



Community Advisory Committee

Regular Meeting

January 11, 2024

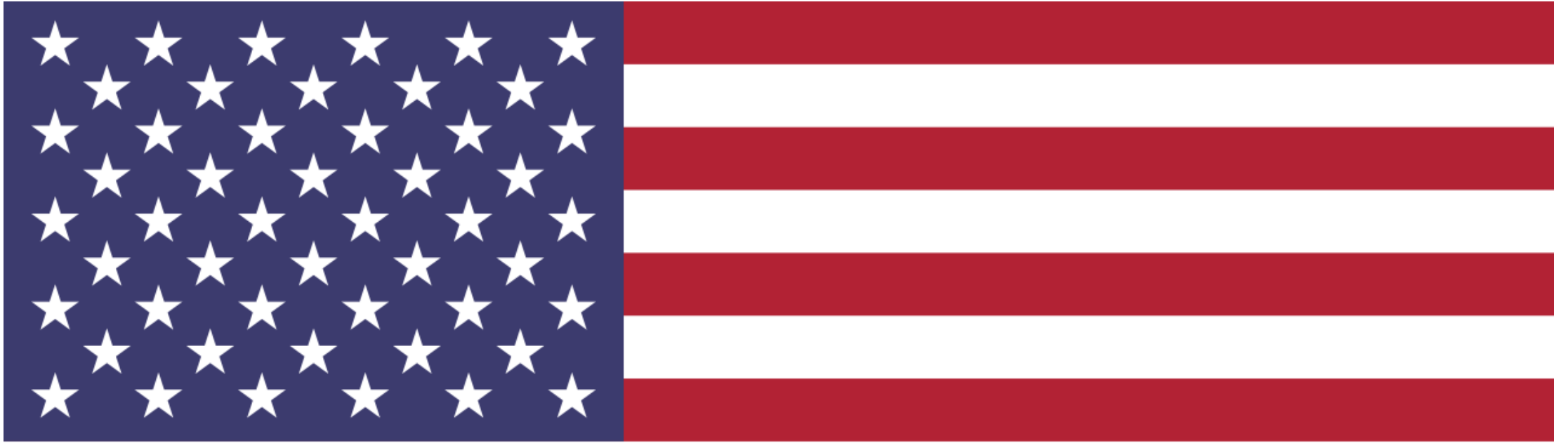




Welcome & Call to Order

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Roll Call





Land Acknowledgement



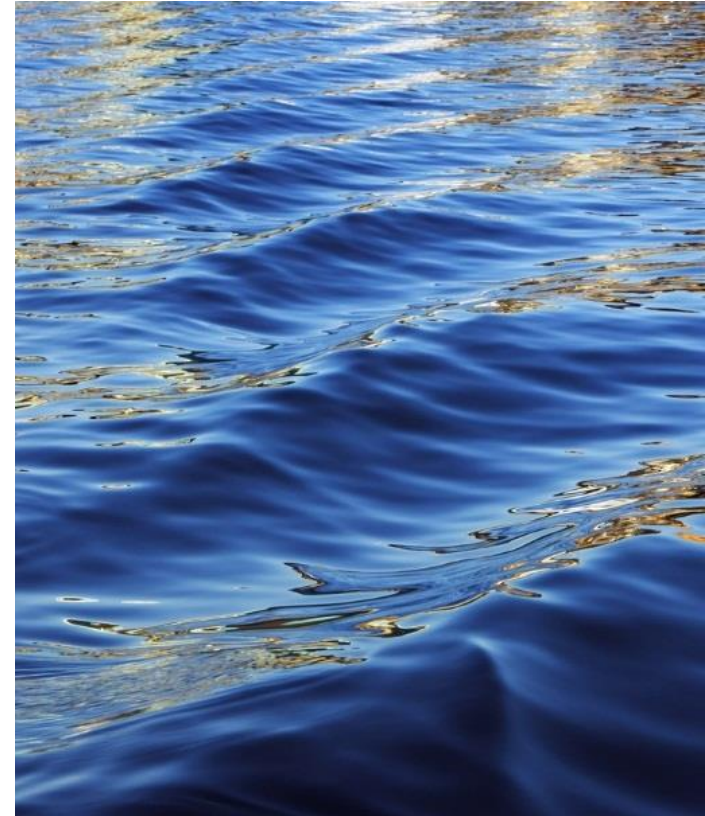
Warm welcome to
our new hires!

Elaine Mezta

Key Accounts Services Manager

Patrick Welch

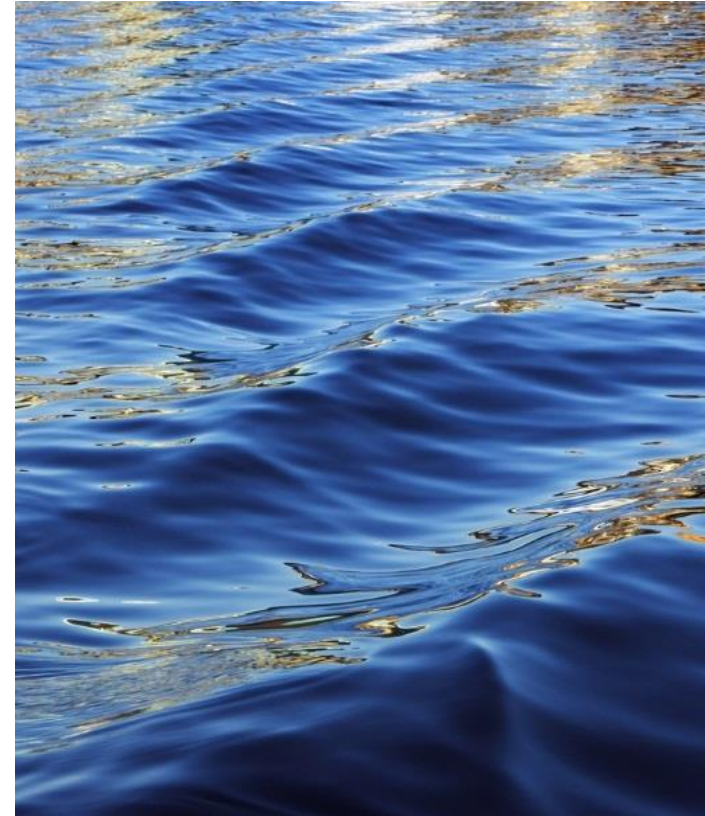
Senior Legislative Manager







Carolyn Scofield

Special Recognition
Outgoing CAC Member, City of Chula Vista





Public Comment for Items Not on the Agenda



Items to be Withdrawn or Reordered on the Agenda

Consent Meeting Agenda

1. Approval of December 7, 2023 CAC Meeting Minutes
2. Update on Marketing and Public Relations, and Government Affairs
3. Update on Customer Operations
4. Update on Regulatory and Legislative Affairs



Public Comment for Consent Agenda

Regular Meeting Agenda

5. Presentation on the Update on 2024 Projected Rate Changes
6. Update on Flex Load Strategy
7. Community & Equity Ad-Hoc End of Committee Report
8. Programs Ad-Hoc End of Committee Report
9. Discussion of the Creation of New Ad-Hoc Committees
10. Approval of Amendments to the CAC Scope of Work
11. Approval of Amendments to the CAC Policies and Procedures
12. Update on 2024 CAC Work Plan

