



# Board of Directors

Regular Meeting

June 23, 2022



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**Items to be Added, Withdrawn, or Reordered on the Agenda**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

**Regular Agenda Items:**

9. Consideration of SDCP Mission, Vision, Core Values and Goals for 2023-2027

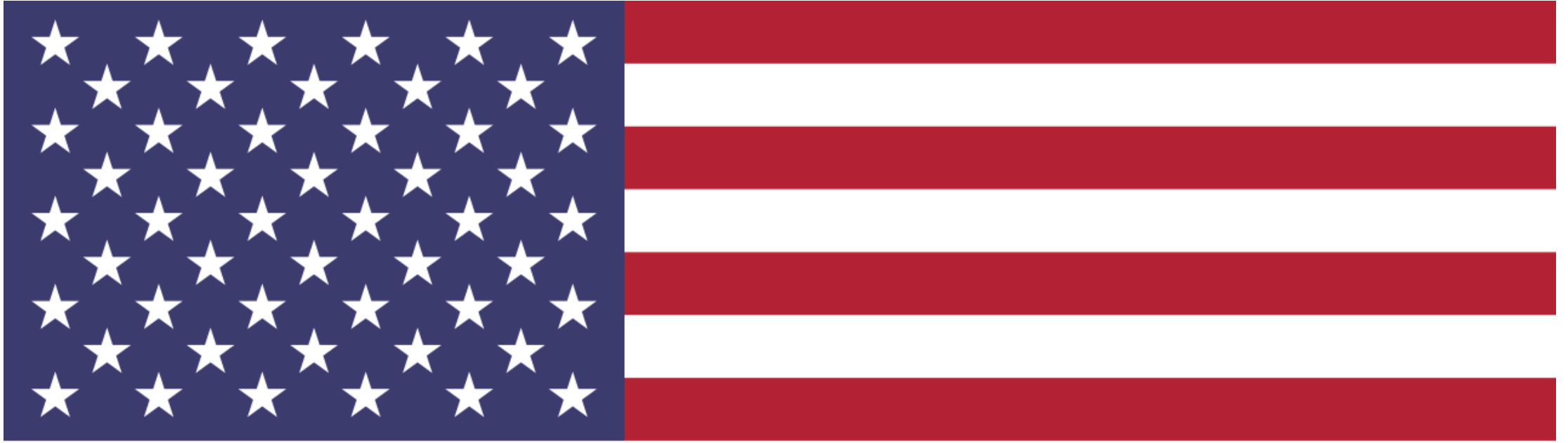
10. Approval of FY 2023 Operating Budget

11. Approval of SDG&E Modified Cost Allocation Mechanism (mCAM) Resource Adequacy Transaction

**Reports by Management and General Counsel**

**Director Comments**

**Adjournment**





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# Roll Call



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**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Withdrawn  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. **Receive and File Treasurer's Report for Period Ending 4/30/22**
3. **Approval of Amendment to Professional Services Agreement with Maher Accountancy for up to \$223,000 for services in FY2023**
4. **Approval of Amendment to Professional Services Agreement with Tosdal APC for up to \$314,000 for Legal and Regulatory Services in FY2023.**
5. **Approval of Amendment to Professional Services Agreement with Keys & Fox, LLP for up to \$250,000 for Legal Services in FY2023.**
6. **Update on Regulatory and Legislative Affairs**
7. **Update on Back Office Metrics/Dashboard**
8. **Approval of Community Advisory Committee (CAC) Reappointment of Members for Terms Ending in 2022**



## Item 9

# Consideration of SDCP Mission, Vision, Core Values and Goals for 2023-2027

### Recommendation:

Discuss and consider approval of SDCP Mission, Vision, Core Values and Goals for 2023-2027 as identified at the June 11, 2022 Board Workshop and Strategic Planning Session.



# Strategic Planning Presentation

*Consideration of SDCP Mission,  
Vision, Core Values & Goals*

**2023 – 2027**

**Karin L Burns, CEO**

**June 23, 2022**



# Our Purpose

Develop the mission,  
vision, core values  
and key organizational  
focus areas

