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Items to be Added, Withdrawn, or Reordered on the Agenda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
Items to be Added, Withdrawn or Reordered on the Agenda
Public Comment for Items NOT on the 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.

Presenter: Karin Burns
Chief Executive Officer
Our Purpose

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

Presenter:
Karin Burns
Chief Executive Officer
Item 10
Approval of FY 2023 Operating Budget

Recommendation:
Approve the FY2023 Operating Budget

Presenter:
Eric Washington
Chief Financial Officer
Budget Development for FY 2022-23

The schedule for budget development is the following.

**February**
- Develop Operating Revenue Estimate
- Develop Operating Expense Estimate
- Develop financial plan for credit rating in 3 years

**March-April**
- Staff develop operating budgets
- Baseline budget is developed

**May**
- Strategic planning sessions with SDCP Board
- SDCP Board Preview (Presentation)

**June**
- Financial and Risk Management Committee Review
- SDCP Board Approval
- July 1st Budget Implemented
- Mid-year budget review (February)
- Budget amendments as necessary
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.
Budget – Summary

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

Ratepayer Revenue (Net), $716M (99% of GR)
Cost of Energy, 661M (93% of Total Expense)
## Budget – Changes since 5/26 Board Meeting

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

<table>
<thead>
<tr>
<th>Item</th>
<th>FY 23 Proposed Budget, $M</th>
<th>FY 22 Amended, $M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Revenue</td>
<td>716.1</td>
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<tr>
<td>Net Revenue</td>
<td>709.0</td>
<td>378.1</td>
</tr>
<tr>
<td>Subtotal Operating Expense</td>
<td>694.6</td>
<td>341.1</td>
</tr>
<tr>
<td>Total Expense</td>
<td>695.9</td>
<td>341.9</td>
</tr>
<tr>
<td>Net Position</td>
<td>13.0</td>
<td>36.1</td>
</tr>
<tr>
<td>Days Cash on Hand</td>
<td>35.6</td>
<td></td>
</tr>
</tbody>
</table>

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

- **Goal:**
  - FY23 Reserves Year-end: **$49.1 m**
  - FY22 Reserves Year-end: **$36.1 m**
  - Total: **$49.1 m**

SDCP is projected to hit 28.2% of its 90-day reserve target in FY23.
Budget – Current Projection

<table>
<thead>
<tr>
<th></th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
<th>FY26</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Budget, $M</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Revenue</td>
<td>378.1</td>
<td>709.0</td>
<td>872.7</td>
<td>910.7</td>
<td>949.6</td>
</tr>
<tr>
<td>Total Expense</td>
<td>341.9</td>
<td>695.9</td>
<td>854.8</td>
<td>856.5</td>
<td>849.8</td>
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<tr>
<td>Annual Reserve (Net Income)</td>
<td>36.1</td>
<td>13.0</td>
<td>26.7</td>
<td>63.4</td>
<td>109.4</td>
</tr>
<tr>
<td>Reserves (Cumulative Net Surplus)</td>
<td>36.1</td>
<td>49.1</td>
<td>213.8</td>
<td>277.2</td>
<td>386.6</td>
</tr>
<tr>
<td>90-Day Expense Target</td>
<td>85.5</td>
<td>173.7</td>
<td>213.7</td>
<td>214.1</td>
<td>212.5</td>
</tr>
<tr>
<td>180-Day Expense</td>
<td>171.0</td>
<td>347.4</td>
<td>427.4</td>
<td>428.3</td>
<td>424.9</td>
</tr>
<tr>
<td>Reserve Description</td>
<td>Utility</td>
<td>Credit Rating</td>
<td>Description</td>
<td>Minimum Reserve</td>
<td>Maximum Reserve</td>
</tr>
<tr>
<td>---------------------</td>
<td>---------</td>
<td>---------------</td>
<td>-------------</td>
<td>----------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Central Coast Community Energy</td>
<td>S&amp;P (‘A’ Issuer Credit Rating)</td>
<td>Maintains a minimum reserve balance equal to 30% of total operating budget expenditures, with a goal of increasing the reserve to 50% of total operating budget expenditures. The maximum reserve is 75% of total operating budget expenditures.</td>
<td>30% of total operating budget expenditures</td>
<td>75% of total operating budget expenditures</td>
<td>180 days</td>
</tr>
<tr>
<td>Marin Clean Energy</td>
<td>Fitch (BBB+/Stable)</td>
<td>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).</td>
<td>240 days</td>
<td>$295.9m</td>
<td></td>
</tr>
<tr>
<td>Peninsula Clean Energy</td>
<td>Fitch (BBB+/Stable)</td>
<td>PCE will maintain an Operating / Working Capital Reserve equal to one hundred eighty (180) days of total operating expenses.</td>
<td>180 days</td>
<td>$120.9m</td>
<td></td>
</tr>
<tr>
<td>SD Community Power</td>
<td></td>
<td>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.</td>
<td>90 days</td>
<td>$173.7m</td>
<td></td>
</tr>
</tbody>
</table>

