iv) The additional insured coverage under the policy shall be "primary and non-contributory" and will not seek contribution from Authority's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing the exact same coverage.

(B) Automobile Liability. The automobile liability policy shall be endorsed to state that: (1) Authority, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects Authority, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by Authority, its

directors, officials, officers, employees, agents and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(C) Workers' Compensation and Employers Liability Coverage.

(i) Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and Consultant will comply with such provisions before commencing work under this Agreement.

(ii) The insurer shall agree to waive all rights of subrogation against Authority, its directors, officials, officers, employees, agents and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages. Defense costs shall be payable in addition to the limits set forth hereunder. Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to Authority, its directors, officials, officers, employees and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named insured; whichever is greater.

(i) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of Authority (if agreed to in a written contract or agreement) before Authority's own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella/excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(ii) Consultant shall provide Authority at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to Authority at least ten (10) days prior to the effective date of cancellation or expiration.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is

advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by Authority, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(v) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Authority has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Authority will be promptly reimbursed by Consultant or Authority will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Authority may cancel this Agreement. Authority may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(vi) Neither Authority nor any of its directors, officials, officers, employees or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

3.10.5 Separation of Insureds; No Special Limitations. All insurance required by this section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to Authority, its directors, officials, officers, employees, agents and volunteers.

3.10.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by Authority. Consultant shall guarantee that, at the option of Authority, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects Authority, its directors, officials, officers, employees, agents and volunteers; or (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.10.7 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, licensed to do business in California, and satisfactory to Authority.

3.10.8 Verification of Coverage. Consultant shall furnish Authority with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to Authority. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf and shall be on forms provided by Authority if requested. All certificates and endorsements must be received and approved by Authority before work commences. Authority reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.10.9 Subcontractor Insurance Requirements. Consultant shall not allow any subcontractors to commence work on any subcontract until they have provided evidence satisfactory to Authority that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors shall be endorsed to name Authority as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, Authority may approve different scopes or minimum limits of insurance for particular subcontractors.

4. **Accounting Records.** Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of Authority during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of four (4) years from the date of final payment under this Agreement.

5. **General Provisions.**

5.1 Termination of Agreement.

5.1.1 Grounds for Termination. Authority may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to Authority, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, Authority may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such documents and other information within fifteen (15) days of the request.

5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, Authority may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

5.1.4 Transition of Services Upon Termination or Expiration. Upon expiration or termination of this Agreement, and upon request of Authority, Consultant shall reasonably cooperate with Authority to ensure a prompt and efficient transfer of all Authority data, documents and other materials to Authority or a new services provider, in an industry standard format or formats, and in a manner such as to attempt to minimize the impact of expiration or termination on Authority or Authority's customers. Consultant and Authority shall mutually agree on transition activities requiring completion and a reasonable schedule of completion associated therewith. Consultant shall provide to Authority data and documentation, and other Consultant non-

proprietary information reasonably requested by Authority in connection with the transition. Consultant shall provide transition assistance described above, subject to a mutually agreeable schedule, in such a manner as to attempt to reasonably: (a) ensure the uninterrupted performance of the services, (b) with no degradation in quality, and (c) to avoid disruption in the operation. If Authority is the defaulting Party or terminates for convenience, Authority agrees to pay Consultant reasonable compensation for additional services performed in connection with such transfer, to the extent not otherwise provided for or contemplated in the Agreement. If Authority is the defaulting Party, such compensation shall be payable in advance of work by Consultant. Consultant shall (i) return all documents and other materials received from Authority and all copies (if any) of such documents and tangible materials; and (ii) destroy all other documents or materials in Consultant's possession that contain Authority proprietary or customer data; provided, however, that Consultant may retain copies of information necessary for Consultant's tax, billing or other financial purposes, to be used solely for such purposes.

5.1.4.1 Under no circumstances, except for any event of default or termination by the Authority or Consultant as contemplated in the Agreement, shall Consultant cease providing Services to Authority under this Agreement until clear and unequivocal arrangements for (i) Authority to assume provision of the Services under this Agreement or (ii) a third party is provided to assume provision of the Services under this Agreement.

5.1.5 Dispute Resolution. The Parties shall meet and confer together in good faith regarding any dispute, controversy or claim (each, a "Dispute") arising out of or relating to this Agreement, or any breach or alleged breach hereof, prior to either Party declaring a breach of the Agreement. A meet and confer shall occur within ten (10) business days of any Dispute whereby the Parties agree to cooperate in good faith to resolve the Dispute, and may use a mutually agreeable third party to resolve such Dispute. In no event shall either Party be delayed or impeded from exercising any of its rights at law or equity, including, without limitation, petitioning a court for provisional relief, including injunctive relief, prior to invoking the meet and confer resolution process.

5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant:	Pacific Energy Advisors, Inc. Attn: Kirby Dusel 1839 Iron Point Road, Suite 120 Folsom CA 95630
Authority:	Orange County Power Authority Attn: Joe Mosca, Chief Executive Officer P.O. Box 54283 Irvine, CA 92619-4283

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

5.3 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life-saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

5.4 Intellectual Property and Confidentiality.

5.4.1 Intellectual Property. Authority owns all right, title and interest in and to all Authority Materials. Upon the expiration of this Agreement, or in the event of termination, Authority Materials and all Authority customer data, in whatever form and in any state of completion, shall remain the property of Authority and shall be promptly returned to Authority. Upon termination, Consultant may make and retain a copy of such contract materials if permitted by law. Authority Materials shall mean any and all data created by Consultant specifically for Authority in the performance of the Services and Extra Work pursuant to this Agreement (“Authority Materials”).

For the avoidance of doubt, Consultant’s intellectual property, including, but not limited to, Consultant’s trademarks, service marks, trade names and other designations, web site(s), web design(s), internal systems, computer systems, programs, software (including software code), ideas, know-how, work product, copyrights, patents, trade secrets and other proprietary and/or intellectual property shall remain the exclusive property of Consultant.

5.4.2 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of Authority, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use Authority’s name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of Authority.

5.5 Cooperation; Further Acts. The Parties shall fully cooperate with one another and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

5.6 Attorney's Fees. If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

5.7 Indemnification. Consultant (including its officials, officers, employees, agents, sub-consultants and contractors, collectively the "Indemnifying Party") shall, to the extent of its own willful misconduct, recklessness or negligence, defend, indemnify and hold Authority, its officials, officers, consultants, employees, and volunteers ("Indemnified Party") free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident, arising out of or in connection with the performance of the Services, the Project or this Agreement, including reasonable attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Authority, its directors, officials, officers, consultants, employees, agents or volunteers. Consultant's indemnification obligations herein are conditioned upon the Indemnified Party: (i) promptly notifying the Consultant of any claim in writing; and (ii) cooperating with Consultant in the defense of the claim.

5.8 California Labor Code Requirements.

5.8.1 Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall defend, indemnify and hold Authority, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

5.8.2 If the services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

5.8.3 This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant's performance of services, including any delay, shall be Consultant's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by Authority. Consultant shall defend, indemnify and hold Authority, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

5.9 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both Parties.

5.10 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Orange County, California.

5.11 Time of Essence. Time is of the essence for each and every provision of this Agreement.

5.12 Authority's Right to Employ Other Consultants. Authority reserves right to employ other consultants in connection with this Project.

5.13 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the Parties.

5.14 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of Authority. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

5.15 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subcontractors of Consultant, except as otherwise specified in this Agreement. All references to Authority include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

5.16 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

5.17 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

5.18 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

5.19 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

5.20 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, Authority shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of Authority, during the term of his or her service with Authority, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

5.21 Nondiscrimination and Equal Opportunity Employment and Subcontracting. Consultant represents that it is an equal opportunity employer and it shall not discriminate on the basis of race, gender, gender expression, gender identity, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring, or treatment of applicants, employees, subcontractors, vendors, or suppliers. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Further, Consultant shall provide equal opportunity for subcontractors to participate in subcontracting opportunities.

5.22 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Workers' Compensation, or to undertake self- insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

5.23 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

5.24 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

5.25 Subcontracting. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of Authority. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have made and executed this Agreement as of the date first written above.

**ORANGE COUNTY POWER
AUTHORITY**

PACIFIC ENERGY ADVISORS, INC.

By : _____

By : _____

Name: _____

Name: _____

Title: _____

Title: _____

ATTEST:

Secretary, Authority Board of Directors

APPROVED AS TO FORM:

General Counsel

**A corporation requires the signatures of two corporate officers.*

One signature shall be that of the Chairman of Board, the President or any Vice President, and the second signature (on the attest line) shall be that of the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer of such corporation.

If the above persons are not the intended signators, evidence of signature authority shall be provided to Authority.

EXHIBIT A

SCOPE OF SERVICES

Project Administration and Planning

It is expected that PEA will periodically participate in various calls, videoconferences, and in-person meetings (if/when mutually agreed and subject to any then-applicable health and safety guidelines) to ensure that important information and key processes are clearly communicated and understood by pertinent members of the project team.

PEA expects that various meetings will be necessary in performance of the services. Examples of such meetings may include Staff meetings, Board meetings, select public workshops and other stakeholder interactions that may be necessary to promote the successful operation of Authority's CCA program. As appropriate, PEA will assist in the preparation of requisite meeting materials pertaining to its work and may also participate in such meetings from time to time, providing support during the presentation and discussion of certain key topics/information related to Authority's CCA program.

Summary of Tasks

PEA's general project administration support is expected to include:

- Regular coordination with Staff, suppliers and other contractors regarding tasks within PEA's scope of services to support effective program operation;
- Preparation for and participation in select Authority Board meetings, providing technical support during key discussions and decision making;
- PEA would be available to assist Staff in preparing meeting materials and presenting such materials at meetings, subject to mutually agreeable advanced scheduling and travel authorization, as appropriate;
- Coordination with pertinent jurisdictional regulatory agencies: to the extent that jurisdictional regulatory agencies have questions regarding applicable reports/submittals and/or general questions regarding Authority operations, PEA would be available to address such inquiries and/or participate in related meetings or teleconferences, subject to mutually agreeable scheduling. The foregoing coordination does not include expert witness services or similar tasks supporting Authority interests in regulatory proceedings; and
- Coordination with key customers: Subject to a mutually agreeable schedule, PEA would be available to participate in select discussions/meetings with key customer accounts, providing technical expertise related to rates, resource planning, power supply and anticipated environmental impacts.

