



Board of Directors

Regular Meeting

February 24, 2022

Regular Meeting Agenda

Welcome

Call to Order

Pledge of Allegiance

Roll Call

Items to be Added, Withdrawn, or Reordered on the Agenda

Public Comment for Items Not on the Agenda

Consent Agenda

Regular Agenda Items:

10. Approval of Fiscal Year (FY) 2021-22 Budget Amendment and Review Fiscal Year 2022-23 Budget Schedule
11. Approval of Financial Reserves Policy Revision
12. Approval of Community Advisory Committee (CAC) Appointments for National City and Unincorporated San Diego County
13. Approval of New Rate for Electric Vehicle (EV) Fleet
14. Approval of Proposed 2022 Padres Sponsorship Agreement
15. Update on CEO Search Ad Hoc Committee Efforts

Reports by Management and General Counsel

Director Comments

Adjournment



Welcome to SDCP!
Tim Manglicmot, Finance Manager
and
Colin Santulli, Director of Programs

Regular Meeting Agenda

Roll Call

1. **Approval of Findings to Continue Holding Remote-Teleconference Meetings Pursuant to Assembly Bill 361**

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.

Items to be Added, Withdrawn or Reordered on the Agenda

Non-Agenda Public Comments

Consent Agenda

2. **Approval of October 28, 2021 and November 18, 2021 Meeting Minutes**
3. **Receive and file Treasurer's Report or Period Ending 12/31/21**
4. **Approval of Resolution Adopting a Board Compensation and Board/Committee Reimbursement Policy**
5. **Update on Back Office Metrics/Dashboard**
6. **Update on Regulatory and Legislative Affairs and Approval of Support Position for AB 1814**
7. **Approval of Engagement Letter Between Keys & Fox, LLP and San Diego Community Power**
8. **Update on Residential Enrollment Public Relations**
9. **Approval of Annual Updates on Exhibit C (Annual Energy Use by Jurisdiction) and Exhibit D (Voting Shares of SDCP Members) of the SDCP Joint Powers Agreement**

Item 10

Approval of Fiscal Year (FY) 2021-22 Budget Amendment and Review Fiscal Year 2022-23 Budget Schedule

Recommendation:

Approve the fiscal year (FY) 2021-22 budget amendment for total operating revenues of \$378,053,506 and operating expenses of \$341,199,063.