Item 5

Presentation on the Update on 2024 Projected Rate Changes

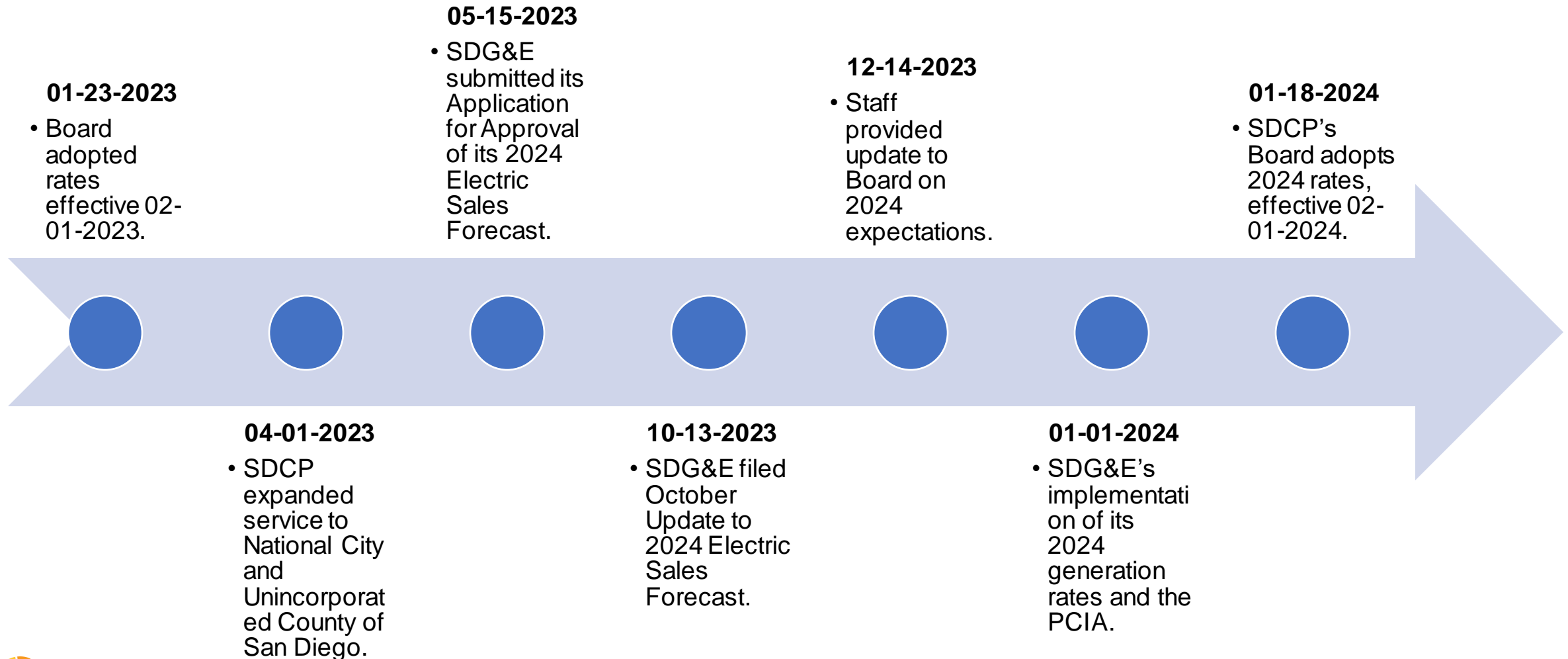
Recommendation:

Receive and File the presentation on the Update on 2024 Projected Rate Changes

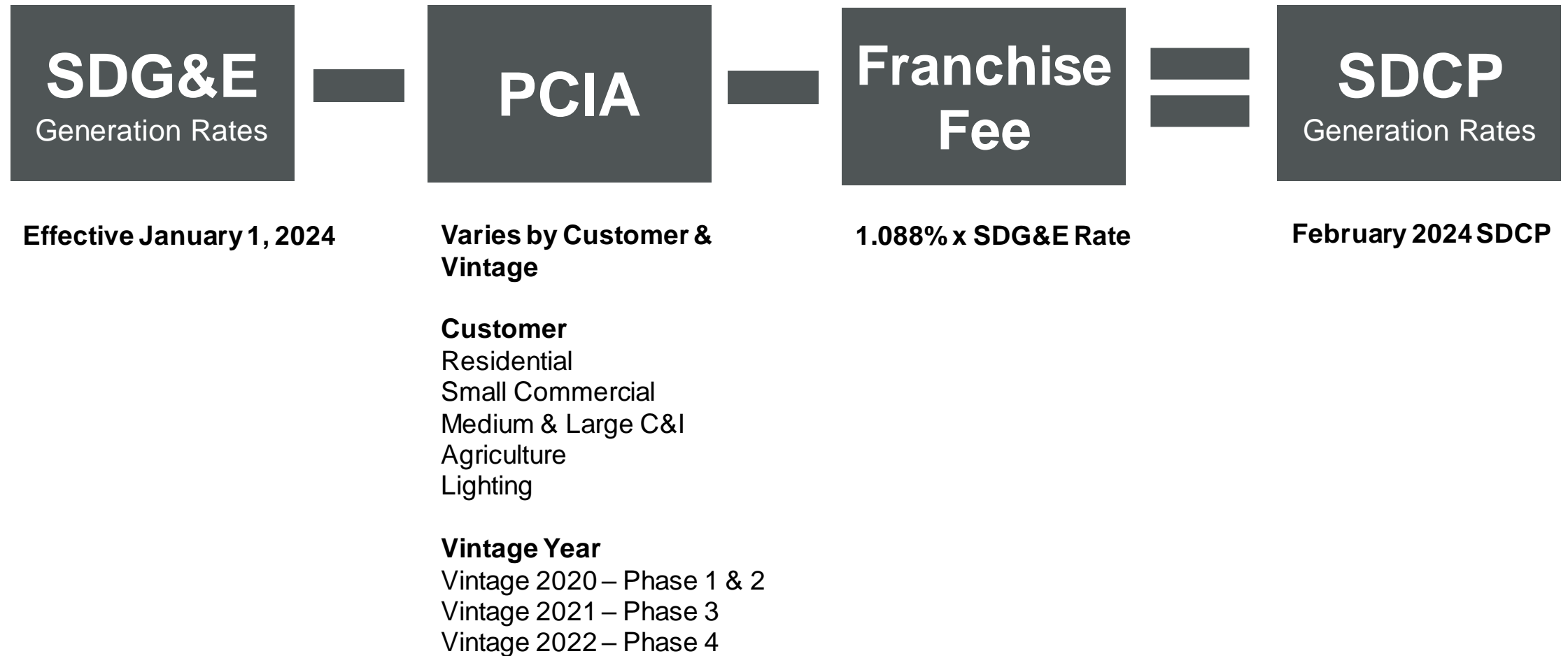
Presenters:

Aaron Lu, Senior Rates and Strategy Analyst
Tim Manglicmot, Senior Finance Manager