Portfolio Management Strategy

Authority will need to periodically review and update its portfolio management strategy that addresses regulatory requirements (e.g., SB 350, SB 100, CPUC Ruling 17-09-020), Authority JPA Board requirements (e.g., RPS and Greenhouse Gas (GHG) free goals), and Risk Management Policy criteria and thresholds (e.g., mark-to-market and open position tolerances). Setting a strategic course requires a firm understanding of the regulatory landscape/requirements and current market conditions (e.g., price and availability by resource type), which will

be carefully considered in reviewing and updating a plan that balances costs and other organizational objectives.

Summary of Tasks

PEA shall develop and complete the following key tasks in collaboration with Authority related to portfolio management strategy:

- Prepare briefing materials articulating applicable regulatory requirements, the various energy products and options available to the Authority, market conditions, and cost and other tradeoffs among the available products and energy sources;
- Attain JPA Board direction on regulatory ambitions and risk tolerances;
- Discuss options for achieving JPA Board ambitions and risk tolerances with respect to cost impacts; and
- Review and update a portfolio management strategy and related planning documentation to achieve established targets.

Risk Management Program Administration

A key component to the success of any load serving entity is a comprehensive and effective energy risk management program. A sound energy risk management program enables the timely understanding of portfolio positions relative to specified targets and values-at-risk (for any open positions) and provides Authority's management with requisite information to make informed decisions regarding its portfolio. Some key components of such a program should include: 1) an Energy Risk Management Policy (Risk Policy) that describes the key risks related to energy procurement that an organization faces and its corresponding mitigators, including price risk, volumetric risk, credit risk, and operational risk, among others; 2) Credit Risk Guidelines (Credit Guidelines) that include management practices/parameters related to supplier credit and liquidity (to inform decision related to collateral posting, etc.) and how to manage credit risk in the event of a supplier default; 3) quantification and reporting of portfolio positions, values and risks; and 4) scenario analyses and stress testing to facilitate Authority's understanding of potential stress-based outcomes under extreme circumstances and certain unlikely/undesirable scenarios.

Summary of Tasks

PEA shall develop and complete the following key tasks in collaboration with Authority related to energy risk management:

- Periodically review the Risk Policy to ensure it is tailored to Authority's needs, focusing on information specific to Authority's operations in order to make well-informed decisions and incorporating industry best practices;
- Draft Credit Guidelines that help shield Authority from counter party credit risk while minimizing collateral postings;
- Determine the best methods and/or systems to aggregate positions, value positions, value risks, and establish the tolerance bands based upon Authority's risk appetite. PEA will prepare the reports required to review together with Authority's senior management at regularly scheduled (likely, quarterly) Risk Oversight Committee meetings; and

- Perform scenario analyses as needed and present the scenario with the most likely outcome and compare it with the extremes and circumstances under which they could occur.

Power Supply Portfolio Management & Procurement

To continue serving customers, Authority will need to secure requisite energy products and services, including shaped energy (i.e., a quantity of energy delivered by the supplier(s) according to an agreed upon schedule), resource adequacy capacity (i.e., reserve capacity required to meet mandatory compliance obligations for CCAs and other load serving entities, including incremental procurement orders issued by jurisdictional regulatory authorities in place as of the Effective Date of this Agreement), renewable energy (both short-term and long-term renewable supply, which will be necessary to satisfy California's recently increased 65% long-term RPS contracting requirement), and carbon-free energy (if necessary).

Summary of Tasks

PEA shall develop and complete the following key tasks in collaboration with Authority related to supplier selection and related contracting for power procurement:

- Develop and maintain a detailed load forecast utilizing recent SCE customer information and available historical data for all eligible customers;
- Determine desired energy and capacity quantities, which would supply aggregate customer requirements, including anticipated participation in default and voluntary retail service options;
- Prepare draft solicitation materials, including a Request for Proposals/Offers document and related bid workbooks (which will provide an organized, uniform framework for bidder responses), to support the procurement of necessary energy and capacity products, including requisite long-term renewable energy contracts to satisfy California's 65% long-term RPS contracting requirement and incremental capacity procurement obligations issued by jurisdictional regulatory authorities (e.g., the supplemental mid-term reliability procurement order issued by the CPUC via D.23-02-040);
- Coordinate with Authority's executive leadership and SCE to explore the possibility of procuring surplus RA capacity and RPS-eligible renewable energy (both short- and long-term) – following the departure of Authority's customers from SCE service, such as those periods following the prospective expansion of OCPA's service territory, SCE should have surplus resources in these categories that may be available to Authority. Exploring such opportunities with the incumbent utility may be the most effective way (in terms of procedural efficiency and, potentially, cost) to promote compliance with the aforementioned long-term RPS contracting obligation and pertinent RA requirements;
- Evaluate offers received in response to the aforementioned solicitation processes and assist Authority in selecting the preferred supplier(s) of such products and services;
- In conjunction with the Authority's designated staff and legal counsel, support power purchase agreement negotiation for desired products and services;
- Assist Authority (in cooperation with Authority's designated staff and legal counsel) in developing and finalizing form transaction documents for desired products and services; and
- Perform necessary coordinative activities with Authority's selected supplier(s).

Legislative & Regulatory Compliance

As a Load Serving Entity (LSE) within the state of California, Authority will be required to comply with a variety of regulations, including participation in certain reporting programs administered by the CPUC and California Energy Commission (CEC).

Summary of Tasks

To ensure compliance with these requirements, PEA shall complete the following activities:

- Prepare a regulatory compliance calendar and reporting matrix to ensure that management has a thorough understanding of currently applicable technical reporting requirements and related submittal deadlines;
- Prepare load forecast and related filings to ensure compliance with California's resource adequacy program;
- Prepare annual compliance reports, as required under California's Renewables Portfolio Standard Program;
- Administer functions necessary to receive, transfer (as necessary) and retire renewable energy certificates within OCPA's WREGIS account for purposes of supporting organizational compliance with state mandates and voluntarily adopted portfolio objectives; Assist Authority in developing requisite resource planning documents including statutorily required Integrated Resource Plan and RPS Procurement Plan;
- Prepare Authority's annual Power Source Disclosure reports and distribute key portfolio performance metrics to Authority's management – complete the CEC's required Power Content Label template and coordinate with Authority's communications team regarding technical elements of annual Power Content Label preparation;
- Assist and coordinate with Authority and its Scheduling Coordinator to determine the strategies for acquisition of Import Allocation Rights that may be used to support use of import resource adequacy capacity;
- Assist in preparing requisite customer cost comparisons, which indicate the cost comparative cost impact of taking service with the CCA program relative to SCE, and prospective power source disclosures;
- Assist in preparing month-ahead and year-ahead resource adequacy compliance filings, including those related to California's slice-of-day compliance framework;
- Coordinate with resource adequacy suppliers and jurisdictional regulatory agencies to address and resolve prospective compliance issues;
- Assist in preparing compliance filings pursuant to the CEC's biennial Integrated Energy Policy Report, Quarterly Fuels and Energy Report including the related CEC 1306B quarterly report, and the U.S. Energy Information Agency monthly EIA-826 and annual EIA-861 reports;
- Assist in preparing Demand Forecast and Resource Supply compliance filings related to the CEC Integrated Energy Policy Reports;
- Assist in preparing status updates related to incremental procurement orders mandated by the CPUC; and
- Assist in preparing data request responses related to inputs required for calculation of the Power Charge Indifference Adjustment market price benchmarks.

PEA notes that its proposed scope of work and budget are based on pertinent regulatory requirements that exist as of the Effective Date of this Agreement); to the extent that the legislature and/or jurisdictional regulatory authorities implement material changes to pertinent regulatory compliance activities, planning standards, or

procurement requirements after such date, PEA will work with Authority to determine if adaptations to the work scope and budget in this proposal will be necessary. If such changes (in scope and/or budget) are required, PEA and Authority will engage in good faith discussions to address the new and/or updated regulatory compliance requirements, including related changes to the scope and budget reflected herein

Rate Setting & Financial Modeling

PEA will maintain a working pro forma financial model for Authority use in budgeting, cash flow planning, financial performance monitoring, and SCE scenario analyses. PEA will design customer electric rates and update rates for approval by Authority's governing board on an annual basis – such rates will be established at sufficient levels to meet adopted financial targets. PEA will provide technical rate support including monitoring SCE rate changes, in cooperation with staff, regulatory counsel and other third-party advisors, as they impact customer cost comparisons and also provide assistance with the preparation of joint cost comparison models. The following tasks are included as part of this service:

Summary of Tasks – Rate Setting

- Annually, develop proposed Authority rate schedules; cost of service modeling; SCE benchmarking; billing determinant (e.g., Time of Use energy) forecast; present and proposed rate revenue forecast;
- Collaborate with staff, Authority, and Authority governing bodies, as necessary, in regard to rate changes, including necessary new rate designs or options;
- Provide support for the development and administration of certain CCA customer programs, including NEM, green energy, and Feed-In Tariffs, if desired by Authority;
- Monitor realized rate revenue vs. projections to identify necessary rate changes;
- In cooperation with OCPA staff, regulatory counsel and other third-party advisors, monitor SCE rates and surcharges and assist Authority with preparation of mandated joint cost comparisons reports; and
- Prepare a draft FIT policy, including applicable project eligibility criteria, pricing schedules, and an appropriate power purchase agreement (which will be primarily based on successfully deployed FIT agreements used by other operational CCAs; such agreement will be drafted and finalized in conjunction with the Authority's designated power contracting counsel).

Summary of Tasks – Financial Modeling (Pro Forma)

- Maintain Authority's pro forma financial models of monthly income/expense projections, cash flow and cash balances;
- Update pro forma models as necessary to incorporate current load, resource and market data; monitor accuracy of financial projections on monthly basis; assist in reconciling budget variances;
- Prepare forecast of power supply and other expenses for annual budget;
- Prepare draft annual budget for the Authority program in cooperation with Authority management and accountants; and
- As necessary, coordinate with Authority and its financial advisors with regard to matters that may impact Authority's financial standing, debt levels, electric rates, annual budget, resource planning and other key

concerns.

