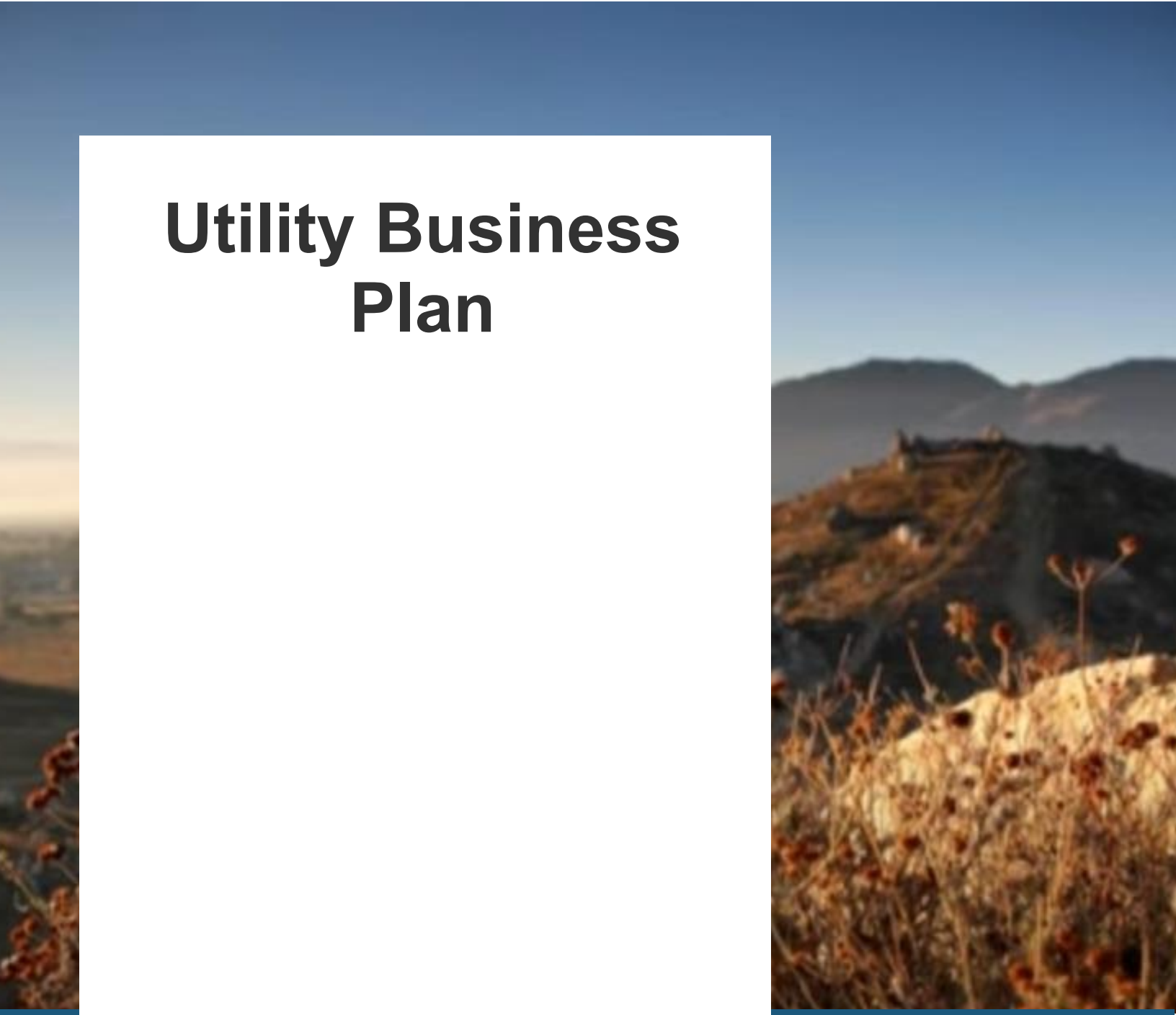

Utility Business Plan

JULY 24

City of Moreno Valley – Electric Utility
Authored by: Jason Niccoli

MORENO VALLEY
ELECTRIC UTILITY

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Introduction

Since first serving customers in the Promontory Park subdivision in 2004, MVU has continued to evolve, delivering power that is both cost-effective and environmentally responsible to meet the growing needs of our community. The 2025-2045 Utility Business Plan establishes a strategic mission and a core strategy for achieving quantifiable objectives and goals over the next five years. The Business Plan is informed by a thorough analysis of the opportunities and challenges presented to MVU by the environment in which we operate, as well as our internal strengths and external constraints.

Moreno Valley Utility (MVU) offers a comprehensive range of services, including customer support, meter reading, billing operations, emergency response, and additional utility functions for newly developed commercial and residential areas. The MVU electric infrastructure, composed entirely of a subterranean 12-kilovolt (kV) distribution network, supported by three substations and two interconnection points with Southern California Edison (SCE), delivers about 60 Megawatts (MW) of dependable electric capacity to more than 9,400 Moreno Valley residential and commercial customers.

"A trusted customer-owned community utility partner and a driving force for local economic development"

Foundation of MVU

Strategic Mission

The mission of Moreno Valley Utility (MVU) is to provide safe, reliable, and economical public electric service with a focus on innovative customer solutions, infrastructure enhancement, community development, and environmentally responsible resource management.

In pursuit of this mission, MVU operates according to a clearly defined set of core values that shape its organizational culture and guide its strategic initiatives. These values include being community-oriented and customer-focused; acting with unwavering honesty and integrity; fostering flexibility and progressive innovation; upholding transparency and accountability; and demonstrating respect and professionalism in all endeavors. Together, the mission and core values form the foundation upon which MVU builds its commitment to operational excellence, community stewardship, and sustainable growth.

Qualitative Mission

By June 30, 2026, MVU will strengthen its role as the trusted provider of power in the City of Moreno Valley communities we serve. It will make significant progress in implementing sustainable clean energy programs equitably, strengthen the diversity of its workforce at all levels of the organization, make significant progress in building the funding streams and resources, and develop integrated internal structures needed to support the Department's continued success.

1. Distribution System

Moreno Valley Utility (MVU) serves a growing and dynamic community. As a public utility, MVU is committed to providing reliable, efficient, and sustainable energy services to its customers. To achieve these objectives, MVU operates a comprehensive distribution system and is actively planning for future growth and improvements. This report provides an overview of MVU's current distribution system. The report outlines its goals for the next 5, 10, and 20 years. It also explains how these objectives will enhance the utility's capabilities and service reliability.

MVU Distribution System

Understanding the structure and components of MVU's distribution system is essential to appreciating its role in delivering reliable energy to the community. This section outlines the key elements of the system, which serve as the backbone of the city's power infrastructure. By examining the substations, circuits, and supporting infrastructure, MVU can better understand how MVU meets the energy needs of its customers. This includes plans for future growth.

Substations

MVU operates two substations. Substations function as hubs where high-voltage electricity is stepped down to lower voltages. Lower Voltage is suitable for distribution to homes and businesses. Substations also help regulate voltage levels and provide points for managing the flow of electricity across the grid.

- **Moreno Valley Substation**: Serves the eastern portion of the city.
- **Kitching Substation**: Serves the middle and southern portions of the city.

Each substation is equipped with two transformers. These Transformers step the voltage from 115kV to 12kV:

- **Moreno Valley Substation**: Two 28 MVA transformers.
- **Kitching Substation**: Two 40 MVA transformers.

These substations ensure reliable power distribution across the city.

MVU also has a 35kV substation, which is currently not in service in the southern part of the City called the **MoVal South Substation**. This substation converts a single 35kV

circuit into 4 circuits at 12kV. This substation has had reliability issues in the past because of the 35kV circuit that serves it, and it is planned to be relocated to the Edgemont area in the city to support new developments in the area. The City has already purchased a parcel that will serve as the low-profile substation site in Edgemont, on Day St north of Cottonwood Ave.

Circuits and Interconnections

- A total of 14 circuits distribute electricity to customers.
- 6 circuits are connected to each substation.
- 2 additional 12kV interconnections, which serve the western portion of the city.

Infrastructure Highlights

The infrastructure of MVU is fundamental to its mission of delivering reliable and sustainable energy to the community. These highlights underscore the essential components that enable MVU to meet current demands while preparing for future growth. By maintaining and upgrading these key assets, MVU ensures the resilience and efficiency of its energy distribution system. This lays a strong foundation for continued development and innovation.

- **Conductor Length**:
  - Primary conductor: Approximately 200 miles. This extensive length allows MVU to deliver power across the city.
  - Secondary conductor: Approximately 80 miles. These conductors distribute power from transformers to individual homes and businesses. This plays a vital role in the final stage of electricity delivery.
- **Transformers**:
  - 814 installed transformers are distributed strategically throughout the grid to step down 12kV electricity to usable levels for residential and commercial customers. These transformers are crucial for ensuring reliable and safe power delivery.
  - 12 transformers are kept in inventory to address emergencies or replacements, ensuring quick response times and minimal disruption to service.
- **Underground Structures**:
  - Around 5,554 structures, including vaults, manholes and pull boxes. These structures reduce the need for excessively long cable pulls, which can be

difficult due to friction and weight. Keeping each cable pull to a manageable length ensures that cable is not damaged during the cable pulling process, preventing future outages down the line due to cable failure.
    - They also protect critical electrical components, ensure system reliability, and facilitate efficient maintenance access.
- **Switches**:
    - 178 installed switches ensure control and sectionalization of the electrical grid, allowing for flexible management and isolation of faults.
    - Eight additional switches in inventory are available to address emergencies or support future expansions.
- **Customer Meters**:
    - As of 12/31/2024, MVU has 8,894 customer meters that track energy usage, providing critical data for accurate billing and real-time monitoring.
    - This information allows MVU to identify usage patterns, support energy conservation programs, and ensure fair and transparent billing for customers.
- **Streetlights**:
    - installed streetlights illuminate the city's streets, enhancing public safety and community visibility during nighttime.
    - An additional XX streetlights are kept in inventory to ensure timely replacements or new installations as needed.
- **Additional Components**:
    - MVU utilizes 26 capacitor banks to maintain voltage stability.
    - These components are essential for protection and preventing voltage fluctuations.

Conclusion

MVU's distribution system is a critical component of the city's infrastructure. The distribution system supports homes, businesses, and essential services. By focusing on strategic expansions, adopting innovative technologies like battery storage, and maintaining its existing infrastructure. MVU is positioning itself to meet the needs of a growing population. All while advancing sustainability goals. These efforts will ensure that MVU continues to provide reliable and affordable energy for decades to come.

2. Software and Systems

The operation of an electric utility company requires various software systems to ensure reliability, efficiency, and customer satisfaction. These tools play a critical role in managing daily operations, planning future improvements, repairing aging infrastructure, and responding effectively to challenges such as outages.

MVU Software

MVU currently utilizes a variety of software tools critical to day-to-day operations and long-term planning. These tools ensure that MVU can design, monitor, and manage its electric systems to the best of its ability. Below is a breakdown of the primary software systems used and their respective roles:

AutoCAD

- A tool used for designing and drafting engineering plans and specifications. It allows MVU to create accurate blueprints for MVU's electrical projects, providing a detailed visual representation of how the project will be constructed and implemented.
- This software is vital for ensuring that every project is carefully planned with precision, preventing errors, and ensuring efficient implementation.

Acella

- This platform allows MVU to review designs and development permits for all new city projects. It will assess developer fees for new development plans/plan check, inspections, conditions, and solar plan check and application fees.
- This software ensures developers comply with MVU's conditions of approval.

Geographic Information System (GIS)

GIS maps out MVU's electric system, detailing the locations of every power line, transformer, meter, and more. It allows for precise visualization and planning, ensuring that MVU's infrastructure is well documented.

Oracle Customer Cloud Service (CCS)

- This system serves as MVU's billing and customer data management hub. It collaborates with Itron OpenWay to handle meter data like energy usage, ensuring accurate readings and smooth data exchanges.
- It ensures customers are billed accurately and allows MVU to interact with meters remotely, like turning them on or off.

Itron OpenWay

- This cloud-based system manages all MVU's meters. It allows MVU to update meter settings, send commands, and monitor the network.
- It keeps MVU's advanced metering system running smoothly, which is essential for modern utility operations.

Itron Field Network Director (FND)

- This tool maps MVU's network health and shows how all devices, meters, and routers are connected.
- It helps MVU identify and fix issues quickly, ensuring the network remains reliable. For example, during a recent network outage, Itron FND identified a failing router that was causing connectivity problems for several meters. This allowed MVU's team to quickly dispatch a crew to replace the router, restoring full functionality within hours and minimizing service disruption for customers.
- It helps MVU identify and fix issues quickly, ensuring the network remains reliable.

Procured Software

As part of MVU's commitment to improving utility operations, MVU is in the process of acquiring additional software systems that will enhance MVU's ability to analyze, monitor, and maintain the electric grid. These tools will complement MVU's existing systems, offering new capabilities that help MVU respond more effectively to challenges and future plans:

ETAP

- Distribution Model: A tool for analyzing MVU's electric grid and conducting engineering studies.
- SCADA (Supervisory Control and Data Acquisition): Provides real time updates on the status of MVU's utility grid.
- OMS (Outage Management System): Helps manage power outages by dispatching crews and restoring power faster.

These tools will improve how MVU understands and manages the grid, making it more efficient and reliable.

Asset Management

- Keeps track of all MVU's electric utility assets, such as vaults, wires, and transformers. It also helps schedule inspections and maintenance tasks.
- Ensure MVU's equipment stays in good shape and complies with California's safety regulations.

Future Software

Looking ahead, MVU is preparing to implement software that will further streamline MVU's operations and enhance MVU's ability to deliver reliable service. These tools will build on MVU's existing systems, enabling them to improve project management, task tracking, and overall efficiency:

Work Order Management

- Tracks tasks for MVU's field crews, including engineering estimates, project timelines, and progress updates.
- It will make project management more efficient and improve record keeping for all MVU work.
- It ensures customers are billed accurately and allows MVU to interact with meters remotely, like turning them on or off.

Conclusion

MVU's software and systems are essential for running a modern electric utility. By combining the current tools with the software MVU is procuring and planning for the future, MVU will create a more efficient, reliable, and customer-friendly electric grid. This integration will benefit everyone, ensuring that MVU's electric system is prepared for any challenges.

3. Facilities, Equipment, and Warehousing

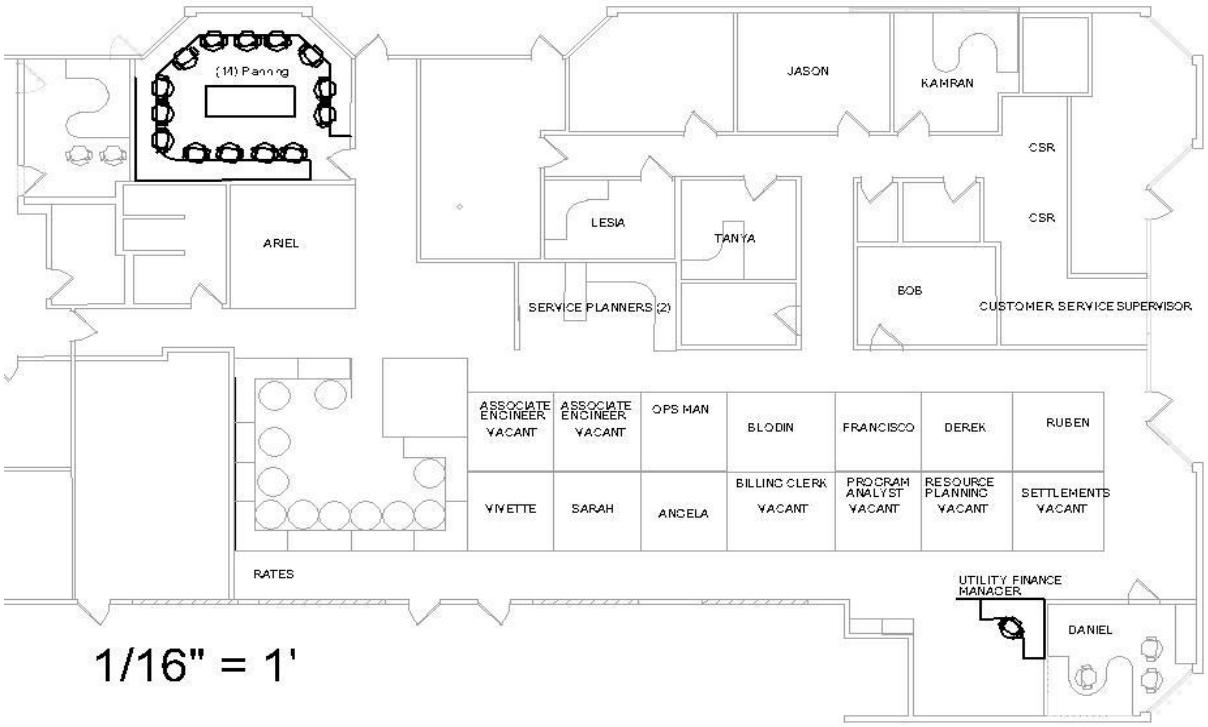
This chapter provides a comprehensive overview of the City of Moreno Valley Utility (MVU)'s facilities, equipment, and warehousing operations, outlining how these assets support the utility's mission to deliver reliable, resilient, and sustainable electric service. Strategic management of these physical assets is essential to ensure operational effectiveness, meet regulatory requirements, support future growth, and enable rapid response during emergencies.

Existing MVU Facilities

MVU's current operational footprint spans several specialized sites, each serving a distinct and essential role:

Annex

The central office hub, where administrative functions, engineering, customer service, program management, and power supply operations are based. This facility houses the majority of MVU's office staff and supports day-to-day management, planning, and customer engagement.

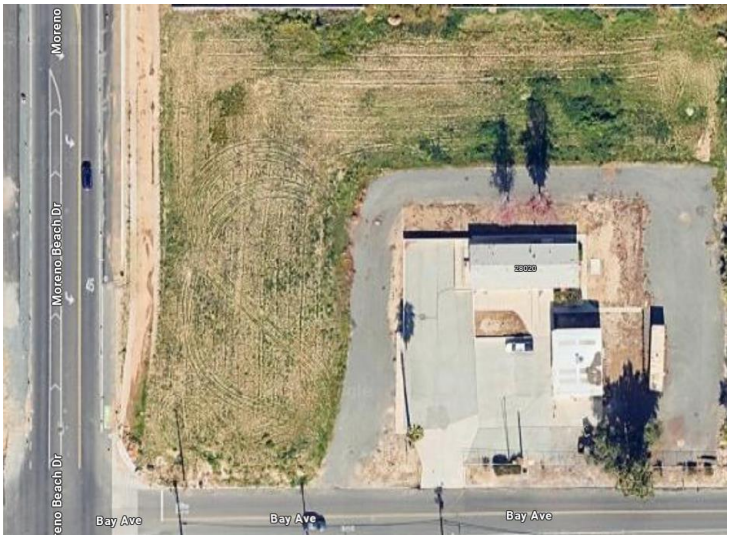


City Yard

MVU has a small portion of the yard which it uses as its primary materials storage site, housing critical supplies and equipment for emergency restoration and routine field operations. This facility plays a key role in maintaining service reliability, especially during outages or severe weather events.

Utility Field Office (UFO)

A compact operational facility that accommodates 4–5 field staff with a small adjacent warehouse/shed. This site also supports MVU's contracted field teams, providing storage for their bucket truck and essential truck stock materials, ensuring field crews are equipped for timely response.



Future Headquarters of MVU (Corporate Way Office Building)

A newly purchased small office building that will become MVU's dedicated headquarters, consolidating administrative, engineering, operations, and customer-facing functions in a single, purpose-designed location.

These facilities form the backbone of MVU's operational and strategic capabilities, positioning the utility to meet both current demands and future growth.

Existing Substations

115kV Kitching Substation

A major transmission substation serving the southeast portion of the city, this asset is crucial to maintaining electric service reliability in a growing service area.

115kV Moreno Beach Substation

Another high-voltage transmission substation strengthens MVU's capacity to manage energy delivery on the eastern side of the city.

Planned Substations

33kV Nandina and Indian Substation

Currently an inactive site, this substation is slated for redevelopment as a battery energy storage system (BESS) site, supporting grid flexibility and renewable integration soon.

Day Street Acre Lot 33kV to 12kV Substation Conversion

A recently acquired one-acre parcel designated for the construction of a future substation, enabling MVU to expand distribution capacity and improve local service reliability.

Existing Equipment

MVU's current equipment inventory consists of a targeted, functional set of tools and assets designed to support daily operations, field service work, emergency response, and system management. While MVU maintains ownership of several key assets, it also leverages contractor agreements for specialized equipment to ensure flexibility and cost efficiency.

MVU Owned Vehicles

Dodge Ram 1500 Work Truck

This versatile utility vehicle serves as a primary work truck, supporting field inspections, material transport, and light-duty service needs.

Plug-in Hybrid Ford Fusion

Used primarily for administrative, engineering, and supervisory tasks, this hybrid vehicle reflects MVU's commitment to incorporating cleaner, more efficient technologies into its fleet.

Power and Backup Systems

(4) 50 kW Mobile Generators

These trailer-mounted generators provide mobile backup power, essential for emergency restoration, temporary service connections, or field operations where grid power is unavailable.

Instragrid Off-Grid Tool Power System

A portable, battery-based system that provides silent, clean power for tools and equipment in the field, reducing reliance on fossil-fuel-powered generators for small tasks.

Electric Vehicle Charging Infrastructure

(4) Level 2 Chargers Supporting

MVU's growing fleet provides charging options for staff or visitors, these units enable the utility to advance its electrification goals.

(1) DC Fast Charger (DCFC)

Offering rapid charging capabilities, the DCFC unit allows MVU to support high-demand electric vehicle needs and pilot fast-charging applications.

Contractor-Supplied Equipment

Rather than maintaining ownership of large, specialized equipment, MVU has established standing agreements with contractors to provide access to:

- **Bucket trucks for streetlight work**
- **Cranes for heavy lifting and infrastructure placement**
- **Forklifts for warehouse and material handling needs**
- **Cable pulling equipment for underground or substation work**

These partnerships allow MVU to scale resources efficiently, respond to varying workload demands, and avoid the capital and maintenance costs associated with rarely used high-cost equipment.

Conclusion

MVU's existing equipment portfolio is intentionally streamlined, balancing owned assets with contracted resources to ensure operational readiness while maintaining cost-effectiveness. This strategic approach allows the utility to manage its system reliably and effectively within its current footprint. However, as the system grows and operational needs evolve, additional equipment acquisitions will be required — a topic addressed in the upcoming "Future Equipment Needs" section.

Warehousing and Materials Management

MVU's current warehousing and materials management strategy is focused primarily on maintaining a minimal inventory to cover emergency repairs and critical system restoration needs. Rather than holding large quantities of materials for planned projects or long-term growth, the city deliberately stocks only the essential components needed to respond to unforeseen outages or equipment failures.

Materials Held in Stock

The following materials are kept on hand in relatively low quantities:

- Transformers (stored at the City Yard) - Essential for restoring service after transformer failures in the field.
- Switches (stored at the City Yard) - Used to isolate faults or reconfigure the distribution system during repairs.
- Streetlight Poles (stored at the City Yard) - Available for replacing damaged poles to maintain public safety.
- Electric Meters (stored at the Utility Field Office, UFO) - Kept in small stock for meter replacements and urgent customer connection issues.

- Streetlight Heads (stored at the UFO) - Reserved for repairs to maintain streetlighting service reliability.

This emergency stock model allows MVU to act quickly in restoring service but limits its ability to directly support larger planned maintenance projects or system expansions from inventory.

Storage Locations

City Yard:

The primary storage site for large, heavy, or bulky system components such as transformers, switches, and poles.

Utility Field Office (UFO):

A smaller storage area used for lighter, more sensitive items such as electric meters and streetlight heads, ensuring they are secure and easily accessible for field staff and contractors.

New Facilities and Facility Expansion

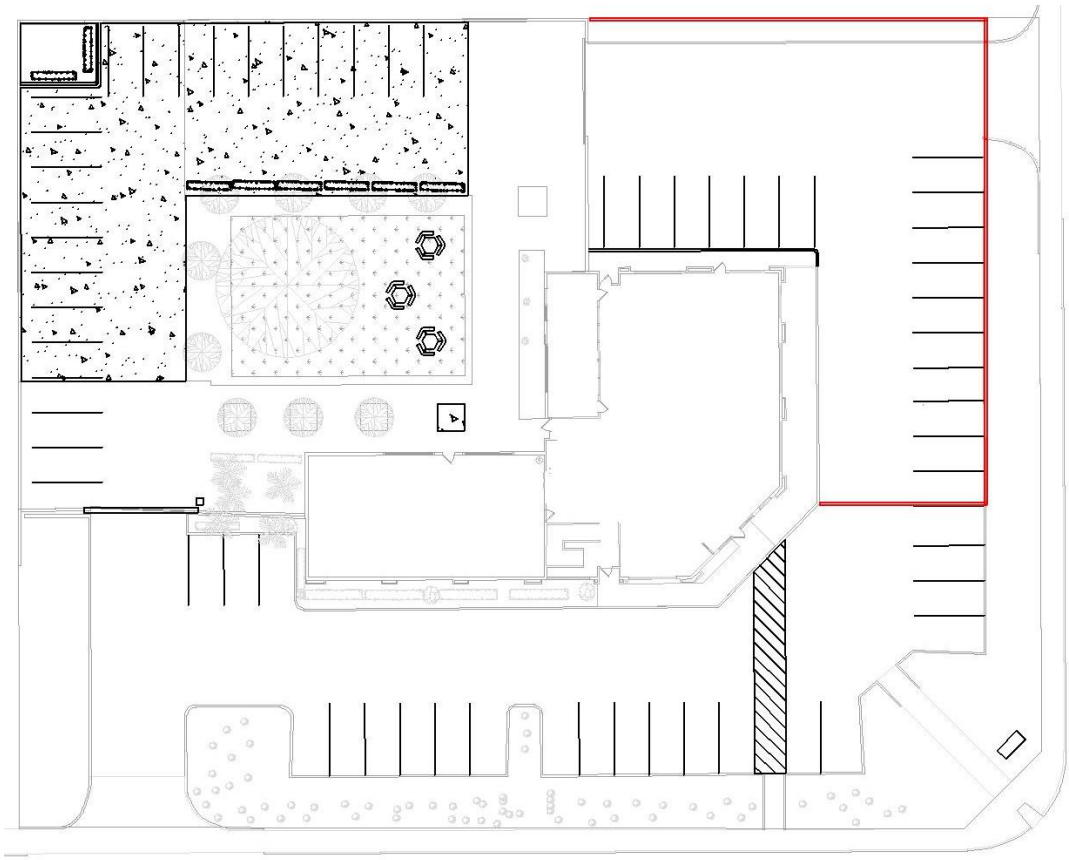
MVU is actively engaged in a multi-year capital improvement program to expand, upgrade, and modernize its facilities in line with system growth, operational demands, sustainability commitments, and future resilience. These efforts will transform MVU's physical footprint, support a growing workforce, and ensure the utility's infrastructure is positioned to meet the evolving needs of the Moreno Valley community.

