



Northern California Power Agency

May 2026

Finance Committee Materials

PFM Financial Advisors
LLC

222 N. Pacific Coast
Hwy., 10th Floor
El Segundo, CA 90245

213.489.4075



Report on Current Financial Market Conditions or Issues

Data, rates, and related statistics and charts are as of April 28, 2026, unless otherwise indicated



Market Overview Since February 10th

Date	DJIA	10-Yr BVAL	10-Yr Tsy	30-Yr BVAL	30-Yr Tsy
11-Feb	50,136	2.55%	4.16%	4.15%	4.78%
3-Mar	48,501	2.63%	4.06%	4.18%	4.70%
Δ	-1,635	0.08%	-0.10%	0.03%	-0.08%

- In February, retail sales printed flat, versus expectations for growth, while CPI came in at or slightly below expectations, reinforcing the view that inflation pressures may be easing
- The February 18th FOMC minutes leaned modestly hawkish, noting inflation risks prior to the softer CPI print, temporarily slowing the rate rally. However, expectations for multiple 2026 rate cuts remained intact

Date	DJIA	10-Yr BVAL	10-Yr Tsy	30-Yr BVAL	30-Yr Tsy
3-Mar	48,501	2.63%	4.06%	4.18%	4.70%
30-Mar	45,216	3.09%	4.35%	4.47%	4.91%
Δ	-3,285	0.46%	0.29%	0.29%	0.21%

- At the beginning of March, Treasury and BVAL yields moved sharply higher as escalation in the Iran conflict drove oil prices up and reignited inflation concerns, leading markets to scale back near-term Fed rate cut expectations
- Over the course of the month, rates continued to trend higher, driven by persistent oil price volatility and lack of clarity on de-escalation in the Middle East, reaching highs at the end of March

Date	DJIA	10-Yr BVAL	10-Yr Tsy	30-Yr BVAL	30-Yr Tsy
30-Mar	45,216	3.09%	4.35%	4.47%	4.91%
28-Apr	49,142	2.88%	4.36%	4.27%	4.94%
Δ	3,926	-0.21%	0.01%	-0.20%	0.03%