Proposed FY 2021-22 Amended Budget

FY 2022

Operating Revenue
\$315.1 m

Operating Expense
\$296.4 m

Operating Income
+\$18.7 m

FY 2022 Amended

Operating Revenue
\$378.1 m

Operating Expense
\$341.2 m

Operating Income
+\$36.9 m

Proposed FY 2021-22 Budget - Changes

FY 2022

FY 2022 Amended

Operating Revenue
\$315.1 m

+\$62.9 million

Approved rate change,
effective February 1, 2022

Operating Revenue
\$378.1 m

Operating Expense
\$296.4 m

+\$44.8 million

Higher market power
costs, increase in cost of
market power supply

Operating Expense
\$341.2 m

Operating Income
+\$18.7 m







+\$18.1 million

Increase in operating
income over budget

Operating Income
+\$36.9 m

Proposed FY 2021-22 Budget - Changes

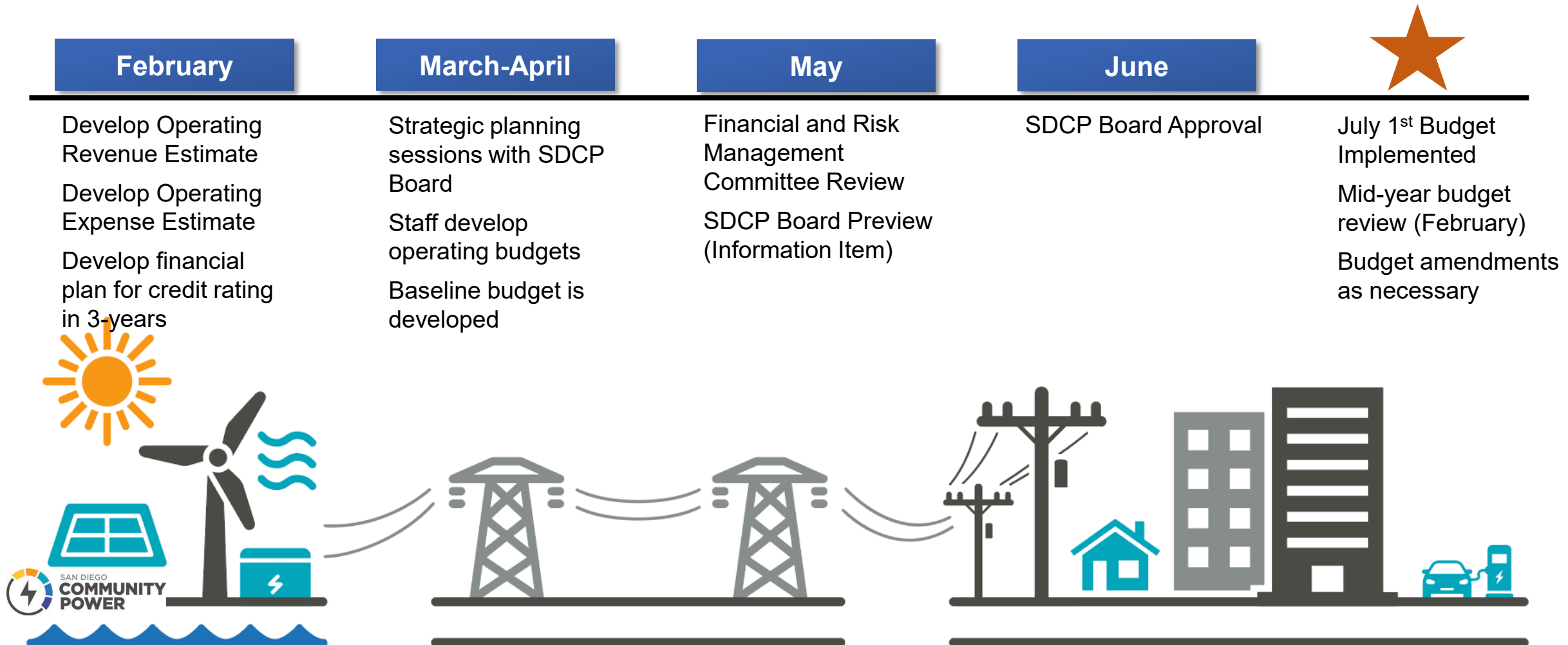
Budget Changes by Category

	Revenue	Board approved a rate change , effective February 1, 2022, which increased projected revenue.	Adopted \$315.1m	Amended \$378.1m
	Cost of Energy	Increased market power costs affecting all participants and in cost of market power supply .	Adopted \$284.3m	Amended \$329.5m
	Professional Services	Small increase to account for known costs contract costs.	Adopted \$5.0m	Amended \$5.1m
	Personnel	Longer than expected lead times to hire new positions.	Adopted \$4.9m	Amended \$4.0m
	Marketing and Outreach	Right-sizing of the Civilian contract to the not-to-exceed amount approved in May 2021.	Adopted \$1.4m	Amended \$1.7m
	General and Administrative	Slight decrease from lower travel and reimburse requests and to lower rent expenses.	Adopted \$0.8m	Amended \$0.8m

Operating Income
+\$36.9 m

Budget Development for FY 2022-23

The proposed schedule for budget development is the following.



Item 11

Approval of Financial Reserves Policy Revision

Recommendation:

Approve financial reserves policy revision

Reserve Policy

Policy

SDCP maintains reserves to:

- Meet SDCP's strategic objectives
- Secure favorable terms with vendors, including power producers
- Secure a standalone investment grade credit rating
- Provide funds to cover unanticipated expenditures

Guidelines

15% Annually

90-Days Operating Expense

SDCP will allocate up to 15% of gross revenue annually toward building an Operating/Working Capital Reserve equivalent to 90 days of total operating expenses held as unrestricted cash.

