



FISCAL YEAR 2022-23 OPERATING BUDGET

TABLE OF CONTENTS

STRATEGIC PRIORITIES	3
EXECUTIVE DIRECTOR MESSAGE	4
BOARD OF DIRECTORS	6
BOARD COMMITTEES.....	7
FISCAL YEAR 2022-23 BUDGET SUMMARY	9
REVENUES	10
EXPENSES	12
DIVISION OVERVIEWS	14
ORGANIZATION CHART	22
POSITION LISTING	23
FOCUS ON FINANCIAL HEALTH	24
PROJECTED RESERVES.....	25
FIVE YEAR FORECAST	26
CUSTOMER STATISTICS	27
MPOWER PROGRAM.....	29
AGENCY OVERVIEW	30
COMMUNITY BENEFITS.....	33

Strategic Priorities

Pioneer Community Energy was created to serve the needs of our region. As a steward of Placer County and El Dorado County resources, Pioneer strives to excel in each of its strategic priorities. These Strategic Priorities are actionable and are demonstrated throughout our work and organizational goals and objectives.

Local Engagement

- Listen to our customers.
- Grow our relationships with residents and businesses.
- Launch a Community Program Advisory Committee.

Quality in Service

- Ensure the highest quality customer service.
- Keep rates stable and competitive.
- Launch community requested programs.



Financial Stability & Strategic Growth

- Pursue expansion opportunities.
- Achieve an investment-grade credit rating.
- Participate in legislative and regulatory proceedings that support our customers.

Employer of Choice

- Conduct biennial compensation and benefits study.
- Uphold Pioneer's company culture.

Operational Excellence

- Continue grid resiliency efforts to mitigate PSPS.
- Develop one biomass project.
- Diversify Pioneer's energy procurement.

EXECUTIVE DIRECTOR MESSAGE

I am pleased to present Pioneer Community Energy's ("Pioneer") Fiscal Year ("FY") 2022-23 Recommended Budget. The FY 2022-23 Recommended Budget supports the Agency's mission statement "Pioneer Community Energy is a locally owned provider of electricity - powering the communities we serve with competitive rates, reliable service, and a choice in energy options." The foundation of the FY 2022-23 Recommended Budget is Pioneer's strategic plan.

The balanced budget features Pioneer's fifth full year of operations, which includes providing reliable energy, maintaining competitive rates by providing a minimum 6% discount to Pacific Gas & Electric's ("PG&E") customer generation rates resulting in \$20 million of savings for our customers, and funding initiatives that are important to our customers.

The FY 2022-23 Recommended Budget includes \$200.8 million in revenues offset by \$164.6 million in expenses. The budget was developed based on 150,000 customer accounts, 1.8 billion kilowatt hours of energy sales, and seventeen full-time employees.

Major highlights of the budget include:

- Contribution to reserves of \$36.2 million that will improve our credit, provide purchasing leverage, and mitigate the impact of rate increases. Our projected cash reserves by the end of the fiscal year will put Pioneer in a position of strength to pursue an investment grade credit rating
- Enhancement of public outreach and customer relations efforts that will maintain current relationships while building new relationships with an overall goal of strengthening our involvement in the community
- Support to successfully close negotiations on long-term power purchase agreements that invest in local biomass projects that mitigate wildfire risk and creates local jobs
- Implementation of energy efficiency programs that are recommended by the Customer Programs Advisory Committee
- Funding to pursue a long-term power prepay agreement that allows Pioneer to take advantage of its tax-exempt status to reduce power supply costs to maintain our stable and competitive rates
- Increased funding of our pro-active approach to legislative and regulatory initiatives that are important to our customers while mitigating threats
- Continued funding for cybersecurity to protect our customer's data

While Pioneer is currently in stable financial condition, there are risks and uncertainty that can impact the Agency including:

- Power Charge Indifference Adjustment (“PCIA”) – This charge is an exit fee assessed by PG&E to cover generation costs acquired prior to a customer switching to a Community Choice Aggregator such as Pioneer. This fee can impact Pioneer’s rate competitiveness. The exact impact to this year’s budget is unknown.
- Power Supply – Power supply is the largest and most volatile expense of Pioneer. Although Pioneer is governed by an energy risk management policy and is well hedged for the fiscal year, changes in energy needs and market prices can erode cash reserves quickly
- Regulatory – Uncertainty in regulatory decisions by the California Public Utilities Commission could adversely affect the cost the customers have to pay to take service from Pioneer
- Economy – We believe our service territory has an extremely resilient and well diversified economy, but a downturn would impact our projections

I am confident that Pioneer can focus on its strengths and work through the many challenges. Continued success will only be achieved through collaboration, creativity, and commitment.



Sincerely,

A handwritten signature in black ink that reads "Donald Eckert". The signature is fluid and cursive.

Donald Eckert
Executive Director
Pioneer Community Energy

Pioneer Board Members

Local representation of our region can be seen throughout Pioneer's Joint Powers Authority and Board of Directors. With their leadership, Pioneer provides the communities we serve a choice in power.



ALICE DOWDIN CALVILLO
Chair, Auburn City Council



JEFF DUNCAN
Vice Chair, Loomis Town Council



JOHN HIDAHL
El Dorado County
Board of Supervisors



SUZANNE JONES
Placer County
Board of Supervisors



JIM HOLMES
Placer County
Board of Supervisors



GREG JANDA
Rocklin City Council



DAN KARLESKINT
Lincoln City Council



WES HEATHCOCK
Colfax City Manager



DENNIS THOMAS
Placerville City Council



JAN CLARK-CRETS
Alternate, Loomis Town
Council



PAUL JOINER
Alternate, Lincoln City
Council



DAVID ACKERMAN
Alternate, Colfax City
Council



LORI PARLIN
Alternate, El Dorado County
Board of Supervisors



JOE PATTERSON
Alternate, Rocklin City
Council



RACHEL RADELL-HARRIS
Alternate, Auburn City
Council



BONNIE GORE
Alternate, Placer County
Board of Supervisors



MICHAEL SARAGOSA
Alternate, Placerville City
Council

2022 GOVERNING BOARD - COMMITTEES

Board Member	Representing	Expansion	Audit & Finance	Energy Procurement Review
Chair Alice Dowdin Calvillo	City of Auburn	X		X
Vice Chair Jeff Duncan	Town of Loomis		X	X
Director Jim Holmes	County of Placer	X		
Director Daniel Karleskint	City of Lincoln	X	X	
Director Dennis Thomas	City of Placerville		X	
Director Greg Janda	City of Rocklin		X	X
Director John Hidahl	County of El Dorado			X

