



## **AGENDA**

### **Regular Meeting of the Board of Directors of San Diego Community Power (SDCP)**

November 18, 2021  
5:00 p.m.

The meeting will proceed as a teleconference meeting in compliance with waivers to certain provisions of the Brown Act provided for under Government Code section 54953(e)(1)(A), in relation to the COVID-19 State of Emergency and recommended social distancing measures. There will be no location for in-person attendance. In compliance with the Brown Act, SDCP is providing alternatives to in-person attendance for viewing and participating in the meeting. Further details are below.

**Note:** Any member of the public may provide comments to the Board of Directors on any agenda item. When providing comments to the Board, it is requested that you provide your name and city of residence for the record. Commenters are requested to address their comments to the Board as a whole through the Chair. Comments may be provided in one of the following manners:

1. **Providing Oral Comments During Meeting.** To provide comments during the meeting, join the Zoom meeting by computer, mobile phone, or dial-in number. On Zoom video conference by computer or mobile phone, use the “Raise Hand” feature. This will notify the moderator that you wish to speak during a specific item on the agenda or during non-agenda Public Comment. Members of the public will not be shown on video but will be able to speak when called upon. If joining the meeting using the Zoom dial-in number, you can raise your hand by pressing \*9. Comments will be limited to three (3) minutes. Please be aware that the Chair has the authority to reduce equally each speaker's time to accommodate a large number of speakers.
2. **Written Comments.** Written public comments must be submitted prior to the start of the meeting by using this ([web form](#)). Please indicate a specific agenda item when submitting your comment. All written comments received prior to the meeting will be provided to the Board members in writing. In the discretion of the Chair, the first ten (10) submitted comments shall be stated into the record of the meeting. Comments read at the meeting will be limited to the first 400 words. Comments received after the start of the meeting will be collected, sent to the Board members in writing, and be part of the public record.

If you have anything that you wish to be distributed to the Board, please provide it via [info@sdcommunitypower.org](mailto:info@sdcommunitypower.org) and it will be distributed to the Members.

The public may participate using the following remote options:

Teleconference Meeting Webinar <https://zoom.us/j/94794075133>

Telephone (Audio Only) (669) 900-6833 or (346) 248-7799 | Webinar ID: 947 9407 5133

**Welcome**

**Call to Order**

**Pledge of Allegiance**

**Roll Call**

**Items to be Added, Withdrawn, or Reordered on the Agenda**

**Public Comments**

*Opportunity for members of the public to address the Board on any items not on the agenda but within the jurisdiction of the Board. Members of the public may provide a comment in either manner described above.*

**Consent Calendar**

*All matters are approved by one motion without discussion unless a member of the Board of Directors requests a specific item to be removed from the Consent Agenda for discussion. A member of the public may comment on any item on the Consent Calendar in either manner described above.*

- 1. Approval of Findings to Continue Holding Remote/Teleconference Meetings Pursuant to Assembly Bill 361**
- 2. Back Office Metrics/Dashboard Monthly Update**
- 3. Update on Regulatory and Legislative Affairs**

**Information Reports / Updates**

*The following items are reports and are placed on the Agenda for the Board to receive and file or to provide information to the Board and the public. The Board may engage in discussion if the specific subject matter of the report is identified below, but the Board may not take any action other than to place the matter on a future agenda.*

- 4. Operations and Administration Report from the Interim Chief Executive Officer**
- 5. Receive and File Treasurer's Report for 2022 Fiscal Year-to-Date period ended 9/30/21**
- 6. Update on Marketing and Public Relations**
- 7. Update on Power Resources**

**REGULAR AGENDA**

*The following items call for discussion or action by the Board of Directors. The Board may discuss and/or take action on any item listed below if the Board is so inclined.*

- 8. Adopt Resolution to Approve National City Membership in SDCP**

Recommendation: Adopt Resolution 2021-04 approving the addition of National City as a member of SDCP.

## **9. Conduct Public Hearing to Approve Implementation Plan Addendum for New Members**

Recommendation:

- a. Receive Addendum Number 1 to SDCP Community Choice Aggregation Implementation Plan and Statement of Intent
- b. Conduct Public Hearing to consider approval of Addendum Number 1 to SDCP Community Choice Aggregation Implementation Plan and Statement of Intent, as required by California Public Utilities Code Section 366.2(c)(3).
- c. Adopt Resolution 2021-05 approving Addendum Number 1 to the SDCP Community Choice Aggregation Implementation Plan and Statement of Intent

## **10. Approval of Board & Committee Compensation Policy – ITEM MOVED TO DECEMBER**

Recommendation: Approve Board and Committee Compensation Policy.

### **Committee Reports / Updates**

*The following items are reports and are placed on the Agenda to provide information to the Board and the public. The Board may engage in discussion if the specific subject matter of the report is identified below, but the Board may not take any action other than to place the matter on a future agenda.*

## **11. Update on CEO Search Ad Hoc Committee Efforts**

### **Reports by Management and General Counsel**

*SDCP Management and General Counsel may briefly provide information to the Board and the public. The Board may engage in discussion if the specific subject matter of the report is identified below, but the Board may not take any action other than to place the matter on a future agenda. Otherwise, there is to be no discussion or action taken unless authorized by law.*

### **Director Comments**

*Board Members may briefly provide information to other members of the Board and the public, ask questions of staff, request an item to be placed on a future agenda, or report on conferences, events, or activities related to SDCP business. There is to be no discussion or action taken on comments made by Directors unless authorized by law.*

## **ADJOURNMENT**

### ***Compliance with the Americans with Disabilities Act***

SDCP Board of Directors meetings comply with the protections and prohibitions of the Americans with Disabilities Act. Individuals with a disability who require a modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting may contact (888) 382-0169 or [info@sdcommunitypower.org](mailto:info@sdcommunitypower.org). Requests for disability-related modifications or accommodations require different lead times and should be provided at least 72-hours in advance of the public meeting.

### ***Availability of Board Documents***

Copies of the agenda and agenda packet are available at <https://sdcommunitypower.org/resources/meeting-notes/>. Late-arriving documents related to a Board

meeting item which are distributed to a majority of the Members prior to or during the Board meeting are available for public review as required by law. Previously, public records were available for inspection at the City of San Diego Sustainability Department, located at 1200 Third Ave., Suite 1800, San Diego, CA 92101. However, due to the Governor's Executive Orders N-25-20 and N-29-20 and the need for social distancing, in-person inspection is now suspended. Public records, including agenda-related documents, can instead be requested electronically at [info@sdcommunitypower.org](mailto:info@sdcommunitypower.org) or by mail to SDCP, 815 E Street, Suite 12716, San Diego, CA 92112. The documents may also be posted at the above website.



## SAN DIEGO COMMUNITY POWER Staff Report – Item 1

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To: San Diego Community Power Board of Directors

From: Ryan Baron, General Counsel

Subject: Findings to Continue Holding Remote/Teleconference Meetings Pursuant to Assembly Bill 361

Date: November 18, 2021

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### RECOMMENDATION

Find and determine that the Board has reconsidered the circumstances of the COVID-19 State of Emergency; the State of Emergency remains in effect; state or local officials continue to impose or recommend social distancing measures; and meetings of SDCP legislative bodies may be held remotely in compliance with Government Code section 54953(e) for the next 30 days.

### BACKGROUND

As more fully described in the staff report for the October 28, 2021 meeting related to AB 361, the State of California has adopted AB 361, which allows public agencies to hold fully or partially virtual meetings under certain circumstances without being required to follow certain Brown Act teleconferencing requirements. Under AB 361, a legislative body holding a fully or partially virtual meeting pursuant to AB 361 must make certain findings at least every thirty (30) days to continue holding such meetings.

If the Board desires to continue allowing Directors and members of SDCP committees to participate remotely pursuant to AB 361, the Board must reconsider the COVID-19 State of Emergency, find that the proclaimed State of Emergency remains in effect, and find either: (1) that state or local officials continue to impose or recommend measures to promote social distancing; or (2) that as a result of the COVID-19 emergency, meeting in person would present imminent risks to the health or safety of attendees.

### ANALYSIS AND DISCUSSION

Based on the continued COVID-19 State of Emergency and continued required or recommended social distancing measures, as initially described in the staff report for October 28, 2021 meeting relating to AB 361, the Board may make the findings necessary to continue allowing Board members and members of all SDCP committees to participate remotely pursuant to AB 361.

**FISCAL IMPACT**  
N/A

**ATTACHMENTS**  
N/A



## SAN DIEGO COMMUNITY POWER Staff Report – Item 2

To: San Diego Community Power Board of Directors

From: Lucas Utouh, Director of Data Analytics and Account Services

Via: Bill Carnahan, Interim Chief Executive Officer

Subject: Back-Office Metrics and Dashboard Monthly Update

Date: November 18, 2021

### RECOMMENDATION

Receive update on various back-office activities.

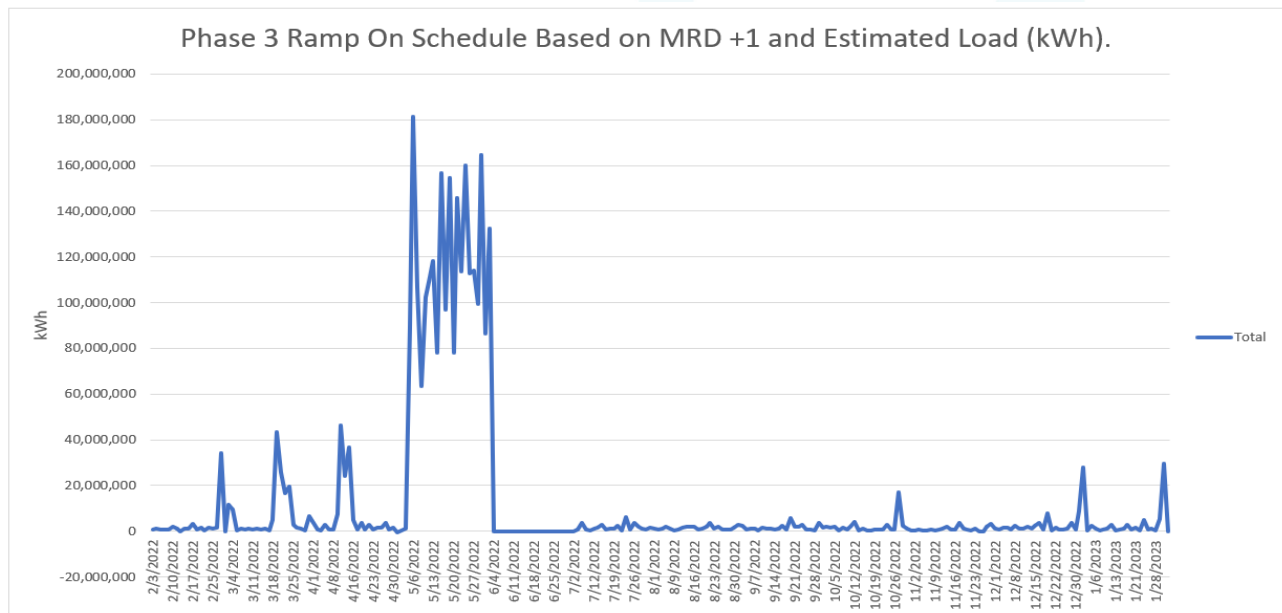
### BACKGROUND

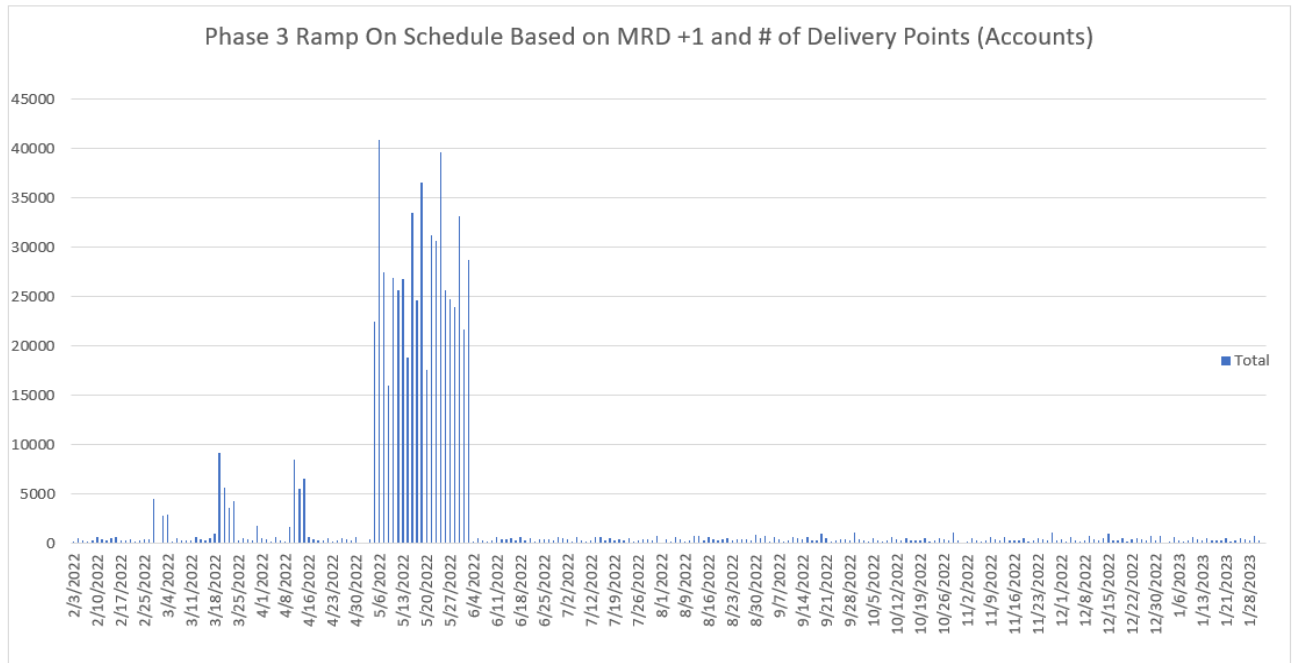
Staff will provide regular updates to the Board of Directors regarding San Diego Community Power's (SDCP) back-office activities centered around tracking opt actions (i.e. opt outs, opt ups and opt downs) as well as customer engagement metrics. The following is a brief overview of items pertaining to back-office operations.

