Special Meeting Agenda

Call to Order
Roll Call
Public Comments on Closed Session Items
Closed Session
1. Public Employee Performance Evaluation Pursuant to Government Code Section 54957
   Title: Interim Chief Executive Officer
2. Conference with Labor Negotiators Pursuant to Government Code Section 54957.6
   Agency designed representatives: Ryan Baron, General Counsel
   Unrepresented employee: Interim Chief Executive Officer
3. Public Employee Appointment Pursuant to Government Code Section 54957
   Title: Chief Executive Officer
Report from Closed Session
Adjournment
Closed Session

1. Public Employee Performance Evaluation Pursuant to Government Code Section 54957
   Title: Interim Chief Executive Officer

2. Conference with Labor Negotiators Pursuant to Government Code Section 54957.6
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Special Meeting Agenda

Report from Closed Session

Adjournment
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Items to be Added, Withdrawn, or Reordered on the Agenda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
Reports by Management and General Counsel
2 First Amendment to Interim Chief Executive Officer Employment Agreement
3 Consider and Discuss Recruitment Process for Permanent Chief Executive Officer
4 Update of Regulatory and Legislative Affairs
5 Net Energy Metering Letter to the California Public Utilities Commission and the Governor’s Office as Recommended by the Community Advisory Committee
6 Resolution to Approve County of San Diego Membership in SDCP
7 New Members Discussion: National City and Oceanside
8 Employee Handbook Update
9 Energy Programs Discussion and Overview
10 Back Office Metrics and Dashboard Monthly Update
11 Power Resources Monthly Update
Director Comments
Adjournment
Consent Agenda

1. Treasurer’s Report – Presentation of Financial Results for 2021 Fiscal Year End Period ended 6/30/21 and Presentation of Financial Results for Fiscal Year 2022 Period ended 7/31/21
Item 1
Treasurer’s Report

• Fiscal Year End June 30, 2021 Results
• Fiscal Year 2022 Year to Date July 31, 2021 Results

Presenter:
Dr. Eric Washington
CFO & Treasurer
**Item 1**

Financial results for FY2021:

- $14.8 million in net operating revenues
- $27.6 million in total expenses (includes energy costs-$24.4 million)
- ($13.0) million deficit - covered with debt and cash

<table>
<thead>
<tr>
<th>FY21 Budget v. Actual</th>
<th>FY21 Actual</th>
<th>FY21 Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Operating Revenues</td>
<td>$14,809,101</td>
<td>$26,286,908</td>
<td>$(11,477,898)</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>$27,616,254</td>
<td>$33,693,000</td>
<td>$(6,076,746)</td>
</tr>
<tr>
<td>Change in Net Position</td>
<td>$13,042,962</td>
<td>$(7,763,092)</td>
<td>$(5,279,870)</td>
</tr>
</tbody>
</table>
Item 1

Financial results for FY2022:

- $35.9 million in net operating revenues
- $30.2 million in total expenses (includes energy costs-$29.8 million)
- $5.7 million Change in net position

### FY22 Budget v. Actual

<table>
<thead>
<tr>
<th></th>
<th>YTD 7/31/21</th>
<th>FY22 Budget</th>
<th>Budget Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Operating Revenues</td>
<td>$35,976,285</td>
<td>$315,138,000</td>
<td>$279,161,715</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>$30,229,310</td>
<td>$296,432,000</td>
<td>$266,202,690</td>
</tr>
<tr>
<td>Change in Net Position</td>
<td>$5,696,809</td>
<td>$17,728,000</td>
<td>$12,031,191</td>
</tr>
</tbody>
</table>
Item 2
First Amendment to Interim Chief Executive Officer Employment Agreement

Recommendation: Consider approval of the First Amendment to the Interim Chief Executive Officer Employment Agreement with Bill Carnahan.
Item 3
Consider and Discuss Recruitment Process for Permanent Chief Executive Officer

Recommendation: Receive staff report and public comments, discuss recruitment process, provide direction regarding the hiring of an executive recruiter, and consider the establishment of a temporary ad hoc advisory committee related to executive recruitment.
Item 4
Update on Regulatory and Legislative Affairs

Recommendation: Receive the update on regulatory and legislative affairs.