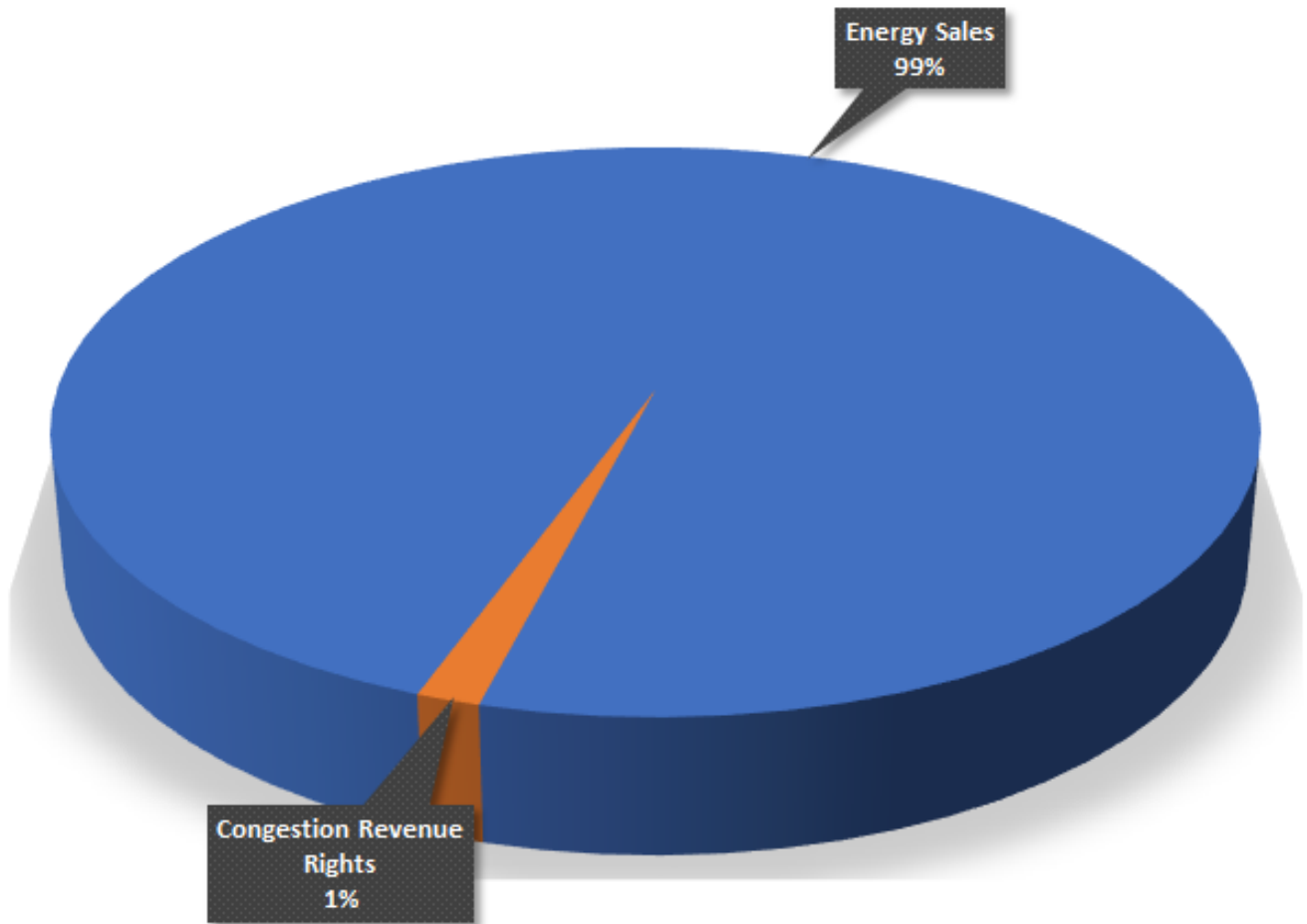
FISCAL YEAR 2022-23 BUDGET SUMMARY

PIONEER COMMUNITY ENERGY (CCA) Recommended Budget for FY 2022-2023

\$ in Thousands					
Energy Revenues		Adopted Mid-Year FY 2021-22	Recommended FY 2022-23	Variance \$	%
	Energy Sales	\$125,940,000	\$199,630,000	\$73,738,000	58.6%
	Green100 Sales		\$48,000		
	Congestion Revenue Rights	\$3,250,000	\$3,000,000	(\$250,000)	-7.7%
	Less Uncollectable Accounts	(\$1,414,000)	(\$1,996,780)	(\$582,780)	41.2%
Total Energy Revenues		\$127,776,000	\$200,681,220	\$72,905,220	57.1%
Energy Expenses					
	Power Supply	\$105,314,000	\$149,977,000	\$44,663,000	42.4%
Operating Margin		\$22,462,000	\$50,704,220	\$28,242,220	125.7%
OPERATING EXPENSES					
By Division		Adopted Mid-Year FY 2021-22	Recommended FY 2022-23		
	Administration Total	\$1,497,000	\$1,653,802	\$156,802	10.5%
	Finance Total	\$1,252,000	\$1,546,863	\$294,863	23.6%
	Power Procurement Total	\$1,714,000	\$2,324,025	\$610,025	35.6%
	Customer Care Total	\$2,382,000	\$3,347,832	\$965,832	40.5%
	Marketing Total	\$892,000	\$1,053,678	\$161,678	18.1%
	Legislative & Regulatory Total	\$702,000	\$720,444	\$18,444	2.6%
	Programs Total	\$56,000	\$355,820	\$299,820	535.4%
By Expense Type					
	Compensation Total	\$2,599,000	\$3,620,582	\$1,021,582	39.3%
	Contract Services Total	\$4,093,000	\$6,215,161	\$2,122,161	51.8%
	Operating Expenses Total	\$1,802,000	\$1,166,721	(\$635,279)	-35.3%
Total Operating Expenses		\$8,494,000	\$11,002,464	\$2,508,464	29.5%
Debt Service					
	Term Loan Debt Services	\$950,000	\$950,000	\$0	0.0%
	Additional Term Loan Principal	\$0	\$2,100,000	\$2,100,000	
	Line/Letter of Credit Fees	\$0	\$250,000	\$250,000	
	Financial Security Requirement	\$0	\$356,000	\$356,000	
	Debt Service Total	\$950,000	\$3,656,000	\$2,706,000	284.8%
Total Expenses		\$114,758,000	\$164,635,464	\$49,877,464	43.5%
Non Operating Revenue					
	Investment gains (losses)	\$100,000	\$75,000	(\$25,000)	-25.0%
	Miscellaneous Income	\$180,000	\$0	(\$180,000)	-100.0%
	Non Operating Revenue Total	\$280,000	\$75,000	(\$205,000)	-73.2%
Total Non Operating Revenue		\$280,000	\$75,000	(\$205,000)	-73.2%
Contribution to/(from) Reserves		\$13,298,000	\$36,120,756	\$22,822,756	171.6%

REVENUES

TOTAL REVENUES: \$200.8 million



REVENUES HIGHLIGHTS

Rate Stability

Revenues reflect the rate change approved in March 2022. The budget assumes no changes to rates.