2023 and 2024 Rates Timeline

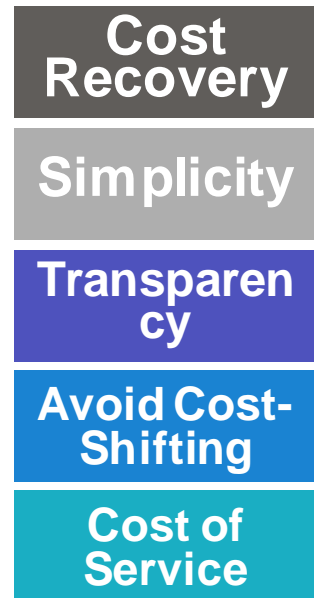


Rate Mechanics



Rate Development Policy Objectives

Objectives



Priorities



Strategic Goals

90-Days Cash
\$250.0 million

October 2023



180-Days Cash
\$500.0 million

October 2025



Investment Grade
Credit Rating

November 2025



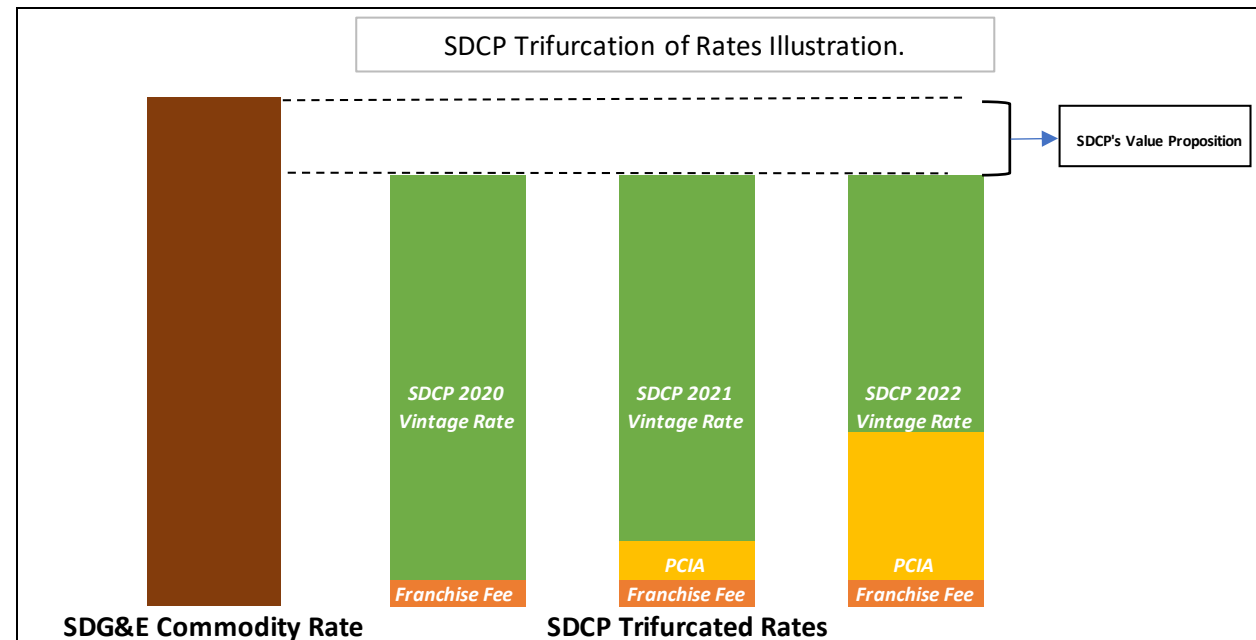
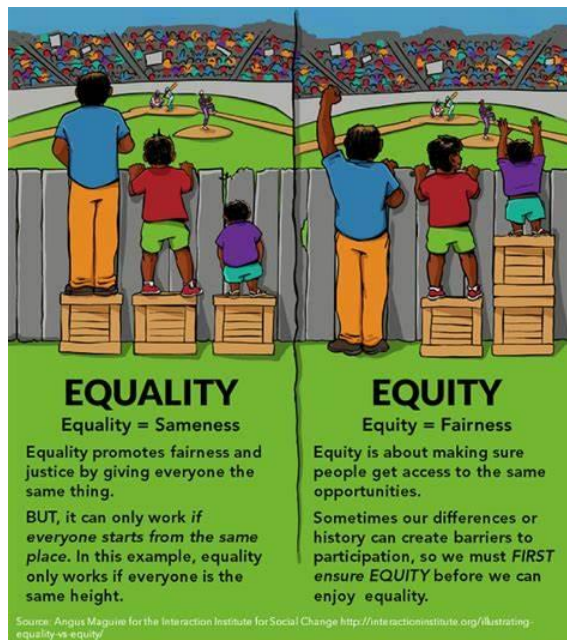
Rate Stabilization
\$70.0 million

TBD



Rate Trifurcation

- Equity recognizes that each person has different circumstances and allocates the exact resources and opportunities needed to reach an equal outcome.
- This trifurcation will maintain a fair, equitable, and balanced rate structure that does not create winners and losers across our customers.



2024 Generation Rate Projections

SDG&E generation rates, effective 01-01-2024

SDG&E Generation Rates		October-23				November-23			December-23		
Rate Group	Current (\$/kWh)	Proposed (\$/kWh)	Difference	% Difference	Proposed (\$/kWh)	Difference	% Difference	Proposed (\$/kWh)	Difference	% Difference	
Residential	0.197	0.180	-0.02	-8.6%	0.164	-0.03	-16.8%	0.151	-0.05	-23.0%	
Small Commercial	0.174	0.160	-0.01	-8.4%	0.139	-0.04	-20.4%	0.128	-0.05	-26.3%	
Medium & Large C&I	0.204	0.185	-0.02	-9.1%	0.170	-0.03	-16.6%	0.158	-0.05	-22.6%	
Agriculture	0.146	0.134	-0.01	-8.2%	0.121	-0.02	-17.0%	0.112	-0.03	-23.0%	
Streetlighting	0.129	0.117	-0.01	-8.8%	0.107	-0.02	-16.7%	0.091	-0.04	-29.1%	
System Total	0.195	0.178	-0.02	-8.5%	0.162	-0.03	-16.9%	0.150	-0.04	-23.0%	

- SDG&E's system average generation rate decreased by 23%.
- The primary driver for the decrease in commodity rates is that SDG&E's forecasted costs of purchasing electricity in 2024 are expected to decrease. Actualization of balancing account projections and projected increases in load may also contribute to the generation rate decrease.

Cost of Energy Projection and Strategy



"Electric generation rates are projected to decrease primarily due to lower costs of purchasing electricity."

-SDG&E Advice Letter 4344-E



23% Average Decrease

- Decrease effective 1/1/24

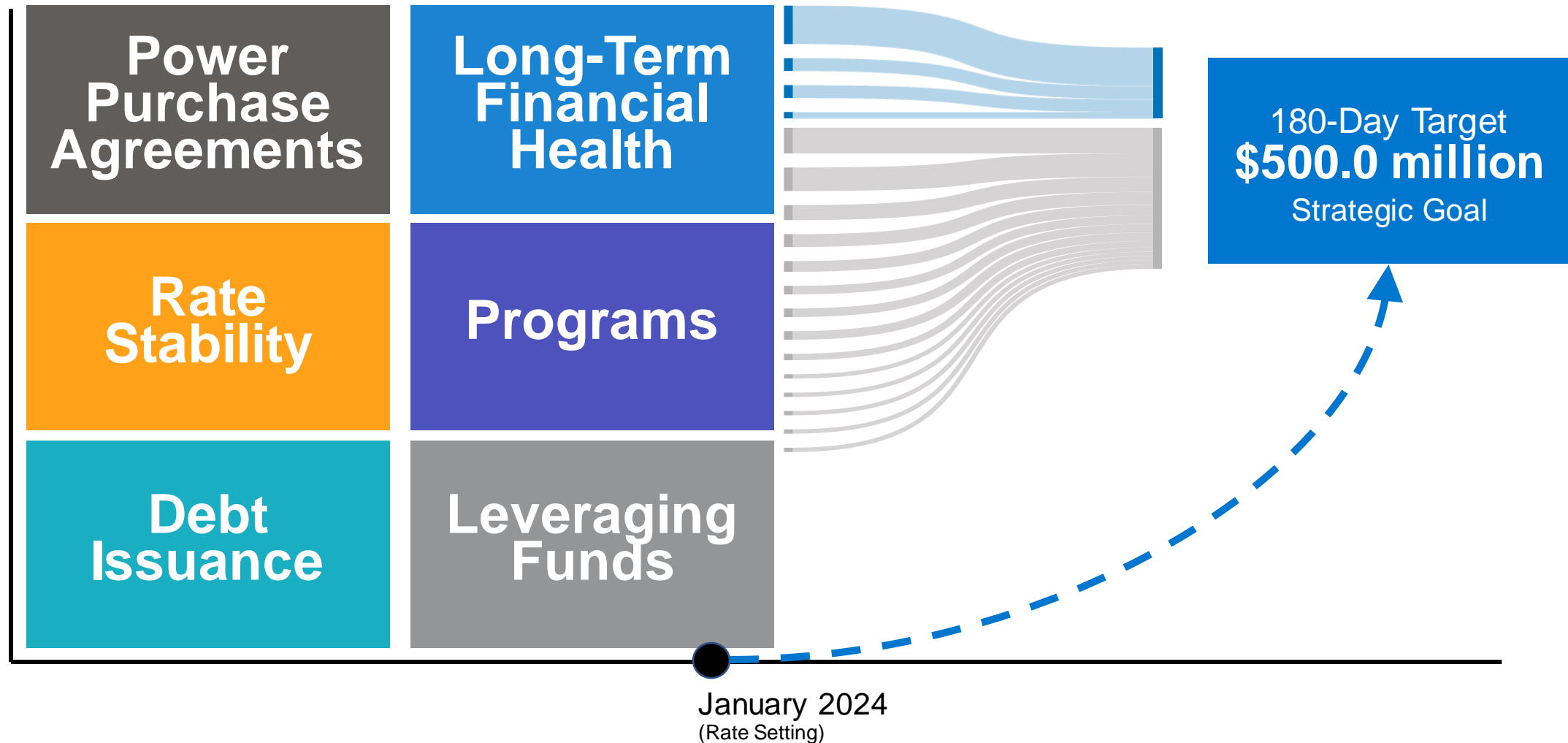
San Diego Community Power

Energy Risk Management Policy

4.1 Market Price Risk

Prices in electricity markets exhibit high volatility, and **appropriate forward procurement and hedging approaches are necessary to manage exposure to pricing volatility** within the CAISO or bilateral energy markets.

