



**DESERT COMMUNITY ENERGY
MEETING AGENDA**

**Monday, June 15, 2026
3:00 p.m.**

**Palm Springs City Hall
Large Conference Room
3200 E. Tahquitz Canyon Way
Palm Springs, CA 92262**

Members of the public may use the following link for listening access and ability to address the Desert Community Energy Board when called upon:

<https://us02web.zoom.us/j/82099146709?pwd=dudz7EDH2plm2bacxCiBGIAInWRKscp.1>

**Dial In: +1 669 900 9128 US
Webinar ID: 820 9914 6709
Password: 959258**

**IF YOU ARE UNABLE TO CONNECT VIA DIAL IN OPTION,
PLEASE CALL 760-346-1127.**

Members of the public are encouraged to submit comment in connection with the Desert Community Energy meeting by email to: cvag@cvag.org by 5:00 p.m. on the day prior to the Board meeting. Members of the public joining the meeting by Zoom can provide comment by using the “raise hand” feature or hitting *9 on the phone keypad.

As a convenience to the public, DCE provides a call-in and internet-based option for members of the public to virtually observe and provide public comments at its meetings. Please note that, in the event of a technical issue disrupting the call-in or internet-based options, the meeting will continue unless otherwise required by law.

**THIS MEETING IS ADA ACCESSIBLE.
ACTION MAY RESULT ON ANY ITEMS ON THIS AGENDA.**

1. **CALL TO ORDER** – Chair Jeffrey Bernstein, City of Palm Springs
Roll Call P5
Pledge of Allegiance
Agenda Modifications
Conflict of Interest Disclosure

2. **PUBLIC COMMENTS ON AGENDA ITEMS**

This is the first of two opportunities to address the Board. Any person wishing to address the Desert Community Energy Board on items appearing on this agenda may do so at this time. Please limit comments to 3 minutes. At the discretion of the chair, additional public comment time and/or opportunities during the meeting may be granted.

3. **BOARD MEMBER / EXECUTIVE DIRECTOR COMMENTS**

4. **CONSENT CALENDAR**
 - A. **Approve the minutes of the September 15, 2025 meeting** P6
 - B. **Approve the minutes of the November 20, 2025 special meeting** P9
 - C. **Approve the minutes of the March 23, 2026 special meeting** P13
 - D. **Authorize the Executive Director to execute a termination agreement with Desert Sands Energy Storage II, LLC, ending the 2023 Energy Storage Agreement** P16
 - E. **Adopt Resolution 2026-02, approving the 2025 Power Source Disclosure Annual Report and affirming the Executive Director’s authority to complete all actions necessary for submittal to the California Energy Commission, including attesting to its veracity** P21
 - F. **Adopt Resolution No. 2026-03, authorizing the Executive Director to prepare and approve DCE’s 2026 Integrated Resource Plan and complete all actions necessary for submittal to the California Public Utilities Commission** P26
 - G. **Authorize the classification of all fiscal year 2025-26 revenue above a 2.0x fixed charge coverage ratio to the Stabilization Special Reserves Fund, in accordance with Governmental Accounting Standards Board Statement No. 62, with the final deferred revenue amount to be determined based on final fiscal year-end operating results** P30

5. DISCUSSION / ACTION

A. DCE Fiscal Year 2026-27 Budget – Claude Kilgore P32

Recommendation: Adopt Resolution 2026-04, approving DCE’s Fiscal Year 2026-27 Budget and approve a 4 percent generation rate decrease for Carbon Free customers effective July 1, 2026 and a second generation rate decrease for Carbon Free customers effective January 1, 2027, currently budgeted at 6.7 percent, pending operating results during the fiscal year

B. Final Authorizations for Pre-Pay Bond Financing – Lisa McNeilly and Claude Kilgore P36

Recommendation: Authorize the additional steps to establish pre-payment bond financing including:

- 1.) Authorize the Executive Director to take the necessary steps to finalize and execute Limited Assignment Agreements (LAAs) among DCE, J. Aron & Company (a subsidiary of Goldman Sachs), and four sellers identified in existing Power Purchase Agreements (Coachella Wind Holdings, San Gorgonio II Westwinds/Altwind, San Gorgonio II Westwinds/East Wind, and San Gorgonio Westwinds II);
- 2.) Authorize the Executive Director to take the necessary steps to finalize and execute the proposed Edison Electric Institute Master Agreement and Confirmation with Clean Energy Alliance, along with a corresponding LAA;
- 3.) Adopt Resolution No. 2026-05 authorizing the execution and delivery of a Clean Energy Purchase Contract and certain other documents in connection with the issuance of California Community Choice Financing Authority Clean Energy Project Revenue Bonds; and certain other actions required to ensure the reduction in the cost of renewable energy therewith; and
- 4.) Authorize the Executive Director to take any further steps necessary to fully execute the pre-pay transaction

6. INFORMATION

- A) Attendance Record P48
- B) Assignment Agreement for Resi Station Contract P49
- C) Community Advisory Committee Update P50
- D) Unaudited Year-to-Year Financial Report as of March 31, 2026 P52
- E) DCE’s Quarterly Investment Report through March 31, 2026 P55
- F) Governmental Accounting Standards Board’s (GASB) Video Series P56
- G) Coachella Valley Association of Governments’ annual meeting calendar P57
- H) Calpine Community Energy’s Community Benefits Grant Program P58

7. PUBLIC COMMENTS ON NON-AGENDA ITEMS

This is the second of two opportunities to address the Board. Any person wishing to address the Board on items not appearing on this agenda may do so at this time. Please limit comments to 2 minutes. At the discretion of the chair, additional public comment time and/or opportunities during the meeting may be granted.

8. **ANNOUNCEMENTS**

The next **DCE Board** meeting will be held September 21, 2026, at 3:00 p.m. at the Large Conference Room at Palm Springs City Hall, 3200 E. Tahquitz Canyon Way, Palm Springs, 92262.

The next meeting of the Coachella Valley Association of Governments' **General Assembly** will be held on Monday, June 29, 2026, at 6 p.m. at Fantasy Springs Resort's Special Events Center, 84-245 Indio Springs Parkway, Indio, 92203.

9. **ADJOURNMENT**



DESERT COMMUNITY ENERGY BOARD MEMBER ROSTER

Voting Members	Seat on Committee	Representative
City of Palm Desert	Vice Chair	Veronica Chavez Finance Director
City of Palm Springs	Chair	Jeffrey Bernstein Councilmember
DCE Staff		
Tom Kirk, Executive Director		
Claude Kilgore, Director of Finance		
Lisa McNeilly, Director of Energy & Sustainability		

ITEM 4A

Desert Community Energy Board
Meeting Minutes
September 15, 2025



The audio file for this meeting can be found at: <http://www.desertcommunityenergy.org>

1. CALL TO ORDER

The meeting of the DCE Board was called to order by Chair Jeffrey Bernstein at 3 p.m. at Palm Springs City Hall, Large Conference Room, 3200 E. Tahquitz Canyon Way, Palm Springs, CA 92262.

2. ROLL CALL

Roll call was taken, and it was determined that a quorum was present.

Members Present

Councilmember Jeffrey Bernstein, *Chair*
Finance Director Veronica Chavez, *Vice Chair*

Member Jurisdiction

City of Palm Springs
City of Palm Desert

3. AGENDA MODIFICATIONS (IF ANY)

None

4. PUBLIC COMMENTS ON AGENDA ITEMS

None

5. BOARD MEMBER/EXECUTIVE DIRECTOR COMMENTS

Director of Energy & Sustainability Lisa McNeilly highlighted the update on the General Rate Case, which is included as an informational agenda item (Item 8B). Chair Bernstein thanked Director of Finance Claude Kilgore and the team for their work on this effort.

6. CONSENT CALENDAR

IT WAS MOVED BY VICE CHAIR CHAVEZ AND SECONDED BY CHAIR BERNSTEIN TO APPROVE THE FOLLOWING CONSENT CALENDAR:

A. Approve the minutes of the June 16, 2025, Board meeting

THE MOTION CARRIED WITH 2 AYES.

**Chair Bernstein
Vice Chair Veronica Chavez**

**Aye
Aye**

6.1 ITEMS HELD OVER FROM CONSENT CALENDAR

None

7. DISCUSSION / ACTION

A. Presentation: Calpine Community Energy’s Community Benefits Grant Program

Ms. McNeilly introduced the item and the new program that was authorized when the Board approved a new contract with Calpine. Caleb Ingerson, Client Services Specialist with Calpine, joined the meeting via Zoom to give an overview of the program and timeline for rollout.

Member discussion ensued. Both Ms. McNeilly and Mr. Ingerson addressed questions from the Board and noted that there would be coordination with City staff during the program’s rollout.

No action was taken as this was an informational item only.

B. DCE Mid-Term Reliability Procurement: Resource Adequacy + TB8 with Balsam Project LLC

Ms. McNeilly presented the staff report and details of the agreement. Member discussion ensued, with staff addressing questions about Resource Adequacy and other procurement contracts.

IT WAS MOVED BY VICE CHAIR CHAVEZ AND SECONDED BY CHAIR BERNSTEIN TO ADOPT RESOLUTION NO. 2025-06, APPROVING A 15-YEAR RESOURCE ADEQUACY + TB8 AGREEMENT (RA+TB8) WITH BALSAM PROJECT LLC (BALSAM) FOR ITS SAN BERNARDINO COUNTY BATTERY ENERGY STORAGE SYSTEM (BESS) PROJECT AND AUTHORIZING THE EXECUTIVE DIRECTOR AND/OR LEGAL COUNSEL TO MAKE MINOR MODIFICATIONS BEFORE EXECUTION OF THE AGREEMENT

THE MOTION CARRIED WITH 2 AYES.

**Chair Jeffrey Bernstein
Vice Chair Veronica Chavez**

**Aye
Aye**

C. Establishing a New Energy Efficiency Program for DCE Customers

Management Analyst Eman Nazir provided the staff report and details of the two-pronged program plan.

Member discussion ensued, with the Board inquiring about the distribution of kits, outreach coordination and opportunities to expand in the future.

IT WAS MOVED BY VICE CHAIR CHAVEZ AND SECONDED BY CHAIR BERNSTEIN TO APPROVE THE PROPOSED ENERGY EFFICIENCY PROGRAM

PLAN FOR DCE CUSTOMERS AND AUTHORIZE THE EXECUTIVE DIRECTOR TO TAKE THE NECESSARY STEPS TO FINALIZE AND SUBMIT AN ELECT-TO-ADMINISTER TIER 3 ADVICE LETTER TO THE CALIFORNIA PUBLIC UTILITIES COMMISSION IN SUPPORT OF THE APPROVED PROGRAM PLAN

THE MOTION CARRIED WITH 2 AYES.

**Chair Jeffrey Bernstein
Vice Chair Veronica Chavez**

**Aye
Aye**

8. INFORMATION

The following items were included in the agenda packet for members' information :

- A) Attendance Record
- B) Update on General Rate Case
- C) Unaudited Year-to-Year Financial Report as of June 30, 2025
- D) DCE's Quarterly Investment Report through June 30, 2025

9. PUBLIC COMMENT ON NON-AGENDA ITEMS

None

10. ANNOUNCEMENTS

The next DCE Board meeting will be held October 20, 2025, at 3:00 p.m. at the Large Conference Room at Palm Springs City Hall, 3200 E. Tahquitz Canyon Way, Palm Springs, 92262.

11. ADJOURNMENT

There being no further business, Chair Bernstein adjourned the meeting at 3:42 p.m.

Respectfully submitted,

*Erica Felci
Deputy Executive Director*

ITEM 4B

Desert Community Energy Board
Special Meeting Minutes
November 20, 2025



The audio file for this meeting can be found at: <http://www.desertcommunityenergy.org>

1. CALL TO ORDER

The meeting of the DCE Board was called to order by Chair Jeffrey Bernstein at 3 p.m. at Palm Springs Police Department, Training Center- Classroom C, 200 S. Civic Drive, Palm Springs, CA 92262.

2. ROLL CALL

Roll call was taken, and it was determined that a quorum was present.

Members Present

Councilmember Jeffrey Bernstein, *Chair*
Finance Director Veronica Chavez, *Vice Chair*

Member Jurisdiction

City of Palm Springs
City of Palm Desert

3. AGENDA MODIFICATIONS (IF ANY)

None

4. PUBLIC COMMENTS ON AGENDA ITEMS

None

5. BOARD MEMBER/EXECUTIVE DIRECTOR COMMENTS

Director of Energy & Sustainability Lisa McNeilly updated the Board on the advice letter submitted to the California Public Utilities Commission requesting funding to establish an energy efficiency program for customers, noting that it was filed last week, and staff does not expect a response until the second quarter of 2026.

6. CONSENT CALENDAR

Item 6B was pulled from the consent calendar.

IT WAS MOVED BY VICE CHAIR CHAVEZ AND SECONDED BY CHAIR BERNSTEIN TO APPROVE ITEM 6A ON THE CONSENT CALENDAR:

A. Approve Adopt DCE Policy No. 25-01 for minor updates to DCE's Wholesale Energy Procurement Risk Management Policy

THE MOTION CARRIED WITH 2 AYES.

Chair Bernstein
Vice Chair Veronica Chavez

Aye
Aye

6.1 ITEMS HELD OVER FROM CONSENT CALENDAR

Item 6B was pulled for comment by Chair Bernstein requesting for rate updates from staff before proceeding with a vote.