### ANALYSIS AND DISCUSSION

#### A) Phase 3 Enrollment Planning

SDCP, SDG&E and Calpine have collaborated to articulate a preliminary Phase 3 ramp on schedule based on meter read dates for 2022 per the below based on load and the number of accounts:





## B) Opt Actions Tracking

SDCP Staff and Calpine have worked together to create a reporting summary of customer actions to opt-out, opt-up to Power100 or opt down from Power100 to PowerOn. The below charts summarize these actions accordingly as of November 08<sup>th</sup>, 2021:

### I. Opt Outs

Opt Outs by City	February	March	April	May	June	July	August	September	October	November - MTD	2021 YTD Grand Total
CITY OF CHULA VISTA	2	77	1	150	9	3	11	12	1	0	266
CITY OF ENCINITAS	0	0	3	32	7	11	5	3	1	1	63
CITY OF IMPERIAL BEACH	0	0	0	11	0	1	1	0	0	0	13
CITY OF LA MESA	0	0	15	51	3	6	3	0	6	0	84
CITY OF SAN DIEGO	14	10	43	516	51	123	111	131	34	13	1046
<b>Grand Total</b>	<b>16</b>	<b>87</b>	<b>62</b>	<b>760</b>	<b>70</b>	<b>144</b>	<b>131</b>	<b>146</b>	<b>42</b>	<b>14</b>	<b>1472</b>

Opt Outs by Class Code	February	March	April	May	June	July	August	September	October	November - MTD	2021 YTD Grand Total
Residential	0	0	0	0	0	0	0	0	0	0	0
Commercial/Industrial	16	87	62	760	70	144	131	146	42	14	1472
<b>Grand Total</b>	<b>16</b>	<b>87</b>	<b>62</b>	<b>760</b>	<b>70</b>	<b>144</b>	<b>131</b>	<b>146</b>	<b>42</b>	<b>14</b>	<b>1472</b>

Opt Outs by Reason	February	March	April	May	June	July	August	September	October	November - MTD	2021 YTD Grand Total
Concerns about Government-Run Power Agency	0	0	2	15	2	2	2	0	0	0	23
Decline to Provide	0	4	19	11	25	33	31	94	1	1	219
Dislike being automatically enrolled	0	0	28	59	23	18	34	16	3	1	182
Have renewable Energy Reliability Concerns	0	0	0	3	0	2	7	0	0	0	12
Other	1	83	2	667	12	18	3	7	8	2	803
Rate or Cost Concerns	15	0	11	5	8	70	50	29	29	10	227
Service or Billing Concerns	0	0	0	0	0	1	4	0	1	0	6
<b>Grand Total</b>	<b>16</b>	<b>87</b>	<b>62</b>	<b>760</b>	<b>70</b>	<b>144</b>	<b>131</b>	<b>146</b>	<b>42</b>	<b>14</b>	<b>1472</b>

Opt Outs by Method	February	March	April	May	June	July	August	September	October	November - MTD	2021 YTD Grand Total
Customer Service Rep (CSR)	0	83	31	681	23	67	73	84	23	12	1077
Interactive Voice Response (IVR)	0	0	1	8	5	27	22	9	16	0	88
Web	16	4	30	71	42	50	36	53	3	2	307
<b>Grand Total</b>	<b>16</b>	<b>87</b>	<b>62</b>	<b>760</b>	<b>70</b>	<b>144</b>	<b>131</b>	<b>146</b>	<b>42</b>	<b>14</b>	<b>1472</b>

## II. Opt Ups to Power100

Opt Ups by City	February	March	April	May	June	July	August	September	October	November - MTD	2021 YTD Grand Total
CITY OF CHULA VISTA	0	56	0	0	626	9	4	1	4	0	700
CITY OF ENCINITAS	0	18	0	0	0	0	0	0	0	0	18
CITY OF IMPERIAL BEACH	0	0	0	0	0	60	0	0	0	0	60
CITY OF LA MESA	0	0	12	0	130	3	0	3	0	0	148
CITY OF SAN DIEGO	0	133	1	2	2922	12	22	11	48	2	3153
<b>Grand Total</b>	<b>0</b>	<b>207</b>	<b>13</b>	<b>2</b>	<b>3678</b>	<b>84</b>	<b>26</b>	<b>15</b>	<b>52</b>	<b>2</b>	<b>4079</b>

Opt Ups by Class Code	February	March	April	May	June	July	August	September	October	November - MTD	2021 YTD Grand Total
Residential	0	2	0	0	0	0	0	0	0	0	2
Commercial/Industrial	0	205	13	2	3678	84	26	15	52	2	4077
<b>Grand Total</b>	<b>0</b>	<b>207</b>	<b>13</b>	<b>2</b>	<b>3678</b>	<b>84</b>	<b>26</b>	<b>15</b>	<b>52</b>	<b>2</b>	<b>4079</b>

Opt Ups by Method	February	March	April	May	June	July	August	September	October	November - MTD	2021 YTD Grand Total
Customer Service Rep (CSR)	0	207	11	1	3668	80	23	13	48	2	4053
Interactive Voice Response (IVR)	0	0	0	0	3	0	0	0	0	0	3
Web	0	0	2	1	7	4	3	2	4	0	23
<b>Grand Total</b>	<b>0</b>	<b>207</b>	<b>13</b>	<b>2</b>	<b>3678</b>	<b>84</b>	<b>26</b>	<b>15</b>	<b>52</b>	<b>2</b>	<b>4079</b>

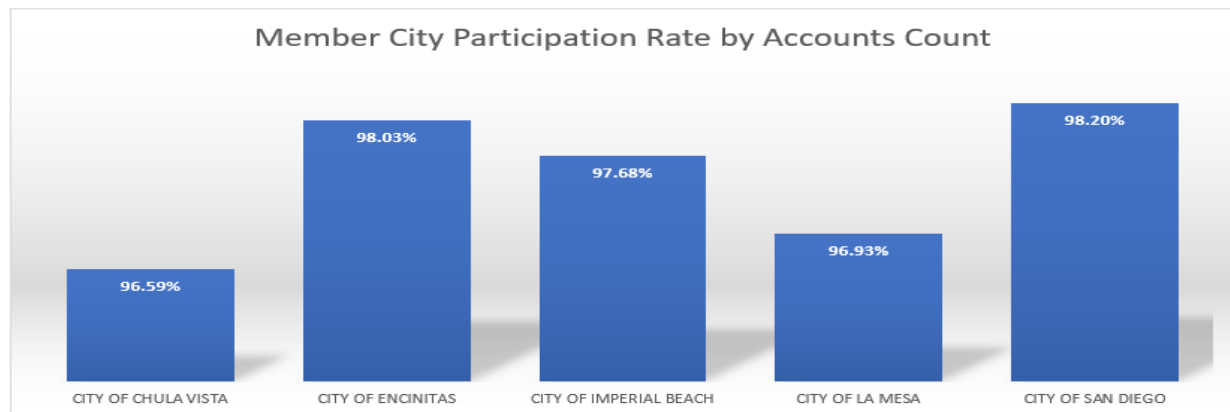
## III. Opt Downs from Power100 (Encinitas)

Opt Downs by City	February	March	April	May	June	July	August	September	October	November - MTD	2021 YTD Grand Total
CITY OF CHULA VISTA	0	0	0	0	0	0	0	0	0	0	0
CITY OF ENCINITAS	0	0	0	0	24	8	1	1	1	0	35
CITY OF IMPERIAL BEACH	0	0	0	0	0	0	0	0	0	0	0
CITY OF LA MESA	0	0	0	0	0	0	0	0	0	0	0
CITY OF SAN DIEGO	0	0	0	0	0	0	0	0	0	0	0
<b>Grand Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>8</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>35</b>

Opt Downs by Class Code	February	March	April	May	June	July	August	September	October	November - MTD	2021 YTD Grand Total
Residential	0	0	0	0	0	0	0	0	0	0	0
Commercial/Industrial	0	0	0	0	24	8	1	1	1	0	35
<b>Grand Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>8</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>35</b>

Opt Downs by Method	February	March	April	May	June	July	August	September	October	November - MTD	2021 YTD Grand Total
Customer Service Rep (CSR)	0	0	0	0	22	6	1	1	1	0	31
Interactive Voice Response (IVR)	0	0	0	0	2	2	0	0	0	0	4
Web	0	0	0	0	0	0	0	0	0	0	0
<b>Grand Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>8</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>35</b>

## IV. Participation Rate (Phase 1 and 2)



Town or Territory	Active	Eligible	Total Opt Outs	Participation Rate by Accounts Count
CITY OF CHULA VISTA	7431	7800	266	96.59%
CITY OF ENCINITAS	3100	3201	63	98.03%
CITY OF IMPERIAL BEACH	531	561	13	97.68%
CITY OF LA MESA	2585	2735	84	96.93%
CITY OF SAN DIEGO	56363	58079	1046	98.20%
<b>Grand Total</b>	<b>70010</b>	<b>72376</b>	<b>1472</b>	<b>97.97%</b>

### C) Contact Center Metrics

We are also tracking customer interactions via our Contact Center and the chart below summarizes contact made by customers broken down by month through November 8<sup>th</sup>, 2021:

Interactive Voice Response (IVR) and Service Level Agreement (SLA) Metrics

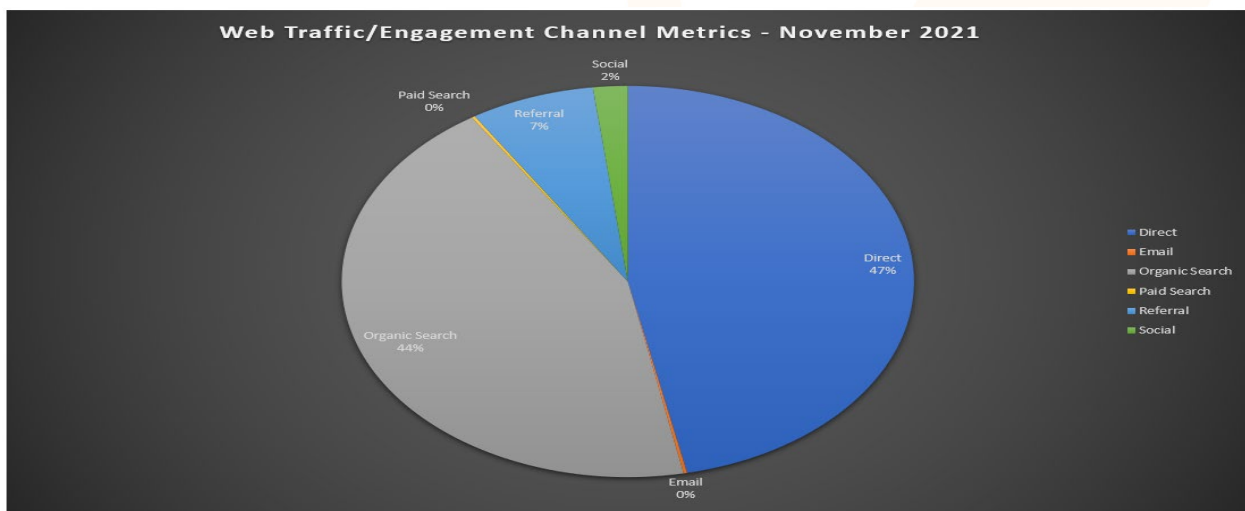
IVR and SLA Details	April	May	June	July	August	September	October	November - MTD	2021 YTD Grand Total
Total Calls to IVR	79	109	103	324	531	349	307	75	1877
Total Calls Connected to Agents	49	66	57	205	338	231	191	55	1192
Average Seconds to Answer	0:00:38	0:00:14	0:00:21	0:00:37	0:00:22	0:00:14	0:00:13	0:00:12	
Average Call Duration	0:08:57	0:07:51	0:06:42	0:10:33	0:08:13	0:08:41	0:08:11	0:09:56	
Calls Answered within 60 Seconds (75% SLA)	91.84%	100.00%	89.83%	89.42%	96.46%	99.57%	98.95%	100.00%	
Abandon Rate	0.00%	0.00%	3.39%	1.44%	0.29%	0.00%	0.00%	0.00%	

Customer Service Emails			
	Emails Received	Emails answered or escalated within 24 hours	(%)
May	34	29	85.29%
June	43	41	95.35%
July	32	31	96.88%
August	73	71	97.26%
September	34	32	94.12%
October	26	25	96.15%
November - MTD	5	5	100.00%

*\*Does not include junk email*

### D) Web Traffic/Customer Engagement Channel Tracking Metrics

Starting this month, Civilian and the SDCP Team will be tracking traffic associated with our website going forward. We believe this metric is an important one to gauge the frequency with which our customers engage with us. Below is the tracking done so far for the month of November as of 11/07/2021:



**COMMITTEE REVIEW**

N/A

**FISCAL IMPACT**

N/A

**ATTACHMENTS**

N/A





## SAN DIEGO COMMUNITY POWER Staff Report – Item 3

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To: San Diego Community Power Board of Directors  
From: Laura Fernandez, Director of Regulatory and Legislative Affairs  
Via: Bill Carnahan, Interim Chief Executive Officer  
Subject: Update on Regulatory and Legislative Affairs  
Date: November 18, 2021

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### RECOMMENDATION

Receive and file update on regulatory and legislative affairs.

### BACKGROUND

Staff will provide regular updates to the Board of Directors regarding SDCP's regulatory and legislative engagement. The following is an overview of this month's discussion items, which are informational only.

### DISCUSSION AND ANALYSIS

#### **A. Disadvantaged Community Green Tariff (DAC-GT) and Community Solar Green Tariff (CSGT) Allocation – SDCP Advice Letter 004-E**

Assembly Bill 327 directed the California Public Utilities Commission (CPUC) to develop specific alternatives designed to promote the adoption of renewable generation in disadvantaged communities (DACs). Pursuant to this mandate, Decision (D.)18-06-027, *Alternate Decision Adopting Alternatives to Promote Solar Distributed Generation in Disadvantaged Communities*, was issued by the CPUC on June 22, 2018, creating three new programs that specifically target DACs. The three programs include the DAC Single Family Solar Homes program, which provides up-front incentives for the installation of solar at low-income homes in DACs. The other two programs, the DAC-GT and the CSGT programs, are community solar programs that offer 100% solar energy to customers and provide a 20% discount on the electricity and delivery portion of the customers' bills.

CPUC Resolution E-4999, issued June 3, 2019, reserved both DAC-GT and CSGT program capacity for *then-existing* CCAs based on the proportional share of residential customers in DACs that each CCA serves and decreased each investor-owned utilities' (IOUs) program capacity caps by the amount allocated to CCAs in their service area. Since SDCP did not exist at the time of this resolution, SDCP was not initially allocated

program capacity, and all 18 MW of DAC-GT program capacity and 5 MW of CSGT program capacity was allocated to SDG&E. According to SDG&E Advice Letter 3682-E, filed on February 1, 2021, no contracts between SDG&E and DACGT or CSGT project developers have been executed. Due to the lack of projects, SDG&E will not enroll any customers in either program in 2021.

