



# 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**

# 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

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**Items to be Added, Withdrawn, or Reordered on the Agenda**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

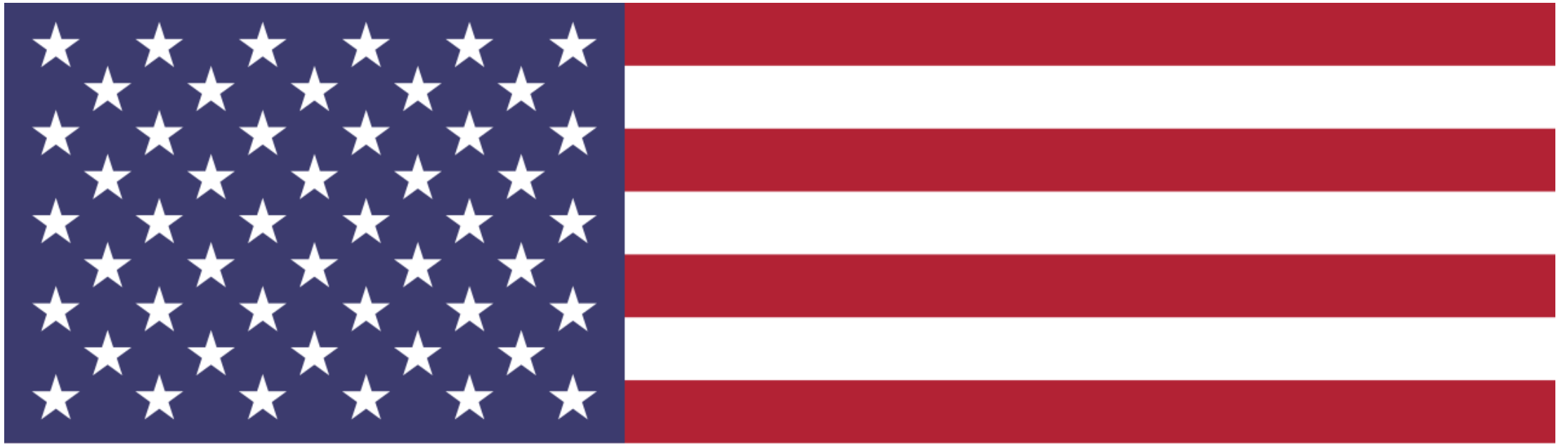
**Regular Agenda Items:**

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
15. Approval of Energy Proposal Evaluation Criteria
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Withdrawn or Reordered  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

# Consent 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.

# 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.

# 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

# 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

Project	Location	Price	Capacity (MW)	COD	Project Location	Price / Value	Dev Score	Community Benefits	Workforce Dev	Enviro
SDCP A	SD County	\$2	100	1/1/24	High	High	High	Med	High	Med
SDCP B	Orange County	\$1.50	200	1/1/24	Med	High	High	High	High	Neutral
SDCP C	SD County	\$2.25	50	1/1/25	High	High	Med	Neutral	High	Neutral
SDCP D	Imperial County	\$2	20	1/1/24	High	High	High	Neutral	High	Neutral
SDCP E	SD County	\$3	75	1/1/25	High	Med	Med	Neutral	Med	Neutral
SDCP F	Riverside County	\$3.50	20	1/1/25	Med	Med	High	Med	Med	Neutral
SDCP G	Imperial County	\$4	50	1/1/24	High	Low	Med	Low	TBD	Neutral
SDCP H	SD County	\$3.75	100	1/1/24	High	Low	High	Neutral	Med	Low



# Project Location

HIGH

## Local

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

MEDIUM

## Southern California

- In or South of San Luis Obispo, Kern, San Bernadino Co

NEUTRAL

LOW

- 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

# Project Development

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

HIGH

- 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

MEDIUM

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

NEUTRAL

- Project does not demonstrate community benefits

LOW

- 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

# SDCP ISWF Policy

## 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

HIGH

- 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

MEDIUM

- Project is located on currently or previously developed land but not does demonstrate additional environmental benefits

NEUTRAL

- Project does not demonstrate significant positive or negative environmental impact

LOW

- Project demonstrates significant, unmitigated negative environmental impacts

# Item 15

Recommendation:

Approve the Energy Proposal Evaluation Criteria

# 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



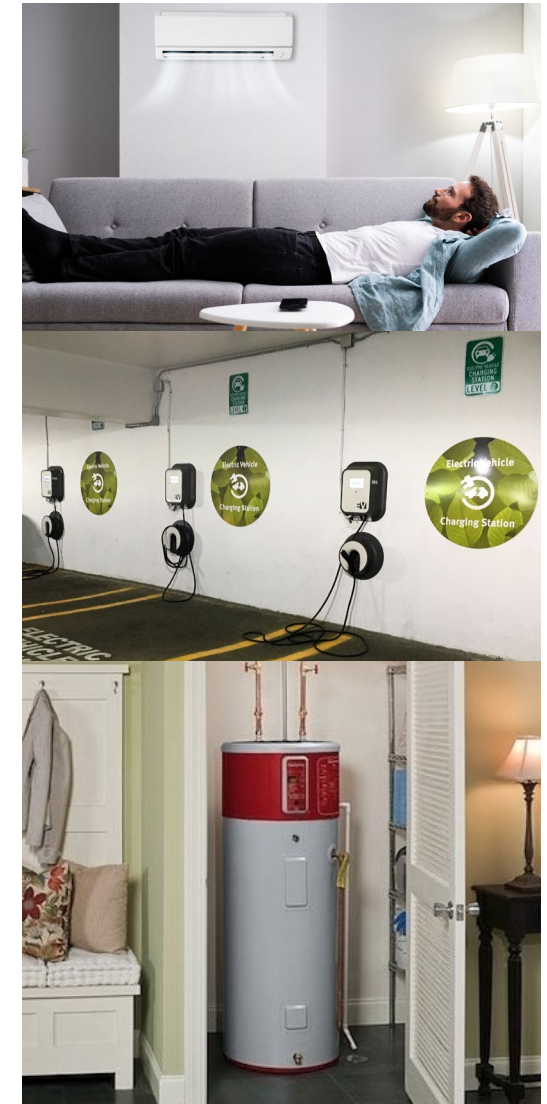
# Community Power Plan Update

## Program Market Assessment

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

## Program Ranking

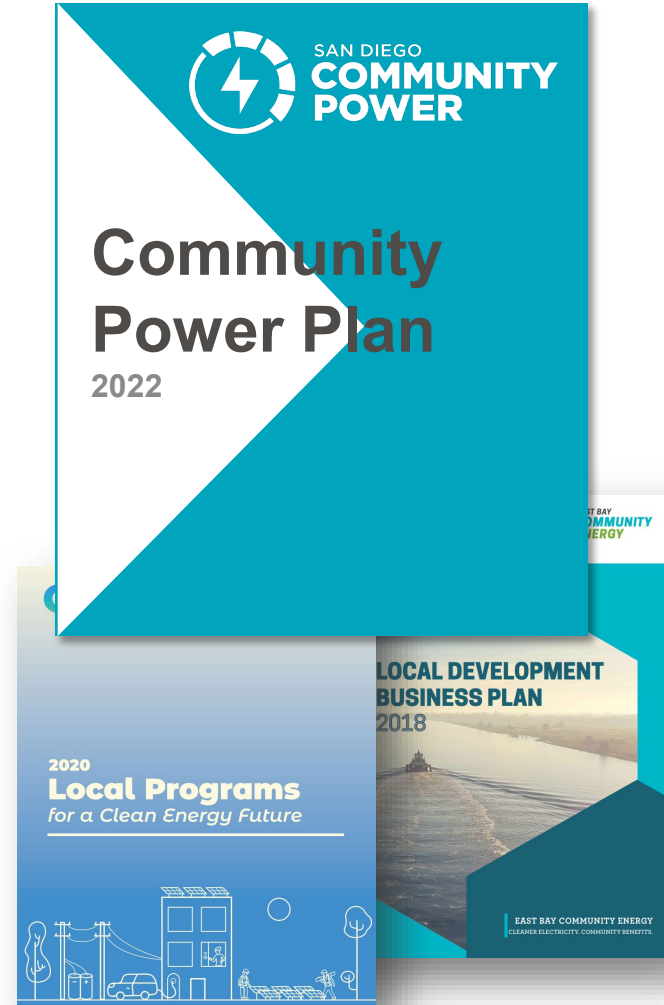
- Program prioritization that are most aligned with community needs and SDCP priorities
- Program evaluation & ranking order for implementation in the short-, medium- and long-term horizon
- Phasing of programs over the next five years



