AGENDA

Regular Meeting of the Board of Directors of San Diego Community Power (SDCP)

December 14, 2023
5:00 p.m.

City of San Diego Metropolitan Operations Complex (MOC II) Auditorium
9192 Topaz Way, San Diego, CA 92123

Alternate Address:
Courtyard by Marriott Oxnard Ventura
600 Esplanade Dr., Oxnard, CA 93030

The meeting will be held in person at the above date, time and location. Board of Directors Members and members of the public may attend in person. Under certain circumstances, Directors may also attend and participate in the meeting virtually pursuant to the Brown Act (Gov. Code § 54953). As a convenience to the public, SDCP provides a call-in option and internet-based option for members of the public to virtually observe and provide public comments at its meetings. Additional details on in-person and virtual public participation are below. Please note that, in the event of a technical issue causing a disruption in the call-in option or internet-based option, the meeting will continue unless otherwise required by law, such as when a Board Member is attending the meeting virtually pursuant to certain provisions of the Brown Act.

Note: Any member of the public may provide comments to the Board of Directors on any agenda item. When providing comments to the Board, it is requested that you provide your name and city of residence for the record. Commenters are requested to address their comments to the Board of Directors as a whole through the Chair. Comments may be provided in one of the following manners:

1. Providing Oral Comments During Meeting. Anyone attending in person desiring to address the Board of Directors is asked to fill out a speaker's slip and present it to the Clerk of the Board or the Secretary. To provide remote comments during the meeting, join the Zoom meeting by computer, mobile phone, or dial-in number. On Zoom video conference by computer or mobile phone, use the "Raise Hand" feature. This will notify the moderator that you wish to speak during a specific item on the agenda or during non-agenda Public Comment. Members of the public will not be shown on video but will be able to speak when called upon. If joining the meeting using the Zoom dial-in number, you can raise your hand by pressing *9. Comments will be limited to three (3) minutes.

2. Written Comments. Written public comments must be submitted prior to the start of the meeting by using this Web Comment Form. Please indicate a specific agenda item when

submitting your comment. All written comments received prior to the meeting will be provided to the Board members in writing. In the discretion of the Chair, the first ten (10) submitted comments shall be stated into the record of the meeting. Comments read at the meeting will be limited to the first 400 words. Comments received after the start of the meeting will be collected, sent to the Board members in writing, and be part of the public record.

If you have anything that you wish to be distributed to the Board, please provide it via info@sdcommunitypower.org and it will be distributed to the Members.

The public may participate using the following remote options:

Teleconference Meeting Webinar https://zoom.us/j/94794075133

Telephone (Audio Only) (669) 900-6833 or (346) 248-7799 | Webinar ID: 947 9407 5133

WELCOME

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

SPECIAL PRESENTATIONS AND INTRODUCTIONS

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

PUBLIC COMMENTS

Opportunity for members of the public to address the Board on any items not on the agenda but within the jurisdiction of the Board. Members of the public may provide a comment in either manner described above.

CONSENT CALENDAR

All matters are approved by one motion without discussion unless a member of the Board of Directors requests a specific item to be removed from the Consent Calendar for discussion. A member of the public may comment on any item on the Consent Calendar in either manner described above.

1. **Approval of November 16, 2023 Meeting Minutes**
2. **Receive and File Update on Programs**
3. **Receive and File Update on Power Services**
4. **Receive and File Update on Human Resources**
5. **Receive and File Update on Customer Operations**
6. **Receive and File Update on Marketing and Public Relations**
7. **Receive and File Update on Community Advisory Committee**

REGULAR AGENDA

The following items call for discussion or action by the Board of Directors. The Board may discuss and/or take action on any item listed below if the Board is so inclined.

8. **Appointment of General Counsel and Approval of Employment Agreement**

   Recommendation: Appoint Veera Tyagi as General Counsel effective February 1, 2024, and approve execution of an Employment Agreement in substantially the form attached hereto, with non-substantive revisions approved by the Chair and reviewed and approved as to form by General Counsel, and subject to successful completion of the employee onboarding process.

9. **Receive and File Treasurer's Report for Period Ending October 31, 2023** Recommendation: Receive and file

10. **Approve Conflict of Interest and Ethical Conduct Policy**

    Recommendation: Approve Conflict of Interest and Ethical Conduct Policy

11. **Request Approval of Regional Energy Network (REN) Application to California Public Utilities Commission CPUC**

    Recommendation: Request Approval of Regional Energy Network (REN) Application to CPUC

12. **Receive Update on Regulatory and Legislative Affairs**

    Recommendation: Receive and file

13. **Receive Update on 2024 Rate/Power Charge Indifference Adjustment (PCIA) Projected Changes**

    Recommendation: Receive and file

14. **Approve CDH VIDAL LLC Power Purchase Agreement (PPA)**

    Recommendation: Approve a 20-year Power Purchase Agreement (PPA) with CDH VIDAL LLC for a 160 MW/160 MWh (4-hour) battery storage project.

15. **(12/13/23 Update - Item 15 deferred to future meeting)**

REPORTS BY CHIEF EXECUTIVE OFFICER AND GENERAL COUNSEL

SDCP Management and General Counsel may briefly provide information to the Board and the public. The Board may engage in discussion if the specific subject matter of the report is identified below, but the Board may not take any action other than to place the matter on a future agenda. Otherwise, there is to be no discussion or action taken unless authorized by law.

DIRECTOR COMMENTS

Board Members may briefly provide information to other members of the Board and the public, ask questions of staff, request an item to be placed on a future agenda, or report on conferences, events, or activities related to SDCP business. There is to be no discussion or action taken on comments made by Directors unless authorized by law.

PUBLIC COMMENTS ON CLOSED SESSION ITEMS

ADJOURNMENT

Compliance with the Americans with Disabilities Act

SDCP Board of Directors meetings comply with the protections and prohibitions of the Americans with Disabilities Act. Individuals with a disability who require a modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting may contact (888) 382-0169 or info@sdcommunitypower.org. Requests for disability-related modifications or accommodations require different lead times and should be provided at least 72-hours in advance of the public meeting.

Availability of Board Documents

Copies of the agenda and agenda packet are available at https://sdcommunitypower.org/resources/meeting-notes/. Late-arriving documents related to a Board meeting item which are distributed to a majority of the Members prior to or during the Board meeting are available for public review as required by law. Public records, including agenda-related documents, can be requested electronically at info@sdcommunitypower.org or by mail to SDCP, PO BOX 12716, San Diego, CA 92112. The documents may also be posted at the above website. Such public records are also available for inspection, by appointment, at San Diego Community Power, 2305 Historic Decatur Road, Suite 200, San Diego, CA 92106. Please contact info@sdcommunitypower.org to arrange an appointment.

SAN DIEGO COMMUNITY POWER (SDCP)
BOARD OF DIRECTORS

City of San Diego Metropolitan Operations Complex (MOC II) Auditorium
9192 Topaz Way
San Diego, CA 92123

MINUTES
November 16, 2023

The Board minutes are prepared and ordered to correspond to the Board Agenda. Agenda Items can be taken out of order during the meeting.

The Agenda Items were considered in the order presented.

WELCOME

CALL TO ORDER

Chair LaCava (City of San Diego) called the SDCP Board of Directors meeting to order at 5:00 p.m.

Director Hinze (Encinitas) announced she was attending virtually under the just cause provision of AB 2449 due to a contagious illness that prevented her from attending in person and there was an individual over the age of 18 present in the room with her.

ROLL CALL

PRESENT: Chair LaCava (City of San Diego), Director McCann (Chula Vista), Director Hinze (Encinitas) (arrived at 5:03 p.m.), Director Aguirre (Imperial Beach), Director Parent (La Mesa), and Director Yamane (National City)

ABSENT: Vice Chair Lawson-Remer (County of San Diego)

Also Present: Chief Executive Officer ("CEO") Burns, Chief Operating Officer ("COO") Clark, Chief Financial Officer ("CFO")/Treasurer Washington, General Counsel Baron, Board Clerk Isley

PLEDGE OF ALLEGIANCE

Chair LaCava (City of San Diego) led the Pledge of Allegiance.

SPECIAL PRESENTATIONS AND INTRODUCTIONS

Chair LaCava (City of San Diego) acknowledged the Kumeyaay Nation and all the original stewards of the land.

Chair LaCava (City of San Diego) introduced the following new SDCP staff members:

Diana Gonzalez Risk Manager
Erin Hudak, Compliance Analyst

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

There were no items added, withdrawn, or reordered on the agenda.

PUBLIC COMMENTS

There were no public comments.

CONSENT CALENDAR

(Items 1 through 10)

Director Parent pulled item 11 suggesting further discussion.

ACTION: Motioned by Director Parent and seconded by Director McCann (Chula Vista) to approve Consent Calendar Items 1 through 10. The motion carried by the following vote:

Vote: 6-0

Yes:	Chair LaCava (City of San Diego), Director McCann (Chula Vista), Director Hinze (Encinitas), Director Aguirre (Imperial Beach), Director Parent (La Mesa), and Director Yamane (National City)
No:	None
Abstained:	None
Absent:	None

1. Approval of October 26, 2023 Meeting Minutes

Approved.

2. Receive and File Treasurer's Report for Period Ending September 30, 2023

Received and filed.

3. **Receive and File June 30, 2023 Fiscal Year-end Audited Financial Statement**

Received and filed.

4. **Receive and File Update on Programs**

Received and filed.

5. **Receive and File Update on Power Services**

Received and filed.

6. **Receive and File Update on Human Resources**

Received and filed.

7. **Receive and File Update on Customer Operations**

Received and filed.

8. **Receive and File Update on Marketing and Public Relations**

Received and filed.

9. **Receive and File Update on Community Advisory Committee**

Received and filed.

10. **Receive and File Update on Legislative and Regulatory Affairs**

Received and filed.

11. **Approval of 2023 Procurement Counsel Legal Services Request for Proposal Contracts** (This item was pulled from the consent calendar and added to the regular agenda)

    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

REGULAR AGENDA

11. Approval of 2023 Procurement Counsel Legal Services Request for Proposal Contracts (Moved from the consent calendar to the regular agenda)

There was no presentation on this item.

Board questions and comments ensued.

ACTION: Motioned by Director Parent and seconded by Director Yamane (National City) to approve the Approval of 2023 Procurement Counsel Legal Services Request for Proposal Contracts with the condition that they have a period of three years before the direction of staff to do an update for an RFP or other procurement. The motion carried by the following vote:

Vote: 6-0

Yes:	Chair LaCava (City of San Diego), Director McCann (Chula Vista), Director Hinze (Encinitas), Director Aguirre (Imperial Beach), Director Parent (La Mesa), and Director Yamane (National City)
No:	None
Abstained:	None
Absent:	None

12. Update on Quarterly Report for the Community Advisory Committee

Community Engagement Manager Crespo and Community Advisory Committee Chair Vasilakis provided a PowerPoint presentation on the update on the quarterly report for the Community Advisory Committee.

Following Board questions and comments, no action was taken.

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

Community Engagement Manager Crespo provided a PowerPoint presentation on the Community Advisory Committee's (CAC) membership terms and criteria and recommended the approval of Appointment of CAC Member Representing the City of Imperial Beach.

Board questions and comments ensued.

ACTION: Motioned by Director Aguirre (Imperial Beach) and seconded by Director Yamane (National City) to approve the Appointment of CAC Member Representing the City of Imperial Beach. The motion carried by the following vote:

Vote: 6-0

Yes:	Chair LaCava (City of San Diego), Director McCann (Chula Vista), Director Hinze (Encinitas), Director Aguirre (Imperial Beach), Director Parent (La Mesa), and Director Yamane (National City)
No:	None
Abstained:	None
Absent:	None

14. Approve the Update to the Energy Proposal Evaluation Criteria

Director of Power Contracts Key gave a PowerPoint presentation on the Energy Proposal Evaluation Criteria.

Public Comment:

Jason Anderson, Clean Tech, submitted a letter of support before the meeting and it was posted to the San Diego Community Power's (SDCP) website.

Board questions and comments ensued.

ACTION: Motioned by Director Parent (La Mesa) and seconded by Director McCann (Chula Vista) to approve the Update to the Energy Proposal Evaluation Criteria. This includes the clarification that any community benefit will be directed to SDCP for administration. Additionally, there is a request for staff to return with assistance in determining the scale of the community benefit. This involves proposing criteria and outlining a process for the allocation of any funds received for community benefit. The motion carried by the following vote:

Vote: 6-0

Yes:	Chair LaCava (City of San Diego), Director McCann (Chula Vista), Director Hinze (Encinitas), Director Aguirre (Imperial Beach), Director Parent (La Mesa), and Director Yamane (National City)
No:	None
Abstained:	None
Absent:	None

15. **Approve Arevon Avocet Standalone Storage Energy Storage Services Agreement (ESSA)**

Director of Power Contracts Key gave a PowerPoint presentation on the Arevon Avocet Standalone Storage Energy Storage Services Agreement (ESSA).

Board questions and comments ensued.

ACTION: Motioned by Director McCann (Chula Vista) and seconded by Director Yamane (National City) to approve Arevon Avocet Standalone Storage Energy Storage Services Agreement (ESSA). The motion carried by the following vote:

Vote: 6-0

Yes:	Chair LaCava (City of San Diego), Director McCann (Chula Vista), Director Hinze (Encinitas), Director Aguirre (Imperial Beach), Director Parent (La Mesa), and Director Yamane (National City)
No:	None
Abstained:	None
Absent:	None

16. **Approve Pomona 2 Standalone Storage Energy Storage Services Agreement (ESSA)**

Managing Director Power Services Vosburg provided a PowerPoint presentation on the Pomona 2 Standalone Storage Energy Storage Services Agreement (ESSA).

Board questions and comments ensued.

ACTION: Motioned by Director McCann (Chula Vista) and seconded by Director Parent (La Mesa) to approve the Pomona 2 Standalone Storage Energy Storage Services Agreement (ESSA). The motion carried by the following vote:

Vote: 6-0

Yes:	Chair LaCava (City of San Diego), Director McCann (Chula Vista), Director Hinze (Encinitas), Director Aguirre (Imperial Beach), Director Parent (La Mesa), and Director Yamane (National City)
No:	None
Abstained:	None
Absent:	None

REPORTS BY CHIEF EXECUTIVE OFFICER AND GENERAL COUNSEL

CEO Burns reported on SDCP's ongoing efforts and recent activities and events.

DIRECTOR COMMENTS

There were no director comments.

PUBLIC COMMENTS ON CLOSED SESSION ITEMS

There were no public comments.

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

ROLL CALL

PRESENT: Chair LaCava (City of San Diego), Director McCann (Chula Vista), Director Hinze (Encinitas), Director Aguirre (Imperial Beach), Director Parent (La Mesa), and Director Yamane (National City)

ABSENT: Vice Chair Lawson-Remer (County of San Diego)
Also Present: General Counsel Baron

REPORT FROM CLOSED SESSION

General Counsel Ryan Baron reported there was no reportable actions from the closed session.

ADJOURNMENT

Chair LaCava (City of San Diego) adjourned the meeting at 6:15 p.m.

Prepared by:
Sandra Vences, Deputy Clerk

SAN DIEGO COMMUNITY POWER
Staff Report – Item 2

To: San Diego Community Power Board of Directors

From: Colin Santulli, Director of Programs

Via: Jack Clark, Chief Operating Officer

Subject: Update on Programs

Date: December 14, 2023

RECOMMENDATIONS

Receive and file update on customer energy programs.

BACKGROUND

Staff will provide regular updates to the Board of Directors ("Board") regarding the following SDCP customer energy programs: Building Electrification, Energy Education, Energy Efficiency, Flexible Load, Grant Programs, and Solar and Energy Storage.

ANALYSIS AND DISCUSSION

Updates on customer energy programs are detailed below.

Building Electrification

California Energy Commission ("CEC") Equitable Building Decarbonization Program

Please refer to Item 4 of the November 16, 2023 Board staff report for the most recent update on this program.

Energy Education

Energy Education Website

Status: Staff recently launched the Power Your Life and Electrify Your Life webpages that provide education on the benefits of electrification and the various advanced electrification technologies currently available. Staff anticipate launching a marketplace powered by Electrum in December 2023 that will allow customers to learn more about the costs to install solar and batteries and/or heat pump water heaters. Customers can then create an account and get actual bids on the work from an Electrum-vetted list of contractors and get connected to an energy advisor to receive support and assistance in completing a project. Criteria and a sign-up form will be provided on the marketplace landing page that will allow local contractors to join the network.

Next Steps: The "Power Your Life" and "Electrify Your Life" webpages will be updated in December 2023 with links to the marketplace and a marketing campaign for the marketplace will commence at the beginning of 2024.

Energy Efficiency

Regional Energy Network ("REN") Formation

Status: Staff are requesting approval of the REN Business Plan Application and supporting documents at the December 14, 2023 Board meeting, prior to submittal to the California Public Utilities Commission ("CPUC").

Next Steps: Staff expect to submit the completed Business Plan Application to the CPUC in January 2024.

Flexible Load

Flexible Load Strategy

Status: Staff have been developing a flexible load strategy that can be implemented across a range of programs. The strategy is being designed to optimize customer energy usage around time of use rate schedules and customer preferences, directly reducing participant bills, while decreasing major SDCP cost drivers, such as energy and resource adequacy procurement. The strategy will outline target end use technologies, key points of integration with existing/planned programs, a proposed software architecture to drive device dispatch and control, as well as a framework to guide dispatch and device operations.

Next Steps: Staff plan to bring an update on the flexible load strategy to the Community Advisory Committee ("CAC") and Board in Q1 2024. Staff plan to begin the procurement process for the associated software architecture in late Q1 2024.

Grant Programs

Community Grant Program

Please refer to Item 4 of the November 16, 2023 Board staff report for the most recent update on this program.

Member Agency Grant Program

Please refer to Item 4 of the November 16, 2023 Board staff report for the most recent update on this program.

Solar and Energy Storage

Net Energy Metering ("NEM") and Net Billing Tariff ("NBT")

Status: In November 2023, the CPUC approved new subtariffs for virtual and aggregation Net Billing Tariff. In these new subtariffs, the current Virtual Net Energy Metering and Net Energy Metering Aggregation are closed to new customers interconnecting after February 2024. The new net billing subtariffs mirror the Net Billing Tariff adopted by the CPUC in December 2022 meaning that electricity exports will continue to be compensated at the Avoided Cost Calculator ("ACC") values, while imports (consumption) would be charged retail rates. The utilities have until March 31, 2025 to align their billing systems to support full implementation of the virtual and aggregation net billing subtariffs. The CPUC also extended the ACC "Plus" adders to these subtariffs.

Next Steps: Staff are evaluating the development of the subtariffs by the utilities. In Q1 2024, Staff expect to bring an updated Net Billing Tariff (approved by the Board in October 2023) to include provisions to allow for virtual and aggregation subtariffs.

Residential Solar + Storage Program

Status: Staff have been working on developing a solar plus battery storage program to continue to support the solar and storage industries and support the transition to NBT from NEM. The program will target residential customers throughout SDCP's service territory who do not have solar and storage. Staff have been obtaining feedback from stakeholders on the program design, specifically local installers, original equipment manufacturers ("OEMs"), national solar and storage companies, and potential financing partners. Staff have developed an initial program design for a daily dispatch program and are drafting a Program Manual in addition to developing battery and installer requirements to ensure the highest quality for SDCP customers.

Next Steps: Staff plan to bring an update on the program design to the CAC and Board in Q1 2024. Staff plan for the program to officially launch in Q2-Q3 2024.

Solar for Our Communities

Please refer to Item 3 of the October 26, 2023 Board staff report for the most recent update on this program.

AD-HOC COMMITTEE AND/OR SUBCOMITTEE REVIEW

Staff meet monthly with the CAC Ad-Hoc Programs Committee to discuss ongoing Programs Department activities.

FISCAL IMPACT

N/A

ATTACHMENTS

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 3

To: San Diego Community Power Board of Directors

From: Byron Vosburg, Managing Director of Power Services

Via: Karin Burns, Chief Executive Officer

Subject: Update on Power Resources

Date: December 14, 2023

RECOMMENDATION
Recommendation: Receive and file update on Power Resources

BACKGROUND
Staff provides the updates below to the Board of Directors regarding SDCP's power energy procurement activities.

ANALYSIS AND DISCUSSION

Power Services Staffing

Building out a team of experienced, knowledgeable energy professionals has long been a top priority and allows SDCP not only to solicit, negotiate, and administer contracts for energy supply effectively, but also to monitor market activity, manage risk, bring in-house a number of activities that have historically been completed by consultants, and to dedicate additional resources to local and distributed energy procurement and development efforts. The SDCP Power Services team, having recently hired a Compliance Analyst and a Contract Management Associate, is now ten people strong.

Long-term Renewable Energy RFPs

As SDCP strives to meet its environmental, financial, and regulatory compliance goals and requirements, long-term power purchase agreements (PPAs) are becoming integral components of its energy supply portfolio. Long-term PPAs provide renewable generation facility developers with the certain revenue stream against which they can finance up-front capital requirements, so each long-term PPA that SDCP signs with a developing facility will underpin a new, incremental renewable energy project. In addition, long-term PPAs lock in renewable energy supply around which SDCP can build its power supply portfolio while also providing power supply cost certainty around which SDCP can develop its pro forma financial model. Moreover, the California Renewable Portfolio

Standard (RPS), as modified in 2015 by Senate Bill 350, requires that SDCP provide 65% of its RPS-required renewable energy from contracts of at least ten years in length. Finally, in D.21-06-025, the California Public Utilities Commission (CPUC) required each Load Serving Entity (LSE) in California to make significant long-term purchase commitments for resource adequacy from new, incremental generation facilities that will achieve commercial operation during 2023 through 2026 for purposes of “Mid Term Reliability” (MTR). These requirements have been augmented and extended into 2026 and 2027 via D.23-02-040.

In pursuit of long-term contracts for renewable energy, staff released two RFPs for eligible Renewable Energy resources in the past 12 months. Staff are deep in negotiations with several respondents for resources that are expected to be online between 2025 and 2028. Staff and the Energy Contracts Working Group (ECWG) evaluate all RFP submissions prior to entering negotiations with selected participants. Assuming that Staff and shortlisted developer(s) are able to agree to mutually agreeable contracts consistent with terms authorized by the ECWG, Staff then review draft agreements with the SDCP Board for approval and authorization to execute the relevant documents.

In addition to RFPs issued by SDCP, the power service team also closely monitors market offers from the IOUs in California to secure contracts for short-term and long-term renewable projects.

Stand-Alone Energy Storage RFO

In addition to the two aforementioned Renewable Energy RFPs, staff also launched an RFO for stand-alone energy storage resources, which will allow SDCP to meet resource adequacy requirements and protect against market price volatility with clean, reliable storage capacity that can be contracted for 10-20 years. SDCP pursued stand-alone energy storage resources of at least 10 MW in capacity, at least 4-hours of duration, and which are expected to be online between 2024 and 2028. Staff shortlisted and waitlisted select projects after review with the ECWG. Staff negotiated with select respondents for resources that are expected to be online by 2028. Since the November 2023 Board meeting, SDCP has fully executed the Board-approved Pomona 2 energy storage service agreement and will be executing the Arevon Avocet energy storage service agreement soon.

Local Development

SDCP’s rolling Local RFI remains open and has already brought in multiple projects under negotiation and contract, including the 35 MW Arrowleaf Solar+Storage facility (Imperial County, executed June 2023) and 19.5MW of long-term agreements recently executed with EnerSmart for Local RA from battery storage facilities in San Diego County. SDCP also released an RFO for distributed renewable energy resources (DERs) on October 25th, which focuses on a broad range of distribution-level renewable projects within San Diego County - responses are due on December 22. SDCP expects to bring a handful of resulting PPAs to the Board in Q1 for consideration. Additional ongoing local initiatives include a Feed-in-Tariff Program revamp and expansion, expected in Q1, and continued collaboration with member agency staff to identify strategic opportunities to further infill development in 2024.

As Program Administrators of the CPUC's Disadvantaged Communities Green Tariff (DAC-GT) and Community Solar Green Tariff (CSGT) programs, SDCP launched the RFP solicitation for respective program resources on August 26th, proposals for which will be due in late February 2024. SDCP has hosted three webinars to aid bidders with the solicitation process.

SDCP's Local RFI and Feed-in Tariff remain open. More information is available about each at the links below.

- https://sdcommunitypower.org/resources/solicitations/
- https://sdcommunitypower.org/programs/feed-in-tariff/

RPS Procurement

SDCP staff continues to actively manage its environmental portfolios and to closely monitor the market for renewable and carbon-free energy sources, procuring RPS in the bi-lateral market, and continuing procurement efforts as market opportunities become available. These procurement efforts will serve to help meet SDCP's near-term environmental goals as long-term projects in development come online.

Market Update

Due to lingering effects of the COVID-19 pandemic, namely inflation and heavily impacted commodity supply chains that have delayed development of new-build energy resources expected to be online over the last two years, the market for renewable energy and resource adequacy (RA) resources continues to be exceptionally tight and expensive. Staff are working with developers, industry groups, the CPUC, and CA Governor's Office and legislators to brainstorm near-term solutions while also actively procuring short-term energy and capacity products and long-term energy resources i) to meet SDCP's portfolio needs practically and cost-effectively and ii) to establish a portfolio of resources that will provide value to SDCP and California's clean, reliable energy needs into the future.

COMMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 4

To: San Diego Community Power Board of Directors

From: Chandra Pugh, Director of People Operations

Via: Karin Burns, Chief Executive Officer

Subject: Update on Human Resources

Date: December 14th, 2023

RECOMMENDATION

Receive and File the Update on Human Resources.

BACKGROUND

This month, SDCP welcomes several new employees:
Isabela Krall, Contracts Management Associate
Patrick Welch, Sr. Legislative Manager

Current open positions include:
Senior Executive Assistant

We are excited to close out the year with an employee appreciation All Staff Meeting where we will spend time thanking our incredible staff for their amazing milestones and contributions this year.

We are also excited to come together in celebration at our annual holiday party in support of a local business located in National City.

DISCUSSION AND ANALYSIS

N/A

COMMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS:
N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 5

To: San Diego Community Power Board of Directors

From: Lucas Utouh, Senior Director of Data Analytics and Customer Operations

Via: Karin Burns, Chief Executive Officer

Subject: Update on Customer Operations

Date: December 14, 2023

RECOMMENDATION

Receive and file an update on various customer operations.

BACKGROUND

Staff will provide regular updates to the Community Advisory Committee centered around tracking opt actions (i.e., opt outs, opt ups and opt downs) as well as customer engagement metrics. The following is a brief overview of items pertaining to customer operations.

ANALYSIS AND DISCUSSION

A) Mass Enrollment Update

Phase 4:

Mass enrollment for our Non-Net Energy Metering (NEM) customers in National City and Unincorporated County of San Diego is officially complete as of May 3, 2023. As of November 27, 2023, SDCP is serving a cumulative total count of **932,576** active accounts correlating to **1,107,719** meters. There are **155,938** active accounts already enrolled in Unincorporated County of San Diego and **18,603** in National City.

Accounts on Net Energy Metering (NEM) within Phase 4 in National City and County of San Diego began enrollment into SDCP service in April 2023 and will continue for the next twelve months, coinciding with their true up month through March 2024. Enrolled customers will receive 2 post enrollment notices through the mail at their mailing address on file within 60 days of their account switching over to SDCP service.

B) Customer Participation Tracking

Staff and Calpine have worked together to create a reporting summary of customer actions to opt out of SDCP service, opt up to Power100, or opt down from Power100 to PowerOn. The below charts summarize these actions accordingly as of November 13th, 2023:

I. Total Opt Outs - Including Active and Inactive

- Active - accounts still active at same premise
- Inactive - accounts that have moved out, or premise is terminated

Opt Outs by Jurisdiction	2021	2022	2023 Q1	2023 Q2	2023 Q3	2023-10	2023-11	Total
City of San Diego	1,077	19,278	1,042	543	945	313	72	**23,268**
County of San Diego			6,920	2,667	2,119	809	298	**12,812**
City of Chula Vista	266	3,472	244	102	242	83	18	**4,427**
City of Encinitas	66	1,886	94	31	70	18	6	**2,171**
City of La Mesa	85	1,272	77	30	77	29	2	**1,571**
City of Imperial Beach	32	345	27	6	38	11	9	**468**
National City			137	69	44	14	6	**270**
Total	**1,526**	**26,253**	**8,541**	**3,448**	**3,535**	**1,277**	**411**	**44,987**

Opt Outs by Class Code	2021	2022	2023 Q1	2023 Q2	2023 Q3	2023-10	2023-11	Total
Residential	36	25,717	7,717	3,091	3,272	1,207	395	**41,431**
Commercial/Industrial	1,490	536	824	357	263	70	16	**3,556**
Total	**1,526**	**26,253**	**8,541**	**3,448**	**3,535**	**1,277**	**411**	**44,987**

Opt Outs by Reason	2021	2022	2023 Q1	2023 Q2	2023 Q3	2023-10	2023-11	Total
Dislike being automatically enrolled	203	7,214	2,754	1,056	924	345	107	**12,603**
Rate or additional cost concerns	6	7,754	1,693	792	1,385	466	148	**12,242**
Decline to provide	227	3,596	1,397	435	343	149	50	**6,197**
Other	818	2,653	706	393	244	86	27	**4,927**
Existing relationship with the utility	2	2,394	1,005	393	305	116	49	**4,264**
Concerns about government-run power agency	24	1,496	503	213	151	37	13	**2,437**
Service or billing concerns	6	724	262	108	151	63	13	**1,327**
Have grid reliability concerns	1	292	169	46	19	10	1	**538**
Rate or Cost Concerns	233							**233**
Concerns about lack of equivalent CCA programs		132	53	12	13	5	3	**218**
Have renewable Energy Reliability Concerns	6							**6**
Total	**1,526**	**26,253**	**8,541**	**3,448**	**3,535**	**1,277**	**411**	**44,987**

Opt Outs by Method	2021	2022	2023 Q1	2023 Q2	2023 Q3	2023-10	2023-11	Total
Web	327	14,353	5,202	1,837	1,647	646	223	**24,234**
Customer Service Rep (CSR)	1,098	7,002	1,846	876	966	329	94	**12,210**
Interactive Voice Response (IVR)	101	4,899	1,493	735	922	302	94	**8,546**
Total	**1,526**	**26,253**	**8,541**	**3,448**	**3,535**	**1,277**	**411**	**44,987**

**Historical opt outs including inactive accounts as of 11/13/2023.*

II. Opt Ups to Power 100

Opt Ups by Jurisdiction	2021	2022	2023 Q1	2023 Q2	2023 Q4	2023-10	2023-11	Total
City of San Diego	3,163	2,868	181	114	107	33	15	6,468
City of Chula Vista	701	168	18	15	15	4	1	922
City of La Mesa	148	118	6	5	2	3	2	284
County of San Diego			48	91	38	9	3	189
City of Imperial Beach	60	29		1	9			99
City of Encinitas	18	1	1					20
National City			1	9		1		11
Total	4,090	3,184	255	235	171	50	21	7,992

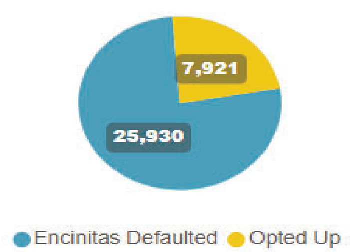
Opt Ups by Class Code	2021	2022	2023 Q1	2023 Q2	2023 Q4	2023-10	2023-11	Total
Commercial/Industrial	4,087	290	74	99	40	5	6	4,589
Residential	3	2,895	181	136	131	45	15	3,404
Total	4,090	3,184	255	235	171	50	21	7,992

Opt Ups by Method	2021	2022	2023 Q1	2023 Q2	2023 Q4	2023-10	2023-11	Total
Customer Service Rep (CSR)	4,059	1,369	97	118	54	15	7	5,707
Web	27	1,738	137	100	101	26	12	2,139
Interactive Voice Response (IVR)	4	81	21	17	16	9	2	150
Total	4,090	3,184	255	235	171	50	21	7,992

Cumulative Power100 Accounts

Opt Ups by Jurisdiction	Active
City of Encinitas	25,930
City of San Diego	6,429
City of Chula Vista	917
City of La Mesa	282
County of San Diego	184
City of Imperial Beach	98
City of National City	11
Total	33,851

Power100 Opt vs Defaulted

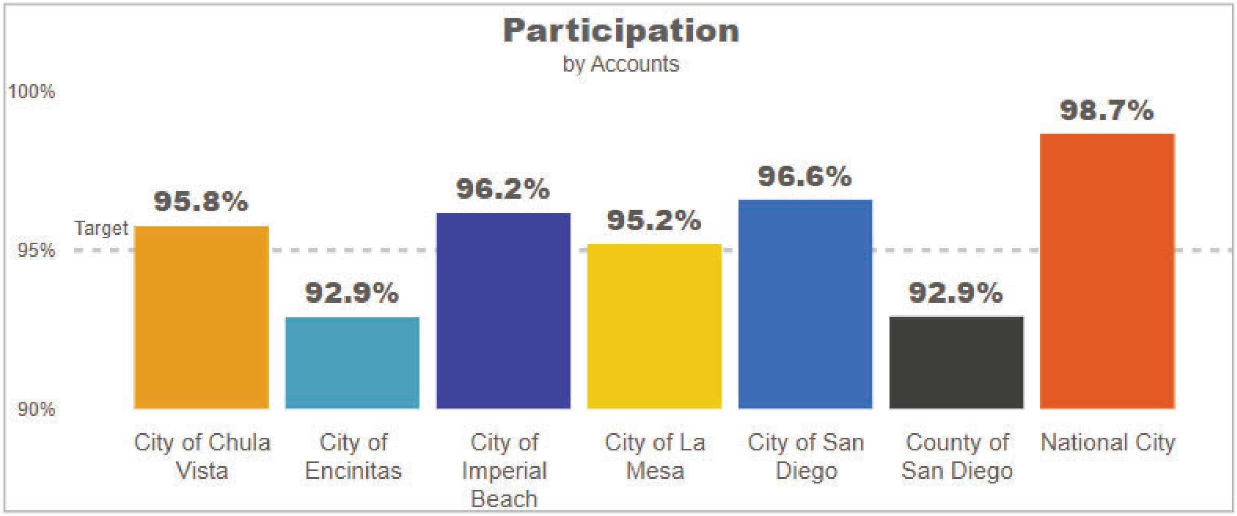


III. Opt Downs from Power100

Opt Downs by Jurisdiction	2021	2022	2023 Q1	2023 Q2	2023 Q3	2023-10	Total
City of Encinitas	35	425	27	17	20	2	526
City of San Diego		26	5	5	1	2	39
City of Chula Vista		1	3			1	5
County of San Diego			1	1	2	1	5
City of La Mesa		2					2
City of Imperial Beach		1					1
Total	35	455	36	23	23	6	578

Opt Downs by Class Code	2021	2022	2023 Q1	2023 Q2	2023 Q3	2023-10	Total
Residential		433	36	15	22	6	512
Commercial/Industrial	35	22		8	1		66
Total	35	455	36	23	23	6	578

Opt Downs by Method	2021	2022	2023 Q1	2023 Q2	2023 Q3	2023-10	Total
Customer Service Rep (CSR)	31	305	21	19	15	3	394
Web		124	13	4	7	3	151
Interactive Voice Response (IVR)	4	26	2		1		33
Total	35	455	36	23	23	6	578



Jurisdiction	Active	Eligible	Opt Outs	Participation
City of Chula Vista	93,419	97,556	4,137	95.8%
City of Encinitas	26,429	28,450	2,021	92.9%
City of Imperial Beach	10,529	10,948	419	96.2%
City of La Mesa	28,005	29,422	1,417	95.2%
City of San Diego	599,220	620,435	21,215	96.6%
County of San Diego	153,881	180,516	12,791	92.9%
National City	18,546	19,213	257	98.7%
Total	**930,029**	**986,540**	**42,257**	**95.7%**

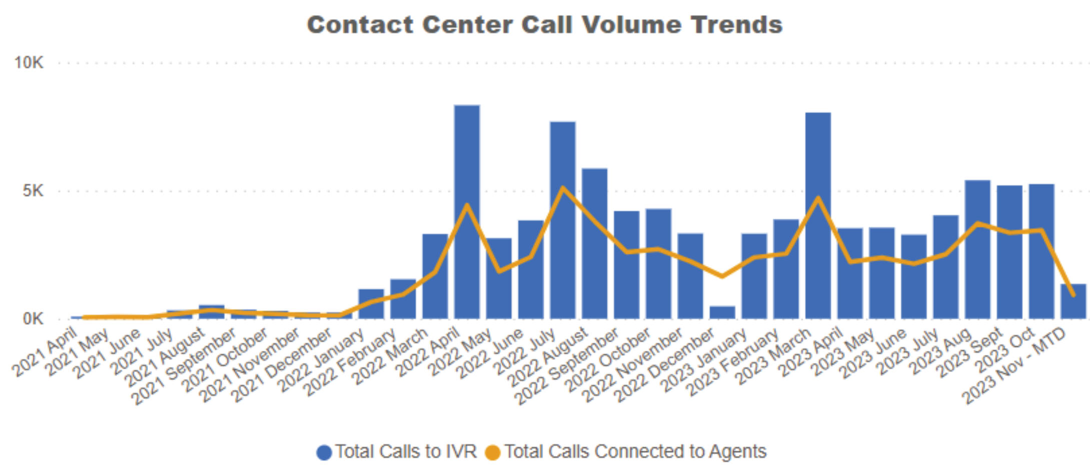
Phase 4 mass enrollment process in National City and Unincorporated County of San Diego for Non-Net Energy Metering (NEM) customers is officially completed as of May 2023. The participation rate for this new phase is fluid and will change as we continue with our enrollment of Net Energy Metering (NEM) customers from April 2023 through March 2024. In the interim, we are reporting on the opt outs and eligible accounts associated with the phase based on those accounts that we have noticed for enrollment on a rolling basis as of the reporting month.

C) Contact Center Metrics

Call volumes in September and October have remained relatively steady relative to August. With the transition to winter rates effective as of November 1st, call volumes are expected to go down.

