Board of Directors

Special and Regular Meeting

March 24, 2022
Special Meeting Agenda

Call to Order
Roll Call
Public Comments on Closed Session Items

Closed Session
1. Public Employee Appointment Pursuant to Government Code Section 54957
   Title: Chief Executive Officer
2. Conference with Labor Negotiators Pursuant to Government Code Section 54957.6
   Agency designated representative(s): Cindy Krebs, Alliance Resource Consulting
   Unrepresented employee: Chief Executive Officer
3. Public Employment Pursuant to Government Code Section 54957
   Title: Interim Chief Executive Officer

Report from Closed Session
Adjournment
1. Public Employee Appointment Pursuant to Government Code Section 54957
   Title: Chief Executive Officer

2. Conference with Labor Negotiators Pursuant to Government Code Section 54957.6
   Agency designated representative(s): Cindy Krebs, Alliance Resource Consulting
   Unrepresented employee: Chief Executive Officer

3. Public Employment Pursuant to Government Code Section 54957
   Title: Interim Chief Executive Officer
Regular Meeting Agenda

Welcome
Call to Order
Pledge of Allegiance
Roll Call
Report from Closed Session
Items to be Added, Withdrawn, or Reordered on the Agenda
Public Comment for Items Not on the Agenda
Consent Agenda

Regular Agenda Items:
12. Appointment of Chief Executive Officer and Approval of Employment Agreement
13. Second Amendment to Temporarily Extend Interim CEO Employment Agreement
14. Discussion of Location and Format of Upcoming Meetings
16. Update on Community Power Plan
17. Update On Residential Enrollment Marketing and PR
18. Approval of Agreement with River City Bank for the Renewal and Increase of the Credit Facility

Reports by Management and General Counsel
Director Comments
Adjournment
Roll Call

Report from Closed Session
Items to be Added, Withdrawn or Reordered on the Agenda
Public Comment for Items Not on the Agenda
1. Approval of Findings to Continue Holding Remote/Teleconference Meetings Pursuant to Assembly Bill 361
2. Approval of December 16, 2021 Meeting Minutes
3. Receive and File Treasurer’s Report for Period Ending 1/31/22
4. Update on Back Office Metrics/Dashboard
5. Update on Regulatory and Legislative Affairs
6. Approval of Second Amendment to Neyenesch Printing Contract
7. Adoption of Resolution Approving a Records Retention Policy and Schedule
8. Approval of Information Technology and Security Policy
9. Approval of Advanced Metering Infrastructure (AMI) Data Security and Privacy Policy
10. Update on Supplier Diversity and 2021 Report
11. Approval of Legislative Policy Platform
Item 12
Appointment of Chief Executive Officer and Approval of Employment Agreement

Recommendation: Adopt Resolution 2022-05 appointing a Chief Executive Officer and approving execution of an Employment Agreement in substantially the form presented at the meeting, with non-substantive revisions approved by the Chair and reviewed and approved as to form by General Counsel.

Presenter: General Counsel
Item 13
Second Amendment to Temporarily Extend Interim CEO Employment Agreement

Recommendation: Consider approval of Second Amendment to the Interim CEO Employment Agreement with Bill Carnahan to temporarily extend the term until the new CEO’s employment date or April 30, 2022, whichever is earlier.

Presenter: General Counsel
Item 14
Discussion on Location and Format of Upcoming Meetings

Recommendation:
Receive presentation, discuss meeting location and format issues and provide direction to staff.

Presenter:
Bill Carnahan, Interim Chief Executive Officer
General Counsel
Centrally Located Meeting Space Options for Hybrid Board Meetings:

**City of San Diego (Downtown San Diego):** No reserved parking

- **Board Chambers:**
  - Does not allow for in-person meetings
  - Meeting before ends at 5 pm

- **Committee Room:**
  - Does not allow for in-person meetings
  - Being renovated, completion date unknown

**County of San Diego (Downtown San Diego):** No reserved parking

- **Council Chambers:**
  - After-hours fees for Security
  - Technology Complexities

**Better Business Bureau Co-Working space (Mira Mesa):** Plenty of free parking

- Meets most needs but cannot accommodate public attendees
- After hours fees for staff

**BBK Offices (Downtown San Diego):** Plenty of free parking

- Meets most needs but cannot accommodate public attendees

**Presenter:**
Bill Carnahan, Interim Chief Executive Officer
General Counsel
Item 14

Recommendation:
Receive presentation, discuss meeting location and format issues and provide direction to staff.