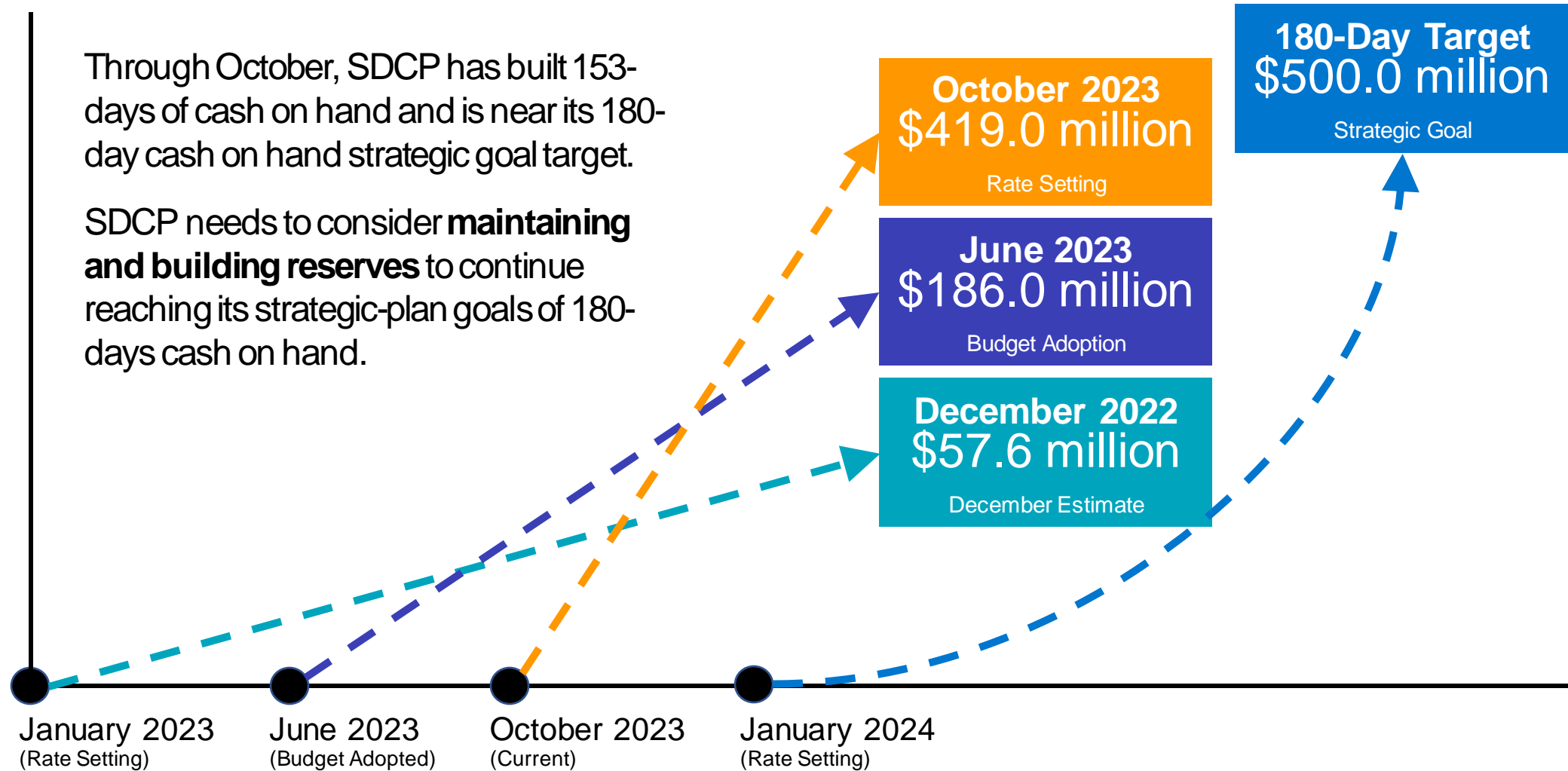
Why Reserves?



SDCP Reserve Build

Through October, SDCP has built 153-days of cash on hand and is near its 180-day cash on hand strategic goal target.

SDCP needs to consider **maintaining and building reserves** to continue reaching its strategic-plan goals of 180-days cash on hand.



Summary

- SDG&E's system average generation rate decreases by 23%, driven by projected decrease in electricity procurement costs.
- Three sets of rates (trifurcation) are needed in 2024 to ensure a fair, equitable and balanced rate structure for all customers.
- SDCP must consider maintaining and building reserves to continue reaching its strategic-plan goals of 180-days cash on hand.
- SDCP will recommend to the Board to adopt a rate change on January 18, 2024.



Public Comment for Item 5

Item 5

Recommendation:

Receive and File the presentation on the Update on 2024 Projected Rate Changes

Item 6

Update on Flex Load Strategy

Recommendation:

Receive and File the Update on Flex Load Strategy

Presenter:

Timothy Treadwell, Senior Program Manager
Colin Santulli, Director of Programs

Goals and Objectives

Flexible Load Strategy Goal

To design and deliver a program portfolio that maximizes the size and value of its flexible resource base. This will enable customer load optimization, delivering direct bill savings to program participants, reducing procurement risks and costs, and enabling lower rates for the broader community. Moreover, this approach will align our efforts with the broader policy goals of the state.

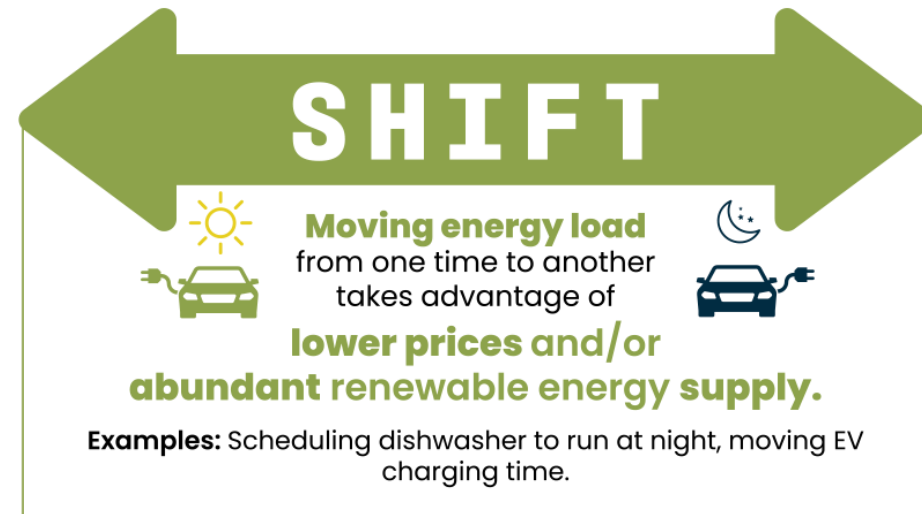
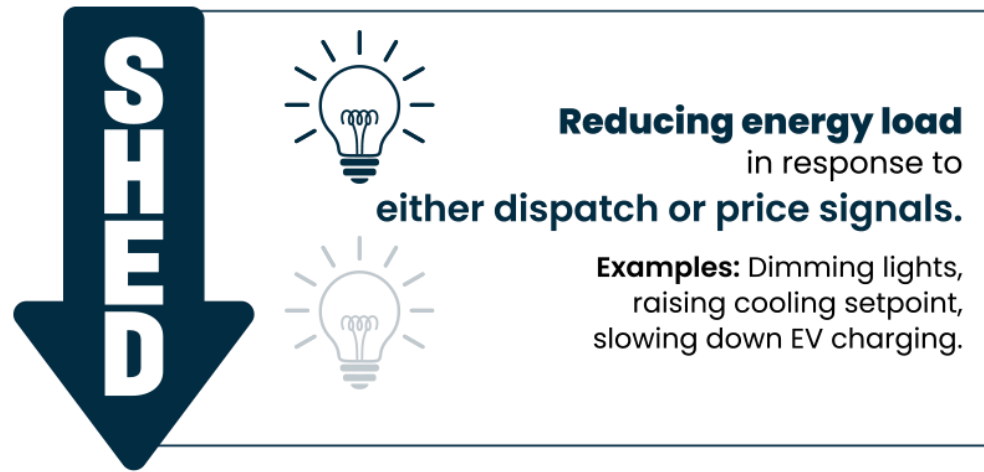
Short- and Long-Term Objectives