IT WAS MOVED BY VICE CHAIR CHAVEZ AND SECONDED BY CHAIR BERNSTEIN TO APPROVE ITEM 6B ON THE CONSENT CALENDAR:

B. Adopt DCE Resolution 2025-07 approving revised Rate Stabilization Schedule's Exhibit A Rate Adjustment Guidelines effective November 17, 2025

THE MOTION CARRIED WITH 2 AYES.

Chair Bernstein
Vice Chair Veronica Chavez

Aye
Aye

7. DISCUSSION / ACTION

A. DCE's Audited Financial Statements for Fiscal Year 2024-25 and Related Reports

Director of Finance Claude Kilgore presented the staff report and introduced Joyce Amankwah, Systems Manager with DavisFarr, who provided the Board with an update on the unmodified audit opinion received by DCE.

IT WAS MOVED BY VICE CHAIR CHAVEZ AND SECONDED BY CHAIR BERNSTEIN TO RECEIVE AND FILE THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025, REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING, AND THE AUDITOR'S COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

THE MOTION CARRIED WITH 2 AYES.

Chair Jeffrey Bernstein
Vice Chair Veronica Chavez

Aye
Aye

B. Phase II of the ACCESS Indian Canyon Renewable Energy Assessment Services

Management Analyst Alvaro Valcarcel Jervis presented the staff report.

Brief member discussion ensued with Mr. Jervis answering questions from the Board regarding procurement process and finalists.

IT WAS MOVED BY VICE CHAIR CHAVEZ AND SECONDED BY CHAIR BERNSTEIN TO AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH CIERCO INC IN PARTNERSHIP WITH HOT PURPLE ENERGY (C&H) FOR AN AMOUNT NOT TO EXCEED \$87,520 THROUGH APRIL

2026 TO COMPLETE PHASE II OF THE RENEWABLE ENERGY ASSESSMENT OF THE ADDRESSING CLIMATE CHANGE, EMERGENCIES AND SAND STORMS (ACCESS) ALONG INDIAN CANYON PROJECT

THE MOTION CARRIED WITH 2 AYES.

Chair Jeffrey Bernstein	Aye
Vice Chair Veronica Chavez	Aye

C. Pre-Pay Bond Financing Overview and Selection of Advisory Initial Services

Director Kilgore presented the staff report and an overview of pre-pay bond financing.

Member discussion ensued with Mr. Kilgore and Municipal Capital Market Groups' Managing Director Tyler Noble, who joined the meeting via Zoom, answering questions from the Board regarding collateral amounts and industry's best practices.

IT WAS MOVED BY VICE CHAIR CHAVEZ AND SECONDED BY CHAIR BERNSTEIN TO AUTHORIZE THE EXECUTIVE DIRECTOR TO TAKE THE NECESSARY STEPS TO ESTABLISH PRE-PAYMENT BOND FINANCING INCLUDING 1.) EXECUTING, IN PARTNERSHIP WITH REDWOOD COAST ENERGY AUTHORITY (RCEA), AGREEMENTS WITH MUNICIPAL CAPITAL MARKET GROUPS, INC. MANAGING DIRECTORS JOHN NORMAN AND TYLER NOBLE TO PROVIDE PREPAYMENT ADVISORY AND RELATED SERVICES FOR A TOTAL, SHARED COST NOT TO EXCEED \$350,000 AND 2.) SELECT AND NEGOTIATE AGREEMENTS WITH PROJECT PARTICIPANT LEGAL COUNSEL AT A TOTAL, SHARED COST NOT TO EXCEED \$300,000 AND 3) WORK WITH RCEA TO APPORTION COSTS OF THE PRE-PAY EQUITABLY

THE MOTION CARRIED WITH 2 AYES.

Chair Jeffrey Bernstein	Aye
Vice Chair Veronica Chavez	Aye

D. Update on Factors Impacting DCE's Fiscal Year 2025-26 Budget

Ms. McNeilly introduced the staff report and turned the presentation to The Energy Authority's Jacqueline Hart and Chris Weber, who joined the meeting via Zoom, to provide an update on key factors impacting the budget.

No action was taken as this was an informational only item.

8. INFORMATION

The following items were included in the agenda packet for members' information :

- A) Attendance Record
- B) 2024 Power Content Label
- C) Update on Establishing DCE's Energy Efficiency Program

D) Summary of October and November 2025 Rate Adjustments

9. PUBLIC COMMENT ON NON-AGENDA ITEMS

None

10. ANNOUNCEMENTS

The next DCE Board meeting is scheduled for January 12, 2026, at 3:00 p.m. at the Large Conference Room at Palm Springs City Hall, 3200 E. Tahquitz Canyon Way, Palm Springs, 92262.

11. ADJOURNMENT

There being no further business, Chair Bernstein adjourned the meeting at 4:11 p.m.

Respectfully submitted,

Ely Regalado
Deputy Clerk

ITEM 4C

Desert Community Energy Board
Special Meeting Minutes
March 23, 2026



The audio file for this meeting can be found at: <http://www.desertcommunityenergy.org>

1. CALL TO ORDER

The meeting of the DCE Board was called to order by Chair Jeffrey Bernstein at 3 p.m. at Palm Springs City Hall, Large Conference Room, 3200 E. Tahquitz Canyon Way, Palm Springs, CA 92262.

Roll call was taken, and it was determined that a quorum was present.

Members Present

Councilmember Jeffrey Bernstein, *Chair*
Finance Director Veronica Chavez, *Vice Chair*

Member Jurisdiction

City of Palm Springs
City of Palm Desert

There were no agenda modifications. The Board and audience members recited the Pledge of Allegiance.

2. PUBLIC COMMENTS ON AGENDA ITEMS

None

3. BOARD MEMBER/EXECUTIVE DIRECTOR COMMENTS

Director of Energy & Sustainability Lisa McNeilly noted that there would not be an April meeting but staff anticipated a meeting in May.

Chair Bernstein requested that future agendas are released on the Wednesdays prior to the meeting in order to allow for more than the required 72-hour notice.

4. DISCUSSION / ACTION

A. Fiscal Year 2025-26 Budget Amendment & Fiscal Year 2026-27 Projection

Director of Finance Claude Kilgore presented the staff report, detailing the factors impacting this year's budget as well as next year's budget forecast.

Extensive member discussion ensued, with Mr. Kilgore addressing questions about the Power Charge Indifference Adjustment (PCIA, or exit fee), staffing and overhead costs, and resource adequacy. Mr. Kilgore noted that additional data would be available in May that would allow staff to better refine the budget for Fiscal Year 2026-27.

IT WAS MOVED BY VICE CHAIR CHAVEZ AND SECONDED BY CHAIR BERNSTEIN TO APPROVE THE MID-YEAR BUDGET AMENDMENT FOR FISCAL YEAR 2025-26

THE MOTION CARRIED WITH 2 AYES.

Chair Jeffrey Bernstein	Aye
Vice Chair Veronica Chavez	Aye

B. Additional Authorizations for Pre-Pay Bond Financing

Ms. McNeilly introduced the item and provided an overview of the pre-pay bond financing before handing the presentation to Mr. Kilgore to discuss additional details and next steps.

Member discussion ensued, with questions fielded by staff and Tyler Noble, Managing Director of MG Advisory Corp. who joined the meeting by Zoom.

IT WAS MOVED BY VICE CHAIR CHAVEZ AND SECONDED BY CHAIR BERNSTEIN TO AUTHORIZE THE EXECUTIVE DIRECTOR TO TAKE ADDITIONAL STEPS TO ESTABLISH PRE-PAYMENT BOND FINANCING INCLUDING: 1.) EXECUTE, IN PARTNERSHIP WITH REDWOOD COAST ENERGY AUTHORITY (RCEA), AN AGREEMENT WITH GOLDMAN SACHS TO FULFILL THE ROLES OF COUNTERPARTY SUPPLIER AND INTERMEDIARY BANK; 2.) ADOPT RESOLUTION NO. 2026-01, AUTHORIZING DCE TO JOIN THE CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY (CCCFA), AS THE BOND ISSUER, AT A COST OF \$50,000 FOR THE MEMBERSHIP ENTRY FEE AND UP TO \$20,000 TO COVER A TRANSACTION FEE FOR ISSUANCE OF THE BONDS; AND 3) SELECT AND NEGOTIATE AN AGREEMENT WITH A TAX AND BOND COUNSEL AT A TOTAL, SHARED COST NOT TO EXCEED \$350,000

THE MOTION CARRIED WITH 2 AYES.

Chair Jeffrey Bernstein	Aye
Vice Chair Veronica Chavez	Aye

C. DCE's 2026 Integrated Resource Plan

Management Analyst Alvaro Valcarcel Jervis presented the staff report.

Member discussion ensued, including some questions about how data centers and electrification could factor into future planning. There was no action was taken on this informational item.

5. INFORMATION

The following items were included in the agenda packet for members' information :

A) Attendance Record

- B) Conflict of Interest Guidance
- C) Summary of January 2026 Rate Adjustment
- D) Community Advisory Committee Update
- E) 2025 GO 156 Annual Supplier Diversity Report
- F) Unaudited Year-to-Year Financial Report as of September 30, 2025
- G) Unaudited Year-to-Year Financial Report as of December 31, 2025
- H) DCE's Quarterly Investment Report through September 30, 2025
- I) DCE's Quarterly Investment Report through December 31, 2025
- J) Update on Calpine Community Energy's Community Benefits Grant

At the request of Vice Chair Chavez, Mr. Kilgore provided additional details on the investment reports (Items 5H-I). Chair Bernstein also sought some clarity about the timing of the community benefits grant as it pertains to Palm Springs' programming (Item J).

6. PUBLIC COMMENT ON NON-AGENDA ITEMS

Donald Ziegler of Palm Desert asked some budgetary questions and also suggested there be regional collaboration with other agencies' plans when it comes to preparing for energy reliability.

7. ANNOUNCEMENTS

It was noted that the April meeting was being canceled. The next DCE Board meeting will be held May 18, 2026, at 3:00 p.m. at the Large Conference Room at Palm Springs City Hall, 3200 E. Tahquitz Canyon Way, Palm Springs, 92262.

8. ADJOURNMENT

There being no further business, Chair Bernstein adjourned the meeting at 3:57 p.m.

Respectfully submitted,

Erica Felci
Deputy Executive Director

ITEM 4D

Desert Community Energy Board
May 18, 2026



STAFF REPORT

Subject: Termination Agreement for Desert Sands Energy Storage Project

Contact: Lisa McNeilly, Director of Energy & Sustainability (lmcneilly@cvaq.org)

Recommendation: Authorize the Executive Director to execute a termination agreement with Desert Sands Energy Storage II, LLC, ending the 2023 Energy Storage Agreement

Background: In September 2023, the Board approved an Energy Storage Agreement (ESA) with Desert Sands Energy Storage II, LLC, a subsidiary of NextEra Energy Resources (NextEra), to satisfy DCE's long-duration storage and additional Mid-term Reliability (MTR) procurement orders under California Public Utilities Commission (CPUC) Decisions 21-06-035 and 23-02-040. Desert Sands is a proposed 25 MW / 200 MW hour lithium-ion battery storage facility, which is part of a larger, 700 MW energy complex located largely within Palm Springs' city limits. As a long-duration storage system, DCE's portion of the facility would be capable of outputting 25 MW of capacity at eight hours of continuous discharge and would have also helped satisfy compliance requirements under the CPUC's Resource Adequacy rules.

At the time of the execution of the agreement, the Desert Sands project was still securing permits and transmission interconnection. For Desert Sands to count towards MTR compliance it must achieve Full Capacity Deliverability Status (FCDS), which is a designation from the California Independent System Operator that assures a project can provide resource adequacy. The project was originally expected to complete its interconnection agreements with Southern California Edison (SCE) by October 2024 and had an expected Commercial Operation Date (COD) of April 1, 2027. However, in April 2025, NextEra informed DCE that the project had been delayed due to network upgrades, and the commercial operation date (COD) had been pushed to 2035 as a result.

Since the CPUC Decisions 21-06-035 and 23-02-040 require long-duration storage projects to be online no later than June 1, 2028, DCE needed to identify an alternate project in order to avoid costly penalties. In September 2025, the Board approved a 15-year Resource Adequacy + TB8 Agreement (RA+TB8) with Balsam Project LLC (Balsam) for its San Bernardino County Battery Energy Storage System project. In addition to fulfilling DCE's procurement obligations, the RA+TB8 Balsam project will be more cost effective, with a smaller volume sized to better meet DCE's needs.

With no further compliance need for the Desert Sands project, staff recommends execution of a termination agreement for that contract. The authorization would also allow the Executive Director and/or Legal Counsel to make clarifying changes prior to execution. Except for DCE's obligation to return the Development Security, neither DCE nor Desert Sands will have any liability to the other Party, except that the confidentiality obligations will remain in full force and effect for two (2) years following the termination of the Agreement, and all indemnity and audit rights will remain in full force and effect for one (1) year following the termination.

Fiscal Analysis: There is no cost to either party for terminating the agreement for the Desert Sands Energy Storage Project. As part of that termination, DCE will be required to return to the Development Security, which is currently held as a Letter of Credit. Given the terms of the contract, Desert Sands Energy Storage II, LLC, is not required to pay any commercial operation delay damages.

DCE was able to secure an alternate, more cost-effective, project to fulfill its regulatory requirements.