Invoice Validation Services

PEA will provide invoice validation services submitted by Authority's counterparties, including all existing and future agreements and contracts for the term of the Agreement for all required power resources to meet regulatory compliance and serve customer loads. The categories of invoices include product components of energy, resource adequacy, and renewable energy attributes that comply with California's Renewable Portfolio Standard, collectively as Products:

Summary of Tasks – Invoice Validation Services

- Upon execution of Products' contracts and agreements and the delivery of such products, invoices will be submitted to PEA by Authority's counterparties.
- Upon receipt of the invoices, PEA will review and validate the submitted invoices against the respective contracts and agreements.
- Should there be discrepancies, incomplete submissions, lack of justifications, and/or clarifications required, PEA will deliberate with Authority's counterparties to ensure invoices are fully validated.
- Once PEA validates the Products' invoices, PEA will approve and forward the invoices to Authority for final approval and processing.
- PEA will observe the terms of the Products' contracts and agreements to ensure the invoice validation process are completed timely to provide Authority ample time to finalize payments.

Transition of Services

As further discussed in Exhibit B, should the Authority successfully in-source certain activities during the period related to the Services or determine that it will transition some or all of the Services to a new provider, the Authority and PEA will engage in good faith discussions to: 1) identify the services contemplated in PEA's Scope of Services that will be transitioned to OCPA staff or the other provider and an orderly approach for such transition; and 2) renegotiate the Services and the applicable fixed fee in consideration of the proportion of work transitioned to OCPA staff or other provider, or to determine appropriate compensation of PEA during the transition phase. Depending on the nature of PEA responsibilities and related work items associated with any such transition activities, the Authority and PEA acknowledge that associated work obligations may be categorized as Extra Work and related costs may be lower or higher than baseline work levels and costs reflected in this Agreement. As such, the renegotiated service requirements associated with transition activities, including related fees, may also be lower or higher than those already reflected in this Agreement. To the extent that any transition services are categorized as Extra Work, applicable charges will be based on the hourly rates reflected in Exhibit B. The following tasks are listed as examples of certain work items that may be transitioned from PEA to OCPA staff during the Term of this Agreement. This is not an exhaustive list, and additional tasks may be the subject of further discussion during the Term of this agreement. Transition timing and the scope of responsibilities associated with any transition of work shall be mutually agreed upon, including any related fee adjustments (down or up) prior to any such transition. For the sake of example, the following three (3) tasks have been identified as potential work items that may be transferred from PEA to OCPA staff during the Term of service though the specific timing of any such transition

has yet to be determined:

- Pro Forma Modeling, Updates and Sensitivity Analyses: monthly fee reduction of \$2,500
- Invoice Validation: monthly fee reduction of \$2,500
- Recurring Monthly or Quarterly Reporting (EIA/CEC QFER): monthly fee reduction of \$1,000

With respect to the three (3) tasks noted above (that is, Pro Forma Modeling, Invoice Validation and Recurring Reporting), if OCPA staff comprehensively assume responsibilities for the completion of such work, PEA's fixed monthly fee will be reduced by the amount noted above. For example, if OCPA staff comprehensively assume responsibility for the Invoice Validation task, PEA's fixed monthly fee of \$49,000, as identified below in Exhibit B, would be reduced to \$46,500 per month.

Examples of Extra Work

The following activities are examples of Extra Work that may be completed by Consultant during the Term of Agreement. This is a non-exhaustive list. No such Extra Work will be completed without written authorization from the Authority.

Expansion & Feasibility Assessments (Extra Work)

At the Authority's request, PEA will provide technical feasibility assessments to assist the Authority in identifying anticipated resource planning and financial impacts to the Authority of expanding Authority membership to additional municipalities. The following tasks may be included as part of this Extra Work service:

Summary of Tasks – Expansion & Feasibility Assessments

- Review, process and evaluate available historical customer data (which typically includes one year of data for the subject customer group), as provided by the incumbent investor-owned utility, for the prospective new member community(ies);
- Complete analyses utilizing PEA's pre-existing and proprietary CCA load model to assess new member community load profiles. The results of this customer load analysis would then be incorporated in PEA's pre-existing and proprietary pro forma and resource planning models to determine incremental financial and resource planning impacts associated with the prospective customer group;
- Summarize the results of each assessment to provide the Authority's leadership with a concise set of projections available for reference when evaluating prospective new member additions;
- Support the completion of various sensitivity or scenario analyses should the Authority have an interest in evaluating unique portfolio designs, rate-related outcomes, etc.; and
- Present the results of any technical assessment to Authority staff, its committees and/or its Governing Board.

Transition Services (Extra Work)

At the Authority's request, PEA may provide technical support to assist the Authority with the transition of certain service responsibilities from PEA to internal staff of the Authority and/or another an outside service provider. To the extent that such transition services necessitate unanticipated work and associated costs, any time spent by PEA will be treated as Extra Work.

EXHIBIT B
COMPENSATION BILLING RATES

Rates for Services

For the period commencing on January 1, 2025, through and including December 31, 2025, PEA shall charge Authority a fixed fee of \$49,000 per month.

Should the Authority successfully in-source certain activities during the period related to the Services or transition the Services to a new provider, the Authority and PEA will engage in good faith discussions to: 1) identify the services contemplated in PEA's Scope of Services that will be transitioned to OCPA staff or the other provider and an orderly approach for such transition; and 2) renegotiate the Services and the applicable fixed fee in consideration of the proportion of work transitioned to OCPA staff or other provider, or to determine appropriate compensation of PEA during the transition phase. In addition to the noted fixed monthly fee, PEA shall pass through all requisite travel expenses, as needed, without markup – all such travel will be subject to mutually agreeable scheduling, and related expenses shall be subject to prior written authorization by the Authority.

For any Extra Work not explicitly addressed in Exhibit A, or as stated in Exhibit A, Extra Work, PEA shall apply the following schedule of hourly rates for all time spent on such activities. Such Extra Work shall be subject to the Authority's pre-approval as well as a mutually agreeable schedule for work completion. In the event that other PEA staff members are added during the term of this Agreement, an appropriate hourly rate for Extra Work shall be assigned to such staff member(s) and the Authority will be accordingly advised of such rate prior to any billing activities. Examples of extra work may include, but are not limited to, expert witness services, testimony development/sponsorship or other representation of OCPA (by Consultant) in regulatory proceedings, preparation of Implementation Plan amendments and feasibility studies related to expansion activities.

Staff Name	Hourly Rates for Extra Work
Senior Executive Staff (examples of current staff: John Dalessi and Kirby Dusel)	\$395.00
Managing Director	\$375.00
Director	\$350.00
Associate Director (example of current staff: Alden Walden)	\$330.00
Managing Consultant (example of current staff: Dona Stein)	\$310.00
Senior Consultant (example of current staff: James Parker)	\$290.00
Consultant	\$270.00
Analyst (examples of current staff: John Sanchez and Travis Thai)	\$250.00
Intern	\$175.00



JUSTIFICATION FOR SOLE SOURCE PROCUREMENT AND / OR AUTHORIZED WAIVER OF PURCHASING PROCEDURES

The Orange County Power Authority (“Authority”) procures goods and services in accordance with Authority Policy Number 001: Procurement Policy (the “Policy”). Pursuant to the Policy and the requirements and limitations contained therein, the Chief Executive Officer (“CEO”), after consultation with the General Counsel, may waive one or more purchasing procedures and/or use sole source procurement if the CEO determines that the best interests of the Authority are served by doing so. Such procurement must comply with applicable law and policy and be justified in writing using this form.

The department requesting a waiver of one or more of the Policy’s purchasing procedures and/or to utilize sole source procurement must justify the proposed procurement utilizing this form and submit the form to the CEO for approval. Completed and approved forms shall be attached to purchase requisitions or contracts when competitive solicitations are not conducted and retained in the Authority’s records.

Requesting Department:

Power Resources

Description of Good(s)/Service(s):

Power supply portfolio management services of energy resource products comprising of energy, resource adequacy, and renewable attributes; with the tasks of forecasting, planning, procurement, contract management, regulatory compliance filings, feasibility studies, and services transition to OCPA staff.

Requested Vendor:

Pacific Energy Advisors, Inc.

Period of Performance:

January 1, 2025 to December 31, 2025

Price Per Unit/Year:

Refer to Exhibit B of the Draft Professional Services Agreement for the rate schedule

Total Price (Estimated):

\$588,000 (Refer to Last Page)

Please confirm whether you are seeking



Sole Source Procurement Authorization. If checked, please complete Section A below.



Waiver of a Purchasing 2. If checked, please complete Section B below.

A. Sole Source Procurement



If seeking sole source procurement authorization, check all applicable categories below and provide additional information where indicated. Please note that the following factors shall not be considered valid justifications for sole source procurement and therefore should not be included in this sole source justification: (i) personal preference for product or vendor; (ii) cost, vendor performance, or local service; (iii) features that exceed the minimum requirements for the good(s) and/or service(s); (iv) explanation of the actual need and basic use for the good(s) and/or service(s) requested, except to the extent such information relates to a request for sole source procurement authorization for a good and/or service with unique factors.

- ☐ **1. The requested good(s) and/or service(s) are capable of being supplied or performed by a sole provider (e.g., the holder of an exclusive patent, or franchise).** If checked, please describe the unique product, qualifications, rights, licenses, or similar that this vendor possesses and the distinctive good(s) and/or service(s) to be provided.

- ☐ **2. The requested good(s) and/or service(s) are unique, or innovative, including but not limited to computer software and technology.** If checked, please describe the unique good(s) or service(s) and the extent to which you considered alternatives that could have satisfied the same business purpose.

- ☐ **3. There is a demonstrated need for compatibility with an existing item or service.** If checked, please explain.

- ☒ **4. The good(s) and/or service(s) is/are uniquely available from the proposed source, or for all practical purposes, it is justifiably in the best interest of the Authority to utilize sole source procurement.** If checked, please explain.