Short term: Document opportunities to incorporate load flexibility into program design, including DERMs/Aggregator agreements, qualified product lists (QPLs), and market integrations (e.g. CAISO), while minimizing impacts on participation requirements, costs, and complexity.

Long term: Design and implement a portfolio that maximizes the flex load value of program participants, including procurement and implementation of required software systems (i.e., DERMS) and integration with Power Services.

Defining “Flexibility”

Load Flexibility (a.k.a. “Load Management”, “Demand Management”, “Demand Flexibility”) refers to the ability to adjust the power of an energy-consuming or -producing device or system to meet the operational needs of the grid or end-use customers. Load flexible technologies can **shed** energy usage during peak load periods (commonly referred to as “demand response” or “DR”) or **shift** energy usage to times when the grid is less congested, prices are lower, or generation is cleaner.



System Benefits and Goals

In the recently released Load-Shift Goal Report, the CEC created a load flexibility framework:

Category	Impact	Examples
Load Modifying (LMDR)	Directly impacts load forecast and LSE procurement requirements.	<ul style="list-style-type: none">• TOU rates, Real Time Pricing Pilots• Daily Load Shifting Programs
Resource Planning and Procurement (SSDR)	Contributes to or reduces RA requirements, CAISO economic or reliability dispatch	<ul style="list-style-type: none">• Proxy Demand Resources• Reliability Demand Response
Incremental and Emergency	Respond to or prevent emergency conditions, do not contribute to RA obligations	<ul style="list-style-type: none">• Emergency Load Reduction Program• Demand Side Grid Support Program• Distributed Electricity Backup Assets

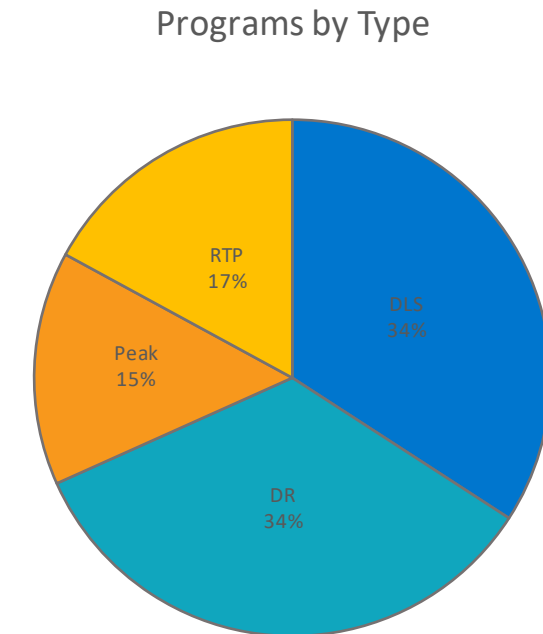
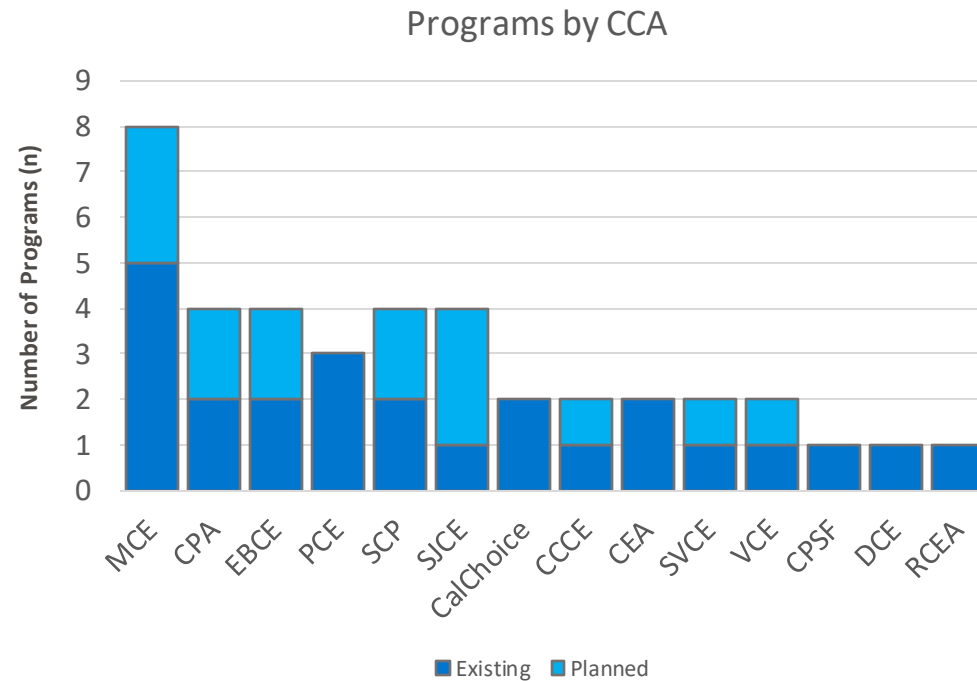
Flex Load as a CCA Resource

Flexible load programming can increase operational efficiency and lower rates for CCA customers by reducing costs and risk associated with:

- **Energy Procurement**
 - Reduce on-peak usage through targeted energy efficiency and daily load shifting
 - Increase consumption during low/negative pricing events using chemical/thermal storage
- **Resource Adequacy**
 - Reduce demand and RA obligation through targeted energy efficiency and daily load shifting

CCA Flex Load Programs

As of Q3 2023, there are a mix of 40 programs that are either active or under development at CCAs across the state.



DLS = Daily Load Shifting, **DR** = Event based Demand Response, **Peak** = Peak Reduction/EE, **RTP** = Real Time Pricing

Flexible Load and DERs

Load flexibility is operationalized through distributed energy resources (DERs). CEC defines DERs as:

- “a diverse category of devices and technologies that interface with the electricity system at the distribution level, either directly connected to a distribution utility’s wires or on an end-use customer’s premises. Examples include distributed generation and storage, EVs and charging stations, and grid-interactive buildings, as well as DR, flex loads, and EE strategies.”