Current Conditions for Use of Reserve

Budget

Spending must align with the Board approved budget

Board Approval

Spending must be approved by the Board

Staff Use

Use that brings balance below target must include replenishment plan/timeline



Delegated Conditions for Use of Reserve

Delegated to CEO:

The use of up to lesser of 10% of annual budget amount or \$40 million for:

1. Increases in power expenses
2. Covering unanticipated declines in revenues
3. Posting collateral required under energy contracts
4. Funding other emergency expenditures

Delegated to CFO

Temporary use for working capital for expected peaks/dips in revenues/expenditures

Additional Use

CEO must present recommendations to Board and Board must authorize use

Use of Reserves

Definition: a projected or estimated reduction in the amount of the Operating/Working Capital Reserves by the end of a fiscal year below the sum of the balance of the Operating/Working Capital Reserves at the beginning of the fiscal year plus the projected addition to the Operating/Working Capital Reserves in the budget for the current fiscal year

Item 12:

Approval of Community Advisory Committee (CAC) Appointments for National City and Unincorporated San Diego County

Recommendation:

Approve CAC appointments for National City and Unincorporated San Diego County.

Presenters:

Rita de la Fuente, Director of External Affairs

Sebastian Sarria, Program and Policy Manager

Background

Section 5.10.3 of the SDCP Joint Powers Authority (JPA) Agreement:

“Each Party may nominate a committee member(s) and the Board shall determine the final section of committee members, who should represent a diverse cross-section of interests, skills sets and geographic regions.”

At the December 2021 Board Meeting, the makeup of the CAC was updated to fourteen (14) primary members, with two from each member agency.



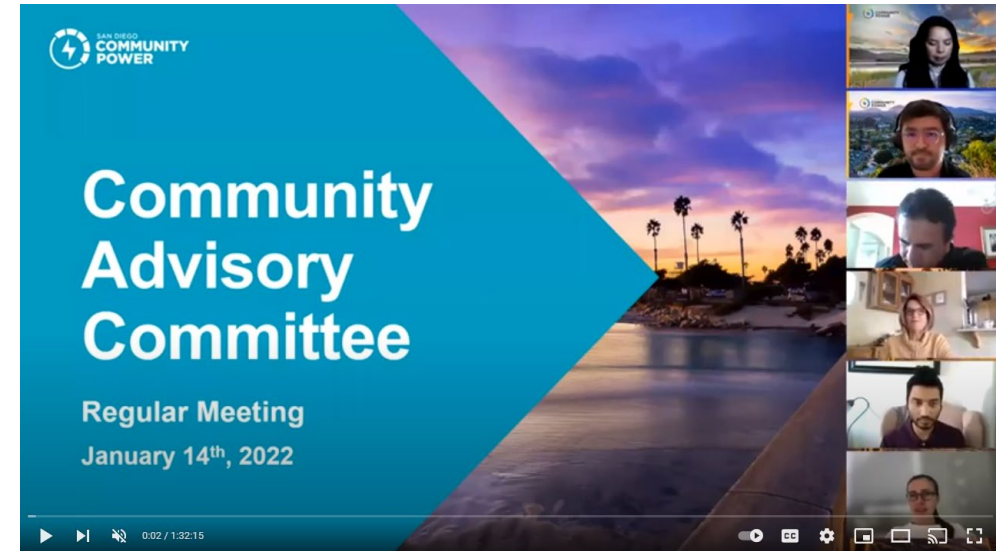
Community Advisory Committee Membership Terms and Criteria