New MVU Headquarters

MVU is currently in the design phase for a major remodel of the recently purchased office building on Corporate Way, which will become the new MVU headquarters. Key highlights:

- Targeting LEED Gold certification, reflecting the City's commitment to sustainable and energy-efficient building practices.
- Designed to accommodate up to 50 MVU employees, consolidating administrative, engineering, power supply, customer service, and program staff under one roof.
- Planned move-in date: January 2026, at which point the existing Annex 1 space will be vacated and returned for broader City use.

This project will provide MVU with a purpose-built, modern headquarters aligned with operational needs and sustainability goals.



Substation Expansions and Development

MVU is undertaking multiple major substation projects to meet increasing load demands and improve system reliability:

- **Moreno Beach Substation Expansion** - Currently in design, this project will add 160 MW of capacity to the existing 115 kV substation, strengthening service delivery to the eastern side of the city and positioning the system for anticipated future growth.
- **Day Street Substation Development** - MVU is designing a new 15 MW substation on its recently acquired one-acre lot at Day Street. The initial build will reuse equipment currently installed at the underutilized Nandina substation, optimizing resources and accelerating the project timeline.

- **Northeast Substation Site (Planned Acquisition)** - MVU is planning to purchase a lot in the northeast area of the city for a future substation, expanding system reach and improving service reliability in this growing sector.
- **Eastside Substation within World Logistics Center (Negotiation Phase)** - MVU is currently negotiating a site within the World Logistics Center development to construct a new substation serving the significant industrial and commercial loads expected in this high-growth area.

These projects are critical to expanding MVU's capacity, supporting new customer connections, and maintaining system resilience.

City Yards Utility Business Plan Collaboration

MVU is collaborating closely with the City's Capital Projects team on the City Yards Utility Business Plan, which includes:

- A new warehouse and operations facility dedicated to MVU.
- Space designed to accommodate approximately 30 field staff, centralizing operational activities currently spread across multiple sites.
- Centralized warehousing of materials, improving logistics, inventory control, and emergency response capability.

Construction of this facility is tentatively scheduled for 2028, making it a cornerstone project for MVU's long-term operational strategy.

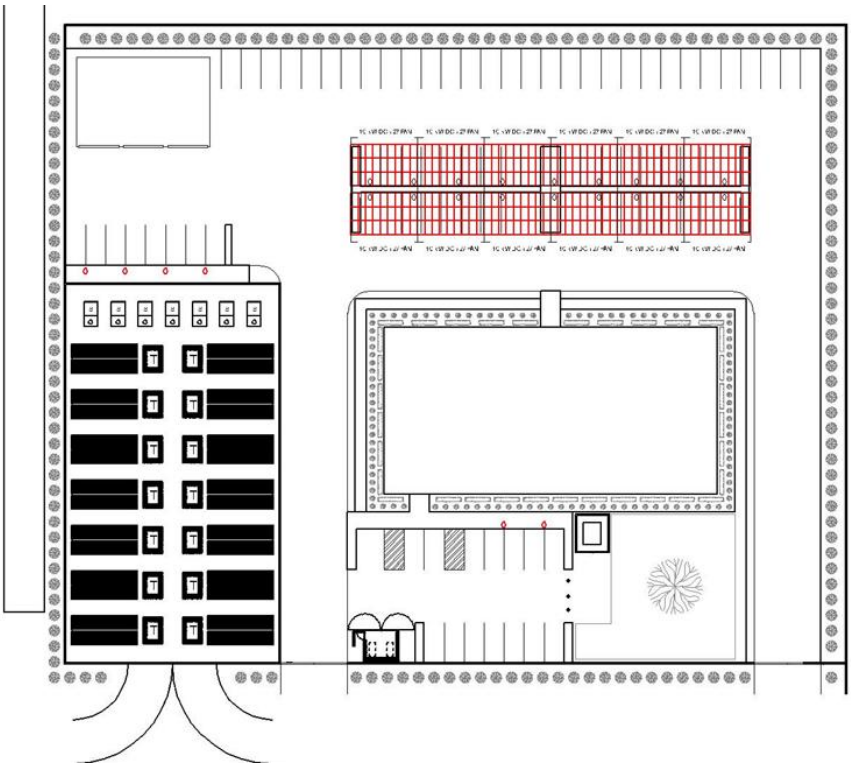
Future Dispatch and Department Operations Center

MVU is in the pre-planning stages for a new dispatch and department operations center located at the current Utility Field Office (UFO) site.

Project vision:

- A two-story building with the ground floor dedicated to a large dispatch and operations center for real-time outage management and system monitoring.

The second floor is designed as office space, primarily occupied by real-time trading desks and power market staff, reflecting MVU's evolving focus on active power market participation.



This facility will strengthen MVU's operational capabilities, improve system situational awareness, and enhance the utility's responsiveness to real-time events.

Future Equipment Plan

As MVU continues to expand its operations, customer base, and infrastructure, a proactive equipment acquisition plan is critical to ensuring the utility's ability to meet emerging demands, improve operational efficiency, and support sustainability goals. The following investments have been identified as essential to MVU's near- and medium-term future.

Fleet and Field Equipment Acquisitions

To strengthen MVU's self-sufficiency in field operations and reduce reliance on contractor-supplied equipment, the utility plans to acquire several key vehicles and field tools:

- **Small Bucket Truck for Streetlight Maintenance**
  Enables MVU crews to perform routine streetlight inspections, repairs, and

upgrades without waiting on contractor availability, improving responsiveness and public safety.

- **Cable Pulling Rigs (2 Units)**
  One rig is designed for secondary conductor work and one for primary conductor work, allowing MVU to independently manage cable installation and replacement projects.
- **Truck with Crane Lift**
  A specialized vehicle capable of transporting and setting heavy equipment such as transformers and switches, reducing logistical challenges and improving field efficiency.
- **Splicing Van for Field Staff**
  Provides a dedicated, well-equipped vehicle to support underground cable splicing work, enhancing crew readiness and safety.

Testing and Diagnostic Equipment

To improve system reliability, asset performance monitoring, and regulatory compliance, MVU plans to purchase:

- **Transformer Test Equipment**
  Enables in-house performance assessments, preventive diagnostics, and condition-based maintenance for distribution transformers.
- **Meter Testing Equipment**
  Supports quality control and regulatory compliance for customer metering systems, reducing billing errors and improving customer trust.

Fleet Electrification and Office Support Vehicles

Aligned with MVU's sustainability and fleet electrification goals, the utility will:

- Purchase **(2) New Electric Vehicles (EVs)** for office staff use, expanding its low-emission fleet.

These acquisitions will support MVU's commitment to leading by example in adopting clean transportation technologies.

New Office and Administrative Equipment

With the upcoming move to the remodeled MVU headquarters, several administrative equipment upgrades are planned:

- **(2) Large Printers and 1 Plotter**
  Essential for engineering drawings, project documents, and system maps, supporting internal design, planning, and project management activities.

Emergency and Backup Power

To strengthen MVU's emergency response and grid support capabilities:

- **500 kVA Mobile Generator**
  A larger-scale backup power resource compared to the existing fleet of smaller generators, enhancing MVU's ability to provide temporary service during major outages or planned upgrades.

Electric Vehicle Charging Infrastructure Expansion

Supporting both fleet needs and citywide EV adoption goals, MVU will install:

- **(6) New Level 2 Chargers** and **(1) DC Fast Charger** at the City Yards facility to support fleet and staff charging.
- **(30) New Level 2 Chargers** at City Hall, expanding public and staff charging capacity.
- **(12) New Level 2 Chargers** at the Amphitheater parking area, enhancing public charging options at a key community gathering site.

These installations will position the City of Moreno Valley as a regional leader in EV readiness and infrastructure.

Future Warehousing Needs

As MVU's service territory expands and system complexity increases, its current minimal stock approach — focused solely on emergency repairs — will no longer be sufficient to meet operational demands or support planned growth. To ensure

resilience, responsiveness, and preparedness for future development, MVU is planning a significant expansion of its warehousing and materials management program.

Planned Material Additions

In the near term, MVU plans to begin stocking several critical material categories that are not currently held in inventory, including:

- **Cables and Secondary Conductors** - Establishing a dedicated inventory of these components will reduce reliance on just-in-time deliveries, allow for more efficient project staging, and ensure rapid response for both planned and unplanned system work.
- **Splicing Components** - Including a range of connectors, splice kits, and associated hardware, ensuring that field crews can complete underground and overhead splicing work without delay.
- **Current Transformers (CTs) and Potential Transformers (PTs)** – Essential for metering, protection, and control applications, keeping these components in stock will reduce lead times and improve system maintenance efficiency.
- **Other Ancillary Equipment** - MVU will begin stocking a broader range of small but essential equipment, such as fuses, arresters, insulators, brackets, and grounding hardware, to ensure project readiness and reduce procurement bottlenecks.

Supporting Future Development

As part of supporting the City's growth and increasing service demands, MVU will also expand the inventory it maintains for:

- **Transformers and Major Equipment** - Moving beyond the minimal emergency stock approach, MVU will increase the volume and variety of transformers and major distribution equipment on hand to support new development projects, system expansions, and faster service connection timelines.

This proactive stocking strategy will allow MVU to better coordinate with developers, contractors, and city planners, ensuring that infrastructure is available when needed and that growth is not delayed by long equipment lead times.

Warehousing Space Requirements

To accommodate this expanded material inventory, MVU's warehousing footprint must evolve:

- Centralized Storage at the New City Yards Facility - As part of the City Yards Utility Plan, MVU's future warehouse and operations center (scheduled for construction in 2028) will provide consolidated space for storing both existing emergency materials and the expanded inventory required for future development.
- Optimized Warehouse Design - The new warehouse will be designed to support efficient material handling, inventory management, and field crew access, including appropriate racking, secured areas for sensitive components, and integration with MVU's ERP and asset tracking systems.

4. Legal Requirements, Environmental Policies, and Regulatory Reports

The Moreno Valley Utility (MVU) Utility Business Plan serves as a comprehensive roadmap for the utility's operations, governance, infrastructure development, environmental stewardship, and regulatory compliance. As a publicly owned utility, MVU is driven by a mission to deliver safe, reliable, and affordable electricity to the community while advancing local priorities for sustainability, equity, resilience, and innovation.

One of the greatest strengths of a public utility like MVU is the advantage of local control and governance. Unlike investor-owned utilities, MVU is directly accountable to the City of Moreno Valley, its elected City Council, and the residents and businesses it serves. Local governance ensures that decisions about rates, service rules, infrastructure investments, and environmental initiatives are made with the community's best interests in mind. MVU's two foundational policy documents — the Electric Service Rules, Fees, and Charges and the Electric Rate Schedule — are approved by the City Council and periodically updated to maintain alignment with customer needs, regulatory changes, and financial requirements.

The Utility Business Plan is organized around several key focus areas:

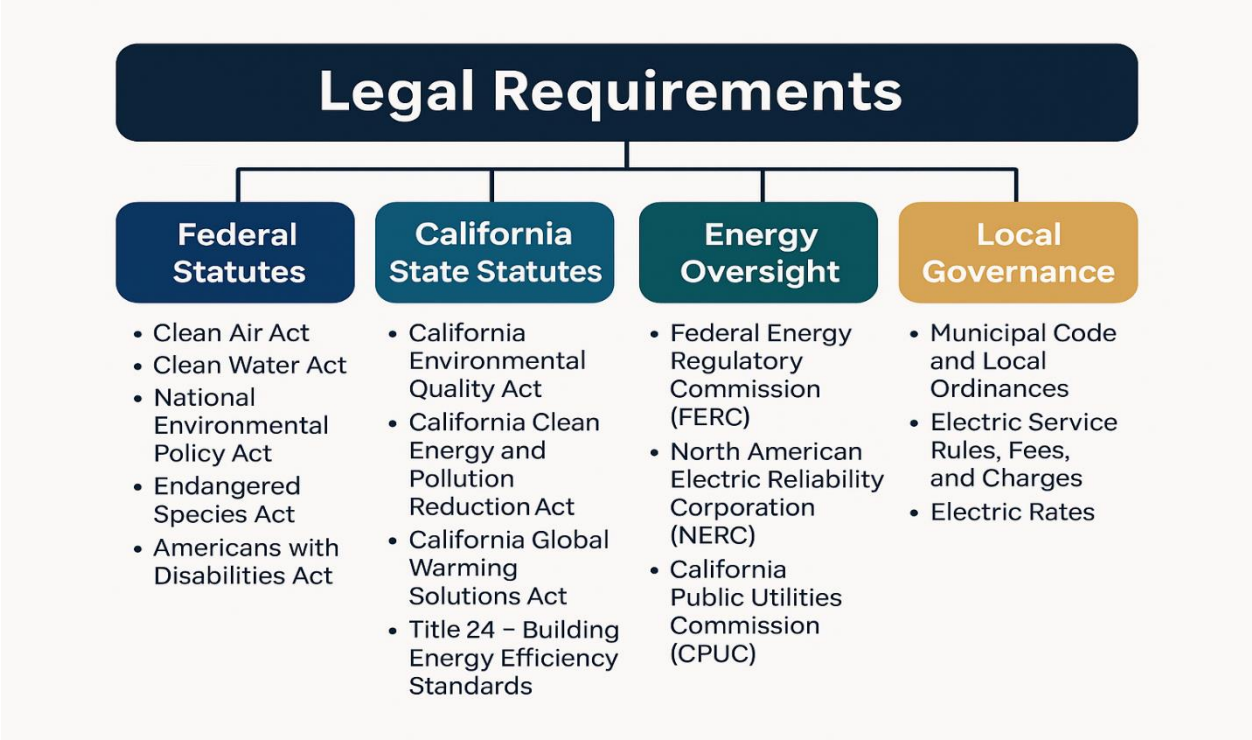
- **Legal Requirements** — detailing the complex framework of federal, state, regional, and local laws and standards that govern MVU's operations, market participation, environmental obligations, and public-facing services.
- **Environmental Policies** — highlighting MVU's commitments under California's climate action and clean energy laws, its participation in programs like Cap-and-Trade and the Renewable Portfolio Standard, and its targeted efforts to benefit disadvantaged communities through grant-funded projects such as EV charging expansion and distributed solar programs.
- **Regulatory Reporting** — summarizing MVU's extensive reporting obligations, the types of data required, submission frequencies, and the internal systems and workflows that ensure accurate, timely, and compliant filings to regulatory bodies such as the CPUC, CEC, CARB, CAISO, and EIA.

- **Coordination and Oversight** — describing the internal and external coordination structures that support MVU's success, including cross-departmental collaboration, Council and City Manager oversight, participation on key rulemaking bodies like the GO 95/128 Committee, and industry advocacy efforts through the California Municipal Utilities Association (CMUA).

Altogether, the Utility Business Plan provides a unified strategy that integrates MVU's legal obligations, environmental stewardship, customer service commitments, operational priorities, and financial health. It positions MVU not just as a utility provider but as a proactive community partner advancing the City of Moreno Valley's long-term sustainability, equity, and resilience goals.

Legal Requirements

MVU is governed by a comprehensive set of legal requirements that span federal, state, regional, and local jurisdictions. These requirements shape how MVU delivers safe, reliable, and sustainable energy services to the community.



Federal Statutes

The Moreno Valley Utility (MVU) operates under several foundational federal statutes that ensure its activities protect public health, environmental quality, and civil rights.

These laws — including the Clean Air Act, Clean Water Act, National Environmental Policy Act, Endangered Species Act, and Americans with Disabilities Act — set critical standards for air emissions, water discharges, environmental review, species protection, and accessibility. Together, they guide MVU's project planning, construction, operations, and customer services, ensuring the utility's work aligns with national priorities for environmental stewardship, social responsibility, and public safety.

- **Clean Air Act (CAA)**
  The CAA regulates air emissions from stationery and mobile sources. For MVU, this means ensuring that power procurement, generation sources, and operational activities meet air quality standards, especially when contracting or operating fossil fuel-based resources.

- **Clean Water Act (CWA)**
  This law governs water pollution controls. MVU must comply with stormwater runoff and wastewater management requirements at its facilities, particularly in maintenance yards, substations, or construction sites.

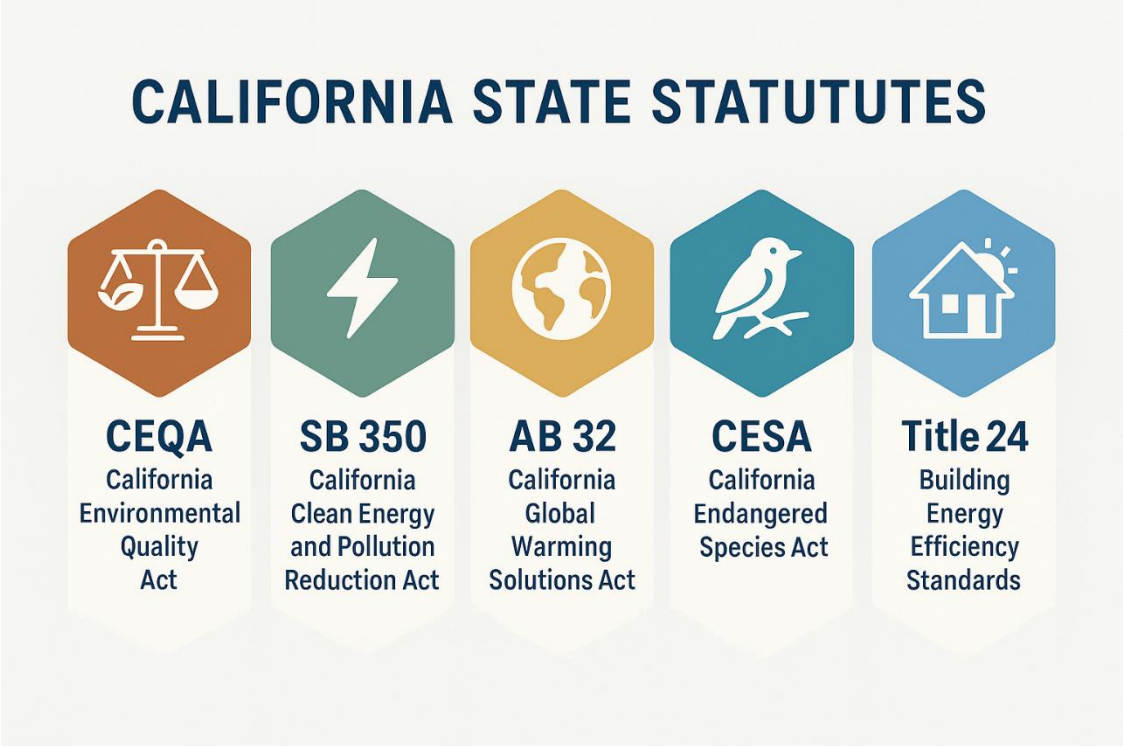
- **National Environmental Policy Act (NEPA)**
  NEPA applies when MVU undertakes projects involving federal funding or approvals. It requires environmental assessments or impact statements, ensuring that federally linked projects consider environmental consequences before moving forward.

- **Endangered Species Act (ESA)**
  ESA protections mean MVU must avoid impacts to federally protected species and habitats when constructing or maintaining utility infrastructure, especially in sensitive areas or during large capital projects.

- **Americans with Disabilities Act (ADA)**
  The ADA requires MVU to ensure that public-facing facilities, programs, and services are accessible to individuals with disabilities, covering customer service offices, public meetings, and online platforms.

California Statutes

California's legislative framework plays a pivotal role in shaping the operations and planning of the Moreno Valley Utility (MVU). Through key state statutes — including the California Environmental Quality Act (CEQA), the Clean Energy and Pollution Reduction Act (SB 350), the Global Warming Solutions Act (AB 32), the California Endangered Species Act (CESA), and Title 24 Building Energy Efficiency Standards — MVU ensures its projects meet high standards for environmental protection, clean energy advancement, greenhouse gas reduction, species conservation, and energy efficiency. These laws work together to align MVU's efforts with California's ambitious climate and sustainability goals, guiding everything from long-term planning to day-to-day operations.



- **California Environmental Quality Act (CEQA)**
  CEQA applies to MVU's capital projects, requiring environmental review to identify, avoid, or mitigate environmental impacts. MVU must complete Initial Studies, Negative Declarations, or full Environmental Impact Reports (EIRs), depending on project scope.

- **California Clean Energy and Pollution Reduction Act (SB 350)**
  This law sets energy efficiency and renewable energy targets. MVU aligns its power portfolio and resource planning to meet or exceed these clean energy milestones.
- **California Global Warming Solutions Act (AB 32)**
  AB 32 sets statewide greenhouse gas (GHG) reduction targets. MVU tracks its GHG emissions from operations and procured power, ensuring alignment with reduction goals.
- **California Endangered Species Act (CESA)**
  Similar to the federal ESA, CESA requires MVU to assess impacts on state-listed species and secure permits or implement mitigation when projects intersect sensitive habitats.
- **Title 24 – Building Energy Efficiency Standards**
  MVU incorporates these standards into its facility designs and encourages or requires them in customer programs, supporting statewide energy efficiency goals.

Energy Oversight

The Moreno Valley Utility (MVU) operates within a highly structured energy oversight framework designed to ensure the reliability, security, and efficiency of electricity delivery. Three major organizations play key roles in regulating MVU's participation in energy markets and grid operations: the Federal Energy Regulatory Commission (FERC), the California Independent System Operator (CAISO), and the North American Electric Reliability Corporation (NERC). Together, these entities establish the rules, standards, and oversight mechanisms that govern wholesale electricity transactions, ensure adequate resource planning, and safeguard the reliability and security of the bulk electric system. MVU's compliance with these energy oversight bodies is essential for maintaining access to competitive markets, upholding system integrity, and meeting the community's energy needs with confidence.

- Federal Energy Regulatory Commission (FERC)
  FERC regulates wholesale electricity markets, affecting how MVU purchases power from suppliers. MVU must follow FERC-approved tariffs and ensure its

financial systems comply with the Uniform System of Accounts (USoA), which standardizes how utilities record costs and revenues. FERC also enforces national reliability standards, which MVU implements to ensure the resilience of its systems.

- North American Electric Reliability Corporation (NERC)
  NERC develops and enforces bulk electric system reliability standards. MVU must comply with these standards and conduct regular system planning, maintenance, and operational reviews to prevent grid disruptions. NERC's Critical Infrastructure Protection (CIP) standards also require MVU to secure its physical and cyber assets against threats.
- California Independent System Operator (CAISO)
  CAISO operates the state's electricity markets, which MVU participates in to meet its energy needs. MVU engages in CAISO's day-ahead and real-time markets and secures Resource Adequacy (RA) capacity to meet forecasted demand, ensuring local reliability and avoiding penalties.

State Regulatory Agencies

California's state regulatory agencies play a vital role in shaping the policies, programs, and compliance obligations that guide the operations of the Moreno Valley Utility (MVU). While MVU, as a municipal utility, is not directly governed by the California Public Utilities Commission (CPUC), it voluntarily aligns with many CPUC-mandated practices to promote customer protection, safety, and service quality. Alongside the CPUC, the California Energy Commission (CEC) sets critical statewide energy policies, including renewable energy targets, energy efficiency standards, and long-term integrated resource planning requirements. Together, these agencies establish the regulatory framework that ensures MVU operates in a manner consistent with California's ambitious climate goals, energy innovation strategies, and public interest protections.

- **California Public Utilities Commission (CPUC)**
  While MVU is a municipal utility not directly regulated by the CPUC, it voluntarily aligns with many CPUC standards, especially regarding customer protections and

service quality. The CPUC's Safety and Enforcement Division (SED) conducts safety audits of MVU's utility infrastructure, ensuring compliance with safety best practices, wildfire mitigation plans, vegetation management, and system maintenance protocols. Additionally, CPUC guidance informs MVU's electric rates, tariffs, service rules, fees, billing practices, disconnection policies, integration of distributed energy resources (DER), and customer interactions.

- **California Energy Commission (CEC)**
  The CEC oversees the Renewable Portfolio Standard (RPS), which requires MVU to source increasing amounts of renewable energy. It also manages energy efficiency programs, which MVU implements locally, and reviews Integrated Resource Plans (IRPs), which require MVU to submit long-term strategies that ensure a reliable, affordable, and clean energy supply.