DER Asset Classes by Customer Type



Residential

- HEMS/Smart panels
- Smart thermostats
- Water heating
- Energy storage
- EV charging (EVSE/telematics)
- Pool pumps
- Flex enhancing EE measures



Small/Medium Business

- HVAC and lighting controls
- Water Heating
- Energy Storage
- Flex enhancing EE measures



Commercial/Institutional

- BMS (HVAC/Lighting)
- Energy Storage (Chemical/Thermal)
- EV charging (EVSE/Fleet)
- Pool pumps
- Flex enhancing EE measures

Program Portfolio

Load Flexibility

SDREN	Building Electrification	Managed Charging	Residential Storage
<ul style="list-style-type: none">• Contractor Training• Codes & Standards• Direct Installation of EE• Marketplace/Incentives	<ul style="list-style-type: none">• Direct Installation of EE• Electrification Incentives	<ul style="list-style-type: none">• Control of charge timing/rate	<ul style="list-style-type: none">• Storage Incentives• Control of charge/discharge

Integration Strategies

Qualified Product List

- Devices - restrict options to devices that are grid enabled
- OEMs - prioritize/limit(?) to those with a diversity of DERMS integrations

Incentives Payments

- Upfront - integrate payment into purchase/installation process
- Reoccurring - include monthly and/or performance-based payments

Direct Installation

- Enrollment - customer acceptance of T&C while onsite
- Commissioning - verify device registration within DERMS or OEM Cloud

Terms & Conditions

- Dispatch - allow for evolution in operational strategy
- Design - allow for changes to DERMS architecture

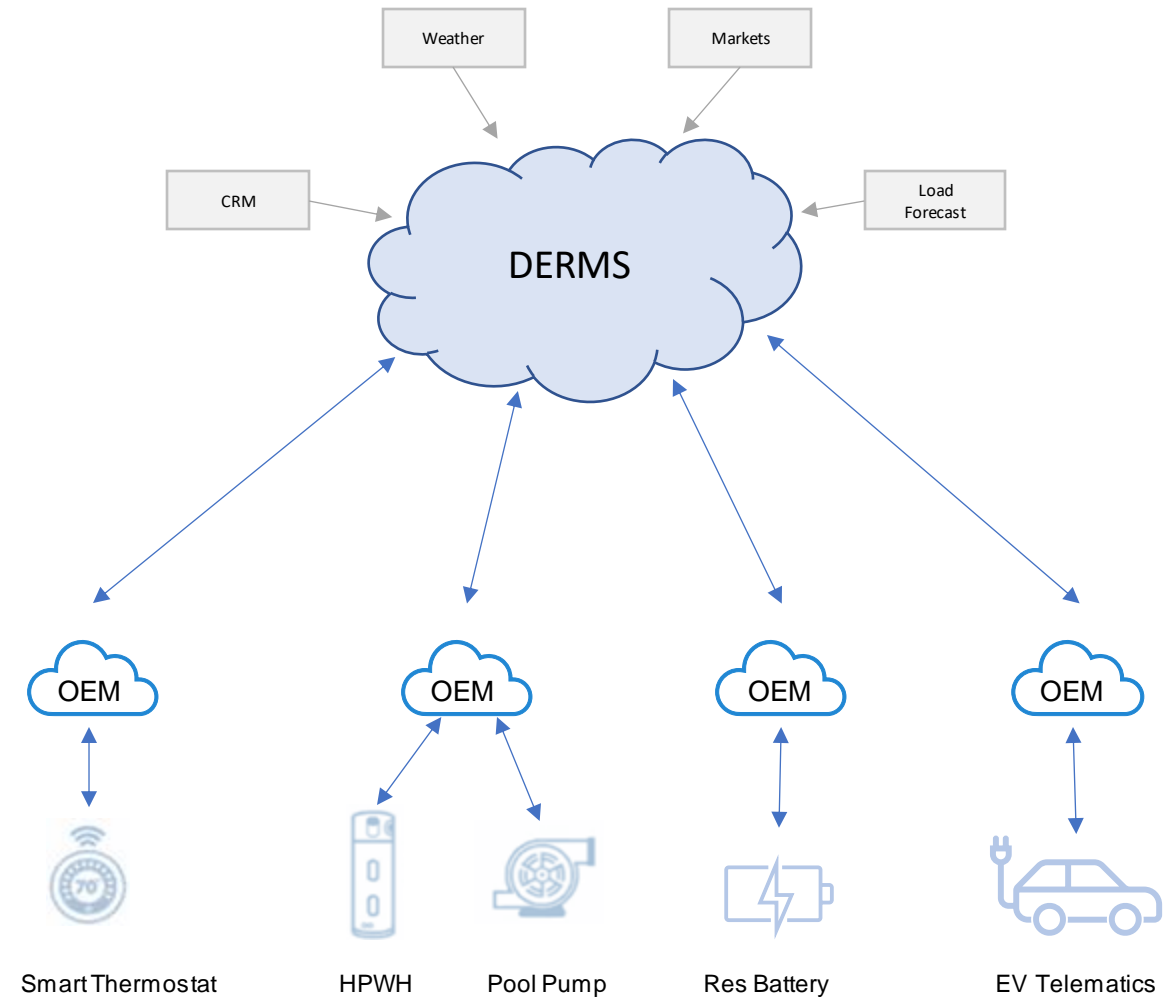
Technical Assistance

- Contractor Training - train on flex load measure installation and commissioning
- Code & Standards - code officials on new flex requirements/options

DERMS

A Distributed Energy Resource Management System (DERMS):

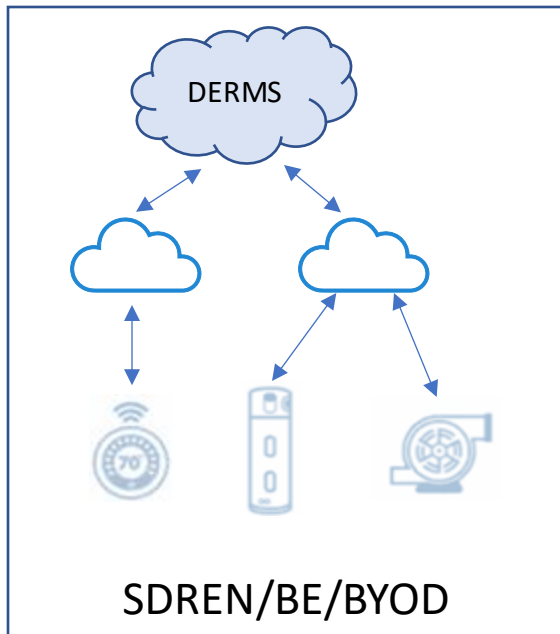
- Is a software platform that enables real-time operation of grid-connected DERs
- Incorporates data points, such as weather, wholesale prices, and consumer behavior/preference to optimize how, when, and where energy is consumed, produced, or stored
- Enable a range of objectives related to distribution grid operations, end-customer value, and market participation.
- Are still an emerging technology so there is considerable variation in the asset, integrations, communication protocols, and control capabilities available across platforms.



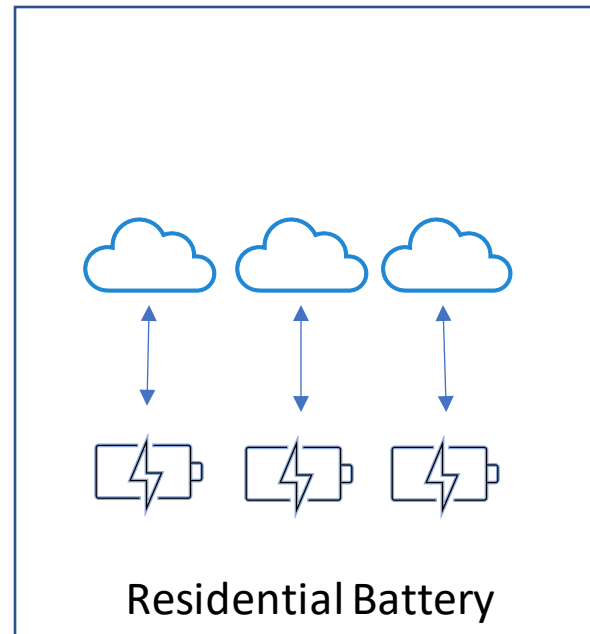
DERMS Architecture - Phase I

Mid 2024

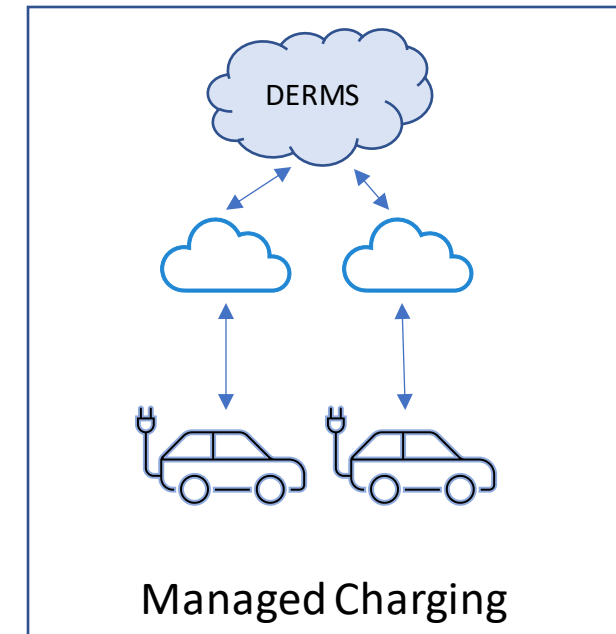
Pilot basic operation with
Programs and Power Services



