

A photograph of several white wind turbines on a grassy hill under a bright blue sky with scattered white clouds. The turbines are positioned at different heights and angles, creating a sense of depth. The foreground shows a field of green grass and small shrubs.

CC Power Board Meeting

**GM Report and Supporting Slides
November 15, 2023**

The background of the slide is a photograph of a wind farm. Two large white wind turbines are visible on a grassy hill. The sky is bright blue with scattered white clouds. A semi-transparent blue rectangular box is overlaid on the left and center of the image, containing the main title. A thin green vertical bar is on the far left edge of the blue box.

CC Power Financials

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Numerous Updates

Ongoing enhancements to financial structures ensure we operate with budget and hit goals.

- More frequent financial reporting
- Financial forecasting
- Project invoices and project-specific monthly snapshots
- Reserve-building
- Dashboard

Financials as of 10/31 – G&A and Project

**CALIFORNIA COMMUNITY POWER
BUDGETARY COMPARISON SCHEDULE
JULY 1, 2023 THROUGH OCTOBER 31, 2023**

	G&A		Budget Remaining
	Annual Budget	Actual *	
MEMBER CONTRIBUTIONS	\$ 759,042	\$ 759,042	\$ -
COSTS AND OTHER USES			
Staff and Service Providers	558,313	60,923	497,390
Operations, Travel, Events	25,729	5,635	20,094
Contribution to Reserves	175,000	-	175,000
Total Costs	759,042	66,558	692,484
Revenues in Excess of Costs and Other Uses	-	692,484	\$ (692,484)
NONOPERATING REVENUES			
Investment Income	-	1,797	
TOTAL CHANGE	\$ -	\$ 694,281	

PROJECT-SPECIFIC

	Annual Budget	Actual *	Budget Remaining
	MEMBER CONTRIBUTIONS	\$ 1,028,516	\$ 1,028,516
COSTS			
Staff and Service Providers	724,388	178,830	545,558
Operations, Travel, Events	89,128	31,933	57,195
Project Flow-Throughs	215,000	26,335	188,665
Total Costs	1,028,516	237,098	791,418
Revenues in Excess of Costs	-	791,418	\$ (791,418)
TOTAL CHANGE	\$ -	\$ 791,418	

* Certain expenses are allocated between G&A and Project-Specific categories based on the assumptions used to develop the budget.

10/31 Dashboard (Prelim.)

Ongoing enhancements to dashboards ensure we operate within budget and hit goals

Budget Category	Budget	Year-to-Date (July 1 – Oct 31)	Performance	Year-End Forecast
Revenues	\$1,788k	1,788k (invoiced)	ON TRACK	<i>Coming soon. CPA-provided financial documents will also be provided. Project specific cost-tracking is also occurring. Members will receive updated project balancing account info soon.</i>
Expenses				
Staff and Service Providers	\$1,283k	\$240k	ON TRACK	
Operations, Travel, and Events	\$115k	\$38k	ON TRACK	
Project Flow- Throughs	\$215k	\$26k	ON TRACK	
Reserves				
G&A Reserves	\$175k	\$175k	ON TRACK	



GM Updates cont.

Getting It Built Right

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Getting It Built Right

- Purpose: hear-from and dialogue with relevant groups and constituents on what makes for a successful clean energy project
- Event:
 - Nov 3, 2023
 - Attendees: 63
 - Agencies, CAISO CCA, CC Power, Developer, Environmental, Environmental Justice, Labor, Local Community, Ratepayer Advocates
- Ad Hoc Committee forming– Geof (SCP), Lori (SJCE), Girish (SVCE),
- Next Steps
 - 11/24 – Comments requested
 - December – Ad Hoc Committee likely to meet

GM Updates cont.

