



Board of Directors

Regular Meeting

November 16, 2023

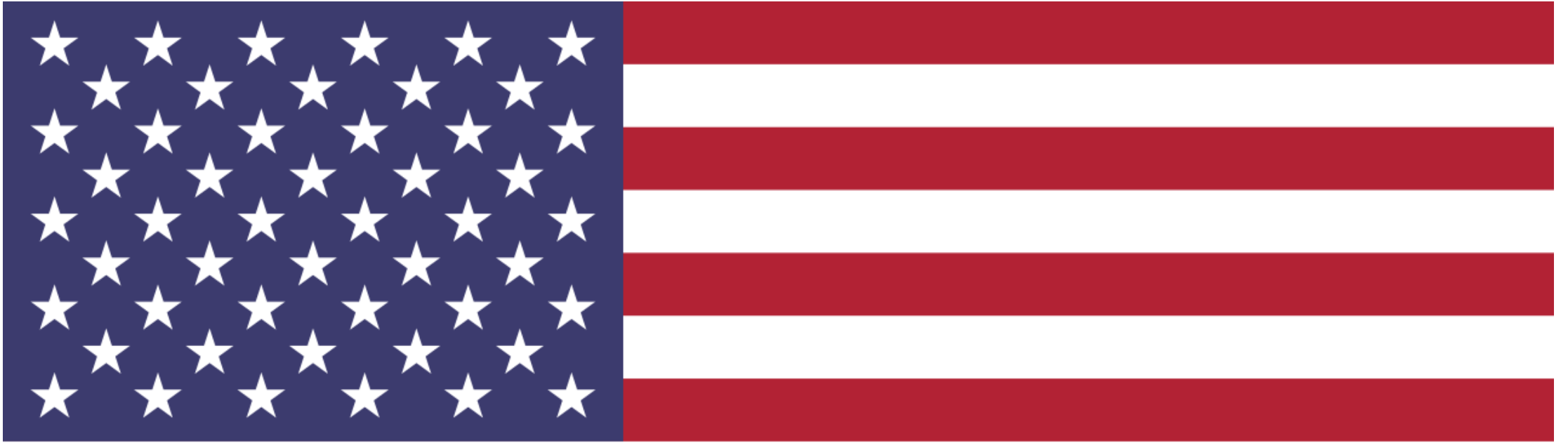


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**Welcome
&
Call to
Order**

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Roll Call



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Land Acknowledgement

Warm Welcome to our New Hires!



Erin Hudak
Compliance Analyst




Diana Gonzalez
Risk Manager

#dreamteam

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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Withdrawn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 October 26, 2023 Meeting Minutes
2. Receive and File Treasurer's Report for Period Ending September 30, 2023
3. Receive and File June 30, 2023 Fiscal Year-end Audited Financial Statement
4. Receive and File Update on Programs
5. Receive and File Update on Power Services
6. Receive and File Update on Human Resources
7. Receive and File Update on Customer Operations
8. Receive and File Update on Marketing and Public Relations
9. Receive and File Update on Community Advisory Committee
10. Receive and File Update on Legislative and Regulatory Affairs
11. Approval of 2023 Procurement Counsel Legal Services Request for Proposal Contracts
 - a) Approval of Amended and Restated Engagement Letter with Keyes and Fox LLP for up to \$500,000 per year for Legal Services for Power Procurement beginning January 1, 2024
 - b) Approval of Engagement Letter with Perkins Coie LLP for up to \$200,000 per year for Legal Services for Power Procurement beginning January 1, 2024
 - c) Approval of Engagement Letter with Sunridge Legal, LLP for up to \$200,000 per year for Legal Services for Power Procurement beginning January 1, 2024

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Public Comment for Consent Agenda

Regular Meeting Agenda

12. Update on Quarterly Report for the Community Advisory Committee
13. Approval of Appointment of CAC Member Representing the City of Imperial Beach
14. Approve the Update to the Energy Proposal Evaluation Criteria
15. Approve Arevon Avocet Standalone Storage Energy Storage Services Agreement (ESSA)
16. Approve Pomona 2 Standalone Storage Energy Storage Services Agreement (ESSA)

Item 12

Update on Quarterly Report for the Community Advisory Committee

Recommendation:

Receive and File the update on the quarterly report for the Community Advisory Committee

Presenter:

Xiomalys Crespo, Community Engagement Manager

Matthew Vasilakis, Community Advisory Committee Chair

Key Community Advisory Committee Activities

Third Quarter (July 2023 – October 2023)

- CAC has convened two ad-hoc Committees on Programs and Community and Equity, which has discussed several topics prior to full CAC discussions:
 - Solar for Our Communities
 - Regional Energy Network (REN) progress
 - Energy Education and Online Marketplace
 - Targeted Social & Digital Display Campaigns
 - Revisions to the Energy Proposal Evaluation Criteria
 - Net Billing Tariff (NBT)
 - Existing Net Energy Metering (NEM) policy
 - Outreach and Volunteering Opportunities
- The CAC has also received regular updates on Customer Operations, Marketing & Public Affairs, and Legislative and Regulatory Affairs.

Key Community Advisory Committee Activities

Third Quarter (July 2023 – October 2023)

- Members voted new officers for Fiscal Year 2023-2024:
 - Matthew Vasilakis as Chair (City of San Diego)
 - David Harris as Vice-Chair (La Mesa)
 - Lauren Cazares as Secretary (La Mesa)
- The CAC has also received regular updates on Customer Operations, Marketing & Public Affairs, and Legislative & Regulatory Affairs.
- The CAC has one vacancy representing the County of San Diego (unincorporated).
- The CAC Fiscal Year 2022-2023 Work Plan and other key operational documents will be updated later this calendar year.

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Public Comment for Item 12

Item 12

Recommendation:

Receive and File the update on the quarterly report for the Community Advisory Committee

Item 13

Approve the Appointment of CAC Member Representing the City of Imperial Beach

Recommendation:

Approval of Appointment of CAC Member
Representing the City of Imperial Beach

Presenter: Xiomalys Crespo, Community Engagement Manager

Membership Terms & Criteria

- The Committee shall be made up of fourteen (14) committee members, with two (2) from each member agency.
- SDCP aims to ensure a wide variety of perspectives and participation on the CAC.
- Members shall be residents (property owners and/or renters), business owners, employees or representatives of a community-based organization.
- Appointments are to prioritize residents from diverse social, economic and racial backgrounds that are representative of all residents within SDCP's service territory.
- Members serve up to two three-year terms.

Selection Process

- Staff promoted applications via social media, the Board of Directors, the CAC, and directly engaging with member agency staff and the public in Imperial Beach.
- A total of two applications for Imperial Beach were received and reviewed.
- Staff worked with Director Aguirre to review and determine a nomination for appointment based on Membership Terms & Criteria.
- Director Aguirre has nominated Ilian Sandoval.



Next Steps

- Staff to conduct Oath of Office, onboarding, and training.
- CAC Roster to be updated to include new representative.



Community Advisory Committee Roster and Seat Assignments

Member Agency	Name	Term Ends
San Diego	Eddie Price	2025
	Matthew Vasilakis (Chair)	2026
Chula Vista	Anthony Sclafani	2025
	Carolyn Scofield	2026
La Mesa	Lauren Cazares (Secretary)	2026
	David Harris (Vice-Chair)	2026
Encinitas	Gary L. Jahns	2025
	Tara Hammond	2026
Imperial Beach	Anna Webb	2025
	<i>Vacant</i>	-
County of San Diego (unincorporated)	Peter Andersen	2025
	<i>Vacant</i>	-
National City	Aida Castañeda	2025
	Lawrence Emerson	2026

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](#).

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Public Comment for Item 13

Item 13

Recommendation:

Approval of Appointment of CAC Member
Representing the City of Imperial Beach

Item 14

Approve the Update to the Energy Proposal Evaluation Criteria

Recommendation:

Approval of the updates to the Energy Proposal Evaluation Criteria

Presenter: Kenny Key, Director of Power Contracts



Energy Proposal Evaluation Criteria

Board of Directors

November 16, 2023



Evaluation Criteria

- SDCP pursues long-term power contracts via solicitations
 - E.g., 2023 Long-Term RPS RFP (2023 LT RPS RFP), Local RFI
- To date, SDCP Staff and the Energy Contract Working Group (ECWG) have used the Energy Proposal Evaluation Criteria (EPEC) that was reviewed by the board of directors in March 2022 for the purposes of evaluating and scoring each potential project or transaction.
- Evaluation Criteria serves as a helpful tool for Staff and ECWG to screen submissions, but all long-term contracts are subject to review by Board committees and, ultimately, Board approval.
- **For purposes of consistency and transparency, Staff propose to formally adopt the proposed revisions to the EPEC for future evaluation of long-term, utility scale (10MW+) wholesale contracts for purchase of renewable energy and capacity.**