Attachment: DCE-Desert Sands II ESA – Termination Agreement

TERMINATION AGREEMENT REGARDING ENERGY STORAGE AGREEMENT

This Termination Agreement Regarding Energy Storage Agreement (the “**Termination Agreement**”) is dated as of June 15, 2026 (the “**Termination Agreement Effective Date**”), by and between Desert Community Energy, a California joint powers authority (“**Buyer**”), and Desert Sands Energy Storage II, LLC, a Delaware limited liability company (“**Seller**”), and is entered into by the Parties with respect to the ESA (as defined below). Seller and Buyer are each a “**Party**” and together the “**Parties**”.

RECITALS

- A. Buyer and Seller entered into that certain Energy Storage Agreement, dated as of September 27, 2023 (as may previously have been further amended, amended and restated, supplemented, or was otherwise modified from time to time, the “**ESA**”).
- B. For reasons including CAISO deliverability delays, the Parties desire to terminate the ESA as set forth herein.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Definitions. Capitalized terms used and not defined in this Termination Agreement have the respective meanings assigned to them in the ESA.

2. Termination of the ESA.

The ESA is hereby terminated as of the Termination Agreement Effective Date. Within ten (10) Business Days of the Termination Agreement Effective Date, Buyer shall return to Seller the Development Security in the amount of One-Million Five Hundred Thousand dollars (\$1,500,000). Except for the Buyer obligation to return the Development Security referenced in the immediately preceding sentence, neither Party shall have any liability to the other Party, save and except for those obligations specified in the final sentence of Section 2.1(b) of the ESA.

3. Miscellaneous.

(a) This Termination Agreement is governed by, and construed in accordance with, the laws of the State of California, without regard to the conflict of laws provisions of such State.

(b) Each Party represents to the other Party that the execution, delivery and performance of this Termination Agreement have been duly authorized, and this Termination Agreement has been duly executed and delivered by the signatory so authorized, and the obligations contained herein constitute the valid and binding obligations of such Party.

(c) This Termination Agreement shall inure to the benefit of and be binding upon each of the Parties and each of their respective successors and permitted assigns.

(d) This Termination Agreement may be executed in counterparts, each of which is deemed an original, but all of which constitutes one and the same agreement. Delivery of an executed counterpart of this Termination Agreement electronically or by facsimile shall be effective as delivery of an original executed counterpart of this Termination Agreement.

(e) This Termination Agreement constitutes the sole and entire agreement between the Parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, including without limitation that this Termination Agreement supersedes the ESA, with respect to such subject matter.


(f) Each Party shall pay its own costs and expenses in connection with this Termination Agreement (including the fees and expenses of its advisors, accounts and legal counsel).

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Termination Agreement to be duly executed as of the Termination Agreement Effective Date.

DESERT SANDS ENERGY STORAGE II, LLC, a Delaware limited liability company

DESERT COMMUNITY ENERGY, a California joint powers authority

By: 
Name: Anthony Pedroni
Title: Vice President

By: _____
Name: Tom Kirk
Title: Executive Director



ITEM 4E

Desert Community Energy Board
June 15, 2026



STAFF REPORT

Subject: 2025 Power Source Disclosure Annual Report and 2025 Preliminary Power Content Label

Contact: Savannah Gil, Program Specialist (sgil@cvag.org)

Recommendation: Adopt Resolution 2026-02, approving the 2025 Power Source Disclosure Annual Report and affirming the Executive Director’s authority to complete all actions necessary for submittal to the California Energy Commission, including attesting to its veracity

Background: All retail sellers of electricity, including Community Choice Aggregators such as DCE, are required by Senate Bill 1305, codified in Section 398.1 of the California Public Utilities Code, to disclose “accurate, reliable, and simple-to-understand information on the sources of energy” that are delivered to their customers each year. As part of this process, the DCE Board typically adopts resolutions to approve the Power Source Disclosure (PSD) Annual Report and Power Content Label (PCL) in June and September, respectively, of each year. The PSD report discloses where an entity’s electricity was sourced for the given year, while the PCL is a customer-facing table summarizing the PSD, showing the electricity mix by percentage.

This year, load-serving entities (LSEs) throughout California were instructed to submit the 2025 PSD Annual Report by June 1, 2026. DCE staff submitted the PSD report to the California Energy Commission (CEC) on May 28, 2026. CEC staff has notified DCE that it would not generate the 2025 PCLs for all CCAs until mid-September. Because of this, DCE has included its preliminary 2025 PCL for informational purposes only. Staff will return to the Board for approval of the 2025 PCL once the CEC releases more information.

Information from DCE’s 2025 PSD Annual Report and 2025 PCL is summarized below. Once approved by the Board, staff will post the final PSD report and PCL to the DCE website in accordance with CEC requirements. DCE will then send the PCL to all active customers by the due date, via mail or email, depending on the customer’s preference.

Summary of 2025 PSD Annual Reports and Preliminary 2025 PCL

DCE provided 100% carbon-free energy to Carbon Free customers, including 69% renewable energy eligible under the state’s Renewables Portfolio Standard (RPS) purchased from solar facilities (21%), wind facilities (48%), and small hydropower facilities (1%). The remaining carbon-free energy was purchased from large hydropower facilities (27%) and nuclear facilities (5%), which are not considered renewable under the RPS. DCE is estimated to have provided Desert Saver customers with 80% carbon-free energy, with an energy supply consisting of 37%

renewable energy eligible under the RPS purchased from geothermal facilities (3%), solar facilities (12%), and wind facilities (22%). The remaining energy was purchased from nuclear facilities (43%). Unspecified power makes up 20% of Desert Saver energy and is electricity not traceable to a specific facility such a through an open market transaction. While this category can include renewable energy, it is treated as fossil fuel for the purposes of the PSD.

2025 PCL Data*				
Emissions, Power Sources, Unbundled RECs	Carbon Free	Desert Saver	CA Utility Average	Total Loss-Adjusted Load
Retail Sales and Loss-Adjusted Load	263,070	85,094	TBD	365,214
GHG Emissions Intensity (lbs CO₂e/MWh)	0	190	TBD	88
■ Renewables and Zero-Carbon Resources	100%	80%	TBD	91%
■ Fossil Fuels	0%	20%	TBD	9%
Biomass & Biogas	0%	0%	TBD	0%
Geothermal	0%	3%	TBD	1%
Eligible Hydroelectric	1%	0%	TBD	0%
Solar	21%	12%	TBD	18%
Wind	48%	22%	TBD	40%
RPS Eligible Renewables - Subtotal	69%	37%	TBD	58%
Large Hydroelectric	27%	0%	TBD	19%
Nuclear	5%	43%	TBD	13%
Emerging Technologies	0%	0%	TBD	0%
Other	0%	0%	TBD	0%
Natural Gas	0%	0%	TBD	0%
Coal & Petroleum	0%	0%	TBD	0%
Unspecified Power - Total	0%	20%	TBD	9%
Retail Sales Covered by Retired Unbundled RECs	0%	0%	TBD	-
*NOTE: The figures above are preliminary.				
Staff will calculate the GHG emissions factor and fuel mix breakdown (percentage derived from renewables and zero-carbon resources or fossil fuels) of unspecified power after data from all reporting entities is submitted.				

The percentages by power source for both Carbon Free and Desert are also shown in the above preliminary 2025 PCL and include information on greenhouse gas emissions intensity (lbs CO₂e/MWh). For context, the term CO₂ equivalent (CO₂e) is a standard unit for measuring carbon footprints, quantifying the impact of different greenhouse gases in terms of the amount of CO₂ that would produce the same amount of warming. Because this preliminary 2025 PCL is intended solely for informational purposes, there exists a possibility that the CEC may determine a different Greenhouse Gas (GHG) intensity for DCE’s energy products when it publishes the official 2025 PCL.

The attached DCE 2025 PSD Annual Report and the preliminary PCL for Carbon Free and Desert Saver have been prepared with assistance from The Energy Authority (TEA). TEA conducted a detailed review of all power purchases made during the 2025 calendar year. This review included an inventory of all 2025 RECs within DCE’s Western Renewable Energy Generation Information System (WREGIS) account. Based on staff and TEA’s review of such available data, the information presented in the PSD Annual Report and preliminary PCL is determined to be accurate. Adoption of the resolution enables DCE to comply with the CEC Power Source Disclosure Regulations implementing SB 1305 (California Code of Regulations, Title 20, Sections 1391 to 1394).

Fiscal Analysis: There is no cost to DCE for adoption of Resolution 2026-02.

Attachments:

1. Resolution 2026-02 approving the 2025 Power Source Disclosure Annual Report

2. 2025 Power Source Disclosure Annual Report for DCE's Carbon Free and Desert Saver products: <https://desertcommunityenergy.org/wp-content/uploads/2026/06/DCE-2025-PSD-Annual-Report-FINAL.pdf>

RESOLUTION NO. 2026-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF

DESERT COMMUNITY ENERGY APPROVING THE 2025 POWER SOURCE DISCLOSURE ANNUAL REPORT AND AFFIRMING THE EXECUTIVE DIRECTOR'S AUTHORITY TO COMPLETE ALL ACTIONS NECESSARY TO APPROVE AND ATTEST TO THE VERACITY OF THE FINAL 2025 POWER SOURCE DISCLOSURE ANNUAL REPORT

FOR THE DESERT SAVER AND CARBON FREE PRODUCTS

WHEREAS, Desert Community Energy (DCE) is a joint powers authority established on October 30, 2017, for the purpose of implementing community choice aggregation programs under Public Utilities Code Section 366.2.

WHEREAS, Senate Bill 1305 was adopted in 1997, establishing an Electricity Generation Source Disclosure Program, (Power Source Disclosure Program), which requires retail suppliers of electricity to disclose to their customers each year the sources of electricity delivered to customers in the previous year, and to annually submit a Power Source Disclosure Report to the California Energy Commission (CEC).

WHEREAS, Desert Community Energy is a retail supplier of electricity as defined by the Power Source Disclosure Program (California Code of Regulations, Title 20, Section 1391(r)).

WHEREAS, the Power Source Disclosure Regulation was updated effective May 4, 2020, allowing the board of directors of a public agency providing electric services to approve, at a public meeting, the submission to the California Energy Commission of an attestation of the veracity of each product's 2025 Power Source Disclosure Annual Report.

WHEREAS, DCE staff and consultants performed a detailed review of all power purchases completed for the 2025 calendar year, including an inventory of all received renewable energy certificates (RECs) within DCE's account at the Western Renewable Energy Generation Information System (WREGIS) and transaction records.

WHEREAS, pursuant to the current CEC regulations, California Code of Regulations Title 20, Section 1394.2(a)(2), the Board is required to attest to the veracity of the 2025 Power Content Labels.

WHEREAS, the Board desires to attest to the veracity of the 2025 Power Source Disclosure Annual Reports for the Desert Saver product and the Carbon Free product so that all the required statements and attestations required by Section 1394.2(a)(2), are contained in one resolution.

WHEREAS, The Board further desires to affirm the Executive Director's authority to complete all actions necessary for submittal to the CEC, including attesting to the veracity of the final 2025 Power Source Disclosure Annual Report for the Desert Saver product and the Carbon Free product.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DESERT COMMUNITY ENERGY, AS FOLLOWS:

1. Approval of 2025 Power Source Disclosure Annual Report. The Board approves and attests to the veracity of the attached 2025 Power Source Disclosure Annual Reports for Desert Community Energy.

2. Delegation to Executive Director. The Board hereby authorizes the DCE Executive Director to approve the submission and attest to the veracity of the 2025 Power Source Disclosure Annual Report for Desert Community Energy by signing the attestation forms set out in the 2025 Power Source Disclosure Annual Report.

3. Resolution Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of Desert Community Energy held on June 15, 2026.

ATTEST:

Jeffrey Bernstein, Chair
Desert Community Energy

Tom Kirk, Secretary
Desert Community Energy

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

ITEM 4F

Desert Community Energy Board
June 15, 2026



STAFF REPORT

Subject: DCE's 2026 Integrated Resource Plan

Contact: Alvaro Valcarcel Jervis, Management Analyst (ajervis@cvaq.org)

Recommendation: Adopt Resolution No. 2026-03, authorizing the Executive Director to prepare and approve DCE's 2026 Integrated Resource Plan and complete all actions necessary for submittal to the California Public Utilities Commission

Background: The California Public Utilities Commission (CPUC) requires all load-serving entities, including community choice aggregators such as DCE, to prepare and file Integrated Resource Plans (IRPs). The IRP process is intended to ensure that load-serving entities maintain a reliable and cost-effective electricity supply while supporting California's greenhouse gas reduction goals and the State's target of supplying 100 percent of retail electricity sales from renewable and zero-carbon resources by 2045. IRPs are generally submitted every two years and include a narrative describing the LSE's procurement strategy as well as quantitative portfolio data submitted through CPUC-required templates.

As previewed to the Board at its March 2026 meeting, the IRP serves to demonstrate that DCE has sufficient energy and capacity resources to serve its forecasted load, and it also quantifies how its portfolio supports statewide GHG reduction goals. The importance of the IRP process and having coordinated resource planning has increased in recent years given the extreme heat events, electrification of buildings and transportation, and the increased demand from large loads, including data centers.