Inflation Reduction Act

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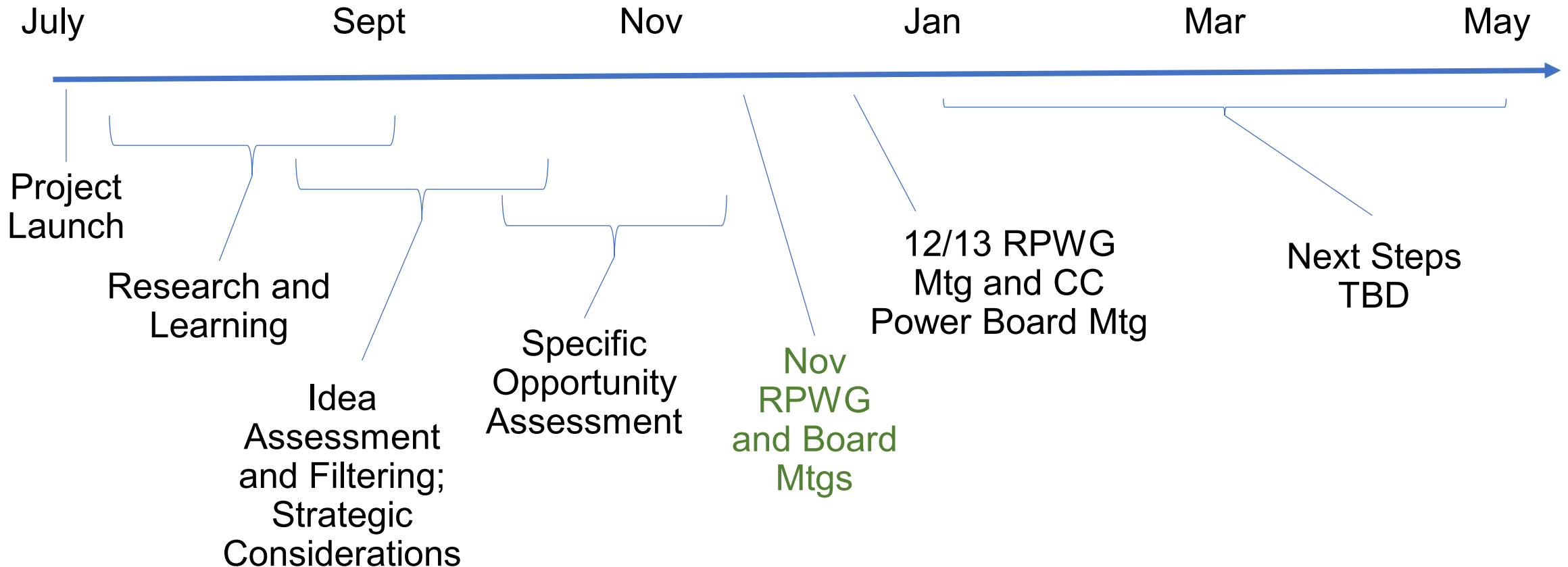
IRA Project Plan

All Phase 1 (pre-RFO) work, open to all CC Power members

- Information Gathering
 - Confirm and iterate on key goals
 - Research IRA
 - Conduct interviews
 - Clearly understand timelines, opportunities, 'kickers', restrictions, and more
- Formulate Strategies and Recommendations
 - Overlay IRA findings with capacity, energy, and program needs for CC Power members
 - Consolidate findings into meaningful and actionable recommendations, if any
- Finalize Recommendations and Next Steps
 - Review and tune findings with input from Resource Planning Working Group, others
 - Plan and launch next-steps as appropriate (End of Phase 1)

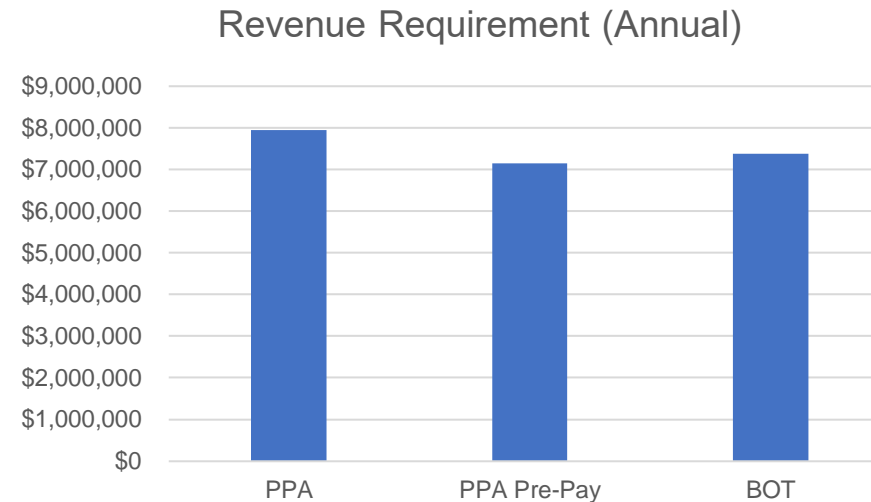
Project Timeline

RPWG has been primary path for soliciting input. Sub-team has included CC Power, SJCE, PCE, and VCE. 11/2 Work-Session included broad participation.



