

Board of Directors

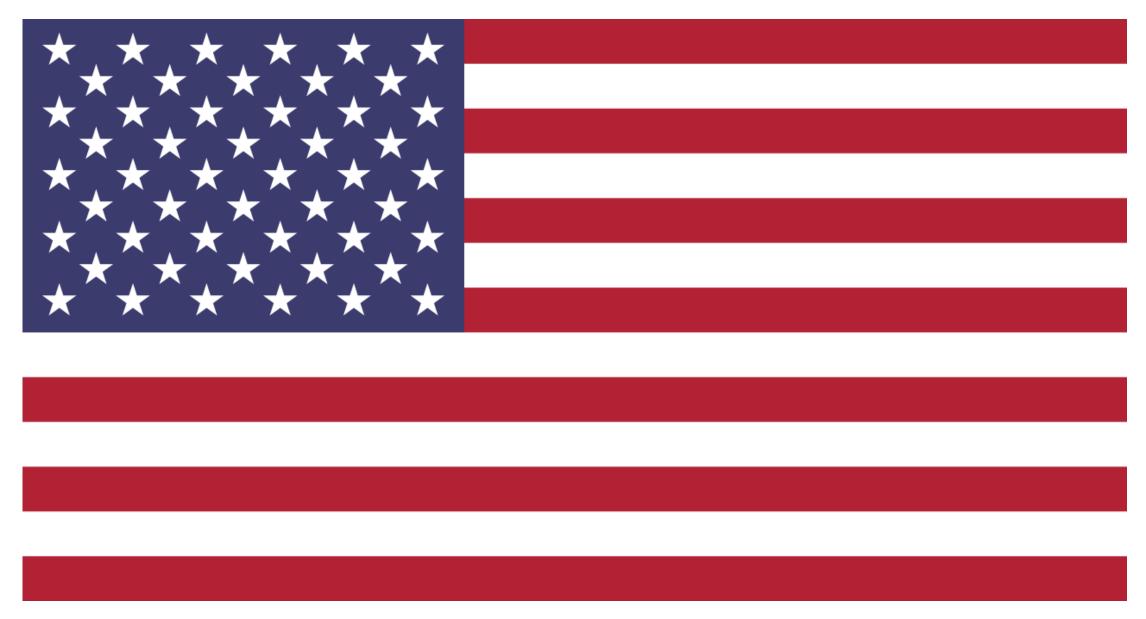
Regular Meeting

February 22, 2024

















Consent Agenda

- 1. Approve January 18, 2024 Meeting Minutes
- 2. Receive and File Treasurer's Report for Period Ending December 31, 2023
- 3. Receive and File Update on Programs
- 4. Receive and File Update on Power Services
- 5. Receive and File Update on Human Resources
- 6. Receive and File Update on Customer Operations
- 7. Receive and File Update on Marketing, Public Relations, and Government Affairs
- 8. Receive and File Update on Community Advisory Committee
- 9. Receive and File Update on Regulatory and Legislative Affairs
- 10. Approve Professional Services Agreement with Chandler Asset Management, Inc. for up to \$250,000 for Financial and Investment Portfolio Management Services through February 2025
- 11. Approve 2024 Community Advisory Committee Work Plan
- 12. Approve Community Clean Energy Grant Program Policy
- 13. Approve Ascend Analytics Pilot Extension Agreement for PowerSIMM Pilot Support Services through July 31, 2024



Regular Meeting Agenda

- 14. Appoint Members to the Finance and Risk Management Committee
- 15. Approve Fiscal Year 2023-24 Operating Budget Amendment
- 16. Presentation on Clean Energy Prepayment Financing
- 17. Quarterly Report on Community Advisory Committee
- 18. Approve Load Management Standards Compliance Plan
- 19. Receive and File Presentation on Regional Grid Developments
- 20. Approve Pilot Project Agreement with GRID Alternatives
- 21. Approve Nobel Solar, LLC Power Purchase Agreement

Appoint Members to the Finance and Risk Management Committee

Recommendation:

Appoint Members to the Finance and Risk Management Committee.





Appoint Members to the Finance and Risk Management Committee

Recommendation:

Appoint Members to the Finance and Risk Management Committee.



Fiscal Year 2023-2024 Operating Budget Amendment

Recommendation:

Approve Fiscal Year 2023-2024 Operating Budget Amendment



Budget Development Timeline

The adopted schedule for budget development is the following.

