



NEWS RELEASE

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## **PIONEER COMMUNITY ENERGY BOND SALE GENERATES SIGNIFICANT INVESTOR DEMAND AND \$459 MILLION TO SUPPORT COMPETITIVE RATES**

Rocklin, CA (January 17, 2023) – Pioneer Community Energy, a Community Choice Aggregator (CCA) serving 156,000 accounts in the counties of Placer and El Dorado, has issued its first ever municipal non-recourse Clean Energy Project Revenue Bonds through the California Community Choice Financing Authority (CCCFA). The bonds were underwritten by Goldman Sachs. The extremely successful bond sale produced \$459,640,000 in bond proceeds and generated significant investor demand. The issue received an investment grade A2 rating from Moody's Investors and a "Green Climate Bond" designation from Kestrel Verifiers.

The Clean Energy Project Revenue Bonds prepay for the purchase of 186 megawatts of clean electricity – enough to power approximately 68,000 homes. These transactions will reduce renewable power costs for Pioneer customers by almost \$2.8 million annually for the first seven years. For decades, municipal utilities have used the prepayment structure as an industry standard practice to reduce costs for the purchase of natural gas. Now, these Revenue Bonds apply this structure to the purchase of electricity.

"CCAs are known for being innovative and nimble in our efforts to provide our communities with electricity from cost-effective resources," said Alice Dowdin Calvillo, Pioneer's Board Chair and Mayor of Auburn. "This transaction will help us deliver on our promise of competitive rates, community reinvestment and cleaner power. We are pleased to pass these cost savings on to our customers."

A Clean Energy Project Revenue Bond is a form of wholesale electricity payment that requires three key parties: a tax-exempt public electricity supplier (the CCA), a taxable energy supplier, and a municipal bond issuer. The three parties enter into long-term power supply agreements. The municipal bond issuer – in this case, CCCFA – issues tax-exempt bonds to fund a prepayment of energy that is to be delivered over 30 years. The energy supplier utilizes the bond funds and provides a discount to the CCA on the power purchases based on the difference between the taxable and tax-exempt rates. This discount is historically in the range of 8-10%, and minimum discounts are negotiated for each transaction.

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### **ABOUT PIONEER COMMUNITY ENERGY**

Pioneer is a community-owned, not-for-profit agency serving unincorporated Placer and El Dorado counties and the incorporated areas of Auburn, Colfax, Lincoln, Placerville, Rocklin and Loomis. Pioneer is a local provider of electricity serving over 150,000 residential and commercial accounts — powering the communities we serve with competitive rates, reliable service and a choice in energy options. To date, Pioneer has saved customers over \$40 million. To learn more, visit [pioneercommunityenergy.org](http://pioneercommunityenergy.org).