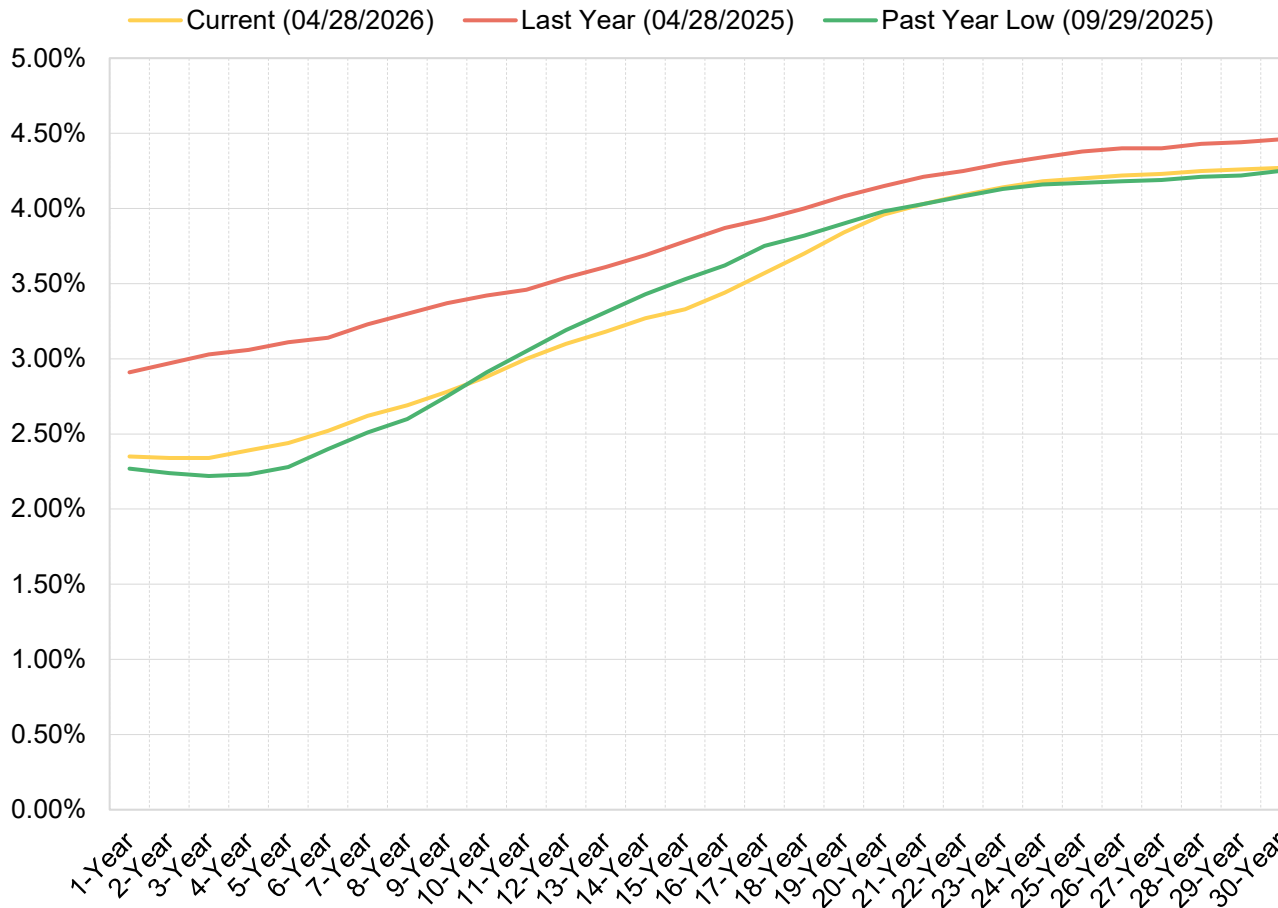
- Late the week of April 13th, Treasury yields rallied alongside falling oil prices and positive signals from Iran emphasizing plans to keep the Strait of Hormuz open
- The week of April 20th, Treasury rates ticked higher as uncertainty regarding the extension of the ceasefire loomed and the next Fed chair struck a slightly more hawkish tone during Senate confirmation hearings
- On Monday (4/27), peace talks faded following President Trump's order to halt negotiations with Iran

