

Press  
Release



# Clean Power Alliance Utilizes Pre-Pay Green Bond to Lower Costs of Renewable Energy Procurement

**Proven and Innovative Approach Expected to Save  
CPA Customers Approximately \$67 Million  
Over the Next Eight Years**

**For immediate release: February 27, 2023**

**Los Angeles, CA** – Clean Power Alliance (CPA), California’s largest Community Choice Aggregator serving approximately one million customer accounts throughout Los Angeles and Ventura counties, has arranged for the issuance of a municipal non-recourse Clean Energy Project Revenue Bond through the California Community Choice Financing Authority (CCCFA).

The nearly \$1 billion bond issuance is expected to reduce CPA’s renewable energy costs by approximately \$66.7 million over the initial eight-year period of the bonds, or an average of \$8.3 million annually.

The savings from this prepay transaction are locked in until 2031, when the bond will be repriced. The bond received an investment-grade Baa1 rating by Moody’s and received a ‘Green Bonds’ designation by Kestrel Verifiers.

“This is an exciting opportunity for CPA to save on the costs of purchasing renewable energy that will have significant long-term benefit to our customers,” said David McNeil, Clean Power Alliance’s Chief Financial Officer. “It feels great to continue to be innovative in how we provide affordable clean energy to the communities we serve.”



Energy prepayment bonds are long-term financial transactions available to municipal agencies like CPA to provide power procurement cost savings.

“This prepay structure has historically been utilized for natural gas procurements and as part of the clean energy transition it is exciting to see it now being used for renewable energy procurements,” said Susan Santangelo, Chair of CPA’s Finance Committee and Mayor of the City of Camarillo. “As a public agency, we utilize our tax-exempt status to reduce our power procurement costs and can pass these appreciable savings along to our many Southern California customers.”

A Clean Energy Project Revenue Bond is a form of wholesale electricity prepayment that requires three key parties: a tax-exempt public electricity retailer (CPA in this transaction), a taxable energy supplier (J Aron & Company, LLC in this transaction), and a municipal bond issuer (CCCFA in this transaction).

The three parties then enter into long-term power supply agreements for zero-emission clean electricity sources such as solar, wind, geothermal, and hydropower. The municipal bond issuer issues tax-exempt bonds (underwritten by Goldman Sachs in this transaction) to fund a prepayment of energy that will be delivered over 30 years.

The energy supplier utilizes the bond proceeds and provides a discount to the tax-exempt public electricity retailer in exchange for the prepayment on the respective power purchases. This discount is historically in the range of 8 to 12 percent. CPA has assigned three power purchase agreements (PPAs) to this prepay transaction, two solar-plus-storage projects, and one geothermal project. The bond will be utilized to prepay the purchase of 503 megawatts (MW) of clean electricity, enough clean energy to avoid more than 767 million pounds of greenhouse gas emissions annually and power more than 194,000 Southern California homes per year.

The demand for the bond was more than one-and-a-half times the available supply, reflecting strong institutional investor interest in this issuance. The bond proceeds were \$998,780,000 and the bonds yield an average of 4.60 percent. CPA was advised by municipal financial advisor Municipal Capital Markets Group and by the law firm Chapman & Cutler.



## About Clean Power Alliance

Founded in 2017, Clean Power Alliance is the locally operated not-for-profit electricity provider for 30 cities across Los Angeles County and Ventura County, as well as the unincorporated areas of both counties. CPA is the fourth largest electricity provider in California and has the most customers receiving 100% renewable energy in the nation. CPA serves approximately three million people via one million customer accounts, providing clean renewable energy at competitive rates. To view CPA's 2021 Impact Report, click [here](#). For complete information regarding CPA visit [www.cleanpoweralliance.org](http://www.cleanpoweralliance.org).

### Media Contact:

Joseph Cabral  
Clean Power Alliance  
External Affairs Manager  
[jcabral@cleanpoweralliance.org](mailto:jcabral@cleanpoweralliance.org)  
213-442-8109

