



Finance & Risk Management Committee Meeting

March 3, 2022



Regular Meeting Agenda

1. Welcome
2. Roll Call
3. Public Comment for Items Not on the Agenda
4. Items to be Added, Withdrawn or Reordered on the Agenda

Regular Agenda

5. Treasurer's Report for Period Ending 1/31/22
6. Proposed Renewal and Increase to River City Bank Credit Facility
7. Energy Proposal Evaluation Criteria

Committee Member Announcements

Adjournment

Item 5

Treasurer's Report for Period Ended 1/31/22

Presenter:

Dr. Eric Washington,
Chief Financial Officer

Item 5: Treasurer's Report

YTD FY22 Budget v. Actual

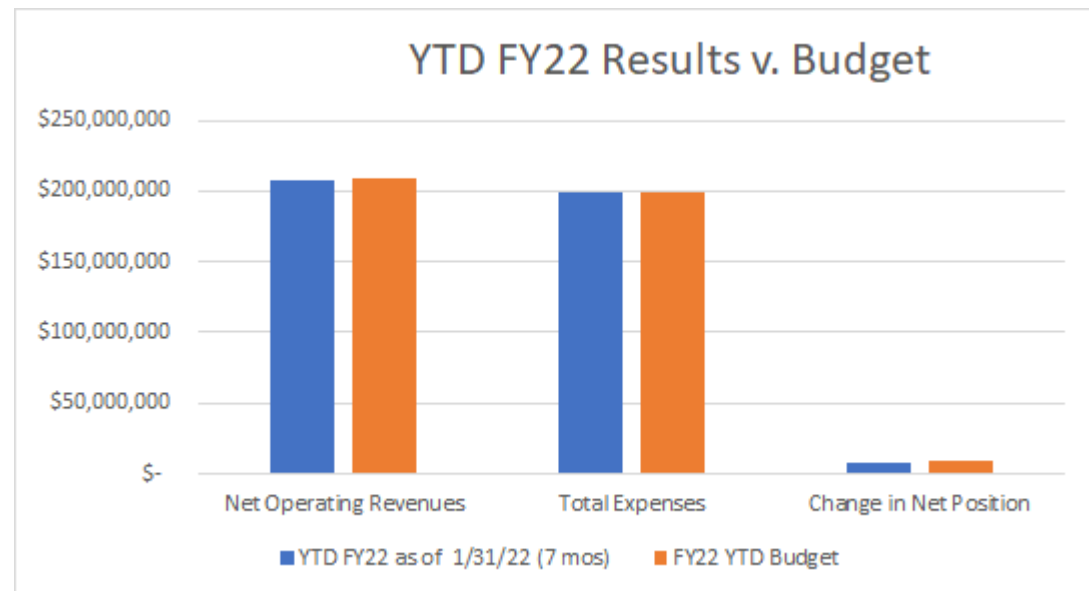
Results for the period were in line compared to the amended budget:

- Net operating revenues were slightly 1% under the budgeted amount
- Operating expenses were inline with the budget

Financial results for the YTD FY22:

- \$208.11M in net operating revenues
- \$199.76M in total expenses (includes energy costs of \$196.09M or 94% of net revenues)
- \$8.36M change in net position

	Budget Comparison			
	YTD FY22 as of 1/31/22 (7 mos)	FY22 YTD Budget	Budget Variance (\$)	Budget (%)
Net Operating Revenues	\$ 208,112,088	\$ 209,341,518	\$ (1,229,430)	99
Total Expenses	\$ 199,756,193	\$ 199,544,706	\$ 211,487	100
Change in Net Position	\$ 8,355,895	\$ 9,796,812	\$ (1,440,917)	



