



Community Advisory Committee

Regular Meeting

February 8, 2024

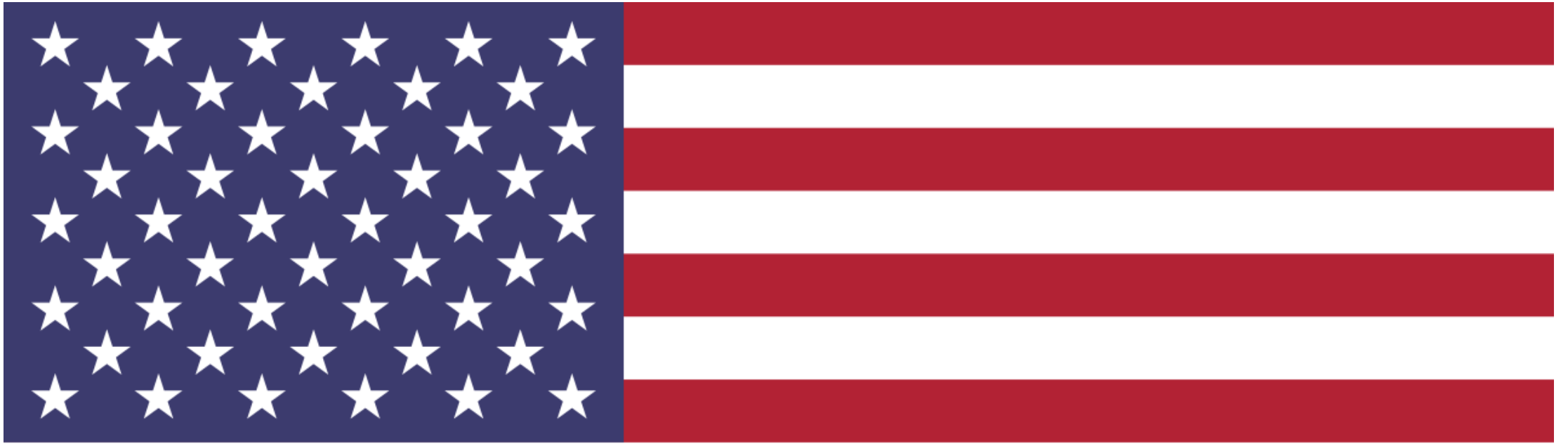




Welcome & Call to Order

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Roll Call



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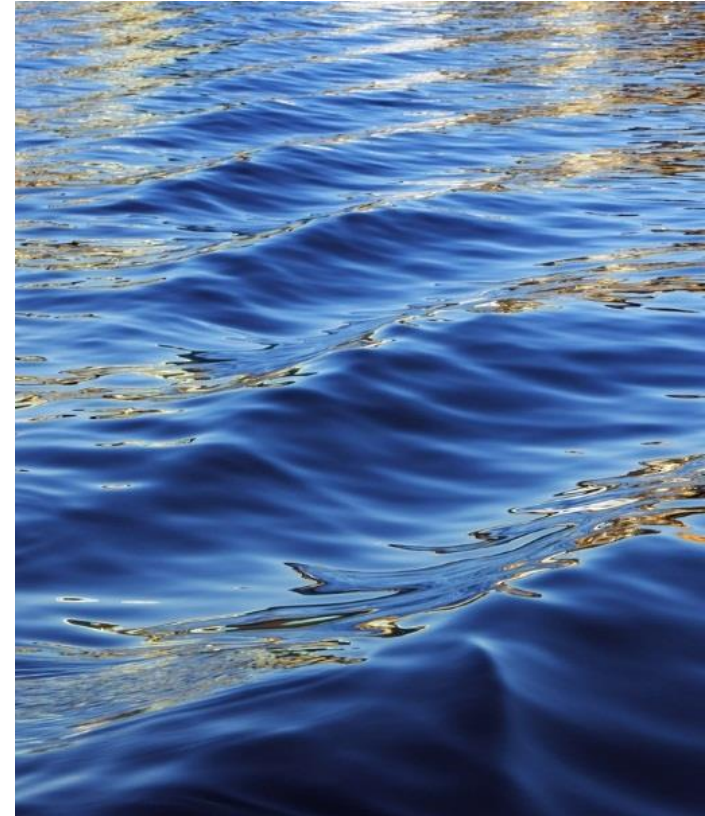
Land Acknowledgement




Warm welcome to
our new hires!