The chart below summarizes contact made by customers into our Contact Center broken down by month through November 13th, 2023:

V. Contact Center Metrics



Interactive Voice Response (IVR) and Service Level Agreement (SLA) Metrics

	2021	2022	2023 Q1	2023 Q2	2023 Q3	2023-10	2023-11	Total
Total Calls to IVR	2,289	47,118	15,229	10,356	14,628	5,253	1,350	**96,223**
Total Calls Connected to Agents	1,401	30,174	9,641	6,735	9,589	3,451	926	**61,917**
Avg Seconds to Answer	20	12	8	3	7	16	4	**12**
Avg Call Duration (Minutes)	8.5	9.8	9.4	9.5	10.3	9.7	9.5	**9.4**
Calls Answered within 60 Seconds (75% SLA)	96.23%	95.50%	96.80%	99.69%	97.22%	92.73%	99.35%	**96.41%**
Abandon Rate	0.57%	0.36%	0.26%	0.00%	0.17%	0.78%	0.11%	**0.36%**

Similar to other CCAs' service territories, we are anticipating the trend of our customers calling into our Contact Center's Interactive Voice Response (IVR) system tree and being able to self-serve their opt actions using the recorded prompts as well as utilizing our website for processing opt actions to continue accounting for over 65% of all instances. The remaining portion of customer calls are connected to our Customer Service Representatives to answer additional questions, assist with account support, or submit opt actions.

D) Customer Service Email Trends

Customer Service Emails

	2021	2022	2023 Q1	2023 Q2	2023 Q3	2023-10	2023-11	Total
Emails Received	272	2,894	795	453	455	139	66	**5,074**
Emails answered or escalated within 24 hours	257	2,821	790	452	452	139	66	**4,977**
Completion (%)	94%	96%	99%	100%	99%	100%	100%	**97%**

As of this latest reporting month, we still have a total of 13 Dedicated Customer Service Representatives staffed at our Contact Center and 2 Supervisors. Our robust Quality Assurance (QA) procedures are firmly in place to ensure that our customers are getting a world-class customer experience when they contact us.

AD-HOC COMMITTEE AND/OR SUBCOMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 6

To: San Diego Community Power Board of Directors

From: Jen Lebron, Director of Public Affairs

Via: Karin Burns, Chief Executive Officer

Subject: Marketing, Public Relations, and Government Affairs

Date: December 14, 2023

RECOMMENDATION

Receive and file update on marketing, public relations, and government affairs activities for San Diego Community Power.

BACKGROUND

San Diego Community Power (SDCP) has engaged in a variety of public relations, marketing, community outreach, and local government affairs activities to drive awareness, spark community engagement, and maintain high customer enrollment.

ANALYSIS AND DISCUSSION

SDCP's Public Affairs Department has been participating in events across our member agencies as it aims to increase general awareness and answer questions in a friendly, helpful manner.

Recent and Upcoming Public Engagement Events

Nov. 3, 2023 – Lesley K. McAllister Symposium on Climate and Energy Law
Nov. 3, 2023 – Chula Vista Chamber of Commerce First Friday Breakfast
Nov. 4, 2023 – La Mesa Parks Appreciation Day
Nov. 7, 2023 – California Efficiency + Demand Management Council
Nov. 8, 2023 – La Mesa Library
Nov. 8, 2023 – North San Diego Chamber Regional Connect
Nov. 9, 2023 – Business For Good Summit
Nov. 9, 2023 – San Diego Regional Chamber of Commerce Legislative Lounge
Nov. 14, 2023 – Encinitas Chamber of Commerce Moonlight Mixer
Nov. 15, 2023 – Voltility Conference
Nov. 15, 2023 – Mission Valley Branch Library
Nov. 18, 2023 –Imperial Beach Sun Coast Farmers Market
Nov. 30, 2023 – Chula Vista Library

Dec. 1, 2023 – Chula Vista Chamber of Commerce
Dec. 6, 2023 – La Mesa Library
Dec. 6, 2023 – Business for Good
Dec. 9, 2023 – National City Community Breakfast
Dec. 12, 2023 – North Park Library
Dec. 13, 2023 – Imperial Beach Library
Dec. 14, 2023 – Mission Valley Library
Dec. 16, 2023 – Surfrider Imperial Beach Cleanup
Dec. 21, 2023 – Spring Valley Library

Marketing, Communications and Outreach

SDCP has sponsored a number of large events throughout the greater San Diego region to increase general brand awareness, even when we do not have the staff capacity to have an in-person booth.

SDCP is the mobility sponsor for December Nights in the City of San Diego and a bronze sponsor for the City of Chula Vista's Starlight Parade and Festival. Between these two capstone events for the two largest cities in SDCP's territory, SDCP anticipates more than 400,000 impressions in-person. As the December Nights mobility sponsor, SDCP is also being featured in radio advertisements and earned media spots on local news stations that will reach thousands of San Diegans across all member agencies.

The Public Affairs team has been working diligently behind the scenes to support programmatic efforts including the launch of "Solar for Our Communities" green tariff programs, a soon-to-be launched electrification education hub, and updating information around the recently-approved Net Billing Tariff. The Public Affairs team is working closely with internal and external stakeholders to encourage participation in programs and leveraging relationships with community partners to amplify our marketing and outreach efforts.

SDCP is in regular communication with regional media in the spirit of transparency and openness with the goal of providing factual, timely information to the public at large. Over the past several months, SDCP has engaged with reporters to provide information about the greater energy landscape in California and update them on our organization's activities.

The Public Affairs team will continue to develop new strategies, processes and capacity over the next several months to conduct more community outreach, expand marketing and brand awareness efforts, and provide timely, accurate information across multiple channels.

SDCP has ramped up its efforts to connect with local leaders with the hiring of its Local Government Affairs Manager earlier this fall. Over the past month, SDCP has participated in the San Diego Regional Chamber's Legislative Lounge, meeting with the leaders of sovereign tribal nations, enhancing coordination with member agency staff, and planning out opportunities to more regularly present at member agency public meetings. On Dec. 6, SDCP is slated to present an update on organizational activities at the Imperial Beach City Council meeting.

AD-HOC COMMITTEE AND/OR SUBCOMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 7

To: San Diego Community Power Board of Directors

From: Xiomalys Crespo, Community Engagement Manager

Via: Karin Burns, Chief Executive Officer

Subject: Receive and File Community Advisory Committee Monthly Report

Date: December 14, 2023

RECOMMENDATION
Receive and file Community Advisory Committee (CAC) monthly report.

BACKGROUND
Per Section 5.10.3 of the San Diego Community Power (SDCP) Joint Powers Authority (JPA) Agreement:

> The Board shall establish a Community Advisory Committee comprised of non-Board members. The primary purpose of the Community Advisory Committee 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 the Authority.

At the direction of the Chief Executive Officer, the CAC provides quarterly presentations to the Board of Directors in the regular agenda, and monthly reports in the consent agenda.

ANALYSIS AND DISCUSSION

During the December 7, 2023 regular CAC meeting:

- Chair Vasilakis (City of San Diego) welcomed recently appointed member Sandoval (City of Imperial Beach) as the newest member of the CAC, as well as SDCP's new Contract Management Associate Isabella Krall.
- The CAC approved the consent agenda, which included the November meeting minutes, and updates on Marketing, Public Relations, and Government Affairs and Customer Operations. Members received staff reports and briefings for all items, which included a dedicated section on government affairs activities at the request of the Committee.

- The Regulatory and Legislative Affairs team provided a comprehensive update on legislative activity over the last year and CAC members commended the team for its efforts to provide ratepayers with savings and uphold the sovereignty and long-term sustainability of Community Choice Aggregators.
- At the request of the Committee, members also received an update on the Local Distributed Infill Plan. The CAC encouraged the Power Services team to work with Public Affairs to increase outreach around active solicitation opportunities.
- The Programs team provided an update on Energy Education and Online Marketplace, in which staff: guided members through currently active website content on electrification and the sustainability advantages of electrifying specific areas of customers' homes; and provided visuals of the dashboard that will help customers connect with vetted vendors to facilitate the purchase of solar systems, battery storage, and heat pump water heaters once launched in 2024. Members encouraged staff to leverage this opportunity to connect customers to the services, products, and programs of local nonprofits and contractors whenever possible.
- The CAC discussed and recommended that the Board of Directors approve SDCP's Conflict of Interest and Ethical Conduct Policy by a unanimous vote.
- The CAC heard updates on the October activity of its Ad-Hoc Committees. The Programs Ad-Hoc Committee learned about and provided feedback on SDCP's Residential Solar & Battery Storage Program, and discussed the potential formation of program-specific ad-hoc committees to continue collaborating with staff in the development of offerings for SDCP customers. The Community & Equity Ad-Hoc Committee discussed the 2024 CAC Work Plan and provided feedback on proposed changes to the CAC Scope of Work.
- Lastly, the CAC received an update on the progress of updating the CAC Work Plan. Staff has leveraged the creation of the CAC Community & Equity Ad-Hoc Committee to solicit and receive feedback on proposed changes for 2024, and will present a draft for full CAC discussion during the January 11, 2024 regular meeting.
- The CAC voted to approve the 2024 CAC Meeting Calendar, which includes meetings taking place every second Wednesday of the month at the current meeting site, unless otherwise specified. The Committee will take a meeting recess in August 2024. Committee members had no announcements or further recommendations on potential agenda items for the Board of Directors.

As of December 8, 2023, the CAC has one vacancy representing the County of San Diego (unincorporated). Members of the public must be residents, community leaders, and/or business owners of the respective jurisdictions and may submit their applications electronically.

COMMITTEE REVIEW
N/A

FISCAL IMPACT
N/A

ATTACHMENTS

Attachment A: Community Advisory Committee December 7, 2023 Regular Meeting Agenda

AGENDA

Regular Meeting of Community Advisory Committee
San Diego Community Power (SDCP)

December 7, 2023
5:30 p.m.

City of San Diego Metropolitan Operations Complex (MOC II) Auditorium
9192 Topaz Way, San Diego, CA 92123

Alternate Location:
7354 Eads Avenue, San Diego, CA 92037

The meeting will be held in person at the above date, time and location. Community Advisory Committee (CAC) Members and members of the public may attend in person. Under certain circumstances, CAC Members may also attend and participate in the meeting virtually pursuant to the Brown Act (Gov. Code § 54953). As a convenience to the public, SDCP provides a call-in option and internet-based option for members of the public to virtually observe and provide public comments at its meetings. Additional details on in-person and virtual public participation are below. Please note that, in the event of a technical issue causing a disruption in the call-in option or internet-based option, the meeting will continue unless otherwise required by law, such as when a CAC Member is attending the meeting virtually pursuant to certain provisions of the Brown Act.

Note: Any member of the public may provide comments to the Community Advisory Committee (CAC) on any agenda item. When providing comments to the CAC, it is requested that you provide your name and city of residence for the record. Commenters are requested to address their comments to the CAC as a whole through the Chair. Comments may be provided in one of the following manners:

1. Providing Oral Comments During Meeting. Anyone attending in person desiring to address the CAC is asked to fill out a speaker's slip and present it to the CAC Chair or the Secretary. To provide remote comments during the meeting, join the Zoom meeting by computer, mobile phone, or dial-in number. On Zoom video conference by computer or mobile phone, use the "Raise Hand" feature. This will notify the moderator that you wish to speak during a specific item on the agenda or during non-agenda Public Comment. Members of the public will not be shown on video but will be able to speak when called upon. If joining the meeting using the Zoom dial-in number, you can raise your hand by pressing *9. Comments will be limited to three (3) minutes.

2. Written Comments. Written public comments must be submitted prior to the start of the meeting by using this (web comment form). Please indicate a specific agenda item when submitting your comment. All written comments received prior to the meeting will be provided to the CAC members in writing. In the discretion of the Chair, the first ten (10) submitted comments shall be stated into the record of the meeting. Comments read at the

meeting will be limited to the first 400 words. Comments received after the start of the meeting will be collected, sent to the CAC members in writing, and be part of the public record.

If you have anything that you wish to be distributed to the CAC, please provide it via info@sdcommunitypower.org, who will distribute the information to the Members.

The public may participate using the following remote options:

Teleconference Meeting Webinar

https://zoom.us/j/93647500600

Telephone (Audio Only)

(669) 900-6833 or (253) 215-8782 | Webinar ID: 936 4750 0600

WELCOME

ROLL CALL

PLEDGE OF ALLEGIANCE

LAND ACKNOWLEDGMENT

SPECIAL PRESENTATIONS AND INTRODUCTIONS

ITEMS TO BE WITHDRAWN OR REORDERED ON THE AGENDA

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Opportunity for members of the public to address the CAC on any items not on the agenda but within the jurisdiction of the CAC. Members of the public may provide a comment in either manner described above.

CONSENT CALENDAR

All matters are approved by one motion without discussion unless a CAC member requests a specific item to be removed from the Consent Calendar for discussion. A member of the public may comment on any item on the Consent Calendar in either manner described above.

1. **Approval of November 9, 2023 CAC Meeting Minutes**

2. **Update on Marketing, Public Relations, and Government Affairs**

3. **Update on Customer Operations**

REGULAR AGENDA
The following items call for discussion or action by the CAC.

4. **Update on Regulatory and Legislative Affairs**

   Recommendation: Receive and File the Update on Regulatory and Legislative Affairs

5. **Update on Local Distributed Infill Plan**

   Recommendation: Receive and File the Update on Local Distributed Infill Plan

6. **Update on Energy Education and Online Marketplace**

   Recommendation: Receive and File the Update on Energy Education and Online Marketplace

7. **Review of SDCP's Conflict of Interest and Ethical Conduct Policy**

   Recommendation: Recommend Board Approval of SDCP's Conflict of Interest and Ethical Conduct Policy

8. **Update on 2024 Rate & Power Charge Indifference Adjustment (PCIA) Projected Changes**

   Recommendation: Receive and File the Update on 2024 Rate & Power Charge Indifference Adjustment (PCIA) Projected Changes

9. **Updates from Programs and Community & Equity Ad-Hoc Committees**

   Recommendation: Receive and File the Updates on the Programs and Community & Equity Ad-Hoc Committees

10. **Update on CAC Work Plan Update Progress**

    Recommendation: Receive and File the Update on CAC Work Plan Update Progress

11. **Approval of 2024 CAC Regular Meeting Calendar**

    Recommendation: Approve the 2024 CAC Regular Meeting Calendar

DISCUSSION OF POTENTIAL AGENDA ITEMS FOR BOARD OF DIRECTORS MEETINGS
There are two ways that the CAC may bring items to the attention of the Board:

1. *Standing Board Agenda Item: CAC Report. The CAC report may be a standing item on the Board agenda, in which the CAC Chair or CEO reports on updates related to a recent CAC meeting. Consistent with the Brown Act, items raised during the CAC report may not result in extended discussion or action by the Board unless agendized for a future meeting.*

2. *Suggesting Board Agenda Items: The CAC may suggest agenda items for a Board of Directors meeting agenda. Such agenda items would allow extended discussion or action by the Board. These must have prior approval of the SDCP Chief Executive Officer and the Chair of the Board of Directors to be added onto 4 the agenda. If approval is provided, staff must be given at least 5 days before the date of the Board meeting to work with the CAC to draft any memos and materials necessary.*

COMMITTEE MEMBER ANNOUNCEMENTS

Committee Members may briefly provide information to other members and the public. There is to be no discussion or action taken on comments made by Committee Members unless authorized by law.

ADJOURNMENT

Availability of Committee Documents

Copies of the agenda and agenda packet are available at https://sdcommunitypower.org/resources/meeting-notes/. Late-arriving documents related to a CAC meeting item which are distributed to a majority of the Members prior to or during the CAC meeting are available for public review as required by law. Public records, including agenda-related documents, can instead be requested electronically at info@sdcommunitypower.org or by mail to SDCP at PO Box 12716, San Diego, CA 92112. The documents may also be posted at the above website. Such public records are also available for inspection, by appointment, at San Diego Community Power, 2305 Historic Decatur Road, Suite 200, San Diego, CA 92106. Please contact info@sdcommunitypower.org to arrange an appointment.

SAN DIEGO COMMUNITY POWER
Staff Report Item 8

To: San Diego Community Power Board of Directors

From: Joe LaCava, Chair of the Board of SDCP
Ad Hoc Committee on General Counsel Recruitment

Subject: Appointment of General Counsel and Approval of Employment Agreement

Date: December 14, 2023

RECOMMENDATION

Recommendation: Appoint Veera Tyagi as General Counsel effective February 1, 2024, and approve execution of an Employment Agreement in substantially the form attached hereto, with non-substantive revisions approved by the Chair and reviewed and approved as to form by General Counsel, and subject to successful completion of the employee onboarding process.

BACKGROUND

During the Board's Regular Meeting on September 28th, the CEO presented, and the Board discussed whether to hire an in-house General Counsel (GC). The September staff report outlined the rationale for considering an in-house GC as well as the potential costs and/or risks. The decision was made to proceed with hiring an In-House GC and establish an Ad Hoc Committee on GC Recruitment.

The Board engaged Futura, a professional executive search firm, to assist in recruitment for a new General Counsel. SDCP had already retained the Futura professional executive search firm under an existing agreement for a variety of searches and repurposed existing funding so Futura could assist with recruitment for a new General Counsel.

During the Board's Closed Session Meeting on November 16th, the CEO provided the Board with an update on the recruiting process and sought delegation of authority for the CEO and the Board Chair to negotiate an Employment Agreement with the final selected candidate.

At the end of November, final round interviews were held and shortly thereafter the decision was made to offer the role to one of the final candidates, Veera Tyagi.

Ms. Tyagi has close to twenty years of experience as an environmental attorney, primarily as in-house counsel for air pollution control districts. She has significant experience with general governmental laws, an expertise in air quality laws and the California Environmental Quality Act (CEQA), and a strong understanding of the regulatory framework and energy policy needs of the SDCP. Ms. Tyagi's experience as an environmental regulator has shaped her into a powerful advocate with a unique ability to build consensus amongst diverse groups of stakeholders. She has developed strong relationships with federal, state, and local agencies, businesses, and environmental and community groups, including the Environmental Protection Agency, California Air Resources Control Board, San Diego Gas & Electric Co., and the Environmental Health Coalition. She has also served as the Chair of the California Air Pollution Control Officers Association attorneys committee for three years and just recently spoke by invitation at the Environmental Law Conference in Yosemite. Her background combined with her commitment to pursuing forward-thinking, sustainable energy solutions make her make her uniquely qualified for this position.

Ms. Tyagi earned a Bachelor's of Science in Environmental Science in Earth Systems from Queen's University Kingston, Ontario, Canada, and Juris Doctorate, Cum Laude from the University of La Verne College of Law, Ontario, California.

Ms. Tyagi is a member of the State Bar of California.

ANALYSIS AND DISCUSSION

The proposed GC Employment Agreement was developed after evaluation of similar contracts and a review of compensation for municipal, CCA, and public power attorneys in the Southern California area and the state. Attached is the proposed employment agreement. Here are the key terms:

Base salary:	$330,000/annually
Term:	Effective February 1, 2024
Key Benefits:	Retirement (employer contribution of approx. 10% annually) Vacation/Sick Time (160 hrs./year; 96 hrs./ea. banked) Technology Allowance ($100/monthly) Car allowance $500.00 / monthly Health, dental, and other insurance/benefits provided to SDCP employees and their dependents
Severance:	The contract includes the relatively standard severance benefit of an amount equal to six months base pay and benefits, if terminated without cause.

FISCAL IMPACT

The cost of the contract $331,800 plus benefits. There is no impact to the current budget for Fiscal Year 23-24, as GC salary and benefits were anticipated to be incurred during this fiscal year.

ATTACHMENTS

Attachment A: Proposed General Counsel Employment Agreement

<u>GENERAL COUNSEL EMPLOYMENT AGREEMENT</u>

This GENERAL COUNSEL AGREEMENT ("Agreement") is made by and between SAN DIEGO COMMUNITY POWER, a California joint powers authority ("SDCP"), and VEERA TYAGI, an individual ("Executive") as of February 1, 2023 ("Effective Date").

RECITALS

A. Whereas, Section 5.5 of the San Diego Community Power Joint Powers Agreement, amended and restated on December 16, 2021 ("**JPA**"), requires the SDCP Board of Directors ("**Board**") to appoint a General Counsel who shall be responsible for all legal matters of SDCP, and shall have other duties as may be assigned from time to time by the Chief Executive Officer.

B. Whereas, the Board desires to retain Executive to perform those duties and functions as may be specified by the JPA and to perform such other legally permissible and proper duties and functions as SDCP may from time-to-time assign; and

C. Whereas, Executive desires to accept employment by SDCP as its General Counsel.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Parties agree as follows:

AGREEMENT

SECTION 1. <u>DUTIES OF EXECUTIVE</u>. Executive shall assume the powers of the General Counsel position and perform the functions and duties specified by SDCP's Board and as provided by any such other resolutions of the Board, applicable laws, rules, regulations, orders, directives, policies, or procedures now in effect or hereafter adopted by SDCP.

a. <u>Legal Duties</u>. The General Counsel is the responsible legal counsel for SDCP and shall act in that capacity to discharge, oversee, and coordinate SDCP's legal activities and functions to ensure SDCP' with and adherence to appliable law. More specific duties include, but are not limited to:

- Monitor and provide the requisite legal services and advice within SDCP and ensure that SDCP is fully represented in any judicial, administrative, regulatory, or similar action or proceedings;
- Assist SDCP to develop, maintain, or modify policies and procedures as to be in compliance with or in conformance with applicable law;
- Keep fully informed on all legislation and regulatory developments affecting SDCP's operations and pertinent developments in corporate and regulatory legal matters, and where needed, inform, and advise affected SDCP management of changes in law that materially affect SDCP's business or transactions.

b. Full Energy and Skill. Executive shall faithfully, diligently, and to the best of Executive's abilities, perform all duties that may be required under this Agreement. Executive agrees that Executive has a duty of loyalty and a general fiduciary duty to SDCP. Executive shall devote the whole of Executive's working time, skill, experience, knowledge, ability, labor, energy, attention, and best effort exclusively to SDCP's business and affairs.

c. No Conflict. Executive shall not engage in any employment, activity, consulting service, or other enterprise, for compensation or otherwise, which is actually or potentially in conflict with, inimical to, or which interferes with the performance of Executive's duties. Nothing herein shall prevent Executive from participating in charitable, civic, educational, professional, or community affairs or from serving on the board of directors or advisory boards of private companies, subject to SDCP's Board approval and provided such activities do not materially interfere with the performance of her duties hereunder or create a potential conflict with SDCP or the appearance thereof. If at any time service on any board of directors or advisory board would, in the good faith judgment of the Board, conflict with the Executive's fiduciary duty to SDCP or create any appearance thereof, then Executive shall as soon as reasonably practicable considering any fiduciary duty to the other entity, resign from such other board of directors or advisory board after written notice of the conflict is receive from the Board.

d. Hours of Work. Executive is an exempt employee but is expected to engage in those hours of work that are necessary to fulfill the obligations of the General Counsel position. Executive does not have set hours of work as Executive is expected to be available at all times. It is recognized that Executive must devote a great deal of time to the business of SDCP outside of SDCP's customary office hours, and to that end Executive's schedule of work each day and week may vary in accordance with the work required to be performed and in accordance with any specific direction provided by the Board.

SECTION 2. EFFECTIVE PERIOD.

Executive is appointed as General Counsel beginning on the Effective Date through March 31, 2026, (the "Effective Period") unless terminated earlier in accordance with Section 3, below. The Effective Period is not a term for employment and the end date set forth above does not create and is not intended to create a term for employment as that phrase is used and understood by California Labor Code section 2922.

a. At-Will Employment Status, Termination of Agreement.

The parties hereby expressly agree that the employment relationship created by the Agreement is "at will" and that Employee serves at the will and pleasure of SDCP. Nothing in this Agreement or any resolution, statute, ordinance, rule or policy shall prevent, limit or otherwise interfere with the right of SDCP to terminate the services of Employee at any time without cause or right of notice, Skelly conference, hearing, appeal or grievance. Employee agrees that this Agreement sets forth the only terms and conditions applicable to the termination of Employee's employment and that Employee hereby waives any rights Employee would otherwise have thereunder. At any time, and without prior notice, SDCP may terminate Employee's employment for any reason, with or without cause. In the event SDCP exercises its right under this provision to terminate employment without cause, SDCP shall pay Employee all compensation due and owing through the last day actually worked. At any time, Employee may resign from employment for any reason, with or without cause, by providing the Board of Directors with fourteen (14) days' advance written notice. The Board of Director shall have the option to make Employee's termination effective at any time prior to the end of such notice period, provided that SDCP pays Employee all compensation due and owing through the last day actually worked.

No Property Interest. Executive understands and agrees that Executive has no constitutionally protected property or other interest in Executive's employment as General Counsel. Executive understands and agrees that Executive works at the will and pleasure of SDCP's Board, and that Executive may be terminated, or asked to resign, at any time, with or without cause, by a majority vote of its members.

SECTION 3. TERMINATION.

a. By SDCP—Not "For Cause".

At any time, SDCP may terminate Executive's employment without Cause (as defined in Section 3(b) below) by providing Executive written notice of termination. In the event Executive is terminated without Cause, Executive shall be entitled to an amount equal to Executive's base salary for six (6) months conditioned upon Executive execution of a settlement agreement (i) waiving any and all claims Executive may have against SDCP and/or its officers or directors; (ii) including a release of all known or unknown claims related to or arising out of Executive's employment with SDCP, including the termination of said employment; (iii) a Civil Code section 1542 waiver; and (iv) any other provisions, clauses, terms and/or conditions, deemed appropriate by the Board at the time of the termination of Executive's employment, under the facts and circumstances of such termination. In order for Executive to be eligible for the severance payment, the release agreement must be finalized no later than twenty-one (21) days after the effective date of Executive's termination or the date upon which the release agreement is presented to Executive, whichever is later. Thereafter, all of SDCP's obligations under this Agreement shall cease. SDCP may dismiss Executive as provided in this Section 3 notwithstanding anything to the contrary contained in or arising from any statements, policies, or practices of SDCP relating to the employment, discipline, or termination of its employees.

Notwithstanding any other provision herein, in accordance with Government Code section 53260, the cash payment that Executive may receive in the event of the termination of this Agreement, as set forth in this Section, shall not exceed an amount equal to the monthly base salary of Executive multiplied by the number of months left on the unexpired term of this Agreement but in no event shall the amount exceed 18 months.

b. By SDCP "For Cause".

At any time, and without prior notice, SDCP may terminate Executive for Cause. SDCP shall pay Executive all compensation then due and owing; thereafter, all of SDCP's obligations under this Agreement shall cease. Termination shall be "For Cause" if Executive: (i) acts in bad faith and to the detriment of SDCP; (ii) willfully and unequivocally refuses or fails to act in accordance with any specific direction or order of SDCP's Board; (iii) exhibits in regard to his or her employment gross unfitness or chronic unavailability for service, unsatisfactory performance, misconduct, dishonesty, habitual neglect, or incompetence; (iv) is convicted of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person resulting in incarceration; (v) commits or is accused of committing an act involving moral turpitude under federal, state, or local law (regardless of whether or not such act involving moral turpitude is a misdemeanor or felony); and/or (vi) breaches any material term of this Agreement.

c. Statutory Requirements.

In compliance with Government Code section 53243, to the extent SDCP provides: (i) paid leave to Executive pending an investigation; (ii) funds for the legal criminal defense of the Executive; and/or (iii) a cash settlement to Executive related to the termination of Executive pursuant to Section 3(b) of this Agreement, Executive shall fully reimburse SDCP for any and all amounts paid by SDCP which fall within any such categories in the event that Executive is convicted of a crime involving the abuse of their office or position.

d. By Executive.

In the event that Executive desires to terminate this Agreement during such time as SDCP desires for Executive to continue in the capacity of General Counsel, then Executive agrees to provide SDCP with at least forty-five (45) days' written notice of said termination.

SECTION 4. COMPENSATION AND PERFORMANCE REVIEWS.

a. Executive shall receive the base annual salary of Three Hundred Thirty-Thousand Dollars and No Cents, ($330,000) payable on a pro-rata basis in accordance with SDCP's payroll practices and less all applicable payroll taxes and withholdings. Executive may be eligible for an increase in salary on the anniversary of this Agreement, subject to approval by a majority of the members of the Board.

b. SDCP shall perform a performance review of Executive at least annually. The Board or a committee of the Board of Directors shall additionally review the base compensation, bonuses, and benefits provided to Executive under this Agreement and may, in their sole discretion, adjust the same.

SECTION 5. <u>OTHER BENEFITS</u>.

Executive shall be entitled to participate in SDCP's benefits adopted by SDCP on the same basis as other executives of SDCP.

a. <u>Automobile.</u> Executive shall receive a gross monthly vehicle allowance of Five Hundred Dollars and No Cents ($500.00) per month. The Parties intend for this taxable allowance to be in lieu of reimbursement on an itemized basis for mileage, gas, maintenance of a vehicle, etc. Executive shall not be separately reimbursed for mileage incurred in connection with the execution of her duties.

b. <u>Technology Allowance</u>. Executive shall receive either an SDCP-owned cell phone and (accompanying SDCP-paid plan) or a $100 monthly taxable technology allowance to use towards his or her personal discretionary technological purchases and expenses in furtherance of employment (e.g., cellular phone, tablet, data plan, laptop computer). The Parties intend this allowance to cover all technology-related costs that Executive incurs in the course and scope of his or her employment with SDCP.

c. <u>Other Benefits.</u> Executive shall be entitled to participate in benefits, including health care coverage, retirement plans and/or 457(b) plans, and to receive sick leave, vacation accrual, and any and all other benefits to the same extent and as other executives of SDCP.

SECTION 6. <u>INDEMNIFICATION.</u>

SDCP shall indemnify and defend Executive in accordance with the California Government Claims Act. Unless otherwise specifically required by law, SDCP's Board shall determine, in its sole discretion, whether to file an appeal if a final judgment is adverse to Executive or whether to compromise and settle any such claim or suit against Executive, as well as the amount of any settlement or judgment rendered thereon. SDCP shall also pay for the cost of any fidelity or other bonds required by law for the position of General Counsel.

SECTION 7. OTHER TERMS AND CONDITIONS OF EMPLOYMENT.

SDCP shall make any other terms and conditions of employment related to the performance of Executive, provided such terms and conditions are not inconsistent with the provisions of this Agreement or by law.

SECTION 8. NOTICES.

Notices given under this Agreement shall be in writing and shall be served personally or sent by Federal Express or some equivalent private overnight delivery service. Notices shall be deemed received at the earlier of actual receipt or two (2) days following transmission to an overnight carrier.

To SDCP: Attn: Chair of the Board of Directors
San Diego Community Power
655 W. Broadway, Suite 1500
San Diego, CA 92101

With a copy to:
B. Allison Borkenheim, Shareholder
Littler Mendelson, P.C.
501 W. Broadway, Suite 900
San Diego, CA 92101-3577

To Executive: Veera Tyagi
At the address on file with
SDCP's Human Resources Department

SECTION 9. INTEGRATION.

This Agreement is intended to be the final, complete, and exclusive statement of the terms of Executive's employment by SDCP. This Agreement supersedes all other prior and contemporaneous agreements and statements, whether written or oral, express, or implied, pertaining in any manner to the employment of Executive, and it may not be contradicted by evidence of any prior or contemporaneous statements or agreements. To the extent that the practices, policies, or procedures of SDCP, now or in the future, apply to Executive and are inconsistent with the terms of this Agreement, the provisions of this Agreement shall control.

SECTION 10. AMENDMENTS; WAIVERS.

This Agreement may not be amended except by an instrument in writing, signed by each of the Parties. No failure to exercise and no delay in exercising any right, remedy, or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy, or power provided herein or by law or in equity.

SECTION 11. ASSIGNMENT; SUCCESSORS AND ASSIGNS.

Executive agrees that he or she will not assign, sell, transfer, delegate, or otherwise dispose of, whether voluntarily or involuntarily, or by operation of law, any rights, or obligations under this Agreement. Any such purported assignment, transfer, or delegation shall be null and void. Nothing in this Agreement shall prevent the consolidation of SDCP with, or its merger into, any other entity, or the sale by SDCP of all or substantially all of its assets, or the otherwise lawful assignment by SDCP of any rights or obligations under this Agreement. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, legal representatives, successors, and permitted assigns, and shall not benefit any person or entity other than those specifically enumerated in this Agreement.

SECTION 12. SEVERABILITY.

If any provision of this Agreement, or its application to any person, place, or circumstance, is held by an arbitrator or a court of competent jurisdiction to be invalid, unenforceable, or void, such provision shall be enforced to the greatest extent permitted by law, and the remainder of this Agreement and such provision as applied to other persons, places, and circumstances shall remain in full force and effect.

SECTION 13. ATTORNEY’S FEES.

In any legal action, arbitration, or other proceeding brought to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs.

SECTION 14. GOVERNING LAW AND VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of California. The Parties agree that venue for any dispute shall be in San Diego County Superior Court.

SECTION 15. INTERPRETATION.

This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against any party. By way of example and not in limitation, this Agreement shall not be construed in favor of the party receiving a benefit nor against the party responsible for any particular language in this Agreement. Captions are used for reference purposes only and should be ignored in the interpretation of the Agreement.

SECTION 16. REPRESENTATION BY COUNSEL.

The Parties acknowledge and agree that they were, or had the opportunity to be, represented individually by legal counsel with respect to the matters that are the subject of this Agreement and that they are fully advised with respect to their respective rights and obligations resulting from signing this Agreement.

SECTION 17. COUNTERPARTS AND ELECTRONIC SIGNATURES.

This Agreement may be executed in triplicate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The Parties agree that this Agreement may be executed and delivered by electronic signatures and that the signatures appearing on this Agreement are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, SDCP and Executive have executed this Agreement on the date written below:

SAN DIEGO COMMUNITY POWER	EXECUTIVE
By: ______________________________	By: ______________________________
Joe LaCava Chair, SDCP Board of Directors	Veera Tyagi

APPROVED AS TO FORM:

By: ______________________________

B. Allison Borkenheim
Littler Mendelson, P.C.

SAN DIEGO COMMUNITY POWER

SAN DIEGO COMMUNITY POWER
Staff Report – Item 9

To: San Diego Community Power Board of Directors

From: Eric W. Washington, Chief Financial Officer

Via: Karin Burns, Chief Executive Officer

Subject: Review of Treasurer's Report for Period Ending 10/31/23

Date: December 14, 2023

RECOMMENDATION

Receive and File Treasurer's Report for Period Ending 10/31/23.

BACKGROUND

San Diego Community Power (SDCP) maintains its accounting records on a full accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) as applicable to governmental enterprise funds.

SDCP has prepared its year-to-date financial statements for the period ended October 31, 2023, along with budgetary comparisons.

SDCP additionally reports monthly metrics during its Board meetings as part of its Update on Back-Office Operations. As part of the Treasurer's Report, certain key metrics related to risk are to be presented during Financial and Risk Management Committee (FRMC) and Board of Director (Board) meetings.

ANALYSIS AND DISCUSSION

Actual financial results for the period ended 10/31/23: $657.18 million in net operating revenues were reported compared to $686.20 million budgeted for the period. $424.23 million in total expenses were reported (including $414.18 million in energy costs) compared to $393.44 million budgeted for the period (including $374.25 million budgeted for energy costs). After expenses, SDCP's change in net position of $232.95 million was reported for Fiscal Year 2023-24. The following is a summary of the actual results compared to the Fiscal Year 2023-24 Budget.

Table 1: Budget Comparison Versus Actual Results

Budget Comparison				
	YTD FY24 as of 10/31/23 (4 mos)	FY24 YTD Budget	Budget Variance ($)	Budget (%)
Net Operating Revenues	$ 657,179,799	$ 686,198,508	$ (29,018,709)	96%
Total Expenses	$ 424,234,991	$ 393,440,537	$ 30,794,454	108%
Change in Net Position	**$ 232,944,808**	**$ 292,757,971**	**$ (59,813,163)**	**-20%**

- Net operating revenues finished $29.02 million (or 4.0 percentage points) under the budget primarily due to lower-than-expected remittances given less demand year-to date attributed to lower customer load than expected related to mild weather during the summer period.
- Operating expenses finished $30.79 million (or 8.0 percentage points) over the budget primarily due to a larger-than expected energy expense recognized in October 2023 related to the SDCP Voluntary Allocation and Market Offer (VAMO) contract, and higher-than-expected energy costs related to resource adequacy and renewables.

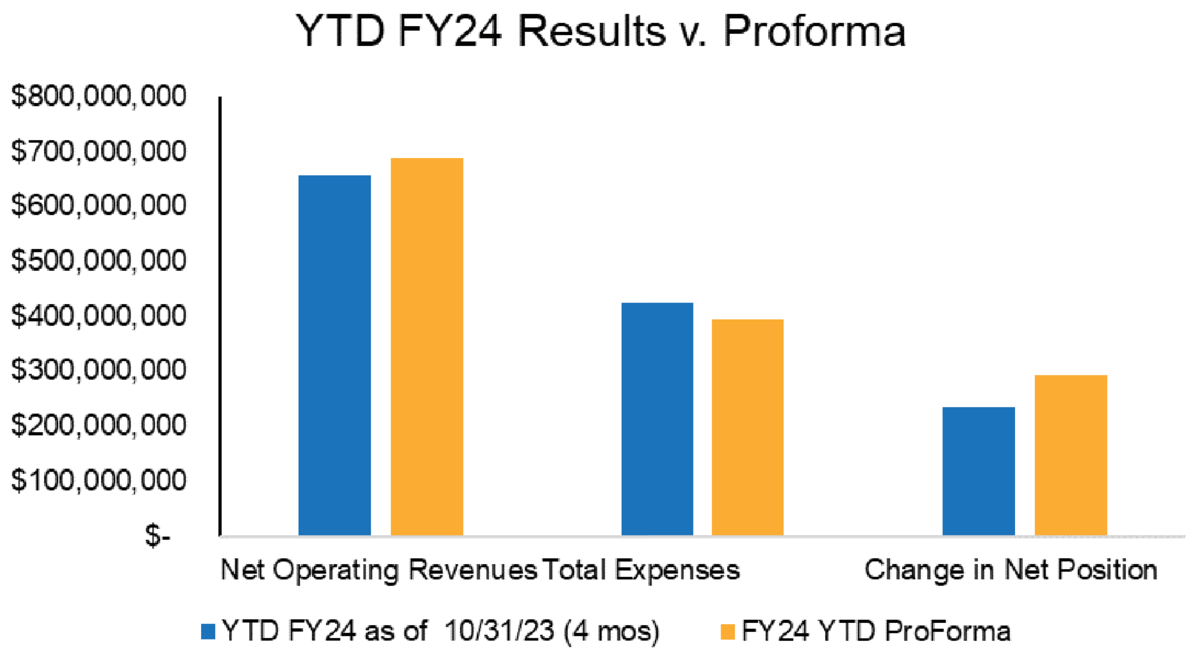
As a result of lower customer demand and increasing energy costs, SDCP's change in net position was 21% under the projection.

The following is a summary to actual results compared to the fiscal year-to-date proforma.