- End of 2021 Legislative Session
- SDG&E Sales Forecast Application
- Resource Adequacy Citation Appeal Update
- Net Energy Metering 3.0 Proceeding

Presenter:
Laura Fernandez, Director of Regulatory and Legislative Affairs
Item 4
End of 2021 Legislative Session

• 2021 Legislative Session concluded on September 10
• 12 of the 40 bills that SDCP tracked this session presented to Governor
• Governor has until October 10 to sign or veto bills
• Overview of bills of interest signed into law to be provided next month
Item 4
SDG&E Sales Forecast Application

- SDG&E filed application for 2022 sales forecast on August 13
- SDG&E requests authority to file an annual combined sales forecast and Energy Resource Recovery Account (ERRA) forecast
- SDCP filed protest on August 27
- SDG&E replied September 15
- Proceeding may be consolidated with the ERRA forecast proceeding
Item 4
Resource Adequacy Appeal Update

- SDCP issued citation for deficiency in September 2021 Year Ahead System Resource Adequacy requirements
- SDCP is appealing the citation because the deficiency is a result of factors outside of the control of SDCP
  - There was simply no available resource to buy to cure deficiency
- Opening Brief filed September 20
  - Reply Briefs due October 15
- Expect resolution this calendar year
Item 4

Net Energy Metering (NEM) 3.0

- SDCP filed reply brief jointly with San José Clean Energy, recommending the CPUC:
  - Reject utility proposal to use the Avoided Cost Calculator for determining NEM customer compensation;
  - Reject high fixed charges for NEM customers;
  - Adopt a reasonable glidepath to ensure that the rooftop solar industry can continue to grow sustainably;
  - Reject proposals to move NEM 1.0 and 2.0 customers to NEM 3.0;
  - Ensure growth of rooftop solar in equity communities;
  - Explore electrification friendly rates for NEM customers.
Item 5
NEM Letter to the CPUC and the Governor’s Office as Recommended by the Community Advisory Committee

Recommendation: Approve the Community Advisory Committee’s recommendation to send a letter supporting NEM to the CPUC and the Governor’s Office with Staff edits.

- NEM 3.0 Proposed Decision expected by December 2021
- Affordable Clean Energy Coalition sent letter indicating support for NEM changes
- Staff supports CAC recommendation to send a letter to CPUC and Governor

Presenter:
Laura Fernandez,
Director of Regulatory and Legislative Affairs
Item 6
Resolution to Approve County of San Diego Membership in SDCP

Recommendation:
Adopt Resolution No. 2021-4, a resolution of the Board of Directors approving the addition of the County of San Diego as a member of SDCP.

Presenter:
Cody Hooven, Chief Operating Officer
Item 6

Timeline

• Spring 2021 - Staff began working with the County on potential membership
• June 2021 – New Member Policy adopted
• June 2021 – Analysis of County membership completed in June showing favorable financial impact
• August 31, 2021 – County Board of Supervisors voted to adopt SDCP’s Joint Powers Authority Agreement and appoint a Board member and alternate
• September 2021 – SDCP Board considers County membership
• October 2021 – SDCP Board considers other members (see Agenda Item #7)
• November 2021 – SDCP Board approves amended Implementation Plan for submission to CPUC
Item 6

Key Stats

- Adds approximately 25% to SDCP electricity load
  - Peak demand increases by ~430 MW to ~1780 MW
- Adds approximately 187,000 accounts
  - Added to 770,000 current accounts
- Net revenues expected to be $5.9 million and $10.5 million in first two full years of enrollment
- Enrollment would begin likely in Spring 2023
- County Board Member can be seated beginning in December 2021
Item 6

Recommendation: Adopt Resolution No. 2021-4, a resolution of the Board of Directors approving the addition of the County of San Diego as a member of SDCP.

- Two-thirds vote to authorize membership
- Effective date: December 1, 2021
- Exhibit C and D of the JPA (annual energy use and voting shares, respectively) will be presented to the Board in the coming months

<table>
<thead>
<tr>
<th>Members</th>
<th>Existing Voting Share</th>
<th>New w/County</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Diego</td>
<td>49.00%</td>
<td>49.00%</td>
</tr>
<tr>
<td>San Diego County</td>
<td>--</td>
<td>30.77%</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>28.45%</td>
<td>11.84%</td>
</tr>
<tr>
<td>Encinitas</td>
<td>9.36%</td>
<td>3.66%</td>
</tr>
<tr>
<td>La Mesa</td>
<td>8.79%</td>
<td>3.61%</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>4.40%</td>
<td>1.13%</td>
</tr>
</tbody>
</table>
Item 7
New Members Discussion: National City and Oceanside

Recommendation:
Review and approve analysis and move forward with National City and Oceanside membership.