Vision

Mission

Core Values

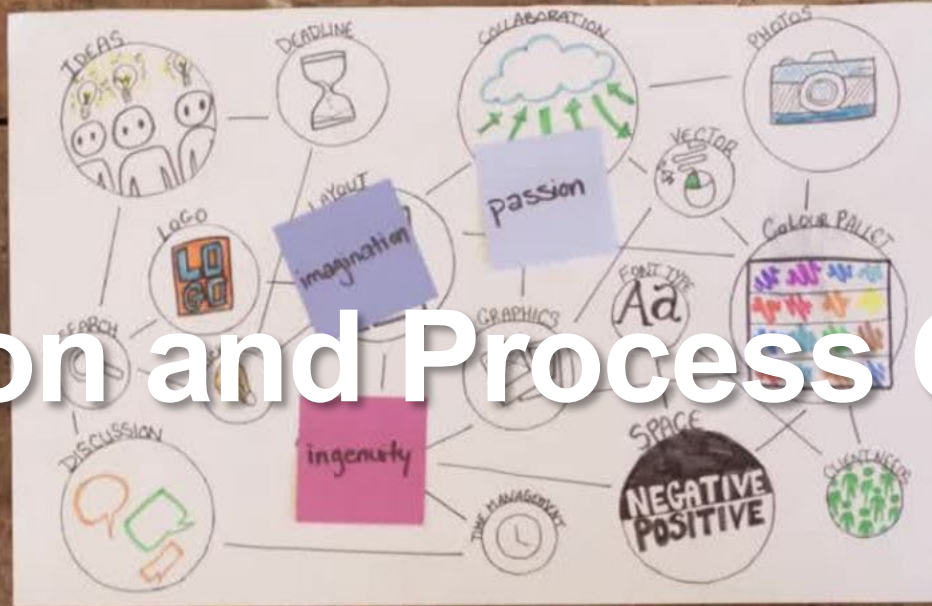
Key Focus Areas

Organizational Goals & Objectives

Implementation & Monitoring



# Introduction and Process Overview





# Proposed SDCP Mission Statement

San Diego Community Power is a community-owned organization that provides affordable clean energy and invests in the community to create an equitable and sustainable future for the San Diego region.





# Proposed SDCP Vision Statement

A global leader inspiring innovative solutions to climate change by powering our communities with 100% clean affordable energy while prioritizing equity, sustainability, and high-quality jobs.





# Proposed Core Values



# Proposed Core Values

Core Values – The ‘JIST’ of SDCP

Justice, Equity, Diversity, &  
Inclusion (JEDI)

Impact

Integrity

Innovation

Servant Leadership

Togetherness

# Core Values Cont'd

## 1. Justice, Equity, Diversity and Inclusion

- We prioritize inclusivity and champion environmental justice.
- We believe we are stronger together and it is important to have a team that represents our diverse communities through a lens of equity.
- We are **intentional** about inclusion and collaboration.

## 2. Impact

- We will be 100% renewable and consider **environmental** impact in all decisions.
- We are committed to making an **impact** by reducing GHGs while prioritizing our communities' needs.

## 3. Integrity

- We value and encourage mutual transparency and respect.
- We report to the people we serve. We respect each other and our communities.





# Core Values Cont'd

## 4. Innovation

- We are **proactive** in our approach to innovation.
- Inspire creativity
- We recognize we are doing something that has not been done before.
- We believe in the creation of an organization fueled on innovative and sustainable solutions.

## 5. Servant Leadership

- We will demonstrate **leadership** in sustainability by constantly pursuing an innovative approach.
- We believe that climate change is a generational challenge. We believe community choice energy is our way to affect change and make a positive difference.
- We are intentional in our mission to serve our communities.
- We are **stewards** of the environment, our communities, and each other.
- We strive for **excellence** in all we do.



# Core Values Cont'd

## 6. Togetherness

- We value, respect, and empower all people at the table in this transition.
- We will value **customers** by being approachable, transparent, and responsive.
- Ensure community empowerment through transparency and accountability.
- Community Empowerment (Notes)
- Inclusivity and champion environment justice
- Innovative and sustainable solutions
- We are together in our mission to serve our communities.



# Proposed Key Focus Areas & Organizational Goals





# Financial Stability

*Practice fiscal strategies to  
promote long-term organizational  
sustainability*



# GOALS

- ✓ **Adopt financial controls and policies to meet or exceed best practices and manage risk.**
- ✓ **Obtain an investment grade credit rating by Nov 2025.**
- ✓ **Adopt plan to increase reserves to \$175M by 10/2023 (90 DCOH) and \$360M by 10/2025 (180 DCOH).**
- ✓ **Develop Rate Stabilization Reserve of \$70M to mitigate power cost fluctuations and economic downturns.**





# Energy Portfolio Development

*Provide sufficient, reasonably  
priced, clean electricity to our  
customers*



# GOALS

- ✓ **Manage portfolio to manage risk, cost, and reliability objectives through risk management tools, sufficient staffing, and staff training.**
- ✓ **Develop secure Clean Energy Portfolio with goals of 50% RE (2022), 75% (2027), 85% (2030), and 100% (2035).**
- ✓ **15% of our energy coming from new, distributed infill storage/solar+ storage resources in Member Agencies by 2035.**
- ✓ **600MW of new Local Wholesale Energy and/or Battery Storage Projects (utility scale projects within San Diego and Imperial counties) by 2035**
- ✓ **Support development of innovative energy sources to improve resiliency through pilot programs, grant programs, and partnerships.**
- ✓ **Create high quality local jobs in renewable energy that support healthy families and vibrant communities.**





# Community Program Delivery

*Implement energy projects and programs that reduce greenhouse gas emissions, align energy supply and demand, and provide benefits to community stakeholder groups*

# GOALS

- ✓ **Implement CPP recommended programs through continuous community engagement and assessment of community benefits while considering technology/market changes and changing community needs.**
- ✓ **Invest in programs that target underserved communities (communities of concern) and are distributed throughout our Member Agencies.**
- ✓ **Invest in programs that promote residential and commercial solar, infill solar and/or distributed battery storage.**
- ✓ **Develop local support for deep decarbonization through building and transportation electrification.**