Proposed Evaluation Criteria (Revised)

- SDCP will use an Energy Proposal Evaluation Criteria (EPEC) to score proposals for long-term, utility scale (10MW+) wholesale energy contracts
- 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, each of which will be rated **high (A)**, **medium+ (B)**, **medium- (C)**, **neutral (D)** or **low (F)** and aggregated for holistic review by Staff and the ECWG

Project
Location

Quantitative
Value

Project
Development

Community
Benefits

Workforce
Development

Environmental
Stewardship

Project Location (Original)

Local

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

Southern California

- In or south of San Luis Obispo/Kern/San Bernadino Co
- Located in other counties within CA or directly interconnected to California Independent System Operator (CAISO)
- Out-of-state projects that are not interconnected to CAISO



HIGH

MEDIUM

NEUTRAL

LOW

Project Location (Revised)

HIGH (A)

Local

- For Renewable Energy: San Diego or Imperial Co. **without requiring import rights (or located in CAISO)**
- For Energy Storage: SD-IV Local RA

MEDIUM+ (B)

Southern California

- **In Imperial Co., but requires import rights**
- In or south of San Luis Obispo/Kern/San Bernardino Co.

MEDIUM- (C)

In-State

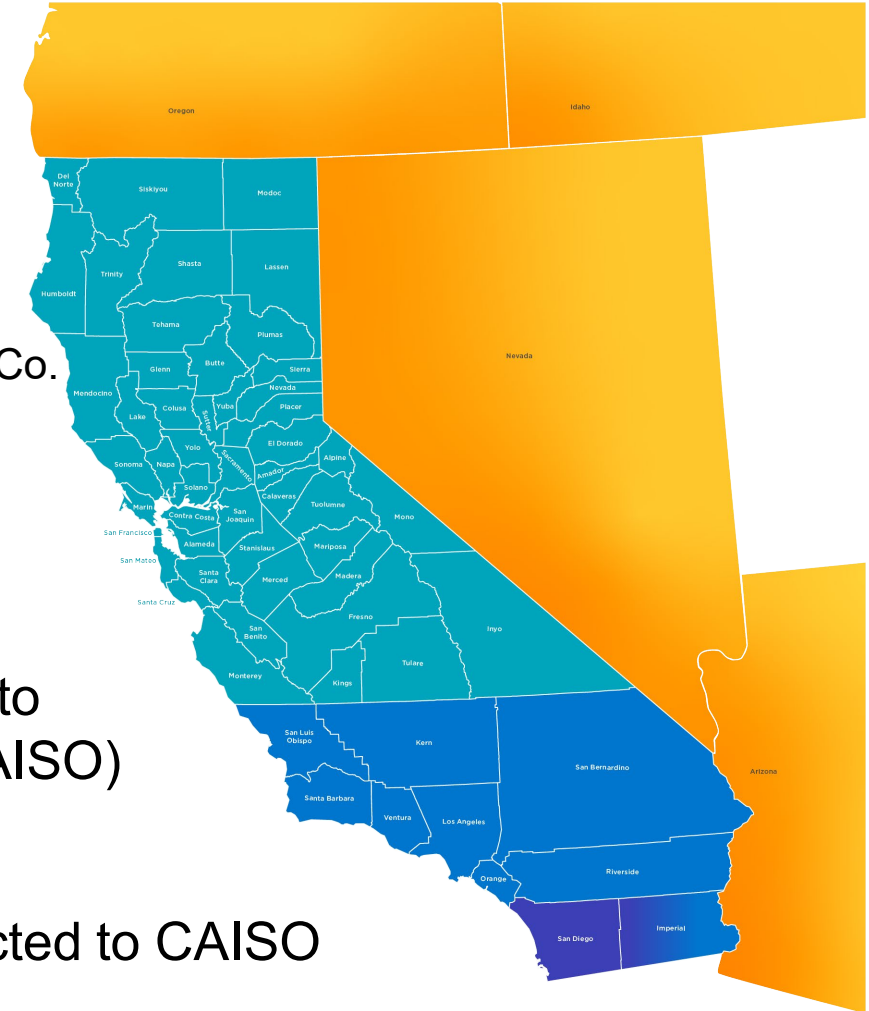
- Located in other counties within CA

NEUTRAL (D)