Source: PFM Research, Bloomberg, Refinitiv, Trading Economics



Recent BVAL Yield Curve Movement

BVAL Yield Curve Movement

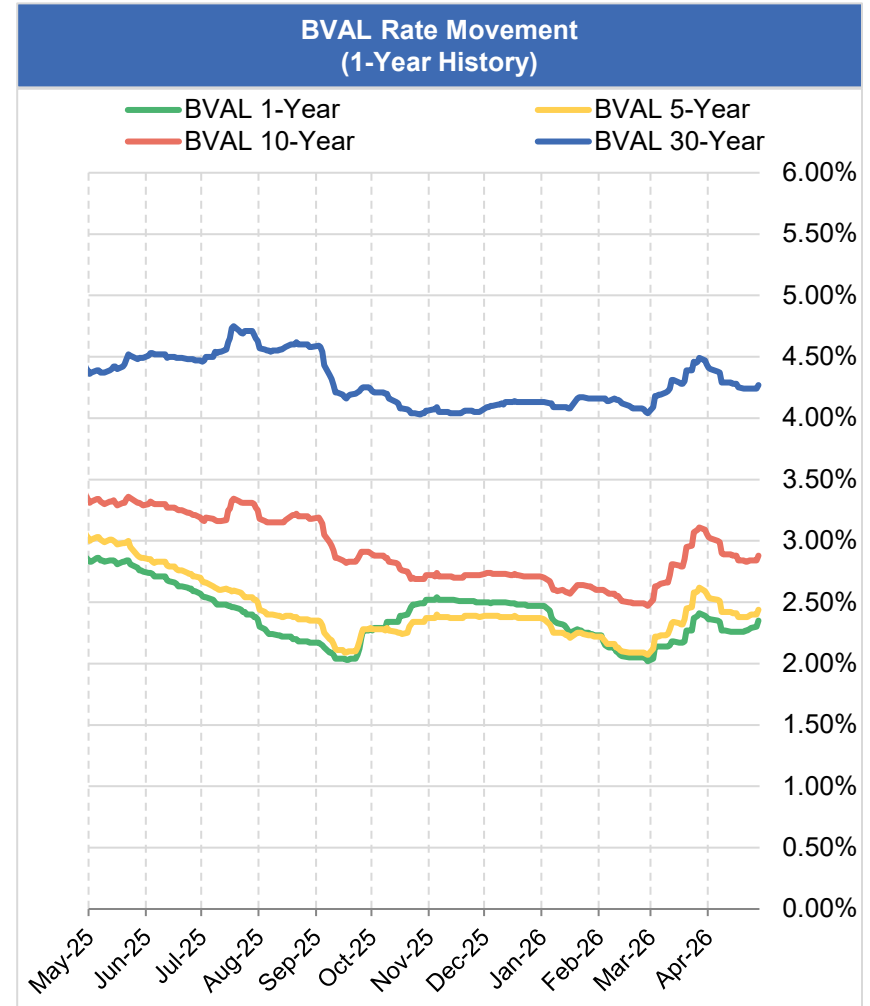
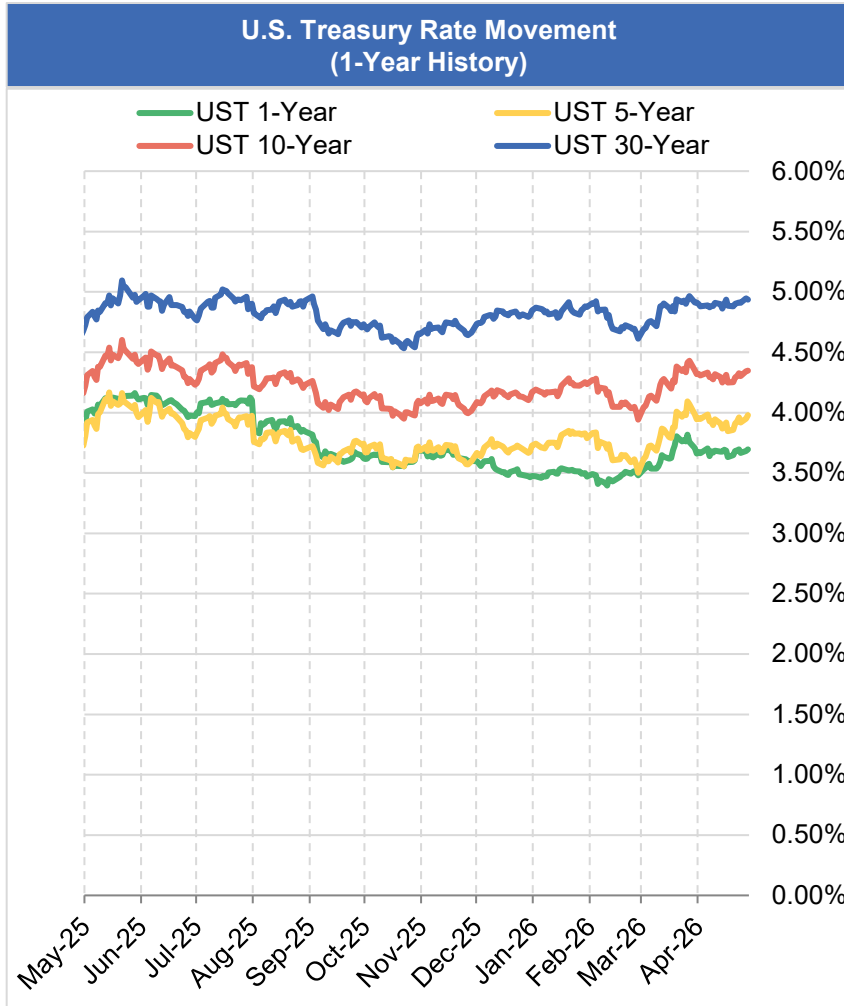