Local Governance

Local governance is one of the central strengths and defines the benefits of operating a public utility like the Moreno Valley Utility (MVU). Unlike investor-owned utilities, MVU is directly accountable to the local community, with decisions shaped by the City of Moreno Valley's leadership and the needs of its residents and businesses. This local control allows MVU to set policies, rates, and service standards that reflect community values, priorities, and expectations. MVU's operations are guided not only by the municipal code but also by two key utility policy documents: the Electric Service Rules, Fees, and Charges and the Electric Rates. These Council-approved and regularly updated documents establish the operational rules, customer service provisions, and rate structures that govern how MVU delivers electric service and maintains financial and operational accountability. Together, they ensure MVU's activities remain transparent, fair, and closely aligned with the interests of the people it serves.

- **Municipal Code and Local Ordinances**
  The City of Moreno Valley's municipal code governs MVU's local operations, including land use, permitting, zoning, infrastructure siting, construction standards, and public engagement. All MVU projects must comply with these local requirements to ensure alignment with broader city planning goals, community priorities, and environmental protections.
- **Electric Service Rules, Fees, and Charges**
  This utility policy document, formally approved by the City Council, establishes the terms and conditions under which MVU provides electric service. It covers critical service topics such as application for service, deposits, notices, billing, discontinuance of service, distribution line extensions, service extensions, and generating facility interconnections. Periodically revised to reflect operational and regulatory changes, this document ensures both customers and MVU have clear, fair, and enforceable rules governing their service relationship.
- **Electric Rates**
  The Electric Rates policy, also approved by the City Council, defines all rates and

rate options offered to MVU customers. It outlines pricing structures for residential, commercial, and industrial users, as well as any optional rates or special programs (such as renewable energy or demand response options). This document is periodically updated to ensure financial sustainability, cost recovery, regulatory alignment, and fair treatment of all customer classes.

Environmental Policies

The Moreno Valley Utility (MVU) aligns its work with a robust set of environmental policies and climate goals designed to reduce emissions, expand renewable energy use, promote sustainability, and support California's ambitious clean energy transition. These policies are not just regulatory requirements but are deeply embedded in MVU's mission to serve the community responsibly, equitably, and sustainably.

California Air Resources Board (CARB)

- Cap-and-Trade - MVU participates in California's Cap-and-Trade program, which establishes an overall cap on greenhouse gas (GHG) emissions and enables the trading of emission allowances, incentivizing reductions and cleaner procurement strategies.
- GHG Reporting - MVU submits annual GHG emissions reports to CARB, ensuring accurate tracking and compliance with state climate targets. These reports provide transparency and reinforce MVU's accountability in statewide climate efforts.

Greenhouse Gas and Climate Policies

- SB 32 (California Global Warming Solutions Act Extension) - Building on AB 32, SB 32 mandates that California reduce GHG emissions to at least 40% below 1990 levels by 2030. MVU integrates these aggressive reduction targets into its long-term planning and resource strategies.
- Renewable Portfolio Standard (RPS) - MVU complies with the state's RPS, ensuring that a growing share of its electricity sales comes from renewable sources, reducing dependence on fossil fuels and supporting the state's clean energy economy.

Environmental Justice

- Projects and Community Benefits - MVU prioritizes environmental justice principles by ensuring that projects are designed to deliver equitable benefits, particularly in disadvantaged areas identified through the CalEnviroScreen tool. MVU takes special care to avoid disproportionate environmental burdens on vulnerable communities.
- Grants and Targeted Initiatives - MVU actively pursues grant funding for clean energy, electrification, energy efficiency, and resilience projects, especially those located in or directly benefiting CalEnviroScreen-designated disadvantaged communities. This includes initiatives like expanding electric vehicle (EV) charging infrastructure, which provides greater access to clean transportation options in underserved neighborhoods.

Local Climate Action and Energy Equity Initiatives

- Local Climate Action Planning - MVU supports and aligns with the City of Moreno Valley's local climate action planning efforts, which set out community-wide goals to reduce GHG emissions, enhance resilience, and promote sustainability. MVU plays a key role in delivering projects and services that directly advance these goals, ensuring that climate solutions are embedded at the local level.
- Virtual Net Energy Metering (VNEM) Rate - MVU's VNEM rate is a critical tool that helps multifamily developers integrate solar energy into their projects while lowering construction costs and complying with California Title 24 building energy efficiency standards. By allowing the benefits of onsite solar systems to be passed through to individual residents—rather than being captured solely by building owners or operators—VNEM ensures that the people living in multifamily developments gain direct access to renewable energy savings. This approach strengthens alignment with state clean energy policies and maximizes the social and environmental impact of distributed solar generation within the community.

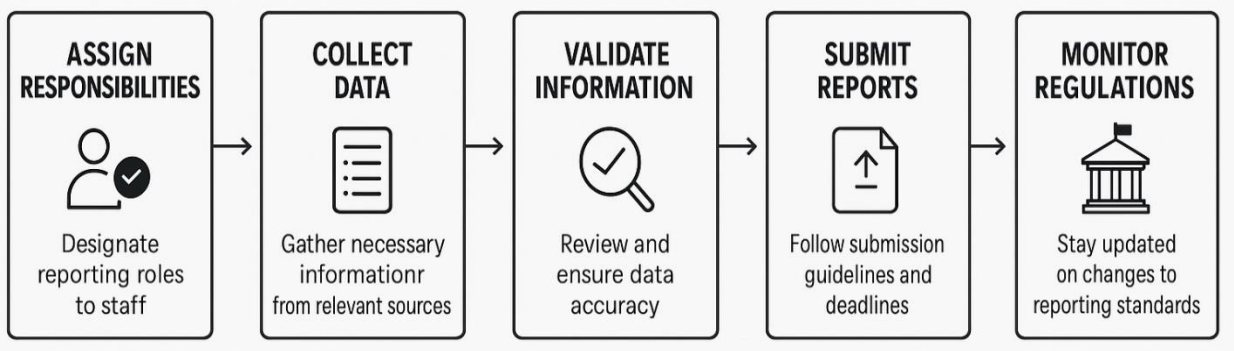
This comprehensive environmental framework ensures MVU's programs, projects, and operations are aligned not only with state and federal mandates but also with local priorities for equity, sustainability, and community well-being. Through its proactive

approach, MVU advances a clean, resilient energy future that benefits all sectors of the community, particularly those historically underserved.

Regulatory Reporting

MVU is responsible for a wide array of regulatory reporting obligations to ensure transparency, compliance, and operational integrity. These reports are submitted to federal, state, regional, and local agencies, covering topics such as system reliability, resource planning, greenhouse gas (GHG) emissions, energy use, rates, expenditures, and community programs.

Each report serves a specific purpose, often requiring detailed operational, financial, or environmental data. The Utility Business Plan incorporates procedures to track, prepare, and submit these reports accurately and on time, ensuring MVU's continued good standing with all regulatory bodies. Below is a summary of the key regulatory reports, the type of information they require, and their submission frequency.



Report	Information Provided	Frequency
CEC Form 1304B	Electric utility system data, including peak demand and capacity	Annual
CEC Form 1306 & 1306A	Electric sales and deliveries by customer class	Annual
CEC SB 1037 Report	Energy efficiency savings and program performance	Annual
CEC AB 2021 Report	Long-term energy efficiency goals and accomplishments	Annual
CEC RPS Annual Report	Renewable Portfolio Standard progress and compliance	Annual

CEC AB 2514 Energy Storage Targets Report	Energy storage procurement targets and progress	Biennial
CEC Energy Benchmarking Report	Benchmarking energy use in covered buildings	Annual
CEC Electricity Resource Plans (Supply Forms)	Long-term supply planning and resource procurement strategies	Periodic
CEC Power Source Disclosure (PSD)	Power content label showing energy mix delivered to customers	Annual
CEC RA Data Request	Resource adequacy and system planning data	As requested
CA Energy Surcharge Report	State energy surcharge collections and remittance	Quarterly
EIA 861 Report	U.S. Energy Information Administration survey of utility operations and financials	Annual
CARB AB32 GHG Report	Greenhouse gas emissions inventory	Annual
CARB AB32 SF6 Report	Sulfur hexafluoride (SF6) emissions reporting	Annual
CARB Cap-and-Trade Allowance Revenue Report	Use of Cap-and-Trade auction proceeds	Annual
CARB Cap-and-Trade Auction Participation	Participation in emissions allowance auctions	Quarterly
CARB Low Carbon Fuel Standard (LCFS)	Compliance with low-carbon fuel requirements (if applicable)	Periodic
GO 165 & GO 174 Equipment Maintenance Reports	Inspection, maintenance, and reliability reporting for electric distribution equipment	Annual
WECC Unscheduled Flow Mitigation Plan Data Request	Data for regional grid coordination	As requested
WREGIS Annual Generator Information	Generator registration and tracking for renewable energy certificates	Annual
PSD Annual Report	Additional power source disclosure details	Annual
Resource Adequacy Data Requests	Capacity and availability data for resource adequacy compliance	As requested
State Controller's Report	Financial data reporting to the California State Controller	Annual

Moreno Valley City Manager's Report	Utility performance updates for local government oversight	(Usually quarterly or annual)

Purpose and Process

To fulfill these obligations, MVU must compile and validate operational, financial, emissions, and program data from across the organization. Each report has specific data requirements, submission formats, and deadlines. Some reports require cross-departmental coordination (e.g., finance, operations, environmental services), while others require coordination with third-party partners or agencies (such as CAISO or WREGIS).

Coordination and Oversight

Ensuring the success of MVU's operations, projects, and regulatory compliance requires careful coordination and strong oversight across multiple departments, leadership levels, and external partnerships. Effective governance is not just about meeting technical or legal requirements — it is about fostering a culture of

accountability, collaboration, and continuous improvement that strengthens the utility and builds public trust.

Cross Departmental Collaboration

MVU's activities span diverse operational areas, including engineering, operations, finance, customer service, environmental compliance, and regulatory affairs. To effectively coordinate these efforts, MVU relies on cross-departmental working groups, project teams, and formalized communication channels. For example:

- The **Public Works Engineering teams** ensure that infrastructure projects and maintenance align with system reliability goals and regulatory requirements.
- The **Finance team** works with MVU to ensure accurate cost tracking, rate setting, and financial compliance for regulatory reports and filings.
- The **City Attorney's office** partners with MVU to provide oversight and guidance on its operations and contracts.

Regular interdepartmental communication and shared documentation systems help maintain alignment, track progress, and surface emerging challenges early.

Leadership and Council Oversight

At the governance level, the Moreno Valley City Council provides high-level policy direction and formal approval of MVU's major plans, including the Electric Service Rules, Electric Rates, and the Utility Business Plan itself. The City Manager's Office serves as a key oversight body, ensuring that MVU's operational decisions align with citywide priorities, customer expectations, and municipal standards.

The MVU leadership team — including the utility division manager, section supervisors, and program leaders- is responsible for translating council directives into operational actions, tracking performance metrics, and ensuring that major initiatives stay on schedule and within budget. Leadership teams also maintain responsibility for keeping elected officials and the public informed through regular reporting, updates, and public meetings.

External Agency Coordination

MVU maintains strong working relationships with a range of external agencies and industry groups to ensure compliance, advance policy priorities, and represent the interests of the utility and its customers at the state and regional levels.

Key external coordination efforts include:

- **Regulatory Agencies:** MVU works directly with the California Public Utilities Commission (CPUC), California Energy Commission (CEC), California Air Resources Board (CARB), U.S. Energy Information Administration (EIA), and other state and federal entities to meet all reporting, compliance, and program requirements.
- **Regional Grid Operators and Reliability Agencies:** MVU collaborates with the California Independent System Operator (CAISO), the North American Electric Reliability Corporation (NERC), and the Western Electricity Coordinating Council (WECC) to meet resource adequacy targets, maintain system reliability, and engage in grid-wide planning efforts.
- **Construction Standards and Rulemaking:** MVU maintains staff representation on the General Order (GO) 95/128 Rulemaking Committee, which is responsible for setting statewide construction and safety standards for overhead and underground electric line systems. By actively participating in this committee, MVU ensures it stays informed about — and has a voice in — updates to rules and standards that directly impact the design, operation, and safety of its infrastructure.
- **Industry Associations and Policy Advocacy:** Through membership in the California Municipal Utilities Association (CMUA), MVU engages in joint lobbying efforts, legal commentary, and policy advocacy alongside other public utilities. CMUA participation allows MVU to amplify its voice in legislative and regulatory discussions, ensuring that the perspectives and needs of municipal utilities are represented in statewide energy policy debates.
- **Granting and Funding Agencies:** MVU works with entities such as the CEC, CARB, and federal agencies to apply for and secure grants that support energy efficiency, renewable energy, electric vehicle infrastructure, and environmental justice initiatives.

These external relationships not only ensure compliance but also help MVU proactively shape policies, access funding, and adopt best practices that strengthen the utility's performance and benefit its customers.

Continuous Improvement and Accountability

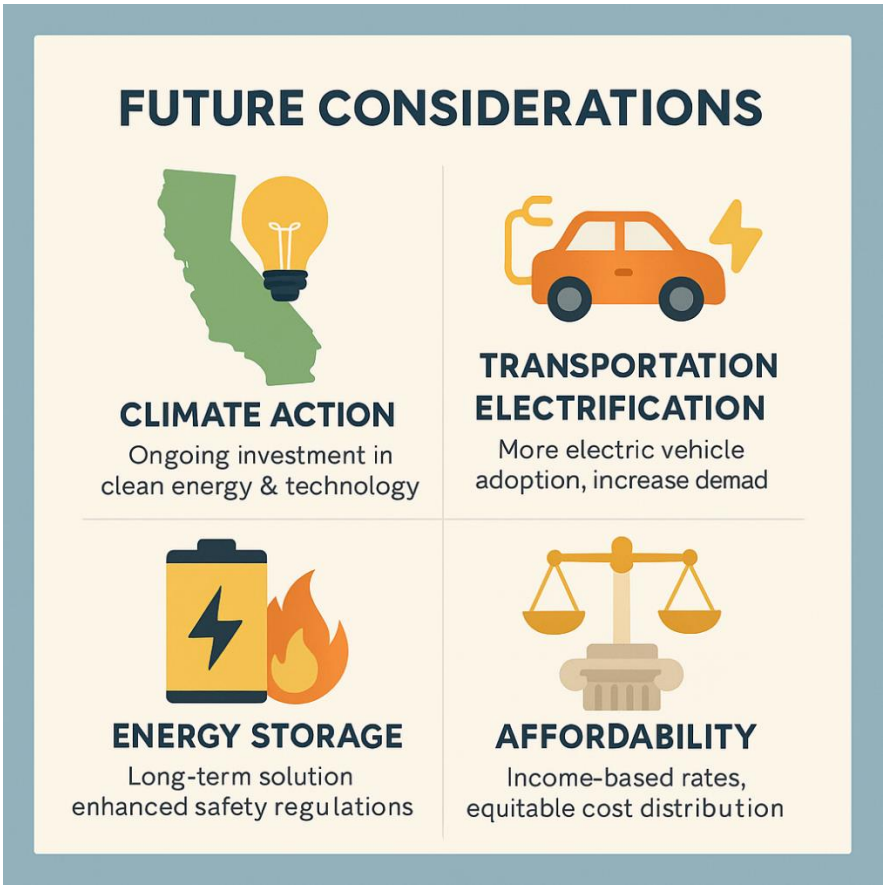
Oversight at MVU is not static. The Utility Business Plan embeds a culture of continuous improvement by:

- Conducting annual internal reviews to assess regulatory compliance, operational performance, and customer service metrics.
- Establishing performance dashboards that track key indicators such as system reliability, energy efficiency, renewable procurement, and financial health.
- Providing ongoing staff training to ensure all personnel understand evolving compliance obligations, best practices, and operational innovations.
- Engaging in community feedback loops — through public meetings, surveys, and stakeholder outreach — to gather input and adjust practices based on customer and community needs.

By institutionalizing these oversight practices, MVU not only strengthens its regulatory compliance but also ensures it remains responsive, adaptive, and resilient in the face of evolving challenges and opportunities.

Outlook on Legal Regulations, Environmental Policies, and Affordability

As California continues to push the boundaries of climate leadership and clean energy innovation, the Moreno Valley Utility (MVU) recognizes that the regulatory and policy landscape will grow more complex in the years ahead. To stay ahead of these shifts, MVU must remain vigilant in anticipating, adapting to, and preparing for the next wave of legal requirements, environmental mandates, and affordability reforms that will shape utility operations and customer impacts.



Deeper Climate Action and Green Technology Investment

California is expected to maintain — and likely intensify — its focus on deep decarbonization, renewable energy expansion, and green technology investment. Future legislation and regulatory action will continue to prioritize aggressive emissions reductions, with potential new mandates for utilities to increase renewable procurement, expand electrification, and deploy advanced energy efficiency and storage technologies.

Transportation Electrification and Energy Demand Growth

As California regulators increase pressure on the transportation sector to transition toward electric and alternative fuel vehicles, MVU anticipates a significant rise in electricity demand. The proliferation of electric vehicles (EVs), particularly in commercial and fleet applications, will reshape MVU's load profiles and procurement

strategies, requiring enhanced distribution system planning, expanded EV charging infrastructure, and sufficient power resources to meet peak demand without compromising reliability.

Long-Term Energy Storage and Public Safety

Achieving California's goal of 100% renewable energy will require scalable, reliable, long-term energy storage solutions to address the intermittency of solar, wind, and other renewable resources. Battery Energy Storage Systems (BESS) are expected to play a major role; however, recent concerns about battery safety, including high-profile fire events, suggest that regulators will soon enhance safety, siting, and operational standards to protect public safety. MVU must be prepared to integrate these evolving requirements into its future project designs, procurement decisions, and emergency response planning.

Affordability, Income-Contingent Rates, and Equitable Cost Sharing

A major emerging area of state-level focus is affordability and equitable cost distribution. As California's energy system becomes more complex and costly, driven by investments in wildfire mitigation, grid modernization, decarbonization, and electrification, the state legislature and regulators are increasingly examining how these costs are passed on to customers.

One key initiative involves exploring income-contingent rate structures that adjust customer rates based on household income, aiming to ensure that low- and moderate-income customers are not disproportionately burdened by rising system costs. MVU anticipates that future regulatory changes may require public utilities to adopt or align with these new affordability models.

Additionally, MVU expects the state to continue expanding programs that support equitable access to clean energy, including incentives for distributed solar, storage, and EV charging in multifamily and rental housing, as well as targeted low-income assistance programs. MVU's own Virtual Net Energy Metering (VNEM) rate already plays a critical role in extending the benefits of rooftop solar directly to residents in

multifamily buildings, helping developers meet Title 24 energy efficiency requirements while supporting state equity goals.

Conclusion

The Moreno Valley Utility (MVU) continues to demonstrate its commitment to responsible governance, operational excellence, and community-centered service through the development and implementation of this Utility Business Plan. The plan reflects a comprehensive strategy that integrates legal compliance, environmental stewardship, regulatory transparency, and customer equity, ensuring MVU remains aligned with the evolving priorities of the City of Moreno Valley and the State of California. As the utility sector navigates growing challenges such as transportation electrification, distributed energy integration, and affordability reforms, MVU is proactively investing in infrastructure, systems, and partnerships that will sustain long-term reliability, resilience, and innovation. Guided by sound engineering principles, robust oversight, and a focus on public value, MVU is positioned to deliver a clean, dependable, and equitable energy future for all residents and businesses in the Moreno Valley community.

5. Asset Replacement and Inspection

The purpose of this report is to outline the Asset Replacement and Inspection Program for Moreno Valley Electric Utility (MVU). This document provides clarity on asset management, inspection programs, criticality assessment, health, and risk indexing, while also highlighting the importance of compliance with California General Orders (GOs). Given that MVU's infrastructure primarily includes underground equipment installed post-2004 at a standardized 12kV voltage, this report details planned replacement activities anticipated to commence around 2035.

Asset Management and Asset Replacement

Asset management for electric utilities involves strategically managing equipment lifecycles to ensure optimal reliability, safety, and cost-effectiveness. This includes evaluating when assets such as transformers, switches, and cables need replacement due to aging, operational stress, or technology upgrades. Proper asset management mitigates outages, enhances reliability, and aligns with regulatory compliance.

Inspection Programs

Inspection programs systematically evaluate the condition of electrical equipment to maintain operational reliability and safety. MVU’s inspections adhere to California General Orders, notably GO 165 and GO 174, which mandate regular inspections and documentation, particularly for underground equipment, to ensure safety and compliance.

California General Orders

California GOs set mandatory operational and safety standards for electrical utilities. GO 165 and GO 174 require regular inspections and detailed record-keeping to ensure public and worker safety and system reliability. Non-compliance can result in regulatory penalties, decreased reliability, and compromised safety.

GO 165: MVU's Underground Distribution Facilities

Inspection	Description	Frequency
Patrol Inspection	Visual check of above-ground enclosures (e.g., pad-mounted equipment) to detect external damage or hazards	**Once per year** (not to exceed 15 months).
Detailed Inspection	Internal inspections of vaults, manholes, and underground enclosures for equipment conditions, structural integrity, and safety hazards.	**Once every 3 years** (not to exceed 39 months).

GO 174: MVU's Substation Facilities

Inspection	Description	Frequency
Patrol Inspection	Walk-through inspection to check for abnormal conditions, security, and general equipment status.	**Once per year** (not to exceed 15 months).
Detailed Inspection	Comprehensive inspection covering equipment condition, electrical integrity, and safety compliance.	**Once every 3 years** (not to exceed 39 months).

Criticality, Health, and Risk Indexing

MVU plans to follow a Criticality, Health, and Risk indexing methodology to assess its assets risk of failure and prioritize asset replacement/upgrades. The Risk score of an asset is made up of two factors: Criticality and Health.

The Criticality index assesses the importance of specific assets based on the consequences of failure.

Figure 1 - High Criticality Example: Hospital Service

Figure 2 - Low Criticality Example: Residential Transformer

The Health Index evaluates the current condition and expected remaining life of an asset.

Figure 3 - High Health Example: Leaking Oil from Transformer

The Risk index combines criticality and health to prioritize maintenance and replacements.

Example Calculation:

- Low-risk Transformer (Residential):
    - Health Score: Moderate (5)
    - Criticality Score: Low Impact (1)
    - Risk Index = Health Score × Criticality Score = 5
- High-risk Transformer (Hospital):
    - Health Score: Moderate (4)
    - Criticality Score: High Impact (9)
    - Risk Index = Health Score × Criticality Score = 36

Assets with higher risk indices are prioritized for inspections and proactive replacement. The hospital transformer has a risk score of 36 and the residential transformer has a risk score of 5, the hospital transformer would be prioritized over the residential one when scheduling routine replacements.

Equipment Useful Life Standards

Typical useful life expectancy for MVU's major asset categories:

- Underground Cable: 40 years
- Transformers (Distribution): 30 years
- Distribution Switches: 30 years
- Circuit Breakers: 25 years
- Substation Transformers: 50 years
- Electric Meters: 15 years
- Relaying/Protection Equipment: 20 years
- Other Substation Equipment: 30 years

Asset Inventory and Cost Analysis

Equipment Class	Quantity	Approximate Cost to Replace ($)
Underground Cable	200 Circuit miles	$250,000 per circuit mile
Distribution Transformers	1,500	$20,000
Distribution Switches	350	$30,000
Circuit Breakers	75	$75,000
Substation Transformers	10	$3,000,000
Electric Meters	55,000	$500
Relaying/Protection Equipment	150	$25,000
Streetlights	12000	$5,000
Other Substation Equipment	100	$30,000

Annual Replacement Budget (Beginning 2035)

The annual replacement budget calculation assumes replacements are evenly spread based on useful life:

Equipment Class	Quantity	Useful Life (Years)	Annual Replacement Quantity	Replacement Cost	Annual Budget
Underground Cable	200 miles	40	5	$250,000	$1,250,000
Distribution Transformers	1,000	30	33	$20,000	$660,000
Distribution Switches	200	30	7	$30,000	$210,000
Circuit Breakers	75	25	3	$75,000	$225,000
Substation Transformers	10	50	1 every 5 years	$3,000,000	$600,000
Electric Meters	9,500	15	633	$500	$316,500
Relaying/Protection Equipment	40	20	2	$25,000	$50,000
Streetlights	12000	40	300	$5,000	$1,500,000
Other Substation Equipment	100	30	3	$30,000	$90,000

Total Annual Replacement Budget Estimate: Approximately **$4,901,500**

Conclusion

This Asset Replacement and Inspection Program ensures MVU proactively maintains infrastructure reliability, safety, and regulatory compliance. By leveraging criticality, health, and risk indexing strategies, MVU can optimize resource allocation and maintain high reliability standards. Given the relatively young asset age profile, MVU is well-positioned to maintain efficient operations and minimize costs associated with premature replacements.

6. Power Supply

The mission of MVU's Power Supply, Energy Procurement, and Regulatory Compliance function is to ensure the delivery of reliable, affordable, and sustainable electricity to the Moreno Valley community through strategic planning, disciplined procurement, and full adherence to state and federal mandates.

This function oversees the development and execution of MVU's energy portfolio, ensuring compliance with California's Renewable Portfolio Standard (RPS), Resource Adequacy (RA) requirements, and long-term decarbonization goals. It reflects MVU's commitment to fiscal responsibility, regulatory alignment, and operational resilience in a dynamic energy landscape. By strengthening internal capabilities and implementing the 2025 Integrated Resource Plan, MVU is building a power supply framework that supports growth, mitigates risk, and advances the City's clean energy future.

This section presents a comprehensive overview of the Moreno Valley Electric Utility's (MVU) power supply strategy, encompassing a retrospective review of procurement performance, roadmap for 2025–2030, and strategic planning aligned with the 2025 Integrated Resource Plan (IRP), extending through 2045. The utility's approach is grounded in regulatory compliance, prudent fiscal oversight, and resilience to market volatility while accommodating load growth projected across key development sectors.