Full Year of Expansion

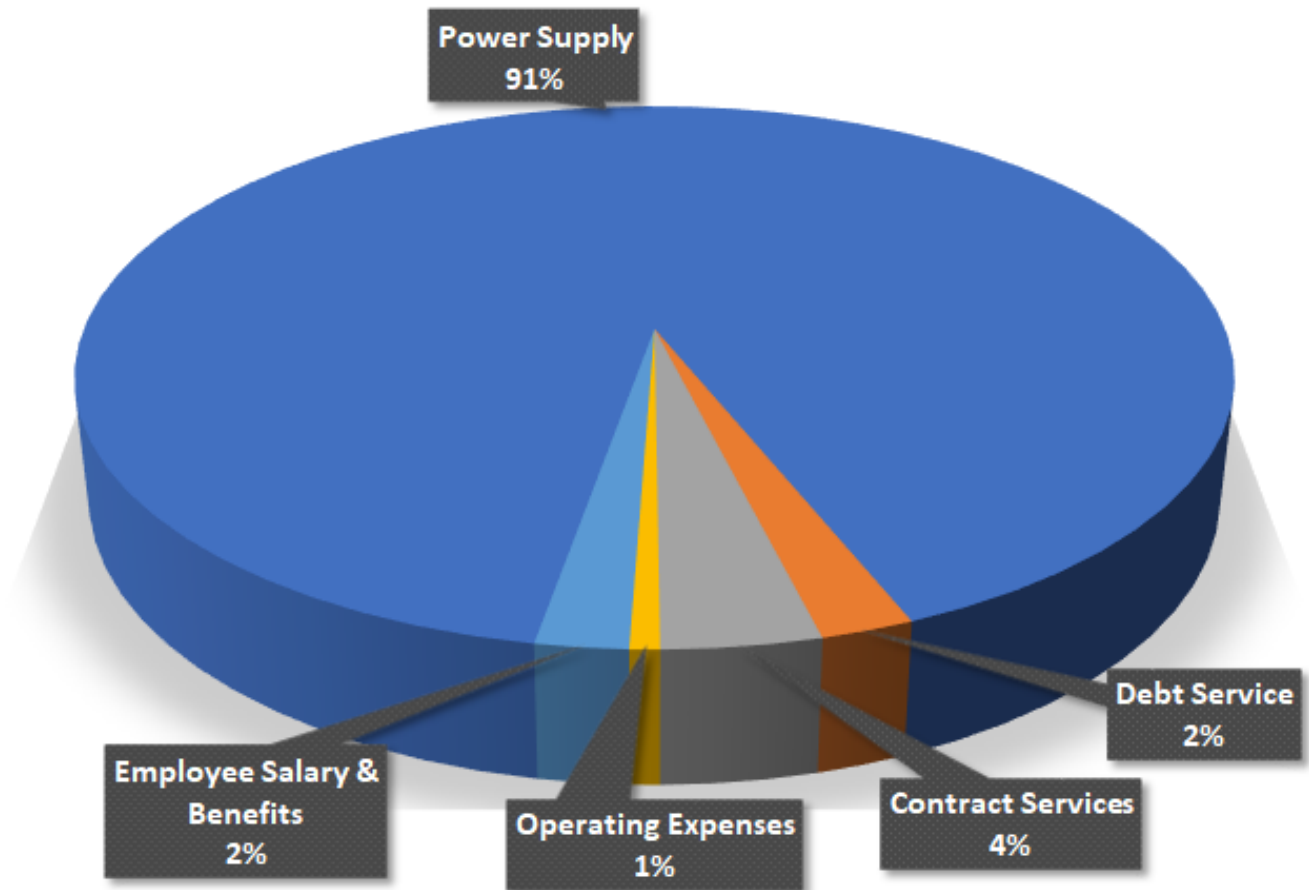
The Proposed Budget incorporates twelve months of revenue and expense increases due to the expansion to El Dorado County and City of Placerville. The FY 2021-22 Mid-Year Budget only included six months of the impact of expansion.

Energy Sales

Pioneer receives most of its revenues through rates with a small contribution from the Congestion Revenue Rights program through the California Independent System Operator (“CAISO”). Pioneer does not receive any subsidies from our member agencies.

EXPENSES

TOTAL EXPENSES: \$164.6 million



EXPENSES HIGHLIGHTS

Staffing Increase & Reclassifications

The fiscal year 2022-23 Budget recommends an increase from 13 to 17 full time positions and one part time position at a cost of \$760 thousand. The new positions include: (1) Legislative & Regulatory Manager; (2) Program Manager; (3) Senior Commercial Coordinator; (4) Sr. Manager, Quantitative Analysis & Modeling; and one part-time Marketing Intern limited to Pioneer's service territory.

Two existing Program Specialist II positions will be reclassified to Internal Operations Coordinator and Sr. Residential Coordinator which align with current duties performed, with no fiscal impact.

Debt Service

The budget proposes an increased principal payment up to a total of \$2.1 million towards Pioneer's \$10.5M loan with Umpqua Bank. This extra payment would save Pioneer \$1.17 million in interest costs and shorten the 15-year term by 3.5 years.

Line/Letter of Credit

Staff is currently working on obtaining a line and letter of credit capacity with Umpqua Bank to provide an additional tool to attract new energy suppliers that may require collateral posting. The budget has programmed funding of \$350 thousand for this purpose.

ADMINISTRATION DIVISION

KEY RESPONSIBILITIES

Key responsibilities of the **ADMINISTRATION** Division include: efficient day-to-day operations throughout the organization, ensuring Board direction and policies are followed, including the 2021-2024 Strategic Plan, appointing and supervising all Pioneer personnel, accurately recording and preserving Pioneer’s legislative history and safeguarding vital, and permanent records.

PERSONNEL

There are 2 positions assigned to the **ADMINISTRATION** Division:

- Executive Director
- Board Clerk/Executive Assistant

CONTRACT SERVICES

The Administration division funds office tenant improvements, janitorial services, and general legal services.

OPERATING EXPENSES

The Administration division funds office rent, alarm system, utilities, insurance costs for liability, workers compensation and property, Board member expenses

Memberships, trainings, conferences, and business-related travel are also budgeted for Administration personnel.

Recommended	FY 2022-23 Budget
Compensation	\$ 566,252
Contract Services	\$ 431,325
Operating Expenses	\$ 656,225
Division Total	\$ 1,653,802

FINANCE DIVISION

KEY RESPONSIBILITIES

Key responsibilities of the **FINANCE** Division include:

Budget development and administration, accounts receivable/payable, financial reporting, procurement, human resources, benefit management, office management, information technology, facility management, contract administration, counterparty and operational risk management, payroll oversight, and front desk reception.

PERSONNEL

There are 4 positions assigned to the **FINANCE** Division:

- Director of Finance & Administration
- Sr. Financial Analyst
- Internal Operations Coordinator
- Finance & Administrative Analyst I

CONTRACT SERVICES

The Finance division funds various essential service contracts that encompass areas such as accounting, financial reporting and auditing, payroll services, human resources and recruitment, information technology support and informational technology security audits.