# **GOALS (Continued)**

- ✓ **Develop workforce opportunities in the local clean energy economy (green careers).**
- ✓ **Support local government and state initiatives to advance decarbonization in alignment with Member Agency Climate Action Plans.**
- ✓ **Provide all customers with actionable clean energy education.**
- ✓ **Maintain appropriate and sufficient data sources to support smart program design, implementation and evaluation.**

# Marketing/Branding (Trusted Brand Building)

*Develop trusted brand reputation to help drive participation in programs and support customer service and retention*





# GOALS

- ✓ **Identify and address gaps between perception and desired brand identity.**
- ✓ **Translate policy issues into consumer-friendly information and communication.**
- ✓ **Become known as leadership experts on the CCA model and the industry.**
- ✓ **Foster relationships with city planning offices, CBOs, NGOs, and Trade Associations.**
- ✓ **Develop relationships with industry media and influencers.**
- ✓ **Engage community through participation in local events.**



# Legislative/Regulatory

*Advocate for public policies  
that advance  
SDCP organizational priorities*



# GOALS

- ✓ Proactively educate and engage policymakers to develop policies that support SDCP's organizational priorities, including advocacy around PCIA reductions.
- ✓ Sponsor and support legislation and regulation that is consistent with SDCP's mission, vision, and goals.
- ✓ Develop annual legislative plan to advance and support SDCP objectives and share with local Senate and Assembly members and staff.
- ✓ Develop plan to meet more proactively with and educate key decisionmakers (e.g. CEC, CPUC commissioners).
- ✓ Coordination with Member Agency government affairs' teams to align on legislative positions.
- ✓ Continue to be an active participant in CalCCA and develop partnerships and coalitions to advance SDCP's policy and legislative agenda through CalCCA efforts.

# Customer Service

*Ensure high customer retention  
and satisfaction*





# GOALS

- ✓ **Ensure customer satisfaction through key relationships including back-office support and key stakeholders.**
- ✓ **Continually strive to offer competitive rates.**
- ✓ **Maintain and grow high levels of customer participation and satisfaction.**
- ✓ **Achieve 10% of our load at the Power 100 service level by 2027.**
- ✓ **Build a robust data ecosystem for effective procurement, including program design, management & evaluation.**

# Organizational Development & Excellence

*Ensure excellence by adopting sustainable business practices and fostering a workplace culture of innovation, diversity, transparency and integrity*





# GOALS

- ✓ **Create an organizational culture of inclusion, mutual respect, trust, innovation, and collaboration that upholds organization's core values.**
- ✓ **Develop an annual staffing plan that identifies and addresses resource needs and gaps.**
- ✓ **Provide training and professional development opportunities that build new skills and abilities.**
- ✓ **Foster culture of innovation to yield solutions that accelerate our mission and drive toward SDCP's vision.**
- ✓ **Design & implement an internal program that attracts workforce from our member cities and creates opportunities for candidates new to CCAs and the industry.**
- ✓ **Build institutional capacity of CAC to support the mission and core goals of SDCP.**

## Item 9

# Consideration of SDCP Mission, Vision, Core Values and Goals for 2023-2027

### Recommendation:

Discuss and consider approval of SDCP Mission, Vision, Core Values and Goals for 2023-2027 as identified at the June 11, 2022 Board Workshop and Strategic Planning Session.