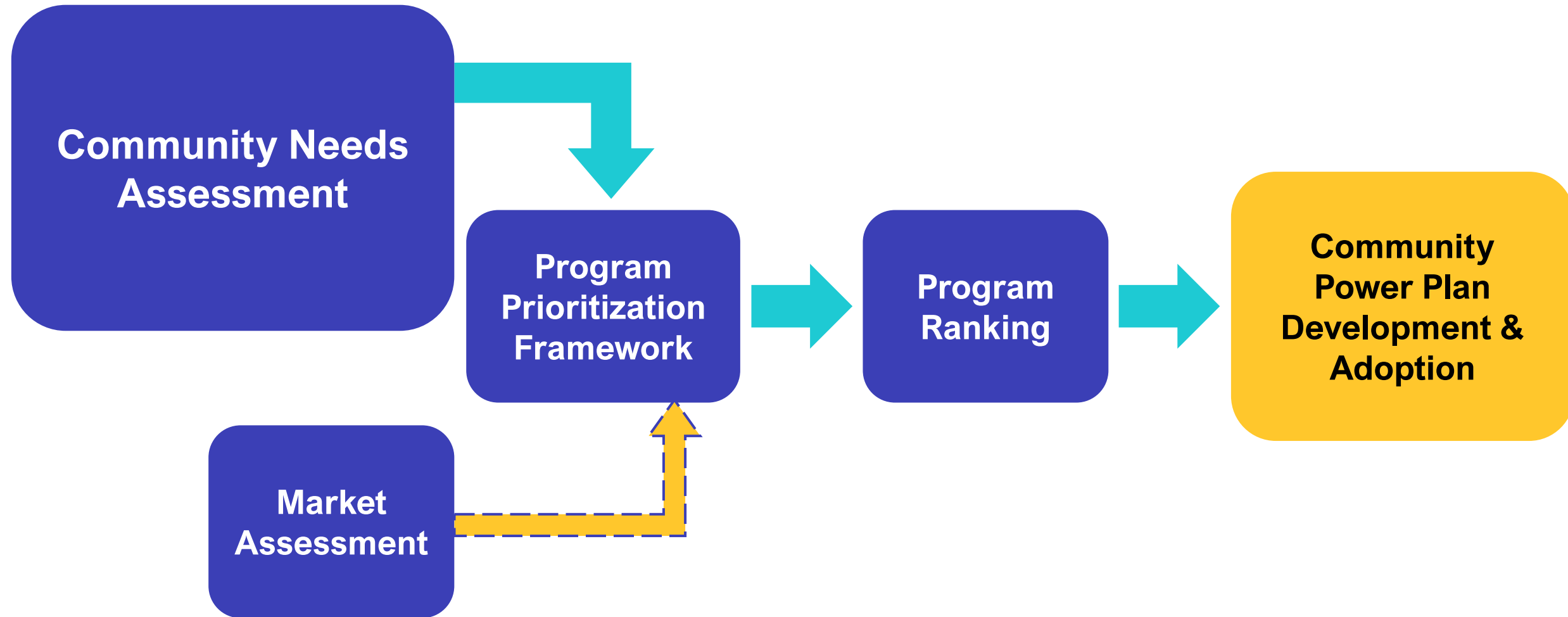
# Community Power Plan Update

## 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



# 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

# 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

© 2022 Kaplan Photography



Welcome to San Diego Community Power!

Visit us at  
[SDCommunityPower.org](http://SDCommunityPower.org)



Pre-sorted  
Stamp



**San Diego Community Power (SDCP)** is your new local provider of electricity bringing you cleaner energy at competitive rates. We put our communities first, helping you take a giant step toward a more sustainable energy future. We are a locally managed, not-for-profit, public agency that focuses on what families need and want most when it comes to their energy.

#### How It Works



SDCP	SDG&E	YOU GET
Buys electricity from renewable resources	Delivers power and maintains the grid	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 50% renewable energy and is priced competitively to what you are currently paying with San Diego Gas & Electric (SDG&E). If you want to further reduce your carbon footprint from energy consumption, you can choose to upgrade to **Power100**, providing 100% renewable and carbon free energy for a small premium. You can always choose to return to SDG&E service, but you'll be missing out on some important benefits. With SDCP, you're empowered to choose a cleaner future.