On September 29, 2021, SDCP filed its fourth advice letter with the CPUC. This advice letter is posted on the [SDCP website](#) along with all other previously filed advice letters. In this advice letter, SDCP requests an allocation under the DAC-GT and CSGT programs. Using the same methodology adopted in Resolution E-4999, SDCP calculated its allocation of DAC-GT and CSGT program capacity to be 14.39 MW and 4 MW, respectively. On October 29, the CPUC accepted and thereby approved SDCP's allocation request. The next step is for SDCP to file another advice letter, which will contain all the documents required under D.18-06-027 for the implementation of the DAC-GT and CSGT programs.

## **B. Ex Parte Meeting Regarding Modified Cost Allocation Mechanism**

On October 29, SDCP held an [ex parte](#) meeting with Yuliya Shmidt, Energy Advisor to CPUC Commissioner Clifford Rechtschaffen and Anand Durvasula, Legal and Energy Policy Advisor to CPUC President Marybel Batjer in the Integrated Resource Planning proceeding. SDCP explained during the meeting that back in 2019, D. 19-11-016 ordered procurement of 3,330 MW statewide, and 50% of that was required to be online by August 1, 2021. At that point in time, load serving entities other than the IOUs were permitted to opt-out and instead have the IOUs procure on their behalf and receive their resource allocation through a modified cost allocation mechanism (CAM), which was to be subsequently developed. However, the modified CAM has not been developed to date. Additionally, five additional community choice aggregation programs have formed since 2019 and those CCAs, including SDCP, have not received allocations.

SDCP explained that its calculations revealed that it should have been allocated 100.2 MW of System Resource Adequacy (RA). However, since the modified CAM has not yet been developed, SDCP has not received this allocation. Accordingly, SDCP requested that the CPUC issue a ruling to clarify that the modified CAM will address allocation of costs and benefits associated with D.19-11-016 resources to departed load customers. Specifically, clarity is needed regarding whether departed load will receive RA benefits from resources that come online before the modified CAM is developed. SDCP explained that a decision on modified CAM is needed to improve resource planning and increase market certainty.

## **C. Response to San Diego Gas & Electric Company's Advice Letter 3879-E**

In SDG&E Advice Letter 3879-E titled *Confirmation of Intent to Recover Costs Associated With 20 MW of The Sentinel Energy Resource Adequacy Contract Via the Modified Cost Allocation Mechanism Established In Decision 19-11-016*, SDG&E requests that Energy Division provide confirmation that it may track the costs for the 20 MW of RA capacity



procured under the Sentinel Energy, LLC RA confirmation agreement in its RA procurement Memorandum Account for later recovery via the pending modified CAM discussed in D. 19-11-016.

SDCP filed a response to the advice letter to request that Energy Division provide clarification as to how the RA benefits of SDG&E's online D. 19-11-016 resources should be allocated while the modified CAM is pending. In addition, SDCP requested that the Energy Division clarify that no costs will be recovered for resources ordered under D. 19-11-016 until the modified CAM is developed. On November 10, Energy Division indicated that the advice letter will be suspended for up to 120 days (beginning November 15) to allow time for staff review.

#### **COMMITTEE REVIEW**

N/A

#### **FISCAL IMPACT**

N/A

#### **ATTACHMENTS**

N/A





## SAN DIEGO COMMUNITY POWER Staff Report – Item 5

To: San Diego Community Power Board of Directors

From: Eric W. Washington, Chief Financial Officer

Via: Bill Carnahan, Interim Chief Executive Officer

Subject: Treasurer's Report –Presentation of Financial Results for Fiscal Year 2022 Period ended 9/30/21

Date: November 18, 2021

### RECOMMENDATION

Receive and File Report

### BACKGROUND

San Diego Community Power (SDCP) maintains its accounting records on a full accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) as applicable to governmental enterprise funds.

SDCP has prepared year-to-date financial statements for the period ended September 30, 2021, along with budgetary comparisons.

### ANALYSIS AND DISCUSSION

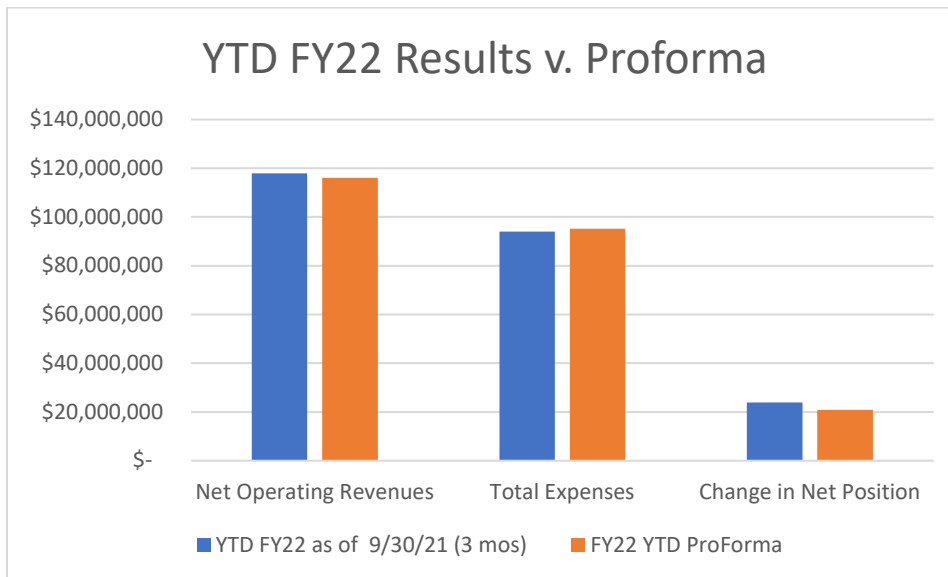
Financial results for the period ended 9/30/21: \$117.95 million in net operating revenues were reported compared to \$103.12 million budgeted for the period. \$94.02 million in total expenses were reported (including \$92.33 million in energy cost) compared to \$91.91 million budgeted for the period. After expenses, SDGP's change in net position of \$23.93 million was reported. The following is a summary to actual results compared to the Fiscal Year 2022 Budget.

		Budget Comparison		
	YTD FY22 as of 9/30/21 (3 mos)	FY22 YTD Budget	Budget Variance (\$)	Budget (%)
Net Operating Revenues	\$ 117,950,477	\$ 103,115,220	\$ 14,835,257	114
Total Expenses	\$ 94,024,935	\$ 91,911,636	\$ 2,113,299	102
Change in Net Position	\$ 23,925,542	\$ 11,203,584	\$ 12,721,958	

- Net operating revenues finished 14% ahead of budget
- Operating expenses came in under budget by 1.23%

Financial results for period were slightly higher than projected based on the YTD proforma. SDCP's change in net position was 14.6% over the projection. The following is a summary to actual results compared to the fiscal year-to-date proforma.

	YTD FY22 as of 9/30/21 (3 mos)	Proforma Comparison		Proforma (%)
		FY22 YTD ProForma	ProForma Variance (\$)	
Net Operating Revenues	\$ 117,950,477	\$ 116,069,169	\$ 1,881,308	1.62%
Total Expenses	\$ 94,024,935	\$ 95,199,208	\$ (1,174,273)	-1.23%
Change in Net Position	\$ 23,925,542	\$ 20,869,961	\$ 3,055,581	14.64%



### COMMITTEE REVIEW

Report was presented to FRMC during the November 16<sup>th</sup> meeting.

### FISCAL IMPACT

N/A

### ATTACHMENTS

Attachment A: 2022 YTD Period Ended 9/30/21 Financial Statements



## ACCOUNTANTS' COMPILATION REPORT

Management  
San Diego Community Power

Management is responsible for the accompanying financial statements of San Diego Community Power (a California Joint Powers Authority) which comprise the statement of net position as of September 30, 2021, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

*Maher Accountancy*

San Rafael, CA  
October 28, 2021

**SAN DIEGO COMMUNITY POWER**  
**STATEMENT OF NET POSITION**  
**As of September 30, 2021**

**ASSETS**

Current assets	
Cash and cash equivalents	\$ 23,687,918
Accounts receivable, net	36,908,817
Accrued revenue	22,380,775
Energy settlements and other receivables	11,733
Deposits	<u>2,897,958</u>
Total current assets	85,887,201
Noncurrent assets	
Restricted cash	7,500,000
Deposits	<u>2,250,000</u>
Total noncurrent assets	<u>9,750,000</u>
Total assets	<u>95,637,201</u>

**LIABILITIES**

Current liabilities	
Accrued cost of energy	55,960,401
Accounts payable	409,897
Other accrued liabilities	114,234
Due to other governments	282,015
Security deposits	570,000
Interest payable	65,928
Bank note payable	<u>22,840,082</u>
Total current liabilities	<u>80,242,557</u>
Noncurrent liabilities	
Other noncurrent liabilities	517,741
Loans payable	<u>5,000,000</u>
Total noncurrent liabilities	<u>5,517,741</u>
Total liabilities	<u>85,760,298</u>

**NET POSITION**

Unrestricted	<u>9,876,903</u>
Total net position	<u><u>\$ 9,876,903</u></u>

**SAN DIEGO COMMUNITY POWER**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**Three Months Ended September 30, 2021**

**OPERATING REVENUES**

Electricity sales, net	\$ 117,950,477
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**OPERATING EXPENSES**

Cost of energy	92,326,988
Contract services	591,279
Staff compensation	720,910
General and administration	237,435
Total operating expenses	93,876,612
Operating income (loss)	24,073,865

**NONOPERATING EXPENSES**

Interest and financing expense	148,325
Nonoperating expenses	148,325

**CHANGE IN NET POSITION**

	23,925,540
Net position at beginning of period	(14,048,637)
Net position at end of period	\$ 9,876,903

**SAN DIEGO COMMUNITY POWER**  
**STATEMENT OF CASH FLOWS**  
**Three Months Ended September 30, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 72,279,330
Other operating receipts	5,107,487
Payments to suppliers for electricity	(53,587,255)
Payments for goods and services	(782,002)
Payments to employees for services	(695,108)
Payments for deposits and collateral	(1,697,958)
Tax and surcharge payments to other governments	(11,281)
Net cash provided (used) by operating activities	<u>20,613,213</u>

**CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES**

Interest and related expense payments	<u>(145,861)</u>
Net cash provided (used) by non-capital financing activities	<u>(145,861)</u>

Net change in cash and cash equivalents	20,467,352
Cash and cash equivalents at beginning of period	<u>10,720,566</u>
Cash and cash equivalents at end of period	<u><u>\$ 31,187,918</u></u>

**Reconciliation to the Statement of Net Position**

Cash and cash equivalents (unrestricted)	23,687,918
Restricted cash	<u>7,500,000</u>
Cash and cash equivalents	<u><u>\$ 31,187,918</u></u>

**SAN DIEGO COMMUNITY POWER**  
**STATEMENT OF CASH FLOWS (continued)**  
**Three Months Ended September 30, 2021**

**RECONCILIATION OF OPERATING INCOME TO NET  
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income	\$ 24,073,865
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Revenue adjusted for allowance for uncollectible accounts	1,191,419
(Increase) decrease in:	
Accounts receivable	(36,984,115)
Accrued revenue	(10,160,466)
Energy settlements and other receivables	4,031,539
Prepaid expenses	-
Deposits	(1,247,958)
Increase (decrease) in:	
Accrued cost of electricity	39,815,681
Accounts payable	47,614
Other accrued liabilities	24,900
User taxes due to other governments	270,734
Supplier security deposits	(450,000)
Net cash provided (used) by operating activities	<u><u>\$ 20,613,213</u></u>



## SAN DIEGO COMMUNITY POWER Staff Report – Item 6

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To: San Diego Community Power Board of Directors  
From: Rita de la Fuente, Director of External Affairs  
Via: Bill Carnahan, Interim Chief Executive Officer  
Subject: Update on Marketing and Public Relations  
Date: November 18, 2021

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### RECOMMENDATION

Receive and file update on Phase 3 Marketing and Public Relations (PR) Campaign for residential enrollment.

### BACKGROUND

San Diego Community Power (SDCP) is working Civilian, Inc. (Civilian) on an array of marketing activities to drive awareness, spark community engagement, and minimize opt-outs over the coming months during the Phase 3 Residential enrollment period. The Phase 3 Marketing and PR Campaign will begin in December with direct mail enrollment notices to customers being enrolled in February and continue through the phased enrollment schedule.

### ANALYSIS AND DISCUSSION

SDCP has the benefit of learning from other Community Choice Aggregators, and even from members on our team, who have been through the enrollment process and know what has and hasn't worked with awareness campaigns and educating customers. We've also had the opportunity to learn from SDCP's Phase 2 Commercial and Industrial enrollment, as well as the support of behavioral research conducted by See Change Institute and the marketing expertise of Civilian. These resources have strengthened our plan to include layers of tactics intended to appeal to our diverse audience of residential customers.

#### *Phase 2 Campaign Learnings*

As SDCP developed its Phase 3 Residential Marketing & PR Strategy, we incorporated the following lessons learned into our overall strategy.

- The Phase 2 multi-channel media campaign succeeded in driving awareness and generating landing page visits.



- Social media, radio and print proved to be the most successful paid media tactics. Additional organic social media will also be needed to boost performance of paid media.
- We learned that our partnerships with key accounts like the San Diego International Airport and Illumina created the highest level of engagement. These Power100 Champions and others will help build trust and relatability in Phase 3.
- Ongoing multi-pronged education will be required for our residential enrollment phase.

### *Data-driven Messaging*

See Change Institute coordinated with SDCP, Calpine, and Civilian to conduct an experimental message test to identify the most important components of SDCP's value propositions (cost, environment, or community benefits) and how to best frame them to motivate positive perceptions of SDCP. Overall findings indicated positive attitudes overall toward SDCP. Clean energy messaging showed strong overall support, with some responses reported wanting more information about SDCP.

### *Furthering our Paid Media Reach*

To build awareness and trust throughout the region, SDCP will continue to reach out to customers where they get their news and in their native language. In addition to culturally diverse publications such as El Latino and Voice & Viewpoint which were included in the Phase 2 campaign, we will have added presence in the Filipino Press, Nquoi Viet Tu Do, San Diego Chinese Tribune, and other smaller community publications in Phase 3.