## **Item 10**

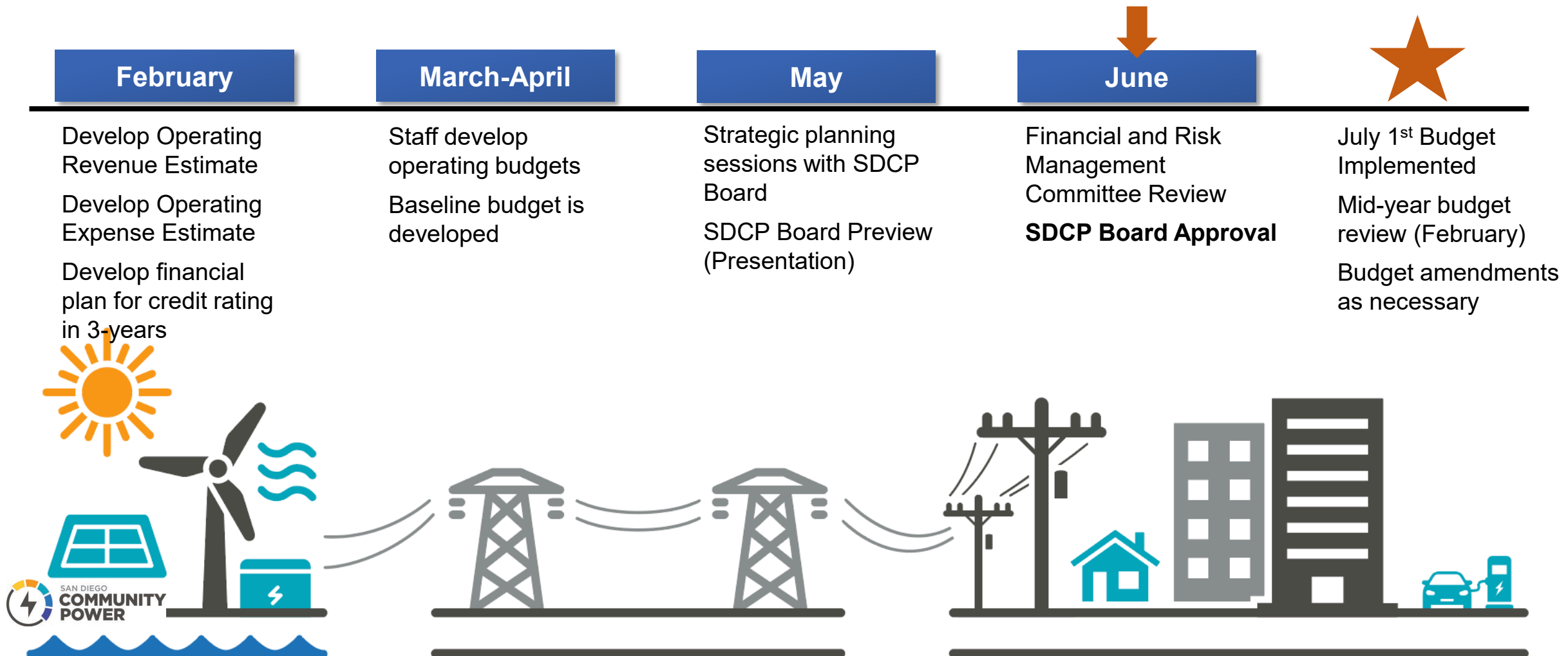
# **Approval of FY 2023 Operating Budget**

## **Recommendation:**

**Approve the FY2023 Operating Budget**

# Budget Development for FY 2022-23

The schedule for budget development is the following.





# Budget - Highlights

- Focus on **community programs** by staffing up our Programs team and launching initial pilot programs.
- **Phase 4 enrollment** of the County of San Diego and National City during the first half of calendar year 2023.
- Continued outreach through **community events, sponsorships and advertising** to inform customers about SDCP.
- **High cost of energy** with continued increases in forward electricity prices.



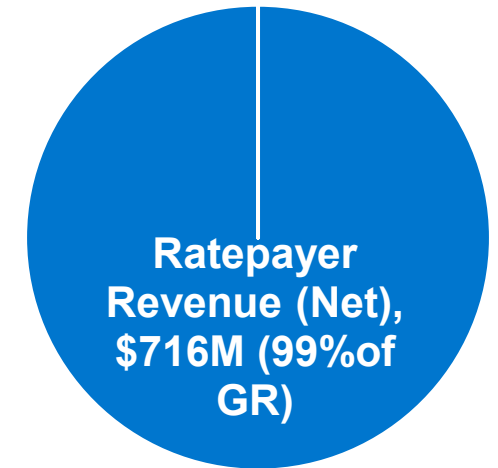
SAN DIEGO COMMUNITY POWER  
**Operating Budget**  
**Fiscal Year 2022-23**  
Proposed Draft  
June 23, 2022



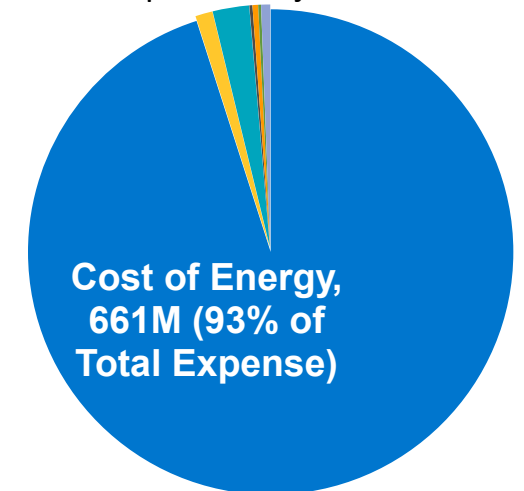
# Budget – Summary

Item	FY 23 Proposed Budget, \$M	FY 22 Amended, \$M
Gross Revenue	716.1	380.8
Less Uncollectible Accounts	(7.2)	(2.7)
<b>Net Revenue</b>	<b>709.0</b>	<b>378.1</b>
Cost of Energy	661.6	329.5
Non-Energy Costs	33.0	11.7
<b>Subtotal Operating Expense</b>	<b>694.6</b>	<b>341.1</b>
Debt Service	1.3	0.7
<b>Total Expense</b>	<b>695.9</b>	<b>341.9</b>
<b>Net Position</b>	<b>13.0</b>	<b>36.1</b>
<b>Cumulative Net Position</b>	<b>49.1</b>	
<b>Days Cash on Hand</b>	<b>35.6</b>	