As part of the IRP process, each LSE is assigned a retail sales forecast to use for resource planning. DCE staff and its consultants are using this forecast for the assessment of existing and planned resources and evaluate how its portfolio complies with CPUC-assigned emissions and reliability benchmarks. Through this process, LSEs show that their procurement and planning strategies are aligned with California's climate goals, system reliability needs, and cost-effectiveness objectives.

DCE's 2026 IRP will update the agency's previously approved 2022 IRP and reflects significant changes in state policy, planning assumptions, and procurement requirements. Staff is currently working with its consultant to finalize the document ahead of the CPUC's August 10, 2026 deadline. Because of the DCE Board's meeting schedule, which has DCE going dark during the summer months, staff is recommending adoption of Resolution 2026-03 in order to authorize the Executive Director to finalize the plan and submit it on time.

The 2026 IRP will include updated load forecasts, greenhouse gas emissions benchmarks, and planning assumptions provided by CPUC staff, as well as newly issued guidance regarding the treatment of resources allocated to load-serving entities under Assembly Bill 1373. The 2026 IRP will be the first to include a strategy for meeting the 2045 requirement for 100 percent of California's retail electricity sales to be served by renewable and other zero-carbon resources.

DCE's 2026 IRP will also address how it will procure new resources to support reliability as part of the Mid Term Reliability (MTR) procurement requirements for LSEs.

IRPs are developed by evaluating multiple scenarios to identify a feasible and cost-effective portfolio of resources that meets forecasted customer demand, complies with greenhouse gas emissions limits, supports system reliability and meets Board's goals. The CPUC uses a statewide optimization model known as RESOLVE to identify the least-cost mix of resources needed to meet California's policy objectives. DCE's IRP uses these statewide assumptions as a reference and develops a preferred conforming portfolio that reflects DCE's specific load characteristics, existing contracts, and procurement strategy.

DCE's preferred portfolio is intended to support the Board's goal of delivering 100% renewable energy for its Carbon Free product, including transmission losses, by 2030. The portfolio also seeks to align the Desert Saver product with the State's target of 60% Renewable Portfolio Standard (RPS) retail sales by 2030, while small hydro resources complement the remaining energy needs. Collectively, these planning assumptions position DCE toward achieving a carbon-free energy portfolio by 2030, subject to market conditions, resource availability, regulatory requirements, and rate considerations. The preferred portfolio is also consistent with DCE Board policies prioritizing carbon-free and renewable energy resources, including solar, wind, geothermal, and existing hydroelectric generation, while excluding biomass and biogas due to emissions concerns. The portfolio also prioritizes local and in-state procurement opportunities and relies primarily on high-quality Portfolio Content Category 1 (PCC1) renewable energy credits, supplemented by legacy voluntary allocation resources where applicable.

The 2026 IRP will demonstrate that DCE is positioned to meet applicable state planning requirements through a combination of existing renewable energy and storage contracts, including recently executed agreements for geothermal generation and battery energy storage, projected voluntary allocations and centrally procured resources, and additional procurement as needed. The IRP will also outline DCE's long-term strategy to maintain competitive rates while continuing to provide its Carbon Free and Desert Saver products with increasing levels of renewable energy.

Upon submittal to the CPUC, the final filing will be posted to DCE's website.

Fiscal Analysis: There is no additional cost to this informational update.

In June 2025, the DCE Board authorized the Executive Director to execute an agreement with MRW & Associates, LLC to prepare DCE's IRP. The costs of preparing the IRP are covered under this contract, which was authorized for a not-to exceed amount of \$51,980. Additional resources were provided under existing staff time and the existing contract with The Energy Authority (TEA), and Best Best & Krieger LLP.

Attachment: Resolution 2026-03

RESOLUTION NO. 2026-03

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
DESERT COMMUNITY ENERGY
AUTHORIZING DESERT COMMUNITY ENERGY'S
2026 INTEGRATED RESOURCE PLAN**

WHEREAS, Desert Community Energy (“DCE”) is a joint powers authority established on October 30, 2017, for the purpose of implementing a community choice aggregation program under Public Utilities Code Section 366.2.0.

WHEREAS, the Board has established a set of strategic goals to guide DCE energy procurement to promote renewable energy, carbon-free energy, and greenhouse gas emissions reduction.

WHEREAS, DCE has ongoing commitments to fulfill regulatory requirements related to energy procurement, including submittal of an Integrated Resource Plan (“IRP”) to the California Public Utilities Commission (“Commission”) pursuant to SB 350 as implemented through Commission Rulemaking Proceeding R.20-05-003 (“IRP Proceeding”).

WHEREAS, the IRP Proceeding is a central element of the Commission’s planning process through which the electric procurement policies and programs of Load Serving Entities (“LSE”) are examined to ensure that California has a safe, reliable, and cost-effective electricity supply.

WHEREAS, DCE’s 2026 IRP has been prepared to address how DCE will meet these strategic goals and regulatory requirements by managing a portfolio of energy and capacity resources.

WHEREAS, the IRP serves to document DCE’s current procurement status and outlines resource planning objectives and future procurement plans.

WHEREAS, projecting the resources that an LSE may procure over the planning horizon covered by the IRP is an inexact matter and subject to change. Future projections of resources identified in DCE’s IRP represent a current good-faith projection of such procurement activities over the IRP planning horizon, in consideration of currently applicable mandates and adopted policies of DCE’s Board of Directors.

WHEREAS, the resources identified in future iterations of DCE’s IRP may change due to new information, changed circumstances, and additional power sources that DCE may acquire in the future.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DESERT COMMUNITY ENERGY, AS FOLLOWS:

1. Authorizes the Executive Director to approve and submit the Desert Community Energy 2026 IRP.

ADOPTED AND APPROVED by the Board of Directors of Desert Community Energy on this 15th day of June 2026.

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

Jeffrey Bernstein, Chair
Desert Community Energy

Tom Kirk, Secretary
Desert Community Energy

ITEM 4G

Desert Community Energy Board
June 15, 2026



STAFF REPORT

Subject: Fiscal Year 2025-26 Deferred Revenue Classification

Contact: Claude T. Kilgore, Director of Finance (ckilgore@cvag.org)

Recommendation: Authorize the classification of all fiscal year 2025-26 revenue above a 2.0x fixed charge coverage ratio to the Stabilization Special Reserves Fund, in accordance with Governmental Accounting Standards Board Statement No. 62, with the final deferred revenue amount to be determined based on final fiscal year-end operating results

Background: DCE operates in a rate-regulated environment in which revenues are established based on pre-established revenue requirements to maintain prudent financial stability. Under Governmental Accounting Standards Board Statement Number 62 (GASB 62), entities like DCE can defer revenues in strong financial years to be recognized in future periods. One accepted application is rate stabilization, where revenues earned above a defined financial threshold are deferred and recorded for recognition in a future year. The purpose of this treatment is to better align revenue recognition with the period in which the related costs, rate pressures, or financial needs arise, rather than recognizing all excess margin immediately in the year earned. For a Community Choice Aggregation (CCA) program like DCE, this can be particularly valuable given exposure to changing power supply costs, resource adequacy requirements, renewable procurement obligations, and utility true ups such as Southern California Edison's Power Charge Indifference Adjustment (PCIA) which can reduce DCE's revenue.

DCE staff recommend classifying all DCE excess revenue above a fixed charge coverage ratio of 2.0x for fiscal year 2025-26 to the Stabilization Special Reserves Fund. Based on current estimates, the amount available for classification is approximately \$1.75 million; however, the final amount will depend on audited operating results and may change as key assumptions are finalized, including Southern California Edison's (SCE) final Energy Resource Recovery Account (ERRA) forecast expected in December 2026.

In practical terms, transferring excess revenues above the 2.0x fixed charge coverage threshold to the Stabilization Special Reserves Fund would create a mechanism to recognize that revenue in a future year if needed to stabilize rates, absorb market or regulatory cost volatility, or support financial resilience. Public power and CCA peers have adopted this approach for similar reasons. Ava Community Energy has described its GASB 62 Rate Stabilization Fund as a vehicle to defer surplus revenues for future use in stabilizing budgeted financial results, protecting customers from volatility, and supporting liquidity and credit quality. Orange County Power Authority has likewise reported use of revenue deferrals and a rate stabilization reserve framework to support affordability and financial stability.

DCE staff recommends the Board authorize the classification. DCE's proposed approach is consistent with rate-stabilization practices permitted under GASB Statement No. 62 and aligns

with other CCAs which have used similar GASB 62 mechanisms to defer surplus revenues into stabilization or rate-stabilization funds for future recognition.

Fiscal Analysis: Based on current estimates, approximately \$1.75 million of fiscal year 2025-26 revenue could be classified to the Stabilization Special Reserves Fund for future recognition rather than being recognized as current-year operating revenue. This classification would not reduce cash or overall fund balance but would defer recognition of the designated amount to a future period in accordance with GASB 62.

The final amount will be determined through year-end close and audit procedures and may change based on final operating results, including the impact of Southern California Edison's final ERRRA forecast expected in December.

ITEM 5A

Desert Community Energy Board
June 15, 2026



STAFF REPORT

Subject: DCE Fiscal Year 2026-27 Budget

Contact: Claude T. Kilgore, Director of Finance (ckilgore@cvaq.org); and
Jiajing Cheng, Accountant (jcheng@cvaq.org)

Recommendation: Adopt Resolution 2026-04, approving DCE’s Fiscal Year 2026-27 Budget and approve a 4 percent generation rate decrease for Carbon Free customers effective July 1, 2026 and a second generation rate decrease for Carbon Free customers effective January 1, 2027, currently budgeted at 6.7 percent, pending operating results during the fiscal year

Background: The Fiscal Year 2026-27 Budget is presented for the Board’s review and approval. The proposed budget reflects three key priorities: two projected reductions in generation rates, the launch of consumer benefit programs, and continued growth in financial reserves to support the Board’s objectives. Each year by the end of June, DCE staff prepares a detailed budget for Board review and approval for the upcoming fiscal year. The proposed Fiscal Year 2026-27 Budget covers July 1, 2026, through June 30, 2027, and marks DCE’s seventh full year of providing electric service to customers in the City of Palm Springs. A preliminary budget overview was presented the Board at the March 25 meeting during the consideration of an amendment to the Fiscal year 2025-26 Budget. Since then, some figures have been updated based on new information, with overall results remaining favorable. At the June 2025 Board meeting, staff will present additional detail on the key assumptions, data, and projections underlying the budget and request Board approval as required under the DCE Joint Powers Agreement.

The proposed budget targets an FCC ratio of approximately 2.0x, based on Net Revenue of \$5 million plus 50 percent of power purchase agreement (PPA) expenses of \$5 million, divided by 50 percent of PPA expenses of \$5 million. Using rounded figures, $(5 + 5) / 5$ equals 2.0x. If DCE achieves an FCC of about 2.0x or higher in fiscal year 2026-27, it will mark the third fiscal year since S&P Global Rating’s analysis and issuance of an investment grade credit rating and the fourth consecutive fiscal year in which DCE has met or exceeded that level, overall. As DCE builds a stronger track record of FCC performance, it may gain greater flexibility to balance this objective with other priorities.

Setting DCE’s revenue requirement to achieve this 2.0x FCC in the 2026-27 budget aligns with S&P’s recommendations and seeks to reduce DCE’s vulnerability to adverse economic conditions while establishing a consistent record of FCC and liquidity. By achieving this revenue requirement, DCE Carbon Free generation rates are anticipated to decrease as of July 1, 2026 by 4 percent and are projected to again decrease in January 2027 by another 6.7 percent. For a DCE residential Carbon Free customer, the total bill is projected to be an average of \$13 per month lower on January 1, 2027 than it would have been based on current rates. For a Carbon Free commercial customer, the projected decrease is an average of \$50 per month. Because DCE bills include Southern California Edison (SCE) delivery charges, these dollar comparisons are more complex than the percentage of the generation rate decreases alone and depend in part on how SCE’s charges are projected to change. In this

instance, SCE is increasing its delivery charges starting in January 2027 which partially offset the positive impact of DCE generation rate decreases on the total bill for residential Carbon Free customers.

Over recent fiscal years, DCE has steadily strengthened reserves and maintained a strong liquidity position. This trend is expected to continue in 2026-27, when DCE anticipates reaching its target maximum basic reserve of 75 percent (270 days) of budgeted operating expenses, or approximately \$32.5 million. Reaching this target will allow DCE to make greater use of the Board-approved special reserve categories, including customer and programmatic reserves, fixed charge coverage, procurement, and stabilization reserves. This marks an important milestone in DCE's financial stability and long-term resilience.

DCE's accrued cash reserves are expected to increase by approximately \$4.9 million, reaching about \$40.6 million as of June 30, 2027, compared with an estimated \$35.7 million as of June 30, 2026. At the same time, the target maximum basic reserve is projected to decline from \$41.5 million in fiscal year 2025-26 to \$32.5 million in fiscal year 2026-27, primarily because DCE's operating costs are expected to decrease by a similar amount year over year. This distinction is important. If operating costs rise again to levels similar to those in fiscal year 2025-26, DCE may need to reevaluate its reserve categories. Likewise, if reserves are used too quickly, they may need to be rebuilt, which could ultimately affect ratepayers. For example, if reserve targets were still based on 2025-26 operating costs, projected cash reserves as of June 30, 2027 would remain slightly below the target maximum basic reserve. Based on expectations established by S&P Global Ratings LLC that DCE demonstrate a track record of fixed charge coverage ratios above 2.0x to maintain or improve its investment-grade credit rating, DCE would then have approximately \$6.3 million of remaining cash available for other special reserve categories in 2026-27. Of that amount, the budget proposes transferring \$2.5 million to the Fixed Charge Coverage Special Reserve. This amount reflects the difference between the currently projected fixed charge coverage ratio of slightly above 2.0x and a 1.6x floor. Once placed in this reserve, the funds could be reassigned in a future year to other reserve categories, such as customer and programmatic reserves, if appropriate. After the proposed \$2.5 million transfer to the Fixed Charge Coverage Special Reserve, DCE would have approximately \$3.8 million remaining to allocate among other special reserve categories. The budget proposes assigning 75 percent of that amount, or about \$2.9 million, to customer and programmatic reserves, with the remaining 25 percent, or about \$900,000, allocated to the procurement special reserve.