Veera Tyagi
General Counsel

Michelle Porras
Senior Executive Assistant





Public Comment for Items Not on the Agenda



Items to be Withdrawn or Reordered on the Agenda

Consent Meeting Agenda

1. Approval of January 11, 2024 CAC Meeting Minutes
2. Update on Marketing, Public Relations, and Local Government Affairs
3. Update on Customer Operations
4. Update on Programs
5. Approval of the 2024 CAC Work Plan



Public Comment for Consent Agenda

Regular Meeting Agenda

6. Presentation on Mid-Year Budget Amendment
7. Update on Load Management Standards Compliance Plan
8. Community Grant Program Ad-Hoc End of Committee Report
9. Update on Community Grant Program
10. Update on Residential Solar + Storage Program

Item 6

Presentation on Mid-Year Budget Amendment

Recommendation:

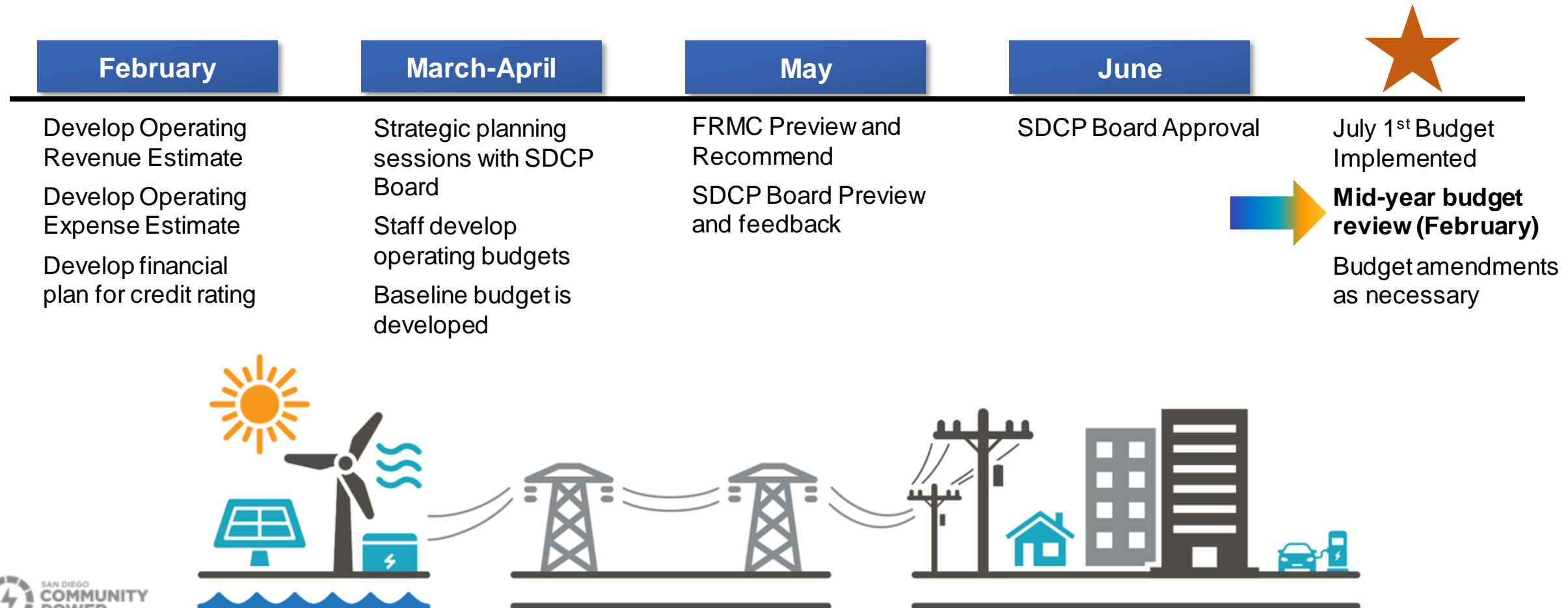
Receive and File the Mid-Year Budget Amendment Presentation

Presenters:

Dr. Eric Washington, Chief Financial Officer
Tim Manglicmot, Senior Finance Manager
Christopher Do, Financial Analyst

Budget Development Timeline

The adopted schedule for budget development is the following.