March-April February May June FRMC Preview and **Develop Operating** Strategic planning **SDCP Board Approval** July 1st Budget Revenue Estimate sessions with SDCP Recommend **Implemented** Board **SDCP Board Preview Develop Operating** Mid-year budget **Expense Estimate** Staff develop and feedback review (February) operating budgets Develop financial Budget amendments plan for credit rating Baseline budget is as necessary developed





Proposed FY 2023-24 Amended Budget

FY 2024

Y 2024 Amended

Net Operating Revenue

\$1,292.5 m

Total Expenses

\$1,002.3 m

Net Position

+\$290.4 m

Net Operating Revenue

\$1,304.3 m

Total Expenses

\$1,071.6 m

Net Position

+\$232.7 m



Proposed FY 2023-24 Amended Budget

+\$11.8 million Approved rate change, effective February 1, 2024

+\$69.3 million Higher energy costs, reduced non-energy costs

-\$57.8 million **Decrease in net position** over adopted budget



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
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Non-Energy Costs	\$47,231,709	\$43,708,093	(\$3,523,616)
Subtotal Operating Expense	\$995,761,134	\$1,064,552,645	\$68,791,511
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	\$1,071,601,284	\$69,562,574
Net Position	\$290,433,820	\$232,672,783	\$57,761,037



Proposed FY 2023-24 Budget - Changes

Budget Changes by Category



Programs

Changes by Category				
Board approved rate change , effective 2/1/24 which increased projected revenue.	Adopted \$1,292 m	Amended \$1,304 m		
Increased market power costs affecting all participants and in cost of market power supply.	Adopted \$948.5m	Amended \$1,020 m		
Less than expected usage of Professional Services	Adopted \$22.9m	Amended \$22.3m		
Longer than expected lead times to hire new positions.	Adopted \$13.2m	Amended \$11.6m		
Marketing and Outreach are slightly below budget.	Adopted \$2.9m	Amended \$2.9m		
Decrease in all general and administrative costs.	Adopted \$7.9m	Amended \$6.8m		
Decrease due to recategorization to CIP.	Adopted \$0.3m	Amended \$0.1m		

\$0.3m

\$0.1m

Adopted

Amended

Net Position

-\$57.8 m





Fiscal Year 2023-2024 Operating Budget Amendment

Recommendation:

Approve Fiscal Year 2023-2024 Operating Budget Amendment



Presentation on Clean Energy Prepayment Financing

Recommendation:

Receive and file Presentation on Clean Energy Prepayment Financing.







Energy Prepayment Discussion

February 22, 2024



Prepayment Transaction Overview

- Goal Reduce cost of power purchases by 8% or more
- How Leverage use of tax-exempt bonding capacity to secure long-term supply

Background

- Codified in the U.S. tax law
- Used since the 1990s largely for natural gas transactions
- Over 100 transactions totaling over \$70 billion completed in the U.S. mostly for gas
- Eleven energy prepayment transactions totaling \$9.8 billion completed last few years for six California Community Choice Aggregators:
 - East Bay Community Energy
- Pioneer Community Energy

Silicon Valley Clean Energy

Clean Power Alliance

Marin Clean Energy

Central Coast Community Energy

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Prepayments That Have Been Completed by CCAs in California

Date	Amt. (\$000)	Issuer	Description	Beneficiary
09/2021	1,234,720	California Community Choice Fin Auth	Elec (Green)	SVCE, EBCE
11/2021	602,655	California Community Choice Fin Auth	Elec (Green)	MCE
06/2022	931,120	California Community Choice Fin Auth	Elec (Green)	EBCE
12/2022	459,640	California Community Choice Fin Auth	Elec (Green)	Pioneer
01/2023	841,550	California Community Choice Fin Auth	Elec (Green)	SVCE
02/2023	998,780	California Community Choice Fin Auth	Elec (Green)	CPA
06/2023	958,290	California Community Choice Fin Auth	Elec (Green)	CPA
08/2023	997,895	California Community Choice Fin Auth	Elec (Green)	EBCE
10/2023	647,750	California Community Choice Fin Auth	Elec (Green)	CCCE
12/2023	1,038,285	California Community Choice Fin Auth	Elec (Green)	MCE
01/2024	1,101,625	California Community Choice Fin Auth	Elec (Green)	SVCE
Total	\$9,812,310			

All transactions to date have achieved @9.5% savings or better.