The proposed budget also includes a \$500,000 match for customer programs offered by the City of Palm Springs and/or programs developed and offered by DCE itself. This could include supporting the City of Palm Springs' proposed reach code ordinances with incentives for customers who carry out qualifying energy efficiency upgrades, furthering the City's efforts to reduce its greenhouse gas emissions. Although the customer program match has been budgeted, the program's details are still being finalized and will be presented to the Board for approval once available.

The annual budget provides the framework for the upcoming fiscal year. Quarterly budget-to-actual reports are presented to the DCE Board of Directors to support oversight of public funds, monitor year-to-date performance, and report significant developments and changes in anticipated activities. Mid-year budget amendments are often necessary to better align the budget to actual operational results.

This year, and consistent with efforts to support paperless operations in the Finance Department, DCE has moved its budget book online, with a PDF version available for download. The online format can be designed to meet the Government Finance Officers Association (GFOA)'s criteria for clarity, organization, and visual appeal. A web-based budget book also saves time, reduces errors, improves transparency and accessibility, and supports award readiness.

Staff recommends approval of Resolution 2026-04 and adoption of the budget.

Fiscal Analysis: The projected revenues and expenses for DCE are outlined in the budget itself.

Attachments:

1. [DCE's Fiscal Year 2026-27 Proposed Budget](#)
2. Resolution No. 2026-04

RESOLUTION NO. 2026-04

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
DESERT COMMUNITY ENERGY
APPROVING FISCAL YEAR 2026-27 ANNUAL BUDGET**

THE BOARD OF DIRECTORS OF DESERT COMMUNITY ENERGY DOES HEREBY FIND, RESOLVE, AND ORDER AS FOLLOWS:

- A. Desert Community Energy ("DCE") is a joint powers authority established on October 30, 2017 for the purpose of implementing community choice aggregation programs under Public Utilities Code Section 366.2;
- B. Under Section 5.3.1 of the DCE Joint Powers Agreement the Board of Directors is to approve an annual budget by June 30th of each year for the next following fiscal year;
- C. This budget pertains to Fiscal Year July 1, 2026, through June 30, 2027;
- D. The DCE Fiscal Year 2026-27 Budget was presented to the Board of Directors at a duly noticed public meeting for its consideration, approval and adoption.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DESERT COMMUNITY ENERGY, AS FOLLOWS:

Section 1. Approval of Fiscal Year 2026-27 Annual Budget. The Board of Directors hereby approves the DCE Fiscal Year 2026-27 Budget.

PASSED AND ADOPTED at a meeting of the Board of Directors of Desert Community Energy held on this 15th day of June, 2026.

ATTEST:

Jeffrey Bernstein, Chair
Desert Community Energy

Tom Kirk, Secretary
Desert Community Energy

AYES: NAYS: ABSENT: ABSTAIN:

ITEM 5B

Desert Community Energy Board
June 15, 2026



STAFF REPORT

Subject: Final Authorizations for Pre-Pay Bond Financing

Contact: Lisa McNeilly, Director of Energy & Sustainability (lmcneilly@cvag.org) and Claude T. Kilgore, Director of Finance (ckilgore@cvag.org)

Recommendation: Authorize the additional steps to establish pre-payment bond financing including:

- 1.) Authorize the Executive Director to take the necessary steps to finalize and execute Limited Assignment Agreements (LAAs) among DCE, J. Aron & Company (a subsidiary of Goldman Sachs), and four sellers identified in existing Power Purchase Agreements (Coachella Wind Holdings, San Gorgonio II Westwinds/Altwind, San Gorgonio II Westwinds/East Wind, and San Gorgonio Westwinds II);
- 2.) Authorize the Executive Director to take the necessary steps to finalize and execute the proposed Edison Electric Institute Master Agreement and Confirmation with Clean Energy Alliance, along with a corresponding LAA;
- 3.) Adopt Resolution No. 2026-05 authorizing the execution and delivery of a Clean Energy Purchase Contract and certain other documents in connection with the issuance of California Community Choice Financing Authority Clean Energy Project Revenue Bonds; and certain other actions required to ensure the reduction in the cost of renewable energy therewith; and
- 4.) Authorize the Executive Director to take any further steps necessary to fully execute the pre-pay transaction

Background: Energy pre-payment bonds are a way to reduce the cost of renewable energy and provide savings to customers under existing U.S. Treasury Regulations available to public entities like Community Choice Aggregators (CCAs), including DCE. Such bonds have been in use for years by municipal utilities to contract for natural gas or electricity at discounted prices and by CCAs since 2021 to achieve substantial savings for customers. In general, the costs of long-term renewable energy contracts (like Power Purchase Agreements or PPAs) are pre-paid for a supply of electricity from a taxable entity, and the CCA uses tax-exempt municipal bonds to fund that prepayment. In this structure, tax-exempt bonds are issued and the bond proceeds are used to secure a 30-year energy supply from a Pre-paid Supplier. The Pre-paid Supplier then lends these proceeds to an intermediary bank at a taxable rate. The Pre-paid Supplier pays energy sellers the full contract price, while the bond issuer charges the CCA a discounted rate. The difference is typically about eight to 10 percent or more depending on market conditions, resulting in a discount for the CCA. This discount results primarily from the difference between the taxable interest rate at which the proceeds are loaned by the Pre-paid Supplier to the bank and the tax-exempt interest rate on the bonds.

The bonds issued are off-balance sheet and non-recourse to the prepay participant (in this case, DCE), while also remaining ratings neutral to positive. There is no obligation to pay for debt issued, only to pay for power delivered.

In November 2025, the Board authorized the Executive Director to take the necessary steps to establish a pre-payment bond financing transaction (pre-pay), in partnership with Redwood Coast Energy Authority (RCEA), as part of the broader efforts to address DCE costs and long-term financial stability. At its March 2026 meeting, the Board further authorized the Executive Director to take additional steps. As a result of these two meetings, DCE and RCEA have executed the following agreements, whose costs will be covered by bond proceeds and shared proportionally among the parties based on contribution to deal volume:

- *Municipal Advisory Services:* Tyler Noble and Seema Mohanty from MG Advisory Group have been hired to assist with bond pricing, research and analytics, disclosure documents, and negotiating commodity and interest rate swaps, for a total, shared cost not to exceed \$350,000 contingent on completing the pre-pay
- *Project Participant Legal Counsel:* Chapman and Cutler LLP (Chapman) has been hired to advise DCE and RCEA on applicable agreements and filings for a total, shared, not-to-exceed cost of \$300,000 contingent on completing the pre-pay
- *Underwriter/Counterparty Supplier:* Goldman Sachs & Co, LLC has been hired on to facilitate the tax-exempt municipal financing and secure the long-term energy supply in partnership with their J. Aron commodities division for an Underwriting Fee of \$4.50 per \$1,000 of par amount, an Energy Supply Fee of \$1.10 per MWh, and additional fees dependent in part on selection of the Funding Recipient (FR), contingent upon completing the pre-pay
- *California Community Choice Financing Authority (CCCFA):* CCCFA has been brought on to issue the pre-pay bonds; DCE joined as an Associate Member for an initial membership fee of \$50,000, a transaction fee of up to \$20,000, and a share of annual costs moving forward
- *Tax and Bond Counsel:* Orrick, Herrington & Sutcliffe LLP (Orrick), through an agreement with CCCFA, has been brought on to prepare the Trust Indenture and ensure compliance with all relevant tax laws and regulations, for a total shared cost not to exceed \$350,000, contingent on completing the pre-pay

With these steps complete, staff is now recommending additional authorizations needed to complete the pre-pay transaction. These authorizations fall into two categories. The first includes authorizing the Executive Director to execute contracts that allow assignment of long-term energy contracts into the pre-pay, constituting the basis for the cost savings (PPA Assignment Category). These will include Limited Assignment Agreements and others that trade existing Voluntary Allocation and Market Offer (VAMO) volumes with a third-party CCA and create a new long-term confirmation. The second category is the set of documents required to support and execute the pre-pay, including the formal resolution authorizing issuance of the CCCFA Clean Energy Project Revenue Bonds (Pre-pay Execution Category).

PPA Assignment Category of Documents

In December 2020 and December 2024, the DCE Board approved long-term Power Purchase Agreements (PPAs) for four projects owned by Terra-Gen, LLC: Coachella Wind Holdings, San Gorgonio II Westwinds/Altwind, San Gorgonio II Westwinds/East Wind, and San Gorgonio Westwinds II. The generation capacity for the projects total 44.4 megawatts. In order for DCE to include these contracts in the pre-pay, DCE needs to assign specific energy delivery rights under these contracts to the pre-paid Supplier. The assigned energy is then delivered by the pre-paid Supplier to CCCFA and then by CCCFA to DCE at a discounted price. Staff are currently discussing the terms of these contracts with Terra-Gen and Goldman Sachs/J. Aron. The recommended action would authorize the Executive Director to finalize and execute the contracts.

Additionally, In July 2022, the DCE Board approved a Voluntary Allocation Agreement with Southern California Edison and elected a 100% allocation of the long-term load share resources offered. In any given year, DCE's allocation is based on DCE's most recent annual load and the generation output of each SCE resource in the agreement, making the volume vary by year. The volume also decreases over time as the underlying resource contracts reach the end of their term. In order for DCE to include these contracts in the pre-pay, DCE needs to sign contracts that trade VAMO volumes and also create a new long-term, standardized Edison Electric Institute (EEI) confirmation structure. DCE staff are currently discussing the terms of a EEI Master Agreement and Confirmation with Clean Energy Alliance (CEA) to trade renewable energy acquired by each entity pursuant to its VAMO agreements with SCE and San Diego Gas & Electric (SDG&E). The recommended action would authorize the Executive Director to finalize and execute the agreements. For a period of nine years, DCE will sell the below volumes of renewable energy to CEA, and in return CEA will sell an equivalent amount of renewable energy to DCE, who will then assign those volumes into the pre-pay. DCE is also discussing the terms of an LAA with CEA and Goldman Sachs/J. Aron similar to above, and the recommended action would authorize the Executive Director to finalize and execute the needed agreement.

Contract Quantity (MWh):	REC Vintage 2026: 21,000 MWh REC Vintage 2027: 70,000 MWh REC Vintage 2028: 70,000 MWh REC Vintage 2029: 70,000 MWh REC Vintage 2030: 70,000 MWh REC Vintage 2031: 70,000 MWh REC Vintage 2032: 70,000 MWh REC Vintage 2033: 60,000 MWh REC Vintage 2034: 60,000 MWh
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Pre-pay Execution Category of Documents

This category of authorizations will allow DCE to move forward with its first pre-payment bond transaction. Staff is recommending adoption of Resolution No. 2026-05 authorizing the execution and delivery of a Clean Energy Purchase Contract and certain other documents in connection with the issuance of California Community Choice Financing Authority (CCCFA) Clean Energy Project Revenue Bonds. In short, the resolution sets the parameters Goldman Sachs will follow in completing the pre-pay, including minimum future savings and the initial reset period, which is the length of time before the financing terms can first be re-priced or reset. The prepayment structure includes periodic reset (or re-pricing) provisions that allow the financing terms to be updated based on market conditions. These resets are intended to preserve the long-term economic benefits of the transaction, although future savings may vary from those realized during the initial financing period. Resolution 2026-05 also directs CCCFA to make payments to service providers for issuance-related costs from prepayment bond proceeds.

The proposed resolution will also authorize staff to finalize and execute the following transaction documents (attached with this staff report) in support of the pre-pay:

- *Clean Energy Purchase Contract:* This is the primary agreement between DCE and CCCFA that provides for the sale of energy by CCCFA to DCE at a specified discount for an initial reset period, sets a minimum savings threshold for future reset periods, and other terms of the pre-pay structure
- *PPA Custodial Agreement:* This is an agreement between DCE, J. Aron, CCCFA, and the selected Custodian to receive and disburse payments from the Sellers (e.g., from Terra-Gen and CEA)
- *Form of Limited Assignment Agreement:* This is a template for the agreement among

- DCE, J. Aron, and the Sellers assigning contracts into the pre-pay transaction
- *Letter Agreement for LAAs*: Attached is a template for defining the commercial and administrative terms between J. Aron and DCE related to future assignment of PPAs, including operational procedures, notice requirements, and reporting expectations
 - *Operational Services Agreement*: This is an agreement among DCE, RCEA, and CCCFA that authorizes DCE and RCEA to administer specific operational matters related to the pre-pay
 - *Memorandum of Understanding*: This is a second agreement between DCE and CCCFA indemnifying CCCFA from certain rating agency and green bond certification costs in the event that the pre-pay is not successfully completed
 - *Appendix A to the Preliminary Official Statement*: This is an appendix to the offering documents used to market the bonds to investors, which includes information about DCE's history, service territory, operations, and financial information

Given the complexity of the pre-payment transaction structure, there are additional agreements and documents that CCCFA will execute but do not include DCE as a party.