FY 23 Operating Budget  
Revenue Projection



FY 23 Operating Budget  
Expense Projection





# Budget – Changes since 5/26 Board Meeting

Item	5/26 Board Meeting, \$M	6/23 Board Meeting, \$M	Net Change	Update
Net Revenue	689.2	709.0	19.8	ERRA reduction removed due to higher energy costs
Cost of Energy	641.9	661.6	19.7	Forward market prices continue to increase since May 2022
Interest and Related Expense	6.3	1.3	(5.0)	Principal payments offset by restricted cash
Professional Services and Consultants	17.0	16.8	(0.2)	Reclass programs consultant to Programs
Personnel Costs	7.5	8.0	0.5	Administrative adjustments. Two positions added related to data analytics (database).
General and Administration	2.5	2.6	0.1	Minor addition related to software/database procurement.
Programs	0.7	1.4	0.7	Reclass programs consultant. Add'l community engagement resulting from strategic planning.
Marketing and Outreach	4.1	4.2	0.1	Minor addition to sponsorships related to the Community Power plan.
<b>Total</b>			<b>3.9</b>	

# Budget – Reserves

Item	FY 23 Proposed Budget, \$M	FY 22 Amended, \$M
Gross Revenue	716.1	380.8
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Subtotal Operating Expense	694.6	341.1
<b>Total Expense</b>	<b>695.9</b>	<b>341.9</b>
<b>Net Position</b>	<b>13.0</b>	<b>36.1</b>
<b>Days Cash on Hand</b>	<b>35.6</b>	

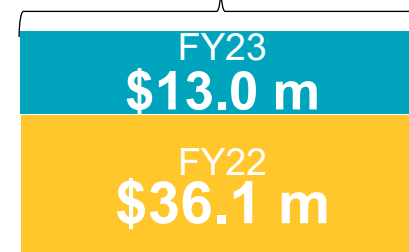
**Goal** SDCP will allocate up to 15% of gross revenue annually toward building an Operating/Working Capital Reserve equivalent to 90 days of total operating expenses held as unrestricted cash.

**90-Day Total Reserve Goal**

**FY23 Reserves**  
Year-end

SDCP is projected to hit 28.2% of its 90-day reserve target in FY23

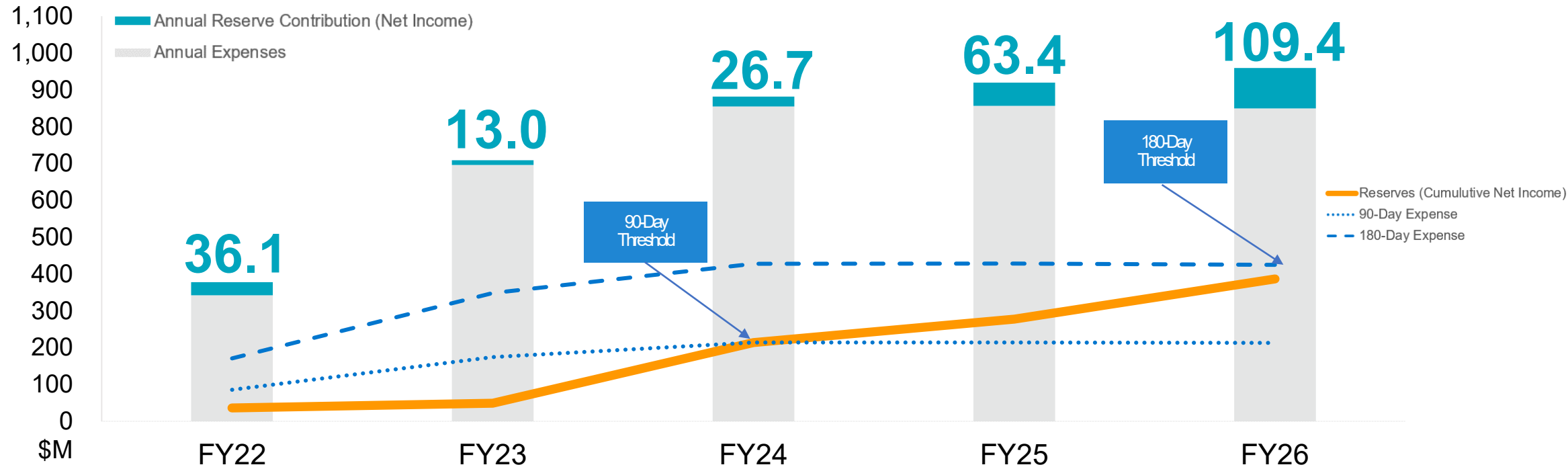
Total  
**\$49.1 m**  
(35.6 days cash on hand w/ LOC)



**Goal**  
(90-Days)  
**\$173.7 m**



# Budget – Current Projection



Operating Budget, \$M	FY22	FY23	FY24	FY25	FY26
Net Revenue	378.1	709.0	872.7	910.7	949.6
Total Expense	341.9	695.9	854.8	856.5	849.8
Annual Reserve (Net Income)	36.1	13.0	26.7	63.4	109.4
Reserves (Cumulative Net Surplus)	36.1	49.1	213.8	277.2	386.6
90-Day Expense Target	85.5	173.7	213.7	214.1	212.5
180-Day Expense	171.0	347.4	427.4	428.3	424.9

# Budget – Reserve Comparison

Reserves help with:

## Contingencies

- Power supply shocks
- Maintain rate competition
- economic downturns

## Cash Availability

- Used to bridge temporary low levels of cash

## Interest

- Avoids interest expense with borrowing debt

## Credit Rating

- Favorable terms with vendors
- Helps with issuing debt (bonds, commercial paper...)