MVU has invested in the development of its Power Supply Division through the establishment of a dedicated Power Supply Manager position, tasked with leading the strategic oversight of energy procurement, portfolio optimization, and regulatory compliance. This role enhances MVU's capability to navigate the increasingly complex energy market by proactively managing power supply contracts, ensuring alignment with state and federal mandates, and safeguarding operational and financial risks. The addition of this position has already yielded measurable results, generating millions of dollars in savings through improved procurement practices and the early detection of costly compliance issues and deficiencies in purchased power agreements. By embedding this expertise within the organization, MVU is better positioned to deliver cost-effective, reliable service to its customers while meeting its long-term sustainability and financial objectives.

Existing Framework: Energy Procurement and Contract Oversight

Historically, the Moreno Valley Electric Utility (MVU) relied on an outsourced framework to manage its energy procurement functions and oversight of purchased power agreements. This model, which leveraged external scheduling coordinators and third-party consultants, was appropriate during MVU's formative years, offering operational flexibility, access to market expertise, and reduced internal staffing requirements. It provided foundational support during the utility's initial portfolio development and allowed MVU to meet baseline compliance obligations with minimal overhead.

However, as MVU's customer base expanded, regional developments accelerated load growth, and the energy landscape became more volatile and policy-driven, the limitations of this externally managed model became more apparent. Insufficient in-house visibility in contract terms, regulatory rulemakings, and market shifts introduced substantial financial risk. Missed opportunities for cost avoidance, underutilized REC positions, and delayed identification of compliance deficiencies highlighted the need for greater institutional control. Further, the evolving regulatory environment—including California's accelerated RPS targets, Resource Adequacy (RA) reforms, and increasing expectations for carbon-free procurement—required a more proactive, integrated approach. With power procurement comprising MVU's largest annual expense category and the CAISO market growing increasingly dynamic, it became clear that internalizing key elements of the power supply function was not only prudent but essential. This organizational shift represents a strategic evolution, transitioning MVU from a compliance-oriented procurement model to one that is strategic, analytical, and performance-driven.

MVU has strengthened its operational posture, enhanced its ability to navigate regulatory and market complexity, and established the foundation for a self-reliant, financially sound energy supply strategy. The continued transition from contractor-led procurement to a staff-led energy portfolio framework ensures that MVU can safeguard ratepayer interests while advancing its long-term sustainability and reliability objectives.

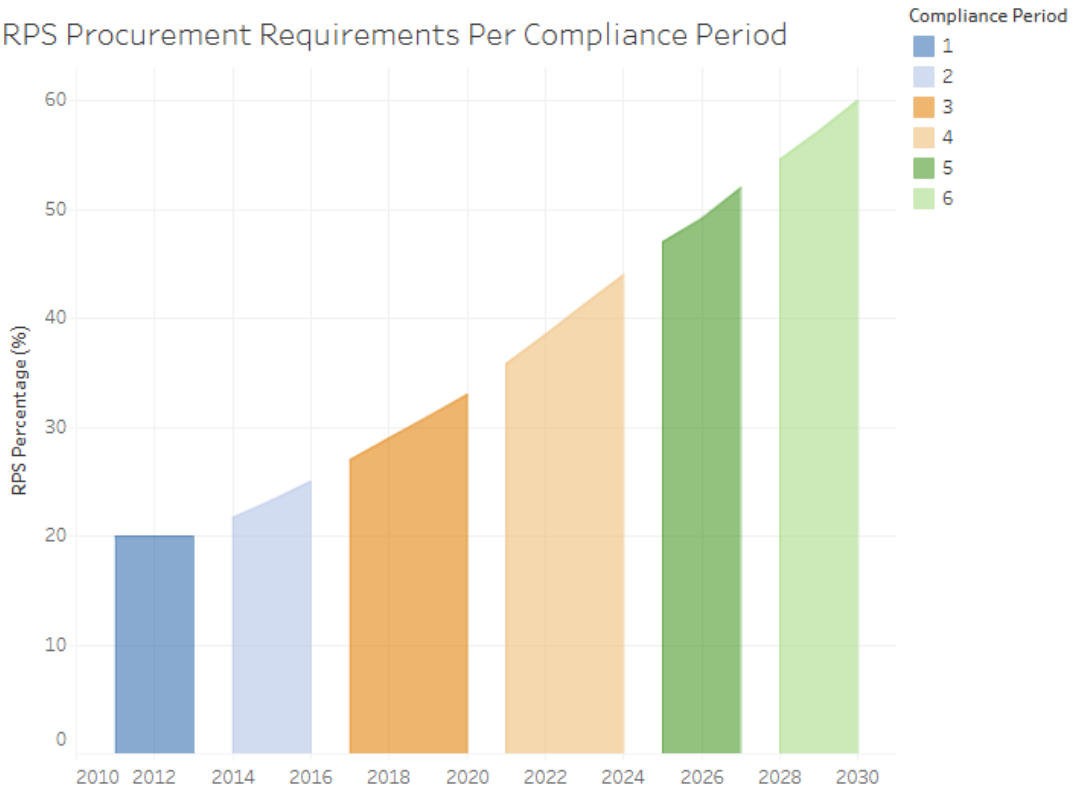
1. Power Procurement in the Open Market

To meet its daily electricity demand, Moreno Valley Utility (MVU) procures power through its designated scheduling coordinator and market agent, Tenaska. Operating within the California Independent System Operator (CAISO) balancing authority, MVU must continuously balance its forecasted loads with available generation resources to maintain grid reliability and regulatory compliance. CAISO functions as the independent grid operator for the majority of California, managing the flow of electricity across high-voltage transmission lines and operating a real-time wholesale energy market that allows load-serving entities (LSEs) to buy and sell energy efficiently.

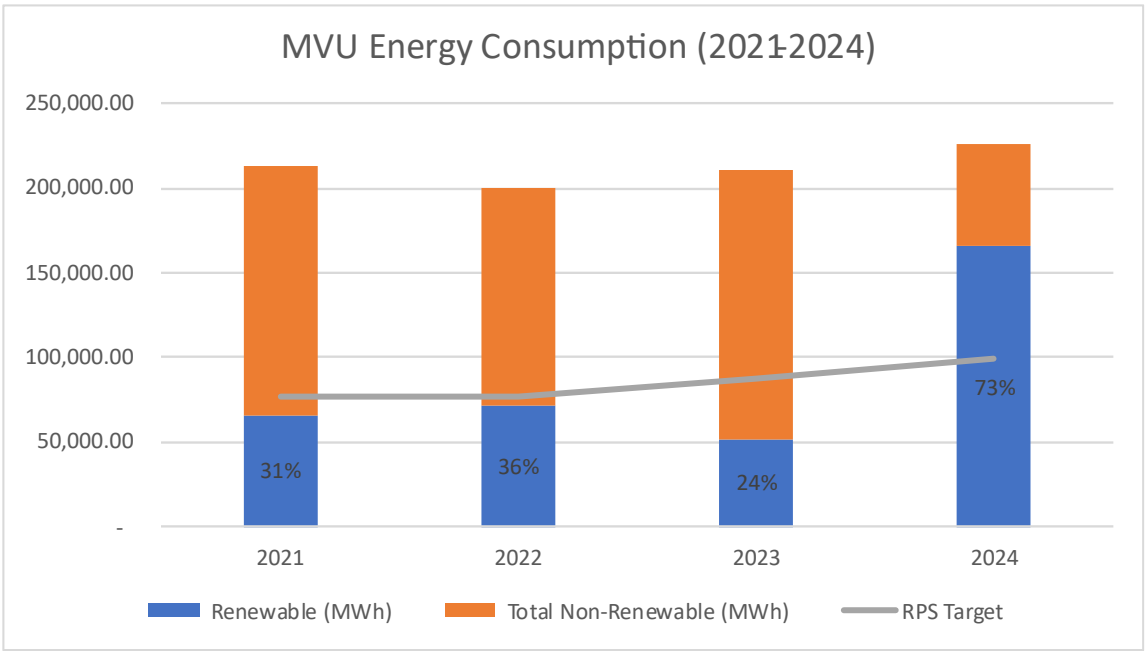
Because MVU does not own sufficient dispatchable generation to serve its entire load at all hours, participation in the CAISO market is essential. Through Tenaska, MVU submits daily and hourly load forecasts and energy schedules, and purchases spot market power to cover any real-time imbalances between projected demand and actual usage. Tenaska's use of advanced analytics and market expertise ensures that MVU can secure a reliable energy supply on a cost-effective basis while adapting to rapidly changing load conditions, weather patterns, and market volatility. This market-based procurement approach is foundational to MVU's operational strategy and directly supports its efforts in regulatory compliance, long-term planning, and resource adequacy.

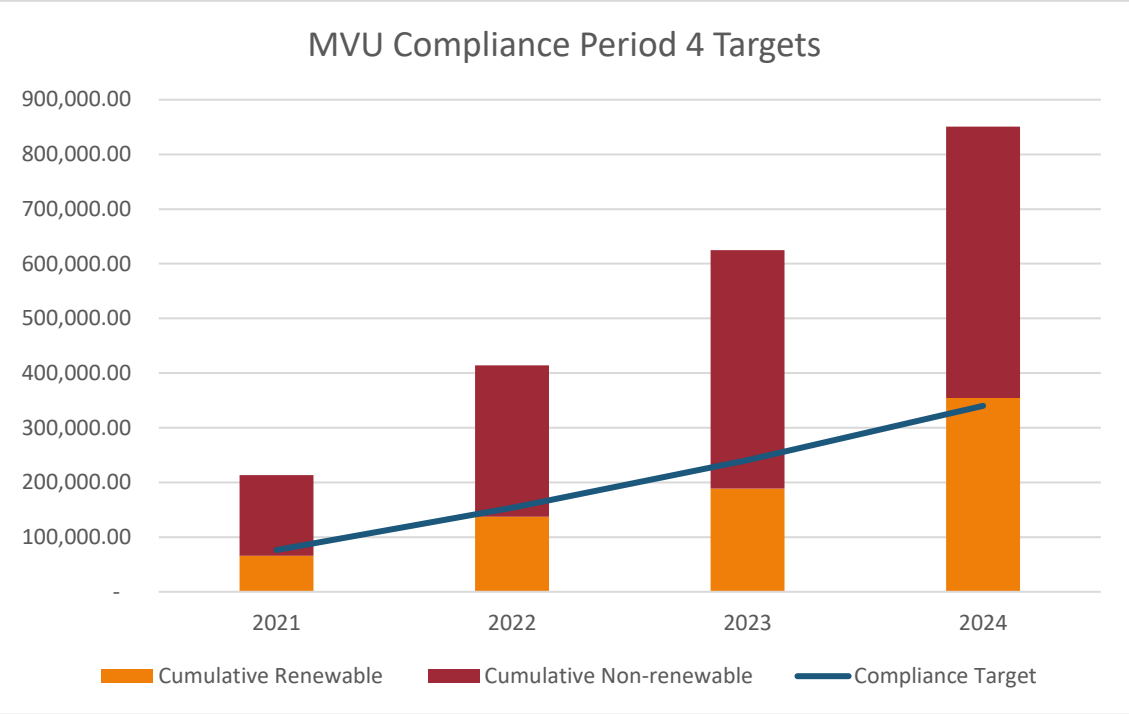
2. Renewable Portfolio Standard (RPS) Compliance

The Renewable Portfolio Standard (RPS) Compliance Period 4, covering the years 2021 through 2024, mandated that all California load-serving entities, including municipal utilities, procure increasing percentages of eligible renewable energy to support the state's long-term decarbonization goals. Under this period, MVU was required to procure a minimum of 44% of its retail sales from qualifying renewable resources by 2024. The requirement is over the entire compliance period with annual average soft targets; utilities can procure eligible energy or RECs anytime within the 4 years.



MVU successfully met and exceeded this obligation through existing long-term renewable energy contracts and strategic market purchases to fill any gaps in specific compliance years. The energy consisted of a variety of resources, primarily solar.





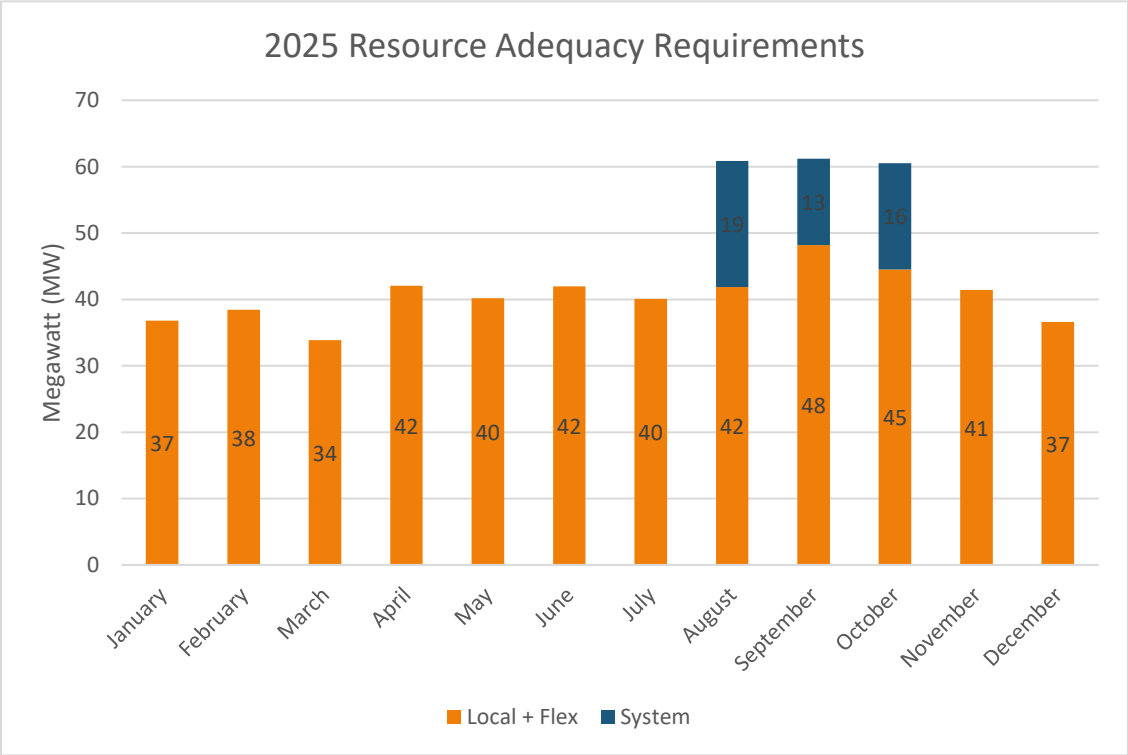
Existing and Planned Power Purchase Agreements							
Project Name	Effective Date	Location	Energy Type	Term (Years)	Megawatts (MW) / Month	Price per MWh	Commercial Operation Date
RE Astoria 2	7/23/2014	Kern County	Solar	20	2	$ 63.00	10/27/2016
Whitney Point	4/17/2015	Fresno County	Solar	20	4.5	$ 58.75	4/18/2017
Antelope Expansion 3A	11/14/2017	LA County	Solar	20	15	$ 36.87	5/31/2021
Gaskell West	6/30/2020	Kern County	Solar	20	16	$ 26.95	12/31/2022
Golden fields	*TBD 2025*	*Kern County*	*Solar*	*15*	*6*	*$ 46.00*	*TBD 2025*

The addition of dedicated staffing to support contract compliance and resource planning contributed to lowering the overall costs of renewable energy and avoiding

penalties during this period. This achievement reflects MVU's continued commitment to environmental stewardship and regulatory adherence while maintaining cost-effective and reliable service for its customers.

3. Resource Adequacy

Under California Public Utilities Code §9620 and enforced through the California Energy Commission (CEC), publicly owned utilities (POUs) within the CAISO balancing authority—including those located in the SCE and SP-15 regions—must meet specific resource adequacy (RA) requirements. These requirements ensure that each load-serving entity (LSE) maintains sufficient capacity to meet forecasted peak demand plus a planned reserve margin. The 2025 RA Requirements for MVU are listed below.



For POUs, this entails demonstrating year-ahead and month-ahead procurement of:

- System RA (total capacity),
- Local RA (within transmission-constrained areas), and
- Flexible RA (ramping resources for renewable integration).

Challenges and Compliance Gaps

MVU has encountered challenges meeting full RA obligations, primarily due to the high market cost of RA-qualified capacity. Previous budget constraints and limited access to firm capacity products have led to periodic non-compliance or under-procurement, particularly in tight capacity years. Additionally, the RA value of solar resources has diminished over the years, lowering the RA value of our predominantly solar portfolio. Through the revision of the IRP and the addition of new staff, MVU has already begun a path for compliance, with procuring capacity in the short term (2025-2026), and strategically procuring more resources with RA attributes, it is anticipated that current and future RA requirements will be met.

Path Forward: Enhancing Portfolio Diversification

Beginning in April 2025, MVU began taking targeted actions to improve RA compliance through the strategic procurement of long-term power purchase agreements (PPAs) that include RA attributes, portfolio diversification, and short-term purchases to cover immediate capacity needs identified by the CIASO.

These steps are expected to significantly improve MVU's RA compliance position in the coming compliance periods and reinforce reliability while supporting the state's clean energy transition.

Integrated Resource Plan

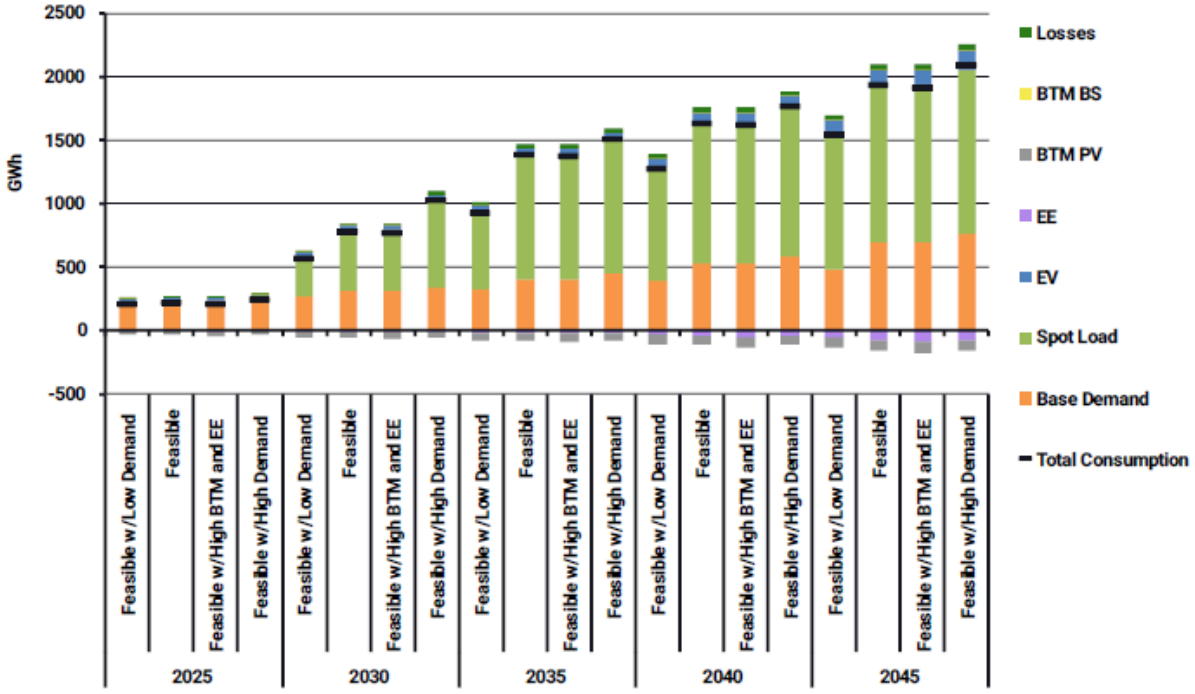
In 2025, the Moreno Valley Electric Utility (MVU) finalized its updated Integrated Resource Plan (IRP), a foundational document that provides a comprehensive roadmap for meeting the utility's long-term energy needs through 2045. The IRP serves as the central framework for aligning MVU's energy procurement, resource adequacy (RA), renewable portfolio standard (RPS) compliance, and financial planning strategies, while supporting projected load growth tied to residential, commercial, and industrial development within the City's expanding economic corridors.

IRP Goals

MVU's IRP prioritizes resource adequacy, state-mandated compliance, and ratepayer protection. It ensures enough capacity to serve future demand reliably, meets Renewable Portfolio Standard (RPS) and Resource Adequacy (RA) requirements, and minimizes cost volatility. The plan emphasizes proactive procurement and grid

flexibility to support local development and climate goals. The IRP evaluated a variety of scenarios based on projected growth and planned or new development in the City. This resulted in the selection of the feasible low-demand scenario for the immediate procurement targets, balancing known growth and development in the City and annual consumption models.

Figure 3 – Annual Consumption (MWhs) by Driver and Scenario



Resource Targets

To achieve these objectives, the IRP recommends the following resource additions within the next 10 years:

- 185 MWh increase renewable energy supply with higher capacity value (wind, geothermal, etc.).
- 45 MW of battery storage—including an initial 20 MW front-of-meter project—to support peak demand and provide system flexibility.

The Integrated Resource Plan (IRP) serves as a foundational element of MVU's planning and procurement strategy and will be updated on a biennial basis to incorporate new growth projections, evolving market conditions, and changes in regulatory requirements. Regular and systematic review of the IRP is essential to the utility's continued success, ensuring that MVU remains agile and responsive to emerging challenges. As a strategic planning instrument, the IRP enables MVU to proactively align its resource decisions with future energy demands while maintaining reliability, affordability, and compliance.

Regulatory Alignment and Risk Mitigation

MVU will take a proactive approach to managing regulatory risk by aligning resource planning with state mandates while minimizing exposure to capacity shortages, carbon pricing, and market volatility. Rather than reacting to policy changes or market pressures, the utility is positioning itself to stay ahead of compliance obligations, ensuring that energy procurement strategies are both defensible and resilient. The plan focuses on building a balanced, RA-compliant portfolio, reducing dependence on short-term purchases, and timing new resource additions to coincide with key regulatory milestones. This strategy supports stable operations, cost control, and long-term eligibility for state programs.

To implement this strategy effectively, MVU will employ the following measures to strengthen compliance, reduce risk, and ensure long-term operational stability:

- Procure energy resources with maximum RPS and RA attributes to meet RPS and RA regulatory requirements;
- Diversification through a variety of renewable resources, like wind, geothermal, battery storage, and others, to improve reliability and meet RA requirements;
- Minimization of carbon exposure by reducing reliance on emitting resources;
- Strategic timing of new resources to align load growth with RPS and RA targets and avoid future penalties;
- Increase internal staff to ensure contract compliance, monitor market activities, and regularly evaluate existing and prospective resources for risk mitigation opportunities.

4. Five-Year Strategic Energy Plan (2025-2030)

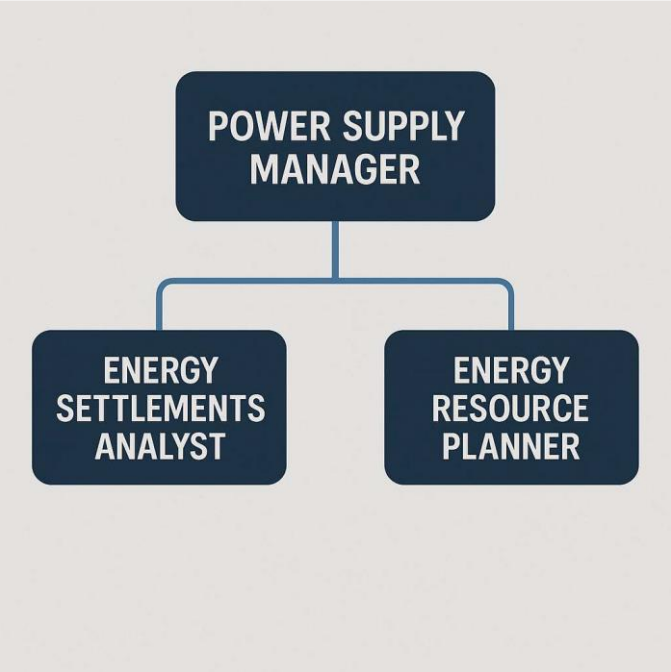
The Moreno Valley Electric Utility Five-Year Strategic Energy Plan (2025–2030) outlines a focused path to ensure regulatory compliance, enhance system reliability, and maintain long-term affordability for its customers. Built on the foundation of the 2025 Integrated Resource Plan (IRP), this plan aligns MVU's energy procurement, portfolio development, and operational oversight with California's clean energy mandates and the City's projected growth.

A few key targeted actions are:

- Procure short-term RPS and RA power purchase agreements to meet immediate system and regulatory needs
- Procure 100,000 MWh long-term power purchase agreement in the next year to provide energy + RPS + RA attributes to meet system and regulatory needs
- Secure contract to begin managing congestion revenue rights (CRR) to benefit the utility
- Begin the process of receiving RPS energy RECs for rooftop solar
- Begin developing agreements and partnerships with developers to install and maintain rooftop solar for MVU
- Develop internal renewable energy matrices to better evaluate renewable energy resources and their corresponding attributes as the market and regulations change
- Explore financing opportunities for long-term power agreement payments.
- Develop and implement the power supply risk management strategy.
- Secure the next phase of scheduling coordination and market operations contract

The efforts identified by the IRP and MVU's strategic planning make investments in increasing internal resources critical to the success of the utility. MVU has transitioned from an externally managed procurement model to a performance-driven, staff-led framework. The establishment of the Power Supply Division and the addition of dedicated in-house expertise have already yielded measurable savings and strengthened institutional oversight. MVU plans to add two additional full-time staff positions to enhance the work that began with the addition of the Power Supply Manager position and the creation of the Power Supply Division within MVU. We are

confident the additional resources will yield results in the resource planning, regulatory, and cost control areas quickly and position MVU for success within the complex and volatile energy market. Below, please find the proposed organizational chart presented to the City Council for adoption during the next budget cycle to be approved in July 2025.