1. The Committee shall be made up of fourteen (14) primary committee members, with two (2) from each member agency. If another member agency is added beyond a total of seven, the CAC will move to one primary and one alternate member for a total of seven (7) primary committee members. This composition may be revisited by the Board if new member agencies are added to SDCP.
2. The CAC is a Brown Act Committee and all meetings shall be posted and held in public settings;
3. SDCP aims to ensure a wide variety of perspectives and participation on the Community Advisory Committee;
4. Members shall be residents (property owners and/or renters), business owners, employees or representatives of a community-based organization located within one of the member agencies of San Diego Community Power;
5. When reviewing applicants for membership, SDCP staff and the Board of Directors are to prioritize residents, when feasible, from diverse social, economic and racial backgrounds that are representative of all residents within the service territory of San Diego Community Power;
6. There shall be at least one CAC member that is a renter within SDCP's service territory and one that is a business owner.
7. Applicants must be committed to serving on the CAC and attending regular committee meetings, and occasional SDCP Board meetings. CAC meetings, times, and location will be determined in collaboration with staff. Members will serve a limit of two, three-year staggered terms.
 - a. Odd Seats – current term ends 2022 and will renew to 2025 on July 1, 2022.
 - b. Even Seats – current term ends 2023 and will renew to 2026 on July 1, 2023.

Adopted January 30, 2020 and Updated December 2021

Analysis & Discussion

- Applications open period:
 - Released on December 20, 2021
 - Closed on February 2, 2022, at 5 pm PDT
- Qualifications were based on residence and work impact
- A total of 31 applications were received
 - 19 applicants qualified for unincorporated San Diego County
 - 6 applicants qualified for National City
- The CAC received an update on the committee expansion at their February 11, 2022, meeting.
- Members will serve a limit of two, three-year staggered terms.
 - Breakdown of seat terms found in Attachment B: CAC Roster and Seat Assignments



Recommendation

Approve CAC appointments for the following representatives:

Member Agency	Odd Seat (Term Ends 6/2025)	Even Seat (Term Ends 6/2023)
County of San Diego	Peter Andersen (seat 11)	Victoria Abrenica (seat 12)
National City	Aida Castañeda (seat 13)	Lawrence Emerson (seat 14)

Item 13

Approval of New Rate for Electric Vehicle (EV) Fleet

Recommendation:

Approve the new rate for the Electric Vehicle (EV) fleet

Presenter:

Lucas Utouh, Director of Data Analytics and Account Services

Background

- In January 2022, SDG&E developed a new optional rate for Non-residential customers called EV-HP
- This rate plan supports the charging of Electric Vehicles (EVs) whose monthly demand is equal or greater than 20 kilowatts (kW)
- Allows EV fleet customers to choose the amount of power they need to charge their vehicles and pay with a flat monthly subscription fee



SDCP EV-HP Rate

- SDCP is proposing an equivalent EV-HP rate for both Secondary and Primary voltage customers
 - ❑ SDCP customers on the EV-HP rate would realize approximately 2% savings at the PowerOn level
- Customers taking service on EV-HP will need to select their preferred kW subscription level.
 - ❑ If the maximum demand exceeds the subscription level, the subscription level will be increased accordingly
- EV-HP customers pay a monthly subscription charge on the delivery portion of their bill
- The SDCP website will be updated with the EV-HP rate key

Item 14

Approval of Proposed 2022 Padres Sponsorship Agreement

Recommendation:

Approve the proposed 2022 Padres sponsorship agreement for the 2022 season.