Presenter:
Bill Carnahan, Interim Chief Executive Officer
General Counsel
Item 15

Approval of Energy Proposal Evaluation Criteria

Recommendation:
Approve the Energy Proposal Evaluation Criteria

Presenter:
Byron Vosburg, Director of Power Services
Energy Proposal Evaluation Criteria

Purpose

• SDCP pursues long-term power contracts via solicitations
  • E.g. 2020 Renewable RFO (2020 RPS RFO), 2021 Local RFI
• To date, Staff and Ad-Hoc Contracts Committee (AHCC) have used an Interim Evaluation Criteria to evaluate each potential project.
• An Evaluation Criteria serves as a helpful tool for Staff and AHCC to screen submissions, but all long-term contracts remain subject to review by Board committees and, ultimately, Board approval.
• For purposes of consistency and transparency, Staff propose to formally adopt the proposed Energy Proposal Evaluation Criteria (“EPEC”), which is modeled after the Interim Evaluation Criteria, for future evaluation of long-term, wholesale contracts for purchase of renewable energy and capacity.
Energy Proposal Evaluation Criteria

Proposal

• SDCP will use an Energy Proposal Evaluation Criteria (EPEC) to score proposals for long-term, wholesale energy contracts

• The EPEC may be modified on a solicitation-by-solicitation basis to reflect specific goals of targeted procurement

• The EPEC will include evaluation within the following six areas, each of which will be rated “High,” “Medium,” “Neutral,” or “Low” and aggregated for holistic review by Staff and the AHCC

- Project Location
- Quantitative Value
- Project Development
- Community Benefits
- Workforce Development
- Environmental Stewardship
# Energy Proposal Evaluation Criteria

## Illustrative Example

<table>
<thead>
<tr>
<th>Project</th>
<th>Location</th>
<th>Price</th>
<th>Capacity (MW)</th>
<th>COD</th>
<th>Project Location</th>
<th>Price / Value</th>
<th>Dev Score</th>
<th>Community Benefits</th>
<th>Workforce Dev</th>
<th>Enviro</th>
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<tbody>
<tr>
<td>SDCP A</td>
<td>SD County</td>
<td>$2</td>
<td>100</td>
<td>1/1/24</td>
<td>High</td>
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<td>High</td>
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<td>1/1/25</td>
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<td>Neutral</td>
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</table>
### Project Location

**Local**
- Renewables: SD or Imperial Co
- For Energy Storage: SD-IV Local RA

**Southern California**
- In or South of San Luis Obispo, Kern, San Bernadino Co
- Located in other counties within CA or directly interconnected to California Independent System Operator (CAISO)

**Out-of-state projects that are not interconnected to CAISO**
Quantitative Value

Projects will be ranked and categorized as **high**, **medium**, or **low**.

- The Quantitative score will be based on several project development-related factors, including:
  - Contract price
  - Products offered/included for purchase
  - Value to SDCP customers
  - Impact to SDCP portfolio risk
  - Cost effectiveness of project-related GHG emission reductions
Projects will be categorized as **high**, **medium**, or **low**.

- The development score will be based on several project development-related factors, including:
  - Site control
  - Interconnection status
  - Environmental screens
  - Land use and permits
  - Project financing
  - Developer experience
Community Benefits

• Project is located within a Disadvantaged Community (DAC), Community of Concern (COC), or a region otherwise designated by local jurisdiction or permitting agency as prioritized for renewable energy development (“Renewable Energy Development Zone” or “REDZ”);
• Has completed and clearly demonstrates Community Outreach;
• Demonstrates compelling Community Benefits

• Project is not located within a DAC, COC, or REDZ but has completed Community Outreach and can demonstrate Community Benefits
• Project does not demonstrate community benefits

• Project is inconsistent with community priorities
Workforce Development

- **HIGH**
  - The project meets all objectives of SDCP’s Inclusive and Sustainable Workforce Policy with respect to PPAs.

- **MEDIUM**
  - The project does not meet all objectives of SDCP’s ISWF Policy but can demonstrate prevailing wage, skilled and trained workforce, and local hire commitments.