Proposed FY 2023-24 Amended Budget

FY 2024

Net Operating Revenue
\$1,292.5 m

Total Expenses
\$1,002.3 m

Net Position
+\$290.4 m

FY 2024 Amended

Net Operating Revenue
\$1,304.3 m

Total Expenses
\$1,071.7 m

Net Position
+\$232.6 m

Proposed FY 2023-24 Amended Budget

FY 2024

Net Operating Revenue
\$1,292.5 m

+\$11.8 million

Approved rate change,
effective February 1, 2024

FY 2024 Amended

Net Operating Revenue
\$1,304.3 m

Total Expenses

\$1,002.3 m

+\$69.4 million

Higher energy costs,
reduced non-energy costs

Total Expenses

\$1,071.7 m

Net Position

+\$290.4 m

-\$57.8 million

Decrease in net position
over adopted budget

Net Position

+\$232.6 m

Budget Amendment Context

Item	FY 24 Adopted Budget	FY 24 Amended Budget	Difference
Gross Revenue	\$1,346,325,552	\$1,365,732,007	\$19,406,455
Less Uncollectibles	(\$53,853,022)	(\$61,457,940)	(\$7,604,918)
Net Revenue	\$1,292,472,530	\$1,304,274,067	\$11,801,537
Cost of Energy	\$948,529,425	\$1,020,844,552	\$72,315,127
Non-Energy Costs	\$47,231,709	\$43,825,716	(\$3,405,993)
Subtotal Operating Expense	\$995,761,134	\$1,064,670,268	\$68,909,134
Debt Service	\$2,437,574	\$2,393,639	(\$43,935)
CIP	\$3,840,002	\$4,655,000	\$814,998
Total Expense	\$1,002,038,710	\$1,071,718,907	\$69,680,197
Net Position	\$290,433,820	\$232,555,160	\$57,878,660



Public Comment for Item 6

Item 6

Recommendation:

Receive and File the Mid-Year Budget
Amendment Presentation

Item 7

Update on Load Management Standards Compliance Plan

Recommendation:

Receive and File the Load Management Standards
Compliance Plan

Presenter:

Aaron Lu, Senior Rates and Strategy Analyst

Stephen Gunther, Senior Regulatory Analyst

Load Management Standards (LMS)

Background

- Since 1974, the California Energy Commission (CEC) has held authority over the Load Management Standards (LMS), which focus on strategies to shape electricity load.
- Last April, the CEC amended the existing LMS, adding new requirements for utilities and large CCAs, including SDCP.
- The updates focus on using rates and price signals to encourage customers to shift energy usage.