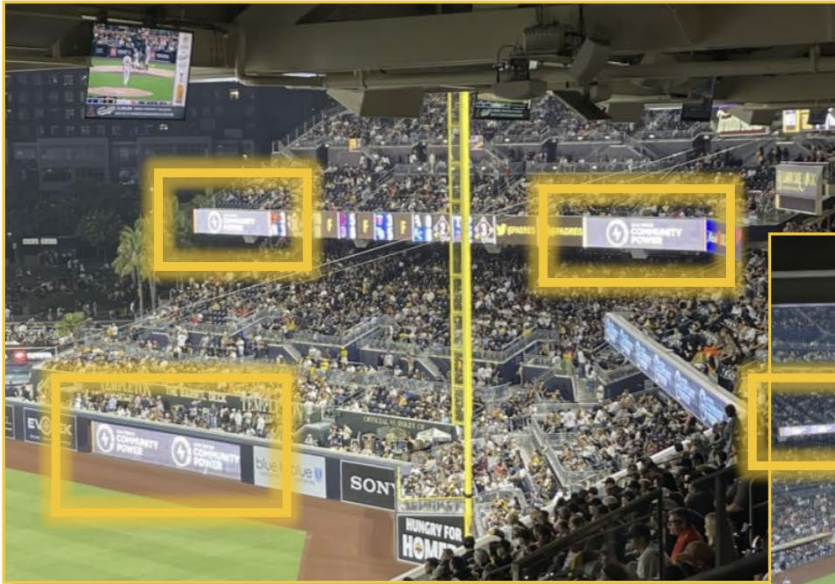
Background

- To build brand recognition and trust, SDCP's marketing strategy includes sponsorships/partnerships with local institutions
- SDCP entered into sponsorship agreement with Padres in August 2021:
 - Developed "Tonight's Lights" – SDCP a "Proud Power Provider" to the SD Padres
 - Included in-stadium advertising, banner ads, email blasts and social media posts
 - Suite night & Ticket Bank (donated to Monarch School)
 - ½ season cost, \$60,000



Padres 2021 Season Metrics Recap

>>> LED BOARD DIGITAL TAKEOVER



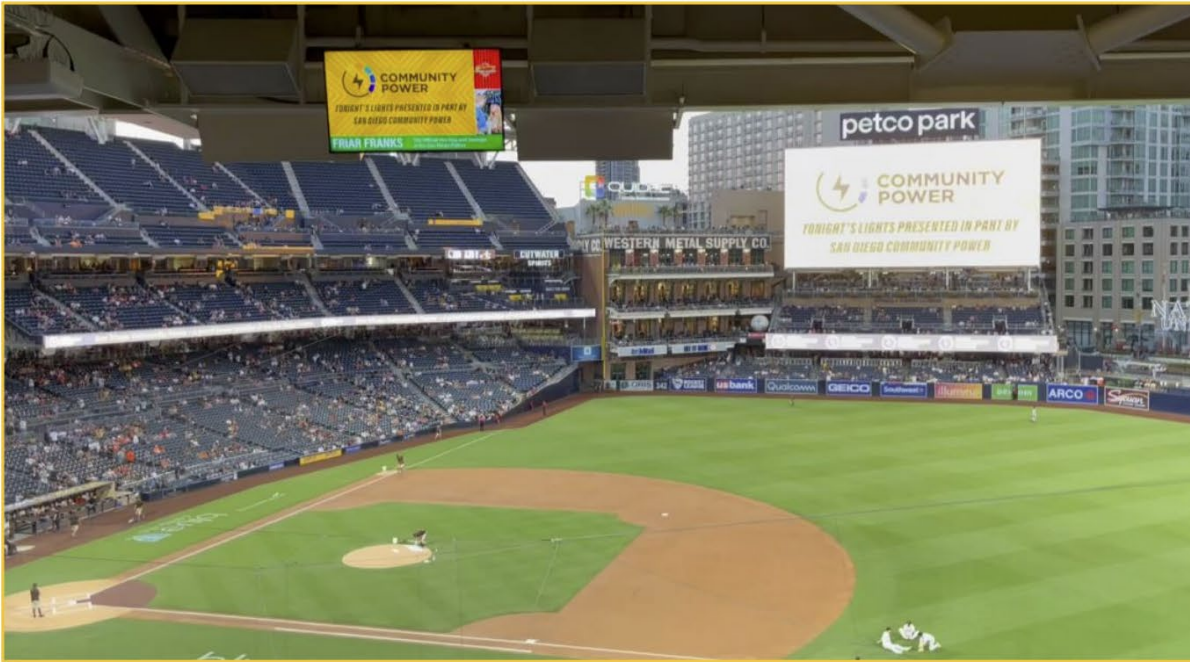
LED Signage:

- San Diego Community Power received "full LED takeover" for six (6) Padres home games
 - September 3rd, 4th, 21st, 22nd, 23rd & 25th
 - Total Attendance for these six (6) games was 217,074



Padres 2021 Season Metrics Recap

>>> TONIGHT'S LIGHTS PRESENTED BY
SAN DIEGO COMMUNITY POWER



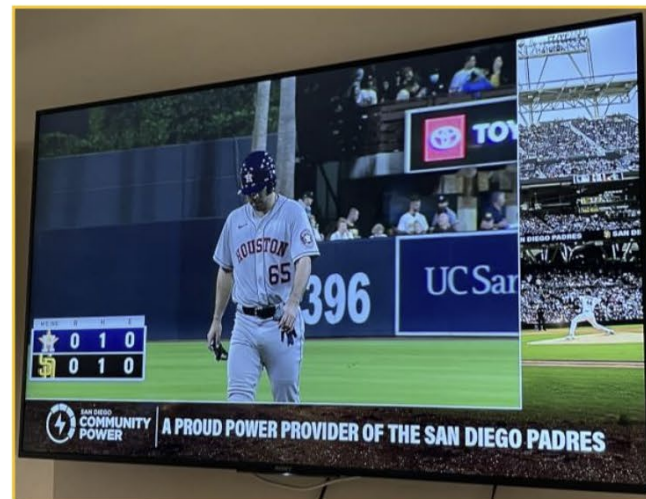
"Tonight's Lights":

- San Diego Community Power was the presenting partner of "Tonight's Lights", which ran every night game starting on August 24th.
- During this pregame feature, San Diego Community Power received a PA message, Full LED Takeover & Videoboard exposure.
- Total Attendance for these fourteen (14) games was 522,406



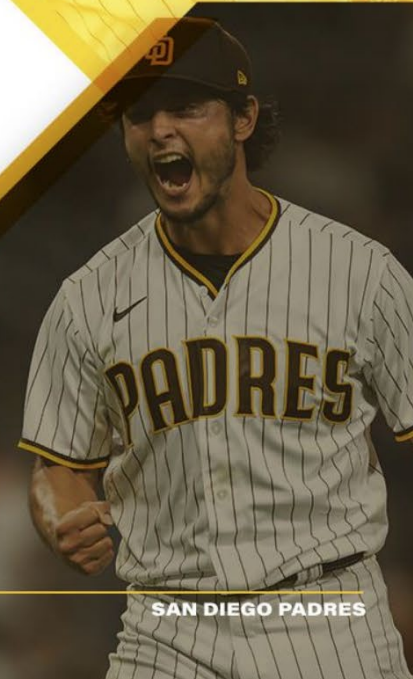
Padres 2021 Season Metrics Recap

>>> TELEVISION "L-BAR" BRANDING



"L-Bars":