Adoption of Resolution 2026-05 will also authorize CCCFA to make payments to service providers not listed above.

Finally, the adoption of the Resolution will authorize DCE to seek approval of the pre-pay transaction by the CCCFA Board. DCE is currently scheduled to be on the CCCFA agenda at its June 25, 2026, meeting. Staff will continue to work with advisors and service providers to finalize all documents and other required action by the end of June. The final timing of the pre-pay transaction will depend on market conditions and DCE staff will keep the Board informed of progress.

Fiscal Analysis: Prepayment financing is a long-term financing strategy that allows tax-exempt entities such as CCAs to achieve substantial savings on power procurement by capitalizing on the spread between tax-exempt and taxable interest rates. DCE staff's primary objective in recommending a prepayment financing structure is to secure meaningful reductions in energy procurement costs. Based on preliminary analysis, the transaction could potentially benefit DCE ratepayers by over \$1 million annually, though actual results will depend on prevailing market conditions.

By adopting the Power Supply Contract and other documents in connection with the issuance of CCCFA's Clean Energy Project Revenue Bonds, the Board is confirming the following parameters:

1. The debt obligation of the Bonds, issued by CCCFA, is non-recourse to DCE. This means DCE only pays for energy when it is delivered. DCE has no liability for bond repayment or other debt obligations in the event of a default by the Prepaid Supplier or the bank. In addition, rating agencies do not treat prepayment transactions as debt or fixed costs for DCE.
2. The aggregate principal amount of the Bonds shall not exceed \$900,000,000.
3. The total cost of issuance including all underwriting, legal and consultant fees for the Project will not exceed 1.00% of the amount of the proceeds of the Bonds issued by CCCFA.
4. The Monthly Discount Percentage plus the Annual Refund for the initial Reset Period as provided for in the Clean Energy Purchase Contract shall be at least 8.00% of the fixed cash flows or equivalent \$ per MWh. There are no direct fiscal impacts of the Limited Assignment Agreements or the EEI Master Agreement and Confirmation with Clean Energy Alliance.

Any discount in energy costs achieved through the prepayment structure will flow directly into DCE's financial position, as is discussed further in the proposed Fiscal Year 2026-27 Budget, which is the subject of a separate agenda item. Most service provider fees are contingent on a

successful close and will be paid from bond proceeds, resulting in no out-of-pocket costs for DCE, except as otherwise noted.

Adoption of Resolution 2026-05 will also authorize CCCFA to make payments to service providers not listed above. Total compensation for these and all other bond issuance services will be paid from bond proceeds and will not exceed 1.00% of bond proceeds. With the exception of the bond rating and green bond rating services, all expenses will be contingent on a successful bond issuance. Any transaction costs that are on-going will be paid from transaction cash flows in accordance with the financing documents. DCE would be responsible only for expenses, if any, that exceed the approved or budgeted amounts under the financing documents. The additional service providers are summarized below:

- Bond rating services (approximately \$325,000)
- Independent Second Party Opinion supporting Green Bond designation (approximately \$25,000)
- On-going Trustee and Custodian (in excess of approximately \$17,000 per year)
- On-going Rating Agency Surveillance (in excess of \$15,000 per year)
- Accounting, printing, and miscellaneous services (in excess of approximately \$28,000 per year)

Attachments:

1. Resolution 2026-05
2. [Clean Energy Purchase Contract](#)
3. [PPA Custodial Agreement](#)
4. [Form of Limited Assignment Agreement \(LAA\)](#)
5. [Letter Agreement for LAAs](#)
6. [Operational Services Agreement](#)
7. [Memorandum of Understanding](#)
8. Appendix A to the Preliminary Official Statement

RESOLUTION NO. 2026 -05

RESOLUTION OF THE DESERT COMMUNITY ENERGY BOARD OF DIRECTORS AUTHORIZING THE EXECUTION AND DELIVERY OF A CLEAN ENERGY PURCHASE CONTRACT AND CERTAIN OTHER DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY (CCCFA) CLEAN ENERGY PROJECT REVENUE BONDS; AND CERTAIN OTHER ACTIONS REQUIRED TO ENSURE THE REDUCTION IN THE COST OF RENEWABLE ENERGY THEREWITH

THE DESERT COMMUNITY ENERGY BOARD OF DIRECTORS DOES HEREBY FIND, RESOLVE, AND ORDER AS FOLLOWS:

WHEREAS, Desert Community Energy (“**Desert Community Energy**” or “**DCE**”) was formed on December 15, 2015, under the provisions of the Joint Exercise Powers Act of the State of California, Government Code section 6500 *et seq.* (the “**JPA Law**”);

WHEREAS, Desert Community Energy is duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California, is duly authorized to transact business, having obtained all necessary filings, governmental licenses and approvals in the State of California, and has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage;

WHEREAS, Desert Community Energy is a community choice aggregator (as defined in Section 331.1 of the Public Utilities Code of the State of California (the “**Public Utilities Code**”), and is a public agency (as defined in the JPA Law) that has implemented a CCA program pursuant to Section 366.2 of the Public Utilities Code, and possesses the power to purchase and sell electric energy and enter into related contracts for such purposes;

WHEREAS, Desert Community Energy, acting pursuant to the JPA Law, may enter into a joint exercise of powers agreement with one or more other public agencies pursuant to which such contracting parties may jointly exercise any power common to them and, pursuant to Government Code Section 6588, to exercise certain additional powers;

WHEREAS, pursuant to the provisions of the JPA Law, Desert Community Energy joined certain other California community choice aggregators by entering into the joint powers agreement (the “**Joint Powers Agreement**”) pursuant to which the CCCFA (the “**Issuer**”) was organized for the purpose, among other things, of entering into contracts and issuing bonds to assist community choice aggregators, including Desert Community Energy, in financing the acquisition of supplies of clean energy;

WHEREAS, the Issuer is authorized by its Joint Powers Agreement to acquire supplies of clean energy and to issue revenue bonds to finance the cost of acquisition of such supplies, and is vested with all powers necessary to accomplish the purposes for which it was created;

WHEREAS, Desert Community Energy has determined that it is desirable to acquire a long-term supply of clean energy from the Issuer pursuant to a clean energy prepayment transaction (the “**Prepayment Transaction**”);

WHEREAS, Desert Community Energy has determined to authorize pursuant to this Resolution the undertaking of the Prepayment Transaction with the Electricity Supplier (defined below);

WHEREAS, in connection with the foregoing, Desert Community Energy is requesting the Issuer to agree to purchase on a prepaid basis certain quantities of clean energy from a Delaware limited liability company, the sole equity member of which is J. Aron & Company LLC, a New York limited liability company (the “**Electricity Supplier**”) on a prepaid basis and to sell such clean energy to DCE, as described herein (the “**Project**”);

WHEREAS, Desert Community Energy is requesting that the Issuer finance the costs of the Project with the proceeds of its clean energy project revenue bonds, with a Series designation determined by the Issuer based on the timing and sequence of issuance (the “**Bonds**”);

WHEREAS, Desert Community Energy has determined to authorize the representatives of Desert Community Energy to take all necessary action to accomplish the purchase of clean energy from the Issuer and to assist the Issuer in the issuance, sale and delivery of the Bonds; and

WHEREAS, there have been submitted to this meeting for approval forms of the following agreements to which Desert Community Energy is a party (collectively, the “**DCE Documents**”):

1. Clean Energy Purchase Contract between Desert Community Energy and the Issuer;
2. Custodial Agreement by and among Desert Community Energy, the Issuer, J. Aron & Company LLC, a New York limited liability company (“J. Aron”), and a custodial bank to be named therein;
3. A Form of Limited Assignment Agreement, by and among Desert Community Energy, the counterparty to the power purchase agreement described therein, and J. Aron;
4. Letter Agreement by and among Desert Community Energy, the counterparty to the power purchase agreement described therein and J. Aron regarding matters relating to the Limited Assignment Agreements;
5. Clean Energy Project Operational Services Agreement relating to the Project, by and among Desert Community Energy, Redwood Coast Energy Authority, and the Issuer; and

6. Memorandum of Understanding between Desert Community Energy and the Issuer relating to certain fees.

WHEREAS, there have also been submitted to this meeting forms of the following additional documents relating to the Project:

1. Appendix A to the Preliminary Official Statement to be used in connection with the offering and sale of the Bonds (together with the DCE Documents, the “**Project Documents**”);

NOW, THEREFORE, IT IS HEREBY DETERMINED, AFFIRMED, AND ORDERED BY THE BOARD OF DIRECTORS OF THE DESERT COMMUNITY ENERGY as follows:

Section 1. **AUTHORIZED REPRESENTATIVES.** The following named individuals are the authorized representatives of Desert Community Energy with the respective titles specified below (collectively referred to as “**Authorized Representatives**” and individually referred to as an “**Authorized Representative**”):

<u>NAMES</u>	<u>TITLES</u>
Jeffrey Bernstein	Chair of the Board
Veronica Chavez	Vice-Chair of the Board
Tom Kirk	Executive Director, Coachella Valley Association of Governments
Lisa McNeilly	Director of Energy & Sustainability, Coachella Valley Association of Governments
Claude Kilgore	Director of Finance, Coachella Valley Association of Governments

Section 2. **DCE Documents.** The proposed forms of the DCE Documents, attached hereto as Exhibit A, are hereby approved. The forms of Limited Assignment Agreement may be used, in a substantially similar form, for assignments of the initial or any additional DCE power purchase agreements, as needed to maintain the transactions approved hereby, and any such Limited Assignment Agreements shall be included in the DCE Documents and are hereby approved. Subject to the parameters set forth in Section 5 of this Resolution, any Authorized Representative is hereby authorized and directed, for and on behalf of Desert Community Energy, to execute and deliver the DCE Documents in substantially similar form, with such changes and insertions therein as the Authorized Representatives executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. **Appendix A to the Preliminary Official Statement.** Appendix A to the Preliminary Official Statement in the form attached hereto as Exhibit B is hereby

approved. Any Authorized Representative is hereby authorized and directed, for and on behalf of Desert Community Energy, to execute and deliver a certificate as to the information regarding Desert Community Energy contained in such Appendix A, with such changes and insertions therein as the Authorized Representative approving the same may deem necessary or appropriate. Desert Community Energy hereby authorizes the inclusion of such Appendix A in the Preliminary Official Statement and the final Official Statement, in each case with such changes as may be approved as aforesaid.

Section 4. Actions Authorized. The Authorized Representatives, each acting alone, are hereby authorized and directed, for and in the name and on behalf of Desert Community Energy, to execute and deliver any and all documents, including, without limitation, any tax certificate relating to its expected use of the energy to be purchased by it from the Project, any continuing disclosure certificate or similar agreement required for the offering or sale of the Bonds, and any and all closing certificates to be executed in connection with the issuance of the Bonds and to take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which Desert Community Energy has approved in this Resolution, for the issuance, sale and delivery of the Bonds, and to consummate by Desert Community Energy the transactions contemplated by Desert Community Energy for the Project, the DCE Documents approved hereby and the other Project Documents presented to the Board herewith, including any subsequent amendments, waivers or consents entered into or given under or in accordance with such documents.

Section 5. Transaction Parameters. The approvals provided for herein shall be subject to the following parameters:

(a) the Bonds will not be obligations of Desert Community Energy, but will be limited obligations of the Issuer payable solely from the revenues and other amounts pledged thereto, including amounts payable by Desert Community Energy under the Clean Energy Purchase Contract;

(b) the aggregate principal amount of the related Series of Bonds shall not exceed \$900,000,000;

(c) the Monthly Discount Percentage plus the Annual Refund for the initial Reset Period as provided for in the Clean Energy Purchase Contract shall be at least 8.00% of the fixed cash flows or equivalent \$ per MWh; and

(d) CCCFA's total cost of issuance including all underwriting, legal and consultant fees for the Project will not exceed 1.00% of the amount of the proceeds of the Bonds issued by CCCFA with respect to such Project.

Section 6. Execution and delivery of the DCE Documents by an Authorized Representative shall be conclusive evidence that the parameters set forth in Section 5 have been met, and all actions heretofore taken by the Authorized Representatives with respect to the issuance of the Bonds are hereby ratified, confirmed, and approved.

Section 7. If Section 5 and Section 6 listed herein have been met, an Authorized Representative may direct CCCFA to make payments to vendors that provided

professional services to DCE to complete the DCE Documents and ultimately the issuance of the Bonds with respect to the Project. These professional services include legal counsel, bond counsel, tax counsel, municipal financial advisor, swap advisor, trustee and trustee counsel, underwriter of the bonds, underwriter's counsel, and any other vendor required to complete the issuance of the Bonds. Payment to these vendors is considered a cost of issuance and will be paid by CCCFA out of the proceeds of the sale of the Bonds.

IT IS HEREBY FURTHER DETERMINED AND ORDERED that the Authorized Representatives are duly elected, appointed, or employed by or for Desert Community Energy, as the case may be. This Resolution now stands of record on the books of Desert Community Energy, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

IT IS HEREBY FURTHER DETERMINED AND ORDERED that any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved.

