



Board of Directors

Regular Meeting

April 27, 2023

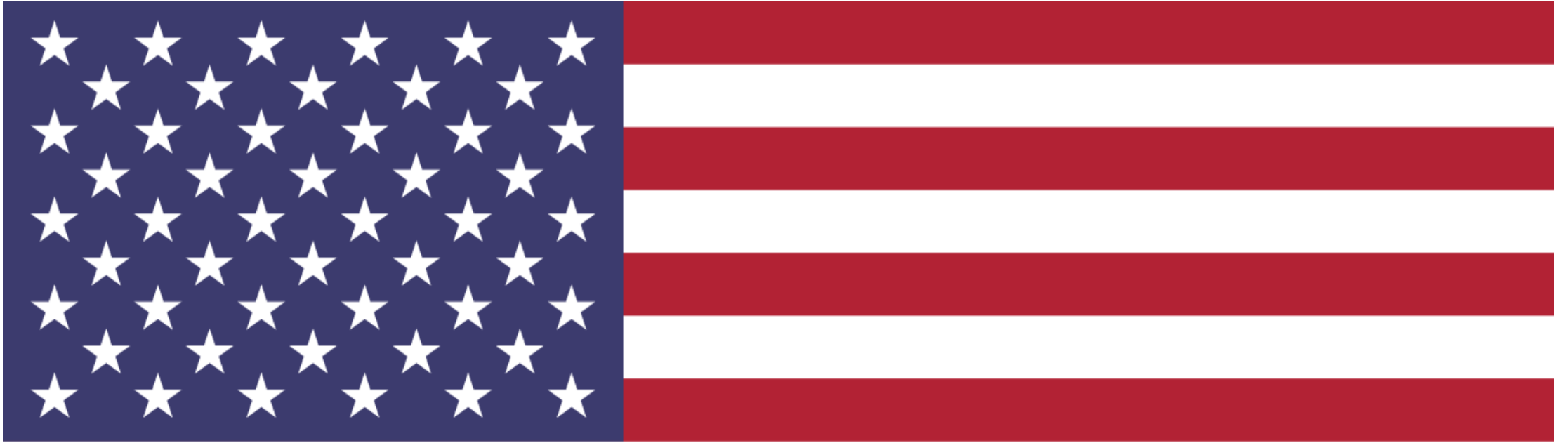




**Welcome
&
Call to
Order**


The background of the slide features a close-up photograph of blue water with gentle ripples. A wide, white diagonal stripe runs from the top-left corner to the bottom-right corner, creating a split effect. The text 'Roll Call' is centered within this white stripe.

Roll Call



The background of the slide features a close-up photograph of blue water with gentle ripples. A large, white, diagonal shape, resembling a stylized arrow or a torn piece of paper, points from the top-left towards the bottom-right, creating a central white area where the text is located.

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Withdrawn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

The background of the slide features a close-up photograph of blue water with gentle ripples. A prominent white diagonal stripe runs from the top-left corner towards the bottom-right, creating a triangular white space on the left side where the text is located.

Public Comment for Items NOT on the Agenda

Consent Agenda

1. Approval of October 27, 2022 Meeting Minutes
2. Receive and File Treasurer's Report for Period Ending February 28, 2023
3. Receive and File Update on Back Office Operations
4. Receive and File Update on Marketing and Public Relations
5. Receive and File Update on Regulatory and Legislative Affairs
6. Receive and File Update on Power Services
7. Receive and File Update on Human Resources
8. Approval of Third Amendment to Information Technology (IT) Agreement with Brentech Inc. for up to \$77,380 for Computer-Related and Information Technology (IT) Related Services and Technical Labor Services to SDCP through June 30, 2024
9. Approval of Professional Services Agreement with The Energy Coalition up to \$350,000 for Consulting Services to support the formation of a Regional Energy Network through December 31, 2024



Public Comment for Consent Agenda

Regular Meeting Agenda

10. Approval of Debt Policy
11. Quarterly Report for the Community Advisory Committee
12. Approval of Community Advisory Committee (CAC) Appointment for County of San Diego
13. Approve Market Offer Confirmation Letter for Purchase of Long-Term Market Offer RPS Energy from PG&E and authorize CEO to execute the agreement