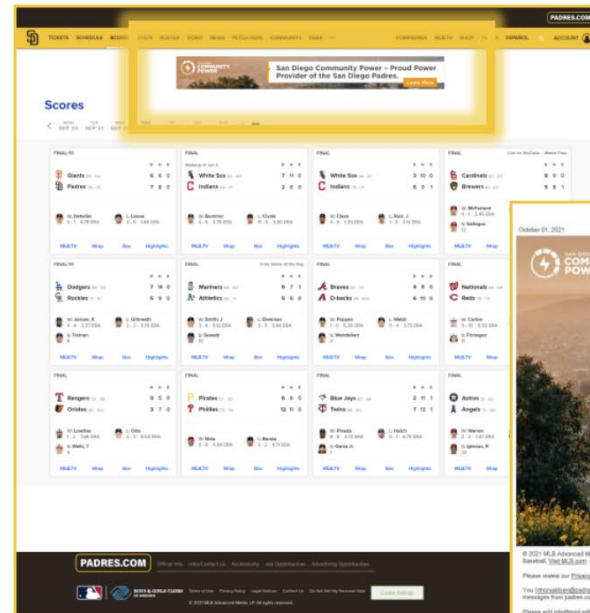
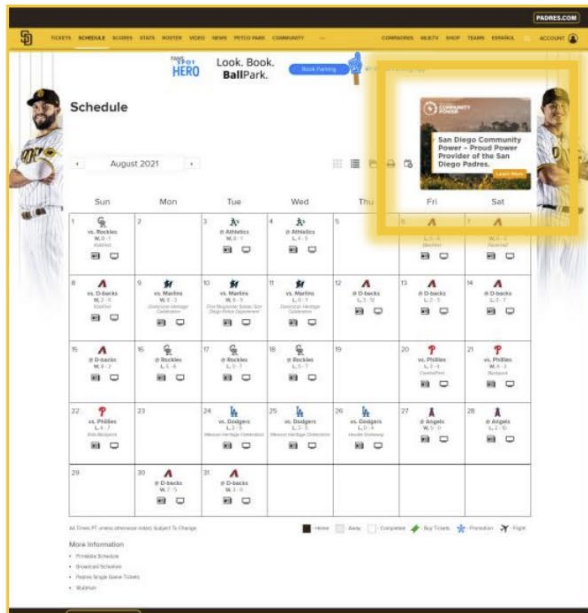
- San Diego Community Power received "L-Bar" branding on all Petco Park Televisions, which ran every game (fourteen (14) in total) starting on August 24th.
- Total Attendance for these fourteen (14) games was 522,406



SAN DIEGO PADRES

Padres 2021 Season Metrics Recap

>>> DIGITAL ASSETS



Digital Assets:

San Diego Community Power received the following during the '21 season

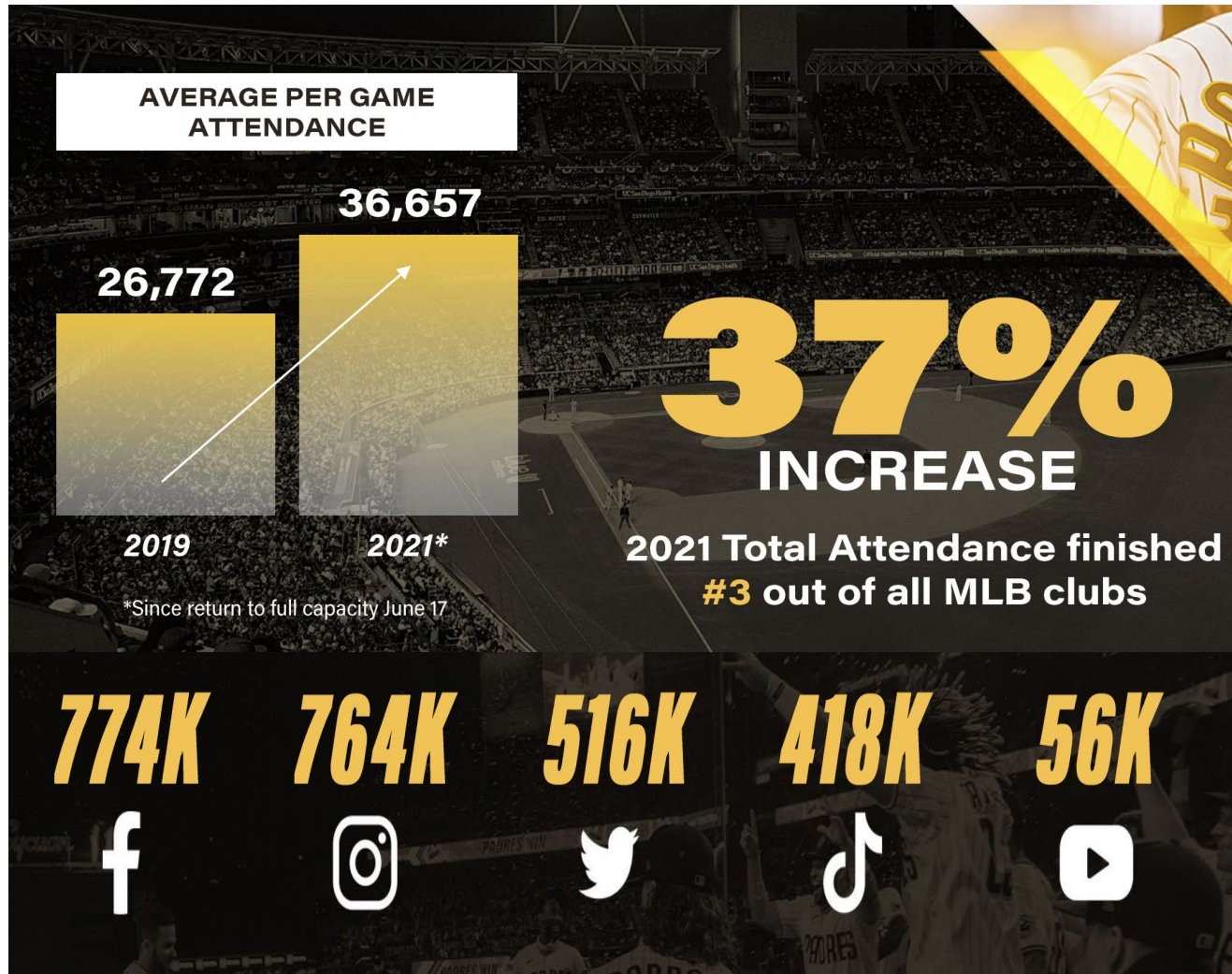
- 150,000 ROS Banner Ads on Padres.com
- One (1) Dedicated Email Blast
- Ability to announce partnership on SDCP's social channels once
- One (1) Direct Mail piece sent out by 2.1.22
- One (1) Social Media post on SDCP's social channel, without the use of the Padres logo