Maturity	Δ Since 04/28/2025	Δ Since 09/29/2025
1-Year	-0.56%	0.08%
2-Year	-0.63%	0.10%
3-Year	-0.69%	0.12%
4-Year	-0.67%	0.16%
5-Year	-0.67%	0.16%
6-Year	-0.62%	0.12%
7-Year	-0.61%	0.11%
8-Year	-0.61%	0.09%
9-Year	-0.59%	0.03%
10-Year	-0.54%	-0.03%
11-Year	-0.46%	-0.05%
12-Year	-0.44%	-0.09%
13-Year	-0.43%	-0.13%
14-Year	-0.42%	-0.16%
15-Year	-0.45%	-0.20%
16-Year	-0.43%	-0.18%
17-Year	-0.36%	-0.18%
18-Year	-0.30%	-0.12%
19-Year	-0.24%	-0.06%
20-Year	-0.19%	-0.02%
21-Year	-0.18%	0.00%
22-Year	-0.16%	0.01%
23-Year	-0.16%	0.01%
24-Year	-0.16%	0.02%
25-Year	-0.18%	0.03%
26-Year	-0.18%	0.04%
27-Year	-0.17%	0.04%
28-Year	-0.18%	0.04%
29-Year	-0.18%	0.04%
30-Year	-0.19%	0.02%