Table 2: Proforma Comparison Versus Actual Results

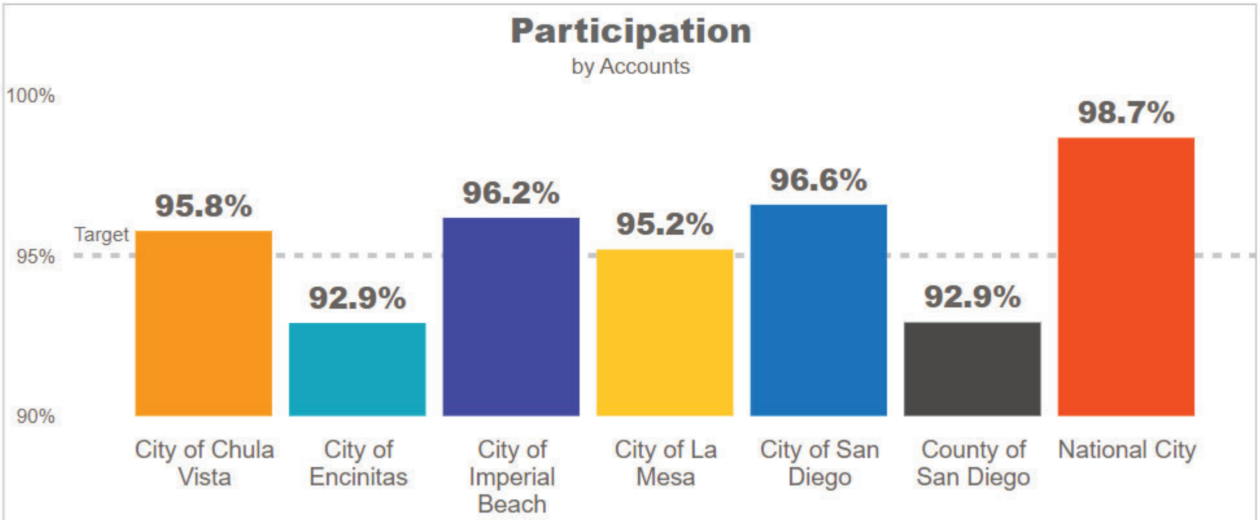
Proforma Comparison				
	YTD FY24 as of 10/31/23 (4 mos)	FY24 YTD ProForma	ProForma Variance ($)	Proforma (%)
Net Operating Revenues	$ 657,179,799	$ 686,198,508	$ (29,018,709)	-4%
Total Expenses	$ 424,234,991	$ 393,115,212	$ 31,119,779	8%
Change in Net Position	**$ 232,944,808**	**$ 293,083,296**	**$ (60,138,488)**	**-21%**

Figure 1: Proforma versus Actual Results



For the period ending 10/31/23, SDCP contributed $232,944,808 to its reserves but was expected to gain $292,757,971 per the FY 2023-24 adopted budget. Total SDCP reserves at the end of the period were $416,426,199 and total available liquidity (including lines of credit) was $520,696,199. SDCP has a total FY 2023-24 year-end reserve target of $491,079,452, which is equivalent to 180-days of total operating expenses as set in SDCP's Reserve Policy and Strategic Goals.

Figure 2: Participation Rates



Jurisdiction	Active	Eligible	Opt Outs	Participation
City of Chula Vista	93,419	97,556	4,137	95.8%
City of Encinitas	26,429	28,450	2,021	92.9%
City of Imperial Beach	10,529	10,948	419	96.2%
City of La Mesa	28,005	29,422	1,417	95.2%
City of San Diego	599,220	620,435	21,215	96.6%
County of San Diego	153,881	180,516	12,791	92.9%
National City	18,546	19,213	257	98.7%
Total	**930,029**	**986,540**	**42,257**	**95.7%**

Phase 4 mass enrollment process in National City and Unincorporated County of San Diego for Non-Net Energy Metering (NEM) customers is officially completed as of May, 2023. The participation rate for this new phase is fluid and will change as we continue with our enrollment of Net Energy Metering (NEM) customers from April 2023 through March 2024. In the interim, we are reporting on the opt outs and eligible accounts associated with the phase based on those accounts that we have noticed for enrollment on a rolling basis as of the reporting month.

Staff are also presenting State of SDCP Arrearages directly related to financial risk for FRMC and Board consideration and for regular review. Additional metrics can be added by request. The below arrearage data includes SDCP's Receivables aged 120+ Days as of 12/01/2023.

Figure 3: State of SDCP Arrearages

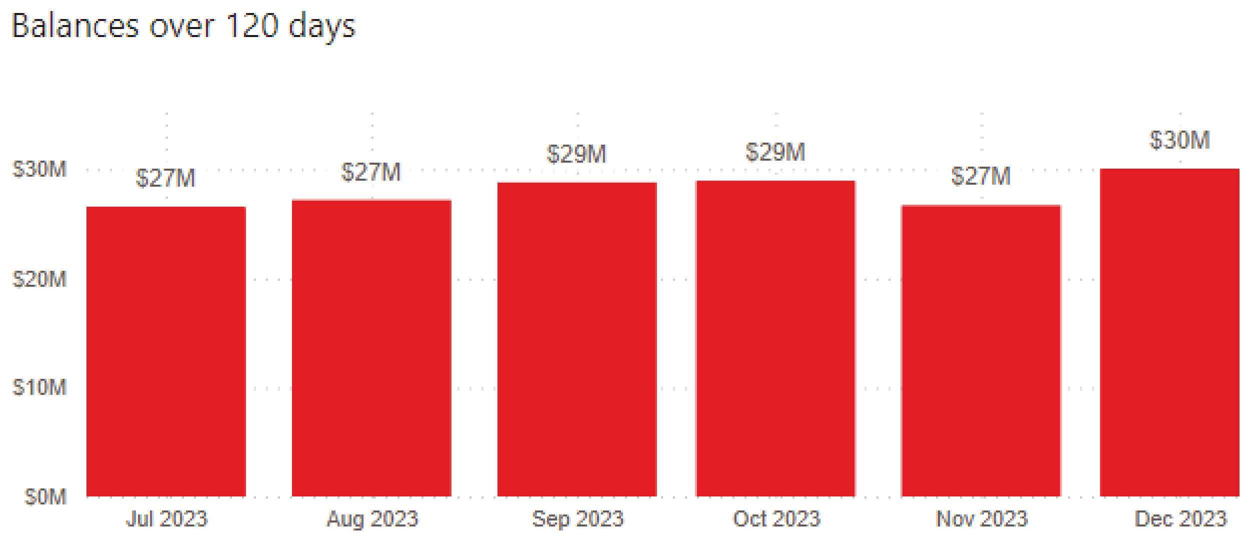
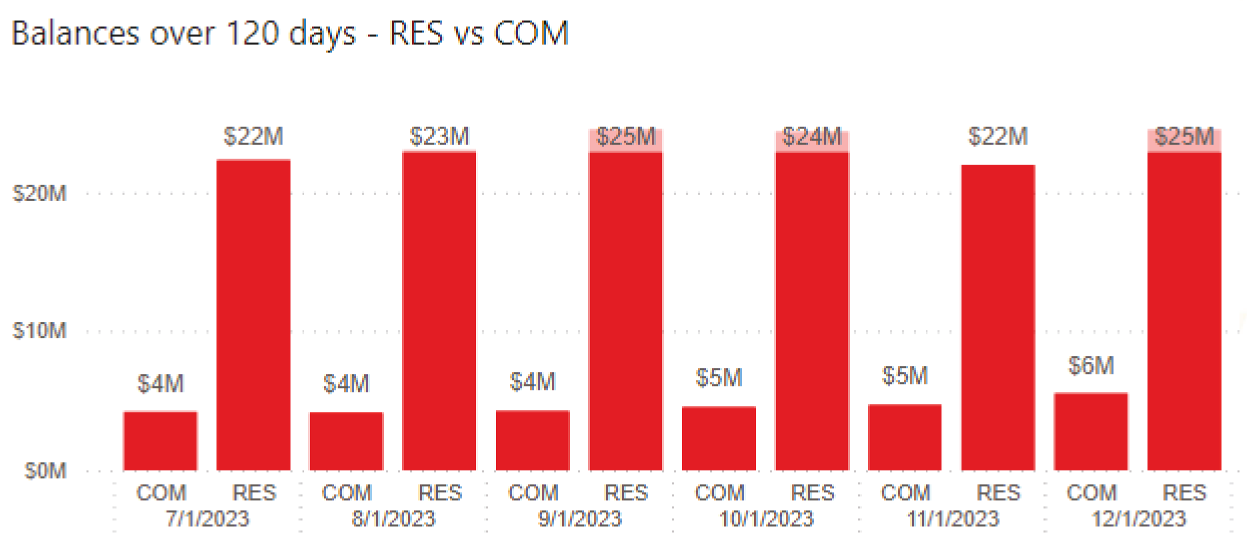


Figure 4: State of SDCP Arrearages Residential vs Commercial



COMMITTEE REVIEW
N/A

FISCAL IMPACT
N/A

ATTACHMENTS
Attachment A: 2023 Year-to-Date Period Ended 10/31/23 Financial Statements

MAHER
ACCOUNTANCY

ACCOUNTANTS' COMPILATION REPORT

Management
San Diego Community Power

Management is responsible for the accompanying financial statements of San Diego Community Power (a California Joint Powers Authority) which comprise the statement of net position as of October 31, 2023, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. San Diego Community Power's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
December 4, 2023

1101 Fifth Avenue, Suite 200 San Rafael, CA 94901 415 459 1249 mahercpa.com

SAN DIEGO COMMUNITY POWER
STATEMENT OF NET POSITION
As of October 31, 2023

ASSETS	
Current assets	
Cash and cash equivalents - unrestricted	$ 327,946,343
Cash and cash equivalents - restricted	500,000
Accounts receivable, net of allowance	153,806,030
Accrued revenue	88,904,888
Prepaid expenses	3,962,988
Other receivables	115,325
Deposits	32,493,075
Total current assets	607,728,649
Noncurrent assets	
Lease asset, net of amortization	748,503
Capital assets, net of depreciation	147,317
Cash and cash equivalents - restricted	1,897,888
Total noncurrent assets	2,793,708
Total assets	610,522,357
LIABILITIES	
Current liabilities	
Accrued cost of electricity	173,333,093
Accounts payable	708,760
Other accrued liabilities	4,681,415
State surcharges payable	216,052
Deposits - energy suppliers	2,385,000
Interest payable	124,130
Lease liability	371,849
Total current liabilities	181,820,299
Noncurrent liabilities	
Bank note payable	8,730,000
Supplier security deposits	624,000
Lease liability	395,383
Total noncurrent liabilities	9,749,383
Total liabilities	191,569,682
NET POSITION	
Net investment in capital assets	128,588
Restricted for collateral	2,397,888
Unrestricted	416,426,199
Total net position	$ 418,952,675

SAN DIEGO COMMUNITY POWER
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Four Months Ended October 31, 2023

OPERATING REVENUES	
Electricity sales, net	$ 656,548,799
Grant revenue	631,000
Total operating revenues	657,179,799
OPERATING EXPENSES	
Cost of electricity	414,179,629
Contract services	6,293,979
Staff compensation	3,082,816
Other operating expenses	1,205,462
Depreciation and amortization	136,514
Total operating expenses	424,898,400
Operating income	232,281,399
NON-OPERATING REVENUES (EXPENSES)	
Interest income	1,439,063
Interest and financing expense	(780,118)
Nonoperating revenues (expenses), net	658,945
CHANGE IN NET POSITION	232,940,344
Net position at beginning of year	186,012,331
Net position at end of year	$ 418,952,675

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS
Four Months Ended October 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 604,017,504
Receipts of supplier security deposits	20,902,875
Other operating receipts	3,535,951
Payments to suppliers for electricity	(325,715,382)
Payments for goods and services	(6,467,670)
Payments of staff compensation and benefits	(3,036,469)
Payments for deposits and collateral	(2,605,000)
Payments of state surcharges	(1,157,645)
Net cash provided by operating activities	289,474,164
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Principal payments - bank note	(27,000,000)
Interest and related expense payments	(1,198,394)
Net cash provided (used) by non-capital financing activities	(28,198,394)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments of lease liability	(129,932)
Payments to acquire capital assets	(71,550)
Net cash (used) by capital and related financing activities	(201,482)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income received	1,439,063
Net change in cash and cash equivalents	262,513,351
Cash and cash equivalents at beginning of year	67,830,880
Cash and cash equivalents at end of year	$ 330,344,231
Reconciliation to the Statement of Net Position	
Cash and cash equivalents (unrestricted)	$ 327,946,343
Restricted cash - current	500,000
Restricted cash - noncurrent	1,897,888
Cash and cash equivalents	$ 330,344,231

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS (continued)
Four Months Ended October 31, 2023

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	$ 232,281,399
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization expense	136,514
(Increase) decrease in:	
Accounts receivable, net	(43,292,299)
Accrued revenue	(10,112,104)
Prepaid expenses	26,564,510
Other receivables	118,390
Deposits	(14,836,725)
Increase (decrease) in:	
Accrued cost of electricity	95,987,751
Accounts payable	269,497
Other accrued liabilities	886,768
State surcharges payable	(284,537)
Supplier security deposits	1,755,000
Net cash provided by operating activities	$ 289,474,164

MAHER
ACCOUNTANCY

ACCOUNTANTS' COMPILATION REPORT

Board of Directors
San Diego Community Power

Management is responsible for the accompanying special purpose operating fund budgetary comparison schedule of San Diego Community Power (SDCP), a California Joint Powers Authority, for the period ended October 31, 2023, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

The special purpose statement is prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of SDCP.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. SDCP's annual audited financial statements will include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to SDCP because we performed certain accounting services that impaired our independence.

Maher Accountancy
San Rafael, CA
December 4, 2023

SAN DIEGO COMMUNITY POWER
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Four Months Ended October 31, 2023

	2023/24 YTD Budget	2023/24 YTD Actual	2023/24 YTD Budget Variance (Under) Over	2023/24 YTD Actual/ Budget %	2023/24 Annual Budget	2023/24 Budget Remaining
REVENUES AND OTHER SOURCES						
Gross Ratepayer Revenues	714,790,112	$ 683,904,999	(30,885,113)	96%	$ 1,346,325,552	$ 662,420,553
Less Uncollectible Customer Accounts	(28,591,604)	(27,356,200)	1,235,404	96%	(53,853,022)	(26,496,822)
Grant revenue	-	631,000	631,000		-	(631,000)
Total Revenues and Other Sources	686,198,508	657,179,799	(29,018,709)		1,292,472,530	635,292,731
OPERATING EXPENSES						
Cost of Energy	374,248,739	414,179,629	39,930,890	111%	948,529,425	534,349,796
Professional Services and Consultants	8,366,108	6,000,904	(2,365,204)	72%	22,939,626	16,938,722
Personnel Costs	4,469,305	3,082,816	(1,386,489)	69%	13,178,031	10,095,215
Marketing and Outreach	1,085,684	835,812	(249,872)	77%	2,973,829	2,138,017
General and Administration	3,076,593	707,415	(2,369,178)	23%	7,861,973	7,154,558
Programs	101,583	100,000	(1,583)	98%	278,250	178,250
Total Operating Expenses	391,348,012	424,906,576	33,558,564		995,761,134	570,854,558
Operating Income (Loss)	294,850,496	232,273,223	(62,577,273)		296,711,396	64,438,173
NON-OPERATING REVENUES (EXPENSES)						
Investment income	-	1,439,063	1,439,063		-	(1,439,063)
Interest and related expenses	(812,525)	(767,478)	45,047	94%	(2,437,574)	(1,670,096)
Transfer to Capital Investment Program	(1,280,000)	-	1,280,000	0%	(3,840,002)	(3,840,002)
Total Non-Operating Revenues (Expenses)	(2,092,525)	671,585	2,764,110		(6,277,576)	(6,949,161)
NET INCREASE (DECREASE)	$ 292,757,971	$ 232,944,808	$ (59,813,163)		$ 290,433,820	$ 57,489,012

SAN DIEGO COMMUNITY POWER

SAN DIEGO COMMUNITY POWER
Staff Report – Item 10

To: San Diego Community Power Board of Directors

From: Jen Lebron, Director of Public Affairs

Via: Karin Burns, Chief Executive Officer

Subject: Approve San Diego Community Power's Conflict of Interest Policy

Date: December 14, 2023

RECOMMENDATION

Approve San Diego Community Power's Conflict of Interest Policy.

BACKGROUND

In the pursuit of fostering good governance, transparency, and fairness, San Diego Community Power (SDCP) seeks to implement a Conflict of Interest and Ethical Conduct Policy. This policy is designed to consolidate and articulate a code of ethics and acceptable conduct applicable to all SDCP Board of Directors members, Community Advisory Committee (CAC) members, and employees. The primary goals are to emphasize the public trust bestowed upon each individual, the necessary adherence to the highest moral and ethical standards, and the provision of efficient, high-quality services to the community in a fair and impartial manner.

This policy expands on existing Federal and State regulations.

ANALYSIS AND DISCUSSION

Policy Overview

The Conflict of Interest and Ethical Conduct Policy serves to summarize a code of ethics and standards that are applicable to all those who serve SDCP – the elected officials on the Board of Directors, the residents who are appointed to the CAC, and SDCP employees. The policy outlines the responsibilities of all who serve SDCP in accordance with the following sections.

Responsibility of Public Services:

All SDCP directors, committee members, and employees are obligated to uphold the Constitution of the United States and the Constitution of the State of California. Their conduct, both official and private, must align with the highest standards of integrity, prioritizing the well-being and welfare of the general public.

General Rules Regarding Conflict of Interest:

Directors, committee members, and employees are prohibited from engaging in any business or transaction that may conflict with their official duties or compromise their independence, judgment, or action. This prohibition aligns with the California Government Code, regulations of the Fair Political Practices Commission, and common law conflicts of interest under California law.

Acceptance of Favors, Gifts, and Gratuities:

The policy establishes the guidelines for accepting gifts, ensuring that such actions do not compromise the impartiality of directors, committee members, and employees. Notably, gifts received in violation of this policy should be returned or donated to a public charity.

Collateral or Outside Employment by Employees:

Employees engaged in outside business activities are required to provide notice and obtain departmental approval to ensure compatibility with SDCP duties.

Use of SDCP Position or Resources for Personal or Outside Gain:

Directors, committee members, and employees are prohibited from using SDCP time, facilities, equipment, or supplies for private or outside gain. They shall not review or approve, or influence or attempt to influence in any manner, an SDCP contract, grant, or decision relating to their work done as a private individual, self-employed consultant or by their collateral employer, regardless of whether the work or proposal submitted was done by the Director, Committee Member, or Employee or other staff of their collateral employer or other financial interest.

Use of Confidential Information:

Directors, committee members, and employees are prohibited from using or disclosing confidential information acquired in the course of their position for personal gain. Compliance with disclosure requirements and cooperation with investigations is mandated.

Responsibility and Penalties:

The policy establishes the responsibilities and penalties for SDCP directors, committee members, and employees. Violations may lead to censure, removal or other appropriate action by the Board of Directors or Chief Executive Office.

In summary, the Conflict of Interest and Ethical Conduct Policy is essential for upholding the values of good governance, transparency, and fairness within SDCP. The Advisory Committee is urged to recommend the approval of this policy to reinforce the commitment to ethical conduct and the highest standards of service to the community.

AD-HOC COMMITTEE AND/OR SUBCOMITTEE REVIEW

The Community Advisory Committee voted unanimously to recommend that the Board of Directors adopt the policy on December 7, 2023.

FISCAL IMPACT

N/A

ATTACHMENTS

Attachment A: Conflict of Interest Policy

CONFLICT OF INTEREST AND ETHICAL CONDUCT POLICY

Effective Date: ___________, 2023

PURPOSE

The purpose of this Conflict of Interest and Ethical Conduct Policy ("Policy") is to:

- Summarize in a single document a code of ethics and acceptable conduct which will apply equally to all SDCP Directors, Committee Members, and Employees, regardless of individual position or employment duties and responsibilities;
- Emphasize that each Director, Committee Member, and Employee occupies a position of public trust which demands the highest moral and ethical standard of conduct; and
- Ensure that members of the public are provided with efficient, productive, and high-quality services in a courteous impartial manner. Such services should be equally available, with no special advantage given any member of the public beyond that available to all others.

Policies and regulations governing the conduct of SDCP Directors, Committee Members, and Employees appear in the California Government Code, regulations of the Fair Political Practices Commission, other SDCP policies, and the SDCP Employee Handbook, Committee Members, and Employees shall familiarize themselves with the pertinent sections of these documents and consult them as necessary for information and guidance. This Policy is not intended to supersede State law. If there is a conflict between the provisions of this Policy and controlling State law, Directors, Committee Members, and Employees must comply with the more stringent policy or law.

This Policy applies to SDCP Directors, Committee Members, and Employees, as defined below.

POLICY

Definitions

1. *Director* means a member of the SDCP Board of Directors.

2. *Committee Member* means a member of the Community Advisory Committee or member of any other committee, board, or commission appointed by the SDCP Board of Directors.

3. *Employee* means any employee of SDCP, whether exempt or non-exempt, full-time or part-time.

4. *Gift, Gratuity, Favor, or Entertainment* means any payment, loan, opportunity, service, accommodation, use of facility or any other benefit provided to a Director, Committee Member, or Employee that confers a personal benefit for which the Director, Committee Member, or Employee does not provide compensation or other consideration, of equal or greater value.

5. *Immediate Family* means a spouse or registered domestic partner, son, daughter (son and daughter include: step, foster or adopted), mother, father (mother and father include: step-father, step-mother, father-in-law, mother-in-law), brother, sister (brother and sister include: step, foster or adopted), aunt, uncle, niece, nephew, grandfather, grandmother, granddaughter and grandson.

6. *Nominal Value* means a monetary value of $50 or less.

<u>Responsibility of Ethical Conduct</u>

1. It is the responsibility of all Directors, Committee Members, and Employees to engage in ethical behavior and practices.

2. Every Director, Committee Member, and Employee is responsible for both the actual and perceived conflict of interest that may arise as a result of the Director's, Committee Member's, or Employee's actions and it is the Director's, Committee Member's, or Employee's responsibility to reduce or eliminate to the extent possible such actual and perceived conflicts of interest.

<u>Responsibility of Public Services</u>

1. All Directors, Committee Members, and Employees are bound to uphold the Constitution of the United States and the Constitution of the State of California, and to abide by the laws and regulations of the nation, State, and SDCP.

2. All Directors, Committee Members, and Employees are bound to observe in their official acts, the highest standards of integrity and to discharge faithfully the duties of their position, recognizing that the lives, safety, health and welfare of the general public must be their primary concern. Their conduct in both their official and private affairs should be above reproach to assure that their public position is not used nor perceived as being used for personal gain.

3. The conduct of all Directors, Committee Members, and Employees shall be such as to provide the best public service to each member of the public and the community as a whole. The conduct of all Directors, Committee Members, and Employees shall be consistent with the goals and values of SDCP.

General Rule Regarding Conflict of Interest

Directors, Committee Members, and Employees shall not engage in any business or transaction, and shall not have a financial or other personal interest, direct or indirect, which is incompatible with the proper discharge of their official duties or would tend to impair their independence, judgment, or action in the performance of such duties. This prohibition shall be interpreted in a manner consistent with the requirements of the California Government Code, regulations of the Fair Political Practices Commission, and common law conflicts of interest under California law.

Acceptance of Favors, Gifts, and Gratuities

1. All Directors, Committee Members, and Employees should be mindful as to not accept a Gift, Gratuity, Favor, or Entertainment from any person or business entity other than SDCP, which would create an appearance of influencing him or her in the discharge of his or her duties.

2. The following are not considered a Gift, Gratuity, Favor, or Entertainment solely for purposes of this Policy:

    a. Personalized plaques, trophies, souvenirs or mementos of Nominal Value associated with a given event or given to an employee from a professional organization where the person holds or held a position in the organization;

    b. Edible or perishable items provided to an SDCP department/division/program;

    c. Discounts, rebates or concessions available to the public in general or to all SDCP employees;

    d. Passes and tickets that provide admission to facilities, goods, services, or other benefits that are not used by the employee and are not given by the employee to another person;

    e. Passes and tickets to attend fundraisers for campaign committees or other candidates or organizations exempt from taxation under section 501(c)(3) of the Internal Revenue Code;

    f. Free admission and refreshments provided an employee at an event in which he/she gives a speech, participates in a panel or seminar or other similar service, as well as, travel payments (transportation, lodging (the day immediately preceding, day of, and day immediately following speech panel, seminar or similar service)) associated with such an event; and

    g. Passes, tickets or other items or activities provided to SDCP and used by SDCP for agency business and reported by SDCP on FPPC Forms 801 or

802.

3. A Gift, Gratuity, Favor, or Entertainment, the receipt of which is prohibited by this section, shall be returned to the donor when feasible. If no return is feasible, the gift or gratuity shall be donated to a public charity (non-profit, tax exempt 501(c)(3) organization), SDCP, or other governmental agency within 30 days of receipt.

4. If there is a conflict between the Gift, Gratuity, Favor, or Entertainment provisions of this Policy and those in controlling State law, Directors, Committee Members, and Employees subject to State law must comply with those rules.

5. Nothing in this Policy shall exempt any Director, Committee Member, or Employee from complying with applicable provisions of State law or other SDCP policies including, but not limited to, responsibility for completion and filing of a Statement of Economic Interests (Form 700).
6. In questionable situations, Directors should seek guidance from the General Counsel. Committee Members should seek guidance from the committee's staff liaison, who will coordinate with the General Counsel. Employees should seek guidance from their supervisor or the Human Resources Department. In the instance where the supervisor or Human Resources Department is uncertain, the General Counsel may be contacted as well.

Collateral or Outside Employment by Employees

1. Notification and Departmental Approval

    a. Employees who are engaged in any collateral or outside business activity or employment shall provide written notice to their Department Director or other appropriate appointing authority. Such notice may be in the form contained in Attachment 1 below, or in a separate writing containing the same information. Persons contemplating such business activity or employment shall obtain departmental approval before accepting such employment.

2. General Prohibition

    a. Employees shall not engage in any collateral employment or business activity which is incompatible or in conflict with the duties, functions, or responsibilities of SDCP, their department, or their employment decision.

    b. Activities which may constitute a conflict include: use of SDCP time, facilities, equipment and supplies, or the use of a badge, uniform, prestige or influence of SDCP or employment for private gain or advantage. An Employee shall not engage in any collateral business activity or employment, which, by its nature, hours or physical demands, would impair the required quality or quantity of the Employee's work with SDCP, impair the Employee's independence of judgment or action in the performance of official duties, reduce the effectiveness or efficiency of the Employee's department, reflect discredit on SDCP, or tend to increase the SDCP's payments for sick leave, worker's compensation benefits, long term disability, or other leave benefits.

Use of SDCP Position or Resources for Personal or Outside Gain

1. Directors, Committee Members, and Employees shall not use, for private gain or advantage, their SDCP time or SDCP's facilities, equipment or supplies.

2. Directors, Committee Members, and Employees shall not use or attempt to use their positions to secure unwarranted privileges or exemptions for themselves or others.

3. Directors, Committee Members, and Employees shall not use their position, title or status to influence, or attempt to influence, SDCP's review or approval of an SDCP contract, grant, or other decision for the Director, Committee Member, or Employee in his or her capacity as a private individual, self-employed cpoonsultant or to facilitate work, grant funds, or other benefits for a collateral employer or other financial interest.

4. Directors, Committee Members, and Employees shall not review or approve, or influence or attempt to influence in any manner, an SDCP contract, grant, or decision relating to their work done as a private individual, self-employed consultant or by their collateral employer, regardless of whether the work or proposal submitted was done by the Director, Committee Member, or Employee or other staff of their collateral employer or other financial interest.

5. Employees in supervisory positions shall not assign to a subordinate any work (1) resulting from the supervisor's collateral employment or other financial interest; or (2) requiring SDCP's review or approval or other SDCP-provided service.

Use of Confidential Information

1. Directors, Committee Members, and Employees shall not use confidential information acquired by, or available to, them in the course of their position or employment with SDCP for speculation or personal gain.
2. Directors, Committee Members, and Employees shall not disclose confidential information, which may include, but not be limited to, confidential market-sensitive energy information, personnel information, or customer information, acquired by or available to them in the course of their position or employment with SDCP except in the performance of their duties as required by law.

SDCP Contracts

Directors, Committee Members, and Employees shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. This includes, but is not limited to, Directors, Committee Members, and Employees exercising or attempting to exercise any discretionary powers or participating in any way with respect to any contract or sale to which SDCP or any department thereof is a party and in which such Directors, Committee Members, and Employees are knowingly directly or indirectly financially interested.

Personal Investments

Directors, Committee Members, and Employees shall endeavor not to make personal investments in enterprises which they have reason to believe may be involved in decisions or recommendations to be made by them, or under their supervision, or which will otherwise create conflict between their private interests and the public interest. If, however, a Director, Committee Member, or Employee has a financial interest in matters or enterprises coming before them, or before the department in which they are employed, they shall disqualify themselves from any participation therein.

Discussion of Future Employment

Directors, Committee Members, and Employees shall not make, participate in making, or use their official position to influence any SDCP decision related to a prospective employer.

Communication Limitations with Former Employees

Employees shall not communicate with former SDCP Employees regarding any project, issue or matter in which that former Employee rendered a decision or gave approval or disapproval, made recommendations, gave advice, or had any other substantial involvement or participation for a period of one year from the former Employee’s final date of active employment.

Equal Employment

Directors, Committee Members, and Employees shall not, in the performance of their service responsibilities, discriminate against any person on the basis of race, religion, color, creed, age, marital status, national origin or ancestry, pregnancy, sex, sexual orientation, gender identity, gender expression, physical or mental disability, veteran status, genetic information, medical condition, and any other category protected by federal, state, or local laws, and they shall cooperate in achieving the equal employment opportunity and affirmative action goals and objectives of the SDCP.

Reporting of Fraud, Waste or Abuse

1. Directors, Committee Members, and Employees are strongly encouraged to disclose, to the extent not expressly prohibited by law, improper governmental activities within their knowledge. Directors, Committee Members, and departmental managers are encouraged to contact the Chief Executive Officer or, if appropriate, the General Counsel. Employees are encouraged to contact a departmental manager or Human Resources Department to report this information.

2. No Director, Committee Member, or Employee shall directly or indirectly use or attempt to use their authority or influence for the purpose of intimidating, threatening, coercing, commanding, or influencing any other Director, Committee Member, or Employee with the intent of interfering with that Director, Committee Member, or Employee's duty to disclose such improper activity.

Favoritism / Nepotism

1. Directors, Committee Members, and supervisory or management Employees shall not participate in the appointment or recommend the appointment of any member of their Immediate Family, or any other person with whom the Director or Employee has a close personal or private business relationship, to a position of any department, office, bureau or division over which they have administrative control.

2. Directors, Committee Members, and supervisory or management Employees shall not participate in the appointment or recommend the appointment of a member of their Immediate Family, or any other person with whom the Director, Committee Member, or Employee has a close personal or business relationship, to another supervisory or management position of SDCP.

3. This Policy permits Immediate Family members and close personal friends of Directors, Committee Members, or supervisory or management Employees to be appointed as Employees in any department provided such Directors, Committee Members, and supervisory or management Employees make no recommendation nor otherwise attempt no recommendation nor otherwise attempt to influence such appointments.

4. No supervisory or management Employee shall:
    a. directly supervise any Immediate Family member or person with whom the supervisor has a close personal relationship;
    b. influence the approval of any Employee rewards for any Immediate Family member or person with whom the supervisor has a close personal or business relationship;
    c. interfere with any performance evaluation or disciplinary proceeding for any Immediate Family member or person with whom the supervisor has a close personal or business relationship; or
    d. recommend or attempt to influence any contractor or business which has a business relationship with SDCP to employ a member of his or her Immediate Family or any other person with whom the Employee has a close

personal or business relationship.

Product Endorsement

1. Directors, Committee Members, and Employees, in their capacity as SDCP Directors, Committee Members, and Employees, shall not endorse a product or service or comment on that product or service if it is the intent of the solicitor of the endorsement, or of the vendor or manufacturer of that product or service, to use such comments for purposes of advertisement.

2. Directors, Committee Members, and Employees are not prohibited from responding to inquiries regarding the effectiveness of products or services used by SDCP unless the Director, Committee Member, or Employee is aware that it is the inquirer's intention to use those comments for purpose of advertisement.

Solicitation of Campaign Contributions from Employees

Directors, Committee Members, and Employees shall not, directly or indirectly, solicit a political contribution from an Employee of SDCP, with knowledge that the person from whom the contribution is solicited is an Employee of SDCP. This provision shall not prohibit a Director, Committee Member, or Employee from requesting political contributions from Employees if the solicitation is part of a solicitation made to a significant segment of the public which may include Employees of SDCP. This provision shall not prohibit a Director, Committee Member, or Employee from making a contribution.

Duty to Disclose

Employees shall immediately disclose the nature and extent of any interest, direct or indirect, which may conflict with their responsibility or duty, or which, because of their position, may influence a decision to the benefit of the organization in which they have an interest. Such disclosure shall be in the form of a memorandum to the Chief Executive Officer, transmitted via the employee's department head.

Duty to Cooperate

Employees shall cooperate fully with judicial bodies and courts, and with lawfully constituted investigative commissions, committees, bodies and juries; appear before them upon request; and answer all questions concerning their conduct in office or their performance of official duties or matters within their knowledge pertaining to the property, government or affairs of SDCP. Failure to do so shall be cause for appropriate disciplinary action, including possible dismissal from SDCP service.

RESPONSIBILITY AND PENALTIES

All SDCP Directors

1. Responsible for understanding and complying with this Policy at all times.
2. Any member of the Board of Directors found to be in violation of this Policy or who is found guilty or liable by any court of law, enforcement agency, administrative hearing officer, or public agency investigation, of violating California Government Code section 1090, the California Political Reform Act, or the regulations of the Fair Political Practices Commission, in relation to their service to SDCP, may be subject to censure by the Board of Directors, as well as removal from SDCP committees.

All SDCP Committee Members

1. Responsible for understanding and complying with this Policy at all times.
2. Any Committee Member found to be in violation of this Policy or who is found guilty or liable by any court of law, enforcement agency, administrative hearing officer, or public agency investigation, of violating California Government Code section 1090, the California Political Reform Act, or the regulations of the Fair Political Practices Commission, in relation to their service to SDCP, may be subject to censure, removal or other action deemed appropriate by the Board of Directors.
3. **All SDCP Employees**
1. Responsible for understanding and complying with this Policy at all times.
2. Employees engaging in outside employment or enterprise will provide written notice as required above and keep it up to date at all times. Such notice may be in the form contained in Attachment 1 below, or in a separate writing containing the same information. To the extent there is a change in the Employee's outside employment or enterprise, the Employee will immediately update the notice and resubmit it to their department.
3. With regard to any Employee found to be in violation of this Policy or who is found guilty or liable by any court of law, enforcement agency, administrative hearing officer, or public agency investigation, of violating California Government Code section 1090, the California Political Reform Act, or the regulations of the Fair Political Practices Commission, in relation to their service to SDCP, such Employee may be subject to appropriate disciplinary action by the Chief Executive Officer or by an authorized designee; such disciplinary action may include, but not be limited to, termination of employment.

Supervisory or Management Employees

1. Monitor to ensure Employees' compliance with this Policy.
2. Take immediate administrative action when made aware of a potential violation of this Policy.

Human Resources Department

Assist with addressing questions raised by departments and working closely with

General Counsel to provide guidance in accordance with this Policy.

SAN DIEGO COMMUNITY POWER

SAN DIEGO COMMUNITY POWER
Staff Report – Item 11

To:	San Diego Community Power Board of Directors
From:	Colin Santulli, Director of Programs Sheena Tran, Senior Program Manager
Via:	Karin Burns, Chief Executive Officer
Subject:	Request Approval of Regional Energy Network (REN) Application to California Public Utilities Commission (CPUC)
Date:	December 14, 2023

RECOMMENDATION
Approve the Regional Energy Network (REN) Application to the California Public Utilities Commission (CPUC).

BACKGROUND
One of the Programs Team's FY 2023-24 annual priorities is to lead initial steps in a regional effort to develop a REN in San Diego. The approval of a REN in San Diego by the CPUC would allow access to funds to administer and implement energy efficiency (EE) programs focused on underserved and hard-to-reach residents, businesses, and public agencies in the region. Additionally, this effort achieves several intended goals for establishing SDCP, as stated in the Joint Powers Agreement (JPA), including '[pursuing] purposeful and focused investment in communities of concern, … workforce development, and policies and programs centered on economic, environmental, and social equity.'

The energy efficiency programs offered by the RENs vary and are designed to meet the needs of its region while filling gaps and focusing on hard-to-reach customers. REN programs are intended to be complementary to IOU administered programs (regional and statewide) and coordination is required among Program Administrators to avoid customer confusion. San Diego Gas & Electric currently offers a robust EE program portfolio, with a 4-year ~$330M EE portfolio approved by the CPUC in June 2023.

SDCP Staff presented and introduced the topic of a REN in San Diego at the May 26, 2022 Board of Directors meeting as an option to access CPUC funding for customer energy programs. SDCP Staff presented and identified forming a REN as one of the FY 22-23 Programs Department priorities during the New Board of Directors Orientation meeting on January 18, 2023. SDCP Staff presented an update on the progress of the

REN formation at the February 2023 meetings of the Community Advisory Committee (CAC) and the Board of Directors. Finally, in October 2023, SDCP Staff presented a progress update to include a description of each of the draft programs, the governance structure and the draft budget to the Board of Directors.

ANALYSIS AND DISCUSSION

CPUC Application

The application submitted to the CPUC is primarily made up of two sections: Exhibit 1, the Strategic Business Plan, and Exhibit 2, the Portfolio Plan. Additional supporting information will be included with the final application such as the Statement of Qualifications, the Letter of Commitment to Cooperate Between SDCP, the County Of San Diego, and San Diego Gas & Electric (Attachment A) and letters of support (Attachment B).

Exhibit 1, the Strategic Business Plan, (Attachment C) is a comprehensive descriptive narrative for the proposed San Diego REN or SDREN. Core values, guiding principles, and desired outcomes are included. The Strategic Business Plan also includes a description of the proposed SDREN governance structure, collaborative framework and stakeholder engagement conducted. This Exhibit also includes the proposed approach to portfolio segmentation (i.e., Equity vs Market Support vs Resource Acquisition vs Codes & Standards (C&S) segments) and sectors the REN will target (i.e., Residential, Commercial, Public, Workforce, Education & Training (WE&T), and C&S). Lastly, the Strategic Business Plan includes a summary of annual portfolio budgets as well as a distribution of budgets across sectors and segments. The Strategic Business Plan includes additional pertinent information relating to the formation of SDREN, which can be found in Attachment A.