Most recent transactions have been over 12%



Prepayments That Have Been Completed by Municipal Utilities in California

Date	Amt. (\$000)	Issuer	Description	Beneficiary
06/2006	230,845	Vernon Nat. Gas Fin Auth	Nat Gas	City of Vernon Elec
01/2007	209,350	Roseville Natural Gas Fin Auth	Nat. Gas	City of Roseville Elec
05/2007	757,055	Northern Ca Gas Auth No. 1	Nat. Gas	SMUD
09/2007	887,360	Long Beach Bond Fin Auth	Nat. Gas	City of Long Beach
10/2007	504,445	So. Ca. Pub. Power Auth	Nat. Gas	Multiple MOUs
10/2007	251,695	Long Beach Bond Fin. Auth	Nat. Gas	City of Long Beach
08/2009	901,620	M-S-R Energy Authority	Nat. Gas	MID/Redding/SVP
10/2009	514,160	So. Ca Pub Power Auth (Windy Flats)	Elec (Wind)	LADWP, Mult. MOUs
04/2010	778,665	Cal. Statewide Comm Dev Auth	Nat. Gas	SMUD
2010/11	394,700	So. Ca Pub Power Auth (Milford 1 & 2)	Elec (Wind)	LADWP, Mult. MOUs
12/2018	539,615	Northern Ca Energy Auth	Gas/Elec	SMUD
Total	\$5,969,510			



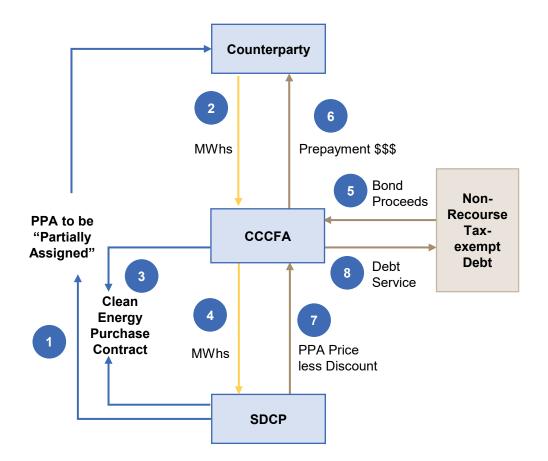
Entities Involved in an Energy Prepayment Transaction

- SDCP Has existing Power Purchase Agreement(s) for clean energy
- Prepay Counterparty Typically a financial institution with a commodity presence or a financial institution partnered with a commodity market participant
- Issuer Bond issuing entity formed for sole purpose of selling the prepayment bonds, typically a Joint Powers Authority ("JPA"). All other CCAs have used California Community Choice Financing Authority (CCCFA)
- Existing Power Supply Counterparty Agrees to limited assignment of the existing PPA
- Bond Investors Purchase the non-recourse tax-exempt prepayment bonds



Summary of Energy Prepayment Structure Mechanics

- SDCP limited assigns PPA to Counterparty
- The Counterparty delivers power to CCCFA via a Master Power Supply Agreement
- 3) SDCP and CCCFA execute a Clean Energy Purchase Contract
- 4) CCCFA delivers power to SDCP
- 5) CCCFA issues non-recourse taxexempt bonds
- 6) CCCFA makes a prepayment to the Counterparty for power supply
- SDCP makes payments to CCCFA net of >8% savings
- CCCFA makes debt payments with payments from SDCP



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How are the Savings Generated?

- The Counterparty values prepayment as an alternate source of capital funding at its higher cost of capital
 5%
- PPA fixed price cash flows of ~\$45MM annually over the life of the deal are discounted at that 5% rate to establish the upfront prepayment amount
- CCCFA issues tax-exempt bonds to pay the upfront prepayment at a lower interest cost ~ 4.25% versus the counterparty's funding rate of ~5%
- CCCFA bond payments ~\$40MM annually are lower than the existing ~\$45MM PPA payments
- ~\$5MM in cashflow savings are generated
- Savings are quoted net of all upfront and annual transaction expenses

Numbers are for illustration purposes only.



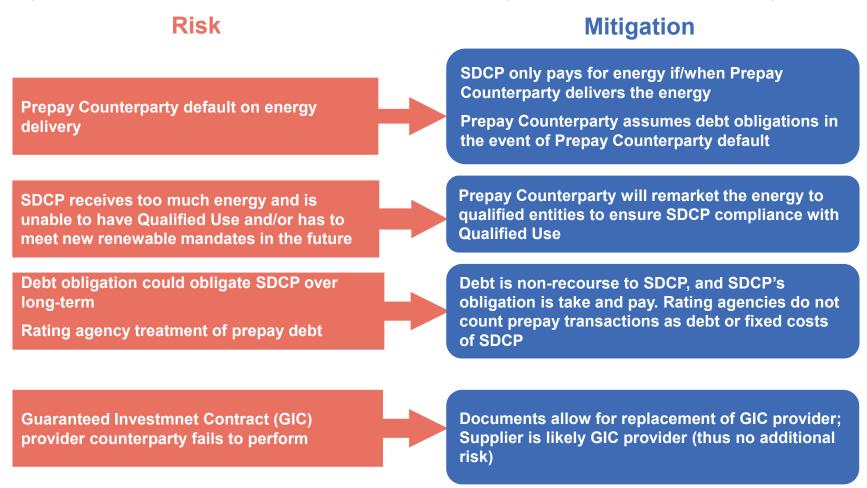
How Does Limited Assignment of a Power Purchase Agreement Work?