SDCP has incorporated a few new tactics to reach a broader base of residential customers. We have added Nextdoor to our social media strategy. Nextdoor is a social platform that connects neighbors and allows them to share information based on their geographical area. We have also introduced billboard advertising and convenience store posters, providing an outdoor presence in communities with less access to online technology.

### *Timing*

The region-wide paid media roll out will begin in January 2022. City-specific media will run for two months per city, starting a week prior to service rollout, and run during the month of rollout and three weeks following. This schedule will coincide with the timing of when people get their bills to continue to build awareness and combat any customer anxiety over bill changes.

### *Communications and Outreach Strategy*

Just as our strategy expanded for our paid media plan, we will also increase our PR efforts to reach more customers. PR strategies will start with the launch when Phase 3 begins in February 2022 with press releases and outreach to local, state, and national media.

SDCP's Board of Directors, Community Advisory Committee members and other ambassadors will receive a partner toolkit, an email with links to assets such as prepared social media posts, our logo, and fact sheets to help share our story. We'll also be



increasing our presence at local events, community meetings and speaking opportunities. Finally, at the end of the enrollment phase, we look forward to sharing the combined impact of the five city launches. Staff is researching creative ways to reveal our region's progress and keep people engaged beyond the Phase 3 enrollment period.

### **COMMITTEE REVIEW**

This item was reviewed by the Community Advisory Committee on November 12, 2021. The Committee discussed ideas of how to report progress being made towards climate action goals to customers.

### **FISCAL IMPACT**

This campaign is budgeted for FY22. Any costs associated with Marketing and PR efforts that extend past June 2022 will be added to the FY23 Budget.

### **ATTACHMENTS**

N/A





## SAN DIEGO COMMUNITY POWER Staff Report – Item 8

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To: San Diego Community Power Board of Directors  
From: Cody Hooven, Chief Operating Officer  
Via: Bill Carnahan, Interim Chief Executive Officer  
Subject: Adopt Resolution to Approve National City Membership in SDCP  
Date: November 18, 2021

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### RECOMMENDATION

Adopt Resolution 2021-04 approving the addition of National City as a member of SDCP.

### BACKGROUND

In June, the Board adopted a New Member Policy to guide the process for other regional municipalities to seek membership with SDCP and as guidance for staff and the Board.

Staff have been working with National City to respond to information requests and conduct a pro forma analysis to determine the financial and operational impacts of membership, a key step in determining membership. This analysis was presented to the Board in September, with staff receiving direction to pursue National City membership in SDCP.

The City Council for National City voted on October 19, 2021 to adopt an ordinance to form a community choice aggregator. The Council subsequently voted on November 2, 2021 to join SDCP and adopted the Joint Powers Authority Agreement at that time. National City will assign a Board member and alternate at an upcoming meeting.

### DISCUSSION AND ANALYSIS

As part of assessing new members, a pro forma analysis, or economic assessment of the impacts of adding a member is conducted. Our consultant Pacific Energy Advisors PEA was engaged to prepare the assessment (Attachment A).

It is estimated that National City's additional customer base would yield average net revenues approximating \$1.5 million and \$1.8 million (over the two full fiscal years following prospective enrollment of eligible electric accounts within the City). These projected incremental revenues could be used to supplement SDCP reserves, expand funding for clean energy or other locally-focused energy programs, or help maintain the

general competitiveness of SDCP rates (relative to the incumbent utility and/or other available service alternatives).

Adding National City to SDCP represents an approximate 3% increase in retail sales, assuming 90% of eligible accounts would remain enrolled (reflecting a 10% opt-out rate). While a relatively small proportion for SDCP, this contributes to an increase in renewable energy use in the region once National City accounts are enrolled in SDCP service and may encourage other cities trying to achieve climate action goals to pursue community choice, too. It will provide a significant benefit to National City making progress towards their own climate goals.

Incremental revenues were projected based on forecasted electricity sales and current SDCP rates. In addition to increased power supply needs, incremental costs such as billing charges, service fees, and notices were also included.

***Incremental Net Margins from Expansion with National City (in \$MM)***

	FYE 2023 <sup>1</sup>	FYE 2024	FYE 2025
Revenue	\$3.4	\$16.8	\$16.9
Power Costs	-\$3.2	-\$14.9	-\$14.6
Other Costs	-\$0.1	-\$0.4	-\$0.4
Net Margin/Reserve Contribution	\$0.1	\$1.5	\$1.8

***Impact on Voting***

Voting is impacted any time a new member is added. There are two levels of voting, the first is the so-called “one entity one vote” with majority rules. In this case the five members casting votes will be increased to six. It is expected the vast majority of votes will be taken in this equal vote method.

Under certain circumstances a “weighted vote” may be called for. This method is a form of proportional voting by energy load. To date, this method of voting has not been used by the Board. The table below shows the “voting shares” impact of National City joining the configuration of members that also includes the County of San Diego.

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<sup>1</sup> Reflects partial year of service for fiscal year ending June 20, 2023, with enrollments assumed to commence on April 1, 2023.

Party	Share (MWh)	Share Weight	Allocation of City of SD Share above 49%	Calculated Voting Share (City of SD capped at 49%)**
San Diego	5,712,641	64.57%		49.00%
<b>SD County</b>	1,767,275	19.97%	8.78%	28.75%
Chula Vista	679,985	7.69%	3.38%	11.06%
Encinitas	210,039	2.37%	1.04%	3.42%
La Mesa	207,146	2.34%	1.03%	3.37%
<b>National City</b>	205,319	2.32%	1.02%	3.34%
Imperial Beach	65,051	0.74%	0.32%	1.06%
Total	8,847,457	100.0%	15.57%	100.00%

### *Summary and Next Steps*

Staff recommend moving forward with membership for National City. Per the Resolution, the new National City Board member may be seated as soon as December of this year. A separate item is being presented to the Board at this meeting to approve and submit an Implementation Plan addendum for new members to the California Public Utilities Commission.

### **COMMITTEE REVIEW**

N/A

### **FISCAL IMPACT**

Impacts to staffing will be evaluated for Fiscal Year 2023; additional operating costs for FY23 are expected to be covered by additional revenues.

### **ATTACHMENTS**

Attachment A: SDCP Expansion Assessment National City

Attachment B: Resolution Approving the Addition of National City as a Member of SDCP



# San Diego Community Power New Membership Assessment

## National City

September 2021

### SUMMARY

The City of National City (“City”) has engaged with San Diego Community Power (“SDCP”) to explore the possibility of joining SDCP. On behalf of SDCP, Pacific Energy Advisors, Inc. (“PEA”) conducted an assessment of the financial and resource planning implications associated with extending SDCP service to electric customers within the City (which are currently receiving bundled electric service from the incumbent utility, San Diego Gas & Electric, or “SDG&E”). The assessment involved a study to understand the potential increase in electric load and the additional energy resources that would be needed to serve the City. The study also estimated the incremental revenues that would be derived from electricity sales to City customers, as well as the incremental costs associated with energy resource procurement and other items/services that would be necessary to support CCA service expansion to City customers. These factors were jointly evaluated to determine whether any operating surpluses could be generated, on a projected basis, for the benefit of SDCP and its customers.

In consideration of the prospective timing associated with amended implementation plan submittal and in accordance with existing regulatory rules, the earliest possible enrollment date for City customers would be January 1, 2023.<sup>1</sup> For this assessment, PEA modeled various enrollment start times in 2023 and found that April 2023 would be optimal from a financial perspective. Thus, enrollment would be expected to occur toward the end of SDCP’s fiscal year ending 2023; the first full year reflecting City load would be SDCP’s fiscal year ending 2024.

Under base case assumptions, the analysis indicates that expansion would yield a positive financial impact for SDCP: the expansion would be expected to increase SDCP reserve contributions by approximately 3% per year, beginning in FYE 2024. The projected incremental revenues, costs, and net margin (i.e., surplus or contribution to reserves) is shown in Table 1.

**Table 1: Incremental Net Margins from Expansion (in \$MM)**

	FYE 2023 <sup>2</sup>	FYE 2024	FYE 2025
Revenue	\$3.4	\$16.8	\$16.9
Power Costs	-\$3.2	-\$14.9	-\$14.6
Other Costs	-\$0.1	-\$0.4	-\$0.4
Net Margin/Reserve Contribution	\$0.1	\$1.5	\$1.8

<sup>1</sup> Achieving the prospective early enrollment date for City customers would require submittal of an amended CCA implementation plan no later than December 31, 2021.

<sup>2</sup> Reflects partial year of service for fiscal year ending June 20, 2023, with enrollments assumed to commence on April 1, 2023.

While electric resource requirements associated with the expansion would be relatively modest, close coordination between SDCP and SDG&E would be important to achieve an appropriate allocation of resources needed to serve the transferred load. Such coordination and cooperation would be especially important for resource adequacy and long-term renewable energy supply. Without cooperation from SDG&E to sell excess resources, or alternatively, a regulatory mechanism to ensure transfer of resources as load shifts from SDG&E to SDCP, it may not be possible for SDCP to obtain the necessary resources in the near term to meet its resource adequacy and long-term Renewable Portfolio Standards (“RPS”) obligations.

## ANALYSIS

PEA conducted an analysis of the City’s prospective electric accounts to estimate the revenues and costs associated with extending SDCP service to the City. The analysis incorporated 2018 historical monthly electric usage data provided by SDG&E for all current electric accounts located within the City. This historical data was adjusted for expected load growth and used as the basis for the projections.

Table 2 summarizes the account and electric usage data for the major customer classifications represented within the City. Available data indicate the potential to serve 19,248 new SDCP customer accounts, which are expected to use approximately 205,319 MWh of electric energy per year. This would be an approximate 3% increase in size for SDCP, relative to the anticipated retail sales volume associated with SDCP’s current membership. The aggregate peak demand of these prospective accounts is estimated at 42 MW.<sup>3</sup>

**Table 2: 2019 City Electric Data**

Classification	Accounts	Annual Energy (MWh)	Monthly Per Account (kWh)
Residential	16,152	58,157	300
Small Commercial	2,636	41,637	1,316
Medium and Large Commercial	342	103,684	25,264
Agricultural	6	90	1,251
Street Lighting	112	1,751	1,303
<b>Total</b>	<b>19,248</b>	<b>205,319</b>	<b>889</b>
<b>*Peak Demand (MW)</b>			<b>42</b>

\*Estimate based on SDCP customer hourly usage profiles.

As compared to the current SDCP customer base, summarized in Table 3 below, the City has a proportionately larger commercial sector and a smaller residential sector. Consequently, average usage of all customers in the City is greater than that of the current SDCP area.

<sup>3</sup> These figures reflect bundled electricity customers of SDG&E and exclude customers taking service from non-utility energy providers (namely, direct access service providers) as well as certain accounts on generation service contracts that are not expected to transition to SDCP service. These figures are unadjusted for expected customer attrition (customer elections to “opt-out”).

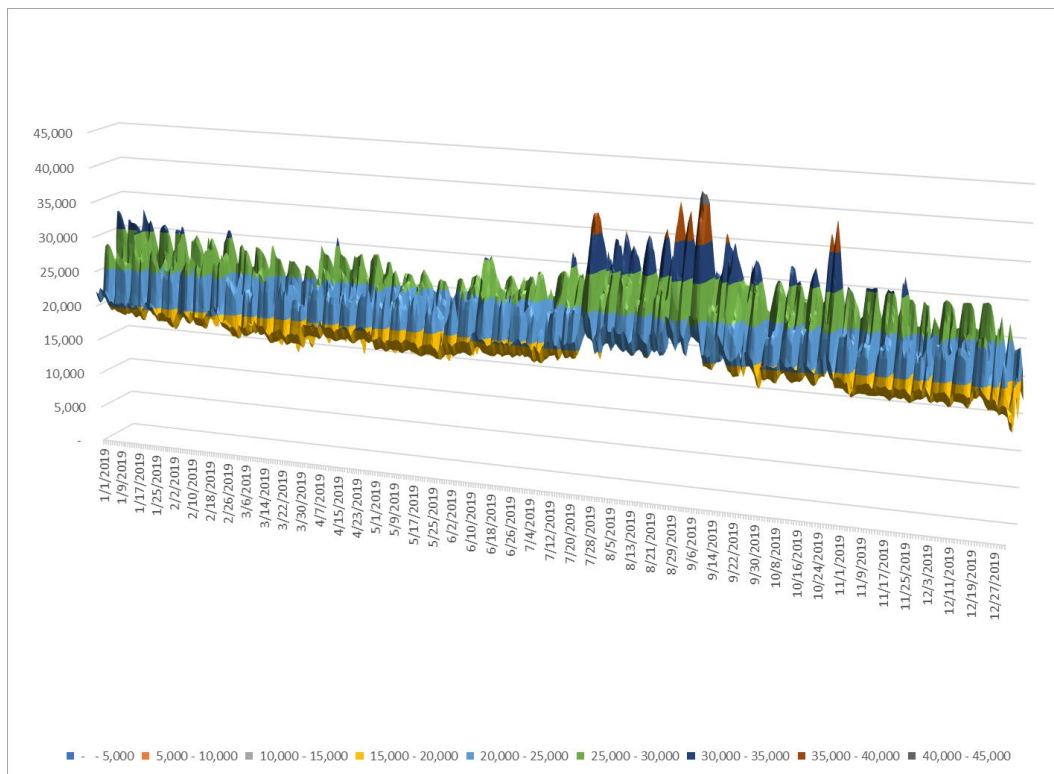
**Table 3: Projected Annual SDCP Electricity Data – Current Membership\***

Classification	Accounts	Annual Energy (MWh)	Monthly Per Account (kWh)
Residential	598,194	2,248,610	313
Small Commercial	62,969	1,027,926	1,360
Medium and Large Commercial	7,640	2,715,555	29,620
Agricultural	260	54,557	17,486
Street Lighting	1,674	34,021	1,694
<b>Total</b>	<b>670,737</b>	<b>6,080,669</b>	<b>755</b>
<b>Peak Demand (MW)</b>			<b>1,299</b>

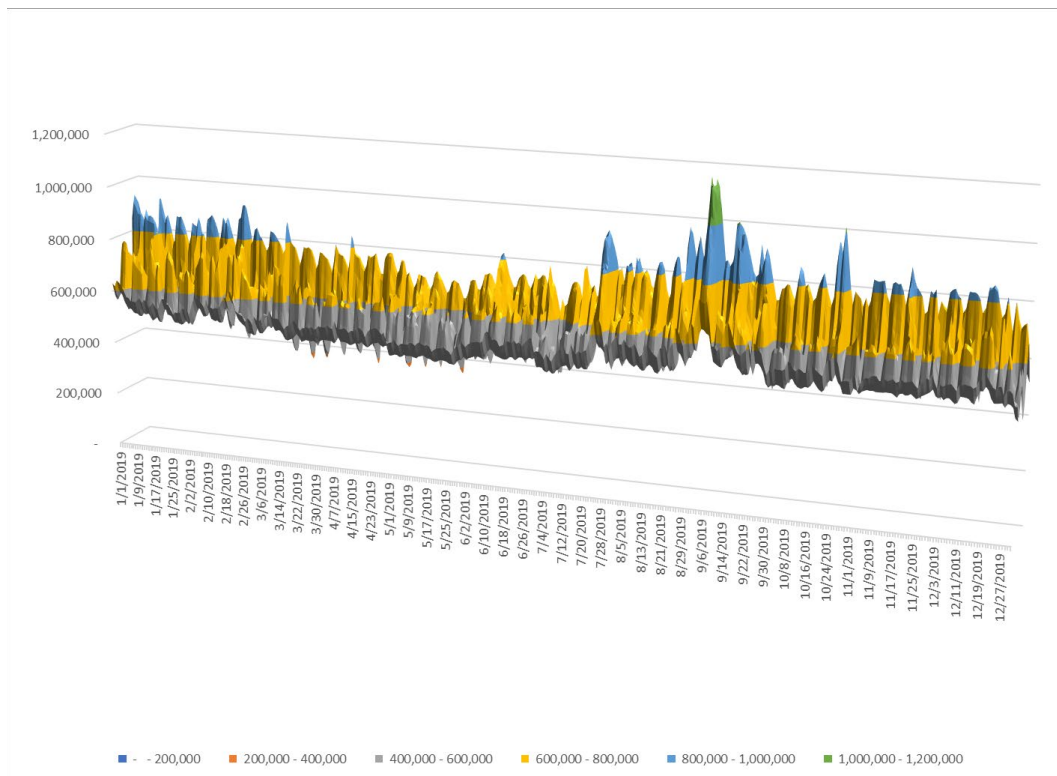
\*Forecasted values based on all enrollment phases, including those previously completed and currently planned.