The largest section of the application is Exhibit 2, the Portfolio Plan, (Attachment D). The Portfolio Plan provides an in-depth review of the portfolio via each segment and sector of the proposed SDREN. The segmentation strategy provides a rationale for the 4-yr budget distribution, goals, desired outcomes, metrics and coordination tactics for each segment and its programs. The sector strategy provides a market characterization, goals, metrics, implementation strategies and coordination tactics for programs in each sector. The Portfolio Plan also includes detailed "program cards" that summarize detailed information and justification on each of the proposed ten SDREN programs. Additionally, the Portfolio Plan outlines expected portfolio-level cost effectiveness as well as proposed portfolio management strategies (i.e., procurement/contract management, risk distribution, continued stakeholder engagement, and portfolio coordination). Lastly, the Portfolio Plan outlines the planned Evaluation, Measurement & Verification (EM&V) activities for SDREN.

Engagement

Extensive stakeholder outreach and engagement yielded unprecedented regional support for the formation of SDREN. Staff presented SDREN formation concepts and draft program ideas in over 25 presentations to various stakeholder groups throughout the region. Stakeholders from the business groups, community organizations, environmental not-for-profit organizations, the workforce development sector and public agencies participated in engagements varying from informational webinars to interactive workshops designed to gather feedback.

The following 39 organizations have provided letters of support for the formation of SDREN:

Public Agencies:			Community Based Organizations:	Civic & Trade Associations:
City of Encinitas	City of Solana Beach	San Diego Association of Governments	GRID Alternatives	CleanTech San Diego
City of National City	City of El Cajon	SD Community College District	San Diego Foundation	SD Green Building Council
City of La Mesa	City of Carlsbad	Clean Energy Alliance	International Code Council SD Chapter	SD Workforce Partnership
City of Chula Vista	City of Oceanside	SD Air Pollution Control District	MAAC	SD Regional Chamber of Commerce
City of Imperial Beach	City of Vista	Southwestern College	Center for Community Energy	SD Regional Economic Development Corporation
City of San Diego	SDSU, Smart Grid Lab	Palomar College	SD Urban Sustainability Coalition	Local Government Sustainable Energy Coalition
			SD Green New Deal Alliance	City Heights CDC
			Urban Collaborative Project	SD Building Electrification Council
			SD Regional Climate Collaborative	Asian Business Association
			Art Produce	Small Business Utility Advocates
			Climate Action Campaign	

Staff expect to receive an additional five to ten letters of support before submitting the application, bringing the total letters of support expected to be more approximately 50.

Next Steps:
Pending Board of Directors approval, SDCP Staff will submit the complete application and supporting documents to the CPUC in January 2024. With the submittal, the CPUC will open a public evaluation process of the SDREN application including soliciting and considering public feedback on the application materials. Although no time table is currently available for the expected review time by the PUC, previous REN applications have been approved in 9-12 months.

COMITTEE REVIEW

Staff presented SDREN draft programs and governance at the September 14, 2023, meeting of the CAC. Staff discussed SDREN draft programs, governance and budget with the CAC Programs Ad-Hoc Committee on September 6, 2023, and October 5, 2023.

FISCAL IMPACT

Were it to be approved by the CPUC, all SDREN activities are cost recoverable. SDCP staff time contributing to SDREN management is reimbursable by the CPUC.

ATTACHMENTS

Attachment A: Letter of Commitment to Cooperate Between San Diego Community Power, County Of San Diego, and San Diego Gas & Electric Company
Attachment B: Letters of Support
Attachment C: Exhibit 1, Strategic Business Plan
Attachment D: Exhibit 2, Portfolio Plan

REGIONAL ENERGY NETWORK

LETTER OF COMMITMENT TO COOPERATE
BETWEEN
SAN DIEGO COMMUNITY POWER, COUNTY OF SAN DIEGO, AND
SAN DIEGO GAS & ELECTRIC COMPANY

In the matter of forming and administering the San Diego Regional Energy Network ("SDREN"), San Diego Community Power ("SDCP") and the County of San Diego submits this **Letter of Commitment to Cooperate** in conjunction with its submittal of the SDREN Energy Efficiency Strategic Business Plan and Portfolio Plan Proposal Application to the California Public Utilities Commission ("CPUC" or "Commission") expected on or around December 22, 2023.

BACKGROUND
Decision ("D.") 19-12-021, authorized the continued operation of all existing Regional Energy Networks ("RENs") and invited proposals for new RENs to be filed with the Commission via a motion in the open energy efficiency rulemaking, if they **meet certain additional requirements as defined in the Decision.** The additional requirements for new RENs are as follows:

1. RENs will be required to demonstrate unique value in achieving state goals;
2. RENs will represent more than one local government entity;
3. RENs will coordinate with existing program administrators in their geographic area prior to filing their business plans;
4. RENs must vet their proposal with stakeholders through the California Energy Efficiency Coordinating Committee ("CAEECC");
5. RENs must explain their REN governance structure in their business plan filing;
6. RENs must provide an estimate of benefits and costs according to the Total Resource Cost and Program Administrator Cost Tests;
7. RENs must provide a proposed set of energy savings targets;
8. RENs must provide a proposed set of goals and metrics.

DISCUSSION
SDREN's proposed territory overlaps with almost all of the geographic area served by San Diego Gas & Electric Company ("SDG&E"), an investor-owned utility ("IOU"), with the exception of SDG&E customers who reside in South Orange County. Pursuant to Ordering Paragraph ("OP) 2 of D.19-12-021 ("Decision"), this Letter of Commitment to Cooperate highlights the coordination and cooperation between SDCP, the Portfolio Administrator[1] of the proposed SDREN, and SDG&E. Specifically, the intention of the Letter of Commitment to Cooperate, as described in D.19-12-021 is, "to the extent possible, for new RENs, [work out] coordination and

[1] D. 23-06-055 (p.3): "In the past, the Commission has used the abbreviation "PAs" to refer to "program administrators." However, as much of the portfolio has transitioned to being third-party designed and delivered, in this decision we are moving to the use of the term "portfolio administrator," but using the same "PA" abbreviation."

overlap issues [ ] ahead of the Commission's consideration of the new REN business plan, instead of negotiated after a REN is approved."[2]

In compliance with D.23-06-055[3] and to lay a sound foundation for effective long-term cooperation and coordination, SDCP and SDG&E have participated in several coordination discussions while SDCP has prepared the 2024-2027 SDREN Portfolio Application. The parties agree to engage in ongoing coordination and cooperation on key aspects of their services, to include:

- **Joint Cooperation Memo** – Pursuant to OP 3 of D.19-12-021 and OP 35 of D.23-06-055, the parties expect to develop and execute a Joint Cooperation Memo ("JCM"). Upon approval, SDREN and SDG&E commit to cooperate and work together, to complete the SDREN program parameters and coordination details so that the parties can submit the required Joint Cooperation Memo.

- **Programs** - SDREN and SDG&E will coordinate to ensure there are no conflicts in program offerings should the SDREN be approved by the CPUC. SDREN commits to coordinate with SDG&E and its associated third-party implementers where complementary services are offered by SDREN on an ongoing basis as program offerings change and develop over time.

- **Data** - Coordination of data collection will include identifying data to be collected, methodologies for collection, and data sharing, to be further defined in the JCM.

- **Fiscal** - As specified in Conclusion of Law 13 of D.23-06-055, SDG&E's role as a fiscal agent for SDREN, as a REN operating within SDG&E's territory, will be limited to collecting and disbursing funds under the direction of the Commission and does not include any compliance or monitoring functions or obligations.

Program Coordination Sectors
SDREN and SDG&E will coordinate on the following:

- Workforce Education & Training
- Codes & Standards
- Commercial Sector Programs
- Residential Sector Programs
- Public Sector Programs

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[2] D.19-12-021 at 23.
[3] D. 23-06-055 P. 89: "..., we expect programs offered by different PAs will not significantly overlap, except for programs intended to serve hard-to reach customers. We maintain a preference for PAs to work collaboratively not only to minimize duplication in non-hard-to-reach customer populations but importantly to strive toward effective regional strategies and complementary program offerings; to be clear, PAs should communicate regularly in the course of administering their portfolios and preparing applications for future cycles…"

[Signatures on the following page]

SIGNATURE PAGE TO

LETTER OF COMMITMENT TO COOPERATE
BETWEEN
SAN DIEGO COMMUNITY POWER, COUNTY OF SAN DIEGO,
AND
SAN DIEGO GAS & ELECTRIC COMPANY

IN WITNESS WHEREOF, the Parties hereto have made and executed this Letter of Commitment to Cooperate as of the date written below.

On behalf of San Diego Community Power (SDCP):

By: Colin Santulli (Dec 4, 2023 11:33 PST) Date: 12/4/2023

Name, Title: Colin Santulli, Director of Programs

On behalf of County of San Diego:

By: ______________________ Date: 12/04/23

Name, Title: Eden Brukman, Chief Sustainability Officer

On behalf of San Diego Gas & Electric Company:

By: Hollie Bierman (Dec 4, 2023 18:13 PST) Date: 12/4/23

Name, Title: Hollie Bierman, Director, Customer Programs

CLEAN ENERGY ALLIANCE

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of Clean Energy Alliance (CEA), I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

CEA is a Joint Powers Authority operating a community choice aggregation in the cities of Carlsbad, Del Mar, Escondido, Oceanside, San Marcos, Solana Beach and Vista. CEA has a history of supporting energy efficiency (EE) programs that achieve energy savings and deliver other benefits that contribute to a more resilient economy for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. CEA is pleased to be a member of the inaugural SDREN Advisory Committee to provide advisement on program outreach and enrollment, feedback on program evaluation, and recommend program improvements.

SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. CEA recognizes there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Barbara Boswell

Barbara Boswell
Chief Executive Officer
Clean Energy Alliance

CC:

Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

5857 Owens Ave, 3rd Floor | Carlsbad, CA | 760-209-6177
TheCleanEnergyAlliance.org

November 3, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of Climate Action Campaign, I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

As a non-profit organization with a mission to create a zero carbon future through effective and equitable policy action, Climate Action Campaign has a history of supporting energy efficiency (EE) programs that achieve energy savings and deliver other benefits that contribute to a more resilient economy for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. Climate Action Campaign would be pleased to be a member of the inaugural SDREN Advisory Committee to provide advisement on program outreach and enrollment, feedback on program evaluation, and recommend program improvements. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. Working closely with both SDCP and the County since Climate Action Campaign was founded, we are confident SDREN will provide successful and equitable programming.

Climate Action Campaign recognizes there are significant gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address significant unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Nicole Capretz
Founder and Chief Executive Officer
Climate Action Campaign

CC:

Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

Administrative Offices
1355 Third Avenue
Chula Vista, CA 91911
(619) 426-3595

North Campus
956 Vale Terrace Drive
Vista, CA 92084
(760) 471-4210

www.MAACproject.org

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of MAAC, I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

MAAC is a leading provider of comprehensive social services in San Diego County and provides life-changing services to nearly 100,000 individuals every year. We create healthier and stronger communities by providing a space where individuals and families can find means to self-sufficiency, through advocacy and access to high-quality programs in five key areas of focus: Housing, Economic Development, Education, Health & Well-being, and Advocacy & Leadership Development. Collaboration with community partners ensures MAAC remains on the forefront of the community's ever-changing needs.

MAAC recently worked with SDCP on the development of its five-year strategic plan for customer programs, known as the Community Power Plan. Energy efficiency (EE) programs were identified as a priority in the plan to achieve energy savings and deliver other benefits that contribute to a more resilient economy for San Diego County. We heard firsthand from our communities that there is a great need for program opportunities that focus on the goals of broad participation, customer equity, and increased energy affordability.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. MAAC is pleased to be a member of the inaugural SDREN Advisory Committee to provide advisement on program outreach and enrollment, feedback on program evaluation, and recommend program improvements.

SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. MAAC recognizes there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE

Administrative Offices
1355 Third Avenue
Chula Vista, CA 91911
(619) 426-3595

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956 Vale Terrace Drive
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(760) 471-4210

www.MAACproject.org

program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the CPUC to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Arnulfo Manriquez
President & CEO
MAAC

CC:

Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

November 21, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

Subject: Support for San Diego Regional Energy Network (SDREN) Application to California Public Utilities Commission (CPUC)

Dear CPUC President Reynolds:

The San Diego Association of Governments (SANDAG) is pleased to support the proposed San Diego Regional Energy Network (SDREN) and its 2024-2031 Strategic Business Plan.

SANDAG has a history of supporting Energy Efficiency (EE) programs that achieve energy savings, reduce greenhouse gas emissions, and deliver other benefits that contribute to a more resilient economy for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego Office of Sustainability and Environmental Justice (OSEJ), with SDCP as the program lead. SANDAG is pleased to be a member of the inaugural SDREN Advisory Committee to provide advisement on program outreach and enrollment, feedback on program evaluation, and recommend program improvements.

The SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. SANDAG recognizes that there are gaps in current regional EE programs and services. The SDREN will address unmet needs by expanding EE program participation and benefits in our communities. We are excited to continue our collaboration on this very important initiative and urge the CPUC to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Thank you for considering this request.

Sincerely,

Coleen

COLEEN CLEMENTSON
Deputy Chief Executive Officer
CC:

Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

SAN DIEGO GREEN BUILDING COUNCIL

November 7, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of the San Diego Green Building Council (SDGBC), I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

San Diego Green Building Council is a community benefit nonprofit whose mission is to inspire, educate and collaborate within our community to transform our built environment toward true sustainability. We do this through our four focus areas, equity, decarbonization, health & wellness and water reuse. SDGBC has a history of supporting energy efficiency (EE) programs that achieve energy savings, and deliver other benefits that contribute to a more resilient economy for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDGBC is pleased to be a member of the inaugural SDREN Advisory Committee to provide advisement on program outreach and enrollment, feedback on program evaluation, and recommend program improvements.

SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. SDGBC recognizes there are significant gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address significant unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Colleen FitzSimons
Executive Director
San Diego Green Building Council

CC:
Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

December 1st, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of the San Diego Regional Climate Collaborative (SDRCC) I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

SDRCC has a history of supporting energy efficiency (EE) programs that achieve energy savings, and deliver other benefits that contribute to a more resilient economy for San Diego County for more than a decade. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability. Since its inception in 2011, SDRCC has worked to support our members to advance climate change solutions that mitigate greenhouse gas emissions and adapt to the effects of climate change – including both SDCP and the County of San Diego.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDRCC is pleased to be a member of the inaugural SDREN Advisory Committee to provide advisement on program outreach and enrollment, feedback on program evaluation, and recommend program improvements.

SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. The San Diego Regional Climate Collaborative recognizes there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities, and we look forward to supporting the implementation of these programs.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Darbi Berry

Darbi Berry
Director
The San Diego Regional Climate Collaborative

CC:

Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

San Diego County
Air Pollution
Control District

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of the San Diego County Air Pollution Control District (SDAPCD), I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

Energy efficiency (EE) programs support SDAPCD's mission to improve air quality to protect public health and the environment by ensuring that the region uses energy wisely, minimizing air pollution associated with energy generation. SDAPCD has a history of supporting equitable programs that achieve energy savings, reduce emissions, and deliver other benefits that contribute to a more resilient economy for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability.

SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. SDAPCD recognizes there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

K. Keehan

Kathleen Keehan
Chief, Emission Reduction Strategies

CC:
Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

Art Produce
CULTURE + COMMUNITY

October 25, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of Art Produce, I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN). Art Produce is a community based non-profit cultural center located in the busy urban commercial district of North Park in San Diego. We recently worked with SDCP on the development of its five-year strategic plan for customer programs, known as the Community Power Plan. Energy efficiency (EE) programs were identified as a priority in the plan to achieve energy savings and deliver other benefits that contribute to a more resilient economy for San Diego County. We heard firsthand from our communities that there is a great need for program opportunities that focus on the goals of broad participation, customer equity, and increased energy affordability.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. Art Produce recognizes there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the CPUC to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Lynn Susholtz
Art Produce, Founder/Executive Director

CC:

Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

ABASD | ASIAN BUSINESS ASSOCIATION

December 7, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of the Asian Business Association of San Diego, I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

Today, there are over 9,000 API-owned businesses in San Diego County, and approximately 24,692 self-employed Asian and Pacific Islander residents in the County. Based on our research we found that in 2021, API-owned businesses are generated $5 billion in regional economic impact, a significant figure that underscores the sales activity and revenue from these businesses. The Asian Business Association of San Diego is supportive of energy efficiency (EE) programs that achieve energy savings, and deliver other benefits that contribute to a more resilient economy for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. The City of San Diego recognizes there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Respectfully,

Jason Paguio
President & CEO

CC:
Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

7675 Dagget Street Ste 340 San Diego CA 92111
www. ABASD.org (619) 277-2822

City of Carlsbad

November 13, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of the City of Carlsbad, I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

The City of Carlsbad has a long history of supporting energy efficiency (EE) programs that achieve energy savings and deliver other benefits that contribute to a more resilient economy for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability. In 2019, the city adopted its first reach code which incorporated deep EE measures into new construction and major renovations. The city also continues to implement its Climate Action Plan, which is currently being updated, to promote EE programs that a REN would greatly support.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. The City of Carlsbad recognizes there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Keith Blackburn, Mayor
City of Carlsbad

City of Carlsbad City Council
City Hall 1200 Carlsbad Village Drive | Carlsbad, CA 92008 | 442-339-2820 t

CC:
Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

CENTER FOR COMMUNITY ENERGY

November 15, 2023

To: President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

Re: **SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION**

Dear CPUC President Reynolds:

On behalf of the Center for Community Energy (CCE), I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

The Center for Community Energy was formed to promote energy efficiency (EE) and distributed energy resource programs that achieve energy savings and deliver other benefits that contribute to a more resilient economy for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability.

Last year the CCE conducted a study for San Diego County on promoting heat pump water heaters to the owners of multi-unit housing. One of the issues we identified was the lack of a local REN to provide the kind of support and guidance a REN can provide in this kind of task. Creating or joining a REN was one of the recommendations in our report: Eliminating Gas Hot Water Heaters From Multi-tenant Housing .

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions.

The Center for Community Energy recognizes there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Jose Torre-Bueno, PhD
Executive Director
Center for Community Energy

CC:

Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

CITY HEIGHTS
COMMUNITY DEVELOPMENT

4001 EL CAJON BLVD. SUITE 205.
SAN DIEGO, CA 92105
619-584-1535
WWW.CITYHEIGHTSCDC.ORG

November 20, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds,

On behalf of City Heights Community Development Corporation, I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN). For over 40 years, CHCDC has served the City Heights community implementing a variety of programs and projects for city planning, economic development, and resident services. CHCDC has been at the forefront, uplifting community priorities and connecting community members to actively participate in policy and land use planning processes. City Heights Community Development Corporation has a history of supporting energy efficiency (EE) programs that achieve energy savings and deliver other benefits that contribute to a more resilient economy for San Diego County. In San Diego there is a need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. City Heights Community Development Corporation recognizes there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Rosa Olascoaga Vidal

Rosa Olascoaga Vidal
Director of Policy
City Heights Community Development

City of Imperial Beach, California
OFFICE OF THE CITY MANAGER
825 Imperial Beach Blvd., Imperial Beach, CA 91932 Tel: (619) 423-8615 Fax: (619) 628-1395

October 26, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: CITY OF IMPERIAL BEACH SUPPORT FOR THE SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

The City of Imperial Beach is pleased to support the creation of the proposed San Diego Regional Energy Network (SDREN).
The City of Imperial Beach has a long history of supporting energy efficiency (EE) programs that achieve energy saving and deliver other benefits that contribute to a more resilient economy for the San Diego region. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. Imperial Beach recognizes there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Tyler Foltz

Tyler Foltz
City Manager
City of Imperial Beach, CA

CC: Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

CALIFORNIA
NATIONAL CITY
1887
INCORPORATED

December 6, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of the City of National City, I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

National City is supportive of energy efficiency (EE) programs that achieve energy savings and deliver other benefits that contribute to a more resilient economy for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse Countywide perspectives that will catalyze and deliver impactful, community-led solutions. The City of National City recognizes there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Benjamin A. Martinez
City Manager

CC: Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

Office of the City Manager
1243 National City Boulevard, National City, CA 91950-4397
619-336-4240 www.nationalcityca.gov

THE CITY OF SAN DIEGO

TODD GLORIA

MAYOR

November 30, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of the City of San Diego, I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

The City of San Diego has a long history of supporting energy efficiency (EE) programs that provide our residents with financial savings while delivering many other benefits that contribute to a higher quality of life and more resilient economy. As the City works to deliver on ambitious climate action goals and provide relief for residents facing high energy rates, there is a great need for the new EE program opportunities that SDREN proposes. We particularly appreciate the focus on broad participation, customer equity, and increased energy affordability.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. The City of

San Diego recognizes there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

TODD GLORIA
Mayor
City of San Diego

SEAN ELO-RIVERA
City Council President
City of San Diego

JOE LaCAVA
City Councilmember
City of San Diego

CC:

Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

CITY OF CHULA VISTA **Office of the City Manager**

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

November 30, 2023

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of the City of Chula Vista, I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN). The City of Chula Vista has a long history of supporting energy efficiency programs that achieve energy savings and deliver other benefits that contribute to a more resilient economy for San Diego County.

Chula Vista's previous 14-year Local Government Partnership with San Diego Gas and Electric allowed City staff to create programs to utilize California Public Utilities Commission funding in support of state goals in our community and in our municipal operations. Those funds allowed the City to offer a variety of programs including our Free Resource and Energy Business Evaluation, creation of the Chula Vista Climate Equity Index, development of the Chula Vista Climate Action Challenge, support for an Energy Code Coach for our Sustainable Communities program, contractor assistance to develop energy reach codes and even retro-commissioning of city facilities, to name just a few. Since the LGP ended in December 2020, it is obvious there is a great need for new program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity and increased energy affordability – programming that is lacking in our community and region.

My understanding is the SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Eric C. Crockett
Deputy City Manager
City of Chula Vista

cleantech
SAN DIEGO

401 WEST A STREET
SUITE 200
SAN DIEGO, CA 92101
858-568-7777

cleantechsandiego.org

MISSION:
To accelerate clean technology innovation and promote the equitable deployment of sustainable solutions across the San Diego region for the benefit of the economy, the environment, and all members of the community.

October 25, 2023

Ms. Alice Reynolds
President, California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

Re: Support for the San Diego Regional Energy Network's (SDREN) 2024-2031 Strategic Business Plan Application

Dear President Reynolds:

On behalf of Cleantech San Diego, I am pleased to provide this letter of support for the establishment of the San Diego Regional Energy Network (SDREN). The proposed SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator.

Cleantech San Diego is a member-based business organization founded in 2006 that positions the San Diego region as a leader in the cleantech economy by fostering collaborations across the private-public-academic landscape, engaging in advocacy efforts to promote cleantech priorities, supporting energy entrepreneurs through the Southern California Energy Innovation Network, and encouraging more equitable investment across the San Diego region.

As part of the SDREN, it is our hope that the program administrators will look to San Diego-based businesses to help meet its energy efficiency goals. In 2016, Cleantech San Diego launched the Southern California Energy Innovation Network with support from the California Energy Commission. The program provides free resources through a consortium of regional partner organizations to help energy entrepreneurs successfully bring their innovations to market. Many of the companies we work with offer energy efficiency solutions. By partnering with these companies and supporting their entry into the market, the SDREN will provide energy efficiency solutions that help customers reduce their energy consumption while supporting local companies.

Thank you in advance for your support.

Sincerely,

Jason Anderson
President and CEO
Cleantech San Diego

County of San Diego

OFFICE OF SUSTAINABILITY AND ENVIRONMENTAL JUSTICE
5500 OVERLAND AVENUE, SAN DIEGO, CA 92123
(858) 694–3030
www.sandiegocounty.gov/osej

EDEN BRUKMAN
CHIEF SUSTAINABILITY OFFICER
(619) 782 – 8261

September 27, 2023

Karin Burns
Chief Executive Officer
San Diego Community Power
815 E Street Suite 12716
San Diego, CA 92112

SUBJECT: LETTER OF SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK

To Karin Burns,

On behalf of the County of San Diego (County), I am pleased to commit our support for the motion that will be filed by San Diego Community Power (SDCP) with the California Public Utilities Commission (CPUC) to create a San Diego Regional Energy Network (SDREN) that will list SDCP as the lead applicant and administrator.

The County's Office of Sustainability and Environmental Justice (OSEJ) serves as a central point for the County to shepherd collaborative sustainability solutions that are equitable, cost-effective, and feasible. We strive to reduce disparities and expand opportunities in traditionally underserved communities while working to achieve zero carbon emissions and safeguard the health of the San Diego region's people and natural resources. We champion regional initiatives, such as the County's Regional Decarbonization Framework (RDF)—a community-informed effort that is well-aligned with the goals of a Regional Energy Network in the San Diego region.

RENs require two public agencies as part of the governance structure. SDCP will serve as one agency; it will be the lead Program Administrator and manage all fiscal, regulatory, procurement, and administrative responsibilities; and serve on the Executive Committee. The County will serve as the second public agency; act as a thought partner for the ideation of program content; collaborate on initial development of the Business Plan; and serve on the Executive Committee. Through the County's role, we would also participate in an SDREN Advisory Committee which would be composed of local and regional government representatives, along with representatives from community-based organizations, who will provide feedback to guide and advise SDREN on program outreach and enrollment, program evaluation reports, and program improvement recommendations.

We look forward to the partnership with SDCP and the opportunity to shape the development of energy efficiency programs for residents and business across the region. If you have any questions, please contact me or Brenda Garcia Millan, OSEJ's Group Program Manager and primary point of contact for the SDREN process and program, at 619-753-2523 or via email at BrendaG.GarciaMillan@sdcounty.ca.gov.

Sincerely,

Eden Brukman
Chief Sustainability Officer
eden.brukman@sdcounty.ca.gov | 619-782-8261

CC: Colin Santulli, San Diego Community Power
Sheena Tran, San Diego Community Power

The Valley of Opportunity

Incorporated 1912

Community Development

November 22, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of the City of El Cajon, I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

The City of El Cajon supports energy efficiency (EE) programs that achieve energy and cost savings to businesses and households, especially those most impacted by the high cost of energy. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. The City of El Cajon understands there are gaps in the current EE programs and services that are offered in the San Diego region. We are confident that the proposed SDREN will fill these gaps and effectively address unmet EE program needs through significantly expanding participation and benefits in all of the region's communities.

Therefore, the City of El Cajon believes that this is an important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Anthony Shute, AICP
Director of Community Development
City of El Cajon

cc: Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

City of Encinitas

November 20, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of the City of Encinitas, I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

The City of Encinitas has a long history of supporting sustainability and energy efficiency (EE) programs and projects that achieve energy savings and deliver other benefits that contribute to a more resilient climate for San Diego County. However, there is a great need for new EE program opportunities in the region. The development of SDREN would foster broad participation in new EE programs, generate customer equity, and increase access to affordable energy.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. City of Encinitas recognizes there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet needs by significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

DocuSigned by:
Pamela Antil
375134745D1849B...

Pamela Antil
City Manager

CC: Kellie Shay Hinze, Council Member, SDCP Board Member
Kerry Kusiak, Development Services Director
Crystal Najera, Sustainability Manager

GRID ALTERNATIVES San Diego

November 9, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of GRID Alternatives San Diego, I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN). GRID's mission is to build community-powered solutions to advance economic and environmental justice through renewable energy. GRID bridges the clean energy divide, bringing renewable energy to communities of concern and training the green workforce of tomorrow through its residential and commercial solar and battery installations, workforce development, and clean mobility programs. Since opening in 2008, GRID San Diego has installed solar systems that will eliminate over 92,000 tons of carbon over the systems' life - equivalent in impact to planting 2.1 million trees, resulting in an estimated total client savings of $46 million. These projects also provided the venue for over 21,000 hours of hands-on experience. GRID San Diego has a history of supporting energy efficiency (EE) programs that achieve energy savings and deliver other benefits that contribute to a more resilient economy for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. GRID San Diego recognizes there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Paul Cleary
Executive Director

cc:
Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

GRID Alternatives San Diego
930 Gateway Center Way
San Diego, CA 92102
O 619.239.4743
F 619.923.3361
E infosd@gridalternatives.org
W gridalternatives.org

International Code Council
San Diego Area Chapter

Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, El Centro, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego City, San Diego County, San Marcos, Santee, Solana Beach, Vista

San Diego Area Chapter
International Code Council

Established 1958
www.iccsdchapter.org

4231 Balboa 257
San Diego, CA 92117

December 4, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of **San Diego Area Chapter of ICC**, I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN). The San Diego Area Chapter of ICC is a member organization representing Building Officials serving 21 jurisdictions within San Diego County.

The mission of the San Diego Area Chapter of ICC is to:

- Promote uniformity and consistency in the application of the building codes; and
- Promote public health and safety through education and training programs and active participation in the code development process; and
- Promote public awareness of the important role that building department services play in contributing to the quality of life in the San Diego Region

This mission contributes to a healthier, safer and more resilient building infrastructure and economy for San Diego County. There is a great need for the new Codes and Standards programs that SDREN proposes that are focused on the goals of broad participation, customer equity, and education.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Julissa Garcia, CID
Acting President
The San Diego Area Chapter of ICC

CC:

Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

CITY OF
LA MESA
JEWEL of the HILLS

October 25, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of the City of La Mesa, I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

City of La Mesa has a long history of supporting energy efficiency (EE) programs that achieve energy savings, and deliver other benefits that contribute to a more resilient economy for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability. This would support the City's Climate Action Plan (CAP) measures to reduce community wide greenhouse gas emissions and reach CAP goals.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. City of La Mesa recognizes there are significant gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address significant unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Greg Humora
City Manager
City of La Mesa

CC:

Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

LOCAL GOVERNMENT SUSTAINABLE ENERGY COALITION

520 Capitol Mall, Suite 440
Sacramento, California 95814

November 20, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear President Reynolds:

On behalf of The Local Government Sustainable Energy Coalition (LGSEC), I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

LGSEC has a long history of supporting energy efficiency (EE) programs that achieve energy savings, and deliver other benefits that contribute to a more resilient economy for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability. LGSEC has been an influential stakeholder in the creation of Regional Energy Networks and in supporting local governments in shaping California's clean energy future.

The SDREN will be administered by San Diego Community Power (SDCP) with support from the County of San Diego. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. LGSEC recognizes the San Diego region has significant opportunities to more deeply serve local governments and their communities with EE programs and services. We are confident that the proposed SDREN will fill gaps in current EE programs and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration with SDCP on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Kelsey Wolf-Cloud
Climate and Energy Project Manager
CivicWell

CC:

Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

CITY OF
OCEANSIDE
Planning Division

City of Oceanside

DATE: November 15, 2023
TO: President Alice Busching Reynolds, California Public Utilities Commission
FROM: Russ Cunningham, AICP, Principal Planner
SUBJECT: SDREN Strategic Business Plan Application

On behalf of the City of Oceanside, I'm pleased to offer this letter of support for the establishment of the San Diego Regional Energy Network (SDREN). As part of our City's climate mitigation efforts, we have learned about the impressive work being done by RENs in other parts of California and welcome the chance to collaboratively pursue similar efforts in the San Diego region.

The City of Oceanside has consistently supported energy efficiency (EE) programs promulgated by SDG&E, SANDAG, and other entities in the San Diego region, with an understanding that such programs provide a range of benefits to residents, businesses, and local governments. The City's Climate Action Plan and Energy and Climate Action Element promote energy efficiency citywide, and the City has implemented a wide range of projects and programs that reduce energy consumption and GHG emissions in municipal operations. The City has implemented methane cogeneration at its wastewater treatment plant, installed solar PV at several City-owned properties, conducted several energy efficiency retrofits at City Hall and other City facilities, and converted all street lights to LED. We look forward to working with SDREN to build upon these accomplishments and extend opportunities for energy efficiency and independence to all segments of the community.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will assemble diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions, bridging gaps in current EE programs and services and thereby significantly expanding EE program participation and benefits in the San Diego region.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Russ Cunningham, AICP
rcunningham@oceansideca.org
760-435-3525

PALOMAR COLLEGE®
Learning for Success
1140 West Mission Road, San Marcos, California 92069-1487 • 760-744-1150 • www.palomar.edu

Star Rivera-Lacey, Ph.D.
Superintendent/President

Office of the President

November 21, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of Palomar College, I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

Palomar College, a federally-designated Hispanic Serving Institution, has a history of supporting energy efficiency (EE) programs that achieve energy savings, and deliver other benefits that contribute to a more resilient economy for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability. Palomar College has recently launched a Heavy/Moderate Zero Emissions Vehicle Technologies Program and added EV Charging Infrastructure to its Transportation programs, and is partnering with North County Transit District on multiple training opportunities.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. Palomar College recognizes there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Star Rivera-Lacey (Nov 16, 2023 14:34 PST)

Star Rivera-Lacey, Ph.D.
Superintendent/President
Palomar Community College District
1140 W Mission Road
San Marcos, CA 92069

2508 Historic Decatur Rd.
Ste. 200
San Diego, CA 92106
SDFoundation.org
619 235 2300

November 15, 2024

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of San Diego Foundation, I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

As our region's largest community foundation, the San Diego Foundation supports and facilitates action on issues affecting the quality of life for our region's diverse communities – including climate change. Since the establishment of our Climate Initiative in 2006, we have partnered with all 19 local governments and other public organizations throughout the region to catalyze regional action to reduce emissions and prepare our communities for the local impacts of climate change.

San Diego Foundation has a history of supporting energy efficiency (EE) programs that achieve energy savings and deliver other benefits that contribute to a more resilient economy for San Diego County. In March 2023, San Diego Foundation collaborated with San Diego Community Power (SDCP) to launch its community grant program called the *Community Clean Energy Innovations* grant program. Through this program, we supported local clean energy projects and programs that provided economic, environmental, health, and community benefits.

There is a great need for the new EE program opportunities SDREN is proposing that are focused on the goals of broad participation, customer equity, and increased energy affordability. The SDREN will be administered by SDCP and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. San Diego Foundation recognizes there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Pamela Gray Payton
Vice President, Chief Impact and Partnerships Officer
San Diego Foundation

CC:

Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

San Diego Regional Chamber

402 West Broadway, Suite 1000
San Diego, CA 92101-3585
p: 619.544.1300
www.sdchamber.org

November 21, 2023

Alice Busching Reynolds
President
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Subject: San Diego Regional Energy Network (SDREN) 2024-2031 Strategic Business Plan Application – SUPPORT

Dear President Reynolds,

The San Diego Regional Chamber of Commerce (Chamber) respectfully requests the California Public Utilities Commission's (CPUC) approval of the San Diego Regional Energy Network (SDREN) and their 2024-2031 Strategic Business Plan Application.

As the largest local chamber on the west coast representing approximately 2,500 members and an estimated 300,000 jobs across the region, we are committed to making San Diego the best place to work and live. The Chamber's policy priorities include considering cost-effective ways to reduce greenhouse gas emissions, improving the reliability and safety of the energy grid, and minimizing power rates. The Chamber is pleased to support the San Diego Regional Energy Network proposal.

There is a great need for energy efficiency and affordability programs as San Diego County, and the eighteen cities within the County, strive to meet ambitious climate goals without negatively impacting ratepayers. The SDREN will provide numerous benefits to ratepayers within the San Diego region by stimulating the local economy thanks to job creation, funding infrastructure investments, and provide cost saving programs while increasing energy affordability. Additionally, the SDREN will promote energy efficiency and invest in critically needed grid modernization.

For these reasons, the Chamber is proud to support the SDREN proposal with San Diego Community Power and the County of San Diego's Office of Sustainability and Environmental Justice governing and administering the program. We stand ready to continue our collaboration with local organizations and businesses on this important initiative and kindly request the authorize the SDREN and their 2024-2031 Strategic Business Plan Application. Should you have any questions, please do not hesitate to contact Lauren Cazares, Policy Advisor, at lcazares@sdchamber.org.

Sincerely,

Jerry Sanders
President & CEO
San Diego Regional Chamber of Commerce

CC:

Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

SAN DIEGO URBAN SUSTAINABILITY COALITION

November 30, 2003

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of San Diego Urban Sustainability Coalition, I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

San Diego Community Power has a history of supporting energy efficiency (EE) programs that achieve energy savings and deliver other benefits that contribute to a more resilient economy for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. The San Diego Urban Sustainability Coalition recognizes there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

www.sduscc.org 342 Euclid Ave Ste 406 # 404 San Diego CA 92114 (619) 616-5890

SAN DIEGO URBAN SUSTAINABILITY COALITION

Eddie Price
Executive Director
San Diego Urban Sustainability Coalition

SAN DIEGO COMMUNITY COLLEGE DISTRICT
CITY COLLEGE • MESA COLLEGE • MIRAMAR COLLEGE • COLLEGE OF CONTINUING EDUCATION
Operations, Enterprise Services, and Facilities

November 07, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of the San Diego Community College District (SDCCD), I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

The San Diego Community College District serves approximately 100,000 students annually in its four colleges: San Diego City, Mesa, Miramar, and Continuing Education. The SDCCD has a history of supporting energy efficiency (EE) programs that achieve energy savings and deliver other benefits that contribute to a more resilient economy for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego, with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. The SDCCD recognizes that there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE program needs by significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Joel Peterson
Chief Operations Officer
San Diego Community College District

CC:

Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

November 22, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of The San Diego Green New Deal Alliance, we would like to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

The San Diego Green New Deal Alliance supports programs that contribute to a more resilient and just economy for San Diego County, including energy efficiency (EE) programs that achieve energy savings. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. The San Diego Green New Deal Alliance recognizes there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Ali Mariko Dressel, Chair,
San Diego Green New Deal Alliance

CC:

Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

SAN DIEGO REGIONAL EDC

1100 Market Street, Suite 438
San Diego, CA 92101
p. 619.234.8484
sandiegobusiness.org

November 28, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of San Diego Regional EDC (EDC), I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

EDC is an independently funded non-profit organization working to grow San Diego's economy. With investment from nearly 200 companies, public agencies, and private organizations, we are able to provide direct services to help companies grow and lead initiatives to enhance the region's competitiveness. EDC understands the importance of supporting energy efficiency (EE) programs that achieve energy savings and deliver other benefits that contribute to a more resilient economy for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. EDC recognizes there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this important initiative and recommend that the California Public Utilities Commission authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Mark Cafferty
President & CEO

San Diego
Workforce
Partnership

October 23, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of San Diego Workforce Partnership, I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

San Diego Workforce Partnership operates programs to prepare workers for occupations in the energy, construction and utilities sector. San Diego Workforce Partnership supports programs that create more jobs in the energy efficiency (EE) sector and help create a more resilient economy for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. San Diego Workforce Partnership recognizes there are significant gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address significant unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities, including creating jobs for communities that face barriers to employment, career advancement and quality jobs.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Tony Young
Interim President & CEO
San Diego Workforce Partnership

CC:
Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

SAN DIEGO BUILDING
ELECTRIFICATION COALITION

27 October 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of the San Diego Building Electrification Coalition (SDBEC) and the undersigned member organizations, we are pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

SDBEC is an alliance of nearly 40 community, business, faith, justice, and environmental organizations coming together to accelerate electrification in residential and commercial buildings. Building electrification is essential to meeting California and San Diego's ambitious climate goals by reducing greenhouse gas emissions, improving air quality in our homes and buildings, and protecting public health.