Item 10

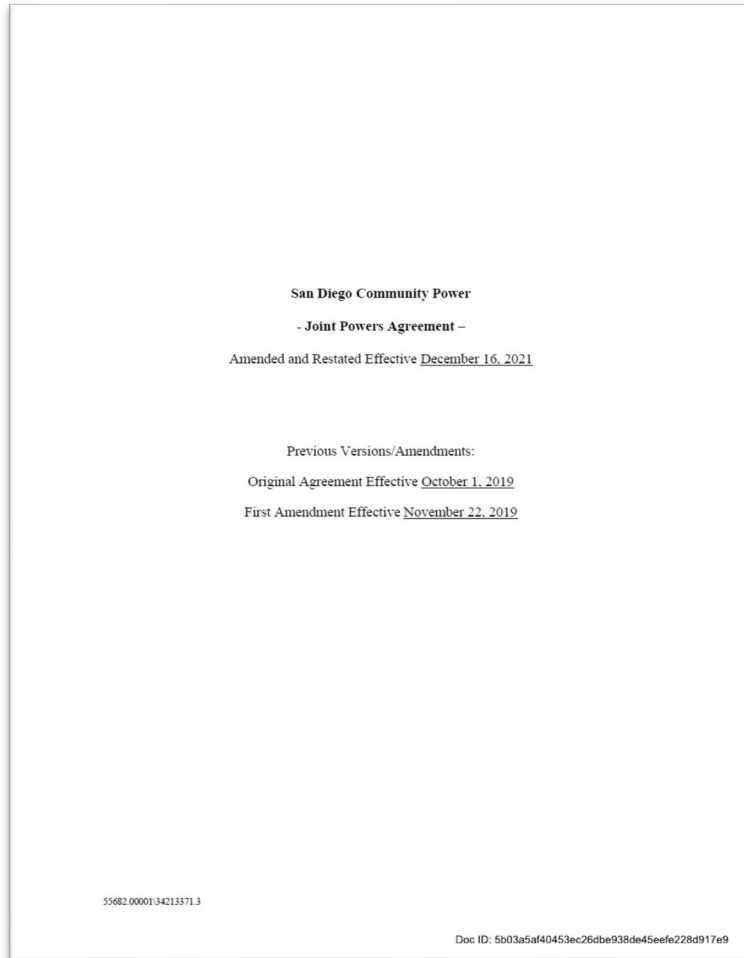
Recommend Board Approval of the SDCP Debt Policy

Recommendation: Approval of the Debt Policy

Presenter:

Dr. Eric Washington,
Chief Financial Officer

Development of Debt Policy



4.12.2 Two-thirds vote (or such greater vote as required by state law) of the appointed Directors shall be required to take any action on the following:

(a) Issue bonds or other forms of debt;



Development of Debt Policy

Debt Policy



Scope and Authority

Debt Issuance

Debt Management

**CA Government
Code Section 8855**

Senate Bill 1029

Additional Policy Elements

SDCP has added three additional requirements to its proposed debt policy which are not required by local, state or federal law.



Green Bonds

To the extent possible, SDCP bond issuances shall be green bonds. A green bond is a type of fixed-income instrument that is specifically earmarked to raise money for climate and environmental projects.



Pledged Revenues

No less than one and a half times (1.5x) the maximum annual principal and interest and debt service for the aggregate outstanding senior lien bonds including the debt service for the new issuance.



Annual Debt Service

Long-term debt shall not exceed 5% of the Agency's annual total expenses.

Permitted Debt Types

SDCP may legally issue both short-term and long-term debt, through either a direct loan or through the public market, using the debt instruments described below.

Long-Term Debt

- Finance capital expenditures
- Structured within expected useful life

Short-Term Debt

- Interim funding pending long-term debt
- Maturity generally less than 7 years

Variable Rate Debt

- Long-term variable rate debt as needed

Refunding Debt

- Refinance bonds
- Achieve debt service savings
- Restructure debt service payments
- Modify covenants
- Reduce exposure to counterparties

Example – Long-Term Debt (Revenue Bond)

Example (Revenue Bond):
SDCP issues a \$500 million revenue bond to construct a solar and storage project.