BOT vs. PPA (Modeled)

On paper, BOT can be cheaper than PPA/Toll, albeit with risks.^{1,2} Prepays still cheaper (RPS PPAs) for PPA term.



Example Cost Comparison for \$100M project	Revenue Requirement (annual)
PPA	\$7,938,414
PPA Pre-Pay	\$7,144,573
BOT	\$7,374,737
Example BOT Premium / Savings vs PPA	-7.1%
Example BOT Premium / Savings vs Pre-Pay PPA	3.2%

1. Many assumptions. Estimate only. Actual results will differ.

2. End of Life Benefits not quantified.

Strategic Benefits

BOT path may offer strategic benefits.

- Credit and financial strengthening
- Experience
- Optionality
- End-of-project value ownership
- Hedge away from PPA only model
- Avoid tax equity market and CA conformity rules issues

Note: SCPPA and NCPA considering Direct Pay projects.

RPWG members are main 'review' group for this IRA project – may formulate recommendations.

- Direct pay project could target **multiple benefits: 1) Type 1- Cost-Savings; 2) Type 2 – Strategic**
 - Type 1: Direct-Pay approach may yield equal or lower-cost versus a PPA
 - Type 2: Direct Pay projects involve ownership. Benefits and risks include:
 - Debt Issuance to pave way for stronger credit and financial maturity, allowing option for bigger deals in the future
 - End-of-project ownership of site, interconnection, etc,
 - Hedging away from tax equity market which may face challenges (Basel 3, volume of inbound tax equity requests)
 - Other
- **CCAs may further explore** IRA Direct-Pay project – joint RFP considered for following reasons:
 - Joint RFP: validate cost savings and/or assess affordability of PPAs
 - Joint action to share in RFP costs and beneficial for possible debt-issuance
- **Next Steps:** more conversations
 - 11/29 - chat with developers (webinar)
 - 1:1 Check-ins with members
 - Dec – consider Phase 2 and RFP?

GM Updates cont.

New Member - Considerations

New Membership in CC Power

New members must be approved by 2/3 vote of CC Power Board and joining agency agrees to pay a share of costs for the organization as determined by the Board to be appropriate, per CC Power's JPA Agreement

- Board may wish to adopt a policy by which CC power responds to membership inquiries
- Considerations for Process and Approach
 - Step 1: Committee and staff review; recommendation
 - Step 2: New Member Initial Fee Determination
 - Step 3: and Approval Vote by Board

Step 1 Details

Committee and staff review can be guided by diligence efforts, principles, etc. Step 1 ends with a recommendation on membership to the board.

- Principles and diligence used for assessment and recommendations
 - Open, Transparent, and Available
 - Mission-aligned
 - Beneficial to Existing Members
- Diligence:
 - Focus on prospective members' CCA formation journey, board structure, size and customer base, activities to date, financial performance, or other criteria

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Performance Review Plans

Discussion Item

Goal-Setting and Performance Review

For the GM, a full goal-setting and performance review regime will be used in 2024.

- Annual performance review process: i) goal-setting, ii) mid-year check-in, iii) end-of-year performance review
- Performance Review: based on calendar year
 - Surveys and information gathering
 - Assessment against goals
 - Strategic Development and Projects
 - Organizational Leadership
 - Board and Member Services
 - Values
- 2024: Goal-setting to start soon
 - Scoring approaches may be established and/or adopted

Bulk Buy: R.A. Report

Voting Item: R.231104 *Approval of Acquisition of Resource Adequacy Report*

Bulk-purchases of select information-services and/or reports may help members get useful and timely information.

- Members expressed interest in purchase of report(s) to support CCA-member planning, portfolio mark-to-market, understanding RA slice-of-day rules, etc.
- CC Power seeks authorization to contract for this service on behalf of interested members

Motion: Resolution 23-11-04

Draft Motion: Motion to approve Resolution 23-11-04 Approval of Acquisition of Shared Services Resource Adequacy Report as outlined.