Presenter:
Cody Hooven, Chief Operating Officer
John Dalessi, Pacific Energy Advisors
Item 7: National City Customer Information

<table>
<thead>
<tr>
<th>Classification</th>
<th>Accounts</th>
<th>Annual Energy (MWh)</th>
<th>Average Customer Usage (KWh/Mo.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>16,152</td>
<td>58,157</td>
<td>300</td>
</tr>
<tr>
<td>Small Commercial</td>
<td>2,636</td>
<td>41,637</td>
<td>1,316</td>
</tr>
<tr>
<td>Medium &amp; Large Commercial</td>
<td>342</td>
<td>103,684</td>
<td>25,264</td>
</tr>
<tr>
<td>Agricultural</td>
<td>6</td>
<td>90</td>
<td>1,251</td>
</tr>
<tr>
<td>Street Lighting</td>
<td>112</td>
<td>1,751</td>
<td>1,303</td>
</tr>
<tr>
<td>Total</td>
<td>19,248</td>
<td>205,319</td>
<td>889</td>
</tr>
</tbody>
</table>

Expansion would represent an approximate 3% increase to SDCP retail sales. Data above are unadjusted for opt-out assumptions.
Item 7: Key Assumptions

Start Date: earliest possible enrollment date is January 2023 per CPUC rules; optimized enrollment timing is April 2023

Customers and Sales: forecast based on historical SDG&E data and assumes 90% customer participation

Revenues: assume continuation of current SDCP rates

Incremental Costs: include power supply (per SDCP portfolio specifications), customer billing, and SDG&E service fees
## Item 7: Fiscal Impact Summary (National City Load) - April 2023 Enrollment

<table>
<thead>
<tr>
<th></th>
<th>FYE 2023*</th>
<th>FYE 2024</th>
<th>FYE 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue ($MM)</strong></td>
<td>$3.4</td>
<td>$16.8</td>
<td>$16.9</td>
</tr>
<tr>
<td><strong>Costs ($MM)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Supply Costs</td>
<td>-$3.2</td>
<td>-$14.9</td>
<td>-$14.6</td>
</tr>
<tr>
<td>Other Costs</td>
<td>-$0.1</td>
<td>-$0.4</td>
<td>-$0.4</td>
</tr>
<tr>
<td><strong>Net Margin/Reserve Contribution ($MM)</strong></td>
<td>$0.1</td>
<td>$1.5</td>
<td>$1.8</td>
</tr>
<tr>
<td><strong>Electric Sales (MWh)</strong></td>
<td>40,604</td>
<td>189,901</td>
<td>190,851</td>
</tr>
</tbody>
</table>

* Reflects partial year of service for fiscal year ending June 30, 2023, with enrollments commencing in April 2023.

General implementation costs would be incurred leading up to expansion. Such costs include staff and other costs related to marketing and outreach, customer noticing, regulatory and legal representation, internal operations, resource planning and electric procurement.
Item 7: Conclusions

• Overall positive fiscal impact under base case assumptions
• Due to wholesale power market volatility, the likely range of outcomes is wide, ranging from strongly positive to moderately negative
• Expansion would require a small increase in SDCP resource acquisition
• Advance coordination with SDG&E for RA and RPS resource transfers would be strongly advised
• Achieving long-term RPS compliance in Compliance Period 4 (2021-2024) will require early procurement attention
Item 7: New Members – National City

Next Steps:
- National City will present a CCA ordinance and SDCP’s JPA agreement to their Council in October (5th or 19th)
- Staff will return to SDCP Board with a resolution approving membership

Recommendation:
Review and approve analysis and move forward with National City and Oceanside membership.
Item 8
Employee Handbook Update

Recommendation:
Receive and file the updated Employee Handbook

Presenter:
Cody Hooven,  
Chief Operating Officer
Item 8

General Sections/Topics

- Employee Conduct
- Harassment, Discrimination and Retaliation Prevention Policy
- Grievance Procedure
- Leave
- Remote Work
- COVID-19 Vaccination Policy – per Board request
Item 8

COVID-19 Vaccination Policy

- Requires all employees to report vaccination status by November 15, 2021
- Employees certify they are either:
  - Fully vaccinated for COVID-19; or
  - Unvaccinated for COVID-19 due to a pending or approved exemption due to medical/disability or sincerely held religious belief, practice, or observance.
- If exemption granted, employee will be required to wear a face mask when indoors and tested weekly (testing process/timeline TBD)
Item 9
Energy Programs Discussion and Overview