As illustrated in Figures 1 and 2 below, electricity usage within the City shows similar seasonal consumption patterns as the current SDCP customer base.

**Figure 1: 12-Month Hourly Load Profile (kW) for the City of National City**



**Figure 2: 12-Month Hourly Load Profile (kW) of SDCP's Current Customer Base (All Phases)**



## FISCAL IMPACTS

For purposes of the fiscal impact analysis, it was assumed that service would be initiated to the City in April 2023 and that 90% of eligible accounts would choose to participate (with the remaining 10% electing to opt-out, continuing to receive bundled electric service from the incumbent utility). This would equate to an increase in annual SDCP electricity sales of 190 GWh, or approximately 3% relative to pre-expansion sales. In order to quantify anticipated financial impacts to SDCP, the incremental revenues and costs associated with the prospective service expansion were examined. More specifically, the year of enrollment and the next two fiscal years following expanded service, i.e., the period beginning April 1, 2023 through June 30, 2025, were analyzed to determine likely fiscal impacts over a multi-year planning period.

The incremental revenue surplus - based on the difference between projected revenues and costs directly related to the addition of City accounts - represents the expected fiscal benefit related to expansion. Incremental revenues were projected based on forecasted electricity sales and current SDCP rates. The incremental cost analysis accounts for requisite power supplies that would be required to serve accounts within the City, increased customer billing charges, customer service support (call center), SDG&E service fees, and required customer notices associated with serving additional customers.

Table 4 reflects the estimated incremental fiscal impact during each of the first three fiscal years commencing with (and immediately following) enrollment of City accounts.

**Table 4: Incremental Fiscal Impact Related to Prospective City Expansion**

	FYE 2023 <sup>4</sup>	FYE 2024	FYE 2025
Revenue (\$MM)	\$3.4	\$16.8	\$16.9
Power Costs (\$MM)	-\$3.2	-\$14.9	-\$14.6
Other Costs (\$MM)	-\$0.1	-\$0.4	-\$0.4
Net Margin/Reserve Contribution (\$MM)	<b>\$0.1</b>	<b>\$1.5</b>	<b>\$1.8</b>
Incremental Sales Volume (MWh)	40,604	189,901	190,851

In consideration of current market conditions, the incremental fiscal impact analysis indicates that adding the City accounts to SDCP's current customer base would provide benefits to SDCP in the form of incremental surplus revenues that could be used to augment reserves or be applied to other uses. It is estimated that expanding SDCP service to the City would increase net program margins by approximately \$1.5 million and \$1.8 million in FYE 2024 and FYE 2025, respectively. This benefit accrues due to the margins generated by increased retail electricity sales relative to anticipated costs, including certain economies of scale that will result from various fixed administrative cost components (that will be spread over a larger sales base). It is worth noting that power supply costs may change over time, and to the extent such changes occur, actual net revenues could materially differ from the net revenue projections reflected in Table 4 (above).

#### **WHOLESALE POWER PRICE SENSITIVITY**

Changes in market prices for electricity represent the single greatest uncertainty that could impact the projected benefits related to expansion. Electricity is a commodity, traded in a highly volatile market, and prices could materially change before SDCP is ready to contract for the power supply needed to serve anticipated City electric loads. Commodity price risk is inherent in the electric utility industry and is not unique to expansion, but expansion imposes challenges with respect to the timing of electricity purchases as well as the timing associated with a final/definitive determination regarding the expansion itself. This is not unlike the challenges SDCP (or any Community Choice Aggregator) faced during its initial startup period. SDCP utilizes professional risk management approaches and forward hedging contracts to mitigate commodity price risk for its existing customers; however, adverse price movements that may occur before SDCP initiates power purchases for the City load could drive up costs and result in negative margins.

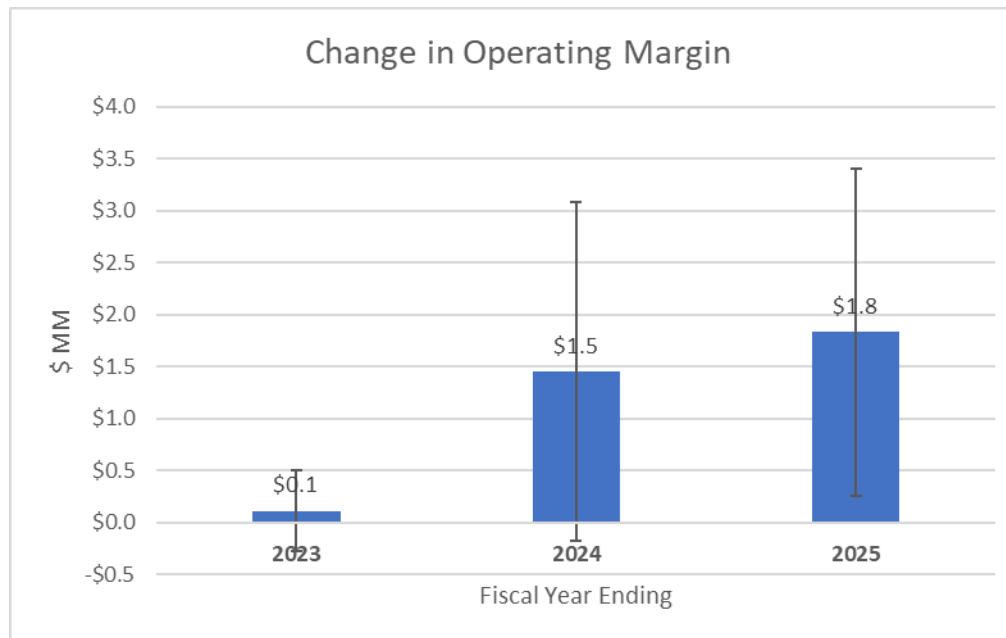
Utilizing historical volatility in wholesale power market prices, a likely range of potential power supply costs and resulting net margins can be calculated. Figure 3 shows the base case operating margins and error bars representing one standard deviation in power supply costs, assuming SDCP does not initiate procurement until March 2022, the month during which the CPUC would be expected to certify SDCP's

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<sup>4</sup> Reflects partial year of service for fiscal year ending June 20, 2023, with enrollments assumed to commence on April 1, 2023.

Implementation Plan amendment addressing expansion to the City. Over this six-month period (between the date of this Expansion Assessment and March 2022), the estimated change in market prices at one standard deviation of variation is approximately 11% relative to base case assumptions. As reflected in Figure 3 (below), the likely range of net margin outcomes is wide, ranging from strongly positive to slightly negative. SDCP could narrow the range of outcomes to the extent it begins purchasing power earlier than the timeframe assumed in this Expansion Assessment. Once power supply contracts are executed, and assuming no change in SDCP rates, the ranges would significantly narrow.

Figure 3: Net Surplus Sensitivity to Changes in Power Prices



## RESOURCE IMPACTS

Similar to the procurement approach used to support SDCP's current customers, SDCP would need to acquire various energy products to serve the City – it is assumed that the proportionate acquisition of such resources would occur over time through the application of a ladder hedging strategy, as followed under SDCP's risk management program. These energy products include Renewable Energy, Other Carbon Free Energy (e.g., large hydro-electric), System Energy, and Resource Adequacy capacity. The quantities will vary over time and are summarized in Table 5 below for a representative year.

Table 5: Summary of Resources Needed to Serve Oceanside

Product	Quantity	Units	Notes
<b>Renewable Energy</b>	110 GWh	GWh Per Year	Approx. half must be from long-term commitments ( $\geq 10$ years) per RPS rules
<b>Other Carbon Free</b>	8 to 25 GWh	GWh Per Year	Higher end of range would be needed to offset emissions attributed to PCC2 renewable energy products; lower use of PCC2 products will reduce need for Other Carbon Free volumes

Product	Quantity	Units	Notes
<b>Resource Adequacy, System</b>	5 MW	MW per Month, September Peak	
<b>Resource Adequacy, Local</b>	30 MW	MW Per Month	

Put into more concrete terms, the 110 GWh of annual renewable energy shown above is generally equivalent to the energy produced by a 40 MW solar or wind generation facility or a 15 MW Geothermal facility.

Under California's RPS rules, a significant portion of renewable energy purchases must be secured through contractual commitments of at least ten years in duration. Compliance with the RPS program is measured over multi-year compliance periods, and the expansion would occur during Compliance Period 4 (2021-2024). As shown below, RPS compliance would require an increase in renewable energy purchases during Compliance Period 4 of 141 GWh, of which 92 GWh would have to be associated with long-term commitments. Note that SDCP has voluntarily adopted higher renewable energy targets than required by the RPS program, so the total renewable energy needed to meet SDCP policy is greater than the figures shown below.

<b>Current SDCP Membership</b>					
<b>Compliance Period 4</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Total</b>
Retail Sales (GWh)	2,008	5,197	6,081	6,111	19,397
Gross RPS %	35.8%	38.5%	41.3%	44.0%	40.8%
Required RPS (GWh)	719	2,001	2,511	2,689	7,920
Gross RPS LT %	65.0%	65.0%	65.0%	65.0%	65.0%
<b>Gross LT RPS</b>	<b>467</b>	<b>1,301</b>	<b>1,632</b>	<b>1,748</b>	<b>5,148</b>

<b>Current SDCP Membership Plus City</b>					
<b>Compliance Period 4</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Total</b>
Retail Sales (GWh)	2,008	5,197	6,221	6,301	19,727
Gross RPS %	35.8%	38.5%	41.3%	44.0%	40.8%
Required RPS (GWh)	719	2,001	2,569	2,772	8,061
Gross RPS LT %	65.0%	65.0%	65.0%	65.0%	65.0%
<b>Gross LT RPS</b>	<b>467</b>	<b>1,301</b>	<b>1,670</b>	<b>1,802</b>	<b>5,240</b>

## RESOURCE AVAILABILITY

Accommodating City expansion will require consideration of resource availability, particularly for resource adequacy and long-term renewable energy products. An important element of resource procurement will be the ability to access resources currently held by SDG&E for the benefit of City customers. When City customers transition to SDCP service, SDG&E should have surplus resource adequacy and long-term renewable energy supply, so SDCP will need to arrange for the acquisition of such supply to facilitate applicable compliance mandates. If no transfer of resources occurs, either by sale or some form of allocation, SDCP would risk being unable to meet its regulatory obligations associated with the increased load associated with City expansion.

Under existing regulation, SDG&E is required to have 100% of the local resource adequacy capacity associated with its current customer base two years forward and 50% in the third year. With the well-known shortages of local resource adequacy capacity in the San Diego/Imperial Valley area, this virtually assures that accessing local RA resources held by SDG&E will be required if SDCP is to meet its increased local RA obligations associated with the City load.

With respect to renewable energy availability, the resource constraint would primarily relate to the long-term renewable energy requirement for Compliance Period 4. PEA understands that SDCP will soon have an opportunity to pursue an allocation of SDG&E's existing RPS portfolio, as described in Commission Decision 21-05-030, which was adopted on May 20, 2021. Participation in this allocation process is voluntary and certain volumes would be eligible to satisfy long-term renewable energy procurement mandates pertaining to SDCP. Additional details related to this process are forthcoming with initial allocations expected to occur during the 2023 calendar year. To the extent that SDCP can arrange such an allocation to address the increased renewable energy requirements relating to City expansion, incremental procurement obligations would be somewhat diminished. If SDCP chooses to forgo the aforementioned allocation opportunity, SDCP would need to enter into long-term contracts for renewable energy starting in 2023, coincident with (or shortly after) the enrollment of City customers. Development timelines for new renewable generating projects, however, would likely extend a minimum of 24 to 36 months following the administration of a related solicitation for such supply. Depending on how early

SDCP begins its procurement efforts, this could mean that new-build renewable projects may not commence operation until the 2024 or 2025 calendar years (if SDCP waited until it received the CPUC's implementation plan certification before pursuing long-term renewable energy solicitation efforts related to City expansion). If long-term renewable deliveries were to commence in 2024, SDCP would require the full 92 GWh Compliance Period 4 long-term renewable energy obligation to be delivered in that year, and that commitment would extend for the next nine (or more) years. This may result in a higher proportion of renewable energy under long-term contracts than SDCP would normally desire; it is generally beneficial to have a mix of short-, medium-, and long-term contract commitments to diversify risk. Of course, if the earliest delivery for new long-term contracts occurs after 2024, associated renewable energy deliveries could not be used in Compliance Period 4. The RPS program makes no accommodations for significant load increases, and there are severe penalties for not meeting the long-term contracting obligation.