In addition to the investment in the power supply division and staff, our Utility Business Plan prioritizes the following over the next five years:

- Internalizing energy procurement and compliance functions;
- Securing long-term renewable and RA-eligible resources;
- Deploying battery energy storage to enhance flexibility and peak support;
- Meeting system, local, and flexible RA requirements through portfolio diversification;
- Aligning new resource additions with RPS milestones and SB 100 targets;
- Managing rate impacts through planning, grants, and market participation.

Through disciplined execution of this plan, MVU will ensure a reliable, sustainable, and financially resilient power supply, serving the evolving needs of its customers while meeting all regulatory obligations.

- Target resources with bundled RA attributes to improve year-ahead and month-ahead compliance.
- Begin phased procurement aligned with IRP timelines to meet 2030 RPS and RA benchmarks.
- Engage in joint procurement with regional POUs or JPA structures to reduce costs and improve buying power.

This Five-Year Utility Business Plan provides MVU with a clear, phased roadmap to operate the 2025 IRP. Through disciplined procurement, targeted investment in renewable and RA-compliant resources, and robust internal oversight, MVU will meet its regulatory mandates and position itself as a resilient, forward-thinking utility serving the evolving needs of the Moreno Valley community.

The Path to 2030 and Beyond

As the Moreno Valley Electric Utility (MVU) approaches the end of this decade, it stands at a defining inflection point—one shaped by aggressive decarbonization mandates, sustained local development, and the growing complexity of California's energy market. The foundational steps taken between 2019 and 2030, cultivating the completion of the 2025 Integrated Resource Plan (IRP) and implementation of MVU's Five-Year Strategic Energy Plan, have established a disciplined, forward-looking framework to meet these challenges.

MVU's trajectory has shifted from a reactive, compliance-based procurement model to a proactive, strategy-driven utility enterprise. The establishment of the Power Supply Division strengthened internal staffing, and the transition to internal portfolio management has already yielded demonstrable benefits: improved contract enforcement, increased regulatory visibility, avoided compliance penalties, and measurable cost savings for ratepayers.

Looking toward 2030 and beyond, MVU's success will hinge on sustained execution in five key areas:

A. IRP Execution and Iterative Planning

The 2025 IRP will remain the central framework for guiding procurement and capacity planning. Biennial updates will be essential to incorporate updated demand forecasts, evolving market conditions, and regulatory rulemakings. The plan's resource targets—185 MW of renewable capacity and 45 MW of battery storage by 2035—will serve as baseline metrics to ensure MVU meets both SB 100 and RA compliance obligations. Scenario analysis and mid-cycle check-ins will ensure that resource selection remains adaptive, data-informed, and aligned with cost-containment goals.

B. Investment in Flexible Resilient Infrastructure

With expected load growth exceeding 3% annually, driven by new residential subdivisions, industrial corridors, and transportation electrification, MVU must invest in scalable, dispatchable, and renewable-integrated infrastructure. This includes expanded battery storage, grid automation upgrades, and targeted substation and feeder enhancements to support growing Distributed Energy Resource (DER) interconnections.

C. Regulatory Leadership and Risk Mitigation

MVU will continue to embed regulatory alignment into all facets of planning and operations. This includes minimizing carbon exposure, participating in joint procurement structures to reduce RA and renewable acquisition costs, and maintaining early compliance with RPS, RA, and emissions benchmarks. A forward procurement strategy—favoring bundled RA/PCC1 contracts—will safeguard against compliance shortfalls and protect MVU from capacity pricing shocks.

D. Operational Transparency and Community Accountability

As a public utility, MVU must maintain a high standard of transparency and community engagement. Regular reporting on IRP milestones, compliance status, and resource performance will reinforce public trust and regulatory confidence. MVU's ratepayers will be better served through informed rate design, expanded access to distributed generation incentives, and clear communication on how investments support long-term affordability and sustainability.

E. Organizational Readiness and Workforce Development

The evolving energy environment demands sustained internal capacity. MVU will continue to invest in technical expertise, analytics, and workforce development to meet future procurement, regulatory, and operational needs. Planned staff expansion within the Power Supply Division will further reduce dependence on external consultants, support local workforce development, and institutionalize energy market proficiency within the organization.

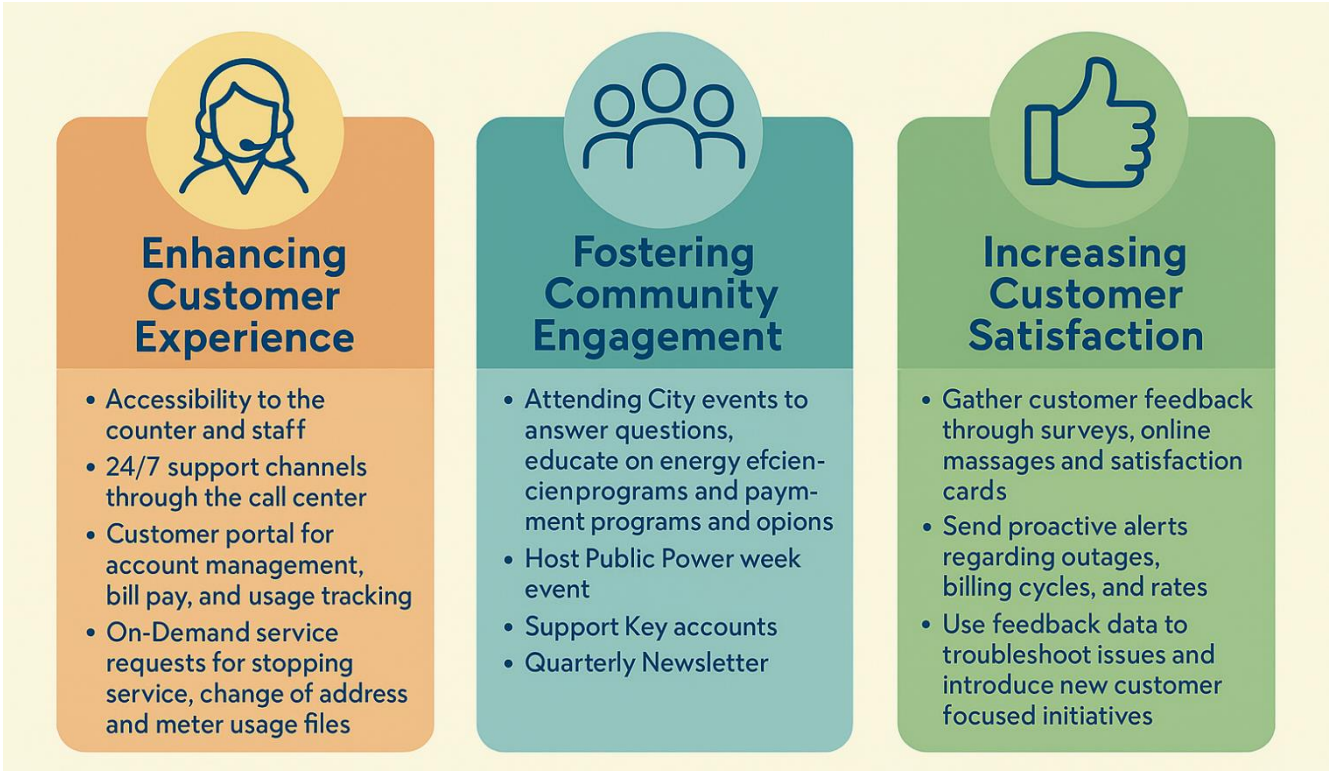
Conclusion

MVU is no longer a small utility adapting to its environment, it is a maturing, self-directed public agency prepared to lead. By executing its IRP, aligning with regulatory mandates, and maintaining financial discipline, investing in the future, MVU is positioned to deliver reliable, sustainable, and affordable power to the residents and businesses of Moreno Valley well into the future.

The decade ahead will require continued vigilance, agility, and strategic foresight. But with the foundational framework now firmly in place, MVU is not only equipped to meet the demands of 2030—it is poised to shape a resilient and clean energy future beyond it.

7. Customer Engagement

Moreno Valley Utility (MVU) recognizes that the relationship between a utility and its customers extends beyond the delivery of electric service. In today's environment, where technology, expectations, and service models are rapidly evolving, engagement must be proactive, transparent, and data-driven.



As part of MVU's commitment to being community-oriented and customer-focused, this Utility Business Plan outlines strategic efforts to enhance customer experience, foster meaningful community engagement, and elevate overall customer satisfaction. By aligning our outreach, service delivery, and communication with our core values, MVU aims to strengthen the trust and connection between the utility and the communities served.

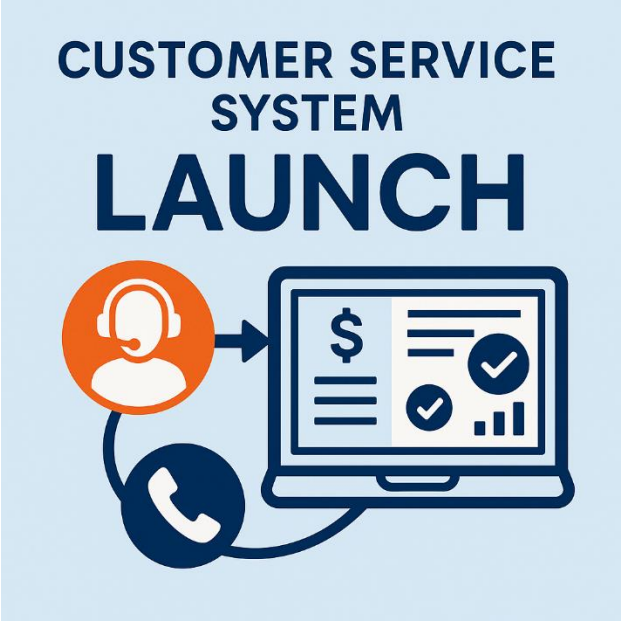
Past Performance

MVU has long prioritized reliable service delivery and courteous customer support, but recent challenges have highlighted opportunities for structured improvements in customer engagement.

Opportunities for Growth

The six-year global COVID-19 pandemic significantly affected businesses across every sector. In response to the financial strain on its customers, MVU temporarily suspended service disconnections for non-payment. When disconnections resumed, many customers faced substantial outstanding balances, resulting in confusion and dissatisfaction. Following this feedback, a valuable opportunity has emerged allowing MVU to improve communication and provide greater clarity around billing practices, especially for customers with accumulated balances.

During this turbulent time, the concurrent launch of a new Customer Information System led to a surge in customer inquiries, highlighting gaps in staff training and the utility's customer service policies. These findings created a strong foundation for continuous improvement and more responsive service delivery.



There is an opportunity to gain valuable insights into customer perceptions, needs, and expectations, as a formal customer satisfaction survey has not been conducted in several years. Additionally, the inaugural Public Power Week event in October 2024 presents a chance to strengthen future community outreach and enhance event marketing strategies to boost participation and engagement.

Current Policy Development (Year 1)

Customer Service Standards Policy

To guide staff behavior and improve consistency in service delivery, MVU plans to establish service standards to set expectations for professional, timely, and courteous interactions.

Privacy Protection Policy

MVU plans to codify steps to safeguard customer data, ensuring compliance with legal regulations and enhancing trust in how MVU manages personal information.

Conduct Customer Service Satisfaction Survey

The formal survey will establish a baseline satisfaction score, identify areas for improvement, and provide a benchmark for measuring future progress.

Customer Enhancements

To further enhance customer experience, MVU is focused on:

- Improving accessibility to staff and customer service counters
- Promote the customer portal as a convenient tool for billing, usage tracking, and service requests
- Expand on-demand services such as stop service, address changes, and access to meter usage data to better meet customer needs

Engagement and Program Expansion (Year 2-5)

Year 2 Goals

1. **Document and Train on Billing Procedures**
   Ensure billing continuity and accuracy through standardized documentation and cross-training
2. **Grow Attendance at Public Power Week**
   Use insights from the initial event to enhance marketing and programming, aiming for attendance by 30 customer households.

Year 3 Goals

1. **Launch Educational Programs in Schools**
   Promote energy efficiency and safety in an engaging format, empowering students to act as advocates at home.
2. **Develop and Implement a Key Accounts Program**
   Tailor support for large commercial customers to strengthen relationships and anticipate needs.

Year 4 Goals

1. **Conduct Customer Education Meetings**
   Host sessions on topics such as solar energy, cooling strategies, emerging technologies, and payment assistance. These meetings will empower customers and increase satisfaction.

Operational Maturity and Scalability (Years 5-10)

Key Account Site Visits and Meetings

Personalized engagement to deepen relationships and gather feedback.

Staffing MVU's Customer Counter

Transition to fully MVU-staffed customer service for improved expertise and ownership.

Plan for Organization Growth

Forecasting staffing and procedure updates to support expansion and future service delivery needs.

Long-Term Planning (10-20 Years)

MVU-Staffed Call Center Implementation

Establish an internal call center for greater control and customer alignment.

MVU Field Staff Service Personnel

Transition field service functions to MVU staff for more cohesive service and accountability.

Conclusion

Customer Engagement represents MVU's proactive strategy to build trust, foster community relationships, and continuously improve customer experience. By reflecting on recent challenges and investing in structured policy development, program expansion, and organizational growth, MVU will position itself as a responsive, transparent, and community-first utility. Through thoughtful planning and execution, MVU aims to ensure that every customer interaction reflects our values and strengthens our service legacy.

8. System Reliability

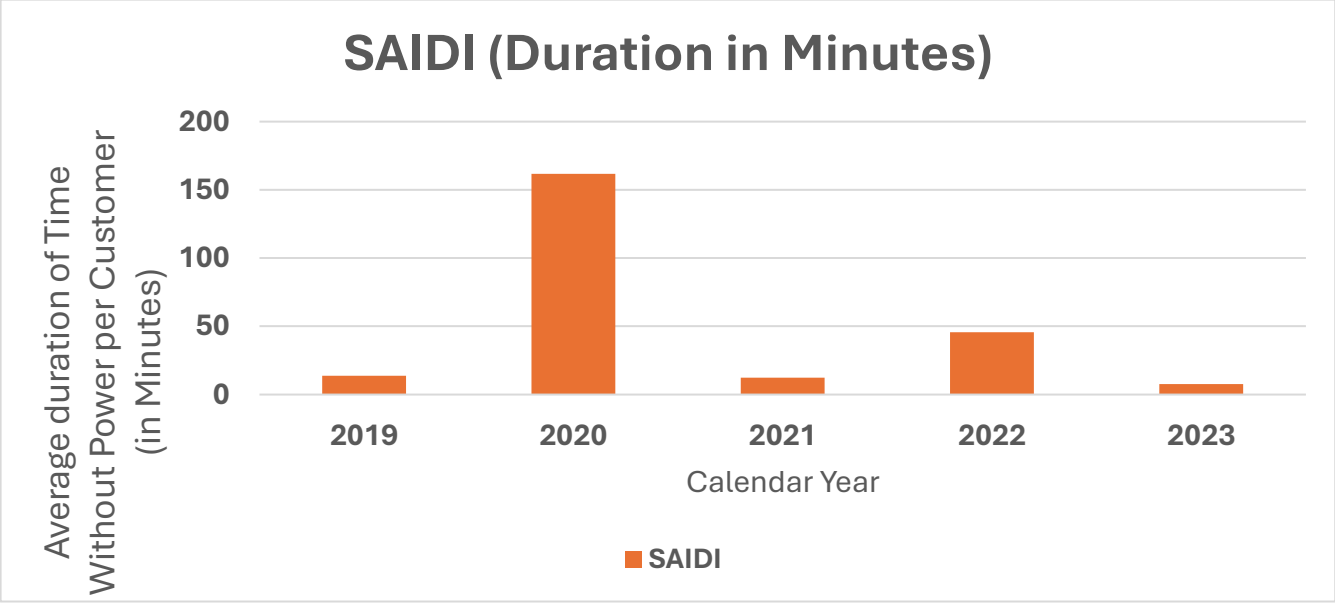
Reliability in electric utilities refers to the ability to deliver uninterrupted electricity to customers consistently. High reliability ensures minimal disruption to customers, efficient operations, and satisfaction across residential, commercial, and industrial sectors. Reliability focuses on reducing outages and swiftly restoring power when disruptions occur.

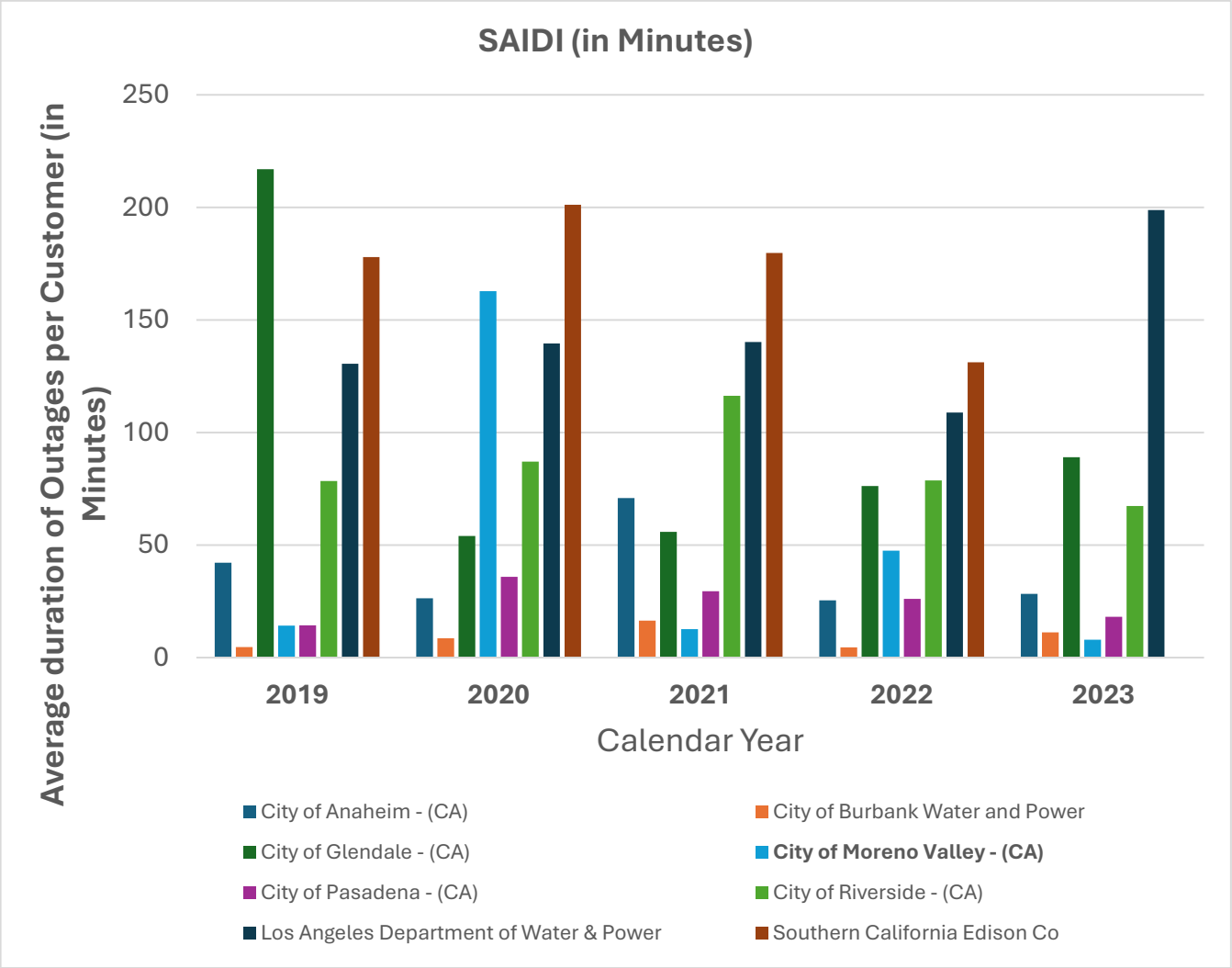
Measurement of Reliability and Performance Metrics

Reliability is measured primarily through standardized metrics developed by the Institute of Electrical and Electronics Engineers (IEEE). Three critical metrics include:

1. System Average Interruption Duration Index (SAIDI)

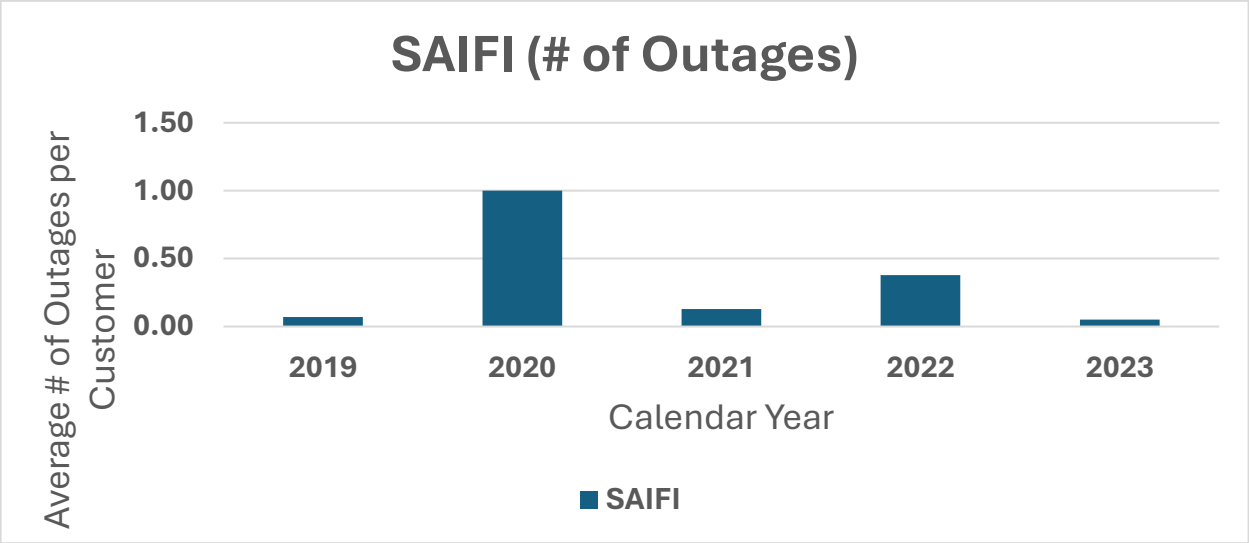
SAIDI measures the average outage duration for each customer served. It represents the total outage duration divided by the total number of customers served. Lower SAIDI values indicate superior reliability performance.

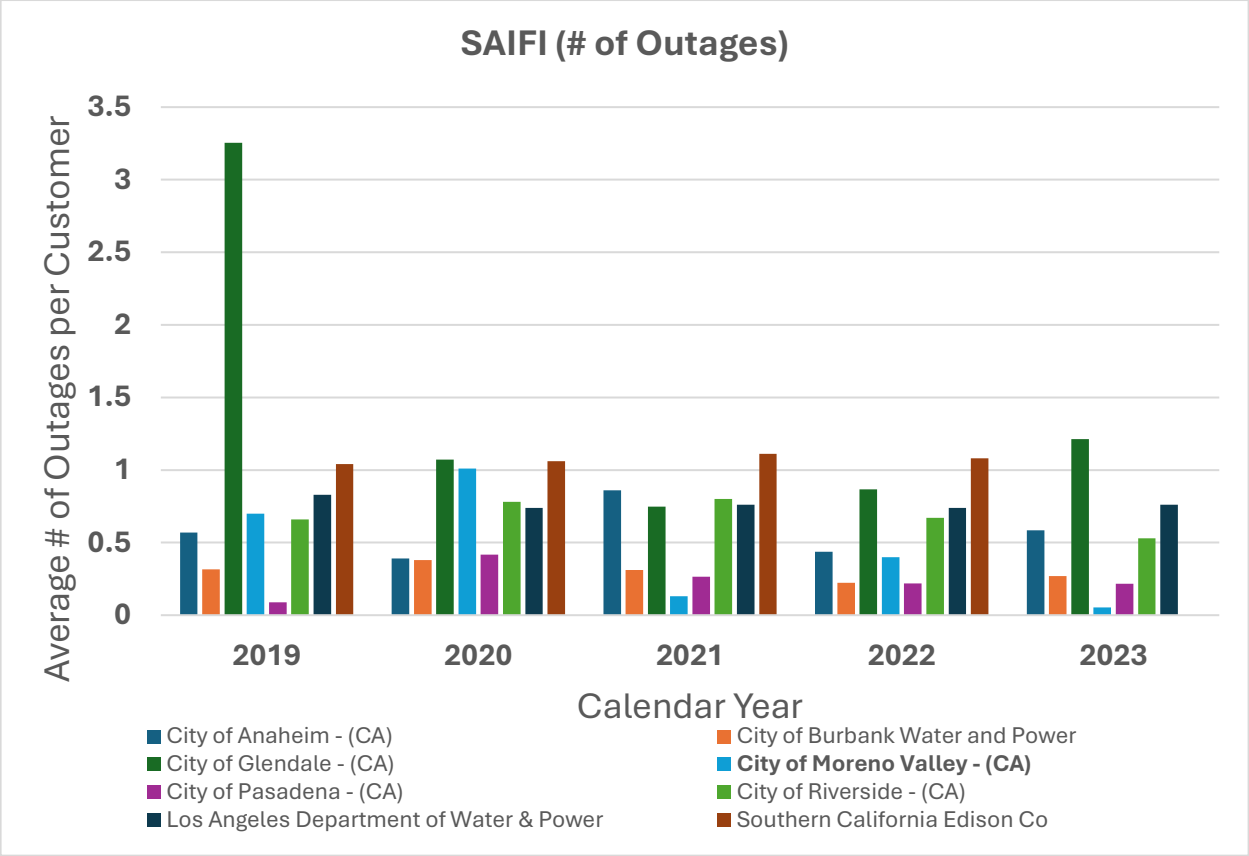




2. System Average Interruption Frequency Index (SAIFI)

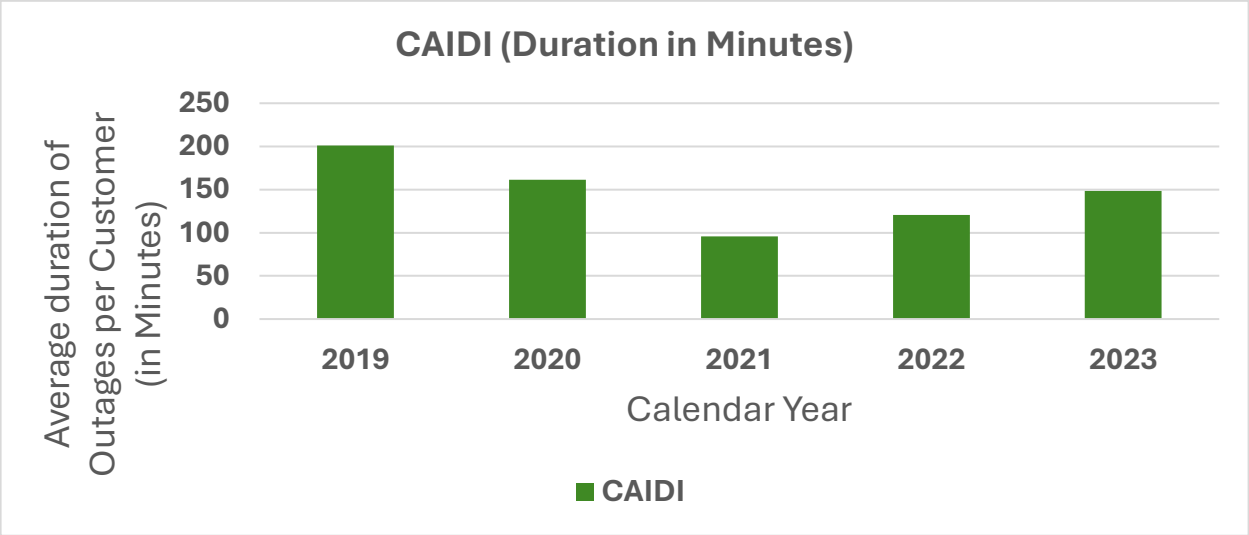
SAIFI quantifies how frequently the average customer experiences interruptions over a specific period. It is calculated as the total number of customer interruptions divided by the total number of customers served.