- *Loan amount: \$500,000,000*
- *Interest Rate: 5.00%*
- *Pledged revenues: Ratepayer revenue*
- *Repayment Term/Useful life: 20 years*

SDCP Additional Bond Tests

1. **Green bonds** earmarked to raise money for climate and environmental projects.
2. **Pledged revenues** will be no less than one and a half times (1.5x) the maximum annual principal and interest and debt service for the aggregate outstanding senior lien bonds including the debt service for the new issuance.
3. **Annual debt service** on long-term debt shall not exceed 5% of the Agency's annual total expenses.

Example – Long-Term Debt (Revenue Bond)

**FY 2024
Projected**

Net Revenue
\$1,284 m

Total Expense
\$974 m

Net Position
\$310 m

Debt Service Schedule

Year	Interest	Principal	Balance
			500,000,000.00
1	25,000,000.00	15,121,293.60	484,878,706.40
2	24,243,935.32	15,877,358.28	469,001,348.12
3	23,450,067.41	16,671,226.19	452,330,121.93
4	22,616,506.10	17,504,787.50	434,825,334.43
5	21,741,266.72	18,380,026.88	416,445,307.55
6	20,822,265.38	19,299,028.22	397,146,279.33
7	19,857,313.97	20,263,979.63	376,882,299.70
8	18,844,114.99	21,277,178.61	355,605,121.09
9	17,780,256.05	22,341,037.55	333,264,083.54
10	16,663,204.18	23,458,089.42	309,805,994.12
11	15,490,299.71	24,630,993.89	285,175,000.23
12	14,258,750.01	25,862,543.59	259,312,456.64
13	12,965,622.83	27,155,670.77	232,156,785.87
14	11,607,839.29	28,513,454.31	203,643,331.56
15	10,182,166.58	29,939,127.02	173,704,204.54
16	8,685,210.23	31,436,083.37	142,268,121.17
17	7,113,406.06	33,007,887.54	109,260,233.63
18	5,463,011.68	34,658,281.92	74,601,951.71
19	3,730,097.59	36,391,196.01	38,210,755.70
20	1,910,537.79	38,210,755.69	0.01
Total Debt Service	302,425,871.89	500,000,000.00	

SDCP Bond Tests

1. Green Bonds

Solar/storage project.

Bond Test Passed

2. Pledged Revenues

FY24 Revenue = \$1,284m

Aggregate Debt Service= \$802m

Calculation

$1.5 \times \$802\text{m} = \$1,204\text{m}$

$\$1,284\text{m} > \$1,204\text{m}$

Bond Test Passed

3. Annual Debt Service

FY24 Expense = \$974m

Yearly Debt Service = \$40.1m

Calculation

$\$974\text{m} \times 5\% = \48.7m

$\$48.7\text{m} > \40.1m

Bond Test Passed



Public Comment for Item 10

Item 10

Recommendation: Approval of the Debt Policy

Item 11

Receive Quarterly Report from the Community Advisory Committee

Recommendation:

Receive and file the quarterly report from the San Diego Community Power Community Advisory Committee.

Presenter:

Eddie Price, Community Advisory Committee Chair

Background

- SDCP's JPA states that the:
“primary purpose of the [CAC] shall be to advise the Board of Directors and provide for a venue for ongoing citizen support and engagement in the strategic direction, goals, and programs of [SDCP].”
- At the direction of the Chair of the Board, the CAC, via staff, shall provide quarterly updates during regular meetings of the Board. The last update was provided on February 23, 2023.

Item 10

Receive Quarterly Report from the Community Advisory Committee

Recommendation:

Receive and file the quarterly report from the San Diego Community Power (SDCP) Community Advisory Committee (CAC).

