

Press
Release



Clean Power Alliance Issues Third Pre-Pay Green Bond Further Lowering Renewable Energy Costs

New \$1.5 Billion Bond Issuance is Expected to Save CPA Customers Approximately \$93 Million over Eight Years

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Los Angeles, Calif. – Clean Power Alliance (CPA), California’s largest Community Choice Aggregator serving more than three million residents and businesses throughout Los Angeles and Ventura counties, has issued its third municipal non-recourse Clean Energy Project Revenue Bond through the California Community Choice Financing Authority (CCCFA).

The \$1.524 billion bond issuance is expected to reduce CPA’s renewable energy costs by an estimated \$93 million over the initial eight-year period of the bond, or an average of \$11.6 million annually.

The savings from this prepay transaction are locked in until 2032, at which time the bond will be repriced. The bond received an investment-grade A1 rating from Moody’s and a ‘Green Bonds’ designation by Kestrel Verifiers.

CPA issued its first two Clean Energy Project Revenue bonds in February 2023 and April 2023, respectively. The three bond issuances are expected to generate total annual savings of approximately \$25.3 million.

“Clean Power Alliance is pleased to issue its third clean energy bond and lower our energy costs,” said David McNeil, Clean Power Alliance’s Chief Financial Officer. “Lowering energy costs frees up resources to serve our customers through innovative programs and by offering competitive rates. We look forward to issuing additional clean energy bonds while continuing to look for innovative mechanisms to provide affordable clean energy to the dozens of communities we serve.”



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

“As a not-for-profit public agency, CPA is structured to benefit its customers and invest revenues into customer programs, workforce development, and strengthening critical infrastructure,” said Susan Santangelo, Chair of CPA’s Finance Committee and City of Camarillo Councilmember. “CPA is able to leverage its tax-exempt status to reduce power costs, which can help mitigate rising electricity bills.”

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 provides a discount to the tax-exempt public electricity retailer in exchange for the prepayment of power purchases funded by the bond proceeds.

CPA has assigned three solar-plus-storage power purchase agreements (PPAs) to this prepay transaction. The bond will be utilized to prepay the purchase of a combined capacity of 854.5 megawatts (MW) of renewable energy. This is enough clean energy to avoid more than 775 million pounds of harmful greenhouse gas emissions annually, and power more than 225,000 Southern California homes per year.

For the bond, 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 33 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 the number one green power provider in the United States. CPA serves approximately three million



residents and businesses, providing clean renewable energy at competitive rates. To view CPA's 2023 Impact Report, click [here](#). For complete information regarding CPA visit <http://www.cleanpoweralliance.org>.

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