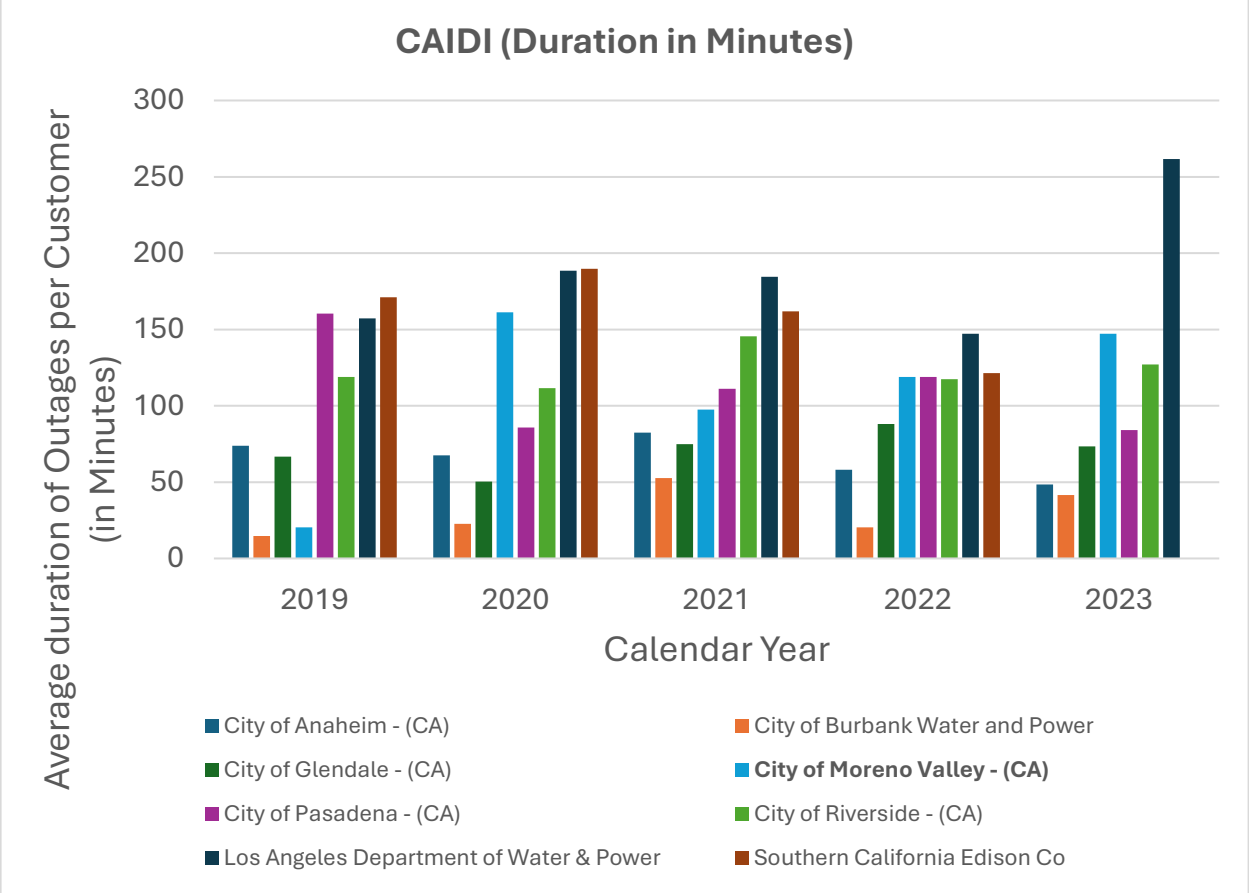




3. Customer Average Interruption Duration Index (CAIDI)

CAIDI represents the average outage duration that a customer experiences during each interruption. It is derived by dividing SAIDI by SAIFI and illustrates how quickly utility crews restore power after an outage.


CAIDI (Duration in Minutes)
Average duration of Outages per Customer (in Minutes)
250
200
150
100
50
0
2019
2020
2021
2022
2023
Calendar Year
CAIDI


CAIDI (Duration in Minutes)
Average duration of Outages per Customer (in Minutes)
300
250
200
150
100
50
0
2019
2020
2021
2022
2023
Calendar Year
City of Anaheim - (CA)
City of Burbank Water and Power
City of Glendale - (CA)
City of Moreno Valley - (CA)
City of Pasadena - (CA)
City of Riverside - (CA)
Los Angeles Department of Water & Power
Southern California Edison Co

MVU Infrastructural Advantage

MVU predominantly utilizes underground distribution equipment operating at a standardized 12kV voltage. This standardized and underground system significantly enhances reliability through:

- Reduced vulnerability to weather-related disruptions
- Simplified maintenance procedures
- Standardized equipment leading to faster and more efficient repairs
- Relatively newer infrastructure (first installations post-2004), generally under 20 years old, which results in fewer age-related failures

Figure 4 - Example of an Underground Utility

Standard Useful Life of Electric Utility Equipment

Typical lifespans for MVU's equipment classes are as follows:

- **Underground Cables:** ~ 30-50 years, depending on insulation type and installation quality

- **Distribution Transformers:** ~ 25-35 years, contingent on loading conditions and maintenance frequency
- **Distribution Switches:** ~ 20-30 years, influenced by the frequency of operations and maintenance practices.
- **Circuit Breakers:** ~ 30-40 years, depending on usage and environmental conditions.
- **Substation Transformers:** ~ 35-45 years, highly dependent on loading and ongoing preventive maintenance.
- **Electric Meters:** ~ 15-20 years, influenced by technological advancements and calibration accuracy.
- **Relaying/Protection Equipment:** ~ 20-25 years, with rapid technological changes potentially reducing practical service life.
- **Other Substation Equipment:** ~ 25-40 years, varying significantly with equipment type, operating conditions, and preventive maintenance effectiveness.

Strategies for MVU Reliability Improvements

System Improvements and Capital Improvement Projects

Moreno Valley Utility (MVU) is committed to enhancing its service reliability by integrating advanced technology solutions. The proposed integrations include an Outage Management System (OMS), Advanced Metering Infrastructure (AMI), Supervisory Control and Data Acquisition (SCADA) system, Digital Twin Engineering Analysis, and Substation Batteries. Each technology contributes uniquely to operational efficiency, improved outage response, and greater resilience.

1. Engineering Analysis through Digital Twin:

MVU's engineering planning and analysis will be significantly advanced through the adoption of ETAP's Digital Twin technology. This approach allows the creation of detailed onelines and comprehensive system analyses, crucial for accurate equipment sizing, infrastructure upgrades, and new service planning. Improved data quality from

the digital twin will empower MVU to make informed, precise decisions, optimizing system performance and reliability.

2. SCADA System Implementation

The implementation of ETAP SCADA referencing the digital twin model will significantly improve MVU's operational planning and reduce the load on critical assets. With accurate simulations of distribution networks, MVU can optimize asset usage, anticipate equipment stresses, and preemptively address potential faults. Enhanced planning capability provided by ETAP SCADA integration will also ensure efficient outage response and facilitate effective crew dispatching.

3. Outage Management System (OMS)

MVU plans to implement ETAP's OMS module integrated with the existing Digital Twin distribution model and SCADA system. This integration will enable rapid identification of outages, improve restoration times, and enhance system reliability. ETAP's OMS will utilize real-time data from SCADA, paired with accurate distribution models from the digital twin, to provide predictive outage modeling, dispatch crews more efficiently, and reduce outage durations significantly.

4. Advanced Metering Infrastructure (AMI)

MVU currently utilizes Itron's AMI system and plans to integrate it with the OMS to further enhance outage location accuracy. Integration of AMI data with the OMS will allow MVU to pinpoint outage locations promptly, enabling precise crew dispatch and minimizing restoration times. The SCADA integration will enhance customer satisfaction by reducing uncertainty during outages and improve overall reliability.

5. Substation Batteries

MVU plans to install grid-scale battery storage systems to enhance resilience and reduce dependency on Southern California Edison (SCE) and the California Independent System Operator (CAISO) grid. Battery installations at substations will ensure continued operations during external grid outages, allowing MVU to maintain power delivery independently. This capability to island ensures uninterrupted service

during external grid failures, significantly enhancing reliability and operational flexibility.

Processes and Programs

Routine Preventive Maintenance

MVU should implement a comprehensive preventive maintenance schedule. Regular inspections and servicing of underground cables, transformers, switches, and relays are critical in preventing failures and extending equipment lifespan. This involves predictive assessments, testing, and minor adjustments to maintain optimal operational efficiency. Leveraging diagnostic tools, MVU can anticipate failures and plan maintenance activities proactively, thus minimizing unplanned outages and ensuring continuous system reliability.

KPI: Annual percentage of equipment inspected and serviced against scheduled maintenance targets.

Advance Monitoring

Deployment of advanced monitoring technologies, including smart grid solutions and automation systems, significantly improves system reliability. Real-time monitoring can quickly detect equipment anomalies or malfunctions, allowing for immediate response. Automated systems enhance decision-making and response capabilities by providing accurate, up-to-date information about the electrical system's condition.

KPI: Number of issues proactively identified and resolved annually using advanced monitoring technology.

Staff Training and Preparedness

Continuous training and skill enhancement of MVU's workforce directly impact the utility’s response time and effectiveness in outage situations. Regular training sessions should emphasize outage management, equipment handling, safety practices, and modern troubleshooting methods. Additionally, periodic drills simulating outage scenarios will ensure that the crew remains well-prepared to restore power quickly and safely.

KPI: Annual training completion rate and average response and restoration times post-training.

Equipment Upgrade and Replacement Plan

An effective equipment upgrade and replacement plan involves systematic monitoring of asset health, assessing age and condition, and prioritizing replacements based on criticality and reliability impact. By proactively managing aging infrastructure, MVU can prevent significant failures and maintain robust reliability standards, optimizing budget allocation towards essential replacements and upgrades.

KPI: Percentage of scheduled equipment replacements completed annually.

Enhancing Response Procedures

MVU should regularly review and update its outage response and restoration protocols to align with the industry's best practices and emerging technologies. This includes improving internal communication strategies, integrating advanced outage management software, and regularly assessing procedural effectiveness through simulations and real-event analyses.

KPI: Year-over-year improvement in CAIDI scores reflecting quicker restoration performance.

Conclusion

System reliability remains a core priority for the Moreno Valley Utility, and it is critical to meeting the expectations of a growing and dynamic community. MVU benefits from a modern infrastructure platform that supports fewer disruptions and streamlined operations. Looking forward, continued investment in technologies such as SCADA, AMI, and Digital Twin modeling, alongside the deployment of outage management systems and substation battery storage, will significantly enhance MVU's ability to anticipate, respond to, and recover from service interruptions.

Complementing these technological advancements are strategic programs focused on preventative maintenance, workforce readiness, and data-driven asset management. Together, these initiatives form a comprehensive approach to reliability, aligning with industry best practices, supporting long-term sustainability, and ensures that MVU

remains a trusted and resilient energy provider for all residents, businesses, and institutions in Moreno Valley.

9. Organizational Planning

The transformation of Moreno Valley Utility (MVU) has been guided by a strategic vision initiated in 2018, when utility leadership began formal planning to establish operational independence and long-term organizational strength. That groundwork set the trajectory for a phased transition from external support to internal capability.

A key milestone came in December 2022 with the deployment of Oracle CCS, MVU's new utility billing system. This critical infrastructure upgrade enabled the internalization of billing, account management, and customer service functions, paving the way for reduced reliance on ENCO, the City's legacy utility partner. Around the same time, MVU hired its first engineering staff with utility experience, who supported both system implementation and early infrastructure planning.

In 2023, MVU completed a major reorganization, creating five core groups: Power Supply, Customer Service, Finance, Engineering & Operations, and Public Purpose. Each was staffed with dedicated management, transferring responsibility from the Division Manager to subject matter experts across the utility. This structure increased both accountability and operational depth.

MVU's organizational growth is also driven by rapid customer expansion, including large-scale developments such as the World Logistics Center and numerous residential and commercial projects citywide. To meet this demand and further internalize services, the City is hiring 13 new employees and securing targeted contracts in Engineering, Operations, and Customer Service to ensure continuity during the transition.

This chapter outlines key organizational developments from 2020 to 2025 and lays out MVU's staffing and structural strategy for the next five years, as it continues building a resilient, customer-focused municipal utility.

Organizational Evolution (2020-2025)

Laying the Groundwork (2018-2021)

MVU's transition began with formal planning in 2018, focusing on long-term operational independence, internal capacity building, and improved customer service delivery. For several years, ENCO served as MVU's primary service provider for technical, operational, and customer-facing functions. This relationship allowed MVU

to operate effectively during its early years, but leadership recognized the need to build an internal team for long-term resiliency.

Oracle CCS Deployment (2022)

The first significant step in MVU's internalization plan came in late 2022 with the deployment of the Oracle Customer Cloud Service (CCS) billing system. The new platform centralized utility billing, account management, and customer interface functions under MVU's direct control. This system was a technological turning point, enabling MVU to reduce dependence on ENCO and support future in-house operations.

Simultaneously, MVU began building technical capacity by hiring engineers with prior utility experience to support infrastructure projects, customer growth, and utility systems planning.

Reorganization and SME Development (2023)

In 2023, MVU underwent a significant organizational shift, formally restructuring into five distinct operational groups:

- Power Supply
- Customer Service
- Finance
- Engineering & Operations
- Public Purpose

Each group was assigned a dedicated, newly hired manager, marking a transition from a centralized, Division Manager-led model to a distributed leadership structure grounded in subject matter expertise (SME). This transition enhanced operational agility, clarified accountability, and equipped MVU to more effectively manage the increasing complexity of municipal utility operations.

Power Supply

The internalization of the Power Supply function has delivered substantial financial benefits, including an estimated $8 million in avoided costs and direct savings. These gains stem from enhanced oversight of existing contracts and strategic evaluations of alternative methods for meeting California's Renewable Portfolio Standard (RPS) compliance. Further savings opportunities remain as this function continues to mature.

Customer Service

The onboarding of a Customer Service Manager has stabilized MVU's new Oracle CCS billing platform and enabled the launch of customer satisfaction assessments. These efforts have improved service responsiveness and laid the groundwork for long-term service performance benchmarking.

Finance

While the recruitment and retention of a Utility Finance Manager has presented challenges, MVU has made progress in stabilizing critical financial processes. Improvements include enhanced coordination for utility-to-city data transfers and significant strides in the bank reconciliation process.

Engineering and Operations

This group has expanded MVU's capacity to manage and deploy capital improvement projects. Additionally, MVU has begun to internalize field inspection responsibilities, especially for citywide construction projects that intersect with electric infrastructure. These efforts enhance project efficiency and support integrated development across Moreno Valley.

Public Purpose

The Public Purpose group has successfully deployed the PowerClerk platform, enabling real-time reviews of solar interconnection applications. This advancement has significantly expedited the interconnection process for customers and contractors, improving access to renewable energy programs and supporting the city's broader sustainability goals.

Preparing for More Internal Services (2024–2025)

MVU's organizational momentum continued with preparations to absorb some responsibilities from ENCO. These include:

- Engineering & Service Planning
- Some Operations & Field Services
- Some Customer Service Functions

To support this transition, MVU is hiring 13 new full-time staff across these disciplines. While the team builds capacity, three specialized contracts have been established to provide interim support in each of these areas. This dual-track strategy ensures reliable service delivery while MVU's internal workforce takes shape.

Operational Plan (2025-2030)

2025: Transitional Structure in Place

The Proposed 2025 Organizational Chart reflects a hybrid model of city staff supported by contractual services. Management roles in all five core groups are now filled, and the 13 new staff hires will be in recruitment starting in July of 2025. Contracted support will continue to play a key role in delivering engineering, customer service, and field operations services throughout 2025 and 2026.

2027: Full Internalization and Service Ownership

By 2027, MVU intends to continue the transition to a fully internally managed service model by bringing on core operational functions. The Proposed 2027 Organizational Chart envisions:

- Full in-house engineering and planning, including SCADA support and system design
- Expanded operations with city-employed field crews and a dedicated Operations Manager
- On-site customer service team handling billing and inquiries
- Enhanced financial oversight, including oversight of credit and collections
- Deployed Power Supply functions in resource planning and settlements analysis
- New roles supporting IT, power dispatch, and energy trading

This structure reflects MVU's goal of becoming a self-sufficient utility that can scale with the city's ongoing growth and development pressures.

Driving Forces Behind the Plan

- Customer Growth: Large-scale developments such as the World Logistics Center and multiple residential and commercial expansions demand new infrastructure, rapid service deployment, and responsive customer care.
- Risk Mitigation: Reducing reliance on third-party partners enhances operational control and resilience.

- Regulatory Readiness: Internal expertise is essential to meet evolving compliance and reporting obligations.
- Workforce Continuity: Establishing permanent city positions ensures institutional knowledge is retained and passed on.

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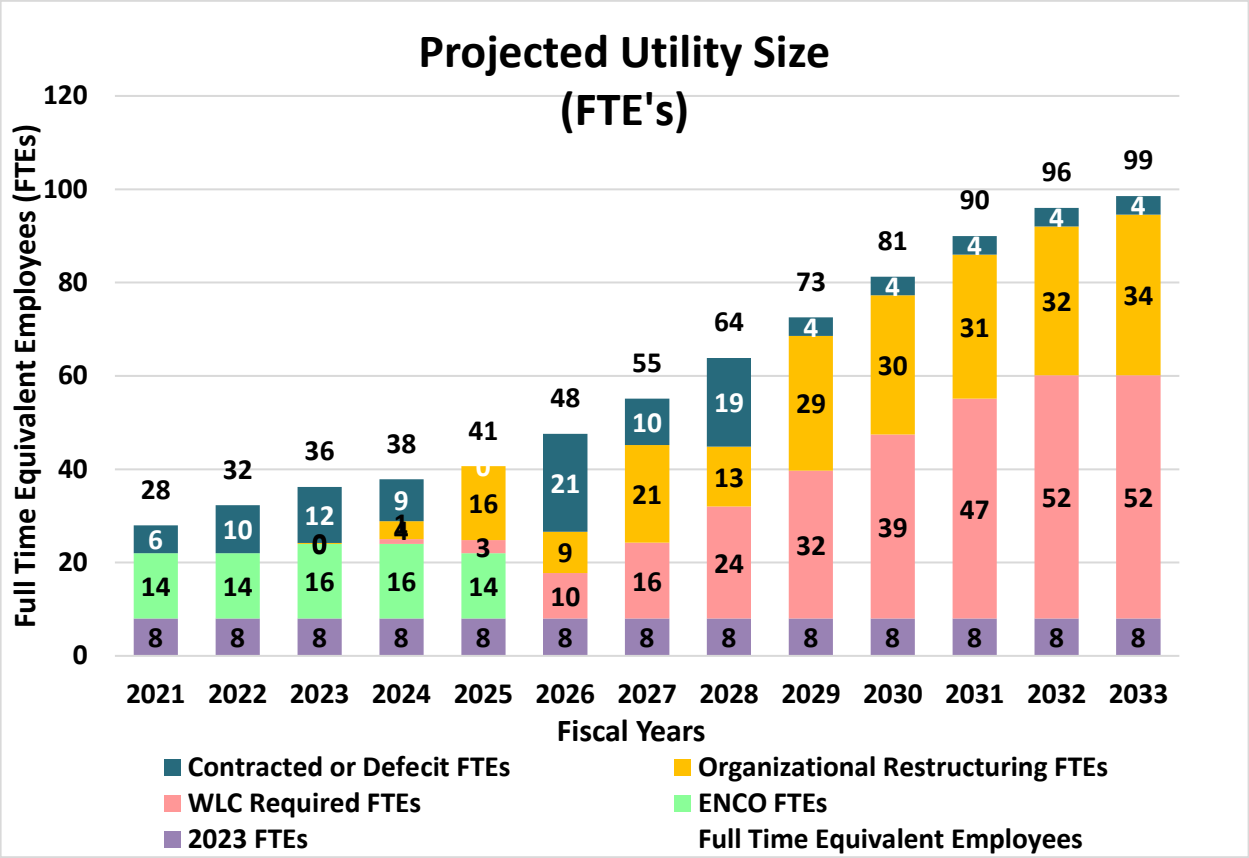
Conclusion

MVU's organizational plan represents a critical pillar of its overall strategic vision. With roots in leadership's early planning in 2018, the utility has moved from dependency to capability—building the systems, staff, and structure necessary to support a growing city and customer base. Over the next five years, MVU will complete its transition to an internally governed, fully operational municipal electric utility with the depth and resilience to meet its mission.



MVU Organizational Transition Roadmap (2025-2030)

Phase 1: Foundation & Early Transition (2018–2022)

- 2018: Utility leadership initlates formal strategic planning for -operational independence.
- 2016–2021: MVU operates primall with ENCO support. initial planning for utility systems, service delivery. and organizational structure
- Dec 2022: Oracle CCS biling system depioyed, enabling in-house billing and account management.
- First hires of utility-experienced engineers

Phase 2: Organizational Restructuring & Early Internalization (2022–2024)

- 2023: MVU formally reorganizes into 5 groups; Power Supply, Customer Service, Finance, Engineering & Operations; and Public Purpose
- Group Managers fiired to decentralize decision making
- Ongoing engineering and planning support from ENCO
- 2024: Transition planning begins to absort. ENCO responsibilities
- Staffing plans approved for 13 new city hires.
- Contract negotlations for Engineering. Operations, and Customer Service support

Phase 3: Staffing Ramp-Up & Hybrid Operations

- 2026 Onboarding of 13 new employees in engineering, fielld operations, finance, and customer service
- Three contracts in place for transitional support in key operational areas
- internal SMEs Segin taking ownership of day to dy functions
- 2028: Continued training, knowledge trancter, and SOP develop-ment.
- Progressive reduction of contracted roles as staff reach full capa-city

Phase 4: Full Internlization & Functional Maturity (2027–2028)

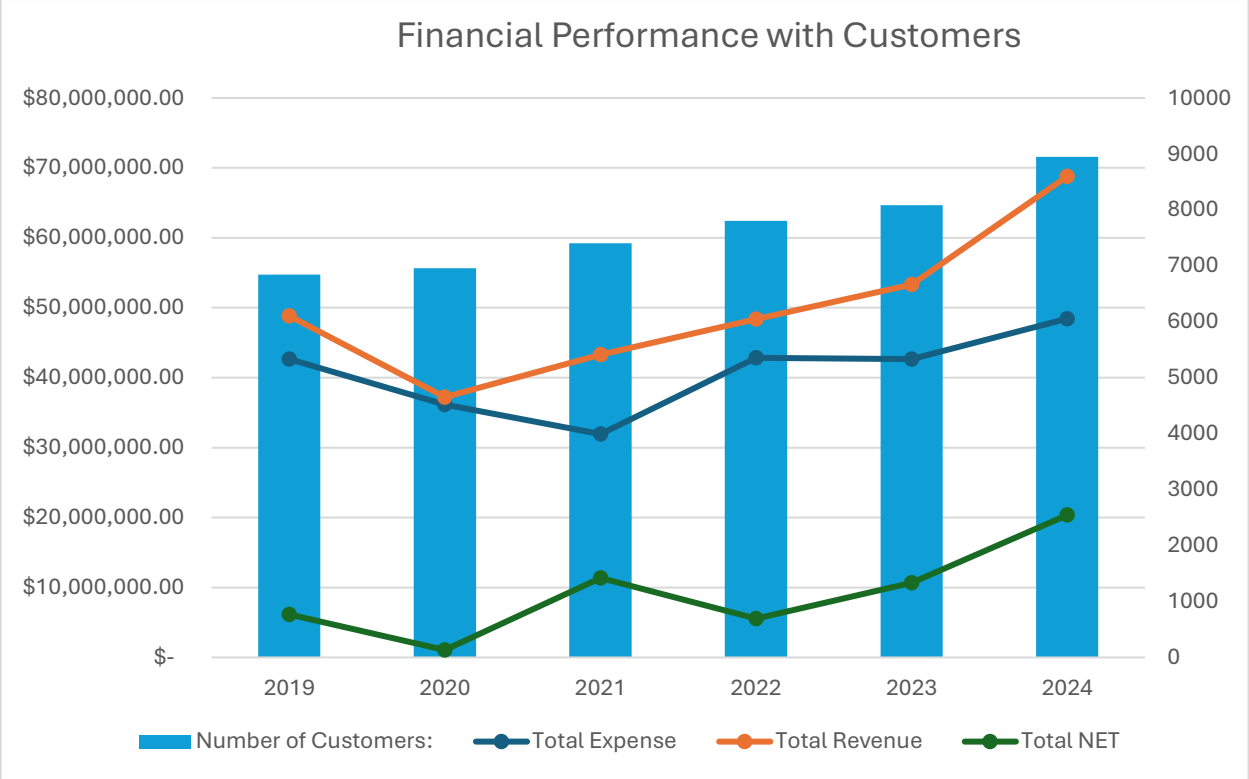
- 2027: Target year for full internalization of engineering operations, and customer service functions
- Exganded org chart implemented with in-house dispatcashers, engineers, customer service reps, and field crews,
- Begin recruitment for specialized roles leg. SCADA, energy trading
- 2028: Evaluate organizational performance, gaps, and succession planning
- Begin integrating additionall tools and platforms for field services and operational analytics

2018 2019 2020 2021 2022 2025 2028 2030

10. Financial Stability

This report presents a comprehensive analysis of the financial health of the Moreno Valley Electric Utility (MVU), beginning with a retrospective review of the past five fiscal years, followed by detailed projections for the next five years and long-range commentary aligned with the 20-year Integrated Resource Plan (IRP). MVU's financial strategy balance's reliability, regulatory compliance, and affordability while preparing for future infrastructure, energy transition, and load growth.