Background: Power supply portfolio management is critical to meet OCPA's compliance requirements. The existing agreement with PEA expires on December 31, 2024. OCPA staff is in the process of developing and issuing a comprehensive RFP for the services currently provided by PEA, which is anticipated to be issued in the second quarter of 2025, with an anticipated award date of September 16, 2025. Concurrently, OCPA is in the process of hiring staff within the Power Resources department that may perform some of

the services currently provided by PEA, and anticipates hiring such positions through 2025. The proposed sole-source agreement is for up to one (1) year (but may be less). PEA was instrumental in establishing OCPA's power supply portfolio since 2021, a year after OCPA's inception as a JPA. PEA's comprehensive package of services is integral to meet compliance requirements with CPUC, CEC, and CAISO in addition to serve OCPA customers with industry leading renewable energy procurements. Power supply portfolio management includes planning, strategizing, soliciting, procuring, managing, maintaining, and filing with necessary industry and governmental agencies. These are critical for OCPA to meet compliance and serve customers. PEA's critical tasks include integration with other vendors - Calpine, TEA, & BBK.

Justifications for a temporary agreement of up to one (1) year are: (1) avoiding any gap in service after December 31, 2024 and before OCPA awards a successor agreement (or agreements), which could have significant negative impacts to OCPA including regulatory compliance and financial impacts; (2) if PEA is not ultimately selected to continue providing the services to OCPA following the RFP process, a temporary one-year agreement with PEA would allow OCPA to smoothly transition services from PEA to a successor service provider (or providers); and (3) retain the OCPA-specific knowledge and services of PEA while OCPA is transitioning certain tasks or services to in-house Power Resources staff during the 2025 calendar year.

B. Waiver of a Purchasing Procedure

Identify one or more purchasing procedures from the Policy for which you are seeking a waiver.

Briefly explain why the requested good(s) and/or service(s) is/are needed.

Identify and discuss the unique facts or circumstances that would support a determination by the CEO that waiving the purchasing procedure(s) would serve the best interests of the Authority.



- I am aware that this justification form is valid for only **one year** from the date it is signed by the CEO.
- I have read the Authority's Procurement Policy and certify that the above information is accurate to the best of my knowledge.

Requestor: LOUIS TANG

Date: November 21, 2024

Department Head: Joseph M. Mosca

Date: 11/21/2024

Chief Executive Officer: Joseph M. Mosca

Date: 11/21/2024

Estimated Contract Price									
		Monthly Fee							
		\$ 49,000.00							
	Sub Total	\$ 49,000.00							
	Total	\$ 49,000.00							
	Annual	\$ 588,000.00	Note: Per OCPA Procurement Policy, CEO has the delegated authority to approve up to 10% of the agreement amount as contingency for extra work. This may include Expansion & Feasibility Assessments for anticipated cities joining OCPA						
	Total Contract Estimated Value	\$ 588,000.00							

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 8.6

To: Orange County Power Authority Board of Directors

From: Louis Ting, Director of Power Resources

Approved By: Joe Mosca, Chief Executive Officer

Subject: APPROVE LONG-TERM TRANSACTION CONFIRMATION FOR FIRM
AND BUNDLED RENEWABLE ENERGY – POWER CONTENT
CATEGORY ONE (PCC1) WITH SHELL ENERGY NORTH AMERICA
(US), L.P.

Date: November 25, 2024

RECOMMENDED ACTION

Approve long-term transaction confirmation with Shell Energy North America (US), L.P. (“Confirmation”) for renewable energy qualified under California Renewable Portfolio Standard PCC1 to be delivered daily during the defined hourly period for a term from January 1, 2027 to December 31, 2040.

BACKGROUND

Under the California Renewables Portfolio Standard (RPS), sixty-five percent (65%) of the renewable energy that is required to be provided by a load serving entity such as Orange County Power Authority (OCPA) must be pursuant to long-term agreements of at least 10 years in duration.

The purpose of this requirement is to incentivize the construction of new renewable energy facilities in the State of California. Entering into long-term agreements with the developers of utility-scale renewable energy projects is also a vital component of OCPA’s long-term strategy to stabilize electric rates and provide cost certainty while reducing market exposure risks and maintaining customer expectations with OCPA’s service offerings. This approach also supports the financing and development of such projects in California.

OCPA received multiple responses to its 2024 Request for Proposals (RFP) for Long-Term RPS-Eligible Renewable Energy & Mid-Term Reliability Capacity which was issued on March 4, 2024. Staff’s evaluations provided several short-listed proposers including Shell Energy North America (US), L.P. (SENA). Through the negotiation process, SENA’s proposed firm and bundled energy product including PCC1 renewable energy attributes were determined to be responsive, fair and reasonable.

The Confirmation sets forth the terms of the long term transaction subject to the existing Edison

Electric Institute Master Power Purchase and Sale Agreement that was approved by OCPA Board of Directors on January 11, 2022, which provides industry standard terms and conditions. The Confirmation contains terms and conditions specific to this transaction, applicable provisions as required by regulators and special provisions as agreed by both OCPA and SENA. The “Special Financing Arrangement” language that was agreed to by SENA will allow OCPA to pursue “prepay” financing (subject to OCPA Board of Director’s approval) in 2025 for this transaction and others that will ultimately provide savings to OCPA customers.

ANALYSIS AND DISCUSSION

Staff has negotiated the SENA transaction to purchase firm and bundled renewable energy and its associated PCC1 renewable attributes. The generation resources that SENA agreed to provide will include projects that are certified by California Energy Commission as an Eligible Renewable Energy Resources as set forth in applicable sections of the RPS Eligibility Guidebook.

The agreement offers fixed prices for both the bundled energy and PCC1 renewable energy attributes over a 14-year term. The cost certainty provides rate stability while reducing OCPA’s market risk exposures, and these prices are competitive based on the current market conditions. Renewable energy produced by SENA will represent about 13 percent of OCPA’s annual load over the term of the agreement, and about 12 percent of OCPA’s annual load when including the City of Fountain Valley.

OCPA has entered short-term agreements, with SENA, for energy, renewable attributes, and resource adequacy or capacity products; and has had good experiences working with this energy partner.

FISCAL IMPACT

The Confirmation’s competitive bundled renewable energy and PCC1 renewable attributes pricing are confidential under the CPUC’s rules regarding market-sensitive information. The long-term purchase of the bundled renewable energy and PCC1 renewable attributes will provide OCPA with significant value and cost certainty over the term of this PPA.

ATTACHMENT

Attachment A – Shell Energy North America (US), L.P. Transaction Confirmation (Redacted)
Attachment B – Edison Electric Institute Master Power Purchase and Sale Agreement –
Amendment No. 1 between OCPA and SENA (Redacted)



Shell Energy North America (US), L.P.

Orange County Power Authority	Shell Energy North America (US), L.P.
Contract ID:	Contract ID:
Deal Maker:	Deal Maker: Travis Vining
Phone:	Phone:
Fax:	Fax:
Email:	Email: GX-SENA-HOUTH-CC-ZZ- TRSENAConfirmationCoordinators@SHELL.com

TRANSACTION CONFIRMATION
Firm Bundled Renewable Energy ("PCC1") Resale

This Transaction Confirmation (this "Confirmation") is entered into this ____ day of _____, 2024 ("Effective Date"), by and between **Orange County Power Authority**, a California joint powers authority ("Buyer" or "OCPA") and **Shell Energy North America (US), L.P.** ("Seller" or "Shell Energy"), each referred to herein individually as a "Party" and collectively as the "Parties", regarding the purchase and sale of the Product (as defined below) under the terms and conditions herein. Capitalized terms used in this Confirmation and not defined herein have the meaning assigned thereto in the Master Agreement (as defined below). The Master Agreement and this Confirmation shall be collectively referred to herein as the "Agreement."

Seller: Shell Energy

Buyer: OCPA (Buyer's WREGIS Account Holder Name: Orange County Power Authority, Account ID: 2032)

Master Agreement: This Transaction is governed by, constitutes part of, and is subject to the terms and provisions of the Edison Electric Institute Master Power Purchase and Sale Agreement, dated Jan 4, 2022 (the "Master Agreement"), between the Parties. This Confirmation and the Master Agreement, including any appendices, exhibits or amendments thereto, shall collectively be referred to as the "Agreement" and shall constitute a single agreement between the Parties with respect to the Transaction. Capitalized terms used, but not otherwise defined, in this Confirmation, have the meanings ascribed to them in the Master Agreement or the CAISO Tariff (as defined below). To the extent this Confirmation is inconsistent with any provision of the Master Agreement, this Confirmation shall govern the rights and obligations of the Parties hereunder.

Product: As used herein, "Product" shall mean Energy produced hourly by the Projects that is simultaneously bundled with the RECs generated therefrom, which together qualify as PCC1 under the RPS.

Environmental Attributes: The only Environmental Attributes conveyed under this Confirmation as part of the Product are those Environmental Attributes required for the Product to qualify as PCC1 under the RPS.

Project:



Contract Quantity:



Annual Contract
Volume:

Delivery Year	2027	2028	2029	2030	2031	2032	2033
Annual Volume (MWh)							

Delivery Year	2034	2035	2036	2037	2038	2039	2040
Annual Volume (MWh)							

Contract Price:

Delivery Term:

January 1, 2027 through December 31, 2040, inclusive. Any RECs attributable to the Energy generated during the Delivery Term but created after the Delivery Term shall be transferred to and paid for by Buyer in accordance with the terms of this Confirmation.

REC Vintage Period:

2027 through 2040 Vintage RECs, which shall correspond to the calendar year in which the Energy component of the Product is delivered.

Delivery Point:

CAISO SP15 Trade

Scheduling:

The Energy component of the Product will be scheduled by Seller to Buyer at the Delivery Point on a Day-Ahead basis using an Inter-SC Trade (IST).

All scheduling and tagging requirements will be performed consistent with all applicable CAISO and WECC Scheduling Protocols.

Seller shall be the electricity importer for purposes of California Global Warming Solutions Act, California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms, also referred to as Cap and Trade Regulations.

Buyer will be responsible for obtaining Scheduling Coordinator Services to receive ISTs associated with the Energy component of the Product from the Seller at the Delivery Point.