Source: Bloomberg, PFM Research



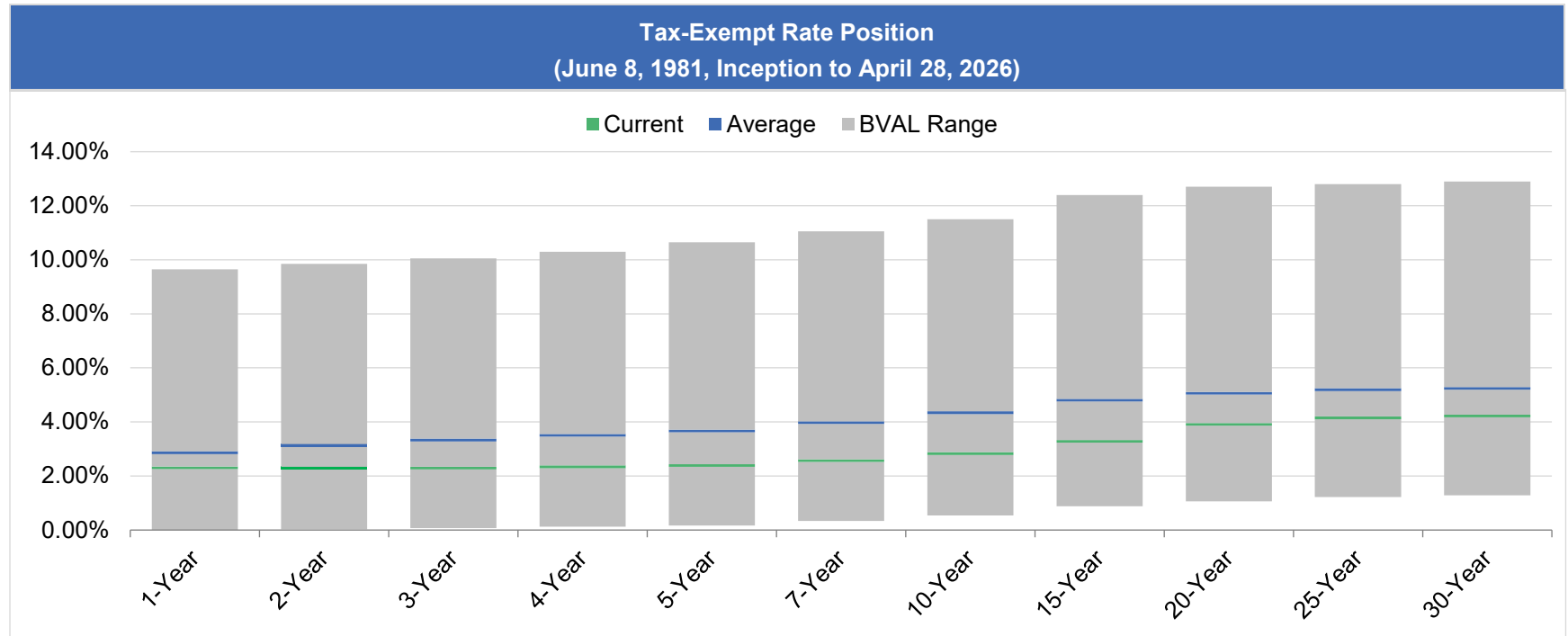
U.S. Treasury & BVAL Rate Movement



Source: Bloomberg, PFM Research



Tax-Exempt Rate Position Since Inception



Summary of April 28, 2026 vs. Historical (since Inception) Tax-Exempt Rates

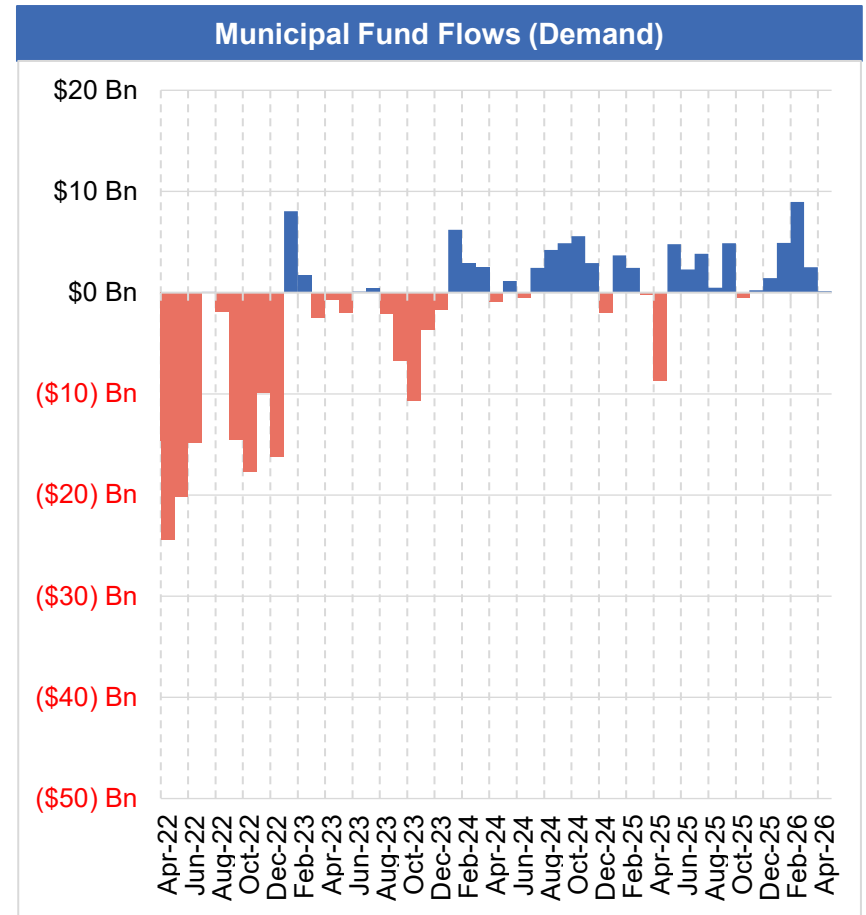
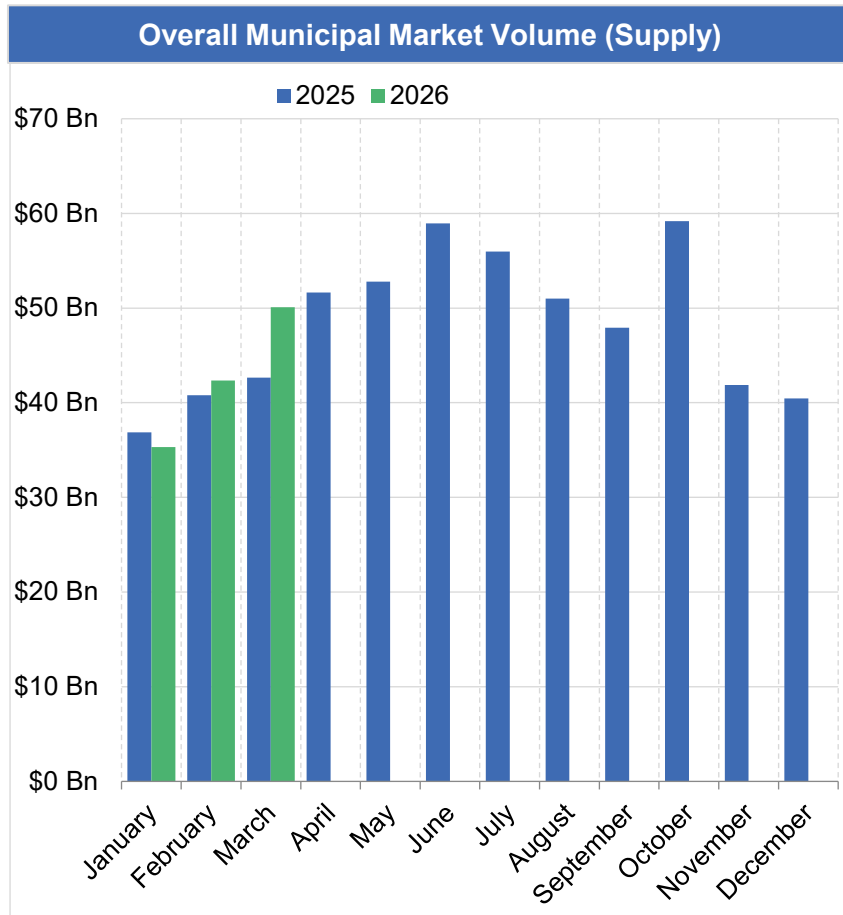
Statistic	1-Year	2-Year	3-Year	4-Year	5-Year	7-Year	10-Year	15-Year	20-Year	25-Year	30-Year
April 28, 2026	2.35%	2.34%	2.34%	2.39%	2.44%	2.62%	2.88%	3.33%	3.96%	4.20%	4.27%
Historical Average	2.81%	3.08%	3.28%	3.46%	3.62%	3.93%	4.29%	4.76%	5.01%	5.14%	5.19%
Spread to Average	-0.46%	-0.74%	-0.94%	-1.07%	-1.18%	-1.31%	-1.41%	-1.43%	-1.05%	-0.94%	-0.92%
Minimum	0.01%	0.03%	0.07%	0.12%	0.16%	0.34%	0.54%	0.88%	1.06%	1.22%	1.28%
Maximum	9.65%	9.85%	10.05%	10.30%	10.65%	11.05%	11.50%	12.40%	12.70%	12.80%	12.90%
% of Time Lower	41.53%	39.61%	37.12%	36.53%	34.67%	33.99%	31.71%	30.21%	34.67%	35.80%	35.72%

Source: Bloomberg, PFM Research



Municipal Market Supply & Demand

- Municipal funds experienced net slight inflows in April. New issuance volume was up 17.44% year-over-year in March, and year-to-date new issuance volume was 6.20% higher than 2025 issuance through March.



Source: Bond Buyer, Investment Company Institute



Interest Rate Forecasts

- Market participants do not expect a rate cut within the next quarter.