- SDCP will limited assign certain rights and obligations, including the title and ownership of the energy, under the existing PPA to its Prepay Counterparty
- Rights not assigned remain with SDCP. No other changes are made to the existing PPA
- Existing PPA Counterparty would then deliver energy to the Prepay Counterparty who has assumed responsibilities as energy purchaser under the PPA
- Prepay Counterparty will then sell that energy to CCCFA. CCCFA has a separate agreement with SDCP to sell that energy to SDCP at an 8% discount or higher
- SDCP will need to negotiate the limited assignment with its Existing PPA Counterparty
 - This will take place via a Limited Assignment Agreement



Favorable Risk Allocation – "Take-and-Pay" Structure

Key Risk – Transaction terminates and SDCP no longer receives expected savings



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Presentation on Clean Energy Prepayment Financing

Recommendation:

Receive and File Presentation on Clean Energy Prepayment Financing.



Quarterly Report on Community Advisory Committee

Recommendation:

Receive and File Quarterly Report on Community Advisory Committee



Community Advisory Committee Report

November 2023 through January 2024

Key Highlights

- Revised Scope of Work and Policies and Procedures
- Recommended Board approval of Conflict of Interest and Ethical Conduct Policy
- Approved the CAC 2024 Work Plan, which:
 - Clarifies strategies to track outcomes
 - Defines information-sharing protocols to activate advocacy
 - Adds Civic Engagement and Participation as focus area
- Welcome new member Ilian Sandoval (City of Imperial Beach)

2024 CAC Ad-Hoc Committees

Community Grant Program

Power100





Quarterly Report on Community Advisory Committee

Recommendation:

Receive and file Quarterly Report on Community Advisory Committee.



Approve Load Management Standards Compliance Plan

Recommendation:

Approve Load Management Standards Compliance Plan



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 costeffective load flexibility programs to better reflect grid costs and greenhouse gas emissions and apply for approval by their governing board,
- 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.

Aug. 2023

Uploaded existing time-dependent rates to MIDAS

Oct. 1, 2024

CEC will implement a statewide tool for authorized rate data access

July 1, 2025

Submit at least one marginal cost-based rate for Board approval

Compliance Timeline Highlights

April 1, 2024

Develop and submit Compliance Plan for Board approval Oct. 1, 2024

Submit a list of cost-effective load flexibility programs

July 1, 2027

Offer customers voluntary participation in either a marginal cost-based rate or cost-effective load flexibility program



Compliance Plan Roadmap

In progress:

- Community Clean Energy 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 costeffectiveness
- 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.





Approve Load Management Standards Compliance Plan

Recommendation:

Approve Load Management Standards Compliance Plan



Aaron Lu, Senior Rates and Strategy Analyst Stephen Gunther, Senior Regulatory Analyst



Update on Regional Grid Developments

Recommendation:

Receive and File Presentation on Regional Grid Developments.

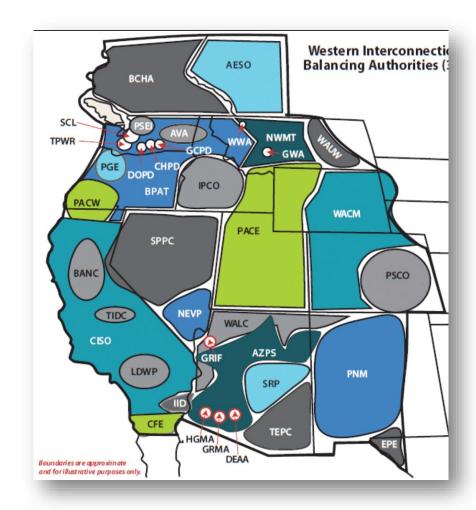






What is it?

- The Western U.S. has over three dozen grid operators today. There are 38 balancing authority areas with their own market and resource adequacy rules, and transmission planning processes.
- Regionalization is about better coordinating across grid operators to lower power costs and increase grid reliability. There are many forms of regionalization and there isn't a single prescribed outcome.