Seller shall deliver the Product by (i) delivering the Energy component to the CAISO on behalf of Buyer in accordance with the CAISO requirements and procedures and (ii) transferring the RECs, with associated NERC e-Tags (if any) through WREGIS, to Buyer's (or Buyer's Designee's) designated WREGIS account(s).

REC Transfer: Via WREGIS

Seller will transfer the RECs purchased and sold hereunder to Buyer's WREGIS account no later than May 10th of the year following the year in which the Energy to which such RECs are attributable was generated.

Settlements and Payment:

All invoices under this Agreement shall be due and payable in accordance with each Party's invoice instructions on or before the twenty-third (23rd) day of the month in which the invoice was received, provided that such invoice was received on or before the fifteenth (15th) day of that month or, if such day is not a Business Day, then on the next Business Day (the "Invoice Receipt Day"). If the invoice is received after the Invoice Receipt Day, then payment is due ten (10) days from receipt of that invoice. Party will make payments by electronic funds transfer, or by other mutually agreeable method(s), to the account designated by the other Party. Any amounts not paid by the due date will be deemed delinquent and will accrue interest at the Interest Rate, such interest to be calculated from and including the due date to but excluding the date the delinquent amount is paid in full.

Buyer shall pay Seller for the Energy component of the Product equal to the monthly Quantity for Delivery Period that is scheduled and delivered to the Delivery Point in accordance with this Confirmation, the Quantity multiplied by the Contract Price. Buyer shall pay the REC Price portion of the Quantity multiplied by the Contract Price for Delivery Period to Seller prior to the transfer of the RECs into Buyer's WREGIS account as provided above.

Supporting Data:

In the event that the Product being transferred from Seller to Buyer originates from a Project located outside of the state of California, Seller shall provide Buyer a reconciliation consisting of hourly meter data, e-Tag data and associated calculations, lesser of each by hour, for each vintage month of RECs delivered to Buyer under this Confirmation. Such information, if applicable, will be timely provided in the CPUC's required template(s) for reporting e-Tags and/or "lesser of" calculations under California's RPS Program.

Seller will ensure that the appropriate Project information is contained on each E-Tag as required for REC tracking in WREGIS. Seller will match e-Tags with WREGIS Certificates prior to transfer to Buyer.

To the extent that transmission service is required to deliver the Energy component of the Product to the Delivery Point, Seller is responsible for ensuring firm transmission during the Delivery Term.

If the source of the Project Energy is from a facility located in California, the Scheduling provisions shall be modified to reflect such facility characteristics.

Change in Law Provisions:

If after the Effective Date there is a change in applicable law or a governmental authority with jurisdiction over the Parties or the subject matter of this Confirmation interprets, enacts or materially modifies any law, regulation, rule or order that (a) repeals or invalidates the RPS, (b) makes it illegal or impossible to transfer any part of the Product as contemplated pursuant to this Confirmation, or (c) causes the Product to no longer qualify as PCC1 under the RPS at the time of delivery, then in the case of item (c) the Parties will in good faith negotiate regarding amendments to the terms of this Confirmation solely to cause the Product to again qualify as PCC1 and Seller shall take such commercially reasonable actions as may be prudent in an effort to cause the Product to again qualify as PCC1, but will not be required to incur any costs or expenses in pursuit thereof in excess of an aggregate amount equal to [REDACTED] (the "Compliance Cap"). In the case of (1) items (a) and (b) of the preceding

Dispute Resolution: In the event of any dispute arising under the Agreement, within ten (10) days following the receipt of a written notice from either Party identifying such dispute, the authorized members of the Parties' senior management shall meet, negotiate and attempt, in good faith, to resolve the dispute quickly, informally and inexpensively. If the Parties are unable to resolve a dispute arising hereunder within thirty (30) days of initiating such discussions, the Parties shall be entitled to seek any and all remedies available to it at Law or in equity.

Assignment: Neither Party may assign the Agreement without prior written consent of the other Party, which will not be unreasonably withheld.

Compliance With RPS: Seller represents and warrants to Buyer that the purchase and sale of Product pursuant to this Confirmation is a resale and meets the following additional requirements:

- i. this Confirmation transfers only Energy and RECs that have not yet been generated prior to the effective date of this Confirmation;
- ii. in connection with the transfer of the Energy and associated RECs that comprise the Product purchased and sold under this Confirmation the Energy transferred by this Confirmation is transferred to Buyer in real-time via sale by Seller to, and purchase by Buyer from, the California ISO; and
- iii. if applicable, the California Renewables Portfolio Standard-eligible energy is scheduled from one or more eligible renewable energy resource that are not interconnected to a California balancing authority into a California balancing authority without substituting electricity from another source, and the original hourly or sub hourly schedule is maintained.
- iv. The Project is an energy source that is located within the WECC and that, under the applicable regulations of the State of California is deemed to have zero greenhouse gas emissions in accordance with the Cap and Trade Regulations;
- v. Seller has the right to sell the Product from the Project;
- vi. The Product is free and clear of all liens or other encumbrances.

SPECIAL PROVISIONS:

A. Non-Modifiable Standard Terms and Conditions

(1) **Eligibility:** Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource ("ERR") as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project's output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. **[STC 6, Non-Modifiable. (Source: D.07-11-025, Attachment A.) D.08-04-009]**

(2) **Applicable Law:** Governing Law. This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement. **[STC 17, Non-Modifiable. (Source: D.07-11-025, Attachment A) D.08-04-009]**

(3) **Transfer of Renewable Energy Credits:** Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the renewable energy credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. **[STC REC-1, Non-modifiable. D.11-01-025]**

(07) SENA (12082021)

(4) Tracking of RECs in WREGIS: Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract. **[STC REC-2, Non-modifiable. D.11-01-025]**

B. Additional Terms and Conditions

(1) Seller Representations and Warranties: Seller represents and warrants that:

- (a) Seller has not sold the Product to be transferred to Buyer to a third party;
- (b) the Energy component of the Product produced by a Project and purchased by Seller for resale to Buyer hereunder is not being sold by Seller back to the Project or Project owner; and
- (c) the sale is being reported to FERC under the applicable electronic quarterly reports requirements;
- (d) the Product meets the requirements set forth in PUC Code 399.16(b)(1)(A) and the RPS compliance requirements for Portfolio Content Category 1 as set forth in CPUC Decision 11-12-052.

(2) Buyer Representations and Warranties. Buyer represents and warrants that Buyer has taken all necessary steps to establish a WREGIS account to receive the RECs to be transferred from Seller to Buyer prior to the first delivery under this Confirmation.

(3) Special Financing Arrangements. Buyer has informed Seller that it intends to negotiate a financing arrangement for its obligations under this Confirmation pursuant to which Buyer would prepay its obligations for all or a portion of the term of this Confirmation (the “**Prepay Period**”) to a third party financial intermediary, which intermediary would then assume (i) the right to take delivery of Product during the Prepay Period; and (ii) the obligation to make payments to Seller during the Prepay Period. Actual scheduling and delivery of Product pursuant to this Confirmation would remain unchanged and no additional risks or obligations will be placed on Seller. It is further understood that the creditworthiness of the third party financial intermediary (or its parent) will be the same or better than that of the Buyer and that any parent entity will provide a guaranty of the payment obligations of the third party financial intermediary. Buyer understands that Seller has evaluated similar arrangements with other buyers who operate community choice aggregation programs and that Seller conducts a thorough review of (i) the financial and contractual risk of each such arrangement, (ii) the third party financial intermediary, which will include such third party financial intermediary successfully completing Seller’s KYC process and (iii) such other items as Seller reasonably deems appropriate. Seller reserves the right, in its sole discretion, to approve any such arrangement. Seller agrees to consider an arrangement as described herein, provided, however, that Buyer understands and acknowledges that Seller’s approval is not guaranteed.

(4) Data Privacy. The Parties may provide each other with information related to an identified or identifiable individual (“Personal Data”), the processing and transfer of which will be done in accordance with applicable data protection law.

C. AMENDMENTS TO THE MASTER AGREEMENT

Confidentiality. Section 10.11, Confidentiality, of the Master Agreement is amended for purposes of this Confirmation by inserting after the word “proceeding” prior to the semicolon the following: “or to Deliver RECs pursuant to the requirements of WREGIS”.

D. FERC STANDARD OF REVIEW; MOBILE-SIERRA WAIVER

(1) Absent the agreement of all Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any waiver in subsection (b) below is unenforceable or ineffective as to such Party), a non-party or FERC acting *sua sponte*, shall solely be the “public interest” application of the “just and reasonable” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) and clarified by *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish*, 554 U.S. 527 (2008), and *NRG Power Marketing LLC v. Maine Public Utility Commission*, 558 U.S. 527 (2010).

(2) In addition, and notwithstanding the foregoing subsection (a), to the fullest extent permitted by applicable law, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives any rights it can or may have, now or in the future, whether under §§ 205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means,

(07) SENA (12082021)

directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any section of this Agreement specifying the rate, charge, classification, or other term or condition agreed to by the Parties, it being the express intent of the Parties that, to the fullest extent permitted by applicable law, neither Party shall unilaterally seek to obtain from FERC any relief changing the rate, charge, classification, or other term or condition of this Agreement, notwithstanding any subsequent changes in applicable law or market conditions that may occur. In the event it were to be determined that applicable law precludes the Parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then this subsection (b) shall not apply, provided that, consistent with the foregoing subsection (a), neither Party shall seek any such changes except solely under the “public interest” application of the “just and reasonable” standard of review and otherwise as set forth in the foregoing section (a).

E. DEFINITIONS/INTERPRETATIONS:

For purposes of this Confirmation, the following definitions shall apply:

“CAISO” means the California Independent System Operator.

“CAISO Tariff” means the California Independent System Operator Corporation Agreement and Tariff, Business Practice Manuals (BPMs), and Operating Procedures, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time-to-time and approved by FERC.

“California Renewables Portfolio Standard” or “RPS” means the renewable energy program and policies established by California State Senate Bills 1038 (2002), 1078 (2002), 107 (2008), X-1 2 (2011), 350 (2015), and 100 (2018) as codified in, *inter alia*, California Public Utilities Code Sections 399.11 through 399.31 and California Public Resources Code Sections 25740 through 25751, as such provisions are amended or supplemented from time to time.