We support energy efficiency (EE) programs that achieve energy savings, and deliver other benefits that contribute to a more resilient economy for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability. We hope to see EE programs that also support building electrification.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions.

SDBEC recognizes there are significant gaps in the current EE programs and services that are offered in our region. We believe that the proposed SDREN will fill these gaps in current EE programs and effectively address significant unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Kelly Lyndon Co-Chair San Diego Building Electrification Coalition	Colleen FitzSimons Executive Director San Diego Green Building Council	Tanish-Jean Martin Climate Community Director San Diego Urban Sustainability Coalition
Jim Miller Vice President AFT 1931	Ann Feeney Co-chair Building Electrification San Diego 350	Serena Pelka Policy Advocate Climate Action Campaign
Susan Wayo Board Member & Secretary Center for Community Energy	Amy Steward Executive Director Emerald Keepers	Marian Sedio Board Member North County Climate Change Alliance
Sean Armstrong Managing Principal Redwood Energy	Adria Fox Managing Director C4GS-ZEDlife	Leslie Gomez San Diego Climate Reality Project

American Institute of Architects San Diego	Cooper Marcus CEO and Chief Quitter QuitCarbon	Lucero Sanchez Community Policy Coordinator San Diego Coastkeeper
Alicia Nichols Gonzalez Mothers Out Front Organizing Manager, California	Chef Christopher Galarza, Founder Culinary Sustainability Consultant Forward Dining Solutions LLC.	Joy Frew Co-founder Fallbrook Climate Action Team
Jean Huy Managing Director Viet Vote SD	Rhea and Armin Kuhlman Co-Chair, Climate Justice Team First Unitarian Universalist Church of San Diego	Sister Maria A. Muhammad CEO I Am Green, Inc.
Adam Aron Green New Deal at UCSD	Adrienne Fusek Executive Director In Good Company	Marc Friedmann Citizens' Climate Lobby San Diego Chapters

Suzanne Hume Educational Director & Founder CleanEarth4Kids.org		

CC:

Genevieve Shiroma, Commissioner, California Public Utilities Commission

Darcie L. Houck, Commissioner, California Public Utilities Commission

John Reynolds, Commissioner, California Public Utilities Commission

Karen Douglas, Commissioner, California Public Utilities Commission

SDSU | San Diego State University

Nov. 21, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of Smart Grid Lab at San Diego State University, I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

Smart Grid Lab at SDSU work on multiple projects funded by federal and state governments and the private sector to enhance resilience of the power grid and decarbonize the energy delivery. SDSU has a history of supporting energy efficiency (EE) programs that achieve energy savings, and deliver other benefits that contribute to a more resilient economy for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. SDSU recognizes there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Saeed Manshadi, Ph.D.
Assistant Professor, Electrical and Computer Engineering
San Diego State University
Director, Smart Grid Lab
Website: manshadi.sdsu.edu

SDSU | San Diego State University

CC:

Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

Small Business Utility Advocates
548 Market St., Suite 11200
San Francisco, CA 94104
T: 415.602.6223; F: 415.789.4556

November 6, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of Small Business Utility Advocates (SBUA), I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

SBUA is an active participant in the Commission's energy efficiency (EE) proceedings and has a long history of supporting EE programs that save energy, help the environment, and help small businesses and other underserved ratepayers. We also actively participate in the Affordability docket and understand how EE can help make energy more affordable.

There are gaps in California's current EE programs and ratepayers have a significant demand for new energy efficiency program opportunities, including in San Diego County. The San Diego Regional Energy Network will help fill these gaps by advancing programs that prioritize broad participation, customer equity, and enhanced energy affordability as their core objectives.

SBUA understands that SDREN will be overseen by San Diego Community Power (SDCP) and the County of San Diego, with SDCP serving as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) will represent the County and act as the second public agency in SDREN's governance.

We believe this structure will enable SDREN to serve as a platform for gathering a wide array of perspectives from across the County, including from small businesses and other Hard-to-Reach customers, which should enable the development and implementation of influential, community-driven solutions.

For these reasons, SBUA urges the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Britt K. Marra
Executive Director
Small Business Utility Advocates
548 Market St., Suite 11200
San Francisco, CA 94104

CC:

Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission
Service List for R.13-11-005

CITY OF SOLANA BEACH www.cityofsolanabeach.org

635 SOUTH HIGHWAY 101 • SOLANA BEACH, CA 92075 • (858) 720-2400 • Fax (858) 720-2455

November 16, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of the City of Solana Beach, I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

The City of Solana Beach has a history of supporting energy efficiency (EE) programs that achieve energy savings and deliver other benefits that contribute to a more resilient economy for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. The City of Solana Beach recognizes there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Gregory Wade
City Manager
City of Solana Beach

CC:

Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

SOUTHWESTERN COLLEGE
OFFICE OF ASSISTANT SUPERINTENDENT/VICE PRESIDENT, ACADEMIC AFFAIRS

Isabelle Saber, M.A.
Assistant Superintendent/
Vice President, Academic Affairs

October 26, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of Southwestern College, I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

Southwestern College has a history of supporting energy efficiency (EE) programs that achieve energy savings and deliver other benefits that contribute to a more resilient economy for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. Southwestern College there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Isabelle Saber (Oct 27, 2023 10:11 PDT)

Isabelle Saber
Assistant Superintendent/Vice President, Academic Affairs
Southwestern College

CC:

Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

November 21, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

RE: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of The Urban Collaborative Project CDC (UCP-CDC), I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

UCP-CDC is a BIPOC-led 501(c)3 non-profit organization based in and serving Southeast San Diego since 2013. We advocate for equity and resident capacity-building to overcome disparities in the areas of health, housing, art, transportation, and infrastructure. Our community healing process and collaborative social infrastructure is designed to build capacity by empowering, training, and supporting residents to identify and solve community issues together. UCP-CDC also works closely with the County of San Diego to provide outreach and community engagement for the Regional Decarbonization Framework, as well as with the City of San Diego to provide equitable engagement and seek resident feedback on the Environmental Justice Element for the city's General Plan. Given this work and our overall mission to improve equity in our community, UCP-CDC is supportive of energy efficiency (EE) programs that achieve energy savings and contribute to a more resilient economy and sustainable future for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability in under-resourced communities like Southeast San Diego.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. UCP-CDC recognizes there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Brian Pollard

Brian Pollard
Founder and Executive Director
The Urban Collaborative Project CDC

CC:

Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

CITY OF VISTA
CALIFORNIA

Oct. 31, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of the City of Vista, I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

The City of Vista has a long history of supporting energy efficiency (EE) programs that achieve energy savings and deliver other benefits that contribute to a more resilient economy for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. The City of Vista recognizes there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

John Conley
City Manager
City of Vista

CC:

Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

SOUTHWESTERN COLLEGE

OFFICE OF ASSISTANT SUPERINTENDENT/VICE PRESIDENT, ACADEMIC AFFAIRS

Isabelle Saber, M.A.
Assistant Superintendent/
Vice President, Academic Affairs

October 26, 2023

President Alice Busching Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

SUBJECT: SUPPORT FOR SAN DIEGO REGIONAL ENERGY NETWORK (SDREN) 2024-2031 STRATEGIC BUSINESS PLAN APPLICATION

Dear CPUC President Reynolds:

On behalf of Southwestern College, I am pleased to provide this letter of support for the creation of the proposed San Diego Regional Energy Network (SDREN).

Southwestern College has a history of supporting energy efficiency (EE) programs that achieve energy savings and deliver other benefits that contribute to a more resilient economy for San Diego County. There is a great need for the new EE program opportunities that SDREN proposes that are focused on the goals of broad participation, customer equity, and increased energy affordability.

The SDREN will be administered by San Diego Community Power (SDCP) and the County of San Diego with SDCP as the Lead Program Administrator. The Office of Sustainability and Environmental Justice (OSEJ) would represent the County and serve as the second public agency in SDREN's governance. SDREN will provide an important venue to collect diverse County-wide perspectives that will catalyze and deliver impactful, community-led solutions. Southwestern College there are gaps in the current EE programs and services that are offered in our region. We are confident that the proposed SDREN will fill these gaps in current EE programs and effectively address unmet EE program needs through significantly expanding EE program participation and benefits in our collective communities.

We are excited to continue our collaboration on this very important initiative and urge the California Public Utilities Commission to authorize the SDREN and their 2024-2031 Strategic Business Plan Application.

Sincerely,

Isabelle Saber (Oct 27, 2023 10:11 PDT)

Isabelle Saber
Assistant Superintendent/Vice President, Academic Affairs
Southwestern College

CC:

Genevieve Shiroma, Commissioner, California Public Utilities Commission
Darcie L. Houck, Commissioner, California Public Utilities Commission
John Reynolds, Commissioner, California Public Utilities Commission
Karen Douglas, Commissioner, California Public Utilities Commission

Energy Efficiency Portfolio Application
of the

San Diego Regional Energy Network

Exhibit 1
2024-2031 Strategic Business Plan

Photo by Los Muertos Crew via Pexels.com

Photo by Soly Moses via Pexels.com

Photo via MLB.com

Photo by Agung Pandit Wiguna via Pexels.com

Table of Contents

Executive Summary

The projected impacts of climate change on the San Diego region are profound, driving the need for urgent collective actions to decarbonize. The creation of the San Diego Regional Energy Network (SDREN) represents an important step to support communities, particularly those who are underserved and hard-to-reach, to achieve a carbon free building sector in the San Diego region by 2050.

SDREN's vision is to *be a driving force for communities to adopt clean, reliable energy through community-driven solutions that contribute to local and state energy efficiency and climate goals*. SDREN's core values guide the design and execution of its program portfolio. These values are to integrate a collaborative and purposeful investment in the region's underserved and hard-to-reach communities, grow a regional clean energy economy that creates opportunities for the local workforce, and be a trusted local resource to coordinate regional policy, partnerships, and programs.

The SDREN service territory is home to 3.3 million people, the second most populous of California's 58 counties and the fifth largest county in the US. The Kumeyaay, referred to as Diegueno by the Spanish, were the original inhabitants of San Diego County. The territory includes the County of San Diego, 18 incorporated cities, 18 Tribal governments, 16 significant naval and military installations, 47 school districts, and 24 water districts.

SDREN aspires to be a regional leader focused on helping communities invest in strategies that hasten decarbonization. Through its portfolio of programs, guided by its core values, SDREN is committed to delivering programs that make inroads into communities to reduce greenhouse gas emissions, achieve equity, drive market transformation, and provide value to ratepayers.

Approval of the SDREN will complete the Regional Energy Network's (REN) statewide coverage, bolstering the California Public Utilities Commission's (CPUC) intention for RENs to fill gaps and complement investor-owned utility (IOU) services. Regional Energy Network (REN) programs have proven to be a critically important component of California energy efficiency and climate strategies, demonstrating the effectiveness of local governments to overcome barriers and motivate communities to take clean energy actions.

SDREN's overall portfolio goals to advance decarbonization, provide comprehensive energy efficiency (EE) services that improve outcomes for underserved and hard-to-reach communities, and accelerate the clean energy economy through workforce opportunities, support attainment of California's ambitious 2030 and 2045 climate goals. The proposed EE Portfolio is framed by three key principles—to advance environmental equity, catalyze collaboration, and support community-driven change.

SDREN is focused on working collaboratively with Environmental and Social Justice (ESJ) communities to provide needed programs and resources, aligned with the San Diego Regional

Decarbonization Framework, and informed by the CPUC's ESJ Action Plan. SDREN's long-term goal is to ensure an equitable transition to a carbon-free building sector in the San Diego region by 2050, seeking higher participation from hard-to-reach and underserved communities and reducing their energy burden.

SDREN's portfolio and administration is led by San Diego Community Power (SDCP) and the County of San Diego. SDCP, the lead Portfolio Administrator (PA), will lead fiscal, regulatory, procurement, and program management. The SDREN Advisory Committee, composed of local and regional governments and community-based organizations (CBOs), will advise on and recommend program improvements. An SDREN programs operations team primarily of SDCP employees and third-party implementers will oversee day-to-day program operations and administration.

San Diego has a strong history of collaboration and engagement in EE programs. The SDREN joins a group of local, regional, and state agencies that have jurisdiction over climate change activities in the region, as well as CBOs, labor, business groups and other organizations that support climate efforts. SDREN's proposed portfolio builds on the comprehensive regional sustainability and decarbonization planning in the region, and fills gaps and complements the programs provided by the region's serving utility, San Diego Gas & Electric (SDG&E).

SDREN's portfolio application includes ten programs, organized by segment, and sectors, as follows:

- **Segments**: Resource Acquisition, Market Support, Equity, and Codes & Standards
- **Sectors:** Commercial, Cross-cutting (Workforce, Education and Training and Codes and Standards), Public, and Residential

SDREN is requesting $124,274,206 over the four-year period from 2024 to 2027. This funding will enable SDREN to achieve its stated goals and outcomes and connect communities with available resources, which will accelerate decarbonization strategies in the region. All SDREN programs will target hard-to-reach and underserved communities, which comprise approximately 56% of the region's population. SDREN is directing 46.1% of its portfolio to Equity programs, while Market Support programs comprise 34%, Resource Acquisition 13.8%, and Codes and Standards 6.1%.

SDREN's portfolio includes two Equity Segment Residential Sector programs serving single-family and multifamily participants. Two Equity Segment programs are proposed for the Commercial Sector, targeting small and medium businesses, along with one Resource Acquisition program serving hard-to-reach and underserved commercial customers. SDREN is proposing one Market Support program within the Public Sector, supporting public agencies, and one Equity Segment Public Sector program supporting Tribes. Two Market Support Workforce, Education and Training (WE&T) programs will target high school students and adults supporting high road clean energy career pathways and skill development. A proposed Codes and Standards (C&S) program will assist public agency permitting authorities with compliance and policy support. All of SDREN's proposed programs support and complement the services of SDG&E and are designed to avoid duplication and customer confusion.

Collectively, SDREN's portfolio-level strategies incorporate six delivery methods. Principles of **environmental and social justice** connect throughout these strategies and environmental justice considerations are incorporated across all programs, regardless of segmentation. First, the portfolio is designed to provide **flexibility in program delivery** so that services can adapt and change as new programs or resources become available and when programs close. Second, by integrating **effective coordination and collaborations** with partners and existing trusted organizations across program segments and sectors, SDREN can identify synergies, reduce costs and complexity, and deliver higher-value programs that reflect local priorities and needs. It can also mitigate customer confusion and grow impacts and success of all programs. Third, the SDREN portfolio reduces barriers to participation by offering **customized support** and connecting customers with available resources and programs. Fourth, SDREN will promote decarbonization through **electrification measures** and incentives to move away from methane-gas-burning technologies. Fifth, SDREN will monitor the market and coordinate with other programs to **leverage** complementary offerings and **stack** supplemental program services and external funding opportunities. Sixth, **integration of IDSM** offerings and support are considered as part of a holistic approach to deliver value to participants throughout the portfolio.

The creation of SDREN represents another milestone in California's quest to reach its ambitious climate goals and ensure ESJ communities are at the forefront of these efforts. SDREN looks forward to joining the extensive statewide network of other RENs, IOUs, local agencies, CBOs, and others working collectively to achieve an urgently needed clean energy future.

Exhibit One: Strategic Business Plan

SDREN's Vision for EE in CA: 2024 - 2031

The projected impacts of climate change on the future of San Diego become clearer every day, at a concerning pace. The San Diego region urgently needs to accelerate the transition to clean energy as failure to do so will have steep costs for the natural world and for the health and livelihoods of everyone. Additionally, a collaborative and purposeful investment is needed to ensure that San Diego's most vulnerable are not left behind in the region's efforts to decarbonize.

Figure 1. SDREN's Vision

San Diego Regional Energy Network's (SDREN)[1] vision is to be a driving force for communities to adopt clean, reliable energy through community-driven solutions that contribute to local and state energy efficiency and climate goals.

SDREN aspires to be a leader supporting the 18 incorporated cities, 47 school districts, and 18 recognized Tribal governments across the San Diego region. In keeping with its core values, SDREN will integrate a collaborative and purposeful investment in the region's underserved and hard-to-reach communities[2] to contribute to an equitable transition to a clean energy economy.

Approval of the SDREN will complete the statewide coverage of RENs and bolster the CPUC's intended outcomes for RENs to fill gaps and complement IOU services. SDREN is committed to delivering programs that make further inroads into communities to reduce greenhouse gas emissions, achieve equity, drive market transformation, and provide value to ratepayers.

Core Values

SDREN's EE portfolio is framed around three core values:

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[1] All acronyms and abbreviations are listed in Exhibit 3 - Appendix X.

[2] As defined in D.23-06-055.

Figure 2. SDREN's Core Values

Guiding Principles

SDREN's portfolio of services is informed by its core values and framed by the following three principles:

1. **Advance Environmental Equity.** Through its proposed portfolio of services SDREN is committed to representing underserved communities and advancing environmental equity. SDREN fills a significant gap as there currently exists no central organization in the San Diego region that focuses on the energy needs and challenges of these populations who are more vulnerable to the effects of climate change and are more likely to be left behind in the transition to a clean energy future.
2. **Catalyze Collaboration.** A collaborative approach provides powerful leverage and access to clean energy solutions. SDREN will collaborate with and empower communities to design and deliver strategies that benefit them and advance decarbonization. As a regional energy leader and a trusted partner, SDREN will play a critical role in cultivating strong regional partnerships and robust stakeholder coordination. SDREN will focus on marshaling resources, providing access to financing, building local capacity, and supporting integrated and comprehensive strategies. A key role is to leverage resources that are increasingly available for energy programs, filling gaps to ensure resources are used efficiently, and integrating and stacking funding sources, where possible, for maximum advantage to local communities.
3. **Support Community-Driven Change.** Community-driven change is a key to the successful adoption of practices and policies that support the transformation to a clean energy economy. SDREN's approach to program design and delivery will engage communities at early stages of planning to ensure the services that are developed reflect local needs and priorities.

Goals

SDREN's portfolio complies with CPUC requirements and rulings and addresses the CPUC's goals for RENs to deliver programs and activities that fill gaps and complement IOU offerings.[3] SDREN has set the following overarching three goals for its portfolio:

1. **Advance Decarbonization**. Beyond reducing energy use and GHG emissions, decarbonization ushers in a host of benefits making communities and economies more resilient. Decarbonization lowers energy costs, increases access to clean energy, ensures safer and healthier homes and communities, reduces environmental burdens, and expands economic opportunity and high-quality jobs.
2. **Provide Comprehensive EE Services that Improve Outcomes for Underserved and Hard-to-Reach Communities.** SDREN's portfolio of services will be centered around minimizing barriers to participation for underserved and HTR communities.
3. **Accelerate the Clean Energy Economy through Workforce Opportunities.** As a regional leader, SDREN will mobilize and leverage resources to support the local workforce and support the creation of energy related jobs and skills that benefit local communities. A goal is to support a high road[4] approach to grow the regional clean energy economy and create new opportunities for the local workforce, with a focus on underserved communities.

These goals are intended to align with the Regional Decarbonization Framework (described further in the Regional Planning and Collaboration Framework section below) and were informed by the CPUC Environmental Social and Justice Action Plan (ESJAP)[5]. They can be further broken out into the following timeframes—short-term, mid-term and long-term.

[3] D.12-11-015, and reasserted in D.19-21-021.
[4] An approach that integrates intentional policies and investments that center employee benefits and needs.
[5] https://www.cpuc.ca.gov/news-and-updates/newsroom/environmental-and-social-justice-action-plan.

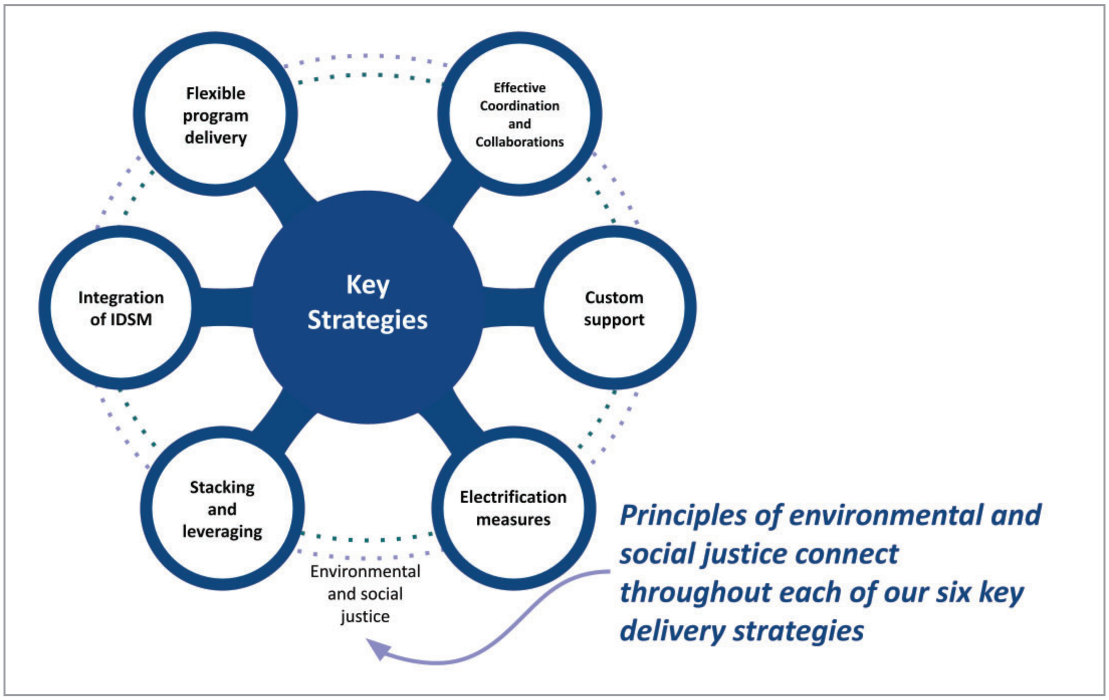
Figure 3. SDREN's Goals by Year

Business Plan Strategies

SDREN's proposed EE strategy for the San Diego region builds off of the foundation established through long-standing local collaborations in the region (described below under Regional Planning and Collaboration Framework). The strategy is informed by SDRENs values and principles to deliver on the goals of decarbonization, comprehensive EE services, and building the local energy economy.

Collectively the portfolio-level strategies incorporate several key approaches as shown in Figure 4. First, the portfolio is designed to provide **flexibility in program delivery** so that services can adapt and change as new programs or resources become available and when programs close. Second, by integrating **effective coordination and collaborations** with partners and existing trusted organizations across program segments and sectors, SDREN can identify synergies, reduce costs and complexity, and deliver higher-value programs that reflect local priorities and needs. It can also mitigate customer confusion and grow impacts and success of all programs. Third, the SDREN portfolio reduces barriers to participation by offering **customized support** and connecting customers with available resources and programs. Fourth, SDREN will promote decarbonization through **electrification measures** and incentives to move away from methane-gas-burning technologies. Fifth, SDREN will monitor the market and coordinate with other programs to **leverage** complementary offerings and **stack** supplemental program services and external funding opportunities. Sixth, **integration of IDSM** offerings and support are considered as part of a holistic approach to deliver value to participants throughout the portfolio (described in more detail under IDSM Strategies). Finally, principles of **environmental and social justice** connect throughout each of these strategies and environmental justice considerations are incorporated across all programs, regardless of segmentation.

Figure 4. SDREN Key Strategies



These key strategies will be integral to the SDREN through the Business Plan period to deliver on the desired outcomes.

Desired Portfolio Outcomes

By bringing together regional perspectives, deepening partnerships, and cultivating community led strategies, SDREN will help realize meaningful multi-benefit solutions that result in long term positive change. Success relies on implementing community driven strategies to build climate resiliency and adopting energy efficiency and clean energy solutions that support the goals and policies of the CPUC.

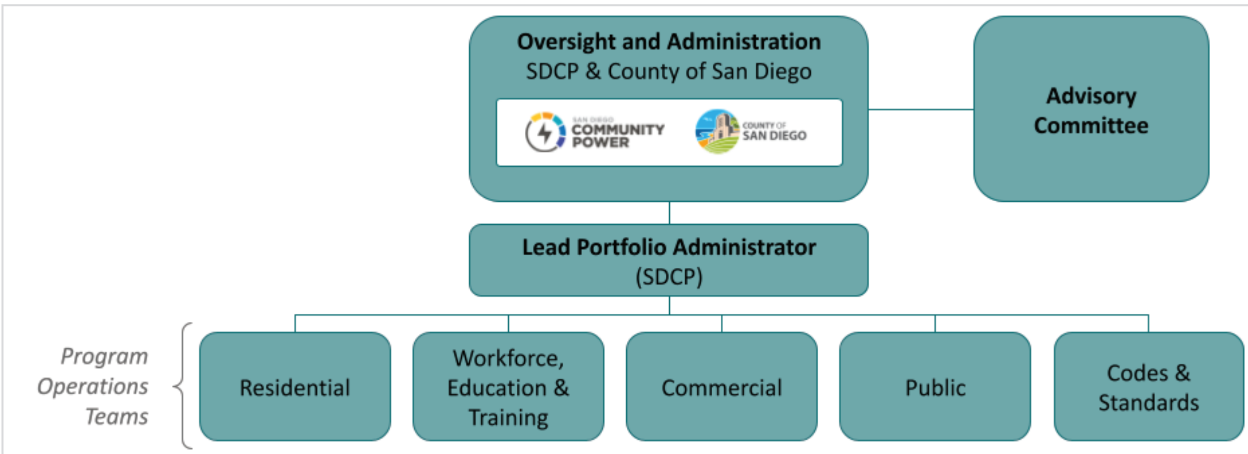
- **Portfolio Outcome 1**. Reduce energy burden and improve energy affordability.
- **Portfolio Outcome 2.** Improve health and reduce energy consumption across the region.
- **Portfolio Outcome 3.** Improve access, increase participation by reducing the complexity of energy service programs, and achieve greater understanding of how to manage energy consumption, including peak demand reduction.
- **Portfolio Outcome 4.** Maximize benefits to customers by leveraging additional funding, such as IRA, to deliver on IDSM strategies.
- **Portfolio Outcome 5.** Create access to career pathways in clean energy.

An initial set of SDREN unique value metrics have been developed to track progress towards SDREN's goals and outcomes that are described in Exhibit 2. Additionally, within the 2024-2027 portfolio plan period, SDREN will continue efforts with other stakeholders to refine relevant metrics, and to establish data methodologies, baselines and targets for tracking progress towards all portfolio goals.

Governance Structure

Led by San Diego Community Power (SDCP) and the County of San Diego, SDREN leverages the region's capacity and experience to create a strong and collaborative governance structure. The region has a strong history of collaboration and engagement in EE programs. The following chart depicts the SDREN governance model.

Figure 5. SDREN Governance Model



The **Oversight and Administration** team of SDCP and the County of San Diego will provide portfolio-level vision and strategy, enact program changes during the portfolio cycle, and oversee future Business Plan development. Important decisions will be made using a consensus process. The goal is to reach a consensus for any significant portfolio-wide related issues. However, if a consensus is not achieved in a timely fashion, a mediator will be used to make a final decision as a last resort. SDCP and the County of San Diego will proactively identify potential non-consensus issues early and work with impacted parties constructively.

San Diego Community Power is a Community Choice Aggregator (CCA) formed via a Joint Powers Authority by San Diego, Encinitas, La Mesa, Chula Vista, Imperial Beach, National City and the County of San Diego. As a public not-for-profit entity, SDCP is focused on bringing cleaner power at competitive rates to its customers and investing excess revenue in the communities it serves.

SDCP provides affordable clean energy and invests in the community to create an equitable and sustainable future for the San Diego region. SDCP aims to be a global leader, inspiring innovative solutions to climate change by powering communities with 100% clean affordable energy while prioritizing equity, sustainability, and high-quality jobs. SDCP is a values-led, mission driven organization grounded in Justice/Equity/Diversity/Inclusion (JEDI), Impact, Integrity, Innovation, Servant Leadership, and Togetherness. SDCP's mission is to bring 100% renewable power to its customers by 2035 or sooner. SDCP offers a 100% renewable product called Power100 which has helped many SDCP customers reach their respective ESG or GHG reduction goals.

In December of 2019, per the California Public Utilities Commission (CPUC) Resolution E-4907, the Cities of San Diego, Imperial Beach, Encinitas, La Mesa and Chula Vista, who had previously taken action to form a Joint Powers Authority, submitted to the CPUC an Implementation Plan and Statement of Intent for authority to provide service as a Community Choice Aggregator to eligible customers within the geographical boundaries of their service territory. Once approved by the CPUC, San Diego Community Power was eligible to begin enrollment of eligible accounts in 2021.

In March of 2021 SDCP launched its service and began enrolling customers through a multi-phased effort starting with municipal customer accounts (Phase 1). Commercial and Industrial accounts were enrolled in June 2021 (Phase 2), and residential accounts from February through May of 2021 (Phase 3). In December 2021, SDCP amended its JPA to expand its membership to include National City and the County of San Diego, and submitted an Implementation Plan to enroll eligible accounts of the new member agencies beginning in 2022. The enrollment of accounts located in the unincorporated areas of the County and National City commenced on April 1st, 2023 (Phase 4).

SDCP is deeply committed to collaborating and leveraging regional resources and championing community needs to implement a comprehensive and adaptive portfolio. Throughout its growth, SDCP has demonstrated responsible fiscal management, and its structure provides regular public consultation with various public committees.

Figure 6. SDCP Community Leadership

Organizations and Committees with Leadership positions held by SDCP staff

- Spring Valley Community Planning Group
- CSA-128
- CalCCA Equity Committee
- CalCCA Programs Committee
- CalCCA Billing Ops Committee
- CalCCA Data Analytics Committee
- CalCCA Compliance Committee
- CalCCA Regulatory Committee
- Advisory Board - Apis & Heritage Legacy Fund
- Advisory Board - In Good Company
- North San Diego Chamber Sustainability Committee
- Power Association of Northern California
- SWC Bond Oversight Committee
- CVESD Independent Citizens Oversight Committee
- Corky McMillin Elementary School Site Council
- Southwestern Community College Superintendent/President's Advisory Council
- Business For Good - Environmental Health Committee
- Business for Good Board Member (July 2024)
- CalCCA Marketing & Communications Committee
- Clean Tech Board
- Harmonium
- La Mesa Environmental Sustainability Commission Advisory Member
- League of Women Voters Board Member
- North San Diego Business Chamber, Sustainability Council
- Point Loma Association
- San Diego Commons Advisory Council
- San Diego Latina Giving Circle Member
- San Diego Leadership Alliance - Programming Committee Chair
- San Diego Pride Board
- SD Regional EDC Economic Development Committee
- Sherman Heights Community Center Board Member
- Sound Future Board Member
- SDRCC Sustainability Committee
- USD's Leaders 20/20 Board
- YouthWill Board Member
- Coalition for Responsible Transportation Priorities
- Northcoast Environmental Center

As a not-for-profit public agency, SDCP is committed to developing a suite of customer energy programs that respond to community needs, with a focus on Communities of Concern[6]. SDCP has engaged these communities in the development of a Community Power Plan to support future development of programs (both described in more detail below). SDCP's current customer program initiatives include:

- Residential Solar and Storage Program
- Solar for Our Communities green tariff program
- Commercial Peak Load Reduction Pilot
- Community Clean Energy Innovation Grant Program
- DAC-SASH Enabling Roof Repair Pilot
- Managed EV Charging Pilot

COUNTY OF SAN DIEGO
SUSTAINABILITY AND ENVIRONMENTAL JUSTICE

County of San Diego. The County of San Diego is a leader in sustainability. In pursuit of its vision for "a just, sustainable, and resilient future for all", the County has undertaken ambitious sustainability and decarbonization efforts. One example is the creation of the Office of Sustainability and

[6] Defined as the top 25% scoring areas from CalEnviroScreen, known as Disadvantaged Communities (DACs), as well as the additional census tracts identified by the cities of San Diego and Chula Vista through their Climate Equity Index (CEI) reports.

Environmental Justice (OSEJ), established in 2021, which strives to reduce disparities and expand opportunities in traditionally underserved communities as it works to achieve zero carbon emissions and safeguard the health of the region's people and natural resources, OSEJ focuses on both regional initiatives and County operations. OSEJ's keystone effort is the Regional Decarbonization Framework (RDF) which is the County's holistic approach to guide the region's decarbonization efforts that promotes public and private interests working together to move the entire San Diego region toward zero carbon emissions in transportation, buildings, energy, food systems, and land use by mid-century (described further below). To lead by example, OSEJ works with the over 40 County departments and offices to implement sustainability plans to reduce the County's carbon footprint in programs and operations. The County's sustainability vision is to support all communities in the region by efficiently using and protecting its natural resources, balancing economic growth, and ensuring just and equitable provision of public services, without compromising the ability of future generations to also flourish and thrive. More information about the County's sustainable energy work is described in the next section, Regional Planning and Collaboration Framework.

The **Lead Portfolio Administrator**,[7] SDCP, will lead fiscal, regulatory, procurement, and program management.

The **SDREN Advisory Committee** will include local and regional governments and community-based organizations with the role to advise on outreach and enrollment, provide feedback on program evaluation reports, and recommend program improvements.

As the Oversight and Administration team optimistically plans for the launch of SDREN, it believes it's important to have its governance in place and ready to execute on program delivery upon approval. As to not further delay providing REN benefits and services to communities, SDREN established its inaugural Advisory Committee. The inaugural Advisory Committee members represent entities and agencies with a regional or multi-jurisdictional footprint and it is anticipated that the full Advisory Committee will be formed upon SDREN approval.

Confirmed Inaugural Committee Members include:

- Clean Energy Alliance
- MAAC
- San Diego Regional Climate Collaborative
- San Diego Association of Governments (SANDAG)
- Climate Action Campaign
- San Diego Green Building Council

Expected Advisory Committee responsibilities would include:

- Post Submittal Phase: Receive monthly email updates and attend occasional meetings on the status of the CPUC review process.

[7] D.23-05-066 makes the shift from "program administrator" to "portfolio administrator" or abbreviated as "PA". Both terms may be found in this application.

- Development phase (<6 months post-approval): Attend planning meetings approximately every other month to receive updates on SDREN launch (e.g., timing, marketing, regional coordination) and provide advice on development of Implementation Plans, RFP schedule, etc. and work closely with the Oversight and Administration team to develop process to expand the full Advisory Committee and develop Technical Ad-Hoc Sub-Committees.
- Implementation phase (>6 months post approval): Attend quarterly meetings to receive updates on program implementation and provide advice on program outreach, enrollment, adjustments to program elements.

The inaugural Advisory Committee member selection was guided by the desire to have comprehensive regional representation going into the initial phases of SDREN's launch. SDREN will expand the bench of Advisory Committee members after the REN is authorized to include diverse organizations that can represent the variety of underserved and hard-to-reach communities in the San Diego region. SDREN places a high value on receiving input on program design and implementation directly from the communities who will benefit from its programs.

The **SDREN Program Operations Teams**, comprising SDCP employees and third-party implementers, will oversee day-to-day program operations and administration.

Additionally, SDG&E will act as the Fiscal Agent. SDG&E's role as a fiscal agent for SDREN, as a REN operating within SDG&E's territory, will be limited to collecting and disbursing funds under the direction of the Commission and does not include any compliance or monitoring functions or obligations.[8]

Regional Planning and Collaboration Framework

Comprehensive regional sustainability and decarbonization planning provides a solid foundation for the future success of SDREN. Several local, regional, and state agencies have jurisdiction over climate change activities in the San Diego region. Regional public agencies include SANDAG, San Diego County Air Pollution Control District, San Diego Community Power (SDCP), Clean Energy Alliance (CEA), the County, 18 local governments, 47 school districts, and 18 federally recognized Tribal governments.

Local Government Partnerships that formed in 2009 and were discontinued in 2020 not only expanded regional EE capacity but established an effective collaborative network among participating agencies. In 2023, the San Diego Regional Climate Collaborative (SDRCC) launched its Energy Resilience Working Group which consists of community and local government organizations committed to contributing to local, regional, and statewide decarbonization efforts. Over the last several years, the region launched two CCAs, San Diego Community Power and Clean Energy Alliance.

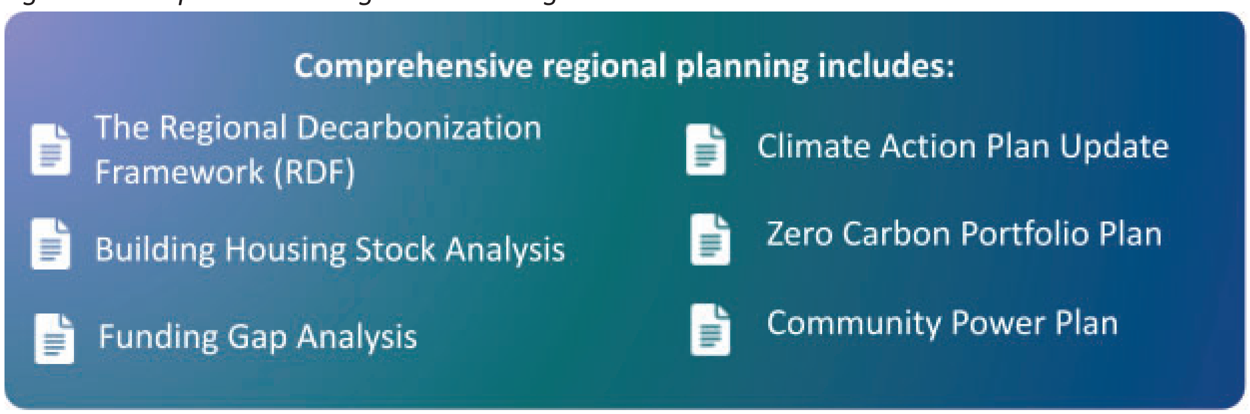
In addition, several cities in San Diego County have signed the US Mayors Climate Protection Agreement, others have joined the California Climate Action Registry, and most of the 18 cities

[8] D.23-06-055, Conclusion of Law 13.

in the region now have a Climate Action Plan (CAP). The University of San Diego Energy Policy Initiatives Center (EPIC) conducted a first of its kind analysis for the San Diego region in comprehensively assessing the impact of adopted CAPs. The study found that CAPs alone will not be enough to reach aggressive decarbonization goals, underscoring the need and importance of regional collaborative initiatives that span jurisdictional boundaries to tackle the region's climate issues.[9]

Additionally, EPIC's analysis found that most adopted CAPs do not include building electrification (BE) strategies, concluding that the impact of local CAPs in BE is limited. The report also highlighted that CAPs are only plans, and the measures included may not represent what is implemented over time. Therefore, regional initiatives such as a REN that span across jurisdictions are needed to help decarbonize buildings, reduce GHG emissions, and help tackle local climate issues.