Out-of-state projects directly interconnected to California Independent System Operator (CAISO)

LOW (F)

Out-of-state projects that are not interconnected to CAISO



Quantitative Value (Revised)

Projects will be categorized as

HIGH (A)

MEDIUM+ (B)

MEDIUM- (C)

NEUTRAL (D)

LOW (F)

- 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
 - Cost effectiveness of project-related GHG emission reductions
 - Timeline and expectations of ability to achieve FCDS

Project Development (Revised)

Projects will be categorized as

HIGH (A)

MEDIUM+ (B)

MEDIUM- (C)

NEUTRAL (D)

LOW (F)

- The development score will be based on several project development-related factors, including:
 - Site control
 - Interconnection status & Deliverability
 - Environmental screens
 - Land use and permits
 - Project financing
 - Developer experience

Community Benefits (Revised)

HIGH (A)

- Project is located within a Disadvantaged Community (DAC), Community of Concern (COC), a region otherwise designated by local jurisdiction or permitting agency as prioritized for renewable energy development (“Renewable Energy Development Zone” or “REDZ”), or on tribal land with consent;
 - Has completed Community Outreach;
 - Has set up, or committed to, a community benefit fund that benefits SDCP customers
 - Demonstrates compelling Community Benefits

MEDIUM+ (B)

- Project is located within a DAC, COC, REDZ or tribal land, and has committed to Community Outreach to demonstrate Community Benefits

MEDIUM- (C)

- Project is not located within a DAC, COC, or REDZ but has completed Community Outreach and can demonstrate Community Benefits

NEUTRAL (D)

- Project does not demonstrate community benefits

LOW (F)

- Project is inconsistent with community priorities, or the project (a) utilizes solar/wind technologies, (b) is over 10MW, and (c) is located within 1,500 ft. of a residential property

Workforce Development (Revised)

HIGH (A)

- The project will meet all objectives of SDCP's Inclusive and Sustainable Workforce Policy with respect to PPAs and has executed, or has committed to executing, a Project Labor Agreement (PLA).

MEDIUM+ (B)

- The project will meet most objectives of SDCP's Inclusive and Sustainable Workforce Policy with respect to PPAs, but will not have a PLA. Project commits to local hire commitments near the site of the project and 50% or more union labor.

MEDIUM- (C)

- 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 or demonstrates it meets the requirements of the Inflation Reduction Act ("IRA")

NEUTRAL (D)

- The project has not yet determined its plan for workforce development

LOW (F)

- The project is not pursuing one or all of the following: 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 (A)

- Project is located on currently or previously developed land (including agricultural land no longer suitable for farming) or brownfield land and project beneficially impacts and reduces air pollution within communities that have been disproportionately impacted by the existing generating fleet

MEDIUM+ (B)

- Project is located on currently or previously developed land (including agricultural land no longer suitable for farming) or brownfield land and demonstrates additional societal, economic, water-saving, or environmental benefits beyond the climate and GHG reduction benefits of renewable energy, or
- Project beneficially impacts and reduces air pollution within communities that have been disproportionately impacted by the existing generating fleet

MEDIUM- (C)

- Project is **not** located on currently or previously developed land (including agricultural land no longer suitable for farming) or brownfield land, but demonstrates additional societal, economic, water-saving, or environmental benefits beyond the climate and GHG reduction benefits of renewable energy

NEUTRAL (D)

- Project does not demonstrate significant positive or negative environmental impact

LOW (F)

- Project has not conducted feasibility study of the project's environmental impacts

Example Evaluation Summary:

↓ Added Columns ↓

Project	Location	Generation Price	Capacity Price	Generation Capacity (MW)	Storage Capacity (MW)	COD	Project Location	Price / Value	Dev Score	Community Benefits	Workforce Dev	Enviro
SDCP A	SD County	\$2.00	\$1.00	100	100	1/1/24	High (A)	High (A)	High (A)	Med+ (B)	High (A)	Med+ (B)
SDCP B	Orange County	\$1.50	\$1.50	200	100	1/1/24	Med+ (B)	High (A)	High (A)	High (A)	Med+ (B)	Med- (C)
SDCP C	SD County	\$2.25	\$2.05	50	50	1/1/25	High (A)	High (A)	Med+ (B)	Med- (C)	High (A)	Med- (C)
SDCP D	Imperial County	\$2.00	\$2.10	20	20	1/1/24	High (A)	High (A)	High (A)	Med- (C)	High (A)	Neutral (D)
SDCP E	SD County	\$3.00	\$3.50	75	75	1/1/25	High (A)	Med- (C)	Med- (C)	Neutral (D)	Med- (C)	Neutral (D)
SDCP F	Riverside County	\$3.50	\$3.45	20	0	1/1/25	Med+ (B)	Med+ (B)	High (A)	Med- (C)	Med+ (B)	Neutral (D)
SDCP G	Imperial County	\$4.00	\$4.10	50	50	1/1/24	Med+ (B)	Low (F)	Med- (C)	Low (F)	Neutral (D)	Neutral (D)
SDCP H	SD County	\$3.75	\$2.15	100	0	1/1/24	High (A)	Low (F)	High (A)	Neutral (D)	Med- (C)	Low (F)

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Public Comment for Item 14

Item 14

Recommendation:

Approval of the updates to the Energy Proposal
Evaluation Criteria

Item 15

Approve Arevon Avocet Standalone Storage Energy Storage Services Agreement (ESSA)

Recommendation:

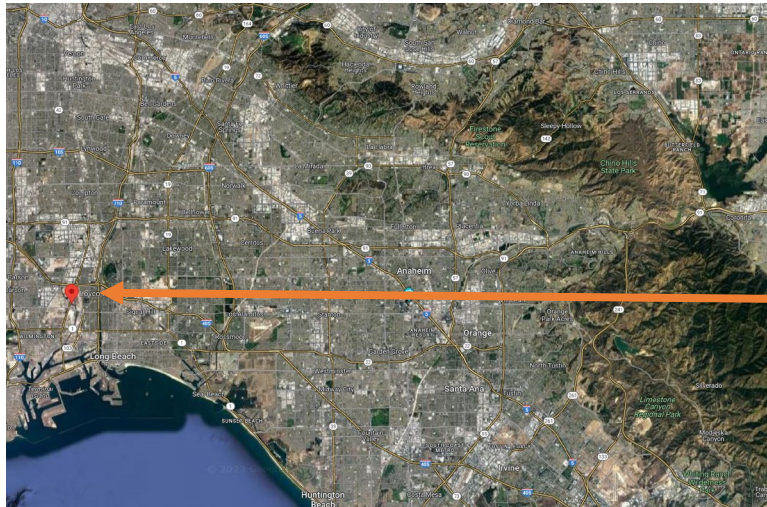
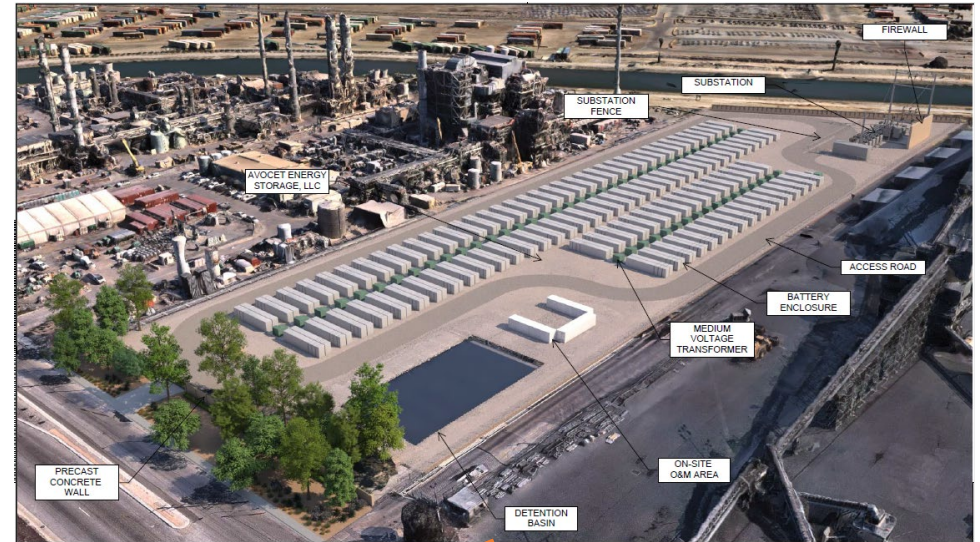
Approval of a 15-Year Arevon Avocet Standalone Storage Energy Storage Services Agreement (ESSA) with Avocet Energy Storage, LLC for a 200 MW/800 MWh (4-hour) battery storage project.