### Central Coast Community Energy

S&P ('A' Issuer Credit Rating)

Maintains a minimum reserve balance equal to 30% of total operating budget expenditures, with a goal of increasing the reserve to **50% of total op budget expenditures**. The maximum reserve is 75% of total operating budget expenditures.

**180 days**  
Of Operating Expense

**\$179.3m**  
FY22 Operating Expense

### Marin Clean Energy

Fitch (BBB+/Stable)

Staff will carefully monitor MCE's liquidity to ensure it meets the objectives of the organization with the goal of securing **240 days liquidity** on hand (includes lines of credit).

**240 days**  
Of Operating Expense

**\$295.9m**  
FY22 Operating Expense

### Peninsula Clean Energy

Fitch (BBB+/Stable)

PCE will maintain an Operating / Working Capital Reserve equal to **one hundred eighty (180)** days of total operating expenses.

**180 days**  
Of Operating Expense

**\$120.9m**  
FY22 Operating Expense

### SD Community Power

SDCP will allocate up to 15% of gross revenue annually toward building an Operating/Working Capital Reserve equivalent to **90 days** of total operating expenses.

**90 days**  
Of Operating Expense

**\$173.7m**  
FY23 Operating Expense



# Budget – Personnel

Department	FY23 Proposed Budget, \$M	Current Positions	Proposed Positions
Power Services	1.74	2	8
Programs	0.85	2	7
Operations	1.46	4	6
Data Analytics and Account Services	1.10	3	6
External Affairs	0.95	3	6
Finance	1.19	2	4
Regulatory Affairs	0.7	3	3
<b>Total</b>	<b>7.95</b>	<b>19</b>	<b>40</b>

Budget **increases Power Services** team to **8 total positions**

- Provides **redundancy** in SDCP's largest expense category
- Currently **2 filled positions**
- **3 positions** in active recruitment

Budget **increases Programs** team to **7 total positions**

- Sets Programs team to be ready after **Community Power Plan**
- Expect **full recovery of 2 positions** from DAC GT-CSGT program

Budget funds key positions to **authorize full hiring by January 2023** subject to actual recruitment.

Budget generally increases positions to levels **similar to other CCAs in California**.

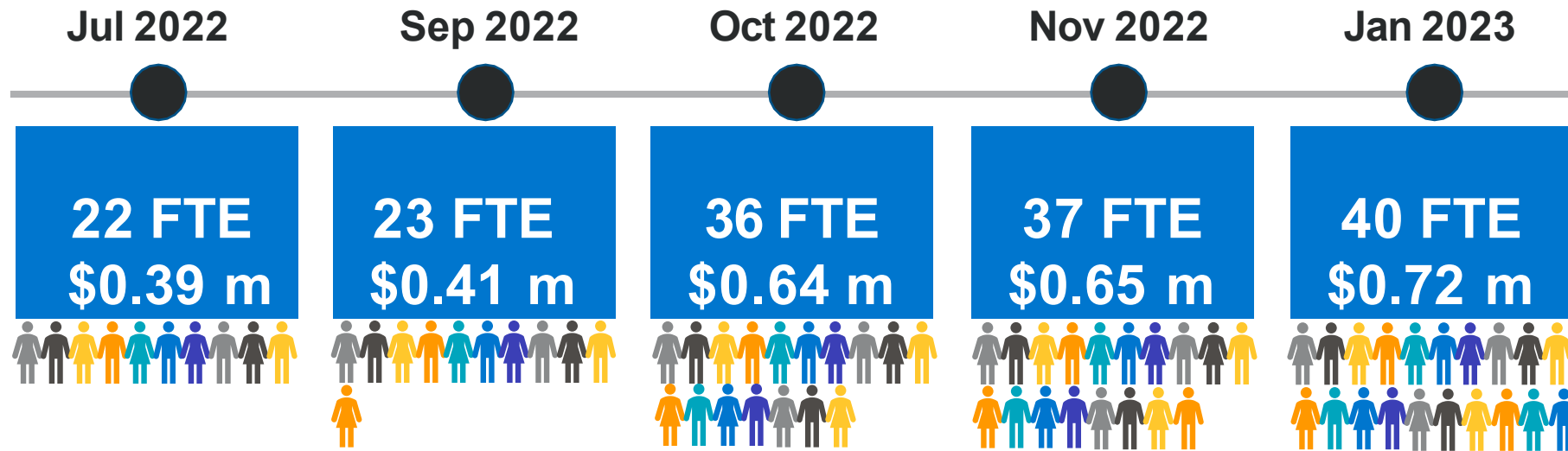
# Budget – Personnel

Department	SDCP (Proposed)	Marin Clean Energy	Clean Power Alliance	East Bay Community Energy	Peninsula Clean Energy	Central Coast Com. Energy
Power Services	8	4	9	4	5	3
Programs	7	16	4	7	6	6
Operations	6	5	6	6	4	5
Data Analytics and Account Services	6	10	5	7	5	4
External Affairs	6	13	6	6	7	4
Finance	4	4	6	2	2	2
Regulatory Affairs	3	10	3	6	6	3
<b>Total</b>	<b>40</b>	<b>62</b>	<b>39</b>	<b>38</b>	<b>35</b>	<b>27</b>



# Budget – Personnel

Position additions occur over time with recruitment expected starting on July 1<sup>st</sup>.