IT IS HEREBY FURTHER DETERMINED AND ORDERED that this Resolution shall take effect upon its passage, shall be continuing and shall remain in full force and effect unless and until expressly revoked by further resolution of the Board of Directors.

ADOPTED AND APPROVED this 15th day of June 2026.

Jeffrey Bernstein
Chair of the Board

ATTEST:

Tom Kirk
Secretary

EXHIBIT A

DCE Documents

(see attached)

EXHIBIT B


Form of Appendix A to POS

(see attached)

ITEM 6A

**DESERT COMMUNITY ENERGY BOARD
FY 2025-26 ATTENDANCE RECORD**

Voting Members	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
City of Palm Desert	*	*	✓	*	✓	*	*	*	✓	*	*	
City of Palm Springs	*	*	✓	*	✓	*	*	*	✓	*	*	

Absent 
No Meeting *

ITEM 6B

Desert Community Energy Board
June 15, 2026



STAFF REPORT

Subject: Assignment Agreement for Resi Station Contract

Contact: Lisa McNeilly, Director of Energy & Sustainability (lmcneilly@cvaq.org)

Recommendation: Information

Background: At its June 29, 2022, the Board authorized the Executive Director to execute a 10-year Western Systems Power Pool Resource Adequacy (RA) Confirmation with Resi Station, LLC for resource adequacy benefits from a demand response project. The RA contract fulfills part of the California Public Utility Commission's (CPUC) June 2021 Mid-term Reliability procurement order to achieve California's ambitious greenhouse gas (GHG) emissions reduction targets for 2030 and to help the state meet the ultimate goal of 100 percent carbon-free electricity resources by 2045. The RA product that Resi Station LLC (Resi Station), a subsidiary of OhmConnect, offers in the contract aggregates demand response by participating customers throughout California. DCE's pro rata share of the project is 4.5 megawatts (MW) of the 15MW peak volume over a 10-year period beginning January 1, 2023.

In November 2025, DCE staff were notified that a merger between OhmConnect and Google Nest involved operational changes that would make it difficult for Resi Station to continue to deliver their capacity obligation to DCE. After investigating possible replacement capacity, Resi Station ultimately offered to assign and transfer its obligations to Leapfrog Power, Inc. The Assignment, Assumption, and Novation Agreement has been reviewed by staff and will be signed by the Executive Director in accordance with the Assignment provisions of the original contract. All substantive terms of the original contract remain the same.

Fiscal Analysis: There is no additional cost to DCE for this information item. Under the pricing terms in the agreement, DCE will continue to pay for the system RA generated by the project at a fixed-price rate per MWh (megawatt hour) ranging from a low point for the months of November - March throughout the contract term to a high point for September 2023.

ITEM 6C

Desert Community Energy Board June 15, 2026



STAFF REPORT

Subject: Community Advisory Committee Update

Contact: Eman Nazir, Management Analyst (enazir@cvag.org)

Recommendation: Information

Background: In March 2019, the DCE Board established a Community Advisory Committee (CAC) to provide a structured opportunity for community members to participate in DCE and to help ensure that efforts to educate and inform member communities about Community Choice Energy are broad and inclusive. The CAC meets throughout the year to discuss a variety of topics and issues; DCE staff provides the Board with written updates following those meetings.

The CAC last met on April 13, 2026, at the Coachella Valley Association of Governments (CVAG) office in the City of Palm Desert. During the meeting, DCE staff provided updates on several ongoing initiatives, including DCE's upcoming small-business energy-efficiency program and the anticipated roll out of Calpine Community Energy's Community Benefits Grant Program.

DCE staff also introduced CAC members to the Residential Incentive Finder Tool. The tool officially launched in April 2026 as part of CVAG's partnership in the Inland Regional Energy Network (I-REN), which is a collaboration with San Bernardino Council of Governments (SBCOG), and Western Riverside Council of Governments (WRCOG) to expand access to energy-efficiency programs, education, and funding opportunities throughout the Inland Empire. The Residential Incentive Finder Tool consolidates more than 160 federal, state, regional, and local incentive programs into a single searchable tool, allowing residents to quickly identify programs they may qualify for based on household and location information. Available programs include:

- Energy bill discounts and income-qualified assistance
- Home energy improvements, including solar, insulation, and battery storage
- Electrification upgrades, such as heat pump technologies
- Clean transportation incentives, including electric vehicle programs

The tool also highlights enhanced benefits available to income-qualified households and surfaces relevant local and regional programs. No personally identifiable information is required or stored, and users may email themselves their results for future reference. The platform is now available on the DCE website: [I-REN Incentive Finder – Desert Community Energy](#).

At the April meeting, CAC members were able to beta test the incentive tool and provide feedback on how it works. CAC members provided feedback on outreach strategies, customer engagement opportunities, and potential barriers to participation for DCE's upcoming small-business energy-efficiency program. CAC members also participated in a discussion regarding Calpine Community Energy's Community Benefits Grant Program, including program eligibility, outreach opportunities, and ways to maximize awareness and participation across DCE member communities. Staff will continue incorporating CAC input into program development as

implementation progresses on these efforts.

CAC meetings are open to the public, and agendas are posted on the DCE website in advance to encourage participation and community engagement. Over the summer, DCE staff will also be reaching out to the community in an effort to fill vacancies on the CAC. An item will be brought to the Board in the fall to review the appointments.

Fiscal Analysis: There is no cost to DCE associated with this informational update. The CAC is a volunteer advisory body, and staff support for the committee is covered through existing resources.

Desert Community Energy
Unaudited Statement of Net Position Prev Year Comparison
As of March 31, 2026

Financial Row	Amount (As of 3/31/2026)	Comparison Amount (As of 03/31/2025)	Variance	% Variance
Assets				
Current Assets				
Bank				
1011 - 1011 - DCE CAMP Account - 6235	\$12,229,767	\$12,643,150	(\$413,383)	-3.27%
1021 - 1021 - DCE LAIF Account 40-33-028	\$20,737,038	\$6,451,944	\$14,285,093	221.41%
1050 - 1050 - DCE River City Bank Money Market -5470	\$405,775	\$405,775	\$0	0.00%
1051 - 1051 - DCE River City Bank FSR LOC Collateral -1075	\$0	\$147,000	(\$147,000)	-100.00%
1052 - 1052 - DCE River City Bank Operating Account -8099	\$199,135	\$199,405	(\$270)	-0.14%
1053 - 1053 - DCE River City Bank ICS Account -0995	\$1,440,405 [a]	\$0	\$1,440,405	100.00%
1054 - 1054 - DCE River City Bank DDM Marketplace Sweep - 0991	\$0 [a]	\$6,017,196	(\$6,017,196)	-100.00%
1055 - 1055 - DCE River City Bank Lockbox -4446	\$1,179,360	\$1,631,232	(\$451,872)	-27.70%
Total Bank	\$36,191,479	\$27,495,702	\$8,695,777	31.63%
Accounts Receivable				
1200 - 1200 - Accounts Receivable	\$12,018,886	\$15,056,465	(\$3,037,579)	-20.17%
Total Accounts Receivable	\$12,018,886	\$15,056,465	(\$3,037,579)	-20.17%
Other Current Asset				
1080 - 1080 - Fair Value Adjustment	(\$398)	\$5,479	(\$5,876)	-107.26%
1250 - 1250 - Accrued Accounts Receivable	\$2,001,959	\$1,660,009	\$341,950	20.60%
1300 - 1300 - Allowance for Doubtful Accounts	(\$3,096,214)	(\$3,206,731)	\$110,517	-3.45%
1400 - 1400 - Interest Receivable	\$69,074	\$71,100	(\$2,026)	-2.85%
1600 - 1600 - Prepaid Expenses	\$465,649 [b]	(\$19,529)	\$485,178	-2,484.40%
1650 - 1650 - Deposits Receivable	\$1,010,584	\$1,010,584	\$0	0.00%
Total Other Current Asset	\$450,655	(\$479,088)	\$929,743	-194.07%
Total Current Assets	\$48,661,020	\$42,073,079	\$6,587,941	15.66%
Total Assets	\$48,661,020	\$42,073,079	\$6,587,941	15.66%
Liabilities & Net Position				
Current Liabilities				
Accounts Payable				
2111 - 2111 - Accounts Payable	\$3,564,521	\$4,666,917	(\$1,102,396)	-23.62%
2120 - 2120 - Due To Other Government	\$933,887	\$386,256	\$547,631	141.78%
Total Accounts Payable	\$4,498,408	\$5,053,173	(\$554,765)	-10.98%
Other Current Liability				
2150 - 2150 - Accrued Accounts Payable	\$1,767,927	\$39,406	\$1,728,521	4,386.45%
2250 - 2250 - NEM Escrow Payable	\$44,311	\$58,052	(\$13,741)	-23.67%
2300 - 2300 - Taxes Payable				
2301 - 2301 - Utility Users Tax (UUT)	\$94,054	\$79,082	\$14,972	18.93%
2302 - 2302 - Electric Energy Surcharge (EES)	\$4,097	\$3,146	\$951	30.24%
Total - 2300 - 2300 - Taxes Payable	\$98,151	\$82,227	\$15,923	19.36%
Total Other Current Liability	\$1,910,388	\$179,685	\$1,730,703	963.19%
Total Current Liabilities	\$6,408,796	\$5,232,858	\$1,175,938	22.47%
Long Term Liabilities				
2451 - 2451 - Development Deposit	\$410,768	\$405,000	\$5,768	1.42%
Total Long Term Liabilities	\$410,768	\$405,000	\$5,768	1.42%
Net Position				
3100 - 3100 - F/B-Unrestricted	\$40,042,310	\$35,039,779	\$5,002,531	14.28%
3200 - 3200 - F/B-Restricted	\$0	\$147,000	(\$147,000)	-100.00%
Net Income	\$1,799,146	\$1,248,441	\$550,705	44.11%
Total Net Position	\$41,841,456	\$36,435,221	\$5,406,235	14.84%
Total Liabilities & Net Position	\$48,661,020	\$42,073,079	\$6,587,941	15.66%

[a] The DDM cash sweep account with River City Bank was closed in September 2025 and replaced with an ICS account.

[b] The increase is primarily attributable to higher prepaid Resource Adequacy costs.

Desert Community Energy
Unaudited Changes to Net Position Prev Year Comparison
July 1, 2025 - March 31, 2026

Financial Row	Amount (7/1/2025 - 3/31/2026)	Comparative Amount (7/1/2024 - 03/31/2025)	Variance	% Variance
Ordinary Revenue/Expense				
Revenue				
4310 - 4310 - Carbon Free	\$36,707,071	\$40,284,896	(\$3,656,364)	-8.88%
4350 - 4350 - Desert Saver	\$7,763,100	\$10,138,372	(\$2,075,241)	-23.43%
4400 - 4400 - Energy Settlements	\$2,324,760 [a]	\$6,553,707	(\$4,228,948)	-64.53%
4900 - 4900 - Other Revenue	\$3,655	\$14,884	(\$11,229)	-75.44%
Total - Revenue	\$46,798,585	\$56,991,860	(\$10,193,275)	-17.89%
Expense				
5100 - 5100 - Energy Procurement				
5100 - 5100 - Energy Procurement	\$17,758,652	\$21,339,924	(\$3,581,273)	-16.78%
5105 - 5105 - PCC0 REC Purchases	\$0	\$0	\$0	0.00%
5110 - 5110 - PCC1 REC Purchases	\$4,970,902	\$5,441,354	(\$470,451)	-8.65%
5200 - 5200 - Resource Adequacy	\$14,632,372	\$15,443,154	(\$810,782)	-5.25%
5220 - 5220 - Carbon Free Energy	\$550,000 [b]	\$4,916,358	(\$4,366,358)	-88.81%
5400 - 5400 - CAISO Market Charges	\$2,368,340	\$3,794,243	(\$1,425,903)	-37.58%
5500 - 5500 - Long Term PPA	\$1,920,816 [c]	\$0	\$1,920,816	100.00%
Total - 5100 - 5100 - Energy Procurement	\$42,201,081	\$50,935,033	(\$8,733,952)	-17.15%
5600 - 5600 - CPUC Penalty	\$0	\$1,750,159	(\$1,750,159)	-100.00%
6100 - 6100 - Advertising/Marketing/Sponsorships	\$600	\$4,280	(\$3,680)	-85.98%
6175 - 6175 - Postage	\$10,341	\$10,879	(\$538)	-4.95%
6200 - 6200 - Printing/Copying	\$9,379	\$8,080	\$1,299	16.07%
6250 - 6250 - Professional Services				
6250 - 6250 - Professional Services	\$77,239	\$146,286	(\$69,047)	-47.20%
6260 - 6260 - Audit/Accounting Services	\$12,350	\$0	\$12,350	100.00%
Total - 6250 - 6250 - Professional Services	\$89,589	\$146,286	(\$56,697)	-38.76%
6280 - 6280 - Legal Services	\$54,276	\$61,202	(\$6,926)	-11.32%
6500 - 6500 - Direct Program/Project Costs				
6550 - 6550 - Consultants	\$1,758,398	\$1,753,831	\$4,567	0.26%
6650 - 6650 - Outreach Services	\$15,728	\$17,280	(\$1,553)	-8.98%
6675 - 6675 - Customer Programs	\$0	\$1,628	(\$1,628)	-100.00%
Total - 6500 - 6500 - Direct Program/Project Costs	\$1,774,125	\$1,772,739	\$1,386	0.08%
7050 - 7050 - Account/Service Fees	\$7,052	\$6,226	\$827	13.28%
7075 - 7075 - IT Services	\$0	\$4,543	(\$4,543)	-100.00%
7150 - 7150 - Training and Event Registration	\$0	\$65,685	(\$65,685)	-100.00%
7175 - 7175 - Memberships	\$83,966	\$0	\$83,966	100.00%
7225 - 7225 - Subscription Based Information Technology	\$3,598	\$0	\$3,598	100.00%
7275 - 7275 - Insurance	\$6,144	\$6,033	\$111	1.84%
7350 - 7350 - Bad Debt Expense	\$1,600,926	\$1,817,420	(\$216,494)	-11.91%
Total - Expense	\$3,639,997	\$3,903,372	(\$263,375)	-6.75%
Net Ordinary Revenue	\$957,507	\$403,296	\$554,211	137.42%
Other Revenue and Expenses				
Other Revenue				
8001 - 8001 - Investment Income	\$849,854	\$815,839	\$34,015	4.17%
8005 - 8005 - Gain/(Loss) in Investments	(\$8,214)	\$29,307	(\$37,521)	-128.03%
Total - Other Revenue	\$841,639	\$845,146	(\$3,506)	-0.41%
Other Expense				
7400 - 7400 - Interest Expense	\$0	\$0	\$0	0.00%
Total - Other Expense	\$0	\$0	\$0	0.00%
Net Other Revenue	\$841,639	\$845,146	(\$3,506)	-0.41%
Net Revenue	\$1,799,146	\$1,248,441	\$550,705	44.11%

[a] The decrease is mainly due to a one-time environmental energy sale of approximately \$3.8 million in December 2024 that occurred in the prior year and did not recur in the current fiscal year.

