

BUILDING A MORE RESILIENT CALIFORNIA



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2025 was challenging for our region and for the clean energy industry. The devastating impacts of climate change resonated across two brutal fires which left communities obliterated and those who call them home trying to find viable pathways forward.

Policy changes at the federal level impacted everything from ending incentives that made participating in clean energy solutions more affordable to changing the financial and permitting framework under which electricity providers like CPA have been successful at delivering high levels of cost-competitive and reliable renewable energy.

One thing has not changed – Clean Power Alliance's purpose. We continue to serve CPA customers and communities with reliable clean energy options and cost-and-energy-saving programs that

provide more than three million residents, businesses and government agencies with opportunities to make their lives and communities more sustainable and resilient.

As part of this critical work, CPA responded to the Eaton and Palisades fires by taking several actions in 2025, including participating in the Blue Ribbon Commission on Climate Action and Fire Safe Recovery to aid in efforts that make rebuilding a chance to build stronger. We distributed funding to local nonprofits working in fire relief and to the U.S. Green Building Council

California's Wildfire Defense Education program to provide local contractors and industry professionals with wildfire recovery training and resources.

CPA also added wildfire hardening expertise to our Energy Team service so customers who use our free home efficiency and upgrade guidance can also learn how to strengthen their home's defenses. We also increased the incentive level offered by our Sun Storage Rebate program for customers in high fire risk areas who install battery backup power in their homes.

Fire response did not detract us from our proactive work to keep the demand for clean energy growing in our region.

In 2025, the cities of La Cañada Flintridge, Lynwood and Port Hueneme transitioned to CPA's electricity service, adding more than 33,000 new customers and expanding our territory to 38 communities. With the addition of these cities, CPA customers across our service area are projected to avoid 3.7 billion pounds of greenhouse gas emissions in 2026. The cities of Cudahy and Fillmore have started the process to join us in 2027.

Our support for our local government members and low-income customers also expanded in 2025.

Through our Energized Communities program, we provided funding, technical support and project implementation assistance to advance transportation and building electrification projects in our local communities. Our

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Innovation Fund is taking locally generated ideas and turning them into reality, providing tangible benefits on the ground and supporting examples of what might work on a broader scale.

CPA launched two new programs in 2025 to support low-income residents and increase access to clean energy and clean technologies. The Instant AC Savings program provides eligible residents with a \$300 coupon toward the purchase of an energy-efficient room air conditioning unit – helping residents afford needed cooling in increasingly hot summer weather. The program complements LA County's 2025 heat ordinance to ensure residents have relief from the heat which can have dangerous impacts on health and wellbeing.

The Solar and Battery Access program provides income-

eligible homeowners with solar energy systems on their home with no upfront costs to them for equipment or installation. Residents in the program not only benefit from reliable power for their home, but the clean energy system is projected to reduce customer's monthly bills by at least half. CPA will operate those home solar and battery systems as a networked virtual power plant to manage energy demand in real time.

CPA achieved a major financial milestone in 2025, receiving a credit rating upgrade to "A" with a stable outlook from S&P Global Ratings. The improvement from the previous "A-" rating reflects CPA's financial resilience, disciplined governance and demonstrated ability to manage operational and market risks along with our commitment to provide clean, reliable and affordable energy for our customers.

Part of this financial strength is based on our award-winning prepay bond program, which continues to provide millions of dollars in renewable energy cost savings. CPA began issuing prepay bonds in 2023, and we'll be able to realize more than \$360 million in savings over the next eight years. More prepay bond issuances are expected in 2026, delivering even more cost savings.

Undoubtedly 2026 will bring new challenges to confront and opportunities to seize. CPA is well poised to work with our local leaders to deliver value to our customers and invest in the clean energy infrastructure that makes Southern California sustainable and strong.

Thank you to our customers, communities and stakeholders for trusting us as your electricity provider and for participating in building a better future for all.