Costs above reflect monthly total personnel costs at the time a position is added.

The hiring strategy assumes SDCP will achieve **full staffing by January 2023**. This is a conservative estimate given current hiring timelines and the potential for attrition.

# Budget – CCA Comparison









Community Choice Aggregator	Years Est. (JPA eff. Date)	Customer Accounts*	Cost of Energy, \$M**	Non-Energy Costs, \$M	Net Ratepayer Revenue, \$M	Energy Costs/Net Revenue (%)
Clean Power Alliance	Jun 2017	972,500	834.28	32.665	895.25	93%
<b>San Diego Community Power</b>	<b>Oct 2019</b>	<b>931,675</b>	<b>661.64</b>	<b>33.983***</b>	<b>708.98</b>	<b>93%</b>
East Bay Community Energy	Dec 2016	613,263	442.34	37.757	499.70	89%
Marin Clean Energy	Dec 2008	470,000	410.70	49.436	483.96	85%
Central Coast Community Energy	Mar 2018	296,000	326.30	32.179	351.53	93%
Peninsula Clean Energy	Feb 2016	296,000	216.70	24.994	222.24	98%

\*Customer accounts from CalCCA as of October 2021, SDCP customer accounts are projected as of April 2023

\*\*Cost of energy, non-energy costs and ratepayer revenue are from FY22 adopted budgets. SDCP costs and revenue are from its proposed FY23 budget.

\*\*\*SDCP includes debt service costs of \$1.3M whereas most other CCAs do have minimal or zero debt service costs.

# Proposed FY 2022-23 Budget - Highlights

	Budget by Category		FY23	% of Net Revenues
	<b>Revenue</b>	Includes Phase 1 through Phase 3. Phase 4 starts in 2023.	FY23 <b>\$709.0m</b>	FY23 <b>100.0%</b>
	<b>Cost of Energy</b>	Assumes hedging as of June 2022 and forward prices for the remaining, unhedged energy.	FY23 <b>\$661.6m</b>	FY23 <b>93.3%</b>
	<b>Professional Services</b>	Data Management and SDG&E fees comprise majority.	FY23 <b>\$16.9m</b>	FY23 <b>2.4%</b>
	<b>Personnel</b>	14 new staff and 2 interns - Power Services to 8 staff and Programs to 7 staff.	FY23 <b>\$8.0m</b>	FY23 <b>1.1%</b>
	<b>Marketing and Outreach</b>	Mandatory enrollment notices, communication consultants, mailers, printing, sponsorships.	FY23 <b>\$4.2m</b>	FY23 <b>0.6%</b>
	<b>General and Administrative</b>	Office space, equipment, membership dues, and other general operational costs.	FY23 <b>\$2.6m</b>	FY23 <b>0.4%</b>
	<b>Programs</b>	Initial pilot programs launch and other community-based program efforts.	FY23 <b>\$1.4m</b>	FY23 <b>0.2%</b>
	<b>Interest and Related Exp.</b>	Repayment of loan principle, interest costs and potential renewal fees or letters of credit.	FY23 <b>\$1.3m</b>	FY23 <b>0.2%</b>

Net Position  
**+13.0m**



# Budget – Next Steps

- Budget book released with additional detail.
- July 1<sup>st</sup> – Budget Implemented
- Mid-Year Budget Review (Feb)
- Budget amendments as necessary



SAN DIEGO COMMUNITY POWER  
**Operating Budget**  
**Fiscal Year 2022-23**  
Proposed Draft  
June 23, 2022



## Overview of San Diego Community Power

### Who We Are

San Diego Community Power is a coalition of people focused on moving towards a healthier and sustainable future. We are neighbors, teachers and students, employees and political stripe and religious belief. All of us have a shared vision of a better future. We have the resources to manage our electricity supply, taking advantage of available for cleaner power, today and for future profits, to create better health for everyone.

### About Community Choice

SDCP is a Community Choice Aggregation (CCA) program—one of dozens that have formed across the state through the past 10 years. CCAs succeed by introducing healthy competition into the energy marketplace and feeding cleaner electricity into the grid. They partner with the local investor-owned utility (SDG&E, in our case) to deliver and service it. Power is cleaner, just as affordable, and just as reliable. It's a simple model that's focused on the future, and really works.

This not-for-profit model goes even further, eliminating for-profit shareholders who make a profit on your electricity use.

At SDCP, our only shareholder is you.