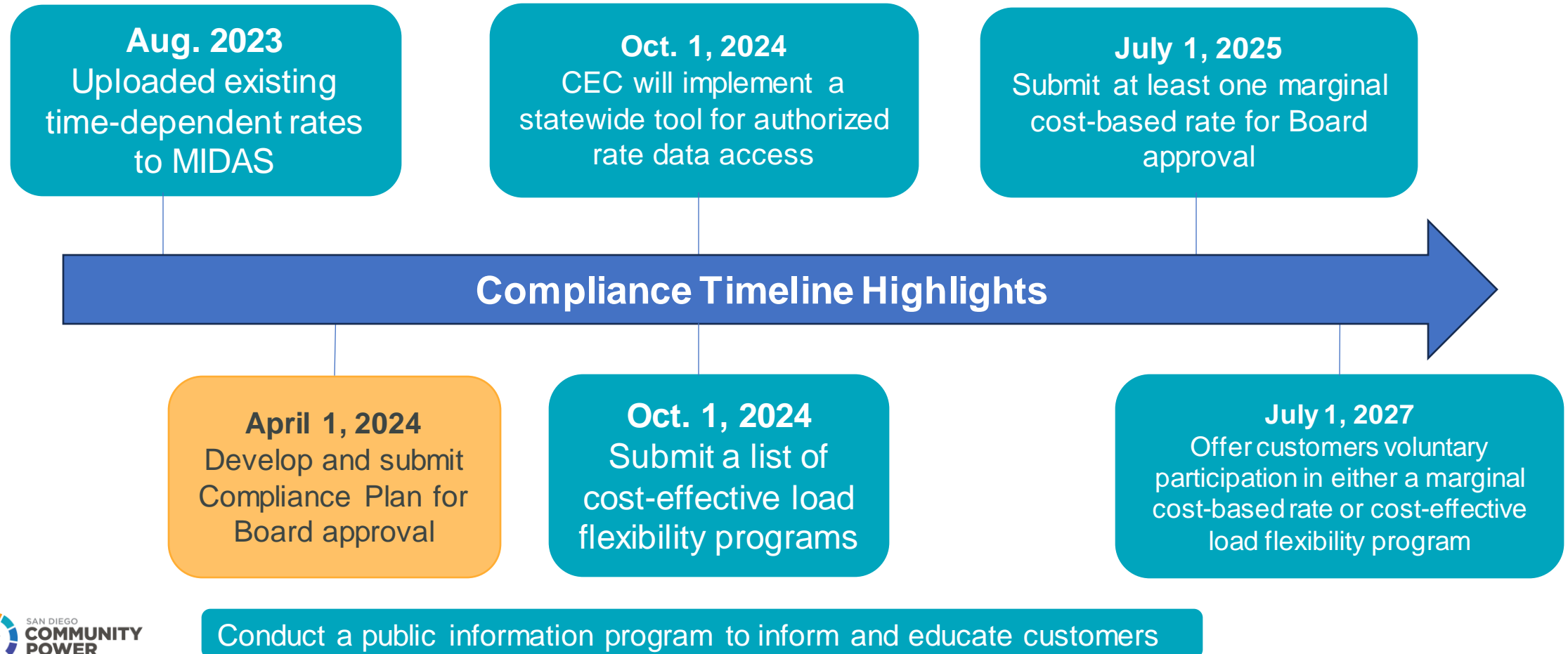
Adoption of LMS Amendments

Requires all large utilities and CCAs to:

1. Develop retail electricity rates that change at least hourly and list of cost-effective load flexibility programs to better reflect grid costs and greenhouse gas emissions and apply for approval by their governing board,
2. Maintain up-to-date rates in CEC's new central repository for rate information, Market Informed Demand Automation Server (MIDAS), and
3. Establish public outreach and education to customers about time-dependent rates and automation technologies.

Compliance Plan Requirements

All large utilities and CCAs must develop and submit a compliance plan.



Compliance Plan Roadmap

In progress:

- Community Clean Energy Innovation Grants Program
- 100 Percent Renewable Energy Policy
- Time-Dependent Rates
- Customer Education and Outreach

Planned:

- Evaluate results and data of delayed dynamic rate pilots
- Design and implement demand/load flexibility programs, including distributed paired solar and storage systems
- Evaluate program results for cost-effectiveness
- Reevaluate rate and program designs in the next update of the Plan.

Next Steps

1. Submit Compliance Plan for Board review and approval on Feb. 22, 2024.
2. Submit Board-approved Plan to CEC by Apr. 1, 2024.
3. Submit annual reports to the CEC demonstrating Plan implementation starting on Apr. 1, 2025.
4. Review the Plan at least once every 3 years and submit a plan update to the Board if there is a material change.



Public Comment for Item 7

Item 7

Recommendation:

Receive and File the Load Management Standards Compliance Plan

Item 8

Community Grant Program Ad-Hoc End of Committee Report

Recommendation:

Receive and File the Community Grant Program Ad-Hoc End of Committee Report

Presenter:

Aida Castañeda, Ad-Hoc Committee Member

Community Grants Ad-Hoc End of Committee Report

Key Objectives

- Work closely with SDCP staff to learn about the FY 2023-24 Community Clean Energy Grant Program details and provide feedback on the evaluation criteria.
- Recommend outreach opportunities to promote the program.