- **LOW**
  - The project does not demonstrate prevailing wage, skilled and trained workforce, and local hire commitments.
2. Sustainable Workforce

a. PPAs – San Diego Community Power will encourage the submission of information from respondents to any bidding and/or RFP/RFQ process regarding planned efforts by project developers and their contractors to:
   i. Employ workers and use businesses from San Diego and Imperial County;
   ii. Employ properly licensed contractors and California certified electricians;
   iii. Utilize local apprentices, particularly graduates of San Diego and Imperial County pre-apprenticeship programs;
   iv. Pay workers the prevailing wage rates for each craft, classification and type of work performed;
   v. Display a poster at jobsites informing workers of prevailing wage requirements;
   vi. Provide workers compensation coverage to on-site workers; and
   vii. Support and use of State of California approved apprenticeship programs.
### Environmental Stewardship

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HIGH</strong></td>
<td>Project is located on currently or previously developed land and demonstrates additional societal, health, economic, water-saving, or environmental benefits beyond the climate and GHG reduction benefits of renewable energy</td>
</tr>
<tr>
<td><strong>MEDIUM</strong></td>
<td>Project is located on currently or previously developed land but not does demonstrate additional environmental benefits</td>
</tr>
<tr>
<td><strong>NEUTRAL</strong></td>
<td>Project does not demonstrate significant positive or negative environmental impact</td>
</tr>
<tr>
<td><strong>LOW</strong></td>
<td>Project demonstrates significant, unmitigated negative environmental impacts</td>
</tr>
</tbody>
</table>
Item 15

Recommendation:
Approve the Energy Proposal Evaluation Criteria

Presenter:
Byron Vosburg, Director of Power Services
Item 16

Update on Community Power Plan

Recommendation:
Receive and File Community Power Plan Update

Presenter:
Nelson Lomeli, Program Manager
Colin Santulli, Director of Programs
Community Power Plan Update

History

• May 2020: SDCP executed a Data Management Agreement with Calpine Energy Solutions ("Calpine") that included funding for the creation of a “Community Development Strategic Plan.”

• Sept. 2021: Staff presented to the Board on Energy Program Priorities for FY21-22 which included development of the Community Power Plan.

• Jan. 2022: Staff, Calpine, and the CAC-appointed members evaluated proposals, interviewed three consultant teams, and selected one consultant to move forward with development of the plan.

• Mar. 2022: Staff presented the draft scope of work to the full CAC for feedback.
Community Power Plan Update

Community Needs Assessment

Information Gathering
- Robust community engagement in multiple languages done in partnership with Community Based Organizations
- Various engagement methods including listening sessions, interviews, surveys, and community event attendance

Goal-Setting
- Workshops with the public, CAC, member agency staff, and the Board
- Further understand the goals, priorities, and needs of the community to inform the Program Prioritization Framework

Program Prioritization Framework
- Decision-making framework for prioritizing programs based on input, goals, and priorities
Community Power Plan Update

Program Market Assessment
- Determine available funding and financing sources
- Assessment of existing potential programs & best practices
- Existing CCA program “Listening Tour”

Program Ranking
- Program prioritization that are most aligned with community needs and SDCP priorities
- Program evaluation & ranking order for implementation in the short-, medium- and long-term horizon
- Phasing of programs over the next five years
Community Power Plan Update

Community Power Plan Document & Adoption

- First draft of the plan will be presented to engaged stakeholders, community members, and the CAC to solicit feedback and input
- 30-day comment period for written feedback and input that will be incorporated into final plan
- Plan will be translated into Spanish and Tagalog
Community Power Plan Development

- Community Needs Assessment
- Program Prioritization Framework
- Program Ranking
- Community Power Plan Development & Adoption

Market Assessment
Item 16

Recommendation:
Receive and File Community Power Plan Update

Presenter:
Nelson Lomeli, Program Manager
Colin Santulli, Director of Programs
Item 17
Update on Residential Enrollment Marketing

Recommendation:
Receive and File Residential Enrollment Marketing Update

Presenter:
Rita de la Fuente, Director of External Affairs
Enrollment Notices

“We’re excited by more renewable energy generation in our region to help curb climate change and leave the planet in better shape for our kids!”

– The Morgan Family
San Diego

Welcome to San Diego Community Power!