Metrics:

- Impressions: 150,015
- Clicks: 192
- CTR: 0.12%
- Email blast sent to 295k registered users



Padres 2021 Season Metric Recap



2021

- Padres games averaged a **6.01** household (HH) rating through the 2021 season
- Padres TV Ratings are **9%** higher YOY and have seen a **181%** increase from the 2018 season
- Padres Baseball is the **#1** rated program in San Diego during the game window
- The 6.43 HH rating is the highest local television rating for any team in MLB
- Padres have been featured on **22** National Broadcasts, including ESPN, Fox, and TBS
- Ratings for the 25-54 age demo are up 28.4% YOY
- Padres rank **2nd** in global total aggregate viewers (10.8 million)
- Padres global viewership has grown 177% since 2019

Padres 2022 Sponsorship Terms

Full Season + Gameday Giveaway = \$170,000

- Based on the performance of the 2021 ½ season sponsorship agreement, SDCP is recommending to enter into a full season sponsorship agreement maintaining the majority of terms from the prior season with the Padres with the following additions:
 - 40 combined games of LED / Grandstand advertising (up from 12 games for ½ season)
 - June 8th Gameday Giveaway (Padres Player Hat – 35,000 hats)
 - On-site kiosk activation during the Gameday Giveaway
 - Ability to host a press conference on the Gameday Giveaway
 - Additional social media posts including Padres' promotion of those posts

Not Included in 2022 Sponsorship Agreement: Ticket Bank (\$2,500)

Gameday Giveaway

Padres Player Hat



- San Diego Community Power will be the proud sponsor of the Padres Player Hat (Player TBD)
- 35,000 units to be ordered (extra units to be used at the discretion of SDCP)
- Once “Player” is announced, SDCP will promote, through its own channels, the game-day giveaway prior to June 8th through its social media channels and/or paid advertising

Item 15

Update on CEO Search Ad Hoc Committee Efforts

Recommendation:

Provide update on CEO Search Ad Hoc Committee efforts

Regular Meeting Agenda

**Reports by Management and
General Counsel**

Director Comments

Adjournment



Board of Directors

Next Regular Meeting
March 24, 2022