The Street's Interest Rate Forecast (As of April 27, 2026)

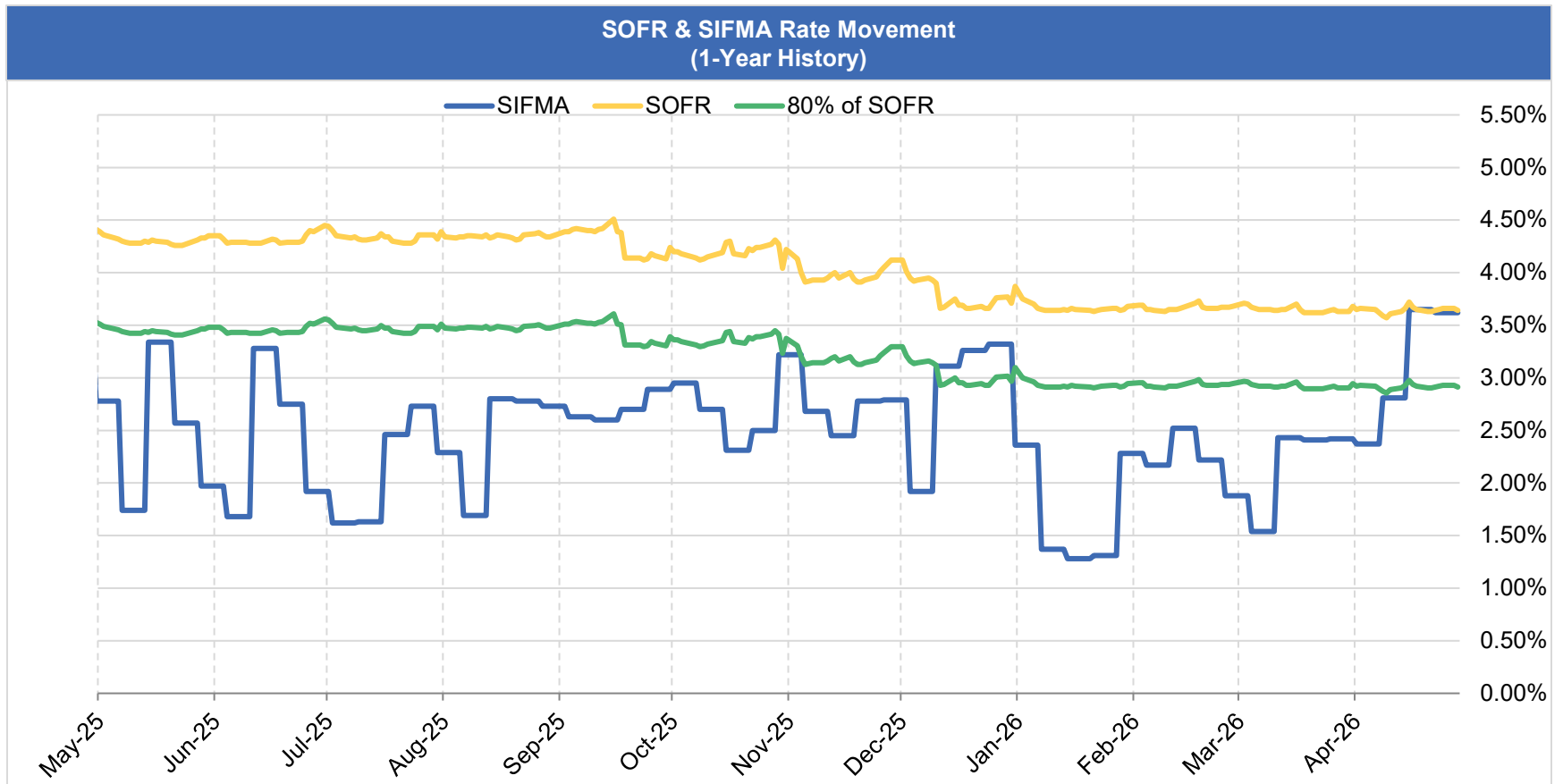
Average Forecasts	Current	Q2 26	Q2 Δ vs. Current	Q3 26	Q4 26	Q1 27	Q2 27	Q3 27
30-Year UST	4.93%	4.84%	-0.09%	4.77%	4.73%	4.72%	4.71%	4.70%
10-Year UST	4.32%	4.26%	-0.06%	4.21%	4.18%	4.17%	4.16%	4.13%
2-Year UST	3.80%	3.69%	-0.11%	3.59%	3.49%	3.46%	3.45%	3.45%
3M SOFR	3.67%	3.60%	-0.07%	3.47%	3.36%	3.28%	3.26%	3.27%
Fed Funds Target Rate	3.50%	3.48%	-0.02%	3.38%	3.22%	3.13%	3.08%	3.05%
<i>Fed Funds Δ Since February Meeting</i>	<i>0.00%</i>	<i>0.28%</i>		<i>0.33%</i>	<i>0.21%</i>	<i>0.13%</i>	<i>0.10%</i>	<i>0.06%</i>