OPERATING EXPENSES

The Finance division provides all personnel with the necessary technology and software to carry out the daily functions of the organization, including telephone and internet services, print/copy machines, laptops and peripherals, and Board meeting broadcasting software. New hire background check fees, recruitment job postings, and benefit administration fees are also facilitated and funded by the Finance Division.

Memberships, trainings, conferences, and business-related travel are also budgeted for Finance personnel.

Recommended	FY 2022-23 Budget
Compensation	\$ 745,530
Contract Services	\$ 603,350
Operating Expenses	\$ 197,983
Division Total	\$ 1,546,863

DEBT MANAGEMENT DIVISION

KEY RESPONSIBILITIES

Key responsibilities of the **DEBT MANAGEMENT** Division include:

Provides budget for existing and potential debt obligations including the Financial Security Requirement funds deposited with PG&E.

PERSONNEL

There are no additional positions assigned to this **DEBT MANAGEMENT** Division, but is managed by the **FINANCE** Division.

DEBT SERVICE

Pioneer has an existing Term Loan with Umpqua Bank. The proceeds of that loan were used during Fiscal Year 20-21 to pay in full the start-up funding provided by Placer County. The annual debt service is approximately \$925,000, the debt is scheduled to be paid in fully May 2036 with an interest rate of 3.85%.

OTHER DEBT AND RELATED EXPENSES

The Budget programs an additional principal payment of \$2,100,000 (maximum per loan agreement) to the Term Loan with Umpqua Bank.

A Line of Credit and Credit Letter costs of \$300,000. By providing a Letter of Credit collateral to energy suppliers, Pioneer may realize energy savings.

Pioneer is required to a Financial Security Requirement with PG&E as a provider of last resort. Proposals before the CPUC would increase Pioneers obligation by approximately \$350,000.

Recommended	FY 2022-23 Budget
Compensation	\$ -
Contract Services	
Operating Expenses	\$ 3,656,000
Division Total	\$ 3,656,000

POWER PROCUREMENT DIVISION

KEY RESPONSIBILITIES

Key responsibilities of the **POWER PROCUREMENT** Division include:

Overall management of Pioneer’s energy supply portfolio: Power supply planning, energy load and resource management, energy procurement (system power, renewable energy, carbon-free energy), issue RFPs for energy procurement, valuation of offers, and follow up contract negotiations for all power types and for long-term RPS PPAs and CPUC reliability requirements, integrated resource planning, development of biomass projects, development of structured products including grid resiliency, etc.

PERSONNEL

There are 3 positions assigned and 1 pending to the **POWER PROCUREMENT** Division:

- Chief Operating Officer*
- Power Resources Manager
- Power Supply Contracts Manager
- Sr. Manager, Quantitative Analysis and Modeling (Pending)

*Position shares time with multiple divisions

CONTRACT SERVICES

The Power Procurement division funds various essential service contracts that encompass areas such as deal capture, position and risk reporting, expansion impact assessments and implementation plans, regulatory filings related to energy procurement, scheduling coordinator services, congestion revenue rights optimization, broker fees, and commercial legal support related to contract negotiations.

OPERATING EXPENSES

The Power Procurement division has budgeted funds for memberships, trainings, conferences, energy market analytical tools/data services, and business-related travel.

Recommended	FY 2022-23 Budget
Compensation	\$ 1,003,149
Contract Services	\$ 1,285,426
Operating Expenses	\$ 35,450
Division Total	\$ 2,324,025

CUSTOMER CARE DIVISION

KEY RESPONSIBILITIES

Key responsibilities of the **Customer Care** Division include:

Face of the organization with our customers. Works to create a relationship with all customers. Point of contact for all customers related to any, and all, issues regarding energy usage, energy options, energy saving ideas, and billing. Educate customers on topics such as solar, electric vehicles, batteries, etc.

PERSONNEL

There are 3 positions assigned and 1 pending to the **Customer Care** Division:

- Director of Public Affairs, Marketing & Programs*
- Key Accounts Manager*
- Sr. Residential Coordinator*
- Sr. Commercial Coordinator (Pending)*

*Position shares time with multiple divisions

CONTRACT SERVICES

The **Customer Care** Division funds PG&E's service fee costs for billing, data, reporting, and other related items. This division also funds the database management firm that processes and reports all customer service and billing related items.

OPERATING EXPENSES

The **Customer Care** division provides the tools for staff to work directly with our customers. These expenses include mileage, customer meetings, and contact management software

Memberships, trainings, conferences, and business-related travel are also budgeted for division personnel.

Recommended	FY 2022-23 Budget
Compensation	\$ 427,557
Contract Services	\$ 2,895,012
Operating Expenses	\$ 25,263
Division Total	\$ 3,347,832

MARKETING DIVISION

KEY RESPONSIBILITIES

Key responsibilities of the **Marketing Division** include:

Advertising campaigns, printing and mailing of required notifications, managing website, all variations of external communication and outreach activities.

PERSONNEL

There are 3 positions assigned and 2 pending to the **Marketing Division**:

- Director of Public Affairs, Marketing & Programs*
- Key Account Manager*
- Sr. Residential Coordinator*
- Sr. Commercial Coordinator (Pending)*
- Marketing Intern (Pending)

*Position shares time with multiple divisions

CONTRACT SERVICES

The **Marketing Division** funds the communication/marketing consultant services. This includes website management, social media development, various advertisement opportunities and the creation of collateral, as needed.

OPERATING EXPENSES

The **Marketing Division** funds a variety of marketing efforts. These include all advertising, sponsorships, required written notifications, printing and mailing, and miscellaneous outreach.

Memberships, trainings, conferences, and business-related travel are also budgeted for division personnel.

Recommended	FY 2022-23 Budget
Compensation	\$ 264,388
Contract Services	\$ 546,240
Operating Expenses	\$ 243,050
Division Total	\$ 1,053,678

REGULATORY & LEGISLATIVE DIVISION

Key responsibilities of the **REGULATORY AND LEGISLATIVE AFFAIRS** Division include:

Tracking legislation and regulations through multiple amendments and prepare drafts of legislative and regulatory updates on policy issues and programs; performing research projects on legislative and regulatory policy issue areas - preparing and presenting findings and recommendations of Pioneer position; representing Pioneer in regulatory proceedings through preparation of data requests, written responses, position papers, analytical models, testimony, and exhibits; reviewing and drafting comments and briefs, providing high level technical and/or analytic input on regulatory and legislative matters; overseeing the preparation of data requests, testimony, and hearing exhibits and participate in administrative hearings; tracking, reviewing, analyzing and summarizing filings prepared by utilities and other entities that could impact Pioneer and its customers; coordinating and working closely with technical experts and external regulatory counsel to develop effective and persuasive communications before the CPUC, CA Energy Commission, CA Legislature and any other legal or regulatory body as may be needed.