“CPUC” means the California Public Utilities Commission or its regulatory successor.

“Environmental Attributes” means characteristics concerning or affecting the environment created by or resulting from the generation of electric energy by an ERR and which is capable of measurement, verification or calculation. Environmental Attributes do not include tax credits or other benefits under any law or other subsidy for generation of Energy by an ERR.

“ERR” means an eligible renewable energy resource, as such term is defined in the California Public Utilities Code Section 399.12 or Section 399.16, which is either (a) designed and intended to provide electricity at an annualized plant capacity factor of less than 60 percent, as defined in California Public Utilities Code Section 8340(a), or (b) emits CO₂ at a rate less than 1,100 lbs/MWh, in compliance with D.07-01-039, or both.

“FERC” means the Federal Energy Regulatory Commission or its regulatory successor.

“Firm” means, with respect to a Transaction, that if either Party fails to perform its obligation to sell and deliver or purchase and receive the Product, the Party to which performance is owed shall be entitled to receive from the Party that failed to perform an amount determined pursuant to Article 4 of the EEI Master Agreement. Force Majeure shall not excuse performance of a Firm Transaction.

“HE” means hour ending.

“MW” means megawatts in alternating current, unless expressly stated in terms of direct current.

“MWh” means megawatt-hour measured in alternating current, unless expressly stated in terms of direct current.

“Product Content Category 1” or “PCC1” means electric energy as set forth in CPUC Code 399.16(b)(1) and the RPS compliance requirements for Portfolio Content Category 1 as set forth in CPUC Decision 11-12-052.

“Renewable Energy Credit” or “REC” means a certificate, credit, allowance, green tag or other transferable indicia, howsoever entitled, created by or pursuant to the Applicable Program indicating generation of a particular quantity of Energy, or REC associated with the generation of a specified quantity of Energy from a renewable energy source by the Project, separate from the Energy produced.

“Scheduling Coordinator” has the meaning set forth in the CAISO Tariff.

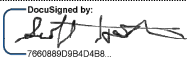
“STC” stands for Standard Terms and Conditions of the CPUC relating to purchase and sales of the Product.

“WECC” means the Western Electricity Coordinating Council or its successor organizations.

“WREGIS” means the Western Renewable Energy Generation Information System or its successor systems.

Notwithstanding anything contained in the Master Agreement to the contrary, this Confirmation shall only be effective when executed by both Parties. Please sign and return by facsimile to Shell Energy at (713) 767-5414 or other mutually agreeable electronic means.

IN WITNESS WHEREOF, the Parties have signed this Confirmation effective as of the Transaction Date.

Orange County Power Authority	Shell Energy North America (US), L.P.
By:	By:  DocuSigned by: 78608880384D458
Name:	Name: Scott Holthaus
Title:	Title: vice president

AMENDMENT TO
Master Power Purchase and Sale Agreement
(Amendment No. 1)

THIS AMENDMENT TO Master Power Purchase and Sale Agreement (“Amendment”) is made and entered into as of _____, 2024 (the “Effective Date”), by and between **Shell Energy North America (US), L.P.** (“Shell Energy”) and **Orange County Power Authority**, (“OCPA”). The parties to this Amendment are referred to herein together as the “Parties” and individually as a “Party.”

Recitals:

WHEREAS, the Parties have previously entered into that certain Master Power Purchase and Sale Agreement dated January 4, 2022, including, without limitation, the Cover Sheet, the Security Documents, etc., as such may have been amended, modified or restated from time to time (collectively, the “Agreement”); and

WHEREAS, the Parties have now agreed to amend certain provisions of the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Amendment of the Agreement.** Effective as of the Effective Date, the following provisions set forth in the Agreement shall be and are hereby amended as follows:

On the Cover Sheet:

(a) Article 5:

- 1) add “Shell Energy North America (US), L.P.” next to “Party A:”
- 2) Under “Cross Default for Party B”, on “Cross Default Amount” replace [REDACTED] with [REDACTED]

(b) Article 8.1 - Party A Credit Protection:

- 1) [REDACTED]
[REDACTED]
- 2) [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

(c) 8.2 “Party B Credit Protection”:

- 1) [REDACTED]

(ci) Replace the text of line item 9 with:

Section 1.27 is amended by deleting the phrase “or a foreign bank with a U.S. branch” and replacing it with the phrase “or a U.S. branch of a foreign bank (which is not an Affiliate of either Party)”.

(e) Replace the text of line item 19 with:

The following definitions are added to Section 1:

“Member” means the city, county or joint powers authority which is a member of Party B.”

“Qualified Institution” means (i) the U.S. office of a commercial bank or trust company (which is not an Affiliate of either party) organized under the laws of the United States (or any state or a political subdivision thereof), or (ii) the U.S. branch of a foreign bank (which is not an Affiliate of either party), in each case having assets of at least \$10 billion, and having Credit Ratings of at least A3 by Moody's and at least A- by S & P.

(f) Add new line item 39.1 and add the following:

Each of Section 8.1(d) and 8.2(d) “Downgrade Event” is amended by adding “or fails to maintain such Performance Assurance or guaranty or other credit assurance for so long as the Downgrade Event is continuing” immediately after “receipt of notice” on line 5 of each section,

(g) Add new line item 39.2 and add the following :

Insert the following as new Section 8.4:

8.4 Letter of Credit Default. As used herein, a “Letter of Credit Default” shall be deemed to have occurred if, without the Secured Party’s prior written approval,

- (i) The Pledgor, or its Guarantor, as the case may be, fails to extend or replace the Letter of Credit delivered as Performance Assurance at least thirty (30) calendar days prior to its expiration,
- (ii) Any Letter of Credit delivered as Performance Assurance expires, terminates, or otherwise fails to remain in full force and effect for any reason, or
- (iii) The bank which issued the Letter of Credit delivered as Performance Assurance or any other Letter of Credit hereunder fails to maintain the requirements of a Qualified Institution and such failure is not remedied within five (5) Business Days after written notice of such failure is given to the Pledging Party.

(h) Add new line item 39.3 and add the following :

Insert the following as new Section 8.5:

8.5 Letter of Credit Drawing Conditions. Any Letter of Credit issued in relation to the Master Agreement shall comply with the following:

- (i) A Letter of Credit shall provide that a drawing may be made on the Letter of Credit in an amount (up to the face amount for which the Letter of Credit has been issued, less any drawing previously made, if any) that is equal to all amounts that are due and owing from the Pledgor but have not been paid to the Secured Party within the time allowed for such payments under this Agreement (including any related notice or grace period or both). A drawing may be made on the Letter of Credit in this instance upon submission to the bank issuing the Letter of Credit of one or more certificates specifying the amounts due and owing to the Secured Party in accordance with the specific requirements of the Letter of Credit. Partial drawing and multiple drawings shall be allowed. The Pledgor shall remain liable for any amounts due and owing to the Secured Party and remaining unpaid after the application of the amounts so drawn by the Secured Party.
- (ii) A Letter of Credit shall also provide that a drawing may be made of the entire, undrawn portion of such Letter of Credit if the Pledgors shall fail to renew or cause the renewal of each outstanding Letter of Credit at least ten (10)

Business Days prior to the expiration of the relevant Letter of Credit. A drawing may be made on the Letter of Credit in this instance upon submission to the bank issuing such Letter of Credit of one or more certificates that such failure has occurred in accordance with the specific requirements of the Letter of Credit. The cash proceeds from any such draw on a Letter of Credit shall be held by the Secured Party as Performance Assurance under the Agreement. Notwithstanding the foregoing, the Secured Party shall not be entitled to make such a drawing unless the collateral requirement applicable to the Pledgor at such time equals or exceeds the Pledging Party's Minimum Transfer Amount. "Minimum Transfer Amount" shall mean \$0.

(iii) Notwithstanding the Secured Party's receipt of cash proceeds of a drawing under the Letter of Credit, the Pledgor shall remain liable (y) for any failure to transfer sufficient Performance Assurance and (z) for any amounts owing to the Secured Party and remaining unpaid after the application of the amounts so drawn by the Secured Party.

(iv) In all cases, the costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Credit shall be borne by the Pledging Party.

(i) Add new line item 39.4 and add the following :

Insert the following as new Section 8.6:

8.6 Administration of Cash.

(i) The Secured Party shall be entitled to hold Performance Assurance in the form of Cash provided that the following conditions are satisfied: (1) the Secured Party is not a Defaulting Party, and (2), the Secured Party or its Guarantor has a Credit Rating from S&P or Moody's and the lowest Credit Rating for the Secured Party or its Guarantor is BBB or Baa2 or higher from S&P or Moody's. Notwithstanding the provisions of applicable law, the Secured Party shall have the right to sell, pledge, assign, invest, commingle or otherwise dispose of or use in its business any cash that it holds as Performance Assurance hereunder, free from any claim or right of any nature whatsoever of the Pledging Party, including any equity or right of redemption by the Pledging Party. If the Secured Party has elected to sell, pledge, assign, invest, use, commingle or otherwise dispose of such cash, Secured Party shall be deemed to be holding such Performance Assurance for the purpose of exercising (i) any right to request or obligation to return Performance Assurance under the Agreement or (ii) its rights or remedies as a Secured Party hereunder. To the extent the Secured Party is entitled to hold Cash, the Performance Assurance Interest Rate payable to the Pledgor on Cash shall be the Performance Assurance Interest Rate in accordance with the provisions of 8.6 (iii) below.

(ii) If the Secured Party is entitled to hold Cash in accordance with the requirements of this Section 8.6, then it will also be entitled to appoint an agent which is a Qualified Institution (a “Custodian”) to hold Cash for it. If such Secured Party or its Custodian fails to satisfy any of the conditions for holding Cash as set out in this Section 8.8, then the Secured Party will Transfer, or cause its Custodian to Transfer the Cash to a segregated, safe keeping or custody account with a Qualified Institution no later than the close of business on the next Business Day following such non-compliance.