Figure 7. Comprehensive Regional Planning



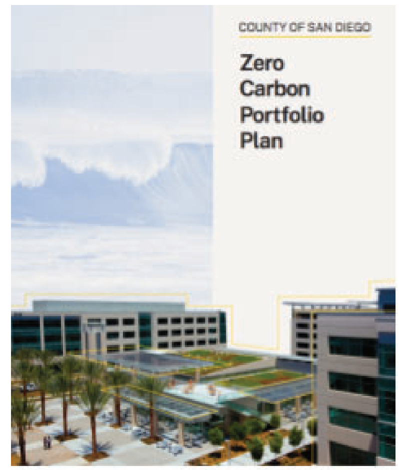
Regional Decarbonization Framework. In 2021, working with several regional stakeholders and technical experts, the County began working on the Regional Decarbonization Framework (RDF), a visionary framework that identifies community-driven partnerships, programs, and policies to support decarbonization. In 2022, the County released the first foundation element, the RDF - Technical Report, a scientific analysis of decarbonization pathways for the San Diego region to reach net zero emissions by mid-century. The RDF includes two other foundational elements, a workforce development study and the *Let's Get There* Playbook, a resource guide for local governments, organizations, and individuals to consult as they move toward zero carbon emissions. The RDF promotes public and private interests working together to move the entire San Diego region toward zero carbon emissions in transportation, buildings, energy, food systems, and land use. The RDF is intended to help policymakers work in harmony with community, industry, environmental, business, and labor groups to realize distinct and tangible actions that respond to the specific needs of cities and the unincorporated areas of the county.

[9] Regional Decarbonization Framework Technical Report. https://www.sandiegocounty.gov/content/dam/sdc/lueg/regional-decarb-frameworkfiles/RDF_Summary_for_Policy_Makers_FINAL_2022.pdf.

County's Climate Action Plan Update. The County is currently developing a Climate Action Plan Update to implement bold climate actions that reduce GHG emissions. The CAP outlines actions, also referred to as measures, to meet State targets and achieve a goal of net zero carbon emissions by 2035-2045. The CAP and associated goals apply to the unincorporated areas of the County and County operations.

Screenshot of San Diego Climate Action Plan.

Zero Carbon Portfolio Plan. This plan applies to all facilities occupied by the County and presents a strategy and specific measures that will result in a reduction in operational carbon emissions of 90% by 2030, relative to its 2008 baseline. Additionally, all 40+ County of San Diego departments and offices have developed and operationalized Sustainability Plans to reduce carbon footprints from County operations and facilities.



Screenshot of Zero Carbon Portfolio Plan for facilities occupied San Diego County.

Community Power Plan. SDCP's Community Power Plan (CPP)[10] was an intensive effort from its program team to integrate community goals, needs, and priorities into a 5-year strategic plan for energy programs. The *community needs assessment* was a fundamental piece of the Community Power Plan. Between May and November 2022, SDCP heard from more than 3,450 community members through listening sessions, workshops, pop-up events in hard-to-reach communities, and a customer-wide survey. This helped SDCP understand the challenges, needs, goals, and priorities that could be addressed through customer energy programs. Throughout the community engagement process, SDCP prioritized equity and Communities of Concern.

SDCP prioritized partnering with local community-based organizations that work directly with community members in Communities of Concern to co-host listening sessions to minimize obstacles for program participation. SDCP provided compensation to the CBOs and participants were offered interpretation services, children's activities, food and drinks, and gift cards for compensating their time and shared lived experience.

SDCP considered accessibility for the broadest range of community characteristics, including language, internet access, physical disability, time limitations, and subject matter understanding. A mix of virtual and in-person outreach events were offered and events were held at varying times, including outside of normal work hours. SDCP sought to develop outreach materials and presentations for broad understanding using non-technical, simplified terms. In addition, outreach materials, including the survey and plan itself, were offered in English, Spanish, and Filipino.

[10] https://sdcommunitypower.org/community-power-plan-cpp/.

The team identified nine key community priorities based on feedback from initial community engagement. The priorities were included in the survey and respondents were asked to rank which were most important to them. Residential and commercial respondents ranked their top five priorities in the following order (Table 1). This feedback was considered in the development of SDREN's program portfolio.

Table 1. Energy issues most important to SDCP residential and commercial respondents from the CPP community engagement process.

Order	Residential Priorities	Commercial Priorities
1	Reducing my energy bill	Creating good, well-paying jobs in the energy sector
2	Addressing climate change by reducing greenhouse gas emissions	Reducing my businesses' energy cost
3	Getting rewarded to adjust when I use energy	Getting compensated for when my business uses energy
4	Creating good, well-paying jobs in the energy sector	Addressing climate change by reducing greenhouse gas emissions
5	Breathing cleaner air in my home	Breathing cleaner air in my building

Figure 8. Community Engagement Key Insights

Key Insights

- Community members are concerned about costs
- Community member want to see a variety of energy solutions
- Community members need more energy education and resources
- Rural community members have different concerns than city-dwellers
- Community members care about climate change, health, and the environment

Building and Housing Stock Analysis (BHSA) and Funding Gap Analysis. SDCP is developing a Building Housing Stock Analysis (BHSA) and Funding Gap Analysis that will be published in 2024. The BHSA will provide data that will help SDREN identify broad opportunities for electrification and decarbonization across its member agencies. With the Funding Gap Analysis, SDCP will be able to determine existing gaps in current electrification, decarbonization, and energy efficiency funding (including funding from the Infrastructure Investment and Jobs Act and Inflation Reduction Act that flows directly to customers and those distributed to States and agencies). This will allow SDCP to make strategic decisions about how electrification programs are designed and identify investments needed to achieve our goals.

Stakeholder Engagement

In alignment with SDREN's guiding principles, comprehensive engagement with key stakeholders was conducted during the preparation of this Business Plan. Key stakeholders include regional and community organizations as well as energy efficiency stakeholders across the state as detailed below. A majority of feedback was overwhelmingly positive with support for the formation of an SDREN, along with the proposed structure, values, strategies, and programs. A summary of this feedback and responses can be found in *Exhibit 3 - Appendix X*.

- **SDG&E:** SDCP met with SDG&E representatives on numerous occasions to discuss proposed programs and understand how services would be designed to avoid overlap and duplication. This included sector-level meetings with the appropriate SDG&E EE team members to walk through each program and discuss any comparable offerings and initial coordination strategies. The resulting SDCP work product that was reviewed with SDG&E during sector-specific coordination meetings can be found in *Exhibit 3 - Appendix X*. These conversations, alongside research into SDG&E portfolio, informed the sector specific coordination detailed within the Portfolio Plan. It also set a strong foundation for continued collaboration moving forward.
- **San Diego Regional Climate Collaborative (SDRCC)**: SDRCC was formed in 2011 as a network for public agencies to advance climate change solutions that mitigate greenhouse gas emissions and adapt to the effects of climate change. Partnering with academia, non-profit organizations, and business and community leaders, the Collaborative raises the profile of regional leadership, shares expertise and leverages resources.[11]
    - SDREN was presented to members on multiple occasions through the Regional Energy Resilience Working Group, which was launched in March 2023. Made up of approximately 30 members municipalities, educational entities, SDG&E, environmental NGOs, and consultants, this group was prioritized for early engagement and feedback. This included presenting both the draft governance structure and SDREN draft programs for feedback.
- **Local governments and public agencies:** Individual meetings were held with fourteen of the eighteen cities within the county and three key regional public agencies to collect feedback on SDREN programs and strategies. These agencies are listed below and individual letters of support from eleven of these agencies can be found in *Exhibit 3 - Appendix X*.

[11] https://www.sandiego.edu/soles/centers-and-institutes/nonprofit-institute/signature-programs/climate-collaborative.

- Chula Vista, City of San Diego, Encinitas, Imperial Beach, La Mesa, National City, El Cajon, Lemon Grove, Poway, San Marcos, Solana Beach, Carlsbad, Oceanside, Vista, San Diego Association of Governments (SANDAG), Port of San Diego, and the San Diego Air Pollution Control Board, Clean Energy Alliance.

- **CPUC Energy Division**: Monthly meetings were held from August 2023 through December 2023 to provide updates on Business Plan development and collect feedback on various elements of the SDREN formation and strategy.
- **Existing RENs:** SDCP met with existing RENs across the state individually for general guidance and best practices during the planning process and Business Plan development. They also engaged with the newly formed CalREN, composed of all RENs, for feedback on draft programs, stakeholder engagement, and Business Plan strategies.
- **SDCP Board of Directors Meetings:** SDCP staff secured Board support early in the process to lead efforts in forming a new REN and briefed them on progress throughout the Business Plan development. These meetings are outlined below:
    - May 2022 - SDCP staff presented an update on customer energy programs and outlined CPUC funding opportunities including REN formation as an option and discussed next steps to hire staff to lead development of application and program management.
    - January 2023 - SDCP staff discussed leading initial steps in regional effort to form a REN as priority for 2023.
    - February 2023 - SDCP staff presented an update on REN formation progress to include mention of open request for proposal for professional services to support Business Plan Application development and development of the SDREN governance structure.
    - April 2023 - SDCP staff presented an update on REN formation at 2023 Strategic Planning Session and reported addition of 1 full time employee dedicated to REN formation; obtained approval of Professional Services Agreement for consulting services to support REN formation.
    - October 2023 **-** SDCP staff presented an update on REN formation and proposed programs, and budget range to the Board for feedback.

- **SDCP Community Advisory Committee (CAC) and CAC Programs Ad-Hoc Committee:** SDCP staff received feedback and support on SDREN proposed governance, programs, and budget and briefed them on progress. These meetings are outlined below:
    - September 6, 2023 (CAC Programs Ad-Hoc) - SDCP staff presented an update on REN formation progress, draft programs and governance.
    - September 14, 2023 (CAC) - SDCP staff presented an update on REN formation progress, draft programs and governance.
    - October 4, 2023 (CAC Programs Ad-Hoc) - SDCP staff presented an update on REN formation progress and proposed budget.
- **Regional Stakeholders:** SDCP met with several regional stakeholders, including Community Based Organizations (CBOs), labor groups, and organizations that could support SDREN efforts, if authorized. During these discussions, SDCP presented formation concepts and draft program ideas:
    - Art Produce, BID Alliance Building Trades, Business for Good, Casa Familiar, Center for Community Energy, Chicano Federation, City Heights Community Development Corporation, Climate Action Campaign, Community College Foundation, Environmental Health Coalition, ICC, Labor Group IBEW 569, Local Government Sustainable Energy Coalition, MAAC, North County Chamber of Commerce, Palomar College, Project New Village, San Diego Community College District, San Diego Foundation, San Diego Green New Deal Alliance, San Diego Workforce Partnership, San Diego Building Electrification Coalition, San Diego Cleantech, San Diego Green Building Council, San Diego Regional Chamber of Commerce, San Diego Regional Climate Collaborative, San Diego State University, Small Business Utility Advocates, South County Economic Development Council, Southwestern College, Urban Collaborative Project, USD Sustainability, YouthWill.
- **California Energy Efficiency Coordinating Committee (CAEECC)**: On November 29, 2023, representatives from SDCP and the County of San Diego attended the regularly scheduled CAEECC meeting to present to CAEECC in accordance with CPUC Decision 19-12-021.[12] Staff were able to respond to all questions following the presentation and overall the overview was positively received. The CAEECC presentation and resulting summary report of feedback and responses is included in *Exhibit 3 - Appendix X*.

Service Territory

The SDREN service territory is home to 3.3 million people and includes the County of San Diego, 18 incorporated cities, 18 Tribal governments, 16 significant naval and military installations, 47 school districts, and 24 water districts. Public agencies or districts own over 60% of the land in the County[13]. The SDREN territory includes San Diego County, 70-miles of coastline, and shares an international border with Mexico. While the region's coastline is highly developed and populated, there are a significant number of rural and semi-rural communities in the southern and eastern portions of the county.[14] The territory is a microcosm of the state and includes

[12] D.19-12-021, pg. 21 and OP2.
[13] SanGIS.
[14] https://www.sandiegocounty.gov/content/dam/sdc/pds/ProjectPlanning/NS/Newland%20DEIR/County%20Land%20Use%20Element%20Figure%20LU-1%20(Regional%20Cat.%20Map)%20EXISTING%20AND%20PROPOSED.pdf.

farming and non-farming workforces, with over 100 languages spoken,[15] a large tourism economy accompanied by the highest cost of living in the United States, and the highest energy rates in California.

Figure 9. SDREN will serve San Diego County, which is bordered by the Pacific Ocean, Orange County, Riverside County, Imperial County, and Mexico.

RENs currently cover all densely (or highly) populated electric IOU-serviced counties within California, except for the San Diego region (see Figure 10 below). Approval of the SDREN will close this gap and enable RENs to fulfill the CPUC's vision for RENs statewide to complement and supplement services not provided by IOUs. Existing collaborations established within the region make it well-suited to be designated as a single-county REN.

[15] https://www.sandiego.gov/economic-development/sandiego/facts.

Figure 10. Authorized REN Territories

The following table showcases statewide RENs and their comparative size and demographic metrics.

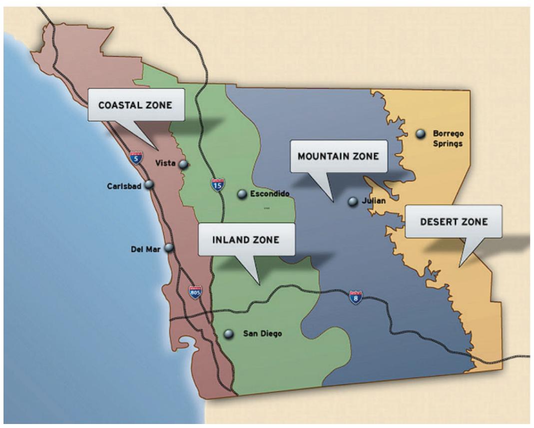
Table 2. Statewide RENs: Size and Demographics

REN	Counties	Cities	Population	Area (Sq Miles)	Population/Sq Miles	IOU Territory
SDREN	1	18	3.3 million	4,210	784	SDG&E
RuralREN	31	115	7 million	78,249	89	PG&E, SCE, SCG
I-REN	2	52	4.5 million	27,263	170	SCE, SCG
BayREN	9	101	7.8 million	6,907	1,123	PG&E
SoCalREN	12	226	20 million	50,000	400	SCE, SCG
3C-REN	3	25	1.6 million	7,877	211	PG&E, SCE, SCG

Geography

San Diego County covers approximately 4,210 square miles, including 70 miles of coastline, bordered on the south by Mexico. The region is highly diverse in its geography and biology, situated in the rolling hills and mesas that rise from the Pacific shore to join with the Laguna Mountains to the east. San Diego Bay is one of the country's finest natural harbors, hosting tremendous biodiversity. The region covers a large area of vastly different terrain, from miles of ocean and bay shoreline, densely forested hills, and fertile valleys to mountains, canyons, and deserts.[16] This is reflected in the region's diverse range of climate zones: the coastal climate zone 7, inland climate zone 10, mountain climate zone 14 and desert climate zone 15.

Figure 11. Division of Climate Zones in SDG&E territory[17]



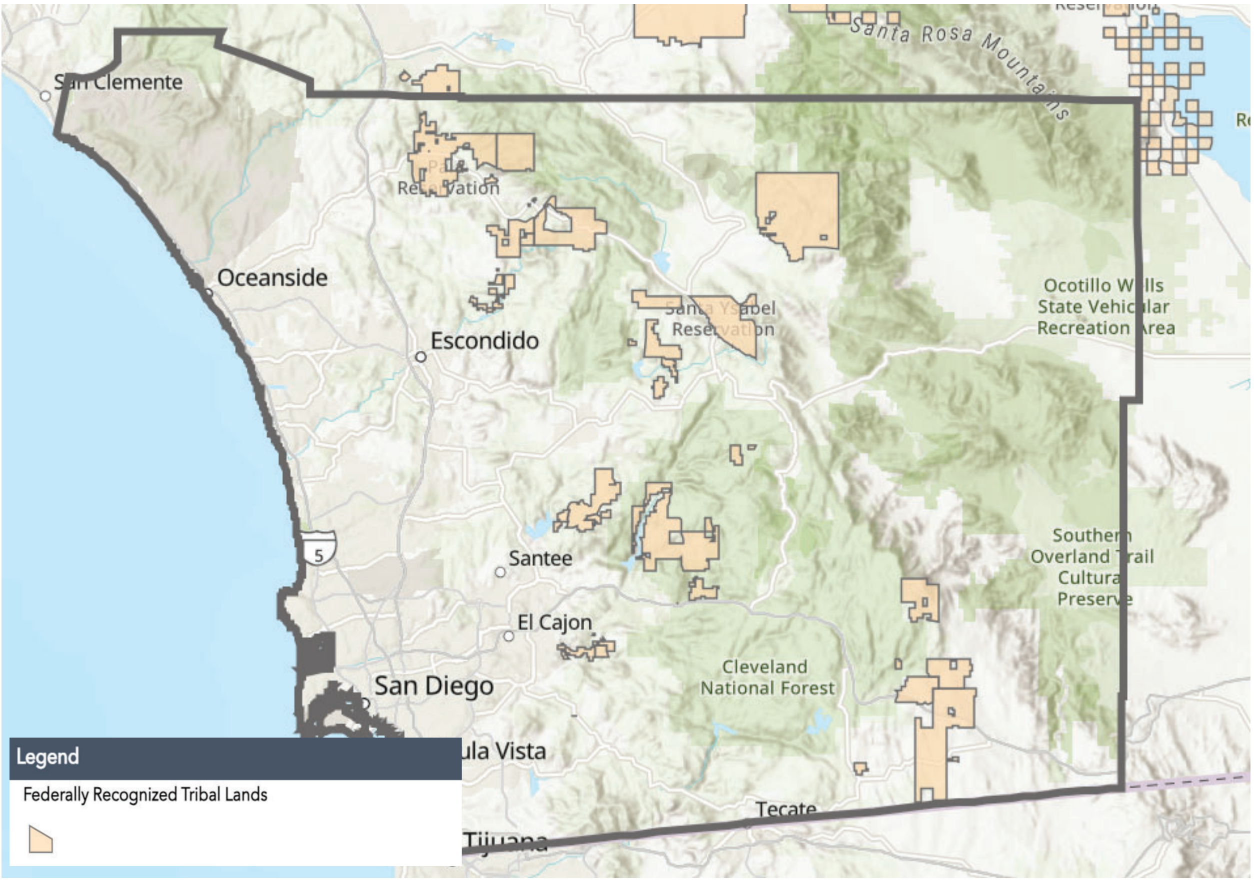
Tribal Context

The Kumeyaay, referred to as Diegueno by the Spanish, were the original inhabitants of San Diego County. The San Diego region is built on Kumeyaay and Luiseno land, with the unincorporated area of San Diego County being home to 18 Tribal governments represented by 17 federally recognized Tribal Governments, more than any other county in the United States.[18]

The County of San Diego and SDCP acknowledge the harmony that existed among the land, nature and its original peoples, who have since endured displacement, persecution, and systemic oppression. The County and SDCP pay respect to the unceded territory and homelands of the eighteen federally recognized Tribes in our region, from four cultural groups, the Kumeyaay/Diegueño, the Luiseño, the Cupeño, and the Cahuilla. As climate change increasingly threatens the region, its peoples, and its cultural identities, the County and SDCP aspire to learn from Traditional Ecological Knowledge to create greater harmony with our natural environment and preserve the health of our planet. SDREN's program portfolio will work to find opportunities to provide custom services to San Diego's Tribal communities to bolster their access to resources that support their commitment to environmental stewardship.

[16] Regional Focus 2050 Study, San Diego Foundation 2008.
[17] Image Credit: SDG&E (https://webarchive.sdge.com/baseline-allowance-calculator).
[18] https://www.sandiego.edu/native-american/reservations.php.

Figure 12. Federally Recognized Tribal Lands within San Diego County



Demographics

San Diego County is the second most populous of California's 58 counties, and the fifth largest county in the United States, with a population of 3.3 million.

The San Diego region's population is not anticipated to grow significantly by 2050. Between 2016 and 2050, the San Diego region was expected to grow by nearly 700,000, however San Diego's population is expected to peak in 2042, and then decline by about 100,000 by 2060, according to the latest regional forecast by the San Diego Association of Governments (SANDAG).[19] Estimates are that by 2060, the region is only expected to have 40,000 more people than it does today, though forecasts still expect the region to add more jobs and housing.

Photo by Manuela Durson via Shutterstock.

The region's population is aging. The senior and disabled populations are growing disproportionately compared to the rest of the population. By 2050, almost ¼ of the region's residents will be 65 or older. However, the

[19] https://www.sandag.org/regional-plan/sustainable-growth-and-development.

current largest age demographic is age 25-34, which represents a large number of renters and the need to serve a population with marginal disposable income, especially in disadvantaged communities.[20]

The San Diego region is ethnically diverse and will be increasingly so by 2050. Of residents under 18, 46% are Latino/a, and this population is expected to continue to grow at a rapid rate. Approximately 22% of the county's population are immigrants, including refugees who come from other countries, speak 100 different languages, and have various needs as they assimilate into their new environment.[21]

Table 3. Demographic Data for San Diego County

Category	Regional Average Stats
Land Mass (sq mi)	4,210
Population	3,298,634
Population within “underserved communities”	1,855,064
Median Household Income	$91,003
Percent of Residents in Rentals	47%
Unemployment Rate	5.4%
Under 5	6.0%
Under 18	20.7%
Above 18	78.3%
65 or Above	14.1%
Median Age	36.9
Language Other Than English Spoken at Home	36.30%
Percentage of Veterans	7.4 %
Percentage in Poverty	10.60%

Climate Impacts

The San Diego region is a popular place to live, known for its enviable lifestyle, beaches and amenities. The region is uniquely vulnerable to the impacts of climate change, with significant implications for its future success absent urgent collective action.[22]

All climate simulations indicate that **heat waves** will increase in frequency, magnitude, and duration. Data released by The National Oceanic and Atmospheric Administration (NOAA)

[20] https://www.sandiego.gov/economic-development/sandiego/population.
[21] San Diego Economic Equity Report 2023.
[22] Ibid.

confirms the predicted trend of the San Diego region growing increasingly warm and dry.[23] Over the next half-century, the warming in the San Diego region will likely equal or exceed the warming experienced over the last 100 years. Summers will be hotter, particularly in the inland areas, and on average, San Diego's daytime temperature will be 1.5 to 4.5 degrees higher than today.[24] Analysis has shown a 10-degree increase in temperature leads to a 3% increase in deaths on any given day. Heat waves have claimed more lives in California in the past 15 years than any other disaster events. In San Diego, heat-related health impacts occur at a higher rate in the inland regions than near the coast, though coastal San Diegans are less likely to have air conditioning.[25]

Photo by Marcel Fuentes via Shutterstock.

Climate change will negatively impact the availability of both imported and local **water supplies,** while population and economic growth will drive up water demand. If current trends continue, by 2050 regional water demand is projected to increase 37 percent above recent levels. Regional water demands will continue to be met primarily by importing water, with imports from the Sacramento Delta and the Colorado River comprising about 80 percent of total supplies in 2050. Climate change threatens the reliability of both sources, however. Climate change could yield more instances of drought and reduce the chances that existing water sources will be able to meet projected demands. Despite plans for water conservation, desalinization, and recycling, demand for fresh water will outstrip supply by 2050, with growing potential for conflicts due to resource scarcity[26].

Increased air **pollution** will take a toll on public health, particularly for the elderly, who will comprise almost ¼ of the population by 2050. San Diego ozone levels, already above federal standards, are in nonattainment, persistently exceeding the federally designated 8-hour ozone standard.[27]

Wildfires will become more frequent and more intense. San Diego County already has among the worst fire conditions in the country, and the situation is likely to worsen with climate change. San Diego has experienced some of the State's most devastating fires in the last two decades. Moreover, the SB535 disadvantaged communities map overlays the fire threat, warranting the need for resilience and energy efficiency in the region. Wildfire frequency has increased in direct proportion to population growth, portending a hazardous trajectory for the future. Different climate change models yield somewhat different predictions about the

[23] U.S. Climate Normals 2020, NOAA.
[24] Regional Focus 2050 Study, San Diego Foundation 2008.
[25] Kalansky, Julie, Dan Cayan, Kate Barba, Laura Walsh, Kimberly Brouwer, Dani Boudreau. (University of California, San Diego). 2018. San Diego Summary Report. California's Fourth Climate Change Assessment. Publication number: SUM-CCCA4-2018-009.
[26] Ibid.
[27] San Diego Climate Action plan, https://www.sandiego.gov/sustainability-mobility/climate-action/cap.

frequency, timing, and severity of future Santa Ana wind conditions, leading to uncertainty regarding how San Diego regional fire regimes may differ in the future due to climate change. The CPUC High Fire Threat District Map entirely encompasses the service area aside from the most coastal communities in the region.[28]

The seasonal **precipitation** for San Diego is roughly ten and a half inches depending on which series of seasons is used for the average. The impact of climate change on precipitation is not entirely clear at this time. Analysis indicates that while San Diego will retain its strong Mediterranean climate with relatively wetter winters and dry summers, projections of future precipitation suggest the region will continue to be highly vulnerable to drought.

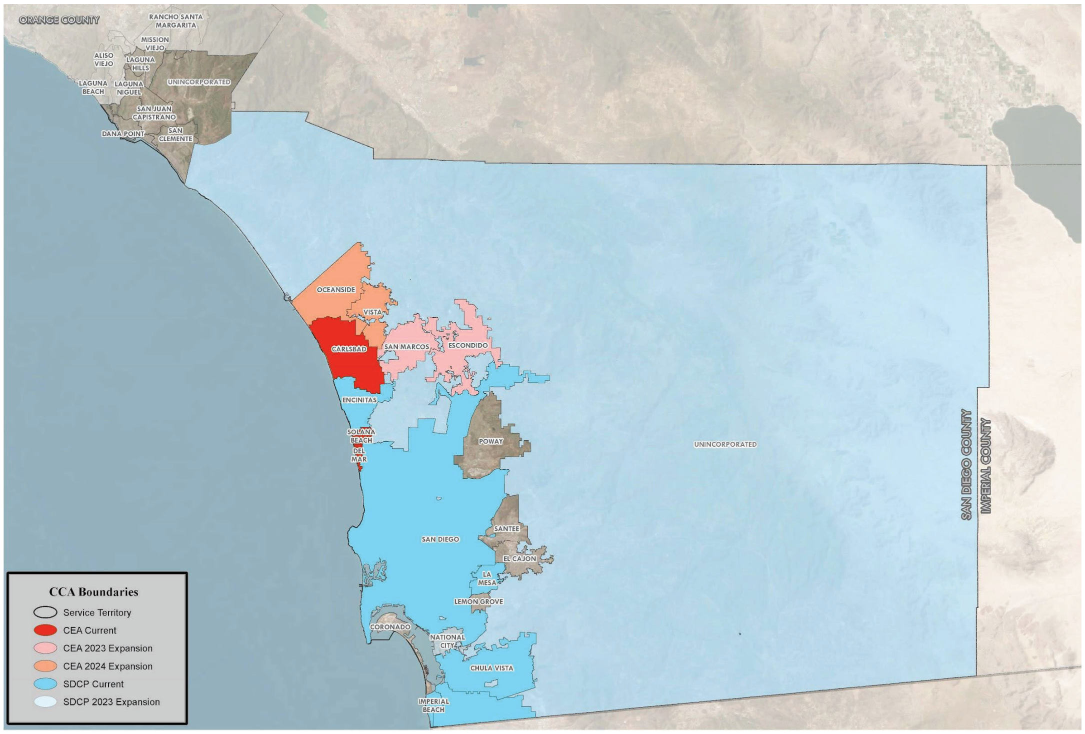
Over the next five decades, **sea level rise** will increase substantially—from threefold to almost sixfold—over its historical rate. By 2050, sea levels will increase relative to the 2000 level by 12-18 inches. As sea levels rise, there will be an increased incidence of extreme high sea level events (which occur during high tides, often when accompanied by winter storms and sometimes exacerbated by El Niño occurrences). Low-lying coastal areas of San Diego are at risk due to the combination of waves, tides, regional wind and barometric effects, El Niño effects and sea level rise. Sandy beach areas, wetlands, commercial, municipal, and residential properties will be lost or harmed, with implications for ecosystems, the economy, recreation, and public health.

Regional Energy Profile

The region's energy, electricity and methane-based natural gas, has historically been served by SDG&E. In 2019, two CCAs, SDCP and Clean Energy Alliance (CEA) formed. CEA began offering services to the cities of Carlsbad, Del Mar, Solana Beach, Escondido, San Marcos, Oceanside, and Vista in 2021. CEA is a member of the SDREN inaugural Advisory Committee and has been an active participant in ongoing and standing collaboration discussions with SDCP and SDG&E on customer energy programs.

[28] https://www.cpuc.ca.gov/industries-and-topics/wildfires/fire-threat-maps-and-fire-safety-rulemaking.

Figure 13. Map of SDCP and CEA Service Area



SDG&E has been the primary provider of energy programs in the region. SDG&E is the only IOU service territory without a REN, providing ample opportunity to bring additional resources to the region's communities. SDG&E's rates are expected to increase significantly between now and 2027.[29]

IOUs have inherent constraints within their EE portfolio, including cost-effectiveness requirements that limit the breadth of program offerings. SDREN will work to fill demonstrated gaps in the region in program participation. For example, historical claims filed by SDG&E in Climate Zone 7, which covers the coastal region of its territory and includes underserved communities, houses 69% of the population but only 49% of the claims. Market characterizations performed by SDCP and its partners reveal opportunities for SDREN to make significant programmatic contributions to the region.

In addition to existing programmatic gaps, the demand for electricity in San Diego County is projected to increase significantly by 2050, largely driven by population increases, greater frequency of heat waves, and peak demand for cooling. Annual electricity consumption is expected to increase by more than 60% and peak loads by 70%. That will push consumption from the current level of approximately 20,000 gigawatt hours (GWh) to more than 32,000 GWH in 2050. Climate change accounts for approximately 2 percent of the expected rise in electricity consumption by 2050, and up to 7 percent of the increase in peak demand.[30]

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[29] Energy Toolbase. Electric Bill Inflation in California. 2023" (for electric rates; Environmental Defense Fund. A.22-05-015 Opening Brief. Aug 14, 2023.
[30] Regional Foundation 2050 Study, San Diego Foundation.

Climate change will also have an impact on system reliability unless adequate planning and investments are made and consumers modify their consumption patterns. Peak demand will increase due to higher frequency of heat waves. Summertime, when demand is highest, is also the time when electric utility operating efficiency is lower and line losses increase—both due to temperature effects.[31] These impacts will conspire to make managing regional demand even more challenging.

Equity Considerations

A goal of SDREN is to ensure that no communities are left behind in the transformation to a clean energy economy. In alignment with the CPUC's equity segment, SDREN is using "**underserved communities**" and "**hard-to-reach customers**" to describe the target populations in their portfolio.

Figure 14. Defining Underserved[32] Customers in SDREN's Service Territory

"Underserved communities" are at least one of the following…

- A **"disadvantaged community"** as outlined in the Public Resources Code.
- Considered **"low-income,"** as defined in the Health and Safety Code.
- In the 25% most disadvantaged communities according to Cal EPA's CalEnviroScreen 4.0.
- At least 75% of public school students **receive free or reduced-price meals**.
- Located on lands belonging to a **federally-recognized California Indian Tribe**.

Per Public Utilities Code Section 1601(e), to be considered "underserved" a community must meet one or more of the criteria listed above.

Figure 15. Defining Hard-to-reach Customers in SDREN's Service Territory

[31] Ibid.

[32] Any residential or public customers living within an underserved community are considered an underserved customer. Other customers must also be an "underserved business group" as defined within Gov. Code Section 12100.63(h)(2) within an underserved community.

"Hard to reach" communities are…

Governments
- California Native American Tribes of any kind.
- Local governments in the 25% most disadvantaged communities per Cal EPA's CalEnviroScreen.

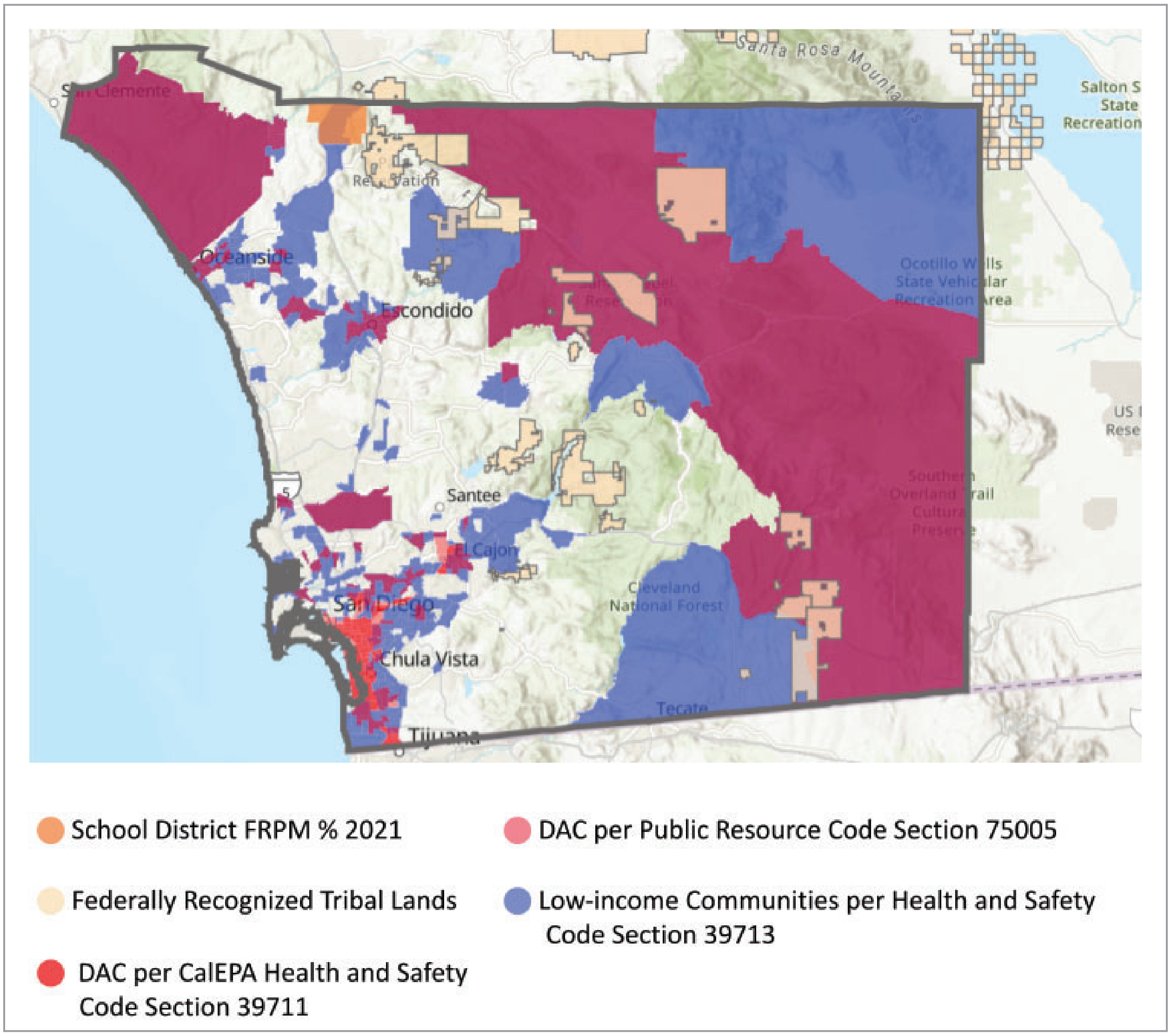
Residents
- In the 25% most disadvantaged communities according to Cal EPA's CalEnviroScreen AND one or more of the following:
    - Primary language spoken is not English.
    - Qualified for CARE/FERA/ Energy Savings Assistance Programs.
    - A tenant in a multi-family or mobile home.
- Not in the 25% most disadvantaged communities according to Cal EPA's CalEnviroScreen, but meeting all other criteria listed above.

Businesses
- In the 25% most disadvantaged communities according to Cal EPA's CalEnviroScreen AND one or more of the following:
    - Primary language spoken is not English.
    - Classified as very small based on annual electric demand (< 20kW and/or < 10,000 therms) or based on having 25 or fewer employees
    - Operating from leased or rented facilities
- Not in the 25% most disadvantaged communities according to Cal EPA's CalEnviroScreen, but meeting all other criteria listed above.

In reviewing this criteria, SDREN has determined that approximately 56% of the region's population lives in an underserved community. Given this, along with the demographic trends of a growing non-English speaking population, a geography with the highest cost of living in the US, and the highest electric and gas rates in California, SDREN will devote the majority of its portfolio to programs designed to target hard-to-reach and underserved communities. SDREN acknowledges the region's substantial disparities in poverty. Compared to their White counterparts, Latino/a San Diegans under the age of 18 were twice as likely to live in poverty, while young Black San Diegans were 2.5 more likely.[33]

[33] San Diego Economic Equity Report 2023.

Figure 16. A map of the region with multiple indicators for underserved communities including CalEnviroScreen DACs, Tribal lands, low-income communities, and FRPM.



SDREN has undertaken stakeholder engagement initiatives and will continue to gather input from stakeholders and member agencies to inform the design and execution of programs that address long-standing barriers and that are accessible to communities who have experienced structural exclusion.[34]

SDCP, the City of San Diego, and the City of Chula Vista have committed ongoing investments to "**communities of concern**", which are defined as the top 25% scoring areas from CalEnviroScreen, known as Disadvantaged Communities (DACs), as well as the additional census tracts identified by the cities of San Diego and Chula Vista through their Climate Equity Index (CEI) reports.

[34] Stakeholder engagement further described in Section vii. Alignment with Legislative and CPUC Requirements and Relevant Action Plans. Also see Appendix X showcasing letters of support from stakeholders engaged in the process.

SDCP is committed to supporting populations historically underrepresented in energy program participation and receiving associated benefits. As such, SDCP has committed at least 50% of a program's non-administrative budget, to the extent allowed by funding sources, to participation from Communities of Concern. SDCP will center Communities of Concern in program design to enable participation by all customers. It is important to note that while SDCP will follow the commitment with internal funds, it may not be possible with external funds due to specific rules and regulations.