PERSONNEL

There are 2 positions assigned and 1 pending to the **REGULATORY AND LEGISLATIVE AFFAIRS** Division:

- Chief Operating Officer*
- Legislative and Regulatory Analyst I
- Legislative & Regulatory Manager (Pending)

*Position shares time with multiple divisions

CONTRACT SERVICES

The Regulatory and Legislative Affairs division funds various essential service contracts that encompass areas such as legal support for key filings and detailed analyses on regulatory proceedings and legislative bills, legal support specifically for challenging PG&E's ERRR and GRC filings that directly impact Pioneer's bottom line, and legislative consulting for key lobbying efforts.

OPERATING EXPENSES

The Regulatory and Legislative Affairs division has budgeted funds for memberships, trainings, conferences, and business-related travel.

Recommended	FY 2022-23 Budget
Compensation	\$ 361,386
Contract Services	\$ 353,808
Operating Expenses	\$ 5,250
Division Total	\$ 720,444

PROGRAMS DIVISION

KEY RESPONSIBILITIES

Key responsibilities of the **Programs Division** include:

Complete the process started with CPAC. Development of customer facing programs, educate customers on Pioneer programs and external programs available to customers. Process any rebate and/or incentives to customers. Educate customers on energy saving opportunities.

PERSONNEL

There are 3 positions assigned and 1 pending to the **Programs Division**:

- Director of Public Affairs, Marketing & Programs*
- Key Accounts Manager*
- Sr. Residential Coordinator*
- Programs Manager (Pending)

*Position shares time with multiple divisions

CONTRACT SERVICES

The **Programs Division** funds applications and administration of public purpose funding and other initiatives recommended by the Customer Programs Advisory Committee.

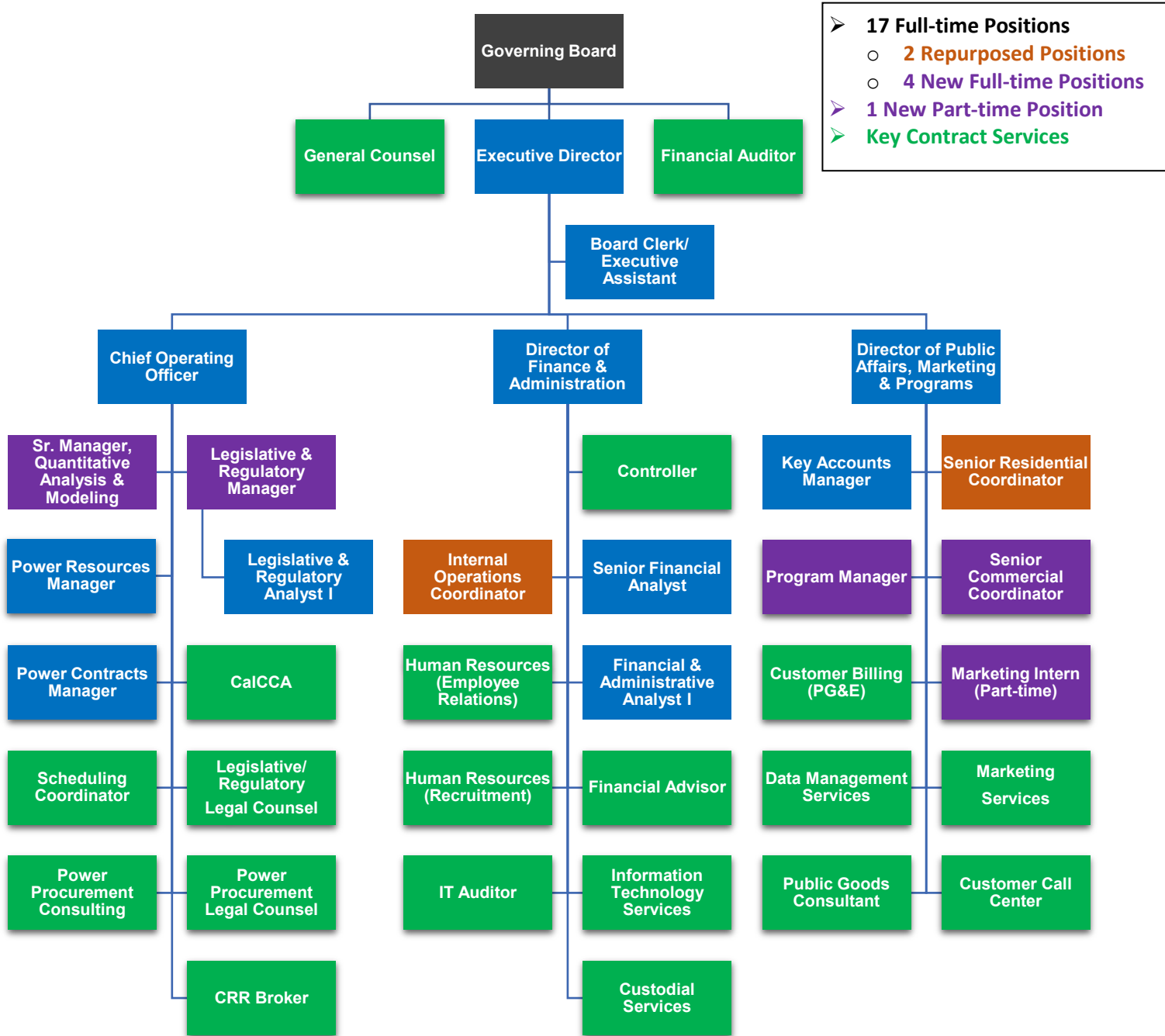
OPERATING EXPENSES

The **Programs Division** provides all personnel with the necessary resources and tools to carry out the responsibilities of the group.

Memberships, trainings, conferences, and business-related travel are also budgeted for division personnel.

Recommended	FY 2022-23 Budget
Compensation	\$ 252,320
Contract Services	\$ 100,000
Operating Expenses	\$ 3,500
Division Total	\$ 355,820

ORGANIZATION CHART



POSITION LISTING

POSITION LISTING/CONTROL

The positions listed below are funded in the Fiscal Year 2022-23 Budget and any Vacant positions are authorized to be filled.

POSITION TITLE	# Of Positions
Board Clerk/Executive Assistant	1
Chief Operating Officer	1
Director of Finance & Administration	1
Director of Public Affairs, Marketing & Programs	1
Executive Director	1
Financial & Administrative Analyst I	1
Internal Operations Coordinator	1
Key Accounts Manager	1
Legislative & Regulatory Analyst I	1
Legislative & Regulatory Manager	1
Power Contracts Manager	1
Power Resources Manager	1
Programs Manager	1
Senior Commercial Coordinator	1
Senior Financial Analyst	1
Sr. Manager, Quantitative Analysis & Modeling	1
Senior Residential Coordinator	1
Total Authorized Full-Time Positions	17
Marketing Intern (Part-Time)	1
Total Authorized Part-Time Positions	1

FOCUS ON FINANCIAL HEALTH

Building Financial Health

For Pioneer to provide its customers with competitive and stable rates and to provide value to the communities in its territory, Pioneer needs to achieve and maintain financial health. The most critical target for Pioneer to achieve is the appropriate level of cash reserves.

What Are Reserves?