(iii) In the event that the Secured Party or its Custodian is holding Cash and upon request, the Secured Party will Transfer (or caused to be Transferred) to the Pledging Party, in lieu of any interest or other amounts paid or deemed to have been paid with respect to such Cash (all of which may be retained by the Secured Party or its Custodian), the Interest Amount. The Pledgor shall invoice the Secured Party monthly setting forth the calculation of the Interest Amount due, and the Secured Party shall make payment thereof by the later of (A) the third Business Day of the first month after the last month to which such invoice relates or (B) the third Business Day after the day on which such invoice is received. On or after the occurrence of an Event of Default with respect to the Pledgor or an Early Termination Date as a result of an Event of Default with respect to the Pledging Party, the Secured Party or its Custodian shall retain any such Interest Amount as additional Performance Assurance hereunder until the obligations of the Pledgor under the Agreement have been satisfied in the case of an Early Termination Date or for so long as such Event of Default is continuing in the case of an Event of Default.

(iv) Notwithstanding the Secured Party’s receipt of Cash, the Pledgor shall remain liable (y) for any failure to transfer sufficient Performance Assurance and (z) for any amounts owing to the Secured Party and remaining unpaid after the application of the Cash.

(v) For the purpose of this Section:

“Cash” means U.S. dollars held by or on behalf of a Party as Performance Assurance hereunder.

“Interest Amount” means with respect to a Party and an Interest Period, the sum of the daily interest amounts for all days in such Interest Period; each daily interest amount to be determined by such Party as follows: (a) the amount of Cash held by such Party on that day; multiplied by (b) the Interest Rate for that day, divided by (c) 360.

“Interest Period” means the period from (and including) the last Local Business Day on which an Interest Amount was Transferred by a Party (or if no Interest Amount has yet been Transferred by such Party, the Local

Business Day on which Cash was Transferred to such Party) to (but excluding) the Local Business Day on which the current Interest Amount is to be Transferred.

“Performance Assurance Interest Rate” means the rate for that day opposite the caption “Federal Funds (Effective)” as set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Board of Governors of the Federal Reserve System.

“Transfer” means, with respect to any Performance Assurance or Interest Amount, and in accordance with the instructions of the Party entitled thereto (a) in the case of Cash, payment or transfer by wire transfer into one or more bank accounts specified by the recipient or (b) in the case of Letters of Credit, delivery of the Letter of Credit or an amendment thereto to the recipient.

(j) Add new line item 39.5 and add the following :

Insert the following as new Section 8.7:

8.7 Credit Rating. At such time Party B obtains a Credit Rating by either Moody’s or S&P, or both, Party B shall provide written notice to Party A of such event.

2. Representations. Each Party hereby represents and warrants to the other Party that:

(a) it has the full power and authority to execute and deliver this Amendment and to perform all of its obligations hereunder;

(b) its obligations under the Agreement, as amended hereby, constitute its legal, valid and binding obligations, enforceable in accordance with its respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors’ rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(c) all representations contained in the Agreement, as amended, are true and accurate as of the date of this Amendment and that such representations are deemed to be given or repeated by each Party, as the case may be, on the date of this Amendment.

3. Miscellaneous.

(a) ***Definitions***. Capitalized terms used and not otherwise defined herein shall have the meanings specified in the Agreement.

(b) **Entire Agreement.** This Amendment constitutes the entire agreement and understanding of the Parties with respect to its subject matter and supersedes all oral communication and prior writings (except as otherwise provided herein) with respect thereto. Except as expressly set forth in this Amendment, all other provisions of the Agreement remain unchanged, in full force and effect, and shall be binding upon the Parties, their representatives, successors and assigns.

(c) **Counterparts.** This Amendment may be executed in as many counterparts as are necessary and all executed counterparts together shall constitute one and the same Amendment. The electronic transmission of a signed original counterpart of this Amendment and transmission, or re-transmission, of an electronically-signed counterpart shall be deemed to be the same as delivery of a signed original counterpart of this Amendment. At the request of either Party, the Parties will confirm an electronically signed or transmitted counterpart by signing an original counterpart for delivery between them by mail or courier service; provided, however, a Party's failure to so confirm such a counterpart shall not affect the validity and enforceability of this Amendment.

(d) **Governing Law.** This Amendment shall be governed by and construed in accordance with the applicable law governing the Agreement.

IN WITNESS WHEREOF, the Parties have executed this Amendment on the dates specified below with effect from the Effective Date.

**ORANGE COUNTY POWER
AUTHORITY**

**SHELL ENERGY NORTH
AMERICA (US), L.P.**

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 9

To: Orange County Power Authority Board of Directors

From: Joe Mosca, Chief Executive Officer

Subject: CHIEF EXECUTIVE OFFICER’S REPORT

Date: November 25, 2024

OCPA Hires for Two Key Positions – Finance & Risk Manager and Energy Programs Manager

Finance & Risk Manager

OCPA has successfully recruited Hongyan Sheng as our Finance & Risk Manager, with her first day on November 18. Hongyan brings 25 years of experience from Southern California Edison (SCE). In her previous roles at SCE, she excelled in financial analysis, risk management, budget planning, and power procurement & portfolio analysis. She developed SCE’s risk analytics framework and managed demand forecasting, playing a key role in supporting wholesale trading and renewable procurement. Her extensive regulatory background includes serving as an expert witness in General Rate Cases and ERRA proceedings, along with leading compliance across ERRA, IEPR, and RPS filings. Hongyan holds a Ph.D. in Economics and an M.A. in Mathematical Behavioral Science from UC Irvine and has been a Chartered Financial Analyst (CFA) charter holder since 2004.

Energy Programs Manager

We are excited to announce that Pranesh Venugopal will join OCPA as our new Energy Programs Manager. His first day will be Monday, November 18. Pranesh brings 20 years of experience in energy efficiency, clean transportation, and distributed energy resources. Most recently, Pranesh served as a Senior Technical Program Manager at The Energy Coalition (TEC). He led the design and launch of community-focused energy programs, including a CEC-funded car share program in communities of concern. He and his team at TEC also managed a portfolio of projects that added up to 15 million kWh of energy savings. Pranesh holds a Master’s in mechanical engineering and is a licensed Professional Engineer. His experience designing and implementing clean energy programs and developing strategic partnerships with public agencies and community organizations will be a valuable addition to OCPA’s Energy Programs team.

CMUA & CalCCA Meeting, CAISO Energy Symposium

Along with our Director of Power Resources, I visited Sacramento this past week to attend two important meetings. One was a joint meeting between the California Community Choice Aggregators (CalCCA) and the California Municipal Utilities Association (CMUA). The purpose of the meeting was to enhance collaboration and coordination between Community Choice Aggregators (CCAs) and public utilities in California. CCAs and public-owned utilities (POUs) represent over 50% of the state’s energy supply.

Additionally, we had the opportunity to meet with the California Energy Commissioner to discuss several issues of concern for both CCAs and POUs. In Orange County, the only local Publicly Owned Utility is Anaheim Electric Utility, with which we are making significant progress in establishing a strong working relationship.

The CAISO Symposium was a much larger gathering, and here are some highlights from the meeting:

- The one-day event drew more than 1,000 attendees from all over North America, including policymakers, regulators, educators, researchers, attorneys, utility representatives (many from CCAs), vendors, suppliers, and association members of various types.
- CAISO's theme this year focused on the evolution of the Western energy markets, from the Pathways Initiative's next steps to the challenges and opportunities from the FERC 2023 order to streamline the transmission interconnection process, the growth of the energy market and the growing AI needs, and the marketplace innovations with transmission systems and virtual power plants.
- The key takeaway was that the Pathways Initiative moves beyond being California-centric with the concept of forming separate governance for the market services provided to all west-wide participants of the Energy Imbalance Market and the Enhanced Day Ahead Market. This new governance will be formed with diverse participants and stakeholders and maintain the CAISO governance structure that the CA Legislature and the CA Governor maintain control of. The policy maker from Oregon stated the best, "do no harm," with this initiative. The policy maker from Arizona is in full support of this initiative as there are many benefits to sharing resources with the energy diversity, such as large hydro from the Pacific Northwest to the abundant solar in AZ.

2023 Power Content Label

OCPA's 2023 Power Content Label (PCL) was mailed out to customers during the week of November 18. The yearly mailer is also available on our website under key documents, www.ocpower.org/resources/key-documents. Staff have prepared various deliverables including supplemental social media and website messaging to help customers understand the information being presented. The PCL follows a California Energy Commission mandated template and allows for limited additional content.

2025 Resource Adequacy (RA) Filings

OCPA filed the required annual compliance filing for the 2025 Resource Adequacy (RA) per the California Public Utilities Commission's (CPUC's) requirements. This is the year-ahead filing. There is also a month-ahead filing that is submitted every month. This is the first year the new framework, "Slice-of-Day," was required as the basis for filing. The Slice-of-Day (SOD) framework aims to adopt new compliance tools, resource counting rules for various resource types, including battery technologies co-located with variable energy resources, and a methodology to translate the planning reserve margin to the slice-of-day framework. The goal is to ensure the reliability of electric service in California while advancing the available tools with increased efficiency and capacities of the resources.

Communications & External Affairs Updates

OCPA Recognized by Orange County Business Journal – Leaders in Sustainability

Orange County Power Authority received significant recognition in this year's Leaders in Sustainability issue of the Orange County Business Journal. OCPA is featured three (3) times – as a nominee, as one of the company spotlights, and as a paid advertorial. OCPA's mission and organizational success are woven throughout the messaging, providing tremendous exposure in this prominent issue.

Community Engagement

- On Friday, November 8, I was a featured speaker at The Irvine Company's Energy Management Symposium, where we discussed OCPA's success, the success of CCAs across California, and energy market trends. The event was particularly valuable for connecting with industry experts, learning about technological advancements, and identifying partnership opportunities to drive the development of OCPA's commercial energy programs.
- On Thursday, November 14, OCPA hosted its first Environmental Roundtable for climate enthusiasts from across our member cities. Approximately 20 people attended ranging from high school and college students to local government sustainability representatives, climate organization leaders, and passionate community members - alongside three CAC members and seven staff. Thank you to Chair Jung for making time to stop in and address the group. We provided an update on OCPA, our environmental successes, and opened for dialogue around how to keep the conversation going. Notable topics of conversation were how to combat misinformation, and where and how the group can best support expansion of OCPA. Internal follow-up will be to share key facts about OCPA alongside common misconceptions to ensure the climate community is prepared to raise OCPA awareness in the community.