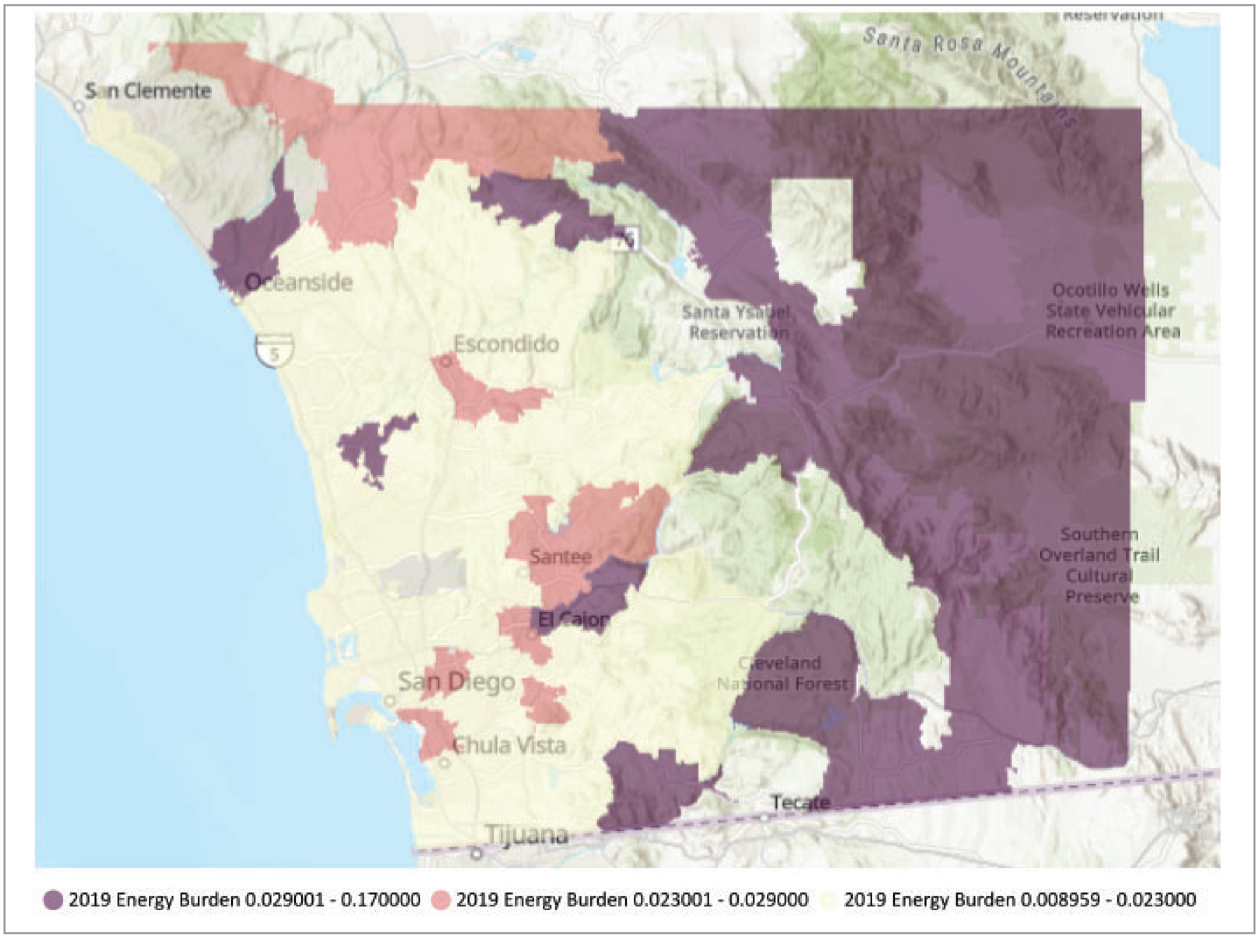
In 2019, the City of San Diego developed the first-of-its-kind Climate Equity Index (CEI), in partnership with several community-based organizations representing communities of concern or advocating for environmental justice policy development. Specifically, the City of San Diego identified communities of concern as areas with very low, low, and moderate access to opportunity, whereas the City of Chula Vista defined them as the top 25% scoring areas within its own analysis[35]. In an ongoing attempt to elevate community-based language and needs, SDREN will continue to consider any indicators or definitions proposed by member agencies.

The goal of the CEI is to measure the level of access to opportunity residents have within a census tract and assess the degree of potential impact from climate change to these areas. The CEI is the first tool in the country that considers the effects of climate change, environmental pollution, and vulnerable populations. With the CEI, the City has better identified communities of concern to include census tracts with very low, low, and moderate access to opportunity. These include Oceanside, Escondido, El Cajon, and National City. These regions are also considered underserved according to the CPUC's definition.

Energy costs and the energy burden for San Diego County residents disproportionately impact underserved communities. In 2021, an estimated 335,000 San Diegans were living below the poverty line[36]. With about one in ten San Diegans not having enough income to pay for basic expenses, this demonstrates a significant need to reduce energy burden. According to the DOE's Low-Income Energy Affordability Data (LEAD) tool, the national average energy burden for low-income households is 8.6%, three times higher than the estimated 3% for non-low-income households. In San Diego, low-income households paid an average of 3.9% of their income for energy, while all households paid an average of 2.3%. SDREN's proposed portfolio brings additional customized resources that are best equipped to penetrate these more vulnerable populations and overcome typical barriers to program participation.

[35] City of San Diego Climate Equity Index, https://www.sandiego.gov/sites/default/files/prbr210715a-item201b.pdf.
[36] San Diego Economic Equity Report 2023.

Figure 17. A map demonstrating the region's energy burden[37]



Workforce

Over the last 50 years, the San Diego region's economy has changed from one reliant on military, naval shipping, agriculture, and fisheries to a more diversified economy including manufacturing, scientific research, communications technology, and tourism. The San Diego region's economy relies heavily on the service sector for the majority (72.2%) of its output. Major service-sector industries include financial, trade, professional and technical services, communications, high-technology, and hospitality. With respect to the production of goods in San Diego County, manufacturing,

Photo by Fotopro_929 via Shutterstock.

[37] Public data collection effort of customers reporting their annual energy cost and income.

construction, and agriculture are the largest industries, accounting for 7.3 percent, 5.3 percent and 1 percent of total output respectively.

San Diego's unemployment rate is currently 5.4%. Employment declined less and recovered more quickly than in most other regions in California after the COVID-19 pandemic. The San Diego region has seen above-average employment growth, sitting at 2.9% relative to pre-pandemic levels (1.3 percentage points higher than statewide). Jobs in professional, scientific and technical services, health care, and transportation and warehousing are driving growth in the San Diego region. Expansions in administrative and support services have also contributed to job growth in the region.

The RDF-Technical Report estimates that no jobs in the region's fossil fuel-based industries will be displaced by 2030, even with contractions in the fossil fuel demand.[38] However, job displacements will occur between 2031 – 2050, as oil consumption in the region falls by 95 percent relative to the present level and natural gas consumption falls by 75 percent. The modeling used in the RFD-Technical Report indicates that decarbonization will result in net job creation overall. Therefore, advancing the transition to a zero emissions economy is a critical part of regional decarbonization, and developing a viable set of just transition policies for the workers in the community who will experience job displacement between 2031 – 2050 will be essential.

There is an opportunity to meet demand for energy jobs that support statewide goals as the younger population (28% under 18) grows. The regional decarbonization framework projects overall net job creation due to decarbonization initiatives.[39] However, creating jobs is not enough to prevent negative impacts on workers. Ensuring the creation of high-road jobs is key. High-road jobs are defined by both job quality (i.e., family-supporting wages and benefits, long-term career pathways, and worker protections) and job access (i.e., access and entry-points to good jobs for local workers, and training to support advancement). High-road jobs are a win-win approach for employers and communities as employers gain access to skilled and committed workers, and community members gain access to good careers. Investments in growing, diversifying, and upskilling the workforce can positively affect returns on climate mitigation efforts. In other words, well-trained workers are key to delivering emissions reductions and achieving climate targets.

Energy Efficiency Strategy

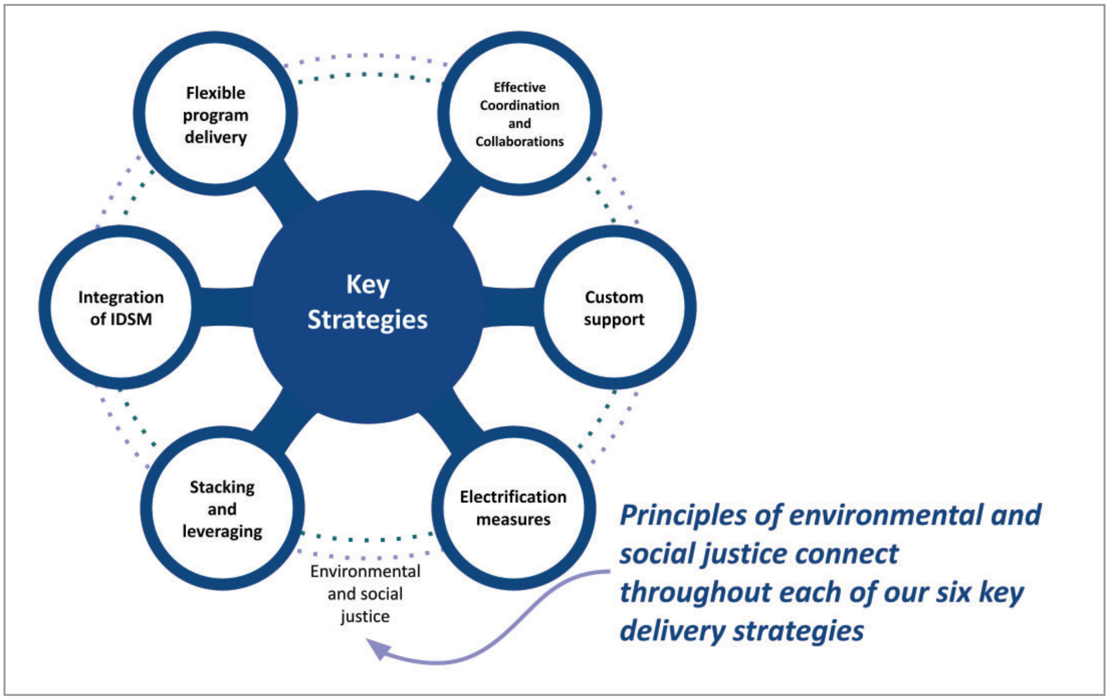
As described previously, SDREN's proposed EE strategy for the San Diego region builds off of the foundation established through long-standing local collaborations in the region and are informed by SDREN's values and principles to deliver on the goals of decarbonization, comprehensive EE services, and building the local energy economy.

[38] Carol Zabin, Maggie Jones, and Betony Jones, June 13, 2022, "Putting San Diego County on the High Road: Climate Workforce Recommendations for 2030 and 2050," Inclusive Economics, Oakland, CA.

[39] Eric Larson et al., "Net-Zero America: Potential Pathways, Infrastructure, and Impacts - Final Report Summary" (Princeton University, October 29, 2021), https://netzeroamerica.princeton.edu/img/Princeton%20NZA%20FINAL%20REPORT%20SUMMARY%20(29Oct202).pdf.

Collectively, the portfolio-level strategies incorporate several key approaches as shown in Figure 18 below.

Figure 18. SDREN Key Strategies



These key strategies will be integral to the SDREN through the Business Plan period and beyond. The below strategies touch on strategies that were central to the first four-year Portfolio Plan and will continue to be refined over the Business Plan period.

Savings Forecasting and Quantification Methods

SDREN's savings forecast methods vary by the type of program being delivered. SDREN's savings projections were developed using only the approved savings assumptions and/or methodologies, as follows:

- SDREN is proposing a **single resource acquisition program** that will comply with D.23-06-055 by using a **meter-based method** for savings measurement. Savings forecasts were developed taking into account program ramp-up and available incentive budgets, including incentive rate estimates in line with other similar programs. Savings claimed will be based on **actual savings realized** and will apply a population-level NMEC approach in alignment with the most current version of the CPUC's NMEC Rulebook.
- All **equity and market support** programs utilize **Deemed Measures** that are currently approved and active in the eTRM (California Electronic Technical Reference Manual) database and follow the Statewide Deemed Workpaper Rulebook.

SDREN is not using the current custom process and meter-based approaches to savings measurement as they will not be cost effective with the target customers in equity and market support segmented programs.

While SDREN recognizes the benefits of meter-based savings approaches, there are currently limitations to its effectiveness for certain customers. SDREN will actively engage in statewide working groups to overcome barriers and explore more cost effective solutions for smaller customers. SDREN third-party implementers will also be encouraged to explore opportunities to incorporate meter-based savings approaches into the programs. SDREN will also explore through the JCM process how to support SDG&E third-party program providers with the delivery of meter-based savings projects, as appropriate.

Strategies for Market Intervention and Energy Efficiency Adoption

SDREN will incorporate the following strategies for market intervention and EE adoption.

Table 4. Strategies for Market Intervention Based on Target Audience

Target Audience	Strategy
Non-English speaking resident or business owner	● **In-person equitable and inclusive education and outreach** (i.e. in-language materials with cultural understanding, vision and hearing impaired customers, etc. taken into consideration) conducted by trusted local individuals when possible.
Homeowner, business owner, public agency	● **Offer comprehensive concierge services and speak to holistic benefits** to simplify adoption by customer and present a single point of entry to access programs, including SDG&E offerings. ● **Provide customized technical assistance paired with advisory services** to identify and install comprehensive EE and IDSM opportunities at homes/facilities. ● **Offer funding, financing assistance, and guidance** to customers on how to qualify, utilize, and stack funding sources, such as IRA, OBF, TECH, and SGIP. ● **Provide direct installation of no to low cost energy efficiency measures.** ● **Deliver outreach, education and training** to improve access, increase participation, increase awareness and knowledge of how to manage and reduce energy consumption. ● **Partner with CBOs** to deliver messaging and services through local, trusted community members.

Tribes	• **Offer direct funding to Tribal nations** to propose, design, and deliver tailored programming and initiatives to meet their unique community needs to increase access to EE programs, reduce energy burdens and decarbonize assets. • Provide **ongoing access to technical advisors** with EE expertise to support successful implementation of programming and initiatives. • Also, refer to **all strategies noted above for other public agencies.**

Disadvantaged workers[40]	• **Build and leverage external partnerships** to enhance DAC worker outcomes such as:
	    ○ Employers to provide training to staff and boost opportunities for growth, and
	    ○ Local community college partnerships to provide college level courses and skill development opportunities.
	• **Provide education** through the provision of training, certifications, networking, and apprenticeship opportunities to build skills to enter the green workforce.
	• **Offer wraparound services** such as career coaching to match participants with employers to secure clean energy jobs.

Employers connected to EE deployment	• **Support and work alongside employers** to understand and overcome barriers to offer targeted EE training for staff. • **Deploy a targeted survey** to local employers to determine emerging clean energy industry careers and required skills and qualifications for incoming professionals to be successful. • **Stack opportunities** available to employers by connecting them to other workforce development programs.

[40] Disadvantaged worker definition from D.19-08-006, Attachment B, p.6: "Disadvantaged Worker" means a worker that meets at least one of the following criteria: lives in a household where total income is below 50 percent of Area Median Income; is a recipient of public assistance; lacks a high school diploma or GED; has previous history of incarceration lasting one year or more following a conviction under the criminal justice system; is a custodial single parent; is chronically unemployed; has been aged out or emancipated from the foster care system; has limited English proficiency; or lives in a high unemployment ZIP code that is in the top 25 percent of only the unemployment indicator of the CalEnviroScreen Tool.

Code enforcement officials and stakeholders	● **Leverage data driven insights** to develop **tools, technical resources, and templates** for permitting electrification and other energy efficiency measures. ● **Educate officials and authorities** having jurisdiction (AHJ) about permitting and codes. ● **Provide person-to-person support** through an Energy Code Coach to provide comprehensive compliance and enforcement strategy support services.

New Strategies for Spurring Innovation

With a focus on SDREN's principles of environmental equity, collaboration, and community-driven SDREN will incorporate the following strategies to spur innovation throughout the portfolio:

Table 5. Strategies for Innovations Based on SDREN Principles

SDREN Principle	SDREN Strategies for Innovation
Environmental Equity	● Focus on methods that maximize non-energy benefits for equity customers such as: ○ Engage multiple markets to identify best strategies to reach equity customers, and ○ Build environmental justice priorities and opportunities to suggest innovations into all program solicitations. ● Compensation for CBOs that engage and support SDREN. SDREN would also provide any needed energy education and training to these groups, in order to build staff capacity and more effectively contribute to SDREN goals.
Collaboration	● Prioritize collaboration, coordination and flexibility in program design in order to fill gaps and develop future innovations through the following strategies: ○ Work with local energy program administrators and implementers to optimize coordinated service delivery and ensure resources are used efficiently, and ○ Work with SDREN Advisory Committee members and other regional partners, such as CBOs and local governments, to design approaches that reflect local needs and priorities, and maximize advantages for local communities.

	● Leverage and marshal financial resources, provide access to financing, integrate and stack funding sources. ○ This includes state and federal funding opportunities, such as IRA and the CEC Equitable Building Decarbonization DI Program, as well as regional offerings, such as SDG&E programs, where feasible.
Community-Driven	● Engage communities at early stages of planning to ensure the services that are developed and delivered not only reflect local needs and priorities but invest in community based program delivery. ● Identify success measures reflective of desired community outcomes, informed by SDCP's Community Power Plan and the County of San Diego's Regional Decarbonization Framework. ● SDREN Advisory Committee to include CBOs with the role to advise on outreach and enrollment, provide feedback on program evaluation reports, and recommend program improvements. ● Ongoing engagement will focus on collecting feedback to inform 2028-2031 Portfolio Plan. ○ This will also be informed by the Community-based pilot led by SoCalREN.[41] ● Tribal program designed to ensure community driven and culturally-centered design and service delivery.

Strategy for Incorporating Low Global Warming Potential Refrigerants

Hydrofluorocarbon refrigerants (HFCs) are "super" GHGs that are currently being phased out but significant support is needed to accelerate the San Diego region to a safe transition to Low Global Warming Potential (low-GWP) refrigerants. Low-GWP refrigerants will be incorporated into the portfolio using the following strategies.

Table 6. Strategies for Incorporating Low-GWP Refrigerants Based on Sector

Portfolio Sector/Program	SDREN Supporting Strategy
Residential, Commercial and Public	● Offer education about low-GWP refrigerants with customers receiving relevant measures or recommendations within technical assistance offered.

[41] D.23-06-055, OP 30.

	● Requirements for installers to use low GWP refrigerants in newly installed equipment. ● Support proper reclamation of HFC refrigerants in addition to providing measures with low-GWP refrigerants.
Codes & Standards	● Provide information to all local permitting agencies and other market actors about the HFC phase out and low-GWP refrigerants along with code requirements.
Workforce Education & Training	● Incorporate training to participants on proper installation and management of low-GWP Refrigerants and proper reclamation of HFC-based refrigerants, along with education about phase out and benefits of low-GWP.

Additionally, SDREN will cooperate with the Market Transformation administrator should new HVAC and refrigeration initiatives be introduced to handle new low-GWP changes and regulations.[42]

IDSM Strategies

CPUC ruling D.23-06-055 authorizes PAs to propose IDSM programs through the submission of a Tier 3 Advice Letter no later than March 15, 2024, for programs to be launched during the 2024-2027 portfolio period. Guidance for what is to be included in the Advice Letter is anticipated to be issued by the Energy Division no later than January 1, 2024.[43]

Given that SDREN is not anticipated to be authorized as a PA before March 15, 2024, SDREN is proposing that the CPUC authorize SDREN's IDSM strategy outlined below and described in further detail in Exhibit 2. If necessary, SDREN will file additional details as directed by the Energy Division or the Commission.

SDREN anticipates allocating the full cap of $4 million towards IDSM activities.[44] The integration of other IDSM activities and services alongside EE is a cost effective use of resources to drive deeper decarbonization strategies across the region. In line with SDREN's goals of decarbonization and the portfolio strategy of customized support, SDREN will comprehensively consider IDSM opportunities across all programs to be integrated throughout the portfolio.

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[42] D.21-05-031 at 60.

[43] The CPUC will allow IDSM programs to be proposed through the submission of Tier 3 advice letters no later than March 15, 2024, for programs to be launched during the portfolio period (2024-2027).

[44] Per CPUC ruling A.22-02.005, a PA may, but is not required to, expand up to 2.5 percent, or $4 million, whichever is greater, of its energy efficiency budget for the portfolio period, up to a maximum of $15 million, on a pilot basis for ongoing load shifting that reduces peak consumption.

SDREN's proposed potential IDSM strategies across the portfolio include:

- **Regional IDSM Working Group**
    a. Convene regional LSEs (CEA, SDCP, and SDG&E) to discuss IDSM programs, including building electrification, transportation electrification, demand response, distributed generation, storage, in order to optimize SDREN program design and delivery.
    b. Discuss regional grid needs (e.g., hosting capacity, distribution congestion, etc.) to inform program design, electrification priorities, and operational strategies.
    c. As appropriate, update SDREN IDSM activities to incorporate feedback from Regional IDSM Working Group.
- **Equipment specification**
    a. Document eligibility requirements of IDSM program, including equipment features and functionality, OEM eligibility, DERMS integration, and compatibility with relevant codes, industry standards and workforce needs.
    b. Work with SDREN implementers to align, to the extent possible, program QPLs with regional IDSM program requirements.
- **Identification, Installation and Commissioning**
    a. Identification of IDSM opportunities based on customer preferences
    b. Incorporate enrollment (e.g., device enrollment) support and process (e.g., T&Cs acceptance) into SDREN programs, including marketplace offers, contractor partnerships, and ED guidance on incentive stacking and IRA reporting.
    c. Integrate device commissioning requirements for IDSM programs (e.g., digital connectivity commissioning, DERMS integration) into contractor driven SDREN program delivery.
    d. Ensure customer preferences, awareness, and education activities are integrated throughout the program delivery lifecycle.
- **Codes and Standards**
    a. Provide education and technical support to code officials on implementation of new requirements related to flexible load technologies (e.g., Title 24 Compliance Credits for Storage and HPWHs, Flexible Demand Appliance Standards)
- **Workforce education and training**
    a. Incorporate flexible load program requirements, incentives, commissioning processes and other IDSM program material, into energy efficiency training modules for participating contractors.
    b. Educate and collaborate with participating contractors on inclusive outreach, customer acquisition, and sustained customer satisfaction with technology and behavioral interventions contributing to IDSM program goals.
- **Education and customer support**
    a. Assist customers in applying for additional IDSM funding and incentives
    b. Incorporate information on the opportunities and benefits of IDSM program participation into customer education and outreach materials and workshops.

Customers will be funneled into appropriate programs and decarbonization strategies that will result in event-based or permanent load shifting or load reduction. As part of its development of IDSM strategies, SDREN will closely coordinate with other IDSM programs and administrators.

Strategies for Tracking Outside Funding

The CPUC is correctly focused on leveraging non-ratepayer funds to increase EE project implementation opportunities for customers. Substantial new funding for EE and IDSM projects is being made available through federal and state agencies. Many of these federal and state programs have not yet been launched, and the final program designs and eligibility criteria have not yet been finalized. It is, therefore, not possible at present to know when and how these outside funds will be applied within SDREN territory to support specific customer EE activities.

SDREN is committed to the leveraging and stacking of non-ratepayer funding whenever possible, and supports the dissemination of information to customers, as a component of SDREN program's ME&O, on the applicable state and federal funding that is available to support their EE and IDSM projects. Additionally, to reduce customer confusion and complexity, SDREN anticipates supporting customers through the process of securing these additional funds when appropriate.

A majority, if not all, of the state and federal funding that will be available will flow directly to customers and not through SDREN. In these cases, it may not be possible for SDREN to accurately track the use of these funds separately. SDREN can work through the program "energy coaches" to collect this information through customer consultations. Customers can also be requested to self-report through a program survey but this may be prone to data gaps when done voluntarily. SDREN is, however, supportive of future CPUC direction related to collecting information on customer use of non-ratepayer project funding that is feasible and practicable for SDREN to collect and track.

Portfolio Management Strategies

SDREN's portfolio management approach is focused on helping underserved and hard-to-reach communities invest in and accelerate decarbonization strategies and actions that benefit them and hasten the transformation to a clean energy future. SDREN's management strategies that help drive the distribution of budget across segments and sectors are described below in descending order based on priority for investment.

Segmentation Strategy Summary

Figure 18. Defining Equity

Equity

The purpose of Equity segment programs is to provide energy efficiency to hard-to-reach or underserved customers and disadvantaged communities to advance the CPUC's ESJ Action Plan.

All programs within the SDREN portfolio have been designed with equity objectives in mind, regardless of segmentation. For example, a key strategy of SDREN's portfolio is to involve communities, grassroots organizations, and CBOs early in program development to assess needs, design strategies, and deliver the programs that meet local needs. SDREN's alignment with the CPUC's ESJAP is described later under the section *Portfolio Design and Alignment with Legislation and Relevant Action Plans*.

Nearly half (46%) of SDREN's portfolio is directed to Equity programs that support underserved communities. These programs will be key in driving progress towards SDREN's long-term goal of equitable decarbonation of the San Diego region. To support this goal, SDREN has integrated the following strategies into its equity programs:

- Focus outreach on and target underserved and HTR customers.
- Provide in-person, equitable, and inclusive outreach and support services.
- Customized energy programs and strategies shaped by community input.
- 1:1 support to connect customers to all other available programs, services, and funding opportunities.
- Offer direct installation of energy efficiency measures.

Additionally, SDREN will market and support customers in leveraging other resources and programs to maximize the benefits to these communities.

Figure 19. Defining Market Support

Market Support

Market Support programs have a primary objective of supporting the long-term success of the energy efficiency market by educating customers, training contractors, building partnerships, or moving beneficial technologies towards greater cost-effectiveness.

A portfolio goal is to advance greater understanding and increase awareness and participation in energy programs, reduce the energy burden for communities, and lessen market confusion. SDREN's Market Support strategy, comprising over one third (34%) of its portfolio, seeks to bolster the green energy workforce in underserved communities by providing green career pathways for K-12 students, training adults who are incumbent or new to the green job market, developing skills, and supporting employers to increase green career opportunities.

A centerpiece of SDREN's Market Support strategy is to engage public sector agencies to adopt decarbonization measures. SDREN will support the County, 18 incorporated cities, 47 school districts and 31 water agencies to implement energy efficiency and decarbonization strategies, including agency wide benchmarking and strategic energy resilience planning. Start to finish customized, unbiased, hands-on, expert guidance and support will enable public agencies to accelerate adoption of urgently needed clean energy actions.

Figure 20. Defining Resource Acquisition

Resource Acquisition

Resource Acquisition programs have the primary purpose of, and a short-term ability to, deliver cost-effective avoided cost benefits to the electricity and natural gas systems. Short-term is defined as during the approved budget period for the portfolio. (This segment should make up the bulk of savings to achieve TSB goals).

Fourteen percent of the portfolio budget is directed to Resource Acquisition through a program supporting commercial property owners. This program will help SDREN advance decarbonization, reduce energy burdens, reduce energy consumption, and increase participation in and access to EE programs. The program will focus outreach efforts on small to medium HTR and underserved commercial customers that may be missed or passed over by other programs. A key strategy will be to provide performance based incentives designed to cause project developers (aggregators) to deliver projects that reduce peak demand usage and verifiable savings. It is intended to deliver a majority of the TSB savings for the portfolio.

Sector Strategies

Following is an overview of SDREN's strategies for each portfolio sector in descending order based on priority for investment.

Residential

SDREN proposes two Residential programs, both of which address equity. Both fill gaps in current SDG&E offerings to multifamily and single-family customers by providing customized support and education. Because residential customers are typically confused by the number of program offerings and entry points, pairing behavioral engagement is a key strategy to demystify funding opportunities for residents. Programs highlight non-energy benefits and incorporate a pathway to electrification through education about "healthy homes." The total eight-year budget for Residential programs is $84 million, representing 29% of the overall portfolio.

Commercial

SDREN proposes three Commercial sector programs that fill gaps and coordinate closely with SDG&E programs. Two are equity programs supporting small-medium businesses by raising awareness and increasing adoption of EE and other IDSM practices and measures. These programs will deploy a direct install approach to alleviate the cost barrier to participation and allow store owners to participate in energy efficiency program offerings as store owners have limited staff capacity and capital to invest in energy efficient equipment. The third program is a resource program providing incentives to commercial customers that realize peak demand reduction and verifiable energy savings. The total eight-year budget for the Commercial sector is $83.8 million, representing 29% of the SDREN portfolio.

Public Sector

The Public Sector segment offers two programs that fill gaps in SDG&E services. One is a market support program that offers customized and unbiased end to end EE project services to public agencies within San Diego County. The second is an equity program that will collaborate with Tribal communities to determine program design and delivery. There are no current Tribal specific strategies or programs offered by SDG&E. The total eight-year budget for the Public Sector is $56 million, representing 20% of the SDREN portfolio.

Cross-Cutting – Workforce, Education and Training (WE&T)

SDREN proposes three Market Support WE&T programs that fill gaps and support development of a green workforce representative of vulnerable populations, with opportunities to build more resilient communities. These programs support green career development for K-12 students, provide clean energy jobs training for new market entrants, and green workforce training through employers. The total eight-year budget for the Cross-Cutting WE&T sector is $46.3 million, representing 16% of the SDREN portfolio.

Cross-Cutting – Codes & Standards (C&S)

SDREN's proposed C&S program will supplement and complement both the SDG&E C&S programs and all statewide C&S programs. SDREN's program will provide local agencies with policy and compliance support and enhance communication and experience among permitting authorities and permit applicants.

SDREN's C&S program works with public agencies to provide policy and compliance support. The program fills gaps in the current SDG&E program which primarily focuses on advocacy at the CEC and DOE related to appliance and building standards. Programs designed for permitting agencies and local governments focus on Title 24 compliance education and adopting Title 24 reach codes. These programs are offered statewide by PG&E, SCE and SDG&E with limited local customization. All RENs in the state will have a C&S offering starting in 2024 highlighting a clear gap in San Diego for this enhanced support. The total eight-year budget for the Cross-Cutting C&S sector is $17.6 million, representing 6% of the SDREN portfolio.

Distribution of Budget Among Sectors and Segments

The below tables provide a summary of the budget allocations based on the strategies described above.

Table 7. Budget Overview by Segment (excluding EM&V)

Segment	# of Programs	8-year Budget	% of Portfolio
Equity	5	$132,578,532	46%
Market Support	3	$97,891,627	34%
Resource Acquisition	1	$39,690,430	14%
Codes & Standards[45]	1	$17,640,065	6%

Table 8. Budget Overview by Sector (excluding EM&V)

Sector	# of programs	8-year budget	% of Portfolio
Residential	2	$84,067,503	29%
Commercial	3	$83,791,159	29%
Public	2	$55,997,047	20%
CC-WE&T	2	$46,304,880	16%
CC-C&S	1	$17,640,065	6%

Portfolio Coordination

A key for success in achieving SDREN's energy goals and outcomes is the effective collaboration and coordination among the numerous entities providing energy services to constituents. SDREN will actively coordinate with the following organizations and programs:

- **RENs statewide.** SDREN will join and engage in ongoing participation in the newly formed CalREN[46] organization.
- **SDG&E.** SDREN will coordinate with SDG&E in several ways, including (1) through the annual Joint Cooperation Memo (JCM), (2) ongoing regular coordination at the portfolio level, and (3) additional coordination at the program level with SDG&E and associated third party implementers where complementary services are offered by SDREN.

[45] Codes & Standards is classified as both a segment and as part of the Cross-Cutting sector.
[46] https://californiaregionalenergynetworks.org.

- **Statewide programs.** SDREN will coordinate with the new BayREN Statewide offering and will coordinate with all applicable statewide programs, including:
    - Statewide Reach Codes Program
    - Energy is Everything
    - Energize Careers
    - Golden State Rebates
    - Quality Residential HVAC Services Program
    - Comfortably California
    - CA Food Service Instant Rebate Program
    - Higher Education Energy Efficiency Program (HEEP)
    - California Energy Design Assistance Program (CEDA)
- **Other regional partners.** SDREN will coordinate with SDCP and CEA programs, as well as other regional partners delivering energy and workforce programs.
- **Other DSM programs.** SDREN will coordinate with other DSM programs, including:
    - CPUC DSM funding: TECH, BUILD, DR, SGIP, EV Charging
    - CPUC low-income programs: ESA
        - Single-family coordination
        - Multi-family coordination
    - Market Transformation
        - Emerging technologies, workforce initiatives, and strategies related to building performance and grid interactive buildings and grid impacts.
    - IRA, other federal funding
        - Education and guidance for customers on how to take advantage of offerings.
    - CA Equitable Building Decarb DI program and other state funding
        - Coordination with the SoCal Administrator for marketing and outreach to customers.

Evaluation, Measurement, and Verification (EM&V)

SDREN will coordinate with the CPUC, other PAs, and appropriate stakeholders to define data collection requirements and processes. SDREN will ensure data collection procedures capture relevant information that informs CPUC evaluation activities, program performance, and continuous improvement.

Table 9. EM&V Budget

Sector	8-year budget	% of Portfolio
EM&V	**$11,512,026**	4%

Alignment with CPUC Requirements

The development of SDREN's business plan follows all CPUC guidance and requirements as described below. Additionally, SDREN will comply with all applicable Commission policies and directives following authorization.

SDREN's business plan aligns with the CPUC's Guidance Decision (D.12-11-015 and updated in D.19-12-021) for Regional Energy Networks which calls for RENs to conduct activities that utilities or CCA Program Administrators cannot or do not intend to undertake. RENs may pilot activities where there is no current utility or CCA PA program offering, and where there is potential for scalability to a broader geographic reach, if successful. In addition, RENs may also pilot activities in hard-to-reach markets, whether or not there is a current utility or CCA PA program that may overlap.

All programs described in the 2024-2027 portfolio plan meet at least one of the existing REN criteria as listed above. SDREN also proposes that "underserved" be incorporated into the third criteria as detailed in the section *Recommendation for New or Modified EE Policy.*

SDREN's proposal conforms with other CPUC directives, as follows:

- SDREN will coordinate with SDG&E on a Joint Cooperation Memo (JCM) to avoid overlap and duplication of programs and services.
- Programs are properly segmented, as follows:
    - Resource Acquisition
    - Market Support
    - Equity
    - Codes and Standards.
- SDREN's business plan provides information on SDG&E programs and how proposed program designs mitigate or minimize ratepayer risk of program overlap or duplication.
- Programs that only meet the criterion of serving hard-to-reach customers (and not the gap filling or pilot criteria confirmed by D.19-12-021) are/will be designed to target, and will be marketed exclusively to, hard-to-reach customers or specific hard-to-reach customer segments.
- SDREN's proposal is a result of coordination with overlapping PAs in the course of preparing the filings.

The CPUC ruled in D.19-12-021 (pg 21) that a new REN proposal may be brought forward to the Commission by filing a motion in the Energy Efficiency Rolling Portfolio proceeding or its successor (in whichever proceeding is the open energy efficiency rulemaking at the time of the REN proposals), imposing certain requirements. A table outlining SDREN Business Plan compliance is included *Exhibit 3 - Appendix X*.

Portfolio Design and Alignment with Relevant Action Plans

At its foundation, SDREN's eight-year Business Plan is guided by the state's goals of doubling EE in existing buildings by 2030, reducing emissions from existing buildings by at least 40 percent below 1990 levels by 2030, achieving 100 percent renewable and zero-carbon retail electricity by 2045, and becoming entirely carbon neutral by 2045. SDREN's Plan is also guided by the state's focus on identifying and addressing barriers to advancing EE and decarbonization in low-income and disadvantaged communities, as well as the CPUC's most recent ESJAP 2.0 Update. Across all SDREN programs, the intent is to support and advance both State legislative mandates as well as deliver programs that meet CPUC regulatory requirements, while simultaneously providing unique value to our local constituents.

The SDREN portfolio design and budget are aligned with the following policy and legislative mandates:

- **CPUC Environmental & Social Justice Action Plan 2.0**
    - To demonstrate its commitment to advancing the state's equity goals by serving ESJ communities, the SDREN is deeply aligned with the CPUC's Environmental and Social Justice Action Plan (ESJAP) goals as described below.

Table 10. SDREN Business Plan Alignment with ESJAP

ESJAP Goals	SDREN Alignment
Goal 1: Consistently integrate equity and access considerations throughout CPUC regulatory activities.	Equity and ESJ considerations are integrated throughout the SDREN Business Plan, and will be included in all future regulatory filings if authorized. The SDREN governance structure considers ESJ priorities within its Advisory Committee. There will be an effort to include ESJ representation on the committee and members will be provided educational opportunities to better understand the regulatory and decision making process.
Goal 2: Increase investment in clean energy resources to benefit ESJ communities, especially to improve local air quality and public health.	Authorization of the SDREN advances this goal given that the goals of the SDREN drive for equitable decarbonization. Many of the decarbonization strategies of transitioning from methane gas to electrification within programs will lead to improved air quality and health benefits for ESJ community members. All SDREN programs will engage with ESJ communities and SDREN will pursue opportunities to better understand and analyze impacts of programs on ESJ communities. SDREN will work across all eligible funding sources and support IDSM efforts to maximize impacts to these communities.

Goal 3: Strive to improve access to high-quality water, communications, and transportation services for ESJ communities.	SDREN will collaborate with regional partners to support improved access to additional high quality services, such as clean transportation.
Goal 4: Increase climate resiliency in ESJ communities.	Climate resiliency is a key design consideration around programs that are focused on ESJ communities. Customized IDSM services will be integrated to support resilient ESJ communities.
Goal 5: Enhance outreach and public participation opportunities for ESJ communities to meaningfully participate in the CPUC's decision-making process and benefit from CPUC programs.	SDREN Advisory Committee will include CBO representatives and will consider ESJ representation in membership. Members will be given opportunities to participate and learn about the CPUC regulatory process. The SDREN public sector Tribal program is intended to build pathways to involve these communities in the planning process to develop program strategies.
Goal 6: Enhance enforcement to ensure safety and consumer protection for all, especially for ESJ communities.	Trusted local partners will be used for engagement and program outreach. SDREN will manage all program implementation contracts with protections built in to protect against fraud and unfair business practices. SDREN's C&S program will support enhancing the enforcement of codes to ensure safety and consumer protection for ESJ communities.
Goal 7: Promote high road career paths and economic opportunity for residents of ESJ communities.	SDREN's WE&T programs are focused on promoting high road clean energy career paths in close partnership with other agencies. These programs will engage and support ESJ communities.
Goal 8: Improve training and staff development related to environmental and social justice issues within the CPUC's jurisdiction.	All SDREN staff will be trained on ESJ issues and will work to support continued training on ESJ-aligned plans.

Goal 9: Monitor the CPUC's environmental and social justice efforts to evaluate how they are achieving their objectives.	SDREN will continue to monitor progress of CPUC ESJ efforts and will actively engage in the feedback loop, including supporting methodologies and metrics to track progress.