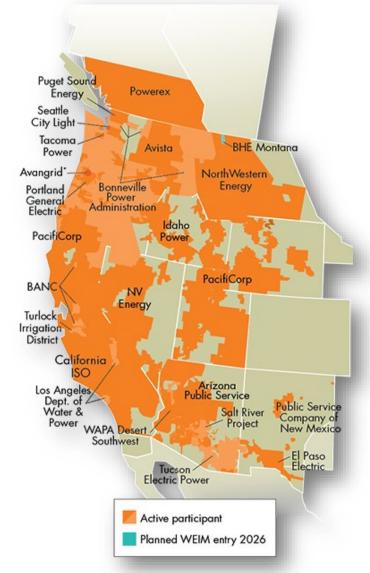


Source: https://www.wecc.org/Administrative/=INTRO_MOD_9-Grid%20Ops=rev2016.pdf



What steps has California already taken?

- California has already taken some steps to increase regional coordination. The California Independent System Operator (CAISO) operates the Western Energy Imbalance Market (WEIM) that 80% of the West uses to trade power in real-time.
- California has realized \$862 million in power cost savings and avoided GHG emissions equal to over 194,000 cars since 2014.
- Extended Day-Ahead Market (EDAM) would build on WEIM, but only one entity outside of California has indicated interest.



Source:

https://www.westerneim.com/Pages/About/default.aspx



Why is it being debated?

- There is a shared clean energy vision across many Western states. Most, but not all, states in the West have adopted a clean energy goal.
- Many 24/7 capable resources are being retired and huge amounts of variable resources are being added. Nearly 45 GWs enough power for over 30 million homes of 24/7 capable, fossil fuel power plant retirements plus the addition of 95 GWs of variable resources between 2013-2033.
- More electricity will be used at peak times. Energy and peak energy use will grow around 16% by 2033 and there will be peak load timing changes.
- There are competing regional grid visions for the West. Southwest Power Pool (SPP), based in Arkansas, has a competing market vision and is in discussions with Western utilities and grid operators about joining.

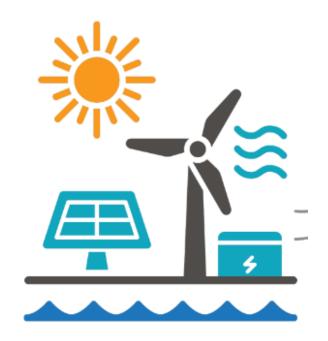


Source: https://www.spp.org/western-services/marketsplus/



What are the potential benefits to SDCP & customers?

- **Energy resource cost savings.** Studies consistently show savings from access to lower-cost resources because the market operates over a wider footprint.
- Enhanced reliability & grid resilience. Grids run with predominantly variable resources are more reliable when there is a wider operating footprint.
- Emission reductions. The ability to more cost-effectively share resources means that more renewables can be integrated into the grid, displacing fossil fuel generation.
- Enhanced coordinated transmission planning. If transmission is included a regional entity, it can reduce congestion and costs of operating reserve requirements.



SDCP →

We purchase electricity from renewable sources.



^{***}Actual benefits will be determined by many factors such as market design and participant profiles

What are the potential concerns?

- Transmission costs. Californians could pay for transmission in other states. This is on the SDG&E side of the bill.
- Impact to California clean energy policy. In partnering with other states, California *could* lose some control over the grid. Federal intervention is possible, but unlikely.
- Impacts to in-state jobs. Depending on the configuration, enhanced regional coordination *could* result in more renewable energy projects being built in other states because California's renewable energy law relies on grid operator boundaries.
 - SDCP staff has discussed the concern with IBEW 569.
 - SDCP has an Inclusive & Sustainable Workforce policy and focuses on local project development.



Source: https://www.ibew.org/media-center/Articles/17Daily/1712/171207 TheElectronRevolution



Where is it being discussed and debated?

- The Legislature. Legislation in 2018 and 2023 attempted to create a pathway for a regional grid. Both bills did not pass.
- The Legislature has also commissioned two studies.
- West-Wide Governance Pathways Initiative. The CEC and CPUC, along with CalCCA, are participating in a multi-state stakeholder process that is looking at a range of options for a West-wide fully organized market.



Assembly Concurrent Resolution No. 188

RESOLUTION CHAPTER 138

Assembly Concurrent Resolution No. 188—Relative to the Independent System Operator.

[Filed with Secretary of State August 19, 2022.]

LEGISLATIVE COUNSEL'S DIGEST

ACR 188, Holden. Independent System Operator: regional cooperation: study.

This measure would request that by February 28, 2023, the Independent System Operator, in consultation with the California balancing authorities, produce a report that summarizes recent relevant studies on the impacts of expanded regional cooperation on California, identifies key issues that will most effectively advance the state's energy and environmental goals, including any available studies that reflect the impact of regionalization on transmission costs and reliability for California ratepayers, includes relevant updates to specified transmission development and resource diversity estimates, and discusses regional transmission organizations in Colorado, Nevada, and other regional states, collaboration between states on energy policies to maximize consumer savings while respecting state policy autonomy, and engagement between neighboring states on the future of regional transmission organizations in the west.