Customer Programs

- Planning for the development of the OCPA Community Power Plan is underway. Staff are beginning work to map out stakeholders in member cities to ensure all who are interested in informing the plan are engaged.
- Final approval has been received by the California Energy Commission for the Equitable Building Decarbonization Direct Install Program (EBD DI) across California. The total grant for the southern California region, led by the County of Los Angeles, is \$328.7M. This extensive award will accelerate residential building decarbonization efforts in low-income communities across Southern California, including OCPA member cities. OCPA is proud to be a sub-grantee working in partnership with the County of Los Angeles to promote the program in our communities of concern. Funding allocated to OCPA will total \$1,151,000 over a 5-year period.

External Affairs

- Post-election, the External Affairs team evaluates OCPA's support in member and prospective cities and adjusts accordingly. We are working to meet with new city council members to ensure continued support of OCPA.

- This past Tuesday, we attended the Orange County Public Affairs Association's annual Election Day Luncheon, which provided the opportunity to connect with current and past elected officials and prominent Communications decision-makers. Jacquie is exploring a Board appointment to represent OCPA at a higher level in this prominent arena.

Human Resources Recruitment Updates

- We are actively recruiting for Policy Advisor. Details are available at www.ocpower.org/about-us/careers
- The next recruitments to begin will include members of the Power Resources team and the Chief Operations Officer.

Events & Stakeholder Outreach

The OCPA team attended the following events and community meetings since our last Board meeting:

City	Event & Meetings	Date	Time
Long Beach	League of Cities Annual Conference	Wednesday, October 16	All Day
Virtual	Calpine Community Benefits Grant Webinar	Wednesday, October 16	11:00 AM - 12:00 PM
Costa Mesa	Newport-Mesa College and Career Fair	Wednesday, October 16	6:00 PM - 8:00 PM
San Diego	Nexus Conference, Climate Action Campaign	Friday, October 18	All Day
Fullerton	Cal State Fullerton 3rd Annual Energy & Sustainability Summit	Monday, October 21	10:00 AM - 12:30 PM
San Diego	AWWEE Conference	Wednesday, October 23	All Day
Santa Ana	Vietnamese Business Forum	Wednesday, October 23	9:30 AM - 1:00 PM
Irvine	Sustain SoCal 15th Annual Energy Event	Thursday, October 24	All Day
Fountain Valley	Fountain Valley Townhall	Thursday, October 24	5:30 PM - 6:30 PM
Santa Ana	Latino Health Access Annual Gala	Saturday, October 26	6:00PM - 8:00 PM
Newport Beach	OCPAA Election Day Luncheon	Tuesday, November 5	11:30 AM - 2:00 PM
Fountain Valley	Fountain Valley City Council Meeting	Tuesday, November 5	6:00 PM - 6:30 PM
Fullerton	Daroo Festival	Thursday, November 7	All Day
Irvine	IRC Energy Symposium	Friday, November 8	8:00 AM - 1:00 PM
Buena Park	Kindness Awards	Wednesday, November 13	5:00 PM - 8:30 PM

Virtual	Buena Park Collaborative Zoom Meeting	Thursday, November 14	9:30 AM - 12:00 PM
Irvine	OCPA Environmental Roundtable	Thursday, November 14	5:00 PM - 7:00 PM
Anaheim	Asian Business Association Orange County 2024 Awards Gala	Friday, November 15	5:00 PM - 7:00 PM
Fullerton	Fullerton Collaborative Meeting	Monday, November 18	2:00 PM - 3:30 PM
Irvine	Irvine Class IV Protected Bikeway Unveiling	Tuesday, November 19	4:00 PM - 5:00 PM
Irvine	OCPA Annual Staff Retreat	Thursday, November 21	All Day
Buena Park	Buena Park Mayor's Prayer Breakfast	Thursday, November 21	7:00 AM - 9:00 AM

We are looking forward to many opportunities to engage with the community and key stakeholders, including:

City	Event & Meetings	Date	Time
Fullerton	Women's Leadership Forum	Wednesday, December 4	5:00 PM - 8:00 PM
Buena Park	Buena Park Christmas Tree Lighting	Friday, December 6	6:00 PM - 8:00 PM
Irvine	Illuminate Irvine	Saturday, December 7	3:00 PM - 5:00 PM
Buena Park	Buena Park Candy Caneland and Craft Fair	Saturday, December 14	10:00 AM - 4:00 PM
Fountain Valley	Fountain Valley Christmas in the Gazebo	Saturday, December 14	10:00 AM - 3:00 PM
Fullerton	First Night Fullerton	Tuesday, December 31	7:00 PM - 12:00 AM

Attachments:

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
None					

Orange County Power Authority Contracts
As of September 30, 2024

No.	Vendor	Start Date	End Date	NTE Amount	Expenses recorded against contract	Remaining NTE Amount	Notes	Contract Approved by the Board?	Contract Reported to the Board?	RFP to be Issued?
1	Best Best & Krieger	12/16/2020	See Notes	See Notes	2,324,172.29	See Notes	General Counsel, Financial & Power Procurement, Regulatory, Labor Related, and Special Legal Services. No NTE amount and contract end date. Costs are variable (time and materials).	Yes		RFP was issued on 2/24/2023 with one proposal rec'd on 3/17/2023. Pending for Board direction.
2	Calpine Energy Solutions	9/14/2021	9/13/2026	See Notes	4,414,287.47	See Notes	Data Management & Call Center Services. NTE and Amount Paid depend on the number of active accounts during the month.	Yes		
3	Golden Communications	3/1/2022	2/28/2026	179,776.00	132,192.00	47,584.00	Digital Services - Strategic Marketing, Branding, Communications, and Public Education and Outreach Campaign/Program, Website Development Svc.	Yes		
4	Lakeview Business Center LLC (The Irvine Company)	2/19/2024	See Notes	See Notes	61,040.92	See Notes	New office lease 15310 Barranca Parkway, Irvine, CA 92618. The agreement was signed February 19, 2024 but the commencement date is approximately 22 weeks from that date. It is for 84 months (to end at the end of the month). The lease agreement does not have an NTE. The first 5 months are abated. Security deposit, 1st month rent and operating expense was paid in Apr-24.	Yes		
5	Littler Mendelson P.C.	2/22/2024	12/31/2025	94,900.00	-	94,900.00	Labor and Employment Legal Services		Yes	
6	Maher Accountancy	1/1/2024	12/31/2024	268,000.00	190,473.49	77,526.51	Accounting Service and Annual Financial Audit Support	Yes		
7	Newgen Strategies & Solutions	7/19/2023	6/30/2025	495,750.00	129,883.07	365,866.93	Rates Strategies, Budget and Projection Modeling, and FP&A Services.	Yes		
8	Orange County Printing Company/ R.R. Donneytley	7/1/2024	12/31/2025	85,970.00	33,258.06	52,711.94	Print House Services. New contract signed in July 2024.	Yes		
9	Pacific Energy Advisors, Inc.	6/9/2021	12/31/2024	1,847,230.00	1,673,919.19	173,310.81	Portfolio Management Services; amended with 10% increased NTE for additional back-office support and feasibility study for potential new members.	Yes	Yes	
10	Pisenti & Brinker	See Notes	See Notes	84,044.00	54,644.00	29,400.00	External Financial Audit Services. Amendment to extend the terms through the issuance of the final audit report for FY23/24 and increase the contract amount to \$79,400 (FY21/22 \$21k. FY22/23 \$29k. FY23/24 \$29.4k). Further amendment to increase the contract amount by \$4,644 for the FY21/22 audit services due to unexpected out-of-scope work in connection to the member agency and state audits. The total NTE has been adjusted from \$79,400 to \$84,044.		Yes	
11	Reveille, Inc.	7/1/2023	6/30/2025	2,999,686.00	1,703,780.49	1,295,905.51	Strategic Marketing and Branding Material, PR and Social Media Support	Yes		
12	SDI Presence LLC	4/1/2024	3/31/2026	387,636.00	37,951.50	349,684.50	Managed IT Support	Yes		
13	Southern California Edison	3/28/2021	See Notes	See Notes	836,587.32	See Notes	CCA Service Agreement. Contract term from 3/28/2021 to CCA termination date. Billing provided by SCE is set forth in SCE's community choice aggregation tariff, as stated in SCE's Electric Rule 23 and SCE's rate schedules.		Yes	
14	The Energy Authority	4/1/2022	9/3/2026	770,960.00	479,590.20	291,369.80	Scheduling Coordinator, Day Ahead Load Forecasting, and CRR Management Services. Full Service from Commencement Date to 9/3/2026. Amendment to add the load forecast service for \$12,160.	Yes	Yes	
15	CPS HR Consulting	6/26/2023	6/30/2024	54,000.00	18,000.00	36,000.00	Professional services for the executive recruitment for the Chief Operating Officer position and the Power Resources Director position		Yes	
16	The Energy Federation	7/1/2023	6/30/2025	400,000.00	180,954.46	219,045.54	Online marketplace to sell devices	Yes		
17	Clean Peaks Energy Services	8/14/2023	12/31/2024	187,500.00	185,447.50	2,052.50	Provide project management services related to OCPA's return of customers receiving retail electricity service within the City of Huntington Beach to SCE	Yes	Yes	
18	Amperon	5/1/2024	4/30/2025	60,000.00	60,000.00	-	Long-term and short-term load forecast service for risk management		Yes	
19	Gofarth & Marti, DBA GM Business Interiors, a Corporation	5/1/2024	4/30/2026	250,000.00	231,131.16	18,868.84	Furniture for OCPA's new office. The Board approved the contract on 04/30/2024. Amendment to add \$25K in Aug 2024.	Yes		
20	WeKonnnect	5/21/2024	12/31/2024	65,152.29	48,145.50	17,006.79	Cabling access control for OCPA's new office		Yes	
21	The Energy Coalition	9/17/2024	9/17/2026	500,000.00	5,633.24	494,366.76	Develop the Community Power Plan, technical assistance, grant and program support for OCPA's customer programs	Yes		
22	Western A/V	8/21/2024	12/31/2024	97,252.55	-	97,252.55	Board Room System Equipment and Installation for OCPA's new office		Yes	