

The background of the slide is a photograph of a wind farm. Two large white wind turbines are visible, one on the left and one on the right, both with their blades extending outwards. They are situated on a grassy hillside. The sky is a vibrant blue with scattered white clouds. A semi-transparent blue rectangular box is overlaid on the left and center of the image, containing the text. A thin green vertical bar is on the far left edge of this box.

# General Manager Report

Discussion Slides  
January 17, 2024

# Trivia

1. Between Q2 2022 and Q2 2023, what percentage of utility scale energy storage was installed in CA? How many MWs?
2. How much utility-scale solar was added in 2023, in Gigawatts? How much was added in 2022?
3. Looking ahead to Sept 2024, how many GWs of NQC is expected to be available for the CAISO grid, including imports?

- Answers
1. 58% or 2,450 MWs, according to Wood Mackenzie's Q2 2023 Energy Storage Monitor
  2. Wood Mackenzie expects final numbers to show 23 GWs of utility-scale solar added in 2023, up from 12 GW in 2022, due to supply chain stabilization and realization of projects delayed from 2022 into 2023.
  3. Per Gridwell RA Report, over 56 GWs is expected.

# December 2023 - Report on General Manager Activity

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- Wood-Mac Information Service

Note: NDAs, signed for information gathering, not disclosed

# Financials as of 12/31 - G&A and Project

CC Power will work with Treasurer for full reviews of financials. See next slide for assessment of YTD spending versus plan.

CALIFORNIA COMMUNITY POWER BUDGETARY COMPARISON SCHEDULE JULY 1, 2023 THROUGH DECEMBER 31, 2023			
	Annual Budget	Actual	Budget Remaining
<b>OPERATING REVENUES</b>			
Member contributions (general)	\$ 759,044	\$ 759,044	\$ -
Project participation (FCR/LDS)	1,028,413	1,028,413	-
Total revenues	<u>1,787,457</u>	<u>1,787,457</u>	<u>-</u>
<b>OPERATING EXPENSES</b>			
Personnel and benefits	792,100	305,855	486,245
Professional services	490,500	113,358	377,142
Other operational expenses	99,857	37,668	62,189
Travel and events	15,000	5,563	9,437
Contract Admin (project flow-throughs)	215,000	33,350	181,650
Total operating expenses	<u>1,612,457</u>	<u>495,794</u>	<u>1,116,663</u>
Operating income	<u>175,000</u>	<u>1,291,663</u>	<u>(1,116,663)</u>
<b>NONOPERATING REVENUES</b>			
Investment income	<u>-</u>	<u>2,979</u>	<u>(2,979)</u>
<b>OTHER USES</b>			
Contribution to reserves	<u>(175,000)</u>	<u>-</u>	<u>\$ (175,000)</u>
<b>TOTAL CHANGE</b>	<u>\$ -</u>	<u>\$ 1,294,642</u>	

# 12/31 Dashboard

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

Budget Category	Budget	Year-to-Date	Performance	Year-End Forecast
Revenues	\$1,788k	1,788k (invoiced)	ON TRACK	<p><i>Coming soon.</i></p> <p><i>CPA-provided financial docs also available.</i></p> <p><i>Project-specific cost-tracking available for project participants. Members to receive updated project balancing account info quarterly</i></p>
Expenses				
Staff and Service Providers	\$1,283k	\$419k	ON TRACK	
Operations, Travel, and Events	\$115k	\$43k	ON TRACK	
Project Flow-Throughs	\$215k	\$33k	ON TRACK	
Reserves				
G&A Reserves	\$175k	\$175k	ON TRACK	

# 2024-2025 Strategic Planning

- Strategic Plan directed 2023-2024 actions
  - Dec 2022 CC Power Board Adoption: [CC-Power\\_BoD-Mtg\\_121422\\_FINAL.pdf \(cacommunitypower.org\)](#)
- Looking ahead to 2024-2025



# Timeline

1. Strategic Planning, Member Interviews, Needs-Assessment



2. Develop Work Plans and Update Strategic Plan



3. 2024-2025 Budget

Jan-Feb

- Member interviews
  - Board
  - Member-Staff
  - Working Groups

March-April

- Strategic Prioritization and "Attack Plan"
- Strategic Plan updates
  - 3-year look

May-June

- Finalized Work-Plans
- Final Budget Proposals (2024-2025)

# Next Steps

- Interviews being scheduled – thanks in advance for sharing your time and views!