In light of the resource availability issues described above, it would be advisable to engage with SDG&E early in the process to ensure that appropriate resource transfers and/or the previously described renewable energy allocation process can be timely accommodated.

### **CAPITAL AND LIQUIDITY IMPACTS**

Although relatively minimal, additional costs related to the prospective expansion would be incurred during the fiscal year preceding enrollment of City accounts. These costs would relate to marketing and outreach activities, customer noticing, regulatory and legal representation, internal operations, resource planning and electric procurement activities that would be necessary to successfully integrate the City and its customers in SDCP's organization. There would also be increased working capital requirements to address changes in cash flow. SDCP is projected to have sufficient cash liquidity to internally fund pertinent activities related to the prospective expansion.

### **CONCLUSIONS**

This assessment concludes that under base case assumptions extending service to the City would have an overall positive financial benefit to SDCP in the form of additional net surpluses that could be used to augment reserves or applied to other purposes. Due to wholesale market volatility, the likely range of outcomes is wide, ranging from strongly positive (if power prices decrease) to slightly negative (if power prices increase). Extending service to the City would increase SDCP's sales volume by approximately 3% and would require a small increase in SDCP resource acquisition. Despite the modest load increase, advance coordination with SDG&E for resource adequacy and long-term renewable energy resource transfers would be strongly advised to ensure SDCP has the resources necessary to meet its regulatory obligations associated with an increase in load. Among other resource implications, the expansion would increase SDCP's long-term RPS compliance obligations, and meeting these heightened obligations during Compliance Period 4, which spans 2021-2024, would be of immediate importance. It is highly likely that local resource adequacy and possibly long-term renewable energy would need to be obtained from SDG&E to facilitate the transfer of customers to SDCP.

## **RESOLUTION NO. 2021-04**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER APPROVING THE ADDITION OF THE CITY OF NATIONAL CITY AS A MEMBER OF SDCP**

WHEREAS, San Diego Community Power (“SDCP”) is a joint powers agency formed pursuant to the Joint Exercise of Powers Act, Cal. Gov. Code § 6500 *et seq.*, California Public Utilities Code § 366.2, and a Joint Powers Agreement effective on October 1, 2019 (“JPA Agreement”); and

WHEREAS, Section 2.4 of the JPA Agreement provides that after the initial formation of SDCP by its Founding Members, any incorporated municipality, county, or other public agency authorized to be a community choice aggregator located within the service territory of the applicable investor-owned utility may apply to and become a member of SDCP if certain conditions are met; and

WHEREAS, the conditions for SDCP membership under Section 2.4 of the JPA Agreement include:

- The adoption by a two-thirds vote of the Board of a resolution authorizing membership into SDCP;
- The adoption by the proposed new member of a community choice aggregation (“CCA”) ordinance as required by Public Utilities Code Section 366.2(c)(12) and approval and execution of the JPA Agreement and other necessary program agreements by the proposed new member;
- Payment of a membership fee, if any, as may be required by the SDCP Board to cover SDCP costs incurred in connection with adding the new member; and
- Satisfaction of any other reasonable conditions established by the SDCP Board; and

WHEREAS, in June 2021, the SDCP Board adopted a New Member Policy to support expansion of SDCP to other interested public agencies located in San Diego County and surrounding areas; and

WHEREAS, during summer 2021, SDCP performed a pro forma analysis of the financial and operational impacts of the City of National City (“National City”) joining SDCP, including a technical feasibility/load impact analysis, and discussed with National City the mutual goals and objectives of SDCP and National City; and

WHEREAS, on September 23, 2021, the results of SDCP’s analysis, completed by Pacific Energy Advisors, was presented to the SDCP Board and showed a positive fiscal impact to SDCP under base case conditions if National City joined SDCP; and

WHEREAS, based on the analysis, it was the consensus of the Board to continue discussions relating to National City's potential membership in SDCP; and

WHEREAS, on October 19, 2021, the City Council of National City introduced an ordinance establishing a CCA program within the jurisdictional boundaries of the City of National City ("National City"); and

WHEREAS, on November 2, 2021, the City Council of National City adopted its ordinance establishing a CCA program within the jurisdictional boundaries of National City and authorized National City to join SDCP by executing SDCP's JPA Agreement; and

WHEREAS, SDCP's New Member Policy provides that prospective new members are required to agree to pay the costs of SDCP's pro forma analysis, but that such costs will be waived under certain circumstances, including where the prospective new members decide to join SDCP; and

WHEREAS, on November 18, 2021, the Board of Directors of SDCP considered the membership of National City.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of San Diego Community Power as follows:

Section 1. The above recitals are true and correct and are incorporated herein.

Section 2. The SDCP Board of Directors hereby approves the inclusion of the City of National City in San Diego Community Power. The SDCP Board hereby finds that National City has taken or is anticipated to take all the necessary steps to become a member of SDCP by the later of December 2, 2021, or the date on which National City's CCA ordinance otherwise takes effect (the "Effective Date"). Subject to the National City's CCA ordinance taking effect and the completion of any other necessary steps that are outstanding as of the date of this Resolution, National City shall become a Party to the JPA Agreement and member of SDCP as of the Effective Date. As provided in Section 4.11.3 of the JPA Agreement, Exhibits C and D of the SDCP JPA Agreement shall be adjusted by the Board to account for the addition of National City as a member of SDCP. Consistent with SDCP's New Member Policy, National City is not required to pay a membership fee or other fee for SDCP's costs to analyze National City's prospective membership in SDCP.

Section 3. As provided in Section 4.1.1 of the JPA Agreement, with the addition of National City, the Board of Directors of SDCP will be increased to seven (7) members as of the Effective Date (including the five (5) Founding Members and County of San Diego, which shall join SDCP effective December 1, 2021). National City is entitled to one (1) primary director on the Board of SDCP and one (1) alternate director who may serve in the absence of National City's primary director.

Section 4. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Board of

Directors hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

Section 5. Except as otherwise expressly set forth herein, this Resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** by a two-thirds vote at a meeting of the Board of Directors of San Diego Community Power held on November 18, 2021.

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Chair, Board of Directors  
San Diego Community Power

ATTEST:

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Secretary, Board of Directors  
San Diego Community Power



## SAN DIEGO COMMUNITY POWER Staff Report – Item 9

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To: San Diego Community Power Board of Directors

From: Cody Hooven, Chief Operating Officer

Via: Bill Carnahan, Interim Chief Executive Officer

Subject: Conduct Public Hearing to Approve Implementation Plan Addendum for New Members

Date: November 18, 2021

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### RECOMMENDATION

1. Receive Addendum Number 1 to SDCP Community Choice Aggregation Implementation Plan and Statement of Intent.
2. Conduct Public Hearing to consider approval of Addendum Number 1 to SDCP Community Choice Aggregation Implementation Plan and Statement of Intent, as required by California Public Utilities Code Section 366.2(c)(3).
3. Adopt Resolution 2021-05 approving Addendum Number 1 to the SDCP Community Choice Aggregation Implementation Plan and Statement of Intent.

### BACKGROUND

In June, the Board adopted a New Member Policy to guide the process for other regional municipalities to seek membership with San Diego Community Power (SDCP) and as guidance for staff and the Board. According to that policy, criteria for membership into SDCP include:

- Does the new member agency support the mission, vision, goals, and objectives of SDCP?
- Does the new member agency commit to supporting SDCP through regulatory, legislative, and other policy support, where possible?
- Are there financial impacts/benefits to existing customers?
- Are there financial impacts/benefits to the new member agency's communities?

### DISCUSSION AND ANALYSIS

After review and analysis, the Board has determined both agencies met the above criteria and approved a resolution accepting the County of San Diego and are considering a similar resolution to accept National City on this same agenda.

In addition to meeting the criteria in the New Member Policy, both the County of San Diego (County) and National City have completed the requirements to become members

of SDCP of adopting a community choice aggregator ordinance as required by law and adopting SDCP's Joint Powers Authority (JPA) Agreement. The next procedural steps is to submit an addendum to SDCP's Implementation Plan and Statement of Intent (collectively referred to as the Implementation Plan; attached) that is filed with the California Public Utilities Commission (CPUC).

The CPUC requires all new and expanding Community Choice Aggregators (CCAs) to submit an Implementation Plan that describes the key features of their CCA program, per Public Utilities Code, Section 366.2.(c)(3). The Implementation Plan and any addenda are not detailed business plans, rather they regulatory compliance documents meant to outline a framework for serving new electricity loads. Shortly after the Implementation Plan is filed, SDCP staff will begin incorporating the new members into regular planning and operations, where appropriate, such as in procurement planning or energy program outreach.

On February 8, 2017, the CPUC passed Resolution E-4907, which delays the timeline by which a new member jurisdiction may begin service with a community choice aggregator. As a result, the Implementation Plan must be submitted by January 1, 2022 in order to begin service in 2023. Any delay in submitting the Plan will cause a delay in SDCP's ability to serve these new customers for an additional year. For purposes of this Plan, April 2023 is listed as the month to begin service however a more detailed enrollment plan will be developed by staff later in 2022.

#### **COMMITTEE REVIEW**

N/A

#### **FISCAL IMPACT**

Impacts to staffing and other operational costs will be reflected in the Fiscal Year 2023 budget; additional operating costs for FY23 are expected to be covered by additional revenues.

#### **ATTACHMENTS**

Attachment A: Addendum to SDCP's Implementation Plan and Statement of Intent and Attachments



# **SAN DIEGO COMMUNITY POWER**

## **ADDENDUM NO. 1 TO THE COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT**

### **TO ADDRESS EXPANSION TO THE CITY OF NATIONAL CITY AND THE UNINCORPORATED AREAS OF SAN DIEGO COUNTY**

**NOVEMBER 18, 2021**

For copies of this document contact San Diego Community Power at  
[sdcommunitypower.org](http://sdcommunitypower.org)

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## CHAPTER 1 – INTRODUCTION

The purpose of this document is to make certain revisions to the San Diego Community Power Implementation Plan and Statement of Intent to address the expansion of San Diego Community Power (“SDCP”) to the City of National City and the Unincorporated Areas of San Diego County. SDCP is a California Joint Powers Agency formed on October 1, 2019 with the primary purpose of administering a Community Choice Aggregation (“CCA”) program to serve the retail electric service accounts of five SDCP communities, including the Cities of Chula Vista, Encinitas, Imperial Beach, La Mesa and San Diego. In anticipation of CCA program implementation and in compliance with state law, SDCP submitted the San Diego Community Power Community Choice Aggregation Implementation Plan and Statement of Intent (“Implementation Plan”) to the California Public Utilities Commission (“CPUC” or “Commission”) on December 23, 2019. Consistent with its expressed intent, SDCP successfully launched the San Diego Community Power CCA program (“SDCP” or “Program”) on March 1, 2021 and has been serving customers since that time.

On April 22, 2021, SDCP’s Board amended Phase 3 of the enrollment schedule. This change in the enrollment schedule necessitated revisions to the Implementation Plan, which were noticed to the CPUC through a letter dated July 21, 2021.

Subsequently, SDCP’s Board approved the membership request of the County of San Diego (to accommodate the provision of CCA service to unincorporated areas of the County) on September 23, 2021 via Resolution No. 2021-04 (attached hereto as Appendix A). SDCP’s Board similarly approved the membership request of the City of National City on November 18, 2021 via Resolution No. 2021-05 (attached hereto as Appendix B). These additions to the membership of SDCP require certain changes that are addressed within this Addendum No. 1 to SDCP’s Community Choice Aggregation Implementation Plan and Statement of Intent (“Addendum No. 1”).

The SDCP program currently provides electric generation service to approximately 70,000 customers, including a cross section of commercial accounts and a small number of residential accounts. The number of customers is expected to grow next year to approximately 670,000 accounts as service is expanded to residential customers and additional commercial customers in the original five jurisdictions. When other municipalities request membership in SDCP, related evaluations may be conducted, as directed by SDCP’s Board, and to the extent such membership evaluations demonstrate favorable results, the subject community(ies) may be invited to join SDCP. In such instances, SDCP’s Implementation Plan will be revised through a related addendum, highlighting key impacts and consequences associated with the addition of such new community/communities to SDCP’s membership.

In response to public interest and SDCP’s successful CCA launch and subsequent phase-in activities, the County of San Diego and the City of National City requested SDCP membership, and adopted the requisite ordinances for offering CCA service within their respective jurisdictions; these ordinances are attached hereto as Appendices C and D, respectively. As

previously noted, SDCP's Board approved the membership request of the County of San Diego at a duly noticed public meeting on September 23, 2021 through Resolution 2021-04 and similarly approved the membership request of the City of National City at a duly noticed public meeting on November 18, 2021 through Resolution 2021-05 .

This Addendum No. 1 describes SDCP's expansion plans to include the County of San Diego and the City of National City. SDCP intends to enroll such customers in its CCA Program beginning in April 2023, consistent with the Commission's requirements described in Resolution E-4907, which define relevant timing for Implementation Plan filing in advance of service commencement. According to the Commission, the Energy Division is required to receive and review a revised SDCP implementation plan reflecting changes/consequences of additional members. With this in mind, SDCP has reviewed its Implementation Plan, which was filed with the Commission in December 2019, as well as Revisions to SDCP's Implementation Plan (addressing phase-in scheduling) communicated to the Commission through a letter dated July 21, 2021 and identified certain information that requires updating to reflect the changes and consequences of adding the County of San Diego and the City of National City as well as other forecast modifications. This Addendum No. 1 reflects pertinent changes that are expected to result from the new member additions as well as updated projections that are considerate of recent operations. This document format, including references to SDCP's Implementation Plan filed December 9, 2019, and related revisions communicated to the Commission through a letter dated July 21, 2021, addresses all requirements identified in Public Utilities Code Section 366.2(c)(4), including universal access, reliability, equitable treatment of all customer classes and any requirements established by state law or by the CPUC concerning aggregated service, while streamlining public review of pertinent changes related to SDCP's anticipated expansion. The original Implementation plan is attached hereto as Appendix E, and the aforementioned Letter to the CPUC, dated July 21, 2021, is attached hereto as Appendix F.

## **CHAPTER 2 – CHANGES TO ADDRESS SDCP EXPANSION TO THE COUNTY OF SAN DIEGO AND THE CITY OF NATIONAL CITY**

As previously noted, this Addendum No. 1 addresses the anticipated impacts of SDCP's planned expansion to unincorporated areas of the County of San Diego and the City of National City. As a result of this member addition, certain assumptions regarding SDCP's future operations have changed, including customer energy requirements, peak demand, renewable energy purchases, revenues, expenses and various other items. The following section highlights pertinent changes related to this planned expansion. To the extent that certain details related to membership expansion are not specifically discussed within this Addendum No. 1, SDCP represents that such information shall remain unchanged relative to the December 2019 Implementation Plan filing and subsequent clarifications regarding SDCP's phase-in plans presented in the aforementioned July 21, 2021 letter to the CPUC.