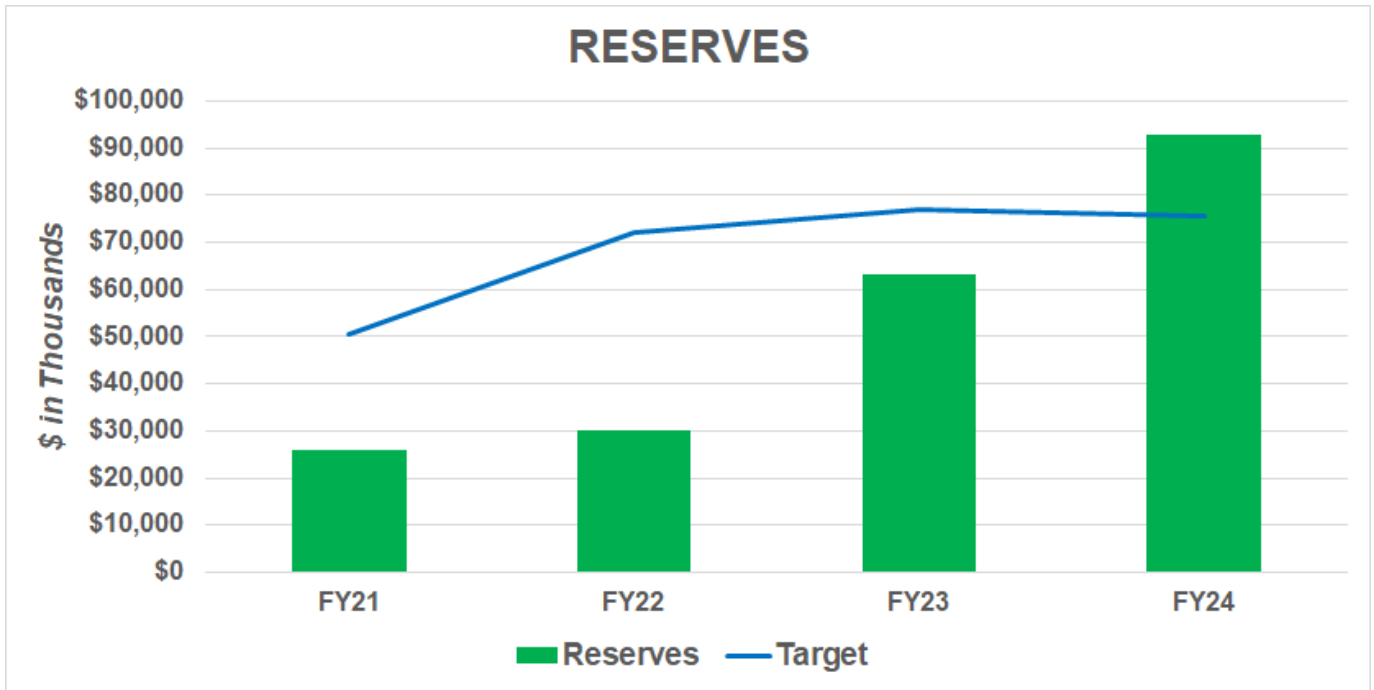
An organization's financial reserves are a discrete subset of its liquid net assets. They are a distinct pool of assets that an organization can access either to mitigate the impact of unbudgeted, undesirable financial events or pursue opportunities of strategic importance that may arise in the future.

Key Financial Policies

Effective and appropriate financial policies provide a clear path to reaching long-term sustainability. The policies offer critical guidance to the Board in rate-setting decisions to achieve the cash reserve target over the next few years:

1. **Frequency of Financial Projections Policy** - A financial projection is a tool used to determine Pioneer's current financial standing and over a forecast period. A financial projection incorporating revenues and expenses should be updated every year as part of the budget process. The projection should also include the analysis of key financial targets of cash reserves, debt coverage ratio and rate competitiveness. The rate competitiveness component should also be updated when Pacific Gas & Electric ("PG&E") issues a rate change.
2. **Cash Reserves Policy** - The best measurement of the financial health of the utility is its ability to achieve and maintain the appropriate cash reserve. Cash reserves are the most important tool Pioneer has to provide stable and competitive rates. It is extremely important the Board set rates to sufficiently fund operations and build cash reserves. The policy recommends a minimum cash reserve target of 160 days of cash on hand. The minimum cash reserve target is anticipated to be achieved during FY 2023-24 which is within the policy's recommended timeline.
3. **Debt Coverage Ratio Policy** - Debt coverage ratio is a measurement of debt affordability. Pioneer has a 15-year term loan with Umpqua Bank. Rate setting must account for Pioneer's annual debt service. The Board of Directors commits to maintaining proper debt coverage ratios in order to sufficiently fund debt with cash flow from operations.
4. **Meeting a Rate Threshold Policy** - Like a traditional utility, Pioneer has a defined service territory, however, unlike a traditional utility, Pioneer does not have a captive customer base. Rate competitiveness is as equally important as meeting financial targets. Rate setting must strive for balance between ratepayer savings compared to PG&E and the financial health of the utility. The policy stresses the importance of setting rates that achieve balance. However, if maintaining a rate differential to PG&E causes Pioneer's cash balance to fall below 90 days of cash on hand, it will trigger a reevaluation of rates until target cash balances are restored.
5. **Annual Inflationary Increases** - The purpose of this policy is to give the Board an option to consider annual inflationary increases to allow Pioneer to keep up with changes in operation costs. The annual inflationary adjustment would correlate to the consumers price index. When evaluating an inflationary adjustment, rate competitiveness to PG&E will be considered.

