

Press
Release



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

\$1 Billion Bond Issuance is Expected to Save CPA Customers Approximately \$32 Million Over the Next Five Years

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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 its second municipal non-recourse Clean Energy Project Revenue Bond through the California Community Choice Financing Authority (CCCFA).

The approximately \$1 billion bond issuance is expected to reduce CPA’s renewable energy costs by approximately \$31.9 million over the initial five-year period of the bonds, or an average of \$6.4 million annually.

The savings from this prepay transaction are locked in until 2028, at which time the bond will be repriced. The bond received an investment-grade Baa1 rating from Moody’s and a ‘Green Bonds’ designation by Kestrel Verifiers.

CPA arranged for the issuance of its first Clean Energy Project Revenue bond in February 2023. The combined average annual CPA savings for the two bond issuances total approximately \$14.7 million.

“This is an exciting opportunity for CPA to save on the costs of purchasing renewable energy that will yield significant benefits 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 many communities we serve.”



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

“As a not-for-profit public agency, we are able to utilize our tax-exempt status to reduce our power procurement costs. We can then pass along these appreciable savings to our Southern California customers,” said Susan Santangelo, Chair of CPA’s Finance Committee and Mayor of the City of Camarillo.

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, hydropower, and battery storage. 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 four power purchase agreements (PPAs) to this prepay transaction, three solar-plus-storage projects, and one wind project. The bond will be utilized to prepay the purchase of a combined capacity of 685.5 megawatts (MW) of clean electricity. This is enough clean energy to avoid more than 830 million pounds of greenhouse gas emissions annually, and power more than 209,000 Southern California homes per year.

The bond proceeds are \$ 1,001,786,198 and the bonds yield an average of 4.53 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 2022 Impact Report, click [here](#). For complete information regarding CPA visit www.cleanpoweralliance.org.

Media Contact:

Joseph Cabral
Clean Power Alliance
External Affairs Manager
jcabral@cleanpoweralliance.org
213-442-8109