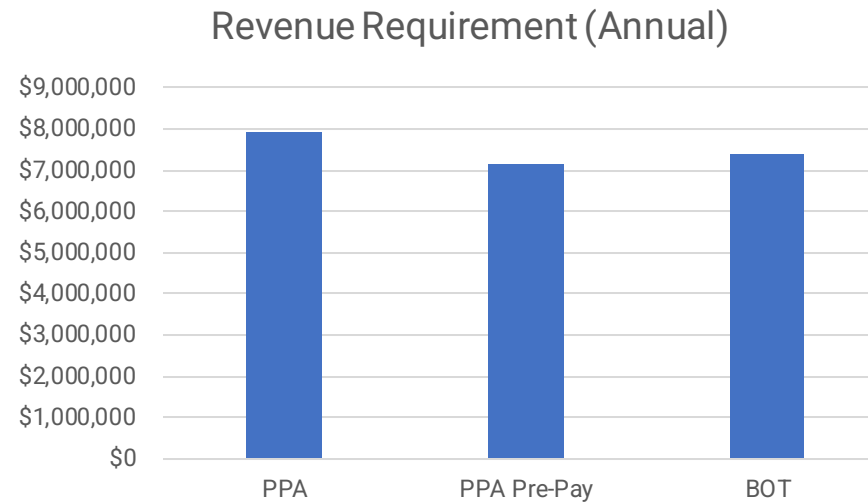


**Agenda Item: 6E**

**R.24-01-04 – Approval of CC Power to explore and solicit for Build-Own-Transfer Projects**

# BOT vs. PPA Costs (Modeled)

CC Power's Inflation Reduction Act Strategic Assessment identified potential cost-savings on BOT projects.<sup>1,2</sup>



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.

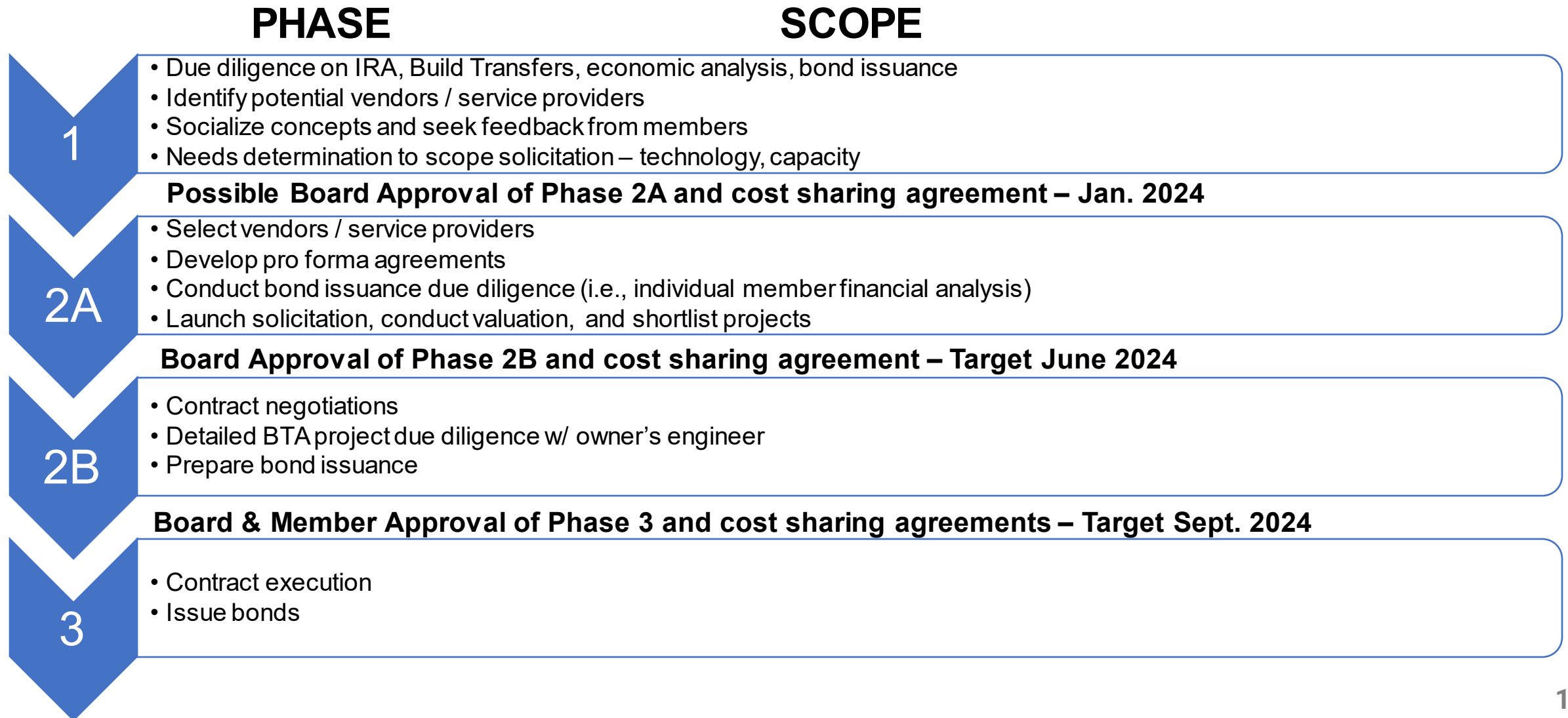
# Build-Transfer Project: Other Benefits