Recommendation:
Receive update on energy programs priorities

Presenter:
Cody Hooven, Chief Operating Officer
Nelson Lomeli, Programs Manager
Program Prioritization for Fiscal Year 2021-2022
## Item 9: Energy Programs Overview

<table>
<thead>
<tr>
<th>Programs</th>
<th>Target Customer</th>
<th>Funding Source</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Energy Metering (NEM)</td>
<td>All customers</td>
<td>SDCP</td>
<td>Phase 3</td>
</tr>
<tr>
<td>Feed-In Tariff (FIT)</td>
<td>Developers / Commercial</td>
<td>SDCP</td>
<td>Q4 of 2021</td>
</tr>
<tr>
<td>Renewable Energy Self-Generation Bill Credit Transfer</td>
<td>Municipalities</td>
<td>SDCP</td>
<td>Phase 3</td>
</tr>
<tr>
<td>Disadvantaged Communities Green-Tariff / Community</td>
<td>Residential (Low-Income) in DACs</td>
<td>CPUC</td>
<td>Approvals undergoing through the CPUC. Expected to start in 2022 with service to be provided in 2023-2024</td>
</tr>
<tr>
<td>Solar Green-Tariff</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member City Assistance Program / Local Government</td>
<td>Municipalities</td>
<td>SDCP</td>
<td>Support member cities in their energy-related work</td>
</tr>
<tr>
<td>Commission</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Power Plan</td>
<td>All customers</td>
<td>SDCP</td>
<td>Release RFP in Q4 of 2021</td>
</tr>
<tr>
<td>Elect To Administer / Regional Energy Network</td>
<td>All customers</td>
<td>CPUC</td>
<td>Work to begin after Phase 3</td>
</tr>
</tbody>
</table>
Item 9: Energy Programs

Phase 3 Programs

Net Energy Metering:
• Program to support customers that installed on-site generation

Feed-In-Tariff:
• Renewable energy purchasing program which sets the rules and price for the purchase of electricity from small-scale wholesale renewable electricity projects within service territory.

Renewable Energy Self Generation Bill Credit Transfer (RES-BCT)
• Allows Local Governments to install one generation facility and allocate generation bill credits to other accounts not served by the generating facility to offset bills.
Item 9: Energy Programs

Low-Income Focused

Disadvantaged Communities Green Tariff (DAC-GT) & Community Solar Green Tariff (CS-GT)

• Actively pursuing – Advice Letter seeking CPUC allocation drafted
• 20% bill discount on generation and distribution
• Available only to CARE/FERA residential customers and those living in DACs
• Both provide new generation
• CS-GT project is required to be in a DAC and customers are to reside within 5 miles
• CS-GT would require at least one Community Sponsor who would be the face of the project
• All customers would receive 100% renewable energy
Item 9: Energy Programs

Partnership with Member Agencies

Local Government Commission
• Energy Workshops
• Governmental Assistance

Member Agency Funding Pilot
• Pilot project
• Support energy-related technical assistance work
• Ongoing determination of best approach
Item 9: Energy Programs

Community Power Plan

- Conduct assessment which will guide:
  - Local development of renewable energy
  - Decarbonization strategies
  - Workforce development
  - Program strategy
- Outlook will be for 3-5 years
Item 9: Energy Programs

On the Horizon

• **Elect To Administer (ETA)**
  • Access CPUC funds to conduct energy efficiency work
  • Easier to form and access funds
  • Restrictive cost-effectiveness requirements makes programs difficult to design and implement

• **Regional Energy Network (REN)**
  • Regional agency designed to access CPUC funds to conduct energy efficiency work
  • Requires at least two public agencies to form
  • Difficult to form, but no restrictive cost-effectiveness requirements
Item 10
Back Office Metrics and Dashboard Monthly Update

Recommendation:
Receive update on Back Office Metrics and Dashboard

Presenter:
Lucas Utouh,
Director of Data Analytics
and Account Services
Item 10

Topics

- Phase 3 Enrollment Planning
- Opt Out/Up Actions Tracking
- Contact Center Metrics
Phase 3 Enrollment Planning

- SDG&E, Calpine and SDCP kicked off Phase 3 Enrollment planning efforts where each team discussed lessons learned from Phase 1 and 2 from a People, Process and Systems perspective
- Reviewed what worked well and areas for improvement to ensure a successful and seamless Phase 3