Presenter:

Victoria Abrenica, Public Outreach Associate



15

Key CAC Activities: Q1 2023

- **Topics covered at the CAC Meetings:**
 - Receiving updates and providing feedback on the development of the Community Power Plan.
 - Receiving updates and providing feedback on the Regional Energy Network (REN) process.
 - Reviewing and providing input on SDCP's Sponsorship Policy.
 - Receiving updates on Phase 4 Enrollment for National City and the unincorporated areas of San Diego County.
 - Nominating Matthew Vasilakis (City of San Diego) and Gary L. Jahns (Encinitas) to participate on the Community Clean Energy Innovation Grants evaluation committee.
 - Reviewing and providing recommendations on the Fiscal Year 2022-2023 Community Advisory Committee Work Plan.

Key CAC Activities: Q1 2023

- The CAC met on Feb. 10 and March 10. The March meeting was the first post-Covid in-person meeting.
- Staff (including CEO Karin Burns) met with the CAC Chair and Vice-Chair regularly.
- CAC Members supported staff outreach efforts by volunteering at outreach events and writing op-eds for local publications.
 - Vice Chair Aida Casteñeda and Peter Anderson (San Diego County)



Public Comment for Item 11

Item 11

Recommendation:

Receive and File Quarterly Report for the Community Advisory Committee

Item 12

Approval of Community Advisory Committee (CAC) Appointment for County of San Diego.

Recommendation: Approve the Community Advisory Committee (CAC) Appointment for County of San Diego.

Presenter:

Victoria Abrenica,
Public Outreach Associate

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

- County of San Diego application open period:
 - ✓ Released in September 2022
 - ✓ Open until filled
- Qualifications were based on residence or work impact
- A total of 8 applications were received for County of San Diego
 - ✓ 7 applicants qualified for the County of San Diego
- Members will serve a limit of two, three-year staggered terms
 - ✓ Breakdown of seat terms found in Attachment A: CAC Roster and Seat Assignments



Community Advisory Committee Roster and Seat Assignments

Seat	Term Ends	Name	Member Agency Representing
1	2025	Eddie Price	San Diego
2	2023	Matthew Vasilakis	San Diego
3	2025	Anthony Sclafani	Chula Vista
4	2023	Carolyn Scofield	Chula Vista
5	2025	Lauren Casarez	La Mesa
6	2023	David Harris	La Mesa
7	2025	Gary L. Jahns	Encinitas
8	2023	Tara Hammond	Encinitas
9	2025	Anna Webb	Imperial Beach
10	2023		Imperial Beach
11	2025	Peter Andersen	County of San Diego
12	2023		County of San Diego
13	2025	Aida Castañeda	National City
14	2023	Lawrence Emerson	National City

Terms end at the end of every June. Members are subject to a limit of two, three-year terms. They are also subject to the [CAC Membership Terms and Criteria](#).



Item 12

Recommendation:

Approve the Community Advisory Committee (CAC) appointment for County of San Diego:

Member Agency	Name	Seat	Term Ends
County of San Diego	Lea Nepomuceno	12	2023

The background of the slide features a close-up photograph of blue water with gentle ripples. A wide, white diagonal stripe runs from the top-left corner towards the bottom-right, creating a triangular white space in the center where the text is located.

Public Comment for Item 12

Item 12

Recommendation:

Approve the Community Advisory Committee (CAC) appointment for County of San Diego:

Member Agency	Name	Seat	Term Ends
County of San Diego	Lea Nepomuceno	12	2023

Item 13

Approve Market Offer Confirmation Letter for Purchase of Long-Term Market Offer RPS Energy from PG&E and authorize CEO to execute the agreement

Recommendation: Approve and authorize CEO to enter into Renewables Portfolio Standard Energy Market Offer Confirmation Letter for purchase of long-term renewable energy from PG&E

Presenter:

Byron Vosburg

Managing Director, Power Services

Item 13: PG&E Market Offer Contract

Background:

VAMO = Voluntary Allocation + Market Offer

Voluntary Allocation (VA):

PCIA eligible LSEs offered voluntary allocation of their IOUs Long-term portfolios

Market Offer (MO):

Long-term Market Offer of remaining PCIA eligible RPS volumes

- CPUC directed
- Overseen by independent evaluators
- Bidding conducted by all 3 IOUs simultaneously