WHEREAS, It is the policy of the state that renewable energy and zero-carbon resources supply 100 percent of electric retail sales to end-use customers by 2045, Executive Order N-79-20 requires sales of all new passenger vehicles to be zero-emission by 2035, and the 2021 SB 100 Joint Agency Report, prepared pursuant to Senate Bill 100 (Chapter 312 of the Statutes of 2018), identifies 120 to 150 gigawatts of additional renewable resource development may be needed by 2040, much of it for intermittent resources, to meet California's zero-carbon targets; and

WHEREAS, The continued electrification of the transportation sector and other industries, growing customer demand for access to clean energy, and the goals codified in SB 100 require modernization of the electricity sector and grid system, including significant investments in upgrading existing and new transmission infrastructure to meet the goals listed above; and

WHEREAS, Since California's passage of SB 100 in 2018, many western states and utilities have adopted their own policies to achieve a clean resource mix and reduce the emissions of greenhouse gases, which are generally consistent with the policy direction of California; and

What is the status of the West-Wide Pathways process?

Phase 1

 Evaluate five proposals to establish a new regional organization to run a market – like EDAM – with an independent board, with services provided by CAISO.

Phase 2

 Based on outcomes from Phase 1, establish a new, independent non-profit entity with a foundational board that is nominated by stakeholders.

Beyond

• Consider further market and policy changes that may create additional economic and reliability benefits.

- Phase 1 straw proposal is expected mid-March.
- Stakeholders will have an opportunity to comments.
- Phase 2 could require legislation.



CCA engagement and next steps

- CalCCA has adopted principles that support a regional entity that is contingent on preserving local autonomy for resource planning, generation preference, and transition to 100% renewable/zero-carbon.
- MCE supports regionalization in line with the CalCCA principles.
- **CPA** supports expansion of a regional grid that accelerates decarbonization, improves transmission planning, reduces costs for ratepayers and maintains California's ability to implement its own climate goals and protects in state jobs.
- <u>SDCP next steps:</u> consider an amendment to SDCP's Policy Platform at the March Board meeting SDCP can more fully participate in regional grid discussions.





Update on Regional Grid Developments

Recommendation:

Receive and File Presentation on Regional Grid Developments.

Presenter:

Patrick Welch, Senior Legislative Manager Stephen Gunther, Senior Regulatory Analyst



Approval of Pilot Project Agreement with GRID Alternatives

Recommendation:

Approve Pilot Project Agreement with GRID Alternatives ("GRID") for Roof Replacements/Repairs in Connection with the Disadvantaged Communities – Single-Family Solar Homes ("DAC-SASH") Program.



Background

- DAC-SASH is a Statewide program funded by the California Public Utilities Commission ("CPUC") and implemented by GRID Alternatives ("GRID").
- The program aims to help lower the financial barriers to solar installations for low-income homeowners in Disadvantaged Communities ("DACs") by providing a no-cost solar system installation.
- Low participation in DAC-SASH program in SDG&E territory.

Table 3: Applications by Status and Utility Service Territory

Application Status	Number of Applications				Tatallan	Total
	PG&E	SCE	SDG&E	Totals	Total kW (CEC-AC)	Incentives (\$ millions)
STEP 1: Applications under review	56	74	4	134	495.8	\$1.49
STEP 2: Confirmed Applications/Reservations	163	106	19	288	1,215.6	\$3.65
STEP 3: Installed	1,268	7666	69	2,103	8,076.9	\$24.23
Total	1,487	946	92	2,525	9,788.3	\$29.36



Goal

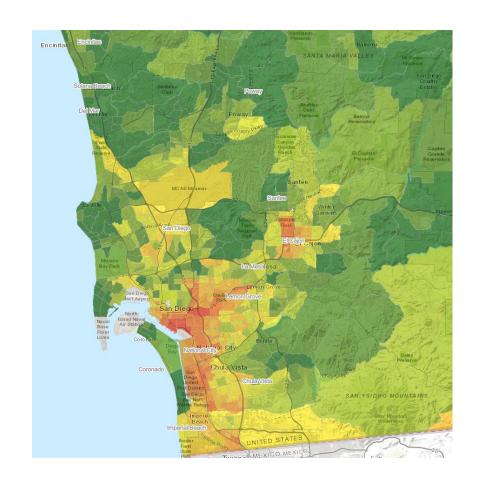
- In implementing the program, GRID learned that some eligible homes can't participate due to the poor condition of the roof not able to support a solar system for 20+ years.
- Pilot aims to overcome this barrier by providing no-cost roof repairs or replacements to DAC-SASH eligible homes.
- Pilot seeks to increase participation in the DAC-SASH program in SDCP territory.
- Homes would be required to participate in DAC-SASH and get a no-cost solar system.