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In addition to cost-equivalency and/or savings, Build-Own-Transfer Agreement project may offer strategic benefits and alternative to PPA.

- Credit and financial strengthening
- Experience
- Optionality and competition with PPA
- End-of-project value ownership
- Avoid tax equity market and CA conformity rules issues

# Proposed Process for BTA Solicitation



# Benefits of Phase 2A

Phase 2A entails a low-risk, relatively low-cost opportunity for significant learnings and expansion of members' procurement toolkits

- Each participating member to receive:
  - Ability to shape solicitation's procurement targets
  - Evaluation of bond financing capacity for project ownership
  - Build Transfer valuation model
  - Build Transfer Agreement pro forma documents
  - Validated development & engineering checklist to inform project development oversight
  - Current wholesale market price data for BTAs and PPA/tolling arrangements
  - Option to enter into BTA and/or PPA/tolling arrangements

# Estimated Phase II Costs

CC Power to recommend to Board on Jan. 17 to launch Phase 2A with budget not to exceed \$440,000 and to be tracked in a project balancing account

Cost Component	Phase 2A (Low)	Phase 2A (High)
Solicitation	\$60,000	\$180,000
Engineering Support	\$15,000	\$40,000
PPA Counsel	\$10,000	\$20,000
Build Transfer Counsel	\$25,000	\$100,000
Bond Issuance Costs / Due Diligence	\$25,000	\$100,000
<b>Estimated Total</b>	<b>\$135,000</b>	<b>\$440,000</b>
Approx. per CCA Cost for 6 Members	\$22,500	\$73,300

Any unused funds belong to participating members and are refunded at completion of Phase 2A

# CCP Next Steps Upon Approval of 2A

- Enter into Project Participation Share Agreement with participating members
- Establish a new Project Advisory Subcommittee
- Scope procurement targets
- Conduct vendor selection process
  - BTA counsel
  - Owner's engineering services
  - Solicitation provider
- Develop Build Transfer valuation tool
- Develop Build Transfer Agreement pro forma agreements
- Negotiate bond financing Project Participation Share term sheet among participating members
- Conduct preliminary bond financing due diligence on participating members
- Develop solicitation instructions