Shared Goals and Objectives:

- Supporting customer choice and the transition of energy procurement to regional CCA partners.
- Making the customer experience as seamless and easy as possible, being responsive to customer needs.
- Formation and support of dedicated and collaborative teams working together across all partners and support organizations.
- Compliance and strategic alignment – working together through Commission rules and Decisions to advocate for what’s best for our region.
- Ongoing data and information sharing to ensure operational success and customer benefits.
Item 10

Opt Out/Up Actions Tracking

Phase 1 & 2 Opt Outs by Account Count by Month

- 02-2021: 16
- 03-2021: 39
- 04-2021: 62
- 05-2021: 70
- 06-2021: 144
- 07-2021: 131
- 08-2021: 57
- 09-2021 MTD: 57
Item 10
Opt Out/Up Actions Tracking, continued

Phase 1 & 2 Opt Outs by Member City by Month (Accounts)
## Item 10

Opt Out/Up Actions Tracking

<table>
<thead>
<tr>
<th>Town or Territory</th>
<th>Active</th>
<th>Eligible</th>
<th>Total Opt Outs</th>
<th>Participation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>CITY OF CHULA VISTA</td>
<td>7481</td>
<td>7802</td>
<td>209</td>
<td>97.32%</td>
</tr>
<tr>
<td>CITY OF ENCINITAS</td>
<td>3112</td>
<td>3216</td>
<td>58</td>
<td>98.20%</td>
</tr>
<tr>
<td>CITY OF IMPERIAL BEACH</td>
<td>531</td>
<td>563</td>
<td>13</td>
<td>97.69%</td>
</tr>
<tr>
<td>CITY OF LA MESA</td>
<td>2562</td>
<td>2726</td>
<td>78</td>
<td>97.14%</td>
</tr>
<tr>
<td>CITY OF SAN DIEGO</td>
<td>56481</td>
<td>58128</td>
<td>921</td>
<td>98.42%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>70167</strong></td>
<td><strong>72435</strong></td>
<td><strong>1279</strong></td>
<td><strong>98.23%</strong></td>
</tr>
</tbody>
</table>
Item 10

Opt Out/Up Actions Tracking, continued
Item 10

Opt Out/Up Actions Tracking, continued

Phase 1 & 2 Opt Ups to Power100 by Account Count by Month

03-2021: 207
04-2021: 13
05-2021: 2
06-2021: 3678
07-2021: 84
08-2021: 26
09-2021: 4

0 500 1000 1500 2000 2500 3000 3500 4000
Item 10

Opt Out/Up Actions Tracking, continued
## Contact Center Metrics

<table>
<thead>
<tr>
<th>IVR and SLA Details</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September - MTD</th>
<th>2021 YTD Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Calls to IVR</td>
<td>79</td>
<td>109</td>
<td>103</td>
<td>324</td>
<td>531</td>
<td>105</td>
<td>1251</td>
</tr>
<tr>
<td>Total Calls Connected to Agents</td>
<td>49</td>
<td>66</td>
<td>57</td>
<td>205</td>
<td>338</td>
<td>76</td>
<td>791</td>
</tr>
<tr>
<td>Average Seconds to Answer</td>
<td>0:00:38</td>
<td>0:00:14</td>
<td>0:00:21</td>
<td>0:00:37</td>
<td>0:00:22</td>
<td>0:00:13</td>
<td></td>
</tr>
<tr>
<td>Average Call Duration</td>
<td>0:08:57</td>
<td>0:07:51</td>
<td>0:06:42</td>
<td>0:10:33</td>
<td>0:08:13</td>
<td>0:08:22</td>
<td></td>
</tr>
<tr>
<td>Calls Answered within 60 Seconds (75% SLA)</td>
<td>91.84%</td>
<td>100.00%</td>
<td>89.83%</td>
<td>89.42%</td>
<td>96.46%</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td>Abandon Rate</td>
<td>0.00%</td>
<td>0.00%</td>
<td>3.39%</td>
<td>1.44%</td>
<td>0.29%</td>
<td>0.00%</td>
<td></td>
</tr>
</tbody>
</table>
Item 11
Power Resources Monthly Update

Recommendation:
Receive update on Power Resources

Presenter:
Byron Vosburg,
Director of Power Services
Item 11

Topics

- Market Update
- Renewable Energy
- Resource Adequacy
- Risk Management
Director Comments

Adjournment