Eligibility

- Staff proposes to utilize the same eligibility criteria of the DAC-SASH program:
 - Own and occupy a single-family home as the primary residence;
 - Located in a Disadvantaged Community as identified by the CalEnviroScreen 4.0 map with a percentile score of 75% or higher;
 - Total household income must not be more than the income limits of the CARE or FERA programs.
- Need to be an active SDCP customer or re-enroll in SDCP service.
- Sign up for DAC-SASH program and commit to installing the solar system.





Implementation

- GRID is the Statewide implementer of the DAC-SASH program and is uniquely positioned to implement the pilot. They would:
 - Identify and outreach to eligible homes,
 - Enroll them in the pilot and DAC-SASH program,
 - Hire 2-3 licensed roofing companies to complete the assessment and repair work, and
 - Complete the solar system installation.
- Target outreach towards eligible homes located within the Transformative Climate Communities project area, which encompasses San Diego's central historic barrios.

"ROOTED IN COMUNIDAD, CULTIVATING EQUITY"





Budget

- Total pilot budget of \$550,000:
 - \$500,000 for incentives,
 - \$50,000 for GRID's administration of the pilot
- Currently budget expected to enable at least 25 homes to participate in the pilot.





Next Steps

- If the agreement is approved, Staff would execute agreement with GRID and finalize Pilot Guidelines in February.
- GRID would start identifying and outreaching to eligible homes starting in the Spring 2024 (late-March/early April).
- Roofing work would likely commence shortly after enrollment into Pilot and continue into the summer.







Approval of Pilot Project Agreement with GRID Alternatives

Recommendation:

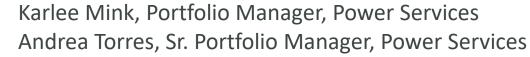
Approve Pilot Project Agreement with GRID Alternatives ("GRID") for Roof Replacements/Repairs in Connection with the Disadvantaged Communities – Single-Family Solar Homes ("DAC-SASH") Program.



Approval of Noble Solar LLC Power Purchase Agreement (PPA)

Recommendation: Approve a 20-year PPA with Noble Solar LLC for a 400 MW solar photovoltaic electric (PV) generation facility and a 400 MW (4-hour) Battery Energy Storage System (BESS) facility







SDCP Long-Term Procurement

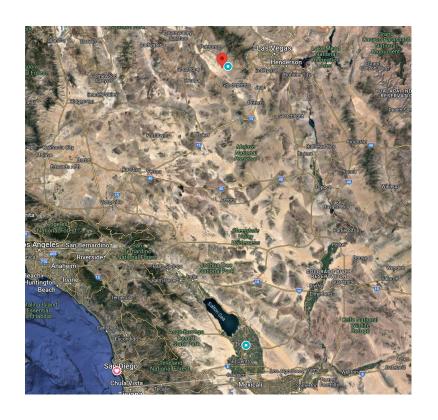
- Goal of 75% renewables by 2027, 100% renewables by 2035
- Long-term PPAs provide developers with a certain revenue stream against which they
 can finance up-front capital requirements, incentivizing new incremental renewable
 energy and storage buildout.
- Long-term PPAs provide power supply cost certainty in SDCP's portfolio.
- CPUC requires significant long-term purchase commitments for resource adequacy from new, incremental generation facilities that will achieve commercial operation during 2023 through 2028.
- This project came through a competitive solicitation SDCP issued in October 2022. The
 project was shortlisted by SDCP's energy contract working group.



Purple Sage Energy Center: Project Summary

- 400 MW PV and 400 MW/1,600 MWh (4-hour) lithium-ion battery
- Location: Clark County, Nevada







Purple Sage Energy Center: Key Terms

- Counterparty: Noble Solar LLC
- Product: RPS, capacity, energy and ancillary services
- Pricing: Fixed for a 20-year term
- Timeline: Guaranteed Commercial Operation Date is June 30, 2027
- SDCP receives financial compensation for failure to meet certain performance requirements including but not limited to achieving certain development milestones and meeting guaranteed efficiency rates over the delivery term.