[b] DCE revised its modeling of Carbon Free energy procurement for the Carbon Free rate program in 2025, which resulted in a reduction of necessary Carbon Free procurement to maintain the 100% requirement.

[c] New account for FY2025/26; it was combined with Energy Procurement in prior years.

Desert Community Energy
Unaudited Changes to Net Position Budget vs. Actual
July 1, 2025 - March 31, 2026

Financial Row	Amount	Budget Amount	Amount Over Budget	% of Budget
Ordinary Revenue/Expense				
Revenue				
4310 - 4310 - Carbon Free	\$36,707,071	\$34,730,856	\$1,976,215	105.69%
4350 - 4350 - Desert Saver	\$7,763,100	\$8,740,605	(\$977,505)	88.82%
4400 - 4400 - Energy Settlements	\$2,324,760	\$1,847,220	\$477,540	125.85%
4900 - 4900 - Other Revenue	\$3,655	\$0	\$3,655	100.00%
Total - Revenue	\$46,798,585	\$45,318,681	\$1,479,904	103.27%
Expense				
5100 - 5100 - Energy Procurement				
5100 - 5100 - Energy Procurement	\$17,758,652	\$17,762,652	(\$4,000)	99.98%
5110 - 5110 - PCC1 REC Purchases	\$4,970,902	\$5,393,644	(\$422,741)	92.16%
5200 - 5200 - Resource Adequacy	\$14,632,372	\$15,203,467	(\$571,096)	96.24%
5220 - 5220 - Carbon Free Energy	\$550,000	\$550,000	\$0	0.00%
5400 - 5400 - CAISO Market Charges	\$2,368,340	\$1,640,886	\$727,454	144.33%
5500 - 5500 - Long Term PPA	\$1,920,816	\$2,116,022	(\$195,206)	90.77%
Total - 5100 - 5100 - Energy Procurement	\$42,201,081	\$42,666,671	(\$465,589)	98.91%
Expense				
6100 - 6100 - Advertising/Marketing/Sponsorships	\$600	\$3,833	(\$3,233)	15.65%
6175 - 6175 - Postage	\$10,341	\$10,641	(\$300)	97.18%
6200 - 6200 - Printing/Copying	\$9,379	\$9,992	(\$613)	93.87%
6250 - 6250 - Professional Services				
6250 - 6250 - Professional Services	\$77,239	\$168,640	(\$91,401)	45.80%
6260 - 6260 - Audit/Accounting Services	\$12,350	\$0	\$12,350	100.00%
Total - 6250 - 6250 - Professional Services	\$89,589	\$168,640	(\$79,051)	53.12%
6280 - 6280 - Legal Services	\$54,276	\$65,162	(\$10,886)	83.29%
6500 - 6500 - Direct Program/Project Costs				
6550 - 6550 - Consultants	\$1,758,398	\$1,854,555	(\$96,157)	94.82%
6650 - 6650 - Outreach Services	\$15,728	\$15,645	\$83	100.53%
6675 - 6675 - Customer Programs	\$0	\$0	\$0	0.00%
Total - 6500 - 6500 - Direct Program/Project Costs	\$1,774,125	\$1,870,200	(\$96,075)	94.86%
7050 - 7050 - Account/Service Fees	\$7,052	\$7,000	\$52	100.74%
7175 - 7175 - Memberships	\$83,966	\$83,966	\$0	0.00%
7200 - 7200 - Office Supplies	\$0	\$250	(\$250)	-100.00%
7225 - 7225 - Subscription Based Information Technology	\$3,598	\$3,720	(\$123)	96.70%
7275 - 7275 - Insurance	\$6,144	\$6,205	(\$61)	99.02%
7350 - 7350 - Bad Debt Expense	\$1,600,926	\$1,564,973	\$35,954	102.30%
Total - Expense	\$3,639,997	\$3,794,584	(\$154,587)	95.93%
Net Ordinary Revenue	\$957,507	(\$1,142,574)	\$2,100,080	-83.80%
Other Revenue and Expenses				
Other Revenue				
8001 - 8001 - Investment Income	\$849,854	\$761,284	\$88,569	111.63%
8005 - 8005 - Gain/(Loss) in Investments	(\$8,214)	\$0	(\$8,214)	100.00%
Total - Other Revenue	\$841,639	\$761,284	\$80,355	110.56%
Net Other Revenue	\$841,639	\$761,284	\$80,355	110.56%
Net Revenue	\$1,799,146	(\$381,290)	\$2,180,436	-471.86%

**DESERT COMMUNITY ENERGY
INVESTMENT REPORT
FOR MARCH 31, 2026**

Description	Carrying Amount	% of Total	Fair Market Value		% of Total	Annual %age Yield
CASH AND INVESTMENTS UNDER THE DIRECTION OF DCE						
River City Bank - Operating	\$ 199,135	0.55%	\$ 199,135		0.55%	N/A
River City Bank - ICS	\$ 1,440,405	3.98%	\$ 1,440,405		3.98%	3.96%
River City Bank - Lockbox	\$ 1,179,360	3.26%	\$ 1,179,360		3.26%	N/A
River City Bank - Money Market	\$ 405,775	1.12%	\$ 405,775		1.12%	2.28%
Local Agency Investment Fund (LAIF)	\$ 20,737,038	57.30%	\$ 20,736,640	[a]	57.30%	3.83%
CAMP	\$ 12,229,767	33.79%	\$ 12,229,767		33.79%	3.80%
Overall Total	\$ 36,191,479	100.00%	\$ 36,191,082		100.00%	

Note:

[a] Source of Market Values - LAIF, State of California Pooled Money Investment Account Market Valuation - March 2026. Paper Gain/(Loss) was (0.002)%. Fair market value includes accrued interest.

DCE's investment portfolio demonstrates its ability to fully sustain its expenditure requirements for at least the next six months and beyond including all liquidity requirements for the foreseeable future.

Duly submitted by:



Claude T. Kilgore
Director of Finance

ITEM 6F

Desert Community Energy Board
June 15, 2026



STAFF REPORT

Subject: Governmental Accounting Standards Board's (GASB) Video Series

Contact: Claude T. Kilgore, Director of Finance (ckilgore@cvag.org)

Recommendation: Information

Background: Established in 1984, the Governmental Accounting Standards Board (GASB) is the independent, private-sector organization based in Norwalk, Connecticut, that establishes accounting and financial reporting standards for U.S. state and local governments that follow Generally Accepted Accounting Principles (GAAP).

The GASB standards are recognized as authoritative by state and local governments, state Boards of Accountancy, and the American Institute of CPAs (AICPA). GASB develops and issues accounting standards through a transparent and inclusive process intended to promote financial reporting that provides useful information to taxpayers, public officials, investors, and others who use financial reports.

In April 2026, GASB announced it is offering a new video series to walk elected officials, citizens, accounting students, preparers, and other stakeholders through the highlights of the annual comprehensive financial report (ACFR), which presents the financial statements for a state or local government. The goal of the 16 videos is to explain how information within the ACFR may be used. The episodes average 5-to-10 minutes in length. The series includes a three-part introduction to government financial reporting and 13 segments on key areas of the ACFR.

Staff is providing a link to the videos for the Board members' information: [Video Series Walks Elected Officials through Governmental Financial Reports](#).

Fiscal Analysis: There is no cost to DCE. The video series is a free service offered by GASB.

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS SCHEDULE OF MEETINGS

FISCAL YEAR 2026-27



STANDING COMMITTEES & GOVERNING BODIES	DAY	TIME	JULY (Dark)	AUG (Dark)	SEPT	OCT (Dark)	NOV	DEC (Dark)	JAN	FEB	MAR (Dark)	APR	MAY	JUN
EXECUTIVE COMMITTEE	Last Monday	4:00 p.m.	-	-	28	-	30	-	25	22	-	26	H June 7	28
TRANSPORTATION COMMITTEE	1 st Monday	10:00 a.m.		-	H Aug 31	-	2	-	4	1	-	5	3	7
ENERGY AND SUSTAINABILITY COMMITTEE	2 nd Thursday	12:00 p.m.	-	-	10	-	12	-	14	11	-	8	13	10
PUBLIC SAFETY COMMITTEE	2 nd Monday	9:00 a.m.	-	-	14	-	9	-	11	8	-	-	10	14
HOMELESSNESS COMMITTEE	3 rd Wednesday	10:00 a.m.	-	-	16	-	18 9:30 am	-	20	17	-	21	19	16
GENERAL ASSEMBLY	Last Monday in June	TO BE ANNOUNCED	-	-	-	-	-	-	-	-	-	-	-	28
OTHER AGENCIES														
COACHELLA VALLEY CONSERVATION COMMISSION	2 nd Thursday	10:30 a.m.	-	-	10	-	12	-	14	11	-	8	13 11 am	10
DESERT COMMUNITY ENERGY	3 rd Monday	3:00 p.m.	-	-	21	-	16	-	H Jan 11	H Feb 8	15	-	17	21
COACHELLA VALLEY POWER AGENCY	Last Monday	3:00 p.m.	-	-	28	-	30	-	25	22	-	26	H June 7	-

H = Holiday * = Special Meeting

AGENDAS CAN BE FOUND AT: www.cvag.org.

UPDATED: June 1, 2026

PLEASE NOTE: When it becomes necessary to have a special meeting or to change the date of a meeting, committee members will be alerted and the change will be noted on the CVAG website calendar.

ITEM 6H

Desert Community Energy Board
June 15, 2026



STAFF REPORT

Subject: Calpine Community Energy's Community Benefits Grant Program

Contact: Eman Nazir, Management Analyst (enazir@cvag.org)

Recommendation: Information

Background: Calpine Community Energy (Calpine) provides front-line customer services for DCE, including data management and customer call center services. On May 19, 2025, the DCE Board approved an agreement with Calpine through April 2028, which also established a Community Benefits Grant Program for the DCE service territory. Under the program, Calpine rebates two percent of annual data management service fees to support nonprofit organizations advancing clean energy, sustainability, and resiliency efforts aligned with DCE's mission.

At the September 2025 Board meeting, Calpine representatives presented preliminary information regarding the anticipated rollout of the program and received Board input on coordination with the City of Palm Springs' broader community engagement efforts. Staff also provided an update at the March 2026 Board meeting regarding the anticipated launch of the program. Staff provided an update to DCE's Community Advisory Committee in April 2026, where staff received additional input on program rollout.

Over the past several months, DCE staff have worked with Calpine to refine program elements and prepare for launch. Calpine collaborated with DCE staff on program guidelines, outreach, and application review, but retains sole responsibility for awarding grant funds. Applications are open to IRS-designated 501(c)(3) nonprofit organizations serving the DCE service territory and must align with one or more of the following focus areas: Energy & Sustainability, Environmental & Social Justice, Education, and Workforce Development.

The Community Benefits Grant Program officially launched on May 15, 2026. Approximately \$11,000 is available for the 2026 funding cycle, with Calpine awarding up to three grant awards for projects with a one-year term. Applications include a short project description and high-level budget.

To support outreach efforts, DCE staff created a dedicated [Programs & Assistance](#) webpage featuring a [grants page](#) for the program. Staff also developed an outreach database of qualifying nonprofit organizations using information from the City of Palm Springs' Finance Department and the Palm Springs Chamber of Commerce.

The application period is open through June 26, 2026. Awardees are expected to be notified in September 2026, with grant funds anticipated to be distributed in late 2026.

Staff will continue to provide updates to the Board as the program progresses =.

Fiscal Analysis: There is no cost to DCE associated with this informational report. Calpine's contract includes a two percent rebate to support the Community Benefits Grant Program, projected to provide approximately \$11,000 annually to nonprofit organizations serving the DCE service territory.