Community Choice Energy might be new to San Diego, but programs just like this one have been springing up throughout California for over 10 years. SDCP is one of 23 programs already serving over 10 million customers. Why is Community Choice growing so fast? That's easy—it's a simple model that works for people of every age, ethnicity and income.

### Governance and Structure

In September 2019, the cities of San Diego adopted an ordinance and resolution to create a new powers agency. In 2021, the County of San Diego joined the agency.

SDCP's Board is comprised of elected representatives from the cities and the County, and expand as new communities in the service area.



## Budget Process

### Annual Budget Cycle

On October 1, 2019, the Founding Members of SDCP adopted the Joint Powers Agreement (JPA), which was amended and restated on December 16, 2021. Section 4.6.2 of the JPA specifies that the SDCP Board of Directors shall adopt an annual budget with a fiscal year that runs from July 1 to June 30. Section 7.3.1 of the JPA additionally specifies that the board may revise the budget from time to time as may be reasonably necessary to address contingencies and unexpected expenses. The annual budget process typically starts in February of any given year. The Finance department develops initial revenue and expense estimates and the Board of Directors approves its short-term financial plan. In March and April, SDCP staff develop and refine budget proposals for the upcoming budget year. The Board of Directors, through the SDCP Finance and Risk Committee, which needs to adopt the budget no later than June 30.

FIGURE 4: TYPICAL ANNUAL BUDGET PROCESS

February	March-April	May-June
Developing Operating Revenue Estimate	Staff develop operating budgets	Finalize and adopt budget
Developing Operating Expense Estimate	Developing budget is developed	
Develop financial plan for credit rating in 3 years		



## Proposed Operating Budget

The SDCP FY 2022-23 Proposed Operating Budget is presented in further detail on the following pages. The table below summarizes the revenue and expense budgets proposed for the FY22 Amended Budget.

TABLE 1: OPERATING BUDGET OVERVIEW	
Gross Revenue	
Less Uncollectible Accounts	
Net Operating Revenues	FY22 Amended
Cost of Energy	380.8
Non-Energy Costs	(2.7)
Subtotal Operating Expense	378.1
Debt Service	329.6
Total Expenses	341.7
Net Position	36.1

## Operating Revenue

SDCP's sole source of revenue currently is from the retail sale of electricity to its customers. Revenue budgeted for FY 2022-23 reflects a full fiscal cycle of retail sales to our commercial and industrial customer base and retail sales to our residential customer base.

The following table summarizes the revenues for FY22 Amended Budget, and the FY23 Proposed Operating Budget.

TABLE 2: OPERATING REVENUE BY BUDGET LEVEL 2		
Gross Ratepayer Revenues		
(Less 1% Uncollectible Customer Accounts)		
Net Operating Revenues	FY22 Amended	FY23 Proposed
	380.8	380.2
	(2.7)	(7.0)
	378.1	689.2



# Item 10

## Presentation of the Fiscal Year (FY) 2023 Operating Budget

**Recommendation: Recommend Board approval  
of the FY 2023 Operating**

Presenter:

Dr. Eric Washington,  
Chief Financial Officer

## **Item 11**

# **Approval of SDG&E Modified Cost Allocation Mechanism (mCAM) Resource Adequacy Transaction**

## **Recommendation:**

Approve the SDG&E Modified Cost Allocation Mechanism (mCAM) Resource Adequacy Transaction.



# SDG&E mCAM RA Transaction

## Background:

- CPUC Integrated Resource Planning (IRP) Proceeding
  - Modified Cost Allocation Mechanism (MCAM)
- Decision 19-11-016 ordered procurement of 3300 MW of System Resource Adequacy (RA)
  - LSEs serving load shared procurement responsibility
    - SDCP not yet serving load
  - Cost recovery and other issues to be addressed in future decision
- MCAM Decision approved May 19, 2022 requires SDG&E to enter into agreement to sell SDCP its share of resources

# SDG&E mCAM RA Transaction

## Proposed Transaction:

- SDCP to buy its load share (~35%) of SDG&E's contracted capacity
  - 35% is based on SDCP's 2022 load share
  - SDG&E's total obligation is 293 MW, required to be online by 2023
  - Due to delays, SDCP's share expected to be:
    - ~50 MW in 2022
    - ~75+ in 2023
    - up to ~102 MW if/when all SDG&E resources are online
- Contract Start: Sept 1, 2022
- Term: Through expiration of SDG&E's upstream contracts (~2037)
- Price: CPUC Market Price Benchmark for RA
- Resources: Various energy storage, renewable energy, and natural gas

## **Item 11**

# **Approval of SDG&E Modified Cost Allocation Mechanism (mCAM) Resource Adequacy Transaction**

## **Recommendation:**

Approve the SDG&E Modified Cost Allocation Mechanism (mCAM) Resource Adequacy Transaction.



The background of the slide is a photograph of blue water with ripples. A large, white, diagonal shape, resembling a stylized arrow or a large 'V', is superimposed over the water. The text is placed within this white shape.

# **Reports by Management & General Counsel**

## **Director Comments**





**Adjournment**





# Board of Directors

Next Regular Meeting  
Thursday, July 28, 2022