Control batteries as standalone
asset through OEM cloud



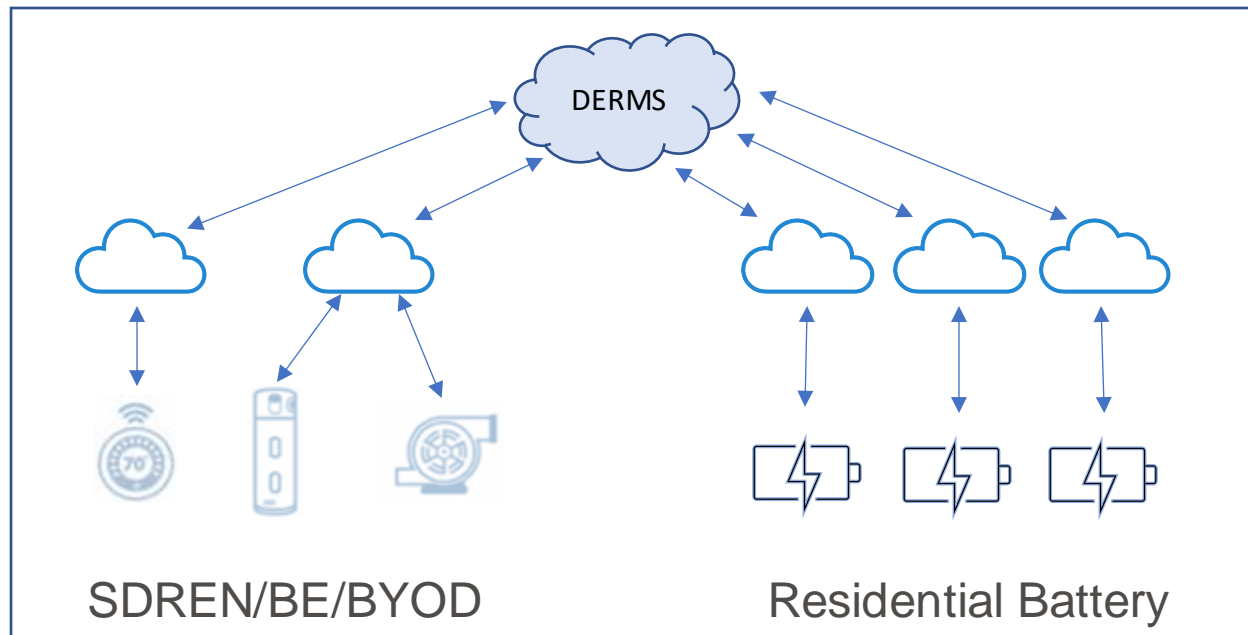
Focus on leading OEMs while
integration market develops



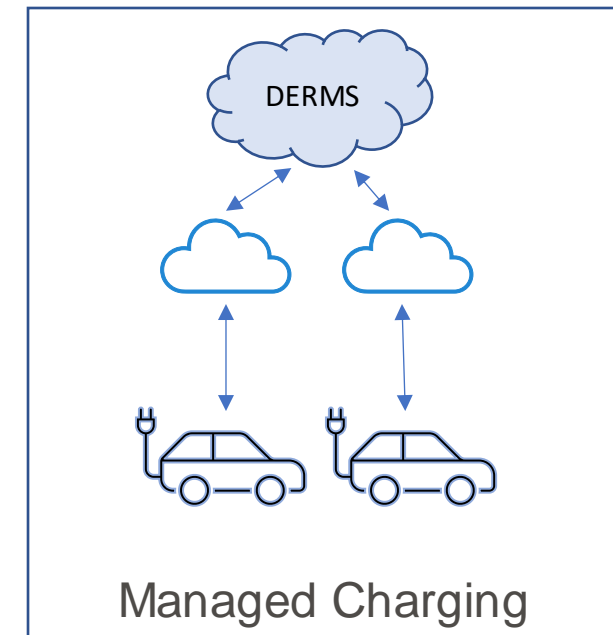
DERMS Architecture - Phase II

Early 2025

Consolidate non-vehicle assets into a single platform to enable coordinated dispatch and rate optimization

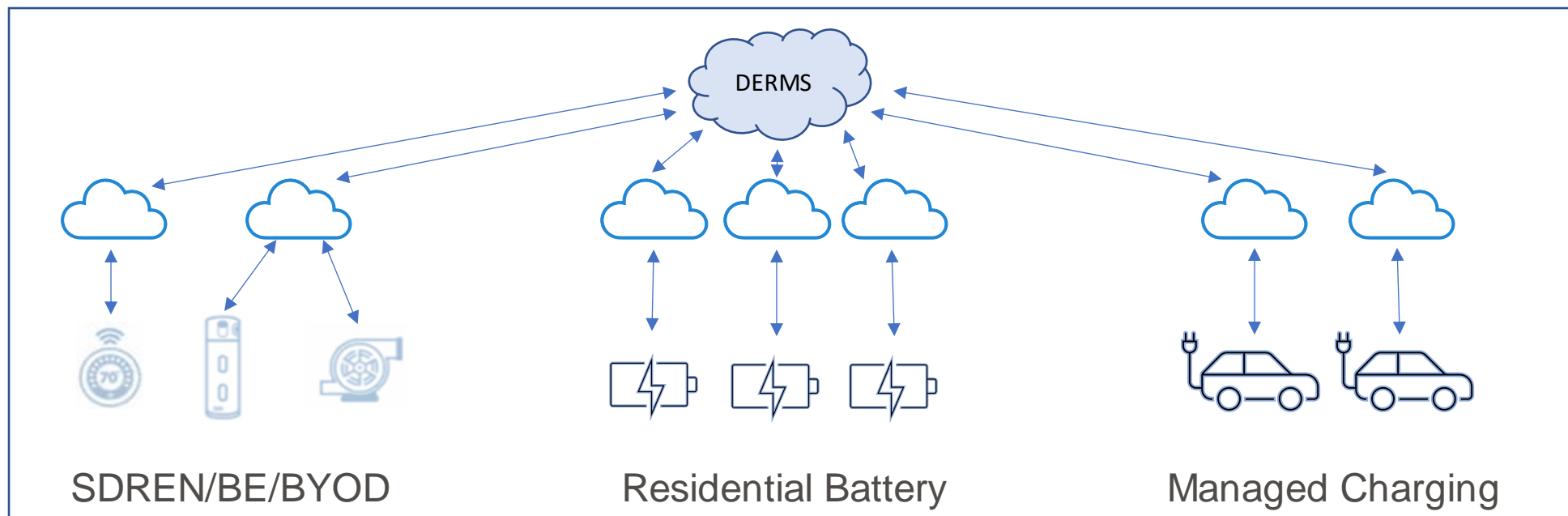


Incorporate additional OEMs as available
















DERMS Architecture - Phase III

Late 2025-2026



Flex Load Strategy Tentative Timeline

	2024				2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
San Diego REN	 Plan Submission  CPUC Review Anticipated Approval 				 Non-C RFPs  Commercial RFP		 Program Launch	
Building Electrification	 CEC RFP				Program Launch 			
Residential Storage		 Program Launch						
Bring Your Own Device	 BYOD DERMS RFP			 Program Launch				
Managed Charging	 Telematics DERMS RFP			 Program Launch				



Public Comment for Item 6

Item 6

Recommendation:

Receive and File the Update on Flex Load Strategy

Item 7

Community & Equity Ad-Hoc End of Committee Report

Recommendation:

Receive and file the Community & Equity Ad-Hoc End of Committee Report

Presenter:

David Harris, Community & Equity Ad-Hoc Committee Chair

Community & Equity Ad-Hoc End of Committee Report

Key Objectives

- Analyze and provide feedback on the outreach and promotion of existing and upcoming customer energy service offerings
- Make on-going recommendations on SDCP's community engagement and public outreach strategy
- Help SDCP staff develop guiding principles for its leadership to assess community engagement and outreach efforts associated with the power procurement process

Topics Discussed

- Language Access Policy
- Solar for Our Communities
- 'Summer Tips' Targeted Social & Digital Display Campaign
- Energy Proposal Evaluation Criteria
- CAC Educational Presentations
- 2024 CAC Workplan
- Revisions to the CAC Scope of Work

Members


Eddie Price,
City of San
Diego

Aida
Castañeda,
National City

Lauren
Cazares, La
Mesa

Tara
Hammond,
Encinitas

David Harris,
La Mesa
(Chair)



Public Comment for Item 7

Item 7

Recommendation:

Receive and file the Community & Equity Ad-Hoc
End of Committee Report

Item 8

Programs Ad-Hoc End of Committee Report

Recommendation:

Receive and file the Programs Ad-Hoc End of Committee Report

Presenter:

Lawrence Emerson, Programs Ad-Hoc Committee Chair

Programs Ad-Hoc End of Committee Report

Key Objectives

- Work closely with SDCP staff to analyze and provide feedback on upcoming customer energy service offerings
- Help assess and establish the appropriate structure to provide long-term feedback on Community Power Plan implementation

Topics Discussed

- Solar for Our Communities
- Regional Energy Network (REN)
- Energy Education and Online Marketplace
- Net Billing Tariff
- Residential Solar & Storage Program

Members

Anna Webb,
Imperial Beach

Carolyn Scofield,
Chula Vista

Peter Andersen,
County of San
Diego

Matthew
Vasilakis, City of
San Diego

Lawrence
Emerson,
National City
(Chair)



Public Comment for Item 8

Item 8

Recommendation:

Receive and file the Programs Ad-Hoc End of Committee Report

Item 9

Discussion on the Creation of New Ad-Hoc Committees

Recommendation:

Discuss the Creation of New Ad-Hoc Committees and Approve Any

Presenter:

Xiomalys Crespo, Community Engagement Manager

Discussion on the Creation of New Ad-Hoc Committees

Ad-Hoc Committees:

- Address issues more in depth outside of CAC meetings
- Are temporary and appointed for a specific purpose
- Are composed of less than a quorum of the CAC
- Have no continuing subject matter jurisdiction
- Have no meeting schedule fixed by motion or other formal action of the CAC
- Are not subject to Brown Act noticing and meeting requirements
- Have no decision-making authority
- Serve in an advisory capacity to SDCP staff, the CAC, and the Board of Directors.



Public Comment for Item 9

Item 9

Recommendation:

Discuss the Creation of New Ad-Hoc Committees
and Approve Any

Item 10

Approval of Amendments to the CAC Scope of Work

Recommendation:

Recommend Board Approval of Amendments to the CAC Scope of Work

Presenter:

Xiomalys Crespo, Community Engagement Manager

CAC Scope of Work

Summary of Proposed Amendments

- Changing the time frame of the CAC Work Plan from fiscal years to calendar years
- Adding language to clearly reflect SDCP's priority of justice, equity, diversity, and inclusion as well as the CAC's equity overview focus
- Specifying the role of members in representing all our member agencies



Community Advisory Committee

Scope of Work - **DRAFT**

Amended by the Board of Directors on ____ XXXX

The purpose of the San Diego Community Power (SDCP) Community Advisory Committee (CAC) is to advise the Board of Directors and provide for a venue for ongoing citizen support and engagement in the strategic direction, goals, and programs of SDCP, as stated in section 5.10.3 of the SDCP Joint Powers Authority Agreement. This Scope of Work may be amended at the Board's discretion.

The CAC will, under the direction of the Board of Directors and authorized SDCP staff:

1. Provide a venue for ongoing citizen support and engagement in the strategic direction, goals, and programs of SDCP;
2. Elect CAC officers and define priorities and duties within its scope to ensure the Committee can operate independently and collaboratively, with limited support from SDCP staff;
3. Adopt a work plan at the start of every calendar year that aligns with the defined objectives and scope approved by the Board of Directors to assist in decision-making;
4. Assist the Board in identifying issues of concern and opportunities to educate community members about SDCP;
5. Provide monthly reports and quarterly updates to the Board of Directors with findings and recommendations as may be needed;
6. Represent the views, concerns, priorities, and needs of their member agencies and the larger community in comments and recommendations;
7. Incorporate language around equity, diversity, and inclusion in discussions as they relate to SDCP operations
8. Support the planning and engagement of community outreach events and special projects as appropriate; and
9. Inform community members of current SDCP rates, goals, and programs, and encourage participation in publicly noticed meetings.



Public Comment for Item 10

Item 10

Recommendation:

Recommend Board Approval of Amendments to the CAC Scope of Work

Item 11

Approval of Amendments to the CAC Policies and Procedures

Recommendation:

Recommend Board Approval of Amendments to the CAC Policies and Procedures

Presenter:

Xiomalys Crespo, Community Engagement Manager

CAC Policies and Procedures

Summary of Proposed Amendments

- Including Membership Terms and Criteria
- Consolidating various sections under new headings
- Outlining member selection process
- Clarifying term durations after a vacancy is filled and term limits are reached
- Establishing the bylaws as meeting procedure unless otherwise provided in this document
- Reaffirming that no items suggested during a regular meeting can be discussed unless included in the agenda
- Adding Brown Act language regarding social media and email addresses

CAC Policies and Procedures

Table of Contents

Membership

- Criteria
- Selection Process
- Term Limits
- Resignation
- Removal
- Vacancy

Responsibilities of Members

- General Responsibilities
- Conflicts of Interest and Ethical Conduct
- Code of Conduct & Required Training and Reporting

Meetings

- Structure and Frequency
- Quorum and Voting
- Required Attendance
- Public Comments
- Adding Agenda Items to CAC Meetings
- Adding Agenda Items to Board of Directors Meetings

CAC Officers

- Chair
- Vice-Chair
- Secretary
- Election of Officers

Responsibilities and Interactions with SDCP Staff

Interacting with and Reporting to the SDCP Board of Directors

Requesting Information to Support CAC Work

Creating Ad-Hoc or Subcommittees

Creating and Updating the Work Plan

Conducting Outreach and Representing SDCP to the Community

- Approved Messaging and Talking Points
- Media Inquiries
- Speaker Requests
- Conducting Outreach
- Social Media
- Email Addresses
- Communications with External Agencies



Public Comment for Item 11

Item 11

Recommendation:

Recommend Board Approval of Amendments to the CAC Policies and Procedures

Item 12

Update on 2024 CAC Work Plan

Recommendation:

Receive and File the Update on 2024 CAC Work Plan

Presenter:

Xiomalys Crespo, Community Engagement Manager

2024 CAC Work Plan Update

- The Community & Equity Ad-Hoc Committee has been key in providing preliminary revisions at their November 6, 2023, December 4, 2023, and January 8, 2024 meetings.
- Proposed Changes:
 - Changing the time frame from Fiscal Year to Calendar Year
 - Clarifying strategies to better track progress
 - Creating information-sharing protocols
 - Adding Civic Engagement & Participation as a focus
 - Having areas of focus be year-round
- Staff will return in February 2024 with a final draft for CAC and Board of Directors final approval.

2024 CAC Work Plan Update

Equity Overview

CAC Educational
Presentations

Marketing and
Communications Efforts

Energy Bid
Evaluation Criteria

Legislative/ Public Policy/
Regulatory

Community Power Plan
Implementation

Civic Engagement &
Participation



Public Comment for Item 12

Item 12

Recommendation:

Receive and File the Update on 2024 CAC Work Plan

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Discussion of Potential Agenda Items for Board of Directors Meetings



Committee Member Announcements



Adjournment



Next Regular Community Advisory Committee Meeting

February 8, 2024