Feedback for Staff included:


- Providing an opportunity for organizations to apply jointly
- Understanding how many eligible organizations may exist within each member agency
- Considering organizations who previously applied
- Considering equity and geographic distribution during grant awards

Members

Aida
Castañeda,
National City

Anthony
Sclafani,
Chula Vista

David Harris,
La Mesa



Public Comment for Item 8

Item 8

Recommendation:

Receive and File the Community Grant Program Ad-Hoc
End of Committee Report

Item 9

Update on Community Grant Program

Recommendation:

Receive and File the Community Grant Program Update

Presenter:

Alyson Scurlock, Senior Program Associate

Program Goal

To provide funding to community-based organizations and nonprofits to implement projects that move communities toward a healthier, more sustainable, clean energy future.



Background

- **March 2023:** SDCP officially launched the Fiscal Year (“FY”) 2022-23 program cycle.
- **June 2023:** Grant awards were provided to 10 organizations.
- **July – September 2023:** Staff began planning for the FY 2023-24 program and ran a bidding process to establish ongoing program administration support; San Diego Foundation (“SDF”) was selected to serve as the Program Administrator for the next three program cycles (until FY 2025-26).
- **October 2023 – January 2024:** SDCP and SDF developed the FY 2023-24 program guidelines.

FY 2023-24 Program Partners

- For the FY 2023-24 program cycle, funding from Calpine Energy Solutions (SDCP's back-office provider) will be included in the total funding amount.
- Calpine Energy Solutions is providing 3% of their annual service fees paid by SDGP to community organizations.

FY 2023-24 Funding Opportunity

- **SDCP**
 - Board-approved budget: \$500,000
- **Calpine Energy Solutions**
 - ~\$500,000
- **San Diego Foundation**
 - Seeking additional funding sources



FY 2023-24 Program Guidelines

Total Budget

- Anticipate awarding upwards of \$1,000,000

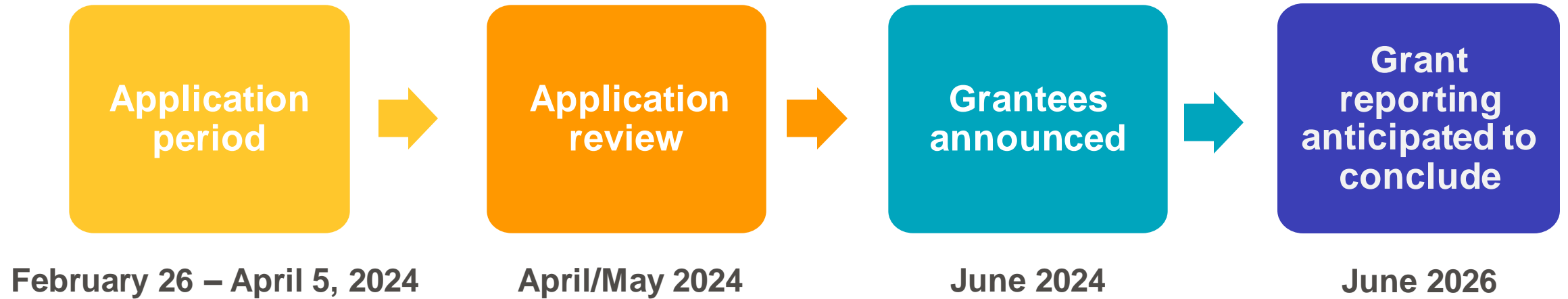
Grant Amounts

- \$25,000 – \$100,000

Grant Period

- Funds expended within 24 months

FY 2023-24 Program Timing



FY 2023-24 Grant Eligibility

- Applications must be led by a nonprofit with **501(c)(3) status**.
 - A 501(c)(3) public charity may serve as a fiscal sponsor for another applicant to administer the grant and provide regular financial reporting to San Diego Foundation.
 - Any organization may be part of more than one proposal but may only serve as the lead applicant for one proposal.
- Applicants must have **proven experience** serving community members through projects or programs.
- Proposed project must **directly relate to clean energy** and **serve SDCP customers**.