Purple Sage Energy Center: Staff Analysis

- The Purple Sage Energy Center project will contribute to SDCP's 100% renewable by 2035 target, providing over 1,192,000 MWh of renewable energy per year, in addition to energy management and capacity benefits from battery energy storage.
- With commercial operations commencing in 2027, Purple Sage Energy Center would help fulfill SDCP's Mid-Term Reliability requirements under CPUC D.21-06-025.
- Pricing is competitive with comparable product offerings received from SDCP's recent RFPs. The long-term purchase of energy, RPS attributes, and capacity will provide SDCP with significant value and cost certainty over the term of this PPA.
- Primergy Solar LLC is the developer for Noble Solar LLC and has a 19,000-MW development pipeline consisting of solar and solar + storage projects across the U.S.
- Primergy Solar LLC is a developer that takes pride in their holistic approach to clean energy development, complete ecosystem management, collaborative partnerships and equitable stakeholder engagement.



Purple Sage Energy Center: Workforce Development and Community Benefits

- The project will provide 520 construction jobs and 8 permanent jobs.
- There will be Labor Agreements in the form of Work Site Agreements with:
 - International Brotherhood of Electrical Workers (IBEW)
 - Laborers International Union of North America (LiUNA)
 - International Union of Operating Engineers (IUOE)
 - Primergy's Chief Operating Officer and Project Director at Purple Sage Energy Center are former IBEW workers and are now applying their craft to the Owner side of construction
- The project has committed \$100,000 annually to a community benefit fund to benefit SDCP customers.





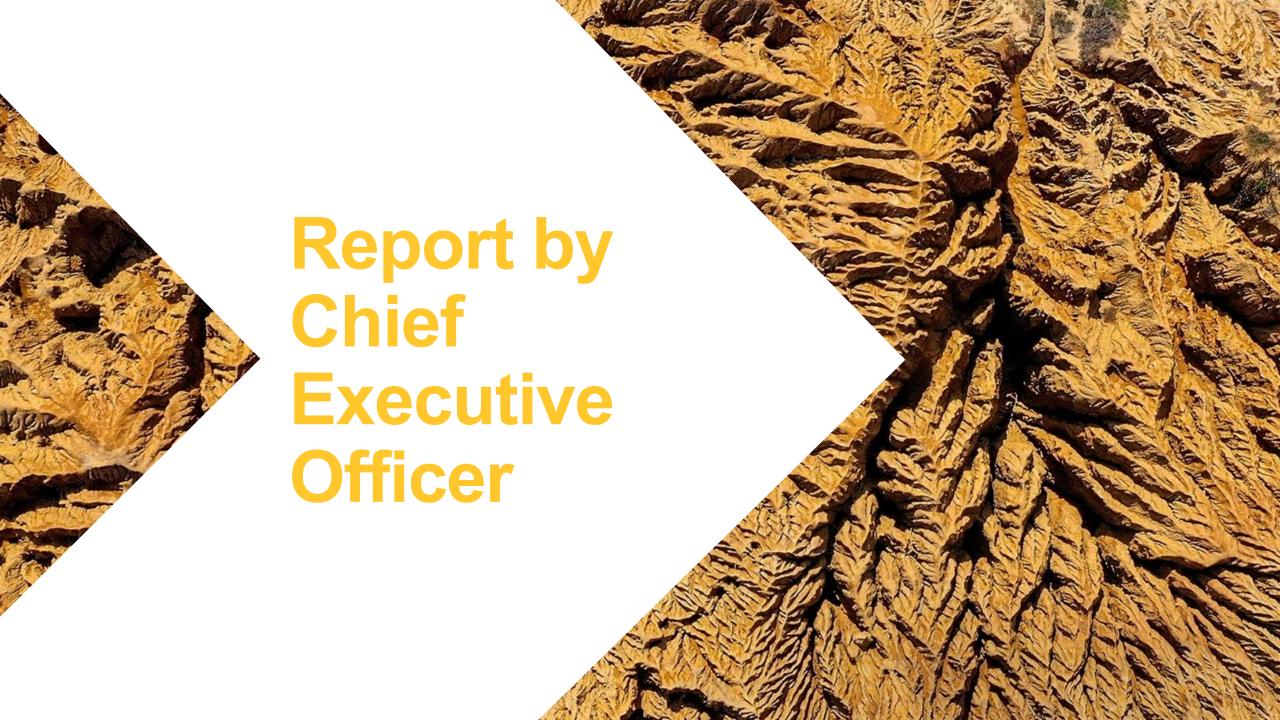
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Presenter:

Karlee Mink, Portfolio Manager, Power Services Andrea Torres, Sr. Portfolio Manager, Power Services





SDCP Out & About



National City Chamber of Commerce
Installation Dinner



San Diego Regional Chamber of Commerce Anniversary Dinner

CalCCA Sacramento Lobby Day









Next Regular
Board of Directors Meeting

March 28, 2024