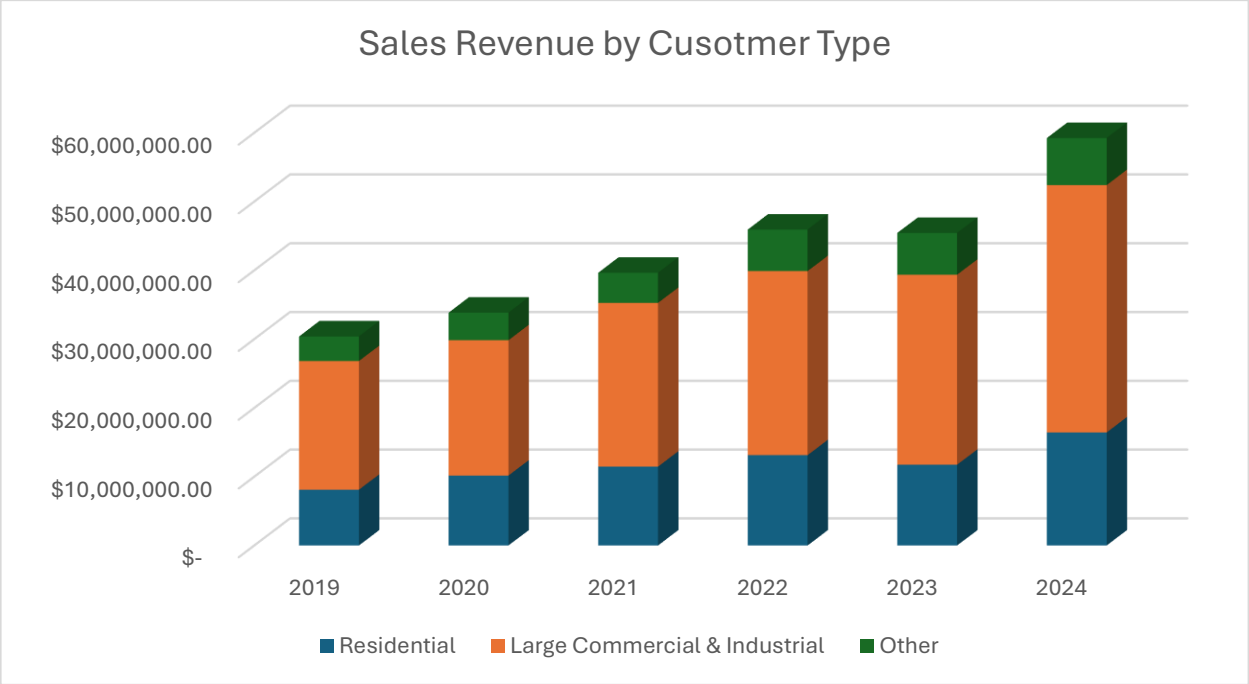
MVU's Net position continues to improve, as shown in the graph below, revenues continue to exceed expenses, allowing the shoring up of financial reserves to ensure long-term stability. The number of MVU customers continues to increase, and based on the city's current developments, it is projected to continue to grow exponentially as MVU is beginning to represent a significant number of city residents. According to the Census Bureau data from 2023, MVU provides energy to approximately 14.5% of homes, representing approximately 30,315 Moreno Valley residents. MVU provides energy to about 56.4% of the businesses in Moreno Valley.

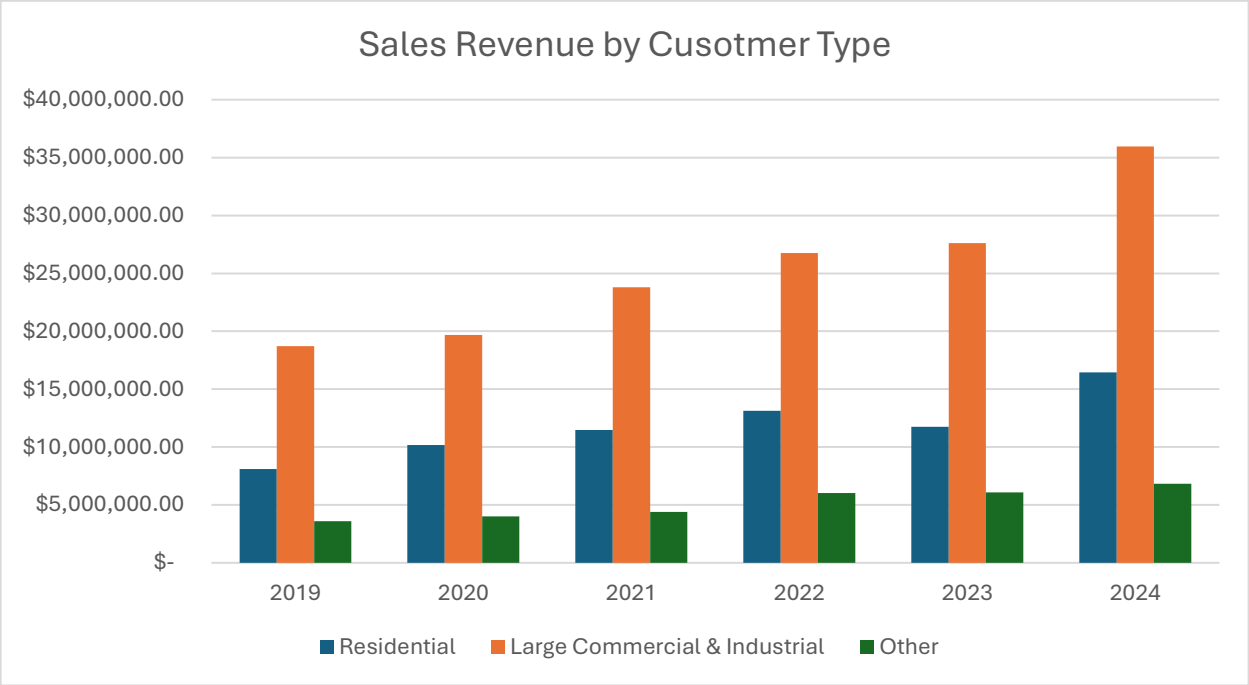


Historical Financial Performance (2019-2024)

Revenue Trends

The retail electric revenue collected by Moreno Valley Electric Utility (MVU) is primarily derived from three major customer classes: **Residential, Large Commercial & Industrial, and Other (Small Commercial, Streetlights, Fees & Traffic Signals) customers**. The chart below illustrates the proportion of total revenue contributed by each class for fiscal years 2019 – 2024.





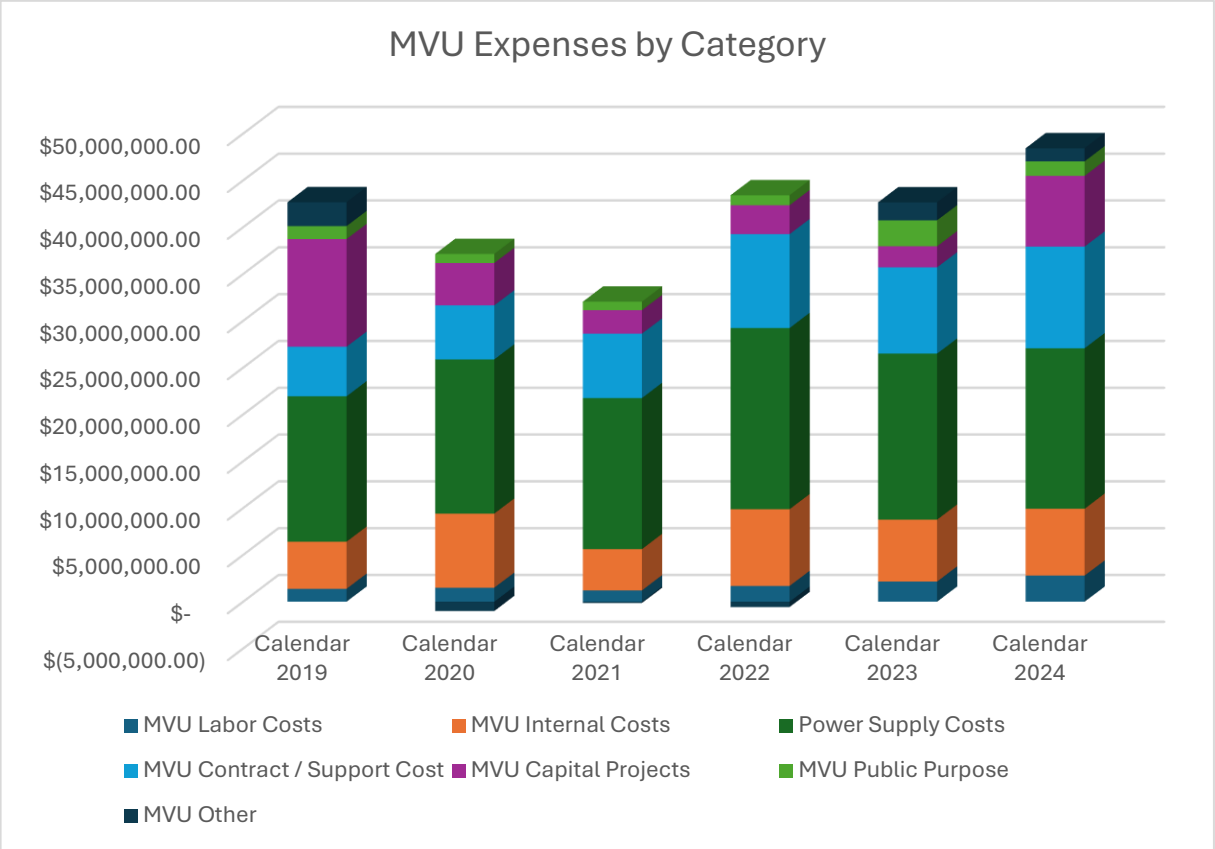
Large Commercial & Industrial customers are the dominant revenue contributors, with sales revenue growing from just under $20 million in 2019 to over $35 million in 2024. This represents a sustained upward trend, likely influenced by regional economic development, business park expansions, and potential increases in electric-intensive operations (e.g., logistics, warehousing, or manufacturing).

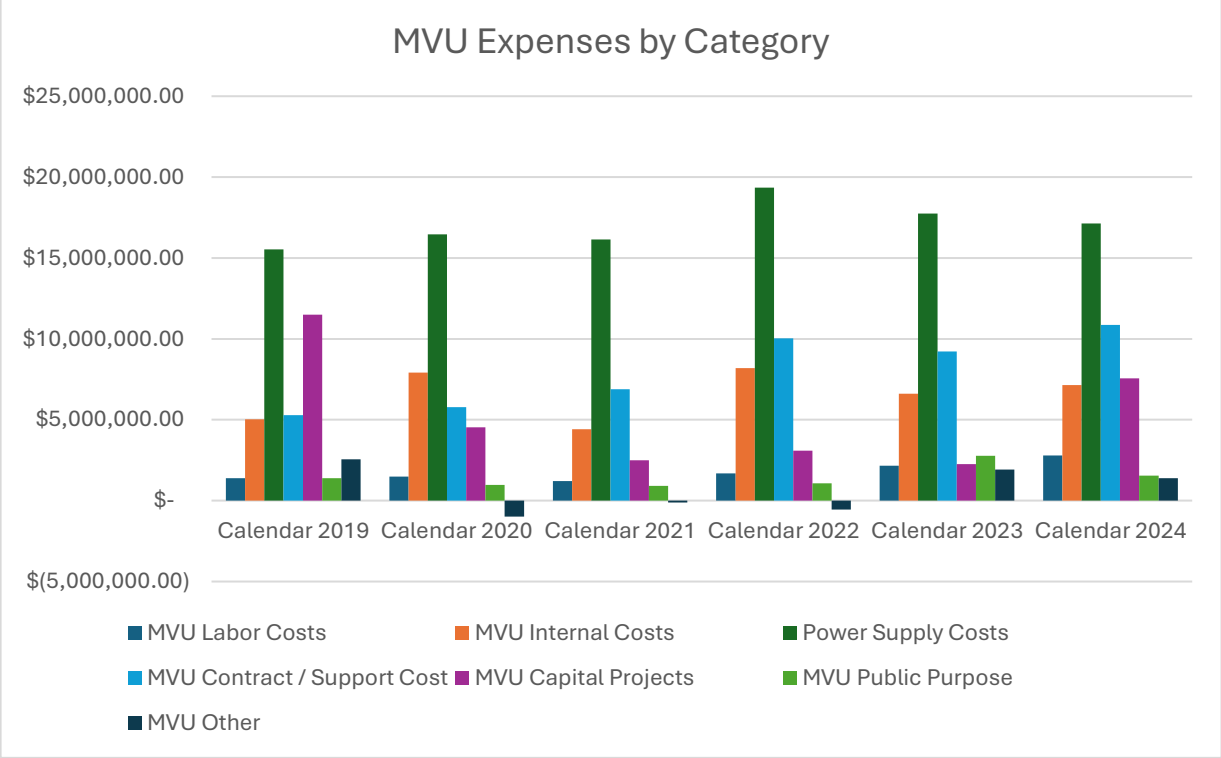
Residential sales revenue also grew over the six years, increasing from approximately $8 million in 2019 to over $16 million in 2024. However, this class exhibits more modest year-over-year increases, consistent with population growth, improved energy efficiency, and DER adoption (e.g., rooftop solar). The main cause of the increase in revenue was the increase in customers rather than the increase in rates and usage.

The **"Other"** category experienced a smaller but steady increase in contribution, rising from approximately $3.5 million to $6.5 million. This growth aligns with city infrastructure expansion and increases small business operations.

Expense Analysis

MVU's expenditures from 2019 through 2024 illustrate the organization's evolving cost structure as it maintained reliable electric service amid a dynamic market and contract environment. The chart below displays categorized annual expenses, highlighting key cost drivers and notable fluctuations.


MVU Expenses by Category
$50,000,000.00
$45,000,000.00
$40,000,000.00
$35,000,000.00
$30,000,000.00
$25,000,000.00
$20,000,000.00
$15,000,000.00
$10,000,000.00
$5,000,000.00
$-
$(5,000,000.00)
Calendar 2019
Calendar 2020
Calendar 2021
Calendar 2022
Calendar 2023
Calendar 2024
MVU Labor Costs
MVU Internal Costs
Power Supply Costs
MVU Contract / Support Cost
MVU Capital Projects
MVU Public Purpose
MVU Other


MVU Expenses by Category
$25,000,000.00
$20,000,000.00
$15,000,000.00
$10,000,000.00
$5,000,000.00
$-
$(5,000,000.00)
Calendar 2019
Calendar 2020
Calendar 2021
Calendar 2022
Calendar 2023
Calendar 2024
MVU Labor Costs
MVU Internal Costs
Power Supply Costs
MVU Contract / Support Cost
MVU Capital Projects
MVU Public Purpose
MVU Other

Expense Category Analysis

1. Power Supply Costs

Power supply was MVU's largest cost category throughout the six years, averaging over $17 million annually. In 2022, costs peaked at approximately $19.4 million, primarily due to a SoCal Gas transmission outage that impacted natural gas supply in the SP15 (Southern California) electricity market. The outage triggered a sharp rise in wholesale energy prices across the region, significantly inflating MVU's procurement costs for that year. While costs declined slightly in 2023 and 2024, this event underscores MVU's exposure to regional energy supply disruptions and market volatility.

2. Contract and Support Costs

Contract costs nearly doubled from 2019 to 2024, growing from $5.2 million to $10.1 million. This increase is directly tied to MVU's legacy contractor agreement, which allocated 47.5% of distribution revenue to the contracted service provider. As system demand and associated revenues increased, these costs grew in parallel.

3. Internal Costs

Internal operational expenses varied during the period but remained significant, fluctuating between $4.3 million and $8.2 million. These costs include internal planning, IT, engineering support, and city-shared services. The variability reflects year-over-year project shifts, departmental reallocations and new software services that required support.

4. Capital Projects

Capital spending began with a strong investment of over $11.5 million in 2019, followed by a dip and gradual recovery, reaching $7.5 million by 2024. The large expense in 2019 was when MVU acquired SCE streetlights. These expenditures reflect targeted infrastructure upgrades and system reinforcements executed in phases over the six years.

5. Labor Costs

MVU's labor costs steadily increased, from $1.29 million in 2019 to $2.3 million in 2024. This growth aligns with incremental workforce expansions, cost-of-living adjustments, and added staffing demands associated with rising service complexity.

6. Public Purpose Programs

Representing incentives for EV adoption, solar, and energy efficiency, these programs held consistent funding levels, typically between $0.57 million and $1 million per year. MVU is underspending in this category and needs to develop new programs and eligible expenses to provide services to the community.

7. Other (Bad Debt& Miscellaneous)

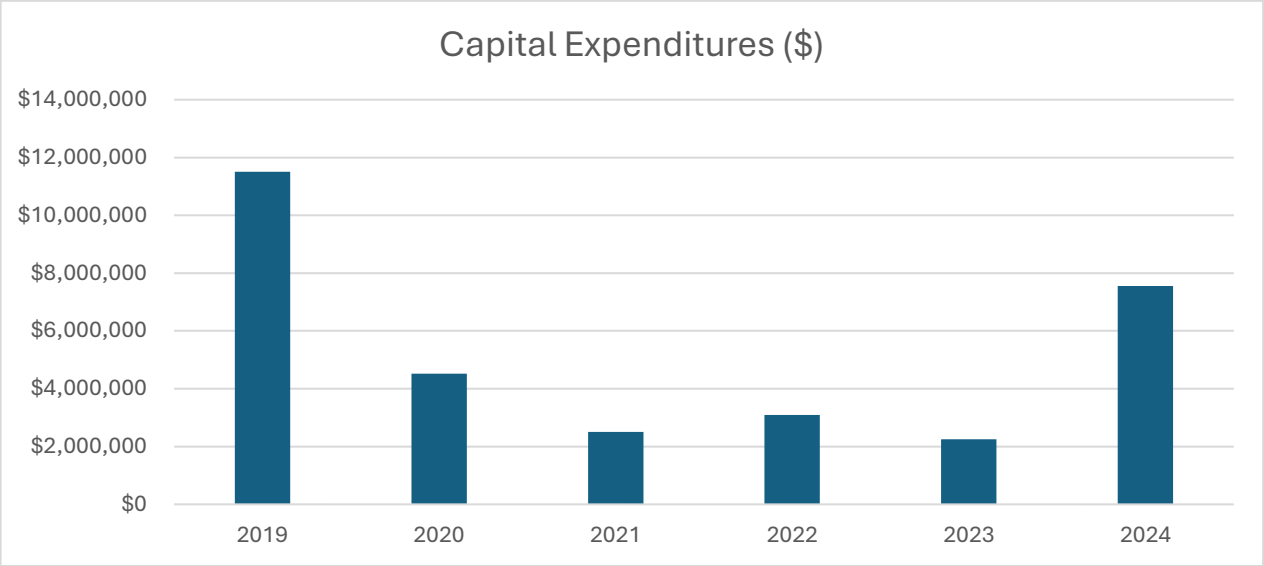
The "Other" category covers non-recurring items such as bad debt reserves and minor expense anomalies. While it peaked above $1.4 million in 2021, it generally hovered under $0.6 million in other years.

Capital Investments

Over the past six years, Moreno Valley Electric Utility (MVU) has strategically expanded and modernized its electric infrastructure through reserve-funded investments and asset contributions from private development projects. This approach has allowed MVU to support community growth, improve reliability, and maintain financial discipline without overextending debt capacity.

Overview of Capital Spending

Capital project expenditures have varied over the six years, with a major investment peak in 2019 followed by smaller, cyclical spending surges aligned with system needs and growth corridors. In 2024, capital spending began trending upward again in preparation for more aggressive future infrastructure deployment.



Note: Values reflect direct capital spending and do not include capital asset transfers from developers.

Reserve-Funded Investment Strategy

A significant portion of MVU's capital improvements during this period have been funded by reserves, rather than through external debt or financing mechanisms. This conservative approach:

- Preserved MVU's strong debt service coverage ratios
- Maintained fiscal flexibility
- Enabled timely system upgrades without the lead time or overhead associated with borrowing

Reserve usage was guided by long-term capital improvement planning (CIP) principles, focusing on:

- Substation upgrades and expansions
- Circuit additions and feeder reconfiguration
- AMI and system automation investments.

This pay-as-you-go approach reflects MVU's commitment to prudent financial stewardship while maintaining reliability and capacity.

Developer-Conditioned Infrastructure Contributions

Another key component of MVU's capital growth has been its practice of conditioning new developments to install utility facilities as part of their entitlement and

construction process. As Moreno Valley experienced new housing, commercial, and industrial growth, developers were required to:

- Construct all on-site and off-site electric infrastructure to MVU Designs and specifications
- Coordinate with MVU staff during engineering and inspection phases,
- Transfer ownership of all installed facilities to MVU upon project completion and acceptance

These contributions include:

- Underground distribution systems
- Pad-mounted transformers and switchgear
- Conduits
- Vaults, meters, and protective equipment

This strategy effectively extends MVU's infrastructure without front-loaded capital outlay, reducing utility costs and distributing infrastructure funding proportionally with system growth. Once transferred, these assets are capitalized on MVU's books, maintained by MVU staff, and integrated into system planning models.

Key Financial Ratios and Indicators

This section summarizes Moreno Valley Electric Utility's (MVU) core financial performance indicators over the past six years. These metrics reflect MVU's operational efficiency, financial resilience, and preparedness to meet both current obligations and future capital investment needs.

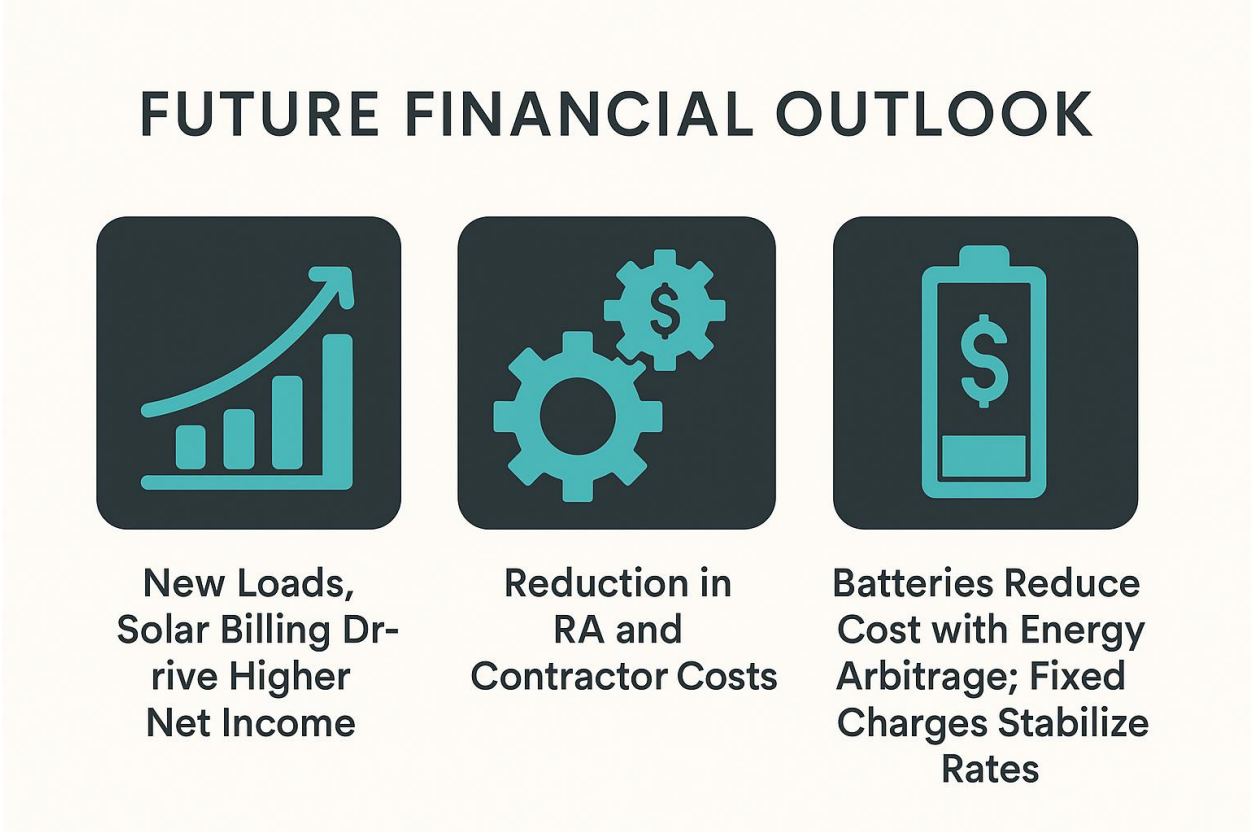
Indicator Definitions & Interpretation

- **Operating Margin**
  Reflects MVU's profitability from operations, exclusive of interest and non-operating income. A healthy margin supports reinvestment in infrastructure and customer programs.
- **Debt Service Coverage Ratio (DSCR)**
  Indicates MVU's ability to meet debt obligations. A ratio above 2.0x demonstrates significant room for debt repayment and compliance with bond covenants.