PROJECTED RESERVES



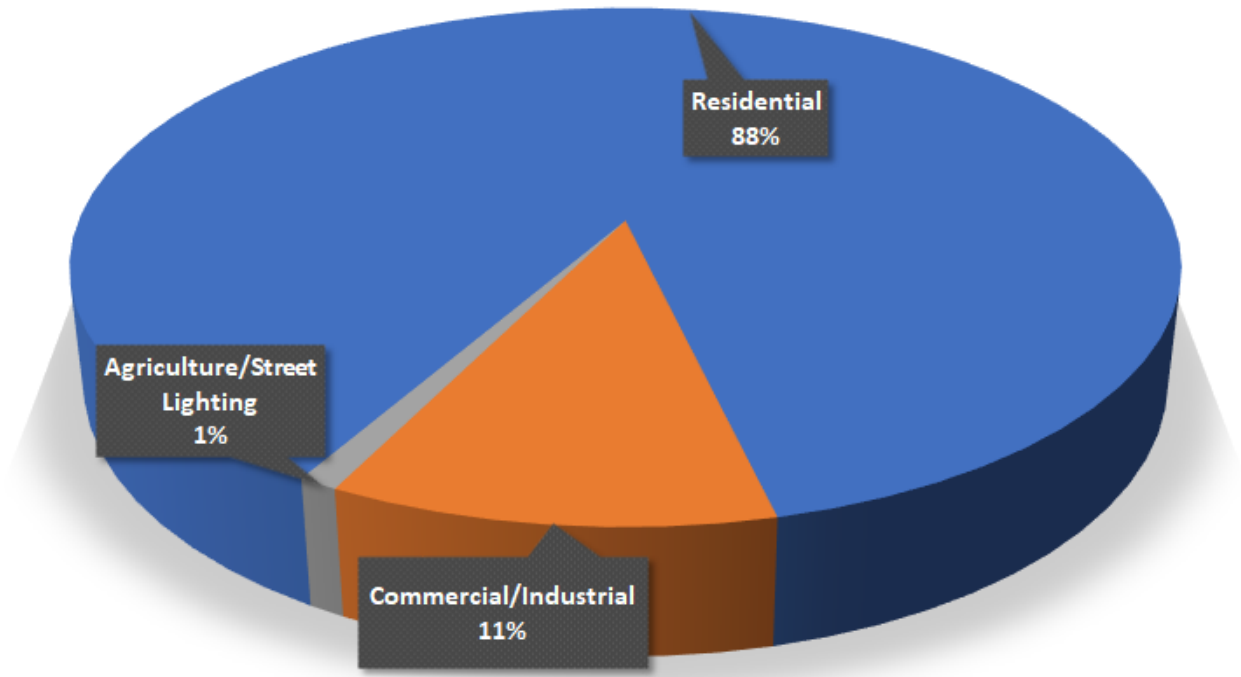
FIVE YEAR FORECAST

PIONEER COMMUNITY ENERGY (CCA) Five Year Forecast

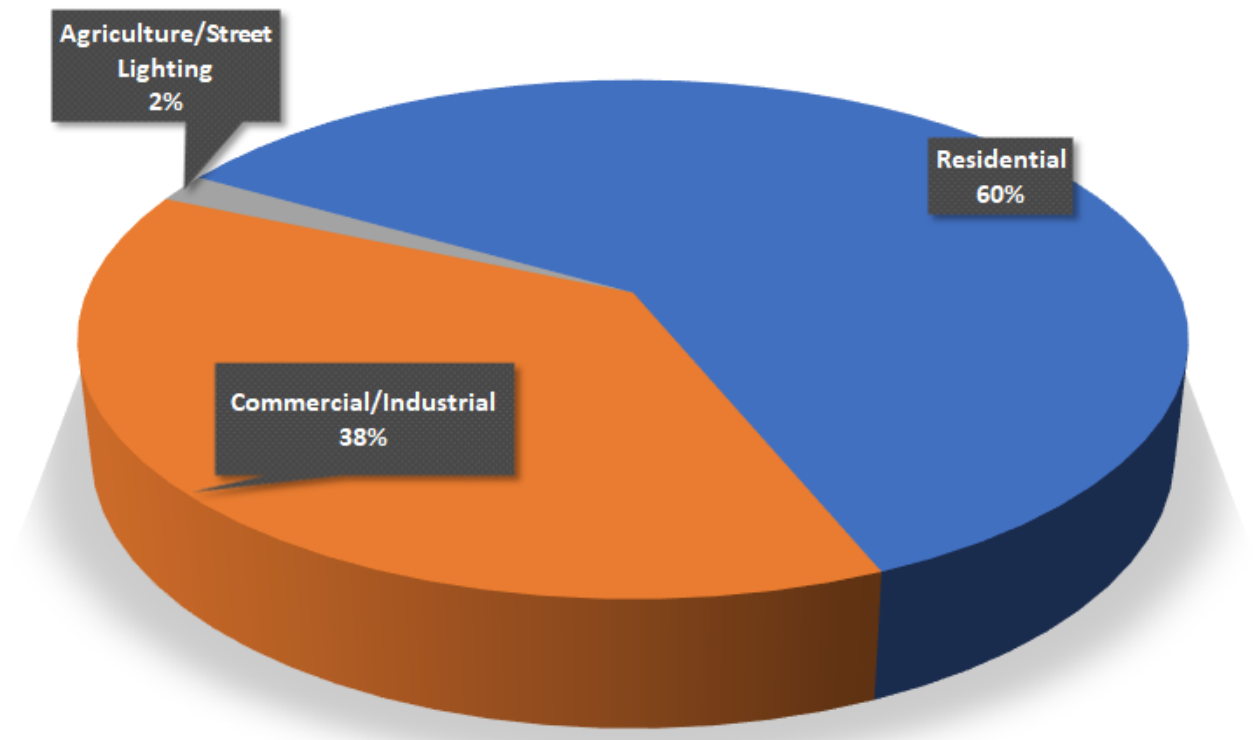
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Energy Revenues	Recommended	Projected	Projected	Projected	Projected
Energy Sales	\$199,630,000	\$204,216,000	\$204,696,000	\$205,719,000	\$206,739,000
Green100 Sales	\$48,000	\$49,000	\$49,000	\$49,000	\$50,000
Congestion Revenue Rights	\$3,000,000	\$1,601,000	\$1,605,000	\$1,613,000	\$1,621,000
Less Uncollectable Accounts	(\$1,996,780)	(\$2,042,650)	(\$2,047,450)	(\$2,057,680)	(\$2,067,890)
Total Energy Revenues	\$200,681,220	\$203,823,350	\$204,302,550	\$205,323,320	\$206,342,110
Energy Expenses					
Power Supply	\$149,977,000	\$158,854,000	\$155,594,000	\$168,029,000	\$167,581,000
Operating Margin	\$50,704,220	\$44,969,350	\$48,708,550	\$37,294,320	\$38,761,110
OPERATING EXPENSES	Recommended	Projected	Projected	Projected	Projected
By Division					
Administration Total	\$1,653,802	\$1,713,543	\$1,775,630	\$1,827,470	\$1,871,979
Finance Total	\$1,546,863	\$1,720,022	\$1,782,450	\$1,842,156	\$1,903,701
Power Procurement Total	\$2,324,025	\$2,409,258	\$2,496,342	\$2,585,560	\$2,668,751
Customer Care Total	\$3,347,832	\$3,658,458	\$3,777,774	\$3,900,036	\$4,025,304
Marketing Total	\$1,053,678	\$1,297,735	\$1,340,576	\$1,380,056	\$1,420,545
Legislative & Regulatory Total	\$720,444	\$747,248	\$774,760	\$802,938	\$831,800
Programs Total	\$355,820	\$1,310,059	\$1,341,789	\$1,374,114	\$1,421,540
By Expense Type					
Compensation	\$3,620,582	\$4,264,652	\$4,461,801	\$4,642,322	\$4,824,298
Contract Services	\$6,215,161	\$6,401,616	\$6,593,664	\$6,791,474	\$6,995,218
Operating Expenses	\$1,166,721	\$2,190,056	\$2,233,857	\$2,278,534	\$2,324,105
Total Operating Expenses	\$11,002,464	\$12,856,323	\$13,289,322	\$13,712,330	\$14,143,621
Debt Service					
Term Loan Debt Services	\$950,000	\$950,000	\$950,000	\$475,000	
Additional Term Loan Principal	\$2,100,000	\$2,100,000	\$2,100,000	\$1,100,000	
Line/Letter of Credit Fees	\$250,000	\$250,000			
Financial Security Requirement	\$356,000	\$6,000	\$6,000	\$6,000	\$6,000
Debt Service Total	\$3,656,000	\$3,306,000	\$3,056,000	\$1,581,000	\$6,000
Total Expenses	\$164,635,464	\$175,016,323	\$171,939,322	\$183,322,330	\$181,730,621
Non Operating Revenue					
Investment gains (losses)	\$75,000	\$100,000	\$125,000	\$150,000	\$175,000
Miscellaneous income	\$0	\$0	\$0	\$0	\$0
Non Operating Revenue Total	\$75,000	\$100,000	\$125,000	\$150,000	\$175,000
Total Non Operating Revenue	\$75,000	\$100,000	\$125,000	\$150,000	\$175,000
Contribution to/(from) Reserves	\$36,120,756	\$28,907,027	\$32,488,228	\$22,150,990	\$24,786,489