Source: Bloomberg



SOFR & SIFMA Rate Movement

- SOFR fluctuated in April within 2.37% and 3.65%. SOFR has held relatively steady within 3.57% and 3.72% throughout April.



Source: Bloomberg, PFM Research

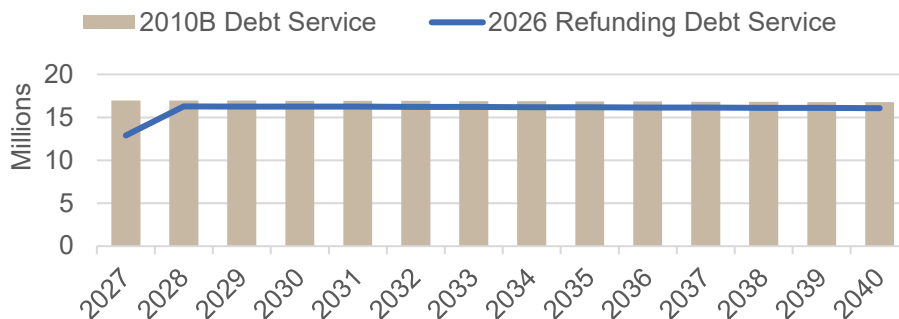


LEC Group A 2010B BABs Refunding Opportunity

- \$168,290,000 of the Indenture Group A, Lodi Energy Center 2010B Build America Bonds (BABs) are outstanding
- Originally expected to receive a federal subsidy equal to 35% of interest, which has been reduced since 2013 due to sequestration and is currently 33.005% (5.7% sequestration)
- Callable at any time, using make-whole call
 - Sequestration can likely be treated as an “extraordinary event” that would allow NCPA to refund the 2010B BABs at a lower make-whole price
- At current rates, the tax-exempt refunding savings for the 2010B BABs generate slight NPV dissavings, when accounting for a reserve release of ~\$10.5 million
- Reserve release would allow refunding debt service to be ~\$700K lower

LEC Group A Participation Percentages	
Member	Ind. Group A Cost Share (%)
Azusa	4.9936
Biggs	0.4802
Gridley	3.5212
Healdsburg	2.9448
Lodi	17.0295
Lompoc	3.6491
Santa Clara	46.1588
Ukiah	3.2010
Plumas-Sierra	1.4084
PWRPA	4.7824
SFBART	11.8310

NCPA LEC Group A 2010B Debt Service



Refunding Statistics

Delivery Date	8/1/2026
Refunded Maturities	2027 - 2040
Par Amount of Bonds Refunded	\$168,290,000
Par Amount of Refunding Bonds	\$158,365,000
NPV Savings (Net DSRF Release and Bond Fund Contributions)	-\$2,802,963
NPV Savings as a % of Refunded Par	-1.67%

Rates as of 4/28/2026. Includes ~\$14 million from prior bond funds as additional source. Savings discounted to delivery at arbitrage yield. 2010B debt service shown net 33.005% BAB subsidy.



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