- **Capital Coverage Ratio**
  Compares annual revenues against capital expenses. A high ratio signals capacity for self-funded capital investment, supporting MVU's reserve-funded infrastructure strategy.
- **Operating Reserves**
  MVU maintains dedicated reserves to ensure MVU can operate without incoming revenue. The consistent growth of this fund reflects a forward-looking rate and reserve policy.
- **Emergency Reserves**
  MVU maintains dedicated reserves to fund the response to emergencies impacting the system performance. The consistent growth of this fund reflects a forward-looking rate and reserve policy.
- **Capital Reserves**
  MVU maintains dedicated reserves to fund asset replacements and investments in infrastructure needed for system expansion. The consistent growth of this fund reflects a forward-looking rate and reserve policy.
- **Unrestricted Fund Balance**
  This measures MVU's liquidity, which is the ability for MVU to pay its bills and maintain operations in real time with its obligations.
- **Accounts Receivable >90 Days**
  Tracks late or non-paying accounts. Lower values indicate strong collections and billing efficiency; a temporary rise during 2020–2021 may reflect COVID-19 economic impacts.

Detailed Five-Year Financial Forecast (2025-2030)

Moreno Valley Electric Utility (MVU) has developed a comprehensive financial plan for 2025 through 2030, focused on aligning rates with actual costs, reducing dependence on contracted services, and investing heavily in system capacity and energy storage. The utility enters this period with strong reserves and a clear strategy for rate equity, internal capacity building, and long-term grid modernization.



Forecasting Highlights

Planning Element	Forecasted Action
Rate Adjustment	15% total reduction beginning Jan 2026, informed by COS study in mid-2025
Staffing Transition	FTEs increase from 18 to 42 (2025–2030); contractor roles phased out
Capital Investment	~$22M–$30M/year focused on energy storage, feeder upgrades, and DER integration
Energy Procurement	Flat through 2027; 3.25% CAGR beginning in 2028
Reserve Management	Drawdowns strategically offset revenue dips and capital program costs
Pooled Cash Balance Change (2025–2030)	Declines from $57.4M to $14.8M through planned reserve usage

Key Financial Summary (2025-2030)

Metric	2025	2026	2027	2028	2029	2030
Full-Time Equivalent (FTE) Staff	27	27	39	39	48	48
Cost to Run Captured Through Rates	$48.42M	$49.24M	$62.45M	$54.76M	$63.61M	$70.62M
Revenue Target	$48.83M	$53.72M	$57.51M	$62.86M	$62.99M	$70.62M
Capital Budget	$21.77M	$24.60M	$22.16M	$22.16M	$28.10M	$30.07M
Drawdown from Bank	$21.77M	$18.00M	$6.00M	$15.00M	$11.00M	—
Pooled Cash (EOY)	$57.40M	$39.81M	$38.29M	$18.35M	$15.45M	$14.84M

Revenue and Expense Dynamics

Following a **15% planned revenue reduction in 2026**, MVU anticipates **steady revenue growth** fueled by:

- **New load additions:** Large commercial and industrial customers, electric vehicle infrastructure, and new housing developments are expected to add substantial load growth, contributing to rising volumetric revenue through 2030.
- **Solar billing design:** MVU's solar billing plan uses **Time-of-Use (TOU)** based rates which ensure cost recovery and revenue stability, even as more customers install rooftop solar. While retail energy sales may slightly decline, net income is expected to increase, as TOU rate designs align better with grid service costs.
- **Fixed infrastructure charges:** An increase to the fixed infrastructure charge is planned as part of the new rate structure. This cost element will ensure MVU recovers non-energy-related infrastructure costs (e.g., cables, transformers, interconnection) regardless of customer consumption behavior, enhancing financial resilience as customer-side generation grows.
- **Energy arbitrage with battery storage:** As MVU deploys more grid-scale storage, it will purchase energy during low-cost, off-peak hours and discharge during high-cost periods. This **arbitrage strategy** will reduce gross kWh procurement but **increase the margin on kWh sold**, allowing MVU to pass solar overproduction savings on to all customers.

Expense Evolution and Strategic Reductions

Several expense categories are transforming, improving MVU's financial efficiency over time:

- **Contractor cost reduction:** The shift from contracted engineering, operations, and customer service functions to full-time staff will reduce O&M contractor spending by more than $8 million annually by 2026. These reductions are sustained through 2030.
- **Resource Adequacy (RA) cost savings:** Battery storage installations will offset peak capacity obligations and enhance MVU's position in the Resource Adequacy market. This is expected to lower RA costs significantly, starting in 2027 as new storage assets come online.
- **Energy procurement optimization:** Battery assets will also reduce MVU's exposure to the market during high-cost periods, allowing MVU to decrease wholesale energy purchases on a per customer basis while maintaining retail service reliability. The avoided energy purchases will have a long-term downward pressure on total energy costs.
- **Stable non-discretionary costs:** Core support services (legal, software, insurance, utilities, etc.) forecasted to increase moderately, largely due to inflation and service scale. These costs are a relatively small portion of MVU's budget and are being managed proactively.

Strategic Planning Implications

Managing Revenue Implications

The growing share of revenue from the large commercial and industrial customer class increases MVU's exposure to a concentrated load base. While this sector is vital to MVU's growth, fluctuations in occupancy, operations, or energy policy compliance could significantly impact overall revenue. MVU will continue to build strong partnerships with key accounts and conduct ongoing scenario modeling to assess and mitigate concentration risk.

Enhancing TOU Rates and Energy Efficiency Programs

MVU currently offers TOU rates and energy efficiency incentives to all customer classes. These programs have helped flatten load curves and reduce peak

consumption. Looking forward, MVU aims to refine these programs with sector-specific outreach and enrollment campaigns, particularly targeting commercial users with process flexibility and residential customers with smart devices. Enhanced analytics will support deeper segmentation and more personalized program design.

Scaling EV Incentives and Infrastructure Readiness

MVU already provides EV charging and adoption incentives and is preparing to scale these programs significantly to accelerate customer adoption. The increased penetration of EVs will contribute to overall load growth and potential peak demand pressures. Future phases of the EV strategy will align with TOU rate design and smart charging incentives to guide usage toward off-peak periods.

Implementing Demand Response and Peak Shaving Strategies

A new strategic priority is the implementation of a demand response (DR) program and an accompanying incentive structure. These efforts will allow MVU to reduce peak demand during system-critical periods and defer costly capacity upgrades. MVU will evaluate options for automated DR platforms, aggregators, and customer-facing incentives (e.g., bill credits, load control devices) to achieve scalable and cost-effective peak shaving, especially in the commercial sector.

Grid Upgrades to Enable Behind-the-Meter Solar

Large commercial customers are increasingly interested in installing customer-sited solar PV systems. To support this demand, MVU is investing in targeted distribution system upgrades, including bi-directional metering, voltage regulation, and system capacity reinforcements. These upgrades will accommodate growing DER interconnections and improve system resilience while advancing MVU's IRP goals.

Capital Planning in Growth Corridors

MVU's Capital Improvement Program (CIP) continues to prioritize infrastructure investments in areas experiencing rapid commercial and industrial development. This includes evaluating substation capacity, transformer upgrades, and feeder reconfigurations to support current and projected load densities.

Balancing Residential Load Growth and Equity

Residential revenue growth remains steady, supported by population increases and building electrification. MVU will continue to promote residential energy efficiency and behind-the-meter solar, while maintaining a focus on rate equity and affordability across income levels.

Conclusion

MVU's 2025–2030 forecast is built on a foundation of:

- Disciplined financial management
- Transparent rate reduction aligned with the cost of service
- Investment in clean and flexible infrastructure
- And a clear internal operations roadmap

This plan positions MVU to meet evolving customer needs while preserving affordability and reliability. The next phase of planning will extend this vision to the 10- and 20-year horizon in alignment with MVU's Integrated Resource Plan (IRP).

11. Customer Programs and New Policies

In April 2025, the City of Moreno Valley adopted the Public Purpose Programs Book, a valuable resource showcasing a wide range of programs and incentives offered by Moreno Valley Utility (MVU). This comprehensive guide simplifies the process of identifying beneficial programs and provides clear, straightforward requirements to meet the diverse needs of MVU customers.

Public benefit programs were first mandated in 1996 by the California Public Utilities Code (PUC) Section 385, which required publicly owned electric utilities to implement charges supporting programs designed to benefit customers. As part of this mandate, utilities were tasked with offering programs for low-income electricity customers, including energy efficiency measures, rate discounts, education, and weatherization support.

In response, MVU established and continues to maintain its Public Purpose Programs through dedicated funding. These programs have benefited both residential and commercial customers by offering financial incentives, reducing energy costs through energy-conserving products, and providing essential support for low-income and disadvantaged families. The ***Public Purpose Programs Book*** outlines eligibility requirements for each program and guides customers in exploring available options. To qualify, customers must meet the program's eligibility criteria, submit an application with the required documents, and undergo an inspection. Upon approval, credits or rebates are issued directly to the account holder or property owner.

As a public utility serving a growing and dynamic community, MVU is committed not only to delivering reliable, efficient, and sustainable energy services but also to supporting the broader needs of its customers and the community through these programs. This report provides an overview of MVU's current Public Purpose Programs, highlighting their role in addressing environmental, economic, and social objectives. It also outlines MVU's goals for the next 5, 10, and 20 years, focusing on program expansion, customer engagement, and measurable community benefits.

These objectives aim to strengthen MVU's commitment to sustainability, equity, and service excellence for all residents.

Programmatic Goals

Moreno Valley Utility (MVU) offers a diverse portfolio of Public Purpose Programs designed to promote energy efficiency, affordability, environmental stewardship, and customer well-being. These programs help ensure that all members of the community — including vulnerable households, low-income customers, and businesses — can access and benefit from sustainable energy solutions.

Current Programs

MVU's current suite of Public Purpose Programs includes:

- **Emergency Assistance Fund:** Provides a one-time financial support to customers experiencing hardship, helping them avoid service interruptions.
- **Level Pay Plan:** Offers customers the ability to spread energy costs evenly throughout the year, making monthly bills more predictable and manageable.
- **Low Income Assistance:** Provides income-qualified customers with discounts on their energy bills to improve affordability.
- **Medical Baseline Program:** Offers additional energy at the baseline rate for customers with qualifying medical needs, ensuring they can maintain essential medical equipment at home.
- **EV Rebate Program (Residential):** Encourages adoption of electric vehicles through rebates for home EV charger installation, recent purchase of EV vehicle, and/or monthly credits with proof of ownership.
- **EV Rebate Program (Commercial):** Supports local businesses in transitioning to cleaner transportation by providing rebates for commercial EV chargers.
- **Solar Incentive Program:** Promotes renewable energy adoption through financial incentives for residential and commercial solar installations.

Future Goals

Over the next 5, 10, and 20 years, MVU aims to expand the reach and impact of its Public Purpose Programs with a focus on low-income electricity customers, including energy efficiency measures, rate discounts, education, and weatherization support.

Potential New Programs and Timeframes

2029 Programs (5 Years)

- Launch at least three new programs (e.g., Tree Shade, Senior Bill Discounts, Commercial Direct Install).
- Increase participation in low-income assistance programs by 20%.
- Achieve 15% growth in residential and commercial EV rebate applications.
- Reach 80% customer awareness of available Public Purpose Programs (measured through surveys).

2035 Programs (10 Years)

- Implement the Multi-family Community Solar Program.
- Achieve 30% energy savings from commercial direct install projects.
- Provide senior bill discounts to at least 50% of eligible customers.
- Plant 5,000 shade trees through the Tree Shade Program.

2045 Programs (20 Years)

- Achieve carbon neutrality across all Public Purpose Programs.
- Transition 50% of all commercial customers to clean energy solutions.
- Maintain a customer satisfaction rating of 90% or higher for program delivery.

Conclusion

MVU will continue to evaluate community needs and industry best practices to develop responsive and impactful Public Purpose Programs. Through this ongoing commitment, MVU strives to ensure that all customers can participate in and benefit from a cleaner, more sustainable energy future.

12. Standards and Action Plans

Municipal utilities such as MVU have a critical responsibility to maintain comprehensive, clear, and continually updated standards and plans that guide operational excellence, regulatory compliance, and strategic planning. These Utilities

Standards and Action Plans ensure safety, efficiency, and reliability while aligning operations with best practices and current industry requirements.

This chapter provides detailed insights into the various standards and action plans that MVU employs to manage its operations effectively. It addresses critical areas such as engineering and drafting standards, safety procedures, wildfire mitigation, and compliance with regulatory bodies like CARB, CPUC, and NERC. Each of these plans and standards is designed to address specific operational needs and regulatory requirements, ensuring that MVU remains proactive and responsive to changing industry landscapes.

Through ongoing review and revision processes, MVU consistently refines its practices, responding dynamically to technological advancements, regulatory developments, and community expectations. The schedules outlined for review and revision ensure structured, timely updates, providing transparency and accountability in MVU's operations.

The following sections provide comprehensive details on each standard and plan, highlighting their purpose, status, improvement initiatives, and timelines for review. Accompanied by a summary table, this chapter serves as a vital reference point for MVU staff, stakeholders, and community members to understand the robust framework that governs utility operations.

Engineering Standards

Currently, MVU utilizes Southern California Edison's (SCE) Applicant Design Standards as a foundation for its engineering protocols. Recognizing the importance of tailoring standards to the specific requirements and conditions of MVU, efforts are underway to develop our own comprehensive engineering standards. The MVU standards initiative includes creating detailed, unitized construction sets to streamline project implementation, enhance clarity for field staff, and maintain consistency across projects.

The new MVU engineering standards aim to improve project efficiency by standardizing common tasks and clearly defining material specifications and

installation guidelines. These standards will facilitate faster project approvals, easier compliance checking, and simplified training for new engineering and field staff. Continuous updates and refinements to these engineering standards will ensure they remain aligned with technological advancements, regulatory changes, and best industry practices. Regular feedback from engineering and operational teams will guide periodic revisions to guarantee relevance and usability.

Drafting Standards

Drafting standards at MVU, currently documented as MVEU-700 through 710B, form the foundation of our design clarity and operational efficiency. While these standards serve their purpose, they currently lack certain essential elements, such as comprehensive line type legends. Recognizing these deficiencies, our drafting staff is actively engaged in ongoing improvements, addressing these gaps through systematic updates and improvements.

One example of recent improvements is the revision of conduit callouts, which now utilize leader lines for improved readability. These enhancements demonstrate MVU's commitment to continuous improvement and illustrate our proactive approach toward refining drafting clarity and precision.

Future drafting standards updates will continue to emphasize user feedback, industry benchmarking, and practical field implementation, ensuring our standards not only align with industry’s best practices but also significantly enhance the efficiency and accuracy of design interpretations.

Safety Plans

Safety remains a paramount concern at MVU, with annual safety trainings mandated by OSHA and guided by the APPA Safety Manual. These training courses are structured to ensure comprehensive safety awareness among all MVU employees, emphasizing a culture of vigilance and accountability.

Safety training content includes electrical safety, proper use of personal protective equipment, emergency response procedures, and hazard recognition and mitigation strategies. This rigorous safety training program supports compliance and fosters a proactive safety culture across MVU operations.

Annual reviews of safety plans are critical to adapting our practices to evolving standards, regulatory updates, and lessons learned from industry incidents. These

reviews ensure MVU safety standards continuously reflect the highest level of preparedness and prevention.

Wildlife Mitigation Plan

The MVU Wildfire Mitigation Plan, mandated by the CPUC's Wildfire Safety Advisory Board (WSAB), outlines measures to proactively manage and reduce wildfire risk within our service territory. This comprehensive plan integrates vegetation management, infrastructure hardening, situational awareness technologies, and rapid response protocols.

Annual review and presentation of this plan to WSAB ensures compliance, transparency, and effectiveness in wildfire mitigation efforts. By incorporating feedback from WSAB, local fire authorities, and community stakeholders, MVU ensures the plan remains robust, actionable, and reflective of current best practices. Consistent submission and public disclosure of the Wildfire Mitigation Plan demonstrate MVU's commitment to protecting public safety and preserving the reliability of electrical service, especially under adverse weather conditions.

Electric Operations and Maintenance Manual

The Electric Operations and Maintenance Manual at MVU, historically left unchanged for many years, is due to comprehensive updates to reflect current operational standards, emerging technologies, and new asset management practices. The implementation of an advanced Asset Management system will drive these updates, supporting more effective maintenance scheduling, asset lifecycle tracking, and compliance reporting.

Upon adoption, the manual will undergo annual reviews, incorporating feedback from operational staff, technological advances, regulatory changes, and asset management system insights. This structured review process ensures the manual remains relevant and effective for day-to-day operations.

The integration of the new manual with MVU's broader management systems will significantly enhance operational efficiency, reliability, and asset longevity.

Natural Disaster and Storm Procedure

Last updated in 2024, MVU's Natural Disaster and Storm Procedure outlines preparedness and response strategies to maintain reliability and minimize service disruptions during severe weather events and other natural disasters. Current activities include a detailed review of mutual aid agreements with neighboring utilities, ensuring rapid mobilization of resources during emergencies.
Regular review and update cycles are planned to reflect the evolving climate risks, regulatory requirements, and technological advancements in disaster response and recovery.

Continuous training and periodic emergency response drills will maintain MVU's readiness and enhance operational resilience against natural disasters.

Arc Flash Compliance

Scheduled for 2025, MVU's Arc Flash Compliance study will assess available arc flash energy levels at all critical substation and distribution system assets. This comprehensive evaluation will identify calorie rating requirements for protective equipment and establish clear, accurate signage at all relevant facilities.

This initiative reflects MVU's commitment to safety compliance, aligning operational practices with industry safety standards to ensure worker protection and operational safety.

Periodic reassessment of arc flash risks will ensure continuous compliance and proactive risk management as MVU expands its infrastructure and updates system configurations.

Plan for NERC Compliance

While MVU currently lacks Battery Energy Storage Systems (BESS), future load growth will necessitate evaluations of potential NERC compliance requirements. Initial studies will be conducted to assess the implications of integrating BESS technologies into MVU's infrastructure and compliance landscape.

Adjustments to import/export interconnection agreements, currently governed by WDAT agreements, will also be required, ensuring future compliance with NERC standards.

Regular monitoring and planning will ensure seamless transition and proactive management of compliance obligations as MVU continues to expand its capabilities and infrastructure.

Integrated Resource Plan (IRP)

Completed in 2025, MVU's IRP outlines strategic approaches for power procurement, renewable energy integration, and sustainability commitments. Although voluntary due to MVU's current size, the IRP serves as a critical planning tool, guiding decision-making and resource allocation.

Annual updates ensure responsiveness to evolving market conditions, policy environments, and community energy goals, while major revisions every three years maintain strategic alignment.

Ongoing stakeholder engagement and public input reinforce transparency, accountability, and community-aligned energy strategies.

CARB Reporting

MVU diligently adheres to California Air Resources Board (CARB) reporting standards, primarily focusing on greenhouse gas (GHG) emissions, specifically sulfur hexafluoride (SF6) from electrical equipment. Annual reporting ensures transparency and accountability, providing clear data on emissions management and control strategies. Quarterly Low Carbon Fuel Standard (LCFS) reporting is also conducted, particularly detailing electric vehicle charging station (EVCS) electricity sales.

Regular audits and compliance checks by MVU staff ensure accuracy in reporting and adherence to evolving regulatory standards. Proactive engagement with CARB enables MVU to stay updated with emerging trends and mandates, facilitating timely adjustments to internal policies and operations.

Ongoing training and clear documentation practices strengthen internal capacity to manage CARB reporting requirements effectively. Continuous improvement measures and benchmarking against industry peers support MVU's commitment to reducing its environmental footprint.

GO 165 and 174 Compliance

Compliance with General Orders (GO) 165 and 174 from the California Public Utilities Commission (CPUC) forms a critical component of MVU's asset management strategy. The upcoming implementation of an advanced Asset Management software solution will automate and enhance compliance reporting, scheduling routine inspections, and maintenance tasks.

This software will streamline compliance processes, significantly improving efficiency, reliability, and regulatory adherence. Automation will reduce human error, improve record accuracy, and allow for real-time compliance tracking and reporting capabilities.

Annual reviews of compliance processes ensure adherence to evolving regulatory demands, reinforcing MVU's operational excellence and enhancing the safety and reliability of electrical infrastructure.

CCS User Guide

The Customer Care System (CCS) User Guide is an essential internal training tool developed specifically to support MVU staff. This guide ensures new and existing employees thoroughly understand operational procedures, software functionalities, and customer interaction protocols.

Continuous enhancements to the CCS User Guide are guided by staff feedback, technological updates, and changes in business practices. This ensures that the documentation remains current, user-friendly, and practically beneficial in daily operations.

Regular training sessions and periodic reviews of the CCS guide ensure consistent and high-quality customer service, operational efficiency, and internal knowledge dissemination across all MVU teams.

Privacy Protection Plan

MVU is actively drafting an initial comprehensive Privacy Protection Plan to safeguard customer and organizational data privacy. This Business Plan addresses both existing processes and future software integrations, ensuring robust protection against potential privacy breaches and compliance with data protection regulations.

Annual reviews of the Privacy Protection Plan will accommodate evolving technologies, regulatory updates, and new software integrations. This proactive approach mitigates risks associated with data management and supports customer trust.

Continual staff training and awareness programs will further enhance MVU's capability to prevent data breaches and maintain compliance with privacy protection mandates, strengthening overall data security practices.

Electric Service Rules, Fees, and Changes

MVU regularly reviews its Electric Service Rules, Fees, and Charges to ensure clarity, fairness, and alignment with industry standards. Frequent reviews guarantee responsiveness to market conditions, regulatory updates, and customer needs, helping maintain MVU's competitive positioning and customer satisfaction.

Updates are performed at least annually, or more frequently if necessary, reflecting MVU's agile approach to regulation and policy implementation. Input from stakeholders, customers, and operational staff guides these updates, ensuring practical relevance. Clear, accessible communication between rules and fees fosters customer transparency and understanding, enhancing overall service delivery and customer satisfaction.

Financial Reserves Policy

Established formally in 2024, MVU's Financial Reserves Policy outlines guidelines for maintaining adequate financial reserves. This policy ensures financial stability, supports long-term capital improvements, and protects MVU against unforeseen operational expenses.

Annual policy reviews will accommodate shifting financial landscapes, operational needs, and regulatory requirements. This disciplined approach ensures robust financial management, enhancing MVU's ability to fund infrastructure improvements and manage financial risk effectively.

Transparency and accountability underpin this policy, with regular reporting and stakeholder engagement promoting confidence in MVU's financial stewardship.

Summary Table of Standards and Action Plans

Standard/Plan	Timeline for Review/Revision	Scheduled Month
1. Engineering Standards	Annually	January
2. Drafting Standards	Annually	February
3. Safety Plans	Annually	March
4. Wildfire Mitigation Plan	Annually (Due to Council June and WSAB July 1)	March
5. Electric Operations and Maintenance Manual	Annually (once Asset Management system is implemented)	May
6. Natural Disaster and Storm Procedure	Every 2 years	June
7. Arc Flash Compliance	Every 5 years (starting 2025)	July
8. NERC Compliance Plan	Every 3 years (or upon significant system changes)	August
9. Integrated Resource Plan (IRP)	Annually (major revision every 3 years)	September
10. CARB Reporting	Annual GHG Report, Quarterly LCFS Reports	March
11. GO 165 and 174 Compliance	Annually (automated via Asset Management software)	November
12. CCS User Guide	Reviewed Annually (updates as needed)	December
13. Privacy Protection Plan	Annually	January

14. Electric Service Rules, Fees, and Charges	Annually (or as required)	December
15. Electric Service Rates	Annually (major revision December 2025)	December
16. Financial Reserves Policy	Annually	March

Conclusion:

A structured and continuously updated system of standards and action plans is vital to MVU's commitment to safe, reliable, and efficient utility operations. These documents guide engineering practices, regulatory compliance, emergency preparedness, and customer service, ensuring alignment with industry best practices and community needs.

Regular review cycles, staff input, and stakeholder engagement ensure these standards remain relevant and effective. As MVU expands and modernizes its infrastructure, this framework will continue to support operational excellence, transparency, and long-term strategic goals for the City of Moreno Valley.