Item 13: PG&E Market Offer Contract

Background:

March 2023: PG&E Issued Long-term Market Offer Solicitation

- Pricing structure: Index-plus REC price bids
- Term: 2023-2043

“Product C” portfolio: In-state, bundled renewable energy

- Wind
- Solar
- Solar thermal
- Biomass
- Landfill
- Geothermal
- Small hydro

April 2023:

- SDCP bids submitted
- SDCP bid awarded by PG&E

Q2-Q3 2023: PG&E submits agreement for CPUC approval

Item 13: PG&E Market Offer Contract

Contract Summary:

- Start Date: Upon approval by CPUC (expected in Q3 2023)
- End Date: Expiration of PG&E's relevant PCIA-eligible renewable energy supply contracts (expected in 2043)
- Structure: Index plus fixed-price renewable premium
- Price: Confidential
- Portfolio Slice "Election" Quantity: Confidential while PG&E completes MO solicitation process
- Estimated Annual Generation: Confidential. Varies by year, subject to intermittent resource generation, and declining over time as PG&E's relevant PCIA-eligible renewable energy contracts expire

The background of the slide features a close-up, high-resolution image of blue water with fine, shimmering ripples. A large, white, diagonal stripe cuts across the image from the top-left to the bottom-right, creating a modern, geometric design. The text is positioned within the white stripe.

Public Comment for Item 13

Item 13

Recommendation: Approve and authorize CEO to enter into Renewables Portfolio Standard Energy Market Offer Confirmation Letter for purchase of long-term renewable energy from PG&E



Report by Chief Executive Officer

Community Outreach

- South Bay Earth Day – 4/15
- Biocom Earth Day Panel – 4/20



Community Outreach

- La Mesa Earth Day – 4/22
- Fallbrook Avocado Festival – 4/23



Speaking Engagements

- Uncaged Podcast – 4/11
- League of Women Voters – 4/25



LWV LEAGUE OF WOMEN VOTERS*
OF NORTH COUNTY SAN DIEGO

WEBINAR

Community Choice Energy in Our Communities

San Diego Community Power, Clean Energy Alliance and Your Electric Bill

Changes are afoot in the way San Diegans will get electricity with the goal of decreasing green-house gas emissions. Community choice energy companies will be bringing more renewable energy to the region, while SDG&E's role will be changing. Join us for an informative webinar where you can learn about the future of San Diego's electricity and your electric bill.

We are pleased to feature the following panel of experts with Moderator Rob Howard:



Joe Mosca, Director of
Communications & External Affairs
Orange County Power Authority



Karin Burns,
CEO, San Diego Community Power



Barbara Boswell,
CEO, Clean Energy Alliance

MORE EVENT INFO:

**Tuesday, April 25, 2023
6:00-7:30PM**

Register for Zoom Webinar
https://bit.ly/LWVNCSD_CCE


Please register today.

For more details

Call: (760) 736-1608
or email: info@lwnvncsd.org
www.lwnvncsd.org

Strategic Planning



The background of the slide is a vibrant blue water surface with gentle ripples. Two large, white, diagonal stripes cut across the image, creating a central white triangular area where the text is located. The stripes originate from the corners and meet at the center, forming a large 'X' shape.

Report by General Counsel

The background of the slide features a close-up photograph of blue water with gentle ripples. A large, white, diagonal stripe cuts across the image from the top-left to the bottom-right, creating a modern, geometric design.

Director Comments



Adjournment



Next Regular Board of Directors Meeting

May 25, 2023





Board of Directors

Special Meeting
Closed Session

April 27, 2023



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: Chief Executive Officer

1. CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6

Agency designated representative(s): Ryan Baron, General Counsel

Unrepresented employee: Chief Executive Officer

REPORT FROM CLOSED SESSION

ADJOURNMENT



Public Comment on Closed Session Item

Closed Session Agenda

**1. PUBLIC EMPLOYEE PERFORMANCE
EVALUATION 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): Ryan
Baron, General Counsel Unrepresented
employee: Chief Executive Officer

Special Meeting Agenda

Roll Call

Report from Closed Session

Adjournment