With regard to the defined terms Members and Member Agencies, the following Communities are now signatories to the SDCP Joint Powers Agreement and represent SDCP's current membership:

<b>Member Agencies</b>	
City of Chula Vista	City of Encinitas
City of Imperial Beach	City of La Mesa
City of National City	City of San Diego
County of San Diego	

Throughout this document, use of the terms Members and Member Agencies refer to the aforementioned Communities. To the extent that the discussion herein addresses the process of aggregation and SDCP organization, each of these communities is now an SDCP Member and the electric customers of such jurisdictions have been or will be offered CCA service consistent with the noted phase-in schedule.

### ***Aggregation Process***

SDCP's aggregation process was discussed in Chapter 2 of SDCP's December 2019 Implementation Plan, as revised by letter dated July 21, 2021. The fourth paragraph in section 2.1 Introduction should have the following sentence added at the end:

On November 18, 2021, the SDCP Board of Directors, at a duly noticed public hearing, considered and adopted an amendment to this Implementation Plan, by Resolution, which expanded service to the City of National City and the unincorporated areas of San Diego County.

In addition, the first sentence of the first paragraph of Section 2.2, addressing Process of Aggregation, should be revised to read:

Before they are enrolled in SDCP's CCA, all customers within the member communities not otherwise served by Direct Access will receive two written notices in the mail from SDCP that will provide information needed to understand program terms and conditions of service and explain how customers can opt-out of SDCP service, if desired.

### ***Program Phase-In***

Program phase-in was discussed in Chapter 5 of SDCP's December 2019 Implementation Plan filing as revised by the aforementioned July 21, 2021 letter to the CPUC. Chapter 5 is replaced in its entirety with the following verbiage:

SDCP will offer service to all customers on a phased basis. SDCP will roll out its service offerings over the course of four phases, commencing in March 2021. The proposed phase-in schedule is as follows:

**Phase 1** (March 2021; complete) All municipal accounts and potentially some large commercial accounts to ensure adequate revenues for subsequent phases.

**Phase 2** (June 2021; complete) Remaining commercial, industrial, agriculture, street lighting and traffic control accounts;

**Phase 3** (2022 – multiple components as described below; upcoming)

(1) February 1, 2022: Residential and lighting accounts within Imperial Beach

(2) March 1, 2022: Residential and lighting accounts within La Mesa

(3) April 1, 2022: Residential and lighting accounts within Encinitas

(4) May 1, 2022: Residential and lighting accounts within Chula Vista and San Diego

**Phase 4** (Beginning April 2023; upcoming) Expansion of service to accounts within the City of National City and the unincorporated areas of San Diego County.

This approach provides SDCP the ability to initiate its CCA Program with sufficient economic scale before building to full operations for an expected customer base of approximately 860,000 accounts, post customer opt-out.

Phase 1 of the Program was initiated on March 1, 2021. During Phase 1, SDCP enrolled approximately 600 accounts, comprised of all municipal accounts.

Phase 2 of the Program commenced in June 2021 after the successful completion of Phase 1. Approximately 70,000 additional customers, comprised of the remaining commercial, industrial, agriculture, street lighting and traffic control accounts were included in Phase 2.

Phase 3 of the Program is expected to commence on or about February 1, 2022 – completion of Phase 3 will occur over an estimated four-month window, concluding on or about May 31, 2022. It is anticipated that approximately 600,000 additional customers, comprised of residential accounts and any remaining service accounts that may have been omitted during Phase 2, will be included in Phase 3.

As approved by the SDCP Board of Directors at their November 18, 2021 meeting in Resolution 2021-04, Phase 4 of the Program will commence on the first day of the billing cycle for accounts in Phase 4, estimated to begin April 2023, enrolling eligible customer accounts within the City of National City and unincorporated areas of San Diego County on each customer's regularly scheduled meter reading date. It is anticipated that approximately 193,000 additional customers, comprised of residential, commercial, industrial, agriculture, municipal, street lighting and traffic control accounts will be included in Phase 4.

To the extent that additional customers require enrollment after the completion of Phase 4, SDCP will evaluate a subsequent phase of CCA enrollments. SDCP may also evaluate other phase-in options based on then-current market conditions, statutory requirements and regulatory considerations as well as other factors potentially affecting the integration of additional customer accounts.

### ***Load Forecast and Resource Plan***

With regard to SDCP's load forecast and resource plan overview, which is addressed in Chapter 6, Load Forecast and Resource Plan, the following is added to the fourth paragraph in Section 6.2, Resource Plan Overview:

The following table has been updated by a resolution approved at the SDCP Board of Director's meeting on April 22, 2021, which amended Phase 3 of SDCP's enrollment schedule. This table was further modified by Resolution 2021-04, approved November 18, 2021, which expanded SDCP's membership to include the City of National City and unincorporated areas San Diego County.

Due to the change in planned customer enrollments, certain information in SDCP's Implementation Plan needs to be updated. Table 2 (Revised) reflects the changes that were made to the enrollment schedule and is intended to replace Table 2 (Revised) from the July 21, 2021 Letter to the Commission as well as Table 2 from the original Implementation Plan:

**Table 2 (Revised): SDCP Proposed Resource Plan (GWh), 2021-2030**

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
SDCP Electricity Demand										
Retail Electricity Sales	2,008	5,197	7,422	7,932	7,972	8,012	8,052	8,092	8,132	8,173
Losses and UFE	6%									
Total Electricity Need	2,129	5,509	7,867	8,408	8,450	8,492	8,535	8,578	8,620	8,664
SDCP Electricity Supply										
Renewable Resources	1,004	2,702	4,008	4,442	4,624	4,887	5,153	5,503	5,855	6,130
GHG-Free (Non-RPS)	100	260	371	317	319	641	886	1,052	1,139	1,226
Conventional Resources*	1,024	2,547	3,488	3,649	3,508	2,964	2,496	2,023	1,626	1,308
Total Electricity Supply	2,129	5,509	7,867	8,408	8,450	8,492	8,535	8,578	8,620	8,664
<b>*Includes open positions</b>										

SDCP also adds the following paragraphs at the end of sub-section 6.2, Resource Plan Overview:

SB 255 (2019) added Section 366.2(c)(3)(H), which requires community choice aggregators to include in their implementation plans "[t]he methods for ensuring procurement from small,

local, and diverse business enterprises in all categories, including, but not limited to, renewable energy, energy storage system [sic], and smart grid projects.” As a public agency, SDCP is prohibited by Article 1, Section 31 of the California Constitution from granting any preferential treatment to “any individual group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting.” While these restrictions prevent SDCP from “ensuring” procurement from certain diverse businesses, SDCP remains committed to local economic development, and has taken several steps to diversify its procurement to the extent possible. SDCP will continue to build its strategy and consider new methods for diversifying its procurement as appropriate.

SDCP will continue to engage with the diverse business community in its service area and statewide, to inform businesses of the benefits of certification as a diverse business, as well as upcoming Requests for Proposals and other solicitations. While SDCP cannot give any preference in the selection process to any business on the basis of race, sex, color, ethnicity, or national origin, SDCP can ensure that diverse businesses are aware of upcoming contract opportunities.

SDCP will, to the extent possible and reasonable, consider preferences for procurement from diverse business categories that are not prohibited, including but not limited to small and/or local businesses and businesses owned by disabled veterans or lesbian, gay, bisexual and/or transgender individuals (“LGBT”). SDCP will consider parallel preferences for prime contractors that demonstrate an intent to contract with diverse subcontractors, as permitted by law.

### ***Supply Requirements***

The expansion to include the new members also necessitates changes to Section 6.4, Customer Forecasts. The following sentences should be added to the first paragraph in this section:

The tables have been updated by a resolution approved at the SDCP Board of Directors meeting on April 22, 2021, which amended Phase 3 of SDCP’s enrollment schedule. The tables were further modified by a resolution approved on November 18, 2021, which expanded SDCP to include the City of National City and unincorporated areas of San Diego County.

Table 3 (Revised) and Table 4 (Revised) from the letter to the Commission, dated July 21, 2021, are updated as follows:

**Table 3 (Revised): SDCP Enrolled Retail Service Accounts By Phase-In Period (End of Month)**

SDCP Customers	Phase 1 (March 2021)	Phase 2 (June 2021)	Phase 3 (May 2022)	Phase 4 (April 2023)
Residential	<10	206	595,218	765,262
Small Commercial	72	62,372	62,656	79,354
Medium/Large Commercial & Industrial	501	7,104	7,602	9,216
Street Lighting & Traffic	<10	150	1,667	3,051
Agricultural & Pumping	<10	253	259	3,118

**Table 4 (Revised): SDCP Retail Service Accounts (End of Year), 2021-2030**

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Residential	204	598,194	769,088	772,934	776,799	780,683	784,586	788,509	792,451	796,414
Small Commercial	61,729	62,969	79,751	80,149	80,550	80,953	81,358	81,764	82,173	82,584
Medium/Large Commercial & Industrial	7,031	7,640	9,262	9,308	9,355	9,402	9,449	9,496	9,543	9,591
Street Lighting & Traffic	149	1,674	3,066	3,081	3,096	3,111	3,127	3,142	3,158	3,174
Agricultural & Pumping	250	260	3,133	3,149	3,164	3,180	3,196	3,212	3,228	3,244
Total	69,363	670,737	864,300	868,620	872,963	877,328	881,715	886,123	890,554	895,007

### *Sales Forecast*

With regard to SDCP's sales forecast, which is addressed in Section 6.2, Sales Forecast, SDCP assumes that total annual retail sales will increase to approximately 7,867 GWh following Phase 4 expansion. Table 5 (Revised) from the Letter to the CPUC, dated July 21, 2021, is updated as follows:

**Table 5: SDCP Annual Energy Requirements (GWh), 2021-2030**

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Retail Demand</b>	2,008	5,197	7,422	7,932	7,972	8,012	8,052	8,092	8,132	8,173
<b>Losses and UFE</b>	6%									
<b>Total Demand</b>	2,129	5,509	7,867	8,408	8,450	8,492	8,535	8,578	8,620	8,664

### *Proposed Resources*

The expansion to include new members requires changes to the proposed resources secured by SDCP. Table 6: SDCP Capacity and Reserve Requirements (MW), 2020-2022, and Table 7: SDCP Capacity Requirements (MW), 2020-2029 from the original Implementation Plan, which were subsequently changed in the aforementioned July 21, 2021 letter to the CPUC, "and were reported

to the CPUC in SDCP's Resource Adequacy (RA) Year Ahead Filing submitted in April 2021" are updated below:

**Table 6 (Revised): SDCP Capacity and Reserve Requirements (MW), 2021-2023**

	2021	2022	2023
January	-	598	1,188
February	-	635	1,185
March	29	595	1,112
April	34	694	1,394
May	30	896	1,217
June	733	1,010	1,365
July	761	1,175	1,583
August	772	1,218	1,690
September	866	1,451	1,983
October	793	1,280	1,713
November	782	1,141	1,494
December	629	1,084	1,442

**Table 7 (Revised): SDCP Capacity Requirements (MW), 2021-2030**

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Net Peak Demand (MW)	753	1262	1725	1733	1742	1751	1759	1768	1777	1786
Planning Reserve (%)	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Planning Reserve (MW)	113	189	259	260	261	263	264	265	267	268
Total Capacity Requirement (MW)	866	1451	1983	1993	2003	2013	2023	2033	2044	2054

### ***Financial Plan***

With regard to SDCP's financial plan, which is addressed in Chapter 7, Financial Plan, SDCP has updated its expected operating results, which now include projected impacts related to service expansion to the County of San Diego and the City of National City. Its important to note this pro forma is just a snapshot in time for informational purposes and will change regularly with regular operations. Table 9: SDCP Summary of CCA Program Start-Up and Phase-In, 2020-2030 in Section 7.6, SDCP Program Implementation Pro-Forma is updated as follows:

**Table 9 (Revised): SDCP Summary of CCA Program Start-Up and Phase-In, 2020-2030**

Year Ending:	2020	2021	2022	2023	2024	2025
<b>I. Revenue</b>						
Base Retail Revenue	-	206,525,022	527,400,007	678,521,272	708,934,559	712,479,232
Power100 Premium	-	1,054,418	2,728,412	3,896,433	4,164,397	4,185,219
Subtotal Operating Revenue	-	207,579,440	530,128,419	682,417,704	713,098,956	716,664,451
<b>II. Operating Expenses</b>						
Power Supply	-	185,234,234	483,238,222	615,795,472	637,913,719	638,471,794
Staff	750,000	3,000,000	4,567,500	4,704,525	4,845,661	4,991,031
Professional/Technical services	674,000	734,752	892,799	981,650	1,019,732	1,044,375
Legal	255,000	270,000	304,500	313,635	323,044	332,735
Communications, Mktg, Enrollment	250,000	791,842	3,857,409	1,948,967	2,056,459	2,079,256
Other General and Administrative	257,500	392,500	426,300	439,089	452,262	465,830
Regulatory and CalCCA Fees	335,000	652,500	908,425	935,678	963,748	992,661
Data Management	-	-	5,594,699	10,727,442	11,636,940	11,695,105
Utility Service Fees	-	177,673	2,175,653	3,828,068	4,193,333	4,340,721
Uncollectibles/Other	-	885,497	2,509,828	3,198,373	3,317,024	3,322,068
Subtotal Operating Expenses	2,521,500	192,138,999	504,475,335	642,872,898	666,721,921	667,735,575
Operating Margin	(2,521,500)	15,440,441	25,653,084	39,544,806	46,377,034	48,928,876
<b>III. Financing</b>						
Interest	62,500	633,333	639,273	504,641	366,605	225,078
Principal	-	-	4,875,092	5,447,124	5,584,874	5,726,107
Subtotal Financing	62,500	633,333	5,514,364	5,951,765	5,951,478	5,951,184
Operating Margin Less Financing	(2,584,000)	14,807,108	20,138,719	33,593,041	40,425,556	42,977,691
<b>IV. Cash From Financing</b>	5,000,000	23,000,000	-	-	-	-
<b>V. Other Uses</b>						
CPUC and CAISO Deposits	1,275,000	-	-	-	-	-
Collateral Deposits		10,225,000	16,250,000	-	-	-
Subtotal Other Uses	1,275,000	10,225,000	16,250,000	-	-	-
<b>VI. Net Surplus/(Deficit)</b>	1,141,000	27,582,108	3,888,719	33,593,041	40,425,556	42,977,691
<b>VII. Cumulative Net Surplus</b>	1,141,000	28,723,108	32,611,827	66,204,868	106,630,424	149,608,115
<b>VIII. Program Average Rate (\$/MWh)</b>	-	103.4	102.0	91.9	89.9	89.9
<b>IX. Power Supply (\$/MWh)</b>	-	92.2	93.0	83.0	80.4	80.1
<b>X. Program Average Cost (\$/MWh)</b>	-	101.1	101.3	87.4	84.8	84.5
<b>XI. Annual Sales (MWh)</b>	-	2,008,415	5,196,975	7,421,776	7,932,184	7,971,845

### ***Procurement Process***

The procurement process is described in Chapter 10 of the Implementation Plan. The last sentence in Section 10.4, Electric Supply Procurement Process, should be changed to read:

The contract(s) for subsequent Phases and loads will be executed a few months in advance of each phase's launch.