Please note that rooftop solar customers and other customers participating in Net Energy Metering (NEM) will be automatically enrolled at the end of their relevant period (commonly referred to as "true-up"). For more information on enrollment, please see the FAQs on our website at: [SDCommunityPower.org](http://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 SDCP and our benefits, change your service level, or to opt out, visit: [www.SDCommunityPower.org](http://www.SDCommunityPower.org) or call 1-888-382-0169.

Para obtener más información sobre SDCP y nuestros beneficios, cambiar su nivel de servicio o optar por no participar, visite: [www.SDCommunityPower.org](http://www.SDCommunityPower.org) o llame al 1-888-382-0169.

Upang matuto nang higit pa tungkol sa SDCP at sa aming mga benepisyo, baguhin ang antas ng iyong serbisyo, o mag-opt out, bisitahin ang: [www.SDCommunityPower.org](http://www.SDCommunityPower.org) o tumawag sa 1-888-382-0169.

#### Terms & Conditions of Service

San Diego Community Power electric generation rates are managed with the intention of providing cleaner electricity at competitive rates. Any changes to SDCP rates will be adopted at duly noticed public hearings of the San Diego Community Power Board of Directors. Changes to SDG&E or SDCP rates will impact cost comparisons between SDCP and SDG&E.

All SDG&E and SDCP customers pay a monthly Power Charge Indifference Adjustment (PCIA) and Franchise Fee Surcharge. The PCIA is a charge to ensure both SDG&E customers and those who have left SDG&E service to purchase electricity from other providers pay the above market costs for generation resources that were procured by SDG&E on their behalf. "Above market" refers to expenditures for electric generation resources that cannot be fully recovered through sales of these resources at current market prices. SDCP has already accounted for these after-market charges in calculating rates. View SDCP rates and SDG&E cost comparisons on our website.

**BILLING:** You will receive a single monthly bill from SDG&E that includes SDCP's electric generation charges. SDCP's electric generation charge replaces SDG&E's electric generation charge. SDCP's charge is not a duplicate charge or extra fee. SDG&E will continue to charge you for electric delivery services. If you opt-out of SDCP, SDG&E will resume charging you for electric generation.

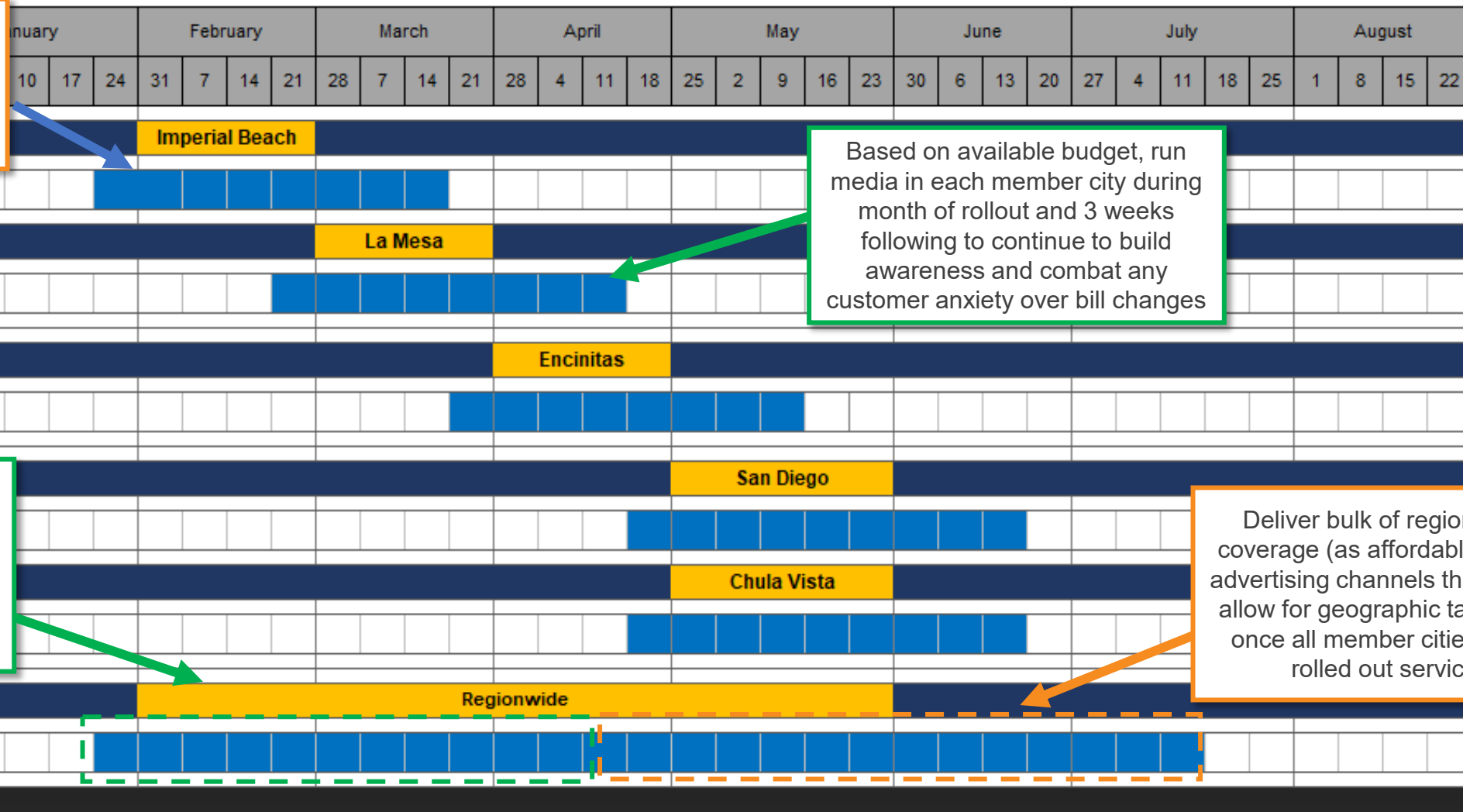
**ENROLLMENT:** As the default electricity provider for the cities of Chula Vista, Encinitas, Imperial Beach, La Mesa, and San Diego, you were automatically enrolled into San Diego Community Power service unless you opted-out at least five business days before your meter read date during the enrollment month. Accounts were automatically enrolled in SDCP's PowerOn on the regularly scheduled meter read date that was after the first day of the enrollment month. You may choose to opt-up to Power100, which provides 100% renewable energy service at a slight premium.