## 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
- Helps with issuing debt (bonds, commercial paper…)

### Credit Rating
- Favorable terms with vendors
- Helps with issuing debt (bonds, commercial paper…)

### Contingencies
- Power supply shocks
- Maintain rate competition
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- Used to bridge temporary low levels of cash

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- Avoids interest expense with borrowing debt
- Helps with issuing debt (bonds, commercial paper…)

### Credit Rating
- Favorable terms with vendors
- Helps with issuing debt (bonds, commercial paper…)
# Budget – Personnel

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

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

Position additions occur over time with recruitment expected starting on July 1st.

- Jul 2022: 22 FTE, $0.39 m
- Sep 2022: 23 FTE, $0.41 m
- Oct 2022: 36 FTE, $0.64 m
- Nov 2022: 37 FTE, $0.65 m
- Jan 2023: 40 FTE, $0.72 m

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

*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

<table>
<thead>
<tr>
<th>Budget by Category</th>
<th>FY23</th>
<th>% of Net Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of Energy</td>
<td>FY23</td>
<td>FY23</td>
</tr>
<tr>
<td></td>
<td>$709.0m</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>$661.6m</td>
<td>93.3%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>FY23</td>
<td>FY23</td>
</tr>
<tr>
<td></td>
<td>$16.9m</td>
<td>2.4%</td>
</tr>
<tr>
<td>Personnel</td>
<td>FY23</td>
<td>FY23</td>
</tr>
<tr>
<td></td>
<td>$8.0m</td>
<td>1.1%</td>
</tr>
<tr>
<td>Marketing and Outreach</td>
<td>FY23</td>
<td>FY23</td>
</tr>
<tr>
<td></td>
<td>$4.2m</td>
<td>0.6%</td>
</tr>
<tr>
<td>General and Administrative</td>
<td>FY23</td>
<td>FY23</td>
</tr>
<tr>
<td></td>
<td>$2.6m</td>
<td>0.4%</td>
</tr>
<tr>
<td>Programs</td>
<td>FY23</td>
<td>FY23</td>
</tr>
<tr>
<td></td>
<td>$1.4m</td>
<td>0.2%</td>
</tr>
<tr>
<td>Interest and Related Exp.</td>
<td>FY23</td>
<td>FY23</td>
</tr>
<tr>
<td></td>
<td>$1.3m</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

Net Position

+13.0m
Budget – Next Steps

• **Budget book** released with additional detail.

• July 1st – Budget **Implemented**

• Mid-Year **Budget Review** (Feb)

• Budget **amendments** as necessary
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.

Presenter:
Byron Vosburg
Managing Director Power Services
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
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.

Presenter:
Byron Vosburg
Managing Director Power Services
Reports by Management & General Counsel

Director Comments
Adjournment
Board of Directors
Next Regular Meeting
Thursday, July 28, 2022