FY 2023-24 Grant Eligibility

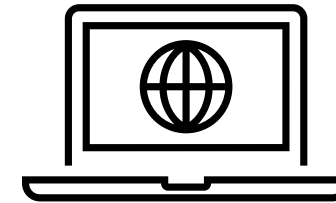
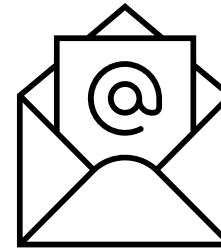
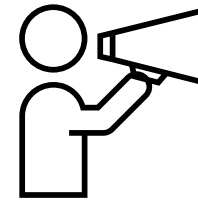
- Proposed project must advance one or more of the following **focus areas**:
 - Increasing overall energy literacy of SDCP customers.
 - Energy focused educational programming that encourages clean energy use, particularly for youth.
 - Improvements in indoor and/or outdoor air quality related to electrification.
 - Workforce development opportunities that support careers in the clean energy industry.
 - Improved energy resilience to ensure communities can avoid, prepare for, minimize, adapt to, and recover from energy disruptions.

Evaluation Criteria

Criteria	Description	Scoring
Funding Priority Alignment & Program Design	Project/program is designed to meet community needs while advancing one or more of the focus areas.	20 Points
Feasibility	Application demonstrates having the staffing capability, timing, partnerships, and applicable skills to successfully implement the project/program. Budget is within the allowable grant range and is reasonable for the project/program's scope.	13 Points
Communities Served	Project/program demonstrates a comprehensive understanding of the population to be served and focuses on Communities of Concern in SDCP's service territory.	12 Points
Impact & Growth	Project/program is impactful with the potential to be replicated and/or expanded to other communities in SDCP's service territory.	5 Points

Program Promotion

- ☐ Webpages
- ☐ Pre-recorded webinar
- ☐ Press release
- ☐ Newsletter stories
- ☐ Email blasts
- ☐ Social media posts
- ☐ Outreach to organizations



Next Steps

- SDCP and SDF Staff will continue to prepare application and promotional outreach materials before the FY 2023-24 program launch on February 26, 2024.
- Staff will provide the CAC with materials to help promote the grant opportunity once it launches—**please help us get the word out to your communities!**



Public Comment for Item 9

Item 9

Recommendation:

Receive and File the Community Grant Program Update

Item 10

Update on Residential Solar + Storage Program

Recommendation:

Receive and File the Residential Solar + Storage Program Update

Presenter:

Emily Fisher, Senior Program Manager

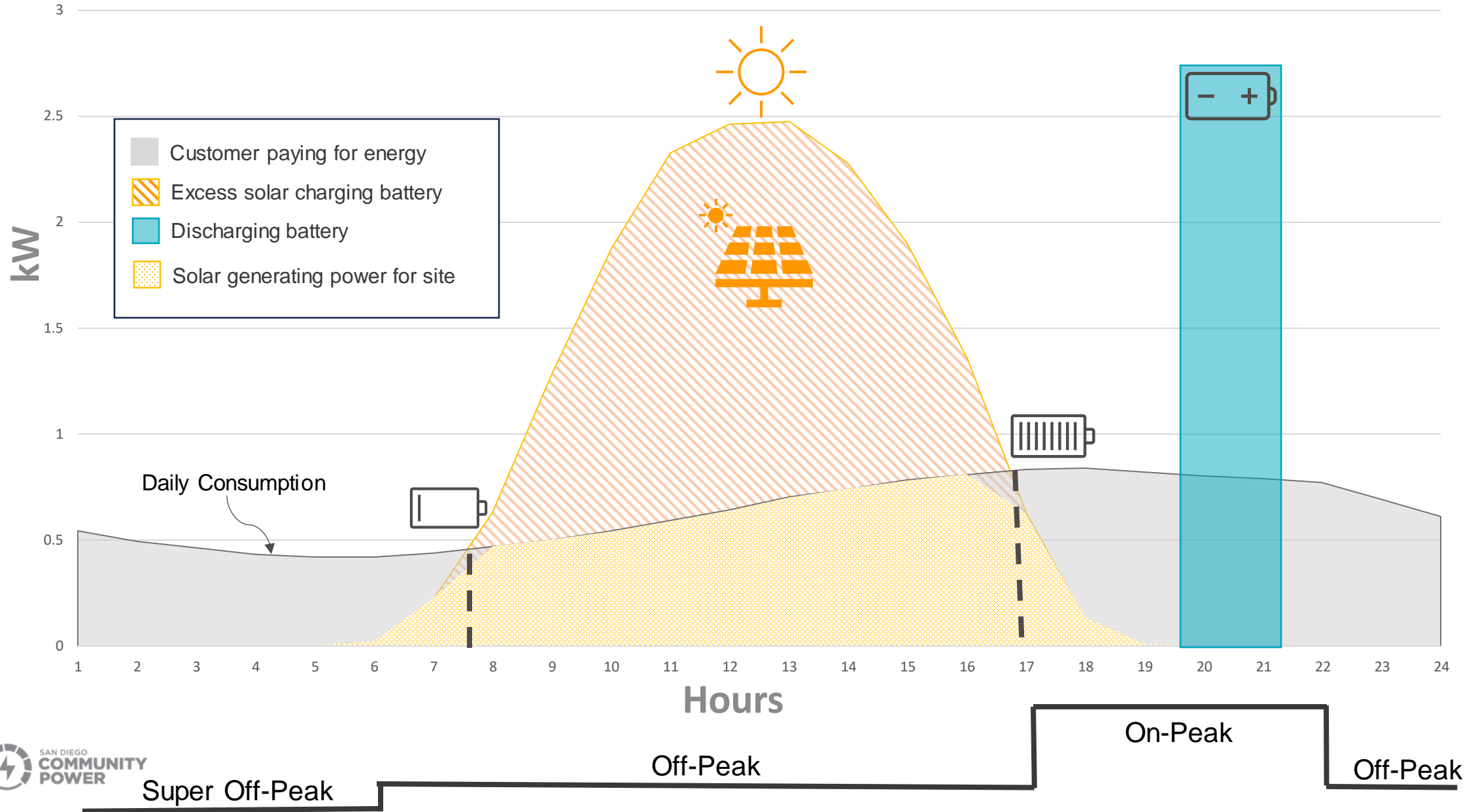
Background

San Diego Community Power has dedicated resources to developing a Solar + Storage Program to address the complexities and impacts Net Billing Tariff (NBT) is expected to have on the industry.

NBT lowers the Avoided Cost Calculator (ACC) export values, or the value customers are paid for excess solar and/or storage most of the year. SDCP wants to provide additional value to customers who are adopting solar + storage or storage to an existing solar system to reduce their financial burden and support the grid in times of high demand.

Net Billing Tariff

NBT strongly influences batteries – shift excess generation to the battery to use during on-peak hours.



Program Goals

- ✓ Install solar + storage in single-family homes throughout SDCP territory (*50% of incentives to Communities of Concern*)
- ✓ Support clean energy and reliability
 - Local infill goal (15%)
 - Reliable capacity for on-peak hours
- ✓ Leverage non-SDCP incentives for our customers
- ✓ Build strong relationships with our customers and the industry



Stakeholder Engagement

Industry Workshops – 1/22 and 1/24

- SDCP staff held two industry workshops at the end of January.
- We had **72** attendees total, which included installers, solar/storage providers, aggregators and battery manufacturers.
- Overall, while many remain unfamiliar with SDCP, the industry responded positively to the program, with additional feedback expected from California Solar & Storage Association (CALSSA) and other stakeholders.

Customer Eligibility

- Must be an active SDCP residential customer
- Must own single-family home where battery storage system is being installed
- System equipment must be interconnected and permitted
- Battery must be fully charged by on-site solar
- Battery cannot simultaneously be participating (or enrolling) in any other programs (e.g., demand response or virtual power plant programs)
- Only new battery systems eligible (application must be submitted before system is installed)

Program Summary

	Market Rate	CARE/FERA & Communities of Concern
Solar Upfront Incentive	N/A	Up to \$450/kW-AC ¹
Storage Upfront Incentive	\$350/kWh Useable nameplate capacity	Up to \$500/kWh ² Useable nameplate capacity
Storage Performance Incentive (based on seasonally enrolled capacity)	\$0.10/kWh Based on actual performance over 2-hour period during on-peak periods.	