### ***Expansion Addendum Appendices***

Appendix A: San Diego Community Power Resolution No. 2020-04

Appendix B: San Diego Community Power Resolution No. 2021-05

Appendix C: County of San Diego CCA Ordinance

Appendix D: City of National City CCA Ordinance

Appendix E: San Diego Community Power Implementation Plan and Statement of Intent (December 9, 2019)

Appendix F: Letter to CPUC dated July 21, 2021

## RESOLUTION NO. 2021-05

### A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER APPROVING ADDENDUM NO. 1 TO THE COMMUNITY CHOICE AGGREGATION IMPLEMENTATION AND STATEMENT OF INTENT

A. San Diego Community Power (“SDCP”) is a joint powers agency formed pursuant to the Joint Exercise of Powers Act, Cal. Gov. Code § 6500 *et seq.*, California Public Utilities Code § 366.2, and a Joint Powers Agreement effective on October 1, 2019 (“JPA Agreement”); and

B. The member agencies are the Cities of Chula Vista, Encinitas, Imperial Beach, La Mesa, and San Diego.

C. The County of San Diego voted to join SDCP on August 31, 2021, and will become a member of SDCP on or around December 1, 2021 with an anticipated launch date in 2023.

D. The City of National City voted to join SDCP on November 2, 2021, and will become a member of SDCP on or around December 2, 2021 with an anticipated launch date in 2023.

E. California Public Utilities Code section 366.2(c)(3) requires that prior to establishing electrical load aggregation, a community choice aggregator must develop an implementation plan detailing the process and consequences of aggregation, and that the implementation plan, and any subsequent changes to it, must be considered and adopted at a duly noticed public hearing.

F. In order to satisfy the requirements of Public Utilities Code section 366.2(c)(3) and provide electrical load aggregation to the County of San Diego and the City of National City, SDCP has prepared an *Addendum No. 1 to the SDCP Community Choice Aggregation Implementation Plan and Statement of Intent* (“Implementation Plan Addendum”), which will be submitted to the California Public Utilities Commission on or before December 31, 2021.

G. WHEREAS, the Implementation Plan Addendum was presented to the SDCP Board of Directors at a duly noticed public hearing for consideration and adoption on November 18, 2021.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of San Diego Community Power as follows:

Section 1. In accordance with California Public Utilities Code section 366.2(c)(3), the SDCP Board of Directors hereby considers and adopts the Implementation Plan Addendum at a duly noticed public hearing held on November 18, 2021, held via teleconference in compliance with certain provisions of the Ralph M. Brown Act pursuant to Government Code section 54953(e)(1)(A), in relation to the Covid-19

State of Emergency, at 5:00 p.m., after allowing interested persons the opportunity to provide public comment on the Implementation Plan Addendum.

Section 2. The Board of Directors hereby directs the Interim Chief Executive Officer to file the Implementation Plan Addendum with the Energy Division of the California Public Utilities Commission no later than December 31, 2021.

Section 3. This Resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** at a meeting of the Board of Directors of San Diego Community Power held on November 18, 2021.

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Chair, Board of Directors  
San Diego Community Power

ATTEST:

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Secretary  
San Diego Community Power

## GLOSSARY OF TERMS

**CAISO – California Independent System Operator** - a non-profit independent system operator that oversees the operation of the California bulk electric power system, transmission lines and electricity market generated and transmitted by its members (~80% of California's electric flow). Its stated mission is to "operate the grid reliably and efficiently, provide fair and open transmission access, promote environmental stewardship and facilitate effective markets and promote infrastructure development. CAISO is regulated by FERC and governed by a five-member governing board appointed by the governor.

**CALCCA – California Community Choice Association** – Association made up of Community Choice Aggregation (CCA) groups which represents the interests of California's community choice electricity providers.

**CARB – California Air Resources Board** – The CARB is charged with protecting the public from the harmful effects of air pollution and developing programs and actions to fight climate change in California.

**CEC – California Energy Commission**

**CPUC – California Public Utility Commission**

**C&I – Commercial and Industrial** – Business customers

**CP – Compliance Period** – Time period to become RPS compliant, set by the CPUC (California Public Utilities Commission)

**DA – Direct Access** – An option that allows eligible customers to purchase their electricity directly from third party providers known as Electric Service Providers (ESP).

**DA Cap** – the maximum amount of electric usage that may be allocated to Direct Access customers in California, or more specifically, within an Investor-Owned Utility service territory.

**DA Lottery** – a random drawing by which DA waitlist customers become eligible to enroll in DA service under the currently-applicable Direct Access Cap.

**DA Waitlist** – customers that have officially registered their interest in becoming a DA customer but are not yet able to enroll in service because of DA cap limitations.

**DAC – Disadvantaged Community**

**DASR – Direct Access Service Request** – Request submitted by C&I to become direct access eligible.

**Demand** - The rate at which electric energy is delivered to or by a system or part of a system, generally expressed in kilowatts (kW), megawatts (MW), or gigawatts (GW), at a given instant or averaged over any designated interval of time. Demand should not be confused with Load or Energy.

**DER – Distributed Energy Resource** – A small-scale physical or virtual asset (e.g. EV charger, smart thermostat, behind-the-meter solar/storage, energy efficiency) that operates locally and is connected to a larger power grid at the distribution level.

**Distribution** - The delivery of electricity to the retail customer's home or business through low voltage distribution lines.

**DLAP – Default Load Aggregation Point** – In the CAISO's electricity optimization model, DLAP is the node at which all bids for demand should be submitted and settled. SVCE settles its CAISO load at the PG&E DLAP as SVCE is in the PG&E transmission access charge area.

**DR – Demand Response** - An opportunity for consumers to play a significant role in the operation of the electric grid by reducing or shifting their electricity usage during peak periods in response to time-based rates or other forms of financial incentives.

**DWR – Department of Water Resources** – DWR manages California's water resources, systems, and infrastructure in a responsible, sustainable way.

**ELCC – Effective Load Carrying Capacity** – The additional load met by an incremental generator while maintaining the same level of system reliability. For solar and wind resources the ELCC is the amount of capacity which can be counted for Resource Adequacy purposes.

**EPIC – Electric Program Investment Charge** – The EPIC program was created by the CPUC to support investments in clean energy technologies that provide benefits to the electricity ratepayers of PG&E, San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE)

**ERRA – Energy Resource Recovery Account** – ERRA proceedings are used to determine fuel and purchased power costs which can be recovered in rates. The utilities do not earn a rate of return on these costs, and only recover actual costs. The costs are forecast for the year ahead. If the actual costs are lower than forecast, then the utility gives money back, and vice versa.

**ESP – Energy Service Provider** - An energy entity that provides service to a retail or end-use customer.

**EV – Electric Vehicle**

**GHG – Greenhouse gas** - water vapor, carbon dioxide, tropospheric ozone, nitrous oxide, methane, and chlorofluorocarbons (CFCs). A gas that causes the atmosphere to trap heat radiating from the earth. The most common GHG is Carbon Dioxide, though Methane and others have this effect as well.

**GRC – General Rate Case** – Proceedings used to address the costs of operating and maintaining the utility system and the allocation of those costs among customer classes. For California's three large IOUs, the GRCs are parsed into two phases. Phase I of a GRC determines the total amount the utility is authorized to collect, while Phase II determines the share of the cost each customer class is responsible and the rate schedules for each class. Each large electric utility files a GRC application every three years for review by the Public Advocates Office and interested parties and approval by the CPUC.

**GWh – Gigawatt-hour** - The unit of energy equal to that expended in one hour at a rate of one billion watts. One GWh equals 1,000 megawatt-hours.

**IEP – Independent Energy Producers** – California's oldest and leading nonprofit trade association, representing the interest of developers and operators of independent energy facilities and independent power marketers.



**IOU – Investor-Owned Utility** – A private electricity and natural gas provider.

**IRP – Integrated Resource Plan** – A plan which outlines an electric utility's resource needs in order to meet expected electricity demand long-term.

**kW – Kilowatt** – Measure of power where power (watts) = voltage (volts) x amperage (amps) and 1 kW = 1000 watts

**kWh – Kilowatt-hour** – This is a measure of consumption. It is the amount of electricity that is used over some period of time, typically a one-month period for billing purposes. Customers are charged a rate per kWh of electricity used.

**LCFS – Low Carbon Fuel Standard** – A CARB program designed to encourage the use of cleaner low-carbon fuels in California, encourage the production of those fuels, and therefore, reduce greenhouse gas emissions.

**LCR – Local (RA) Capacity Requirements** – The amount of Resource Adequacy capacity required to be demonstrated in a specific location or zone.

**LMP – Locational Marginal Price** – Each generator unit and load pocket is assigned a node in the CAISO optimization model. The model will assign a LMP to the node in both the day-ahead and real time market as it balances the system using the least cost. The LMP is comprised of three components: the marginal cost of energy, congestion and losses. The LMP is used to financially settle transactions in the CAISO.

**Load** - An end use device or customer that receives power from an energy delivery system. Load should not be confused with Demand, which is the measure of power that a load receives or requires. See Demand.

**LSE – Load-serving Entity** – Entities that have been granted authority by state, local law or regulation to serve their own load directly through wholesale energy purchases and have chosen to exercise that authority.

**NEM – Net Energy Metering** – A program in which solar customers receive credit for excess electricity generated by solar panels.

**NRDC – Natural Resources Defense Council**

**OIR – Order Instituting Rulemaking** - A procedural document that is issued by the CPUC to start a formal proceeding. A draft OIR is issued for comment by interested parties and made final by vote of the five Commissioners of the CPUC.

**MW – Megawatt** – measure of power. A megawatt equals 1,000 kilowatts or 1 million watts.

**MWH – Megawatt-hour** – measure of energy

**NP-15 – North Path 15** – NP-15 is a CAISO pricing zone usually used to approximate wholesale electricity prices in northern California in PG&E's service territory.

**PCC1 – RPS Portfolio Content Category 1** – Bundled renewables where the energy and REC are dynamically scheduled into a California Balancing Authority (CBA) such as the CAISO. Also known as "in-state" renewables

**PCC2 – RPS Portfolio Content Category 2** – Bundled renewables where the energy and REC are from out-of-state and not dynamically scheduled to a CBA.



### **PCC3 – RPS Portfolio Content Category 3 – Unbundled REC**

**PCIA or “exit fee”** - Power Charge Indifference Adjustment (PCIA) is an “exit fee” based on stranded costs of utility generation set by the California Public Utilities Commission. It is calculated annually and assessed to customers of CCAs and paid to the IOU that lost those customers as a result of the formation of a CCA.

**PCL – Power Content Label** - A user-friendly way of displaying information to California consumers about the energy resources used to generate the electricity they sell, as required by AB 162 (Statute of 2009) and Senate Bill 1305 (Statutes of 1997).

**PD – Proposed Decision** - A procedural document in a CPUC Rulemaking process that is formally commented on by Parties to the proceeding. A PD is a precursor to a final Decision voted on by the five Commissioners of the CPUC.

**Pnode – Pricing Node** - In the CAISO optimization model, it is a point where a physical injection or withdrawal of energy is modeled and for which a LMP is calculated.

**PPA – Power Purchase Agreement** - A contract used to purchase the energy, capacity and attributes from a renewable resource project.

**RA – Resource Adequacy** - Under its Resource Adequacy (RA) program, the California Public Utilities Commission (CPUC) requires load-serving entities—both independently owned utilities and electric service providers—to demonstrate in both monthly and annual filings that they have purchased capacity commitments of no less than 115% of their peak loads.

**RE – Renewable Energy** - Energy from a source that is not depleted when used, such as wind or solar power.

**REC - Renewable Energy Certificate** - A REC is the property right to the environmental benefits associated with generating renewable electricity. For instance, homeowners who generate solar electricity are credited with 1 solar REC for every MWh of electricity they produce. Utilities obligated to fulfill an RPS requirement can purchase these RECs on the open market.

**RPS - Renewable Portfolio Standard** - Law that requires CA utilities and other load serving entities (including CCAs) to provide an escalating percentage of CA qualified renewable power (culminating at 33% by 2020) in their annual energy portfolio.

**SCE – Southern California Edison**

**SDG&E – San Diego Gas & Electric**

**SGIP – Self-Generation Incentive Program** - A program which provides incentives to support existing, new, and emerging distributed energy resources (storage, wind turbines, waste heat to power technologies, etc.)

**TCR EPS Protocol – The Climate Registry Electric Power Sector Protocol** - Online tools and resources provided by The Climate Registry to assist organizations to measure, report, and reduce carbon emissions.

**Time-of-Use (TOU) Rates** — The pricing of delivered electricity based on the estimated cost of electricity during a particular time-block. Time-of-use rates are usually divided into three or four time-blocks per 24 hour period (on-peak, midpeak, off-peak and sometimes super off-peak) and by seasons of the year (summer and winter). Real time pricing differs from TOU rates in that it is



based on actual (as opposed to forecasted) prices that may fluctuate many times a day and are weather sensitive, rather than varying with a fixed schedule.

**TURN – The Utility Reform Network** - A ratepayer advocacy group charged with ensuring that California IOUs implement just and reasonable rates.

**Unbundled RECs** - Renewable energy certificates that verify a purchase of a MWH unit of renewable power where the actual power and the certificate are “unbundled” and sold to different buyers.

**VPP – Virtual Power Plant** – A cloud-based network that leverages an aggregation of distributed energy resources (DERs) to shift energy demand or provide services to the grid. For example, thousands of EV chargers could charge at a slower speed and hundreds of home batteries could discharge to the grid during a demand peak to significantly reduce the procurement of traditional supply resources.