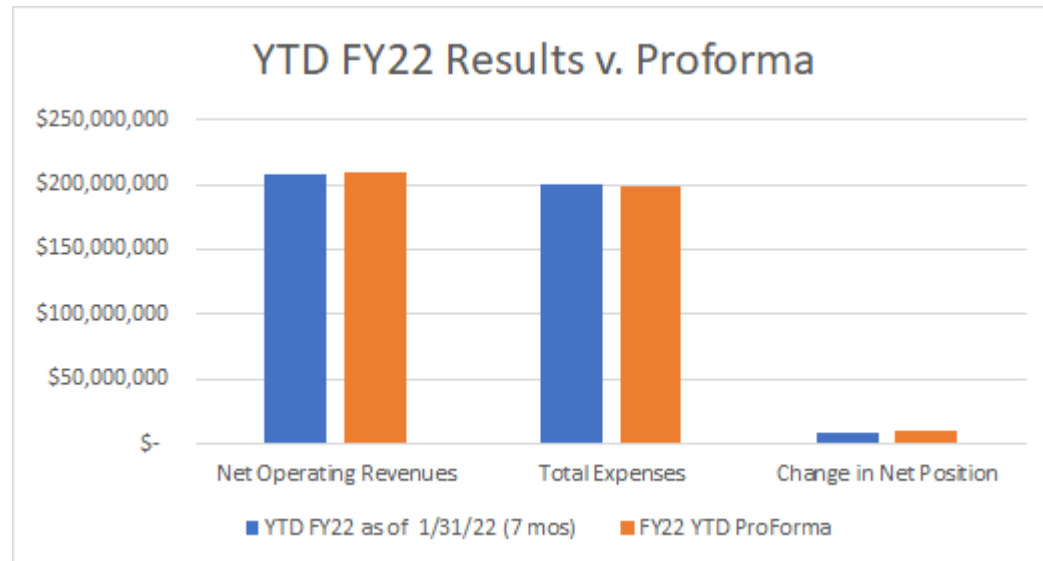
Item 5: Treasurer's Report

YTD FY22 Proforma v. Actual

Year-to-date financial results compared to projections:

- Net operating revenues were inline with projections
- Total expenses were \$1.55M more than projected
- Change in net position was \$2.27M under the projected

	YTD FY22 as of 1/31/22 (7 mos)	Proforma Comparison		Proforma (%)
		FY22 YTD ProForma	ProForma Variance (\$)	
Net Operating Revenues	\$ 208,112,088	\$ 208,827,095	\$ (715,007)	-0.34%
Total Expenses	\$ 199,756,193	\$ 198,203,386	\$ 1,552,807	0.78%
Change in Net Position	\$ 8,355,895	\$ 10,623,709	\$ (2,267,814)	-21.35%



Item 6

Proposed Renewal and Increase to River City Bank Credit Facility

Presenter:
Dr. Eric Washington,
Chief Financial Officer

Item 6: Proposed Renewal and Increase to River City Bank Credit Facility

New Loan Amount
\$50.0m

Prior Loan Amount
\$35.0m



River City Bank



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

Item 7

Energy Proposal Evaluation Criteria

Presenter:
Byron Vosburg,
Director of Power Services

Proposed Evaluation Criteria

- SDCP will use an Energy Proposal Evaluation Criteria (EPEC) to score proposals for evaluation of long-term, wholesale energy contracts and, generally, to guide all resource procurement
- 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:

Project
Location

Quantitative
Value

Project
Development

Community
Benefits

Workforce
Development

Environmental
Stewardship

Project Location

HIGH

Local

- For Renewable Energy: San Diego or Imperial counties
- For Energy Storage: SD-IV Local RA

MEDIUM

- In Southern California

NEUTRAL

- In other counties within California

LOW

- Out-of-state projects

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

Project Development

Projects will be ranked and 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

- Located within a DAC, has completed community outreach, and demonstrates community benefits
 - If non-DAC, project demonstrates extraordinary community benefits

MEDIUM

- Project is not located within a DAC 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

- Demonstrates multiple societal, health, economic, water-saving, or environmental benefits beyond the climate and GHG reduction benefits of renewable energy

MEDIUM

- Located in area designated as a preferred renewable energy zone and has received required land use entitlement permits

NEUTRAL

- Project does not demonstrate positive or negative environmental impact

LOW

- Project demonstrates significant, unmitigated negative environmental impacts

Example Evaluation

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



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Next Regular Meeting

April 7, 2022