Approved Installer Requirements

Sales Training

- Online sales training to ensure clear, consistent messaging around the program
- Targeted towards sales staff
- Authentication provided at the end of training for access to eligibility/incentive level webpage

Application for Installers

- Installers will need to apply to participate to ensure customer satisfaction and safety
- Application will include basic contact information, licenses, years in business, liability insurance, any industry/trade certifications, payment information and self-certification to ensure successful delivery of program

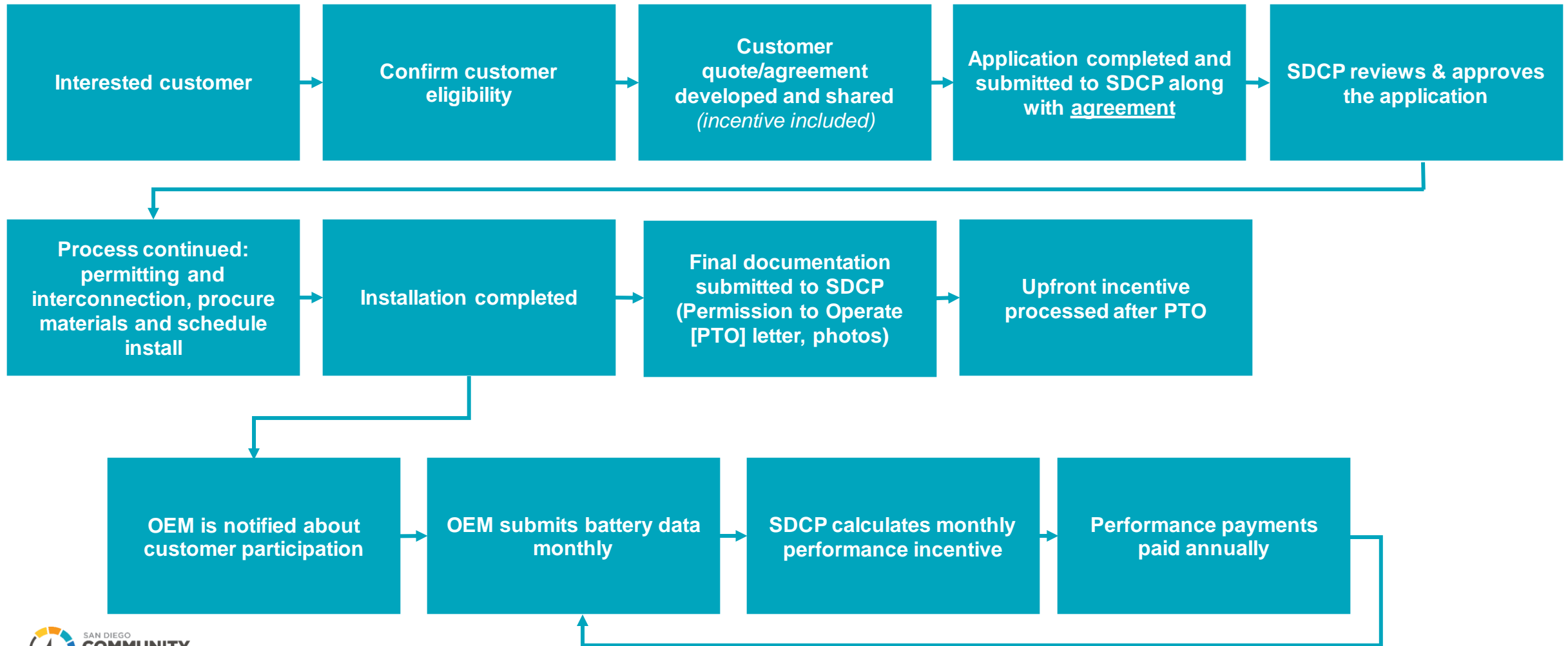
Battery Requirements

Primarily, battery Original Equipment Manufacturers (OEMs) need to be able to complete a monthly request for battery interval data or provide SDCP access to customers within “Virtual Power Plant-like” platform.

Battery products must meet the following:

- Single cycle round-trip efficiency of 80% or greater
- Battery storage system must be tested and be UL1973 and UL9540 certified.
- Battery inverters associated with battery storage shall be tested and UL1741 and UL1741 Supplement A certified.
- Battery storage system must have a 10-year warranty.

Application & Installation Process



Timeline

- Finalize program details and guidelines in March/April
- Program launch expected early summer



Public Comment for Item 10

Item 10

Recommendation:

Receive and File the Residential Solar + Storage Program Update

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Discussion of Potential Agenda Items for Board of Directors Meetings



Committee Member Announcements



Adjournment



Next Regular Community Advisory Committee Meeting

March 14, 2024