For complete Terms and Conditions of Service, please visit [SDCommunityPower.org](http://SDCommunityPower.org) or call SDCP at 1-888-382-0169.



# Media Roll-out Periods

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



[Learn More](#)



“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



[Learn More](#)



“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



[Learn More](#)



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

¡Sí! 😊 No solo proporcionan energía limpia, sino que también reinvierten en nuestra comunidad.

😊 Vaya, me gusta cómo suena eso.

¡El servicio residencial comenzará en la primavera del 2022! San Diego Community Power se compromete a ofrecerle una opción que proporcione energía más limpia a precios competitivos. Con la energía administrada por las personas que la usan, y las ganancias que permanecen en nuestra comunidad, **alimentando un futuro de energía limpia nunca ha sido tan fácil.**



Welcome Neighbor  
*Bienvenido vecino*  
[sdcommunitypower.org](http://sdcommunitypower.org)

# 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](https://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



# 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.

# 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



<b>Loan Type</b>	<ul style="list-style-type: none"><li>Commercial Revolving Line of Credit ("RLOC")</li></ul>
<b>Purpose</b>	<ul style="list-style-type: none"><li>To support working capital as needed</li><li>To support the issuance Letters of Credit</li></ul>
<b>Interest Rate</b> <i>RLOC: ~2.63% as of 2/25/22</i> <i>Term Loan: 5-year US Treasury Note yield + 2.00%</i>	<ul style="list-style-type: none"><li><b>RLOC:</b> 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</li><li><b>Term Loan:</b> 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)</li></ul>
<b>Repayment</b>	<ul style="list-style-type: none"><li><b>RLOC:</b> Interest only due monthly, outstanding principal due at maturity or termed out under the term loan provision</li><li><b>Term Loan:</b> Fully amortized over 60 months with equal monthly principal and interest payments</li><li><b>LCs:</b> 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.</li></ul>

# 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 unexcepted 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.

# Finance & Risk Management Committee Meeting

March 3, 2022

## 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.

# **Regular Meeting Agenda**

**Reports by Management and  
General Counsel**

**Director Comments**

**Adjournment**



# Board of Directors

Next Regular Meeting  
April 28, 2022