Visit us at SDCommunityPower.org

SDGP
Buy electricity from renewable resources

SDME
Delivers power and maintains the grid

YOU GET
Cleaner power, local control, and competitive rates

With your recent automatic enrollment to San Diego Community Power, we became your new electric generation service provider! We purchase renewable power, like solar and wind, and provide it to you at competitive rates. As a new customer, you’ll receive our standard service offering, PowerOn, which provides 100% renewable energy and is priced competitively to what you are currently paying with San Diego Gas & Electric (SDGE). If you want to further reduce your carbon footprint or lower your energy consumption, you can choose to upgrade to PowerFlex, providing 100% renewable energy and carbon-free energy for a small premium. You can always choose to return to SDME service, but you’ll be missing out on some important benefits. With SDGP, you’re empowered to choose a cleaner future.

Please note that rooftop solar customers and other customers participating in fast-track rate reducing PowerOn will be automatically enrolled at the end of the next period (commodity referred to as “price-up”). For more information on enrollment, please see the FAQs on our website at SDCommunityPower.org.

Benefits that you can expect from San Diego Community Power:

- Cleaner, renewable power at competitive prices
- Energy programs tailored to meet the needs of our communities
- Local control by local representatives who prioritize people and our communities
- Reinvestment of revenues into our community
- Support of local job creation and development of local renewable energy projects

To learn more about SDGP and our benefits, change your service level, or to opt out, visit:
www.SDCommunityPower.org
or call 1-800-392-0169.

Libang maitutuwa nang naging pagkakataon, bagong ang ari asta ngayon ari ari, o mag-tip out, bulatan ang: www.SDCommunityPower.org o 1-800-392-0169.

Terms & Conditions of Service
San Diego Community Power electric generation rates are managed with the intention of providing cleaner electricity at competitive rates. All changes to SDGP rates will be adopted at duly noticed public hearings of the San Diego Community Power Board of Directors. Changes to SDME or SDGP rates will impact cost comparisons between SDME and SDGP. SDGP rates may impact your electric bill and change on a quarterly basis. SDGP rates may impact your electric bill and change on a quarterly basis.

BILLS: SDGP will bill you at the regulated rates for electricity usage recorded during the period of your enrollment. SDGP rates may impact your electric bill and change on a quarterly basis. If the relevant rates for your usage period change, there will be a corresponding adjustment to your bill. SDGP rates are fixed for your use period.

ENROLLMENT: As the default electricity provider for the cities of Chula Vista, Bonita, Imperial Beach, La Mesa, and San Diego, you have no choice to select another provider. If you are enrolled in SDME, you may select a new provider by calling the 1-800-392-0169. For customers of Chula Vista, Bonita, Imperial Beach, La Mesa, and San Diego, the enrollment date is the date after the first day of the enrollment month. You may choose to opt-out of PowerGO, which provides SDME renewable energy service at a slight premium.

For complete Terms and Conditions of Service, please visit SDCommunityPower.org or call 1-800-392-0169.
Launch member city-specific media 1 week prior to service rollout to establish public awareness of SDCP.

Based on available budget, run media in each member city during month of rollout and 3 weeks following to continue to build awareness and combat any customer anxiety over bill changes.

Phase in Digital Display regionwide coverage as service rolls out in each member city to allow for campaign to optimize against performance.

Deliver bulk of regionwide coverage (as affordable) using advertising channels that do not allow for geographic targeting, once all member cities have rolled out service.
Creative Concepts

“I am excited that Imperial Beach residents and businesses now have more options to use clean, renewable energy.”
- Kim Rivero Frink
SunCoast Market Co-op Board President, Imperial Beach

“It feels great knowing both my home and small business are being powered with 100% renewable energy sources.”
- Jen Derks
Owner of Four Fin Creative

“I identify with the SDCP benefits of clean energy, job creation, local reinvestment, and community programs. I was born and raised in Encinitas and want to see this community thrive.”
- Oren Zaslansky
Founder and CEO of Flock Freight

I know I’m making a difference using SDCP’s clean energy.
Same! We’re helping protect our environment and create a better future for our kids. Learn More
Media Mix

Local Print:
- SD Union Tribune
- SD Reader
- SD Uptown News
- El Latino
- Voice & Viewpoint
- Filipino Press
- Nquoi Viet Tu Do
- SD Chinese Tribune
- Community Newspapers

Social/Online Media:
- Facebook/Instagram
- Nextdoor
- Twitter
- Cross-Device Display (Banner Ads)

Radio:
- Univision
- KPBS Public Radio
- Podcasts

Outdoor:
- Billboards
- Convenience Store Posters
Social Media Fact Learning Series

Did you know?
SDCP will launch residential service to customers in the cities of Imperial Beach starting in February 2022, followed by La Mesa in March, Encinitas in April, and Chula Vista and San Diego in May 2022.