Standalone Storage RFO

- SDCP issued an RFO on April 12, 2023 for standalone storage projects
- Standalone storage assets provide capacity, energy arbitrage and ancillary services for load serving entities like SDCP
- SDCP received a robust response of offers for primarily lithium-ion battery storage projects of varying capacities and duration.
- Arevon's Avocet project was among those shortlisted for negotiations by staff and the Energy Contracts Working Group.

Avocet Energy Storage

- 200 MW/800 MWh (4-hour) lithium-ion battery
- Location: Los Angeles County



Avocet Energy Storage: Key Terms

- **Product:** Full toll and Resource Adequacy benefits
- **Pricing:** Fixed capacity pricing adjusted for capacity and availability over a 15-year term
- **Timeline:** Guaranteed Commercial Operation Date is April 15, 2026
- SDCP receives financial compensation for failure to meet certain performance requirements including but not limited to achieving certain development milestones and meeting guaranteed efficiency rates over the delivery term.

Avocet Energy Storage: Staff Analysis

- With FCDS status and commercial operations commencing in 2026, Avocet would help fulfill SDCP's Mid-Term Reliability requirements under CPUC D.21-06-025.
- Pricing is competitive with comparable product offerings received from SDCP's recent RFO for stand alone storage and the long-term purchase of capacity, energy arbitration, and ancillary services will provide SDCP with significant value and cost certainty over the term of this ESSA.
- Arevon is a leader in renewable and storage development with over 10 GW of renewable energy assets.

Avocet Energy Storage: Workforce Development and Community Benefits

- The Avocet project will provide **100 construction jobs** and 4 permanent jobs and Arevon is **committed to using union labor at the project**, having entered into commitment letters with local IBEW chapters and the State Building and Construction Trades Council of California in 2021.
- Avocet will help replace resource adequacy from several thermal generation power plants in the LA Basin that are slated for retirement in the coming years, specifically Ormond Beach GS, Alamitos GS, Huntington Beach, Redondo GS. This will help **improve the localized air pollution** from those thermal generation facilities and the health of surrounding communities.

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Public Comment for Item 15

Item 15

Recommendation:

Approval of a 15-Year Arevon Avocet Standalone Storage Energy Storage Services Agreement (ESSA) with Avocet Energy Storage, LLC for a 200 MW/800 MWh (4-hour) battery storage project

Item 16

Approve Pomona 2 Standalone Storage Energy Storage Services Agreement (ESSA)

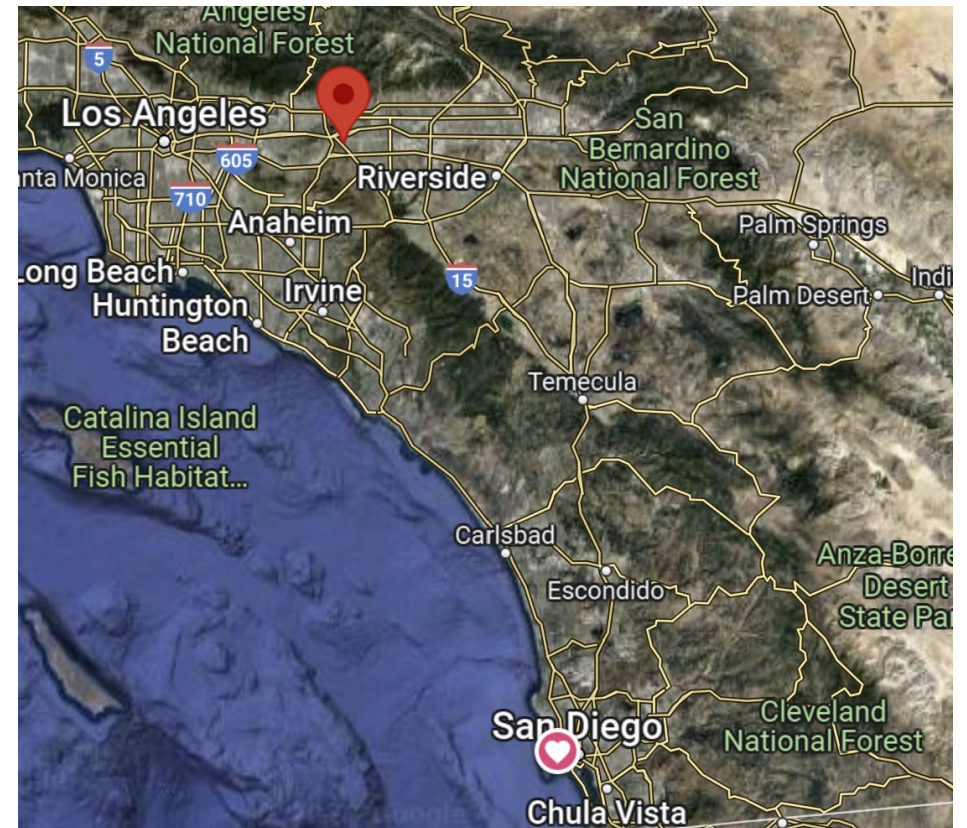
Recommendation:

Approve a 15-year Standalone Storage Energy Storage Service Agreement (ESSA) with Pomona Energy Storage 2, LLC for a 20 MW/40 MWh (2-hour) battery storage project

Presenter: Byron Vosburg, Managing Director Power Services

Pomona Energy Storage 2, LLC (Pomona 2)

- 20 MW/40 MWh (2-hour) lithium-ion battery
- Location: Los Angeles County



Pomona 2: Key Terms

- **Product:** Full toll and Resource Adequacy benefits
- **Pricing:** Fixed capacity pricing adjusted for capacity and availability over a 15-year term
- **Timeline:** Fully operational, no future construction required
- SDCP adjusts payments according to demonstrated effective capacity and receives financial compensation for failure to meet certain performance requirements including but not limited to meeting guaranteed efficiency rates over the delivery term.

Pomona 2: Staff Analysis

- Pomona 2 is a fully constructed and operational battery energy storage asset that will be the first operating battery energy storage asset in SDCP's contracted portfolio.
- The FCDS status will contribute to SDCP's Mid-Term Reliability requirements under CPUC D.21-06-025 with the start of the delivery term in January 2024.
- Pomona 2 provides capacity, energy arbitration, and ancillary services value and cost certainty over the term of the ESSA.
- Ormat Technologies is an experienced owner and operator.

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Public Comment for Item 16

Item 16

Recommendation:

Approve a 15-year Standalone Storage Energy Storage Service Agreement (ESSA) with Pomona Energy Storage 2, LLC for a 20 MW/40 MWh (2-hour) battery storage project

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Report by Chief Executive Officer



SDCP IN THE COMMUNITY

(Doing) Business for Good Summit

Suncoast Farmers Market

La Mesa Parks Appreciation Day



RECENT SPEAKING ENGAGEMENTS



California Efficiency + Demand Management Council



Voltility Conference



We are (still) hiring!

Interviewing

- **Key Accounts Manager**
- **General Counsel**
- **Legislative Manager or Senior Legislative Manager**
- **Senior Executive Assistant to the CEO and C-Suite**

The background image shows a modern office space with large windows, desks, and office chairs. A bright yellow banner is overlaid across the middle of the image, containing the text "Long-Term Lease Update" in white. The office scene is dimly lit, with the primary light source being the banner itself.

Long-Term Lease Update

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Report by General Counsel

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Director Comments



Board of Directors

Closed Session

November 16, 2023



Special Meeting Agenda

Call to Order

Roll Call

PUBLIC COMMENTS ON CLOSED SESSION ITEMS

CLOSED SESSION

1. CONFERENCE WITH LABOR NEGOTIATORS


Agency designated representatives: Chair LaCava and SDCP CEO
Karin Burns
Unrepresented employee: General Counsel

2. PUBLIC EMPLOYEE APPOINTMENT (RECRUITMENT UPDATE)

Title: General Counsel

REPORT FROM CLOSED SESSION

ADJOURNMENT



Public Comment on Closed Session Items

Closed Session Agenda

1. CONFERENCE WITH LABOR NEGOTIATORS

Agency designated representatives:

Chair LaCava and SDGP CEO Karin Burns

Unrepresented employee: General Counsel

2. PUBLIC EMPLOYEE APPOINTMENT (RECRUITMENT UPDATE)

Title: General Counsel

Special Meeting Agenda

Roll Call

Report from Closed Session

Adjournment



Next Regular Board of Directors Meeting

December 14, 2023