CUSTOMER STATISTICS

150,000 Customer Accounts



1.8 Million MWh's Energy Sales



PIONEER COMMUNITY ENERGY (mPOWER) mPOWER Recommended Budget for FY 2022-2023	
mPOWER REVENUES	
Program income	\$682,344
TOTAL mPOWER REVENUES	<u>\$682,344</u>
mPOWER PROGRAM EXPENSES	
Program	
Administration	\$52,500
Bond Principal Payment	\$272,400
Bond Interest Payment	\$290,000
	<u>\$614,900</u>
Programs Total	
Contribution to/(from) Reserves	\$67,444

AGENCY OVERVIEW

Pioneer Community Energy is a local not-for-profit provider of electricity, powering communities with competitive rates, reliable service and a choice in energy options.

Pioneer was formed in 2017, joining the other California Community Choice Aggregators (CCAs) in providing energy to more than 11 million customers across the state.



In 2018, Pioneer first began providing electricity services to Auburn, Colfax, Lincoln, Rocklin, Loomis and most of unincorporated Placer County. In 2022, we started providing the same stable and reliable electric service to most of unincorporated El Dorado County and the City of Placerville.

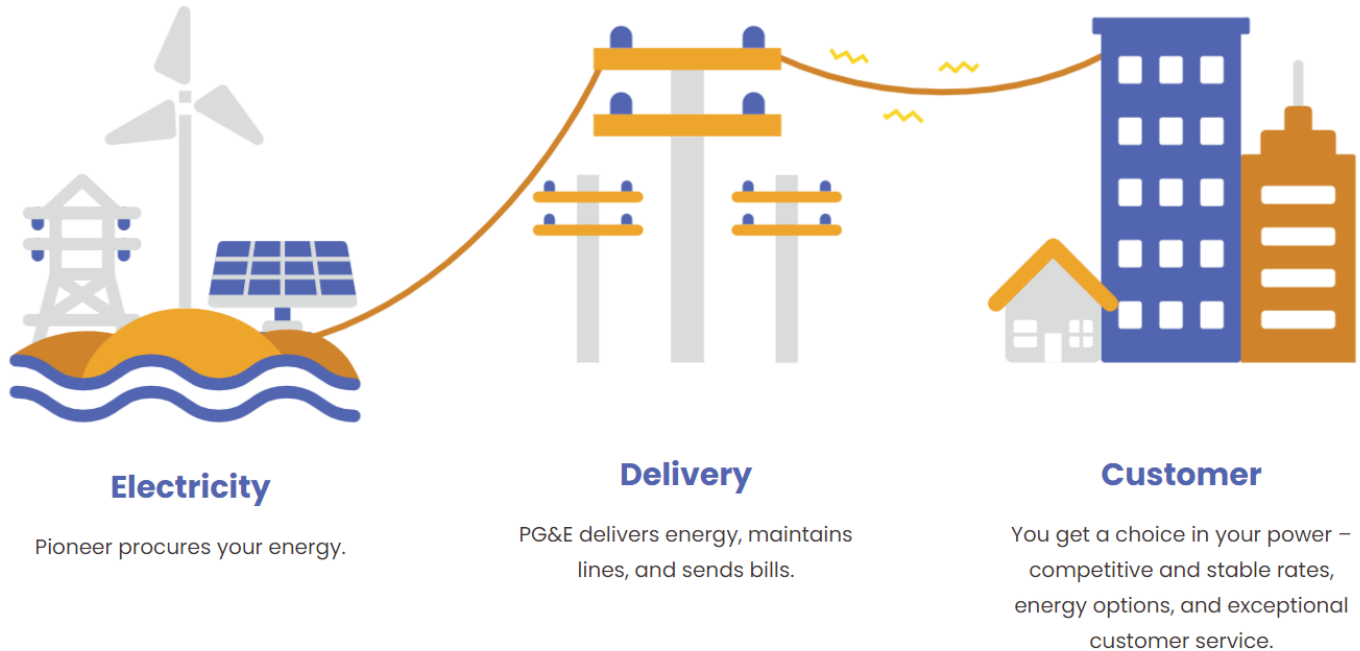
Our Governing Board consists of nine locally elected representatives from the El Dorado County and Placer County Board of Supervisors and the City Councils of Auburn, Colfax, Lincoln, Placerville, Rocklin and the Town of Loomis.

Our primary objective is powering our community with competitive rates, not earning shareholder profits. Like most CCAs, Pioneer is nimble in our efforts to source and search for power in a manner that traditional Investor-Owned-Utilities (IOUs) are not.

AGENCY OVERVIEW

Community Choice Aggregators act just like traditional power companies, they pool power loads among participants to create buying power for this essential resource – energy. In the case of Pioneer, the combined energy needs of the businesses and residents in our service areas are used to purchase reliable power at competitive rates.

How Community Choice Aggregation Works



Our customers don't notice any difference in service – but the power is leveraged to maximize benefits to you and the community.

With Pioneer, residents and businesses can choose from the following energy options:

Pioneer Standard

- Automatic enrollment – no need to do anything
- Savings of at least 6% compared to PG&E's generation rates

Pioneer Green100

- Optional service upgrade at any time
- 100% renewable energy

Net Energy Metering

- Automatic enrollment; net surplus generation paid at full retail cost

Your Power. Your Choice. Why Choose Pioneer?



Competitive Rates

We are committed to competitive, stable electricity generation rates. In 2022, our customers are projected to save over \$19.5 million just for being Pioneer customers.



Reinvesting in the Community

From 2020–2021, Pioneer contributed over \$8million to the local economy in contracts and purchases.



Local Influence

We seek local influence and input regarding programs and rates.



Powered by the Community

We are powered by the communities we serve — not corporate shareholders.



Flexible Options

With the addition of the Green100 rate, Pioneer is the only provider of electricity in our area that offers 100% renewable energy to those who want it.



www.pioneercommunityenergy.org