For more information, visit sdcommunitypower.org

Did you know?
If you're a solar customer, you will join SDCP on your annual true-up date with SDG&E. That way, you'll have uninterrupted service and receive any credits you may have accrued.
Partnerships

Teaming up for a sustainable future
Outreach and Engagement
News Media Coverage

67 stories Q1 2022 reached an audience of 37 million potential viewers

The big switch: More than 700,000 electric customers begin moving from SDG&E to a community energy program
- San Diego Union Tribune

San Diego Community Power Comes To Imperial Beach
- Anna Webb, Eagle & Times

La Mesans have alternative supplier offering clean energy to residents
- Jen Derks & David Harris, La Mesa Courier
Item 17

Recommendation:
Receive and File Residential Enrollment Marketing Update

Presenter:
Rita de la Fuente, Director of External Affairs
Item 18

Approval of Agreement with River City Bank for the Renewal and Increase of the Credit Facility

Recommendation:
Approve the agreement with River City Bank for the renewal and increase of the credit facility.

Presenter:
Dr. Eric Washington, Chief Financial Officer
Execute Amended River City Bank Credit Agreement to $50M and 2-Year Extension

December 2019
Finalized Negotiations
SDCP Board directed staff to finalize negotiations with River City Bank for a credit facility and banking services for SDCP’s start-up, operational financing and banking needs.

April 2020
$35M Credit Facility
Board authorizes execution of a credit agreement and related documents necessary to implement a $35 million credit facility with River City Bank.

May 2020
$5M Collateral
Board authorizes promissory notes with Emerald Blue and B Quest Foundation to borrow $5 million, used as cash collateral for the credit facility with River City Bank.
Execute Amended River City Bank Credit Agreement to $50M and 2-Year Extension

Prior Loan Amount
$35.0m

New Loan Amount
$50.0m

<table>
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<tr>
<th>Loan Type</th>
<th>• Commercial Revolving Line of Credit (“RLOC”)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>• To support working capital as needed</td>
</tr>
<tr>
<td></td>
<td>• To support the issuance Letters of Credit</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>• RLOC: Floating at the 3-month term Secured Overnight Financing Rate (“SOFR”) as published by CME Group plus 2.25%. Subject to a 2.25% floor rate</td>
</tr>
<tr>
<td></td>
<td>• Term Loan: Fixed for the Term Loan term at the then prevailing 5-year US Treasury Note yield + 2.00% on the Term Loan Conversion Date, subject to a 2.00% interest rate floor. (No change)</td>
</tr>
<tr>
<td>Repayment</td>
<td>• RLOC: Interest only due monthly, outstanding principal due at maturity or termed out under the term loan provision</td>
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<tr>
<td></td>
<td>• Term Loan: Fully amortized over 60 months with equal monthly principal and interest payments</td>
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<tr>
<td></td>
<td>• LCs: In the event of a Letter of Credit draw, bank will disperse funds from the RLOC, and borrower must repay the Bank in full within 3 days.</td>
</tr>
</tbody>
</table>
Execute Amended River City Bank Credit Agreement to $50M and 2-Year Extension

**Unexpected Power Costs**
Provides SDCP with additional resources to respond fiscally to unexpected rises in the power supply costs.

**Unexpected Market Conditions**
Allows SDCP to react quickly to unexpected changes in customer demand and market conditions.

**Opportunities to Buy Energy**
Provides SDCP with additional financial capacity to take advantage of opportunities to buy energy products.

**Supports Reserves**
Supports SDCP reserves as SDCP continues to build to its 90-day expense target.
FRMC Meeting – March 3, 2022
The committee heard and discussed this item to amended River City Bank credit agreement to $50M and 2-Year Extension.

Discussion at FRMC Meeting
• History of River City Bank agreement.
• River City Bank affirmation to pursue an amended agreement
• Purpose: to support fiscal capacity and to weather unforeseen conditions.

Action: Recommended the renewal and increase of the existing River City Bank credit facility be presented to the SDCP Board for approval.
Item 18

Recommendation:
Approve the agreement with River City Bank for the renewal and increase of the credit facility.

Presenter:
Dr. Eric Washington, Chief Financial Officer
Regular Meeting Agenda

Reports by Management and General Counsel

Director Comments

Adjournment
Board of Directors

Next Regular Meeting
April 28, 2022