- **California Long-term Energy Efficiency Strategic Plan**
  - The SDREN portfolio contains multiple strategies that are tied to the California Long-term Energy Efficiency Strategic Plan goals:
    - Local governments (LGs) lead by example in their facilities.
    - LGs lead their communities with innovative energy efficiency programs.
    - LGs lead adoption of advanced energy efficiency standards and reach codes.
    - LGs lead energy code compliance and enforcement.
- **AB 758, Existing Buildings Energy Efficiency Action Plan**
  - The SDREN portfolio contains multiple strategies that are tied to the Existing Buildings Energy Efficiency Action Plan:
    - Lays out a ten-year roadmap to mobilize market forces and transform California's existing building stock into high performing and energy-efficient buildings.
    - Establishes requirements for providing energy assessments, benchmarking, energy ratings, cost effective energy improvements, financing options, public outreach and education and workforce training.
- **AB 802, Building Energy Benchmarking Program**
  - The SDREN portfolio contains multiple strategies that are tied to the Building Energy Benchmarking Program:
    - Mandates use of metered data for measurement of impacts from energy efficiency program interventions.
    - Program Administrators can receive credit for energy savings and provide incentives and support for EE projects that help customers meet current energy code requirements, in contrast to previous rules where Program Administrators could only count energy savings for projects where the improvements exceeded code requirements.
    - SDREN has incorporated a commercial program that uses a meter-based approach to measuring savings.
    - Provides a relevant framework to implement building benchmarking and labeling ordinances that accurately reflect what building operators and tenants see on their energy bills.
    - SDREN's commercial programs will improve compliance with AB 802, the Building Energy Benchmarking Program, by helping businesses understand their energy consumption and comply with reporting requirements using Energy Star Portfolio Manager.®
- **SB 350, Clean Energy and Pollution Reduction Act**

    - The SDREN portfolio contains multiple strategies that are tied to the Clean Energy and Pollution Reduction Act:
        - Mandates 50% renewable energy content in the state's overall electricity mix and a doubling of energy efficiency goals for existing buildings by 2030.
        - SDREN's commercial programs will help deliver deep and persistent energy savings for SMBs and large commercial customers.
        - Address barriers for low-income customers to EE and weatherization, especially in disadvantaged communities.
        - Require local governments to participate in efficiency program implementation.
- **SB 375, Sustainable Communities and Climate Protection Act**
    - The SDREN portfolio contains multiple strategies that are tied to the Sustainable Communities and Climate Protection Act:
        - Requires local governments to implement long-term integrated planning of land use and transportation.
        - Drives critical public agency initiatives to reduce per capita GHG emissions in the San Diego County region.
- **SB 32, California Global Warming Solutions Act**
    - The SDREN portfolio ties to the Sustainable Communities and Climate Protection Act through requiring the state to cut greenhouse gas (GHG) emissions to 40 percent below 1990 levels by 2030.
- **SB 100, The 100 Percent Clean Energy Act of 2018**
    - The SDREN portfolio contains multiple strategies that are tied to the 100 Percent Clean Energy Act:
        - Sets a 2045 goal of powering all retail electricity sold in California and state agency electricity needs with renewable and zero-carbon resources—those such as solar and wind energy that do not emit climate-altering greenhouse gasses.
        - Requires the Energy Commission, Public Utilities Commission and Air Resources Board to use programs under existing laws to achieve 100 percent clean electricity.
        - Updates the state's Renewables Portfolio Standard to ensure that by 2030, at least 60 percent of California's electricity is renewable.
- **Governor's Emergency Proclamation (July 30, 2021)**
    - The SDREN portfolio contains multiple strategies that are tied to the Governor's Emergency Proclamation:
        - Ensure that California has a safe and reliable electricity supply to reduce strain on the energy infrastructure, and to ensure increased clean energy capacity by adding new energy efficiency programs or measures that target peak and net peak hours and integrating demand response or conservation actions with energy efficiency program actions or investments.

        - CPUC to exercise its powers to expedite Commission actions, to the maximum extent necessary, to meet the purposes and directives of this proclamation, including by expanding and expediting approval of demand response programs and storage and clean energy projects.
- **SB 48 Building Energy Savings Act**
    - The SDREN portfolio contains multiple strategies that are tied to the newly enacted Senate Bill 48:
        - While this bill has not yet entered the rulemaking phase, it is anticipated that during the first and second EE portfolio cycles, opportunities will exist to engage with the CEC in the alignment of statewide and local equitable building performance standards.
        - Equitable Building Performance Standards offer opportunities to combine cross cutting strategies to engage communities, accelerate regional decarbonization, and pilot new support programs that focus on IDSM strategies to improve the way buildings, people, and the grid operate.
- **CARB Scoping Plan**
    - The SDREN portfolio contains multiple strategies that are tied to the 2022 Scoping Plan for Achieving Carbon Neutrality:
        - The plan lays out a path to achieve targets for carbon neutrality and reduce anthropogenic greenhouse gas (GHG) emissions by 85 percent below 1990 levels no later than 2045, as directed by Assembly Bill 1279.
        - The strategies within the Scoping Plan include dedicated guidance for local actions, sustainable and equitable communities, building decarbonization, and non-energy benefits such as public health.
        - As the CARB continues to update the plan and local air quality management districts consider new policy related to buildings and transportation, pilots and gap filling activities in the SDREN portfolio to promote viable electric alternatives, electrification, and community engagement will be leveraged to support CARB policy.
- **Flexible Demand Appliance Standards**
    - The SDREN portfolio contains IDSM strategies that are tied to the State's Flexible Demand Appliance Standards:
        - Senate Bill 49 authorizes the California Energy Commission to adopt standards for appliances to facilitate the deployment of flexible demand technologies. The standards shall reduce greenhouse gas emissions by scheduling, shifting or curtailing appliance operations with consumer consent. The standards shall be feasible and cost-effective.
        - Title 20 and 24 are evolving to include controllable grid-enabled appliances, which aligns with SDREN efforts to target customers and measures that advance decarbonization.
        - The CPUC and CEC are actively engaged in developing data standards and infrastructure to enable dynamic price signals and tariffs, which will require localized efforts to address technology and behavioral energy adoption in disadvantaged communities via SDREN programs.

- These standards are reflected in CPUC rulemakings, including demand response requirements in the SGIP proceeding, the Distributed Energy Resource Program Cost-Effectiveness Issues, Data Access and Use, and Equipment Performance Standards proceeding, as well as the High DER proceeding.
- The latest EPIC 2021-2025 IOU program authorization includes strategies to "Increase the Value Proposition of DERs to Customers on the Grid." This decision offers opportunities for collaboration to further align ESJ Action Plan goals though SDREN programs supporting DACs and communities to participate in complementary demand flexibility interventions.

Annual Portfolio Budgets

SDREN's annual projected portfolio budget summary table adding up to the 8-year authorized budget cap including Savings, Cost Effectiveness & TSB forecasts is below and additional details can be found in *Exhibit 3 - Appendix X*.

Table 11. SDREN Annual Projected Portfolio Budget Summary

Year	Requested Budget	TSB	TRC	PAC	Net Annual kWh	Net Annual kW	Net Annual Therms
2024	$15,852,720	0	0	0	0	0	0
2025	$32,755,736	$4,865,784	0.18	0.17	3,864,663	203	200,788
2026	$36,031,310	$6,168,332	0.20	0.20	4,990,604	228	235,749
2027	$39,634,441	$7,160,300	0.21	0.21	5,391,513	254	274,631
2028	$41,219,818	$7,370,804	0.21	0.21	5,300,382	249	269,989
2029	$42,868,611	$7,479,904	0.21	0.20	5,212,917	245	265,534
2030	$44,583,355	$7,620,565	0.20	0.20	5,128,856	241	261,252
2031	$46,366,690	$7,852,868	0.20	0.19	5,047,966	237	257,131
Total	$299,312,680	$48,518,557	0.18	0.17	34,936,901	1,657	1,765,074

Recommendations for New or Modified EE Policy

Decision 19-12-021, approved on December 5, 2019, adopts three revised criteria which will be considered by the Commission in approving new or renewed REN Business Plans. The third REN criterion that was designated is: "Activities serving hard-to-reach markets, whether or not there is another utility or CCA program that may overlap." In its discussion, the Decision notes that *"With respect to the third criterion, numerous commenters suggested broadening it beyond "hard-to-reach" which is now specifically defined in D.18-05-041, and to include a new category called "underserved."*[47] The Decision further states that *"While we appreciate the motivation behind this suggestion, which is to serve more customers, no party provided a suggested definition of "underserved" that we can readily adopt here. Without a specific definition, we fear we would be opening up the REN portfolios too broadly and creating more potential for overlap in customer segments that are being served, but meet a particular proponents' unique definition of underserved. As such, we will not adopt a broadening of the third criterion here."*[48] The Decision then concludes that "*If a consensus among parties is reached in the future about an appropriate definition of "underserved," we would consider broadening this criterion in the future."*[49]

In the Decision authorizing the 2024-2031 Energy Efficiency Portfolios and Business Plans, D.23-06-055 approved on June 9, 2023 (Sec. 7.2, pages 45-48), a very detailed and comprehensive definition for underserved customers was adopted by the Commission. As a logical next step to ensure the full incorporation of this newly adopted underserved customer definition into soon to be launched energy efficiency program portfolios, it is respectfully recommended that the Commission revise REN criterion number three as follows: "Activities serving hard-to-reach markets and **underserved customers**, whether or not there is another utility or CCA program that may overlap."

[47] D.19-12-021, pg. 31.
[48] Ibid.
[49] Ibid.

Energy Efficiency
Portfolio Application
of the

San Diego Regional Energy Network

Exhibit 2
2024-2027 Portfolio Plan


Photo by Los Muertos Crew via Pexels.com


Photo by Soly Moses via Pexels.com


Photo via MLB.com


Photo by Agung Pandit Wiguna via Pexels.com

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Portfolio Summary

The projected impacts of climate change on the San Diego region are profound, driving the need for urgent collective action to decarbonize. The San Diego Regional Energy Network (SDREN) represents an important step to support communities, particularly those who are underserved and hard-to-reach, to achieve a carbon free building sector in the San Diego region by 2050.

Figure 1. SDREN's Vision

The San Diego Regional Energy Network (SDREN) Vision

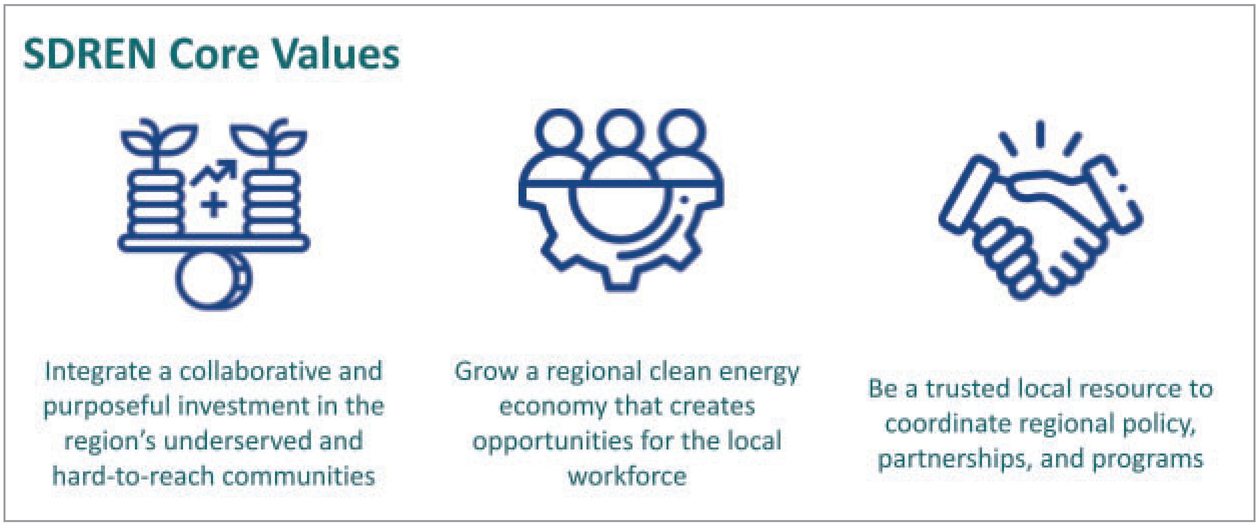
SDREN's vision is to be a driving force for communities to adopt clean, reliable energy through community-driven solutions that contribute to local and state energy efficiency and climate goals.

SDREN aspires to be a regional leader supporting San Diego County, 18 incorporated cities, 47 school districts, and 18 federally recognized Tribal governments. Approval of the SDREN will complete the RENs' statewide coverage, bolstering the California Public Utilities Commission's (CPUC) intention for RENs to fill gaps and complement investor-owned utility (IOU) services. SDREN is focused on helping communities invest in and accelerate decarbonization to hasten the transformation to clean energy. SDREN is committed to delivering programs that make inroads into communities to reduce greenhouse gas emissions, achieve equity, drive market transformation, and provide value to ratepayers.

Core Values

SDREN is guided by its core values.

Figure 2. SDREN's Core Values



Guiding Principles

SDREN's portfolio of services is informed by its core values and framed by the following principles:

- **Advance Environmental Equity.** Through its proposed portfolio of services, SDREN is committed to representing underserved communities and advancing environmental equity.
- **Catalyze Collaboration.** SDREN will collaborate with stakeholders to develop and strengthen regional partnerships to accelerate decarbonization and maximize community benefits.
- **Support Community-Driven Change.** SDREN's approach to program design and delivery will engage communities at early stages of planning to ensure the services that are developed reflect local needs and priorities.

Goals

SDREN has the following goals for its overall portfolio:

- **Advance decarbonization**. Decarbonization lowers energy costs, increases access to clean energy, ensures safer and healthier homes and communities, reduces environmental burdens, and expands economic opportunity and high-quality jobs.
- **Provide comprehensive energy efficiency (EE) services that improve outcomes for underserved and hard-to-reach communities.**[1] SDREN's portfolio of services will be centered around minimizing barriers to participation for underserved and hard-to-reach (HTR) communities.

[1] As defined in D.23-06-055.

- **Accelerate the clean energy economy through workforce opportunities.** As a regional leader, SDREN will mobilize and leverage resources to support the local workforce and create energy-related jobs and skills that benefit local communities. SDREN's goal is to support a high road approach to grow the regional clean energy economy and create new opportunities for the local workforce, with a focus on underserved communities.

In line with the San Diego Regional Decarbonization Framework - Technical Report[2] and informed by the CPUC Environmental and Social Justice (ESJ) Action Plan, the long term goal for the SDREN is to **ensure an equitable transition to a carbon-free building sector in the San Diego region by 2050.**

SDREN will prioritize equity so that building decarbonization includes underserved and HTR communities and relieves the burden of increasing gas rates. SDREN has the opportunity to meet the need for incorporating social equity considerations into building decarbonization policies. SDREN is focused on working with these communities and providing programs and resources that meet their needs.

The short and mid-term goals will support progress in reaching the region's long-term goal of full decarbonization, as follows:

- Short-term goal by 2027: by the end of the four-year SDREN Portfolio Plan period
    - Normalize replacing end-of-life methane gas space and water heating systems with highly efficient electric versions with load flexibility for hard-to-reach and underserved customers.
    - Support "electrification ready" or "all-electric" standards for new construction and major renovations through building energy codes.
    - Support and utilize workforce assessments and set foundations for prioritization of workforce development for electrification.
- Mid-term goal by 2031: by the end of the eight-year period of the SDREN Strategic Business Plan
    - Full or whole building electrification/decarbonization programs are successfully reaching equity communities.
    - Workforce supply for decarbonization jobs meets regional demand.

As emphasis on electrification grows at the state and federal level, SDREN will focus on regional coordination, tools, capacity building alongside targeted investments for appliance replacements that address equity concerns.

[2] McCord, Gordon C., Elise Hanson, Murtaza H. Baxamusa, Emily Leslie, Joseph Bettles, Ryan A. Jones, Katy Cole, Chelsea Richer, Eleanor Hunts, Philip Eash-Gates, Jason Frost, Shelley Kwok, Jackie Litynski, Kenji Takahashi, Asa Hopkins, Robert Pollin, Jeannette Wicks-Lim, Shouvik Chakraborty, Gregor Semieniuk, David G. Victor, Emily Carlton, Scott Anders, Nilmini Silva Send, Joe Kaatz, Yichao Gu, Marc Steele, Elena Crete, and Julie Topf. San Diego Regional Decarbonization Framework: Technical Report. County of San Diego, California. 2022.

Figure 3. Regional Decarbonization Framework on Replacing Appliances

> Replacing appliances is expensive so building decarbonization policies should account for incentivizing electrification equitably, especially in communities of concern, low-income communities, rural areas, and for renters. Developing the capacity and tools to understand and address the equity implications of building decarbonization policies in the San Diego region requires additional work.
>
> (Regional Decarbonization Framework, Summary for Policy Makers, Page 25)

Key Metrics and Outcomes

Portfolio Outcomes

SDREN's portfolio complies with CPUC requirements and rulings and addresses the CPUC's goals for RENs to deliver local programs and activities that fill gaps and complement IOU offerings with a focus on hard-to-reach markets.[3] By bringing together regional perspectives, deepening partnerships, and cultivating community-led strategies, SDREN will realize meaningful multi-benefit solutions and equitably transition to a carbon-free building sector in the San Diego region by 2050. If executed successfully, SDREN's mid-term goals of (1) full electrification/decarbonization programs successfully reaching equity communities[4] and (2) a balanced supply and demand for jobs supporting decarbonization will deliver the following outcomes by 2031:

- **Portfolio Outcome 1.** Reduce energy burden and improve energy affordability. As customers move from methane gas to electric appliances, they should not see increased costs.
- **Portfolio Outcome 2.** Improve health and reduce energy consumption across the region. When done effectively, building electrification leads to both health benefits and a reduction of energy use.
- **Portfolio Outcome 3.** Improve access and increase program participation by reducing programs' complexity, helping program participants to understand how best to manage their own energy consumption. Education is at the foundation of an equitable transition and ease of access to all resources.
- **Portfolio Outcome 4.** Maximize benefits to customers by leveraging additional funding, such as Inflation Reduction Act (IRA) funds, to deliver IDSM strategies. Coordination of these resources will maximize benefits to the customer.
- **Portfolio Outcome 5.** Create access to career pathways in clean energy, supporting a trained clean energy regional workforce with "high quality jobs".

[3] D.12-11-015, and reasserted in D.19-21-021.
[4] As defined in D.23-06-055.

SDREN's portfolio application includes ten programs, organized by segment and sectors, as follows:

- **Segments:** Resource Acquisition, Market Support, Equity, and Codes & Standards
- **Sectors:** Commercial, Cross-cutting (Workforce, Education & Training and Codes & Standards[5]), Public, Residential.

SDREN will measure progress toward achieving goals and delivering outcomes for each program, segment and sector through progress trackers that include various targets, indicators and metrics, which will be reported on either quarterly or annually. In addition to tracking progress at the program, segment and sector-level, SDREN will also track and report on progress at the portfolio level.

All indicators and metrics are detailed in the SDREN 2024-2031 EE Application Excel Sheets. They include indicators for equity and market support segments from D.23-06-055, the "common metrics and indicators" from D.18-05-041, and SDREN's unique value metrics (UVMs). The common metrics include both portfolio and sector-level metrics.

For the 2024-2027 portfolio period, SDREN has established an initial set of UVMs and identified additional key metrics/indicators at the portfolio, sector, and segment level that will measure progress towards eight-year business plan outcomes (see Table 1 below). Data methodologies, baselines and targets for tracking progress have been established for these UVMs and are outlined in the SDREN 2024-2031 EE Application Excel Sheets.

[5] Codes & Standards is categorized as both a distinct segment and a cross-cutting sub-sector.

Figure 4. Indicator, Metric, Target, and Progress Tracker Definitions

Definitions

- **Indicators** are progress trackers that do not typically have targets associated with them.
- **Metrics** are progress trackers that do or are expected to have targets associated with them.
- **Targets** are forecasted achievements against which to track progress.
- **Progress Trackers** refer to indicators, metrics, and targets.

Table 1. Mapping of Portfolio Plan key indicators and metrics with Business Plan strategic outcomes

Type of progress tracker	Progress Tracker	Tie-in with Portfolio Plan Outcomes
Unique Value Metric	% of customers anticipated to experience lower energy costs as a result of program participation, by sector	**Outcome 1**: Reduce energy burden and improve energy affordability.
Equity Segment Indicator	Median of equity target participants' expected first-year bill savings in equity segment, by sector	
Portfolio Metric	Total system benefit (TSB) achieved	**Outcome 2:** Improve health and reduce energy consumption across the region.

Unique Value Indicator	EE savings funneled to non SDREN programs	
Unique Value Metric	% of customers funneled to non SDREN programs	**Outcome 3**: Improve access and increase program participation.
Unique Value Metric	External funding leveraged to support SDREN programs/ communities as a % of total budget spend	**Outcome 4:** Maximize benefits to customers by leveraging additional funding.
Unique Value Indicator	Count of newly educated or credentialed individuals	**Outcome 5:** Create access to career pathways in clean energy.

Ahead of authorization, SDREN will engage with the joint Portfolio Administrators (PAs)[6] as part of the joint Tier 2 Advice Letter (AL) to be filed by May 1, 2024[7]. This action is intended to address any modifications of the common metrics and indicators and to clarify and modify the adopted equity and market support indicators. This coordination will help to define the process for proposing and adopting long-term market support and equity goals, and will help to establish the metrics for success for the next portfolio period.

SDREN will conduct an evaluation, measurement, and verification (EM&V) study before filing the 2028-2031 Portfolio Plan to refine goals and UVMs. The study will support development of the appropriate methodologies, baselines and targets to align with SDREN's goals for the portfolio. The EM&V study will set the foundation for developing an effective 2028-2031 Portfolio Application that will deliver on SDREN's mid and long term goals. This study will be coordinated with other RENs' efforts to develop a total community benefit or alternative REN metric. Since a majority of the SDREN portfolio supports the market support and equity segments,[8] SDREN will also coordinate with the joint PAs' work to establish equity and market support metrics and goals.

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[6] D.23-05-066 makes the shift from "program administrator" to "portfolio administrator" or abbreviated as "PA". Both terms may be found in this application.

[7] D.23-06-055 Ordering Paragraph (OP) 11: "The portfolio administrators shall jointly submit a Tier 2 advice letter by no later than May 1, 2024 clarifying all of the Indicators adopted in this decision, including any modifications from metrics and Indicators adopted in Decision 18-05-041, and identifying information that could be used as baselines for future targets or methodologies for how the indicator information can be used as baselines."

[8] From D.23-06-055 "because the majority of the REN portfolios is dedicated to equity and market support offerings, new goals covering these primary purposes should be important accountability mechanisms for RENs...It is our intention that a goals development process for the market support and equity segments will follow a timeline that aligns goals adoption to the next portfolio cycle beginning in 2028. ...Market support and equity goals are ultimately expected to be long-term, broken into four-year increments, and will begin in 2028. This approach is also intended to allow the RENs to continue to work on their proposed Total Community Benefit metric, included in rebuttal testimony, if they so choose."

Before filing for the 2028-2031 portfolio period, SDREN's goals will conform to the guidance of D.23-06-055, and will have all of the following characteristics:

- A medium to long term (i.e., 12-24 years) timeframe, divided by four year increments.
- Established from known baselines.
- Be high priority metric(s), a score or ratio, or single monetary value (or equivalent).
- Count total progress toward market support and equity goals from all programs in the portfolio, regardless of segmentation.
- Set targets and measures demonstrating incremental progress toward meeting goals.

Energy Efficiency Strategy

SDREN's proposed EE strategy builds off of the foundation established through long-standing regional collaborations. The strategy is informed by SDREN's desire to deliver decarbonization, comprehensive EE services, and workforce opportunities.

Our portfolio-level strategies incorporate several key approaches, as listed below.

1. The portfolio is designed to provide **flexibility in program delivery** so that services can adapt and change as new programs or resources become available and when programs close.
2. By integrating **effective coordination and collaboration** with partners and trusted organizations across program segments and sectors, SDREN can identify synergies, reduce costs and complexity, and deliver high-value programs that reflect local priorities and needs. With effective coordination and collaboration, SDREN will also mitigate customer confusion and maximize the success of all programs.
3. The SDREN portfolio reduces barriers to participation by offering **customized support** and connecting customers with available resources and programs.
4. SDREN will promote decarbonization through **electrification measures** and incentives to move away from technologies that burn methane gas.
5. SDREN will monitor the market and coordinate with other programs to **leverage** complementary offerings and **stack** supplemental program services and external funding opportunities.
6. SREN will take a holistic approach, **integrating IDSM** offerings to deliver value to participants throughout the portfolio (described in more detail under IDSM Strategies).

Principles of **environmental and social justice** connect throughout each of these strategies. SDREN will consider and incorporate environmental justice across all programs, regardless of segmentation.

Savings Forecasting and Quantification Methods

SDREN's savings forecast methods vary by program type. SDREN's savings projections were developed using only approved savings assumptions and/or methodologies, as described below.

SDREN is proposing a **single resource acquisition program** that will comply with D.23-06-055 by using a **meter-based method** for savings measurement. SDREN developed high-level savings forecasts taking into account program ramp-up and available incentive budgets, including incentive rate estimates in line with other similar programs. Savings claimed will be based on **actual savings realized** and will apply a population-level NMEC approach in alignment with the most current version of the CPUC's NMEC Rulebook.

All **equity and market support** programs utilize **deemed measures** that are currently approved in the eTRM (California Electronic Technical Reference Manual) database and follow the Statewide Deemed Workpaper Rulebook. SDREN will explore the benefits of establishing a deemed measure working group modeled after SoCalREN's efforts. This group would monitor the effectiveness of measures most relevant to its target customers and portfolio goals, recommend new measure additions, and make recommendations for phasing out deemed measures.

SDREN will not use the current custom process and meter-based approaches to savings measurement because they will not be cost effective with the target customers in equity and market support segment programs.

While SDREN recognizes the benefits of meter-based savings approaches, there are currently limitations to its effectiveness for certain customers. SDREN will engage in statewide working groups to overcome barriers and explore cost effective solutions for smaller customers. SDREN's third party implementers will be encouraged to explore opportunities to incorporate meter-based savings approaches into the programs. SDREN will also use the joint cooperation memo (JCM) process to identify the best strategies to support San Diego Gas and Electric (SDG&E) third party program providers with the delivery of meter-based savings projects, as appropriate.

Strategies for Market Intervention and Energy Efficiency Adoption

SDREN will incorporate the following strategies for market intervention and EE adoption.

Table 2. Strategies for market intervention and EE adoption by target audience

Target Audience	Strategy
Non-English speaking resident or business owner	● **In-person equitable and inclusive education and outreach** (i.e. in-language materials with cultural understanding, and with vision and hearing impaired customers taken into consideration) conducted by trusted local representatives when possible.
Homeowner, business owner, public agency	● **Offer comprehensive services** to simplify participation and present a single point of entry to access programs, including SDG&E offerings. ● **Speak to holistic benefits** available through offerings.

	Provide customized technical assistance paired with advisory services to identify and install comprehensive EE and IDSM opportunities at homes/facilities. **Offer funding, financing assistance, and guidance** to customers on how to qualify, utilize, and stack funding sources such as IRA, OBF, TECH, and SGIP. **Direct installation of no to low cost energy efficiency measures**. **Deliver outreach, education, and training** to improve access, increase program participation, and increase knowledge of energy management best practices. **Partner with community-based organizations (CBOs)** to deliver messaging and services through local, trusted community members.
Tribes	**Offer direct funding to Tribal nations** to propose, design, and deliver programming and initiatives to meet their unique needs, increase access to EE programs, reduce energy burdens, and decarbonize assets. - Provide **access to a technical advisor** with EE expertise to support program and initiative implementation. - Also, refer to **all strategies noted above for other public agencies.**
Disadvantaged workers[9]	**Build and leverage external partnerships** to enhance disadvantaged community (DAC) worker outcomes such as: - Partnering with employers to provide training to staff and boost opportunities for growth. - Partnering with local community colleges to provide college level courses and skill development opportunities. **Provide education** through training, certifications, networking, and apprenticeship opportunities to build skills for the green workforce. **Offer wraparound services** such as career coaching or other support services to remove barriers to successful program participation.

[9] Disadvantaged worker definition from D.19-08-006, Attachment B, p.6: "Disadvantaged Worker" means a worker that meets at least one of the following criteria: lives in a household where total income is below 50 percent of Area Median Income; is a recipient of public assistance; lacks a high school diploma or GED; has previous history of incarceration lasting one year or more following a conviction under the criminal justice system; is a custodial single parent; is chronically unemployed; has been aged out or emancipated from the foster care system; has limited English proficiency; or lives in a high unemployment ZIP code that is in the top 25 percent of only the unemployment indicator of the CalEnviroScreen Tool.

	● **Match participants with employers** to secure clean energy jobs.
Employers connected to EE deployment	● **Support employers** to help them overcome barriers to offering EE training for staff. ● **Deploy a survey** to local employers to identify emerging clean energy industry careers and determine the required skills and qualifications for incoming professionals to succeed. ● **Stack opportunities** available to employers by connecting them with other workforce development programs.
Code enforcement officials and stakeholders	● **Leverage data-driven insights** to develop **tools, technical resources, and templates** for permitting electrification and other energy efficiency measures. ● Educate officials and authorities having jurisdiction (AHJ) about permitting and codes. ● **Provide person-to-person support** through an energy code coach who can provide comprehensive compliance and enforcement strategy support.

New Strategies for Spurring Innovation

With a focus on SDREN's environmental equity, collaboration, and community-driven principles, SDREN will incorporate the strategies outlined in the table below to spur innovation throughout the portfolio.

Table 3. Strategies for Innovations Based on SDREN Principles

SDREN Principle	SDREN Strategies for Innovation
Environmental Equity	● Focus on methods that maximize non-energy benefits for equity customers such as: ○ Engage multiple markets to identify the best strategies to reach equity customers including collaborations with community-based organizations that may overlap with but not be directly tied to energy (e.g. health work, local and sustainable food systems). ○ Build environmental and social justice priorities and opportunities to incorporate innovations into all program solicitations. Examples could include strategies for culturally sensitive outreach, customer protections, and emphasis on non-energy benefits that benefit underrepresented communities. ● Compensation for CBOs that engage and support SDREN,

	such as through program engagement. ● SDREN will provide energy education and training to these groups as needed to build staff capacity and enable them to more effectively contribute to SDREN goals.
Collaboration	● Prioritize collaboration, coordination and flexibility in program design in order to fill gaps and develop future innovations through the following strategies: ○ Work with local energy program administrators and implementers to optimize coordinated service delivery and ensure resources are used efficiently. ○ Work with SDREN Advisory Committee members and other regional partners, such as CBOs and local governments, to design approaches that reflect local needs and priorities and maximize advantages for local communities. ● Leverage and marshal financial resources, provide access to financing, and integrate and stack funding sources. ○ This includes state and federal funding opportunities, such as IRA and the California Energy Commission (CEC) Equitable Building Decarbonization DI Program[10], and regional offerings, such as SDG&E programs, where feasible.
Community-Driven	● Engage communities at early stages of planning to ensure the services that are developed and delivered reflect local needs and priorities and invest in community-based program delivery. ● Identify success measures reflective of desired community outcomes, informed by SDCP's Community Power Plan and the County of San Diego's Regional Decarbonization Framework. ● SDREN Advisory Committee to include CBOs with the role to advise on outreach and enrollment, provide feedback on program evaluation reports, and recommend program improvements. ● Ongoing engagement will focus on collecting feedback to inform 2028-2031 Portfolio Plan. ○ This will also be informed by the Community-based

[10] https://www.energy.ca.gov/programs-and-topics/programs/equitable-building-decarbonization-program

	pilot led by SoCalREN.[11] ● Tribal program designed to ensure community driven design and service delivery.

Strategy for Incorporating Low Global Warming Potential Refrigerants

Hydrofluorocarbon refrigerants (HFCs) are "super" greenhouse gasses (GHGs) that are being phased out due to their negative environmental impact. However, the San Diego region needs significant support to transition safely to low-GWP refrigerants. Low-GWP refrigerants will be incorporated into the portfolio using the strategies outlined in the table below.

Table 4. Strategies for Incorporating Low-GWP Refrigerants

Portfolio Sector/Program	SDREN Supporting Strategy
Residential, Commercial and Public	● When providing technical assistance to customers, pair it with education about and recommendations for relevant low-GWP refrigerants. ● Require installers to use low-GWP refrigerants in newly installed equipment. ● Support proper reclamation of HFC refrigerants.
Codes & Standards	Provide information to all local permitting agencies and other market actors about the HFC phase out, low-GWP refrigerants, and code requirements.
Workforce, Education & Training	Incorporate training for program participants on proper installation and management of low-GWP refrigerants, proper reclamation of HFC-based refrigerants, and the phase out and benefits of low-GWP refrigerants.

SDREN will cooperate with the Market Transformation administrator should new HVAC and refrigeration initiatives be introduced to handle low-GWP changes and regulations.[12] SDREN will closely monitor programs with low-GWP strategies, such as TECH and the BayREN Refrigerant Replacement Program, to drive the market toward low-GWP refrigerants and identify best practices to integrate into program designs before launching programs.

IDSM Strategies

CPUC ruling D.23-06-055 authorizes PAs to propose IDSM programs by submitting a Tier 3 Advice Letter (AL) no later than March 15, 2024 for programs to be launched during the

[11] D.23-06-055, OP 30.
[12] D.21-05-031 at 60.

2024-2027 portfolio period. Guidance for what is to be included in the AL is anticipated to be issued by the Energy Division no later than January 1, 2024.[13]

Given that SDREN is not anticipated to be authorized as a PA before March 15th, 2024, SDREN is proposing that the CPUC authorize SDREN's IDSM strategy outlined below. If necessary, SDREN will file additional details as directed by the Energy Division or the Commission.

SDREN anticipates allocating the full cap of $4 million towards IDSM activities[14] because integrating IDSM activities and services alongside EE is a cost effective use of resources to drive deep decarbonization across the region. In line with SDREN's decarbonization goal and the portfolio strategy of customized support, **SDREN will comprehensively consider IDSM opportunities across all programs** to be integrated throughout the portfolio.

SDREN's proposed potential IDSM strategies across the portfolio include:

- **Regional IDSM Working Group**
    a. Convene regional Load Serving Entities (Clean Energy Alliance, SDCP, and SDG&E) to discuss IDSM programs, including building electrification, transportation electrification, demand response, distributed generation, and storage, in order to optimize SDREN program design and delivery.
    b. Discuss regional grid needs (e.g., hosting capacity, distribution congestion) to inform program design, electrification priorities, and operational strategies.
    c. As appropriate, update SDREN IDSM activities to incorporate feedback from the Regional IDSM Working Group.
- **Equipment Specification**
    a. Document IDSM program eligibility requirements, including equipment features and functionality, original equipment manufacturers (OEM) eligibility, Distributed Energy Resource Management System (DERMS) integration, and compatibility with relevant codes, industry standards, and workforce needs.
    b. Work with SDREN implementers to align, to the extent possible, program Qualified Product Lists (QPLs) with regional IDSM program requirements.
- **Identification, Installation and Commissioning**
    a. Identify IDSM opportunities based on customer preferences.
    b. Incorporate enrollment (e.g., device enrollment) support and process (e.g., T&Cs acceptance) into SDREN programs, including marketplace offers, contractor partnerships, and Energy Division (ED) guidance on incentive stacking and IRA reporting.
    c. Integrate device commissioning requirements for IDSM programs (e.g., digital connectivity commissioning, DERMS integration) into contractor-driven SDREN program delivery.

[13] The CPUC will allow IDSM programs to be proposed through the submission of Tier 3 advice letters no later than March 15, 2024, for programs to be launched during the portfolio period (2024-2027).

[14] Per CPUC ruling A.22-02.005, a PA may, but is not required to, expand up to 2.5 percent, or $4 million, whichever is greater, of its energy efficiency budget for the portfolio period, up to a maximum of $15 million, on a pilot basis for ongoing load shifting that reduces peak consumption

d. Ensure customer preferences, awareness, and education activities are integrated throughout the program delivery lifecycle.

- **Codes and Standards**
    d. Provide education and technical support to code officials on implementation of new requirements related to flexible load technologies (e.g., Title 24 compliance credits for storage and HPWHs, flexible demand appliance standards).
- **Workforce Education and Training**
    a. Incorporate flexible load program requirements, incentives, commissioning processes and other IDSM program material into energy efficiency training modules for participating contractors.
    b. Educate and collaborate with participating contractors on inclusive outreach, customer acquisition, and sustained customer satisfaction with technology and behavioral interventions contributing to IDSM program goals.
- **Education and Customer Support**
    c. Help customers apply for additional IDSM funding and incentives.
    d. Incorporate information on the opportunities and benefits of IDSM program participation into customer education and outreach materials and workshops.

Customers will be funneled into appropriate programs and decarbonization strategies that will result in event-based or permanent load shifting or load reduction. As part of its development of IDSM strategies, SDREN will closely coordinate with other IDSM programs and administrators.

Application Summary Tables Covering the 4-year Budget Request

SDREN's annual budget request for 2024-2027 is outlined in the table below. The 2024 budget request is lower than subsequent years to account for a partial year and ramp up activities, in anticipation of the application not being authorized until mid-2024. For example, contracting and coordination with SDG&E, program solicitations, development of Implementation Plans, SDREN branding/website, and regulatory activities are anticipated to begin in mid-2024.

Table 5. Annual Budget Request Breakdown by Budget Category

Budget Category	2024	2025	2026	2027	Total
Administration	$1,524,300	$3,149,590	$3,464,549	$3,811,004	$11,949,443
Marketing and Outreach	$914,580	$1,889,754	$2,078,729	$2,286,602	$7,169,666
Direct Implementation - Non-incentive	$12,804,120	$15,687,391	$17,256,130	$18,981,743	$59,517,456

Direct Implementation - Incentive	$0	$10,769,165	$11,846,082	$13,030,690	$40,857,865
EM&V	$609,720	$1,259,836	$1,385,820	$1,524,402	$4,779,777
Total	**$15,852,720**	**$32,755,736**	**$36,031,310**	**$39,634,441**	**$124,274,206**

Distribution of Budget Among Sectors and Segments

Table 6. Distribution of 2024-2027 budget by sector and segment (does not include EM&V)

Sector	Resource Acquisition	Market Support	Equity	C&S	Total
Commercial	$16,479,316	-	$18,310,722	-	$34,790,038
Cross-Cutting C&S	-	-	-	$7,323,955	$7,323,955
Cross-Cutting WE&T	-	$19,225,425	-	-	$19,225,425
Public	-	$21,418,605	$1,831,406	-	$23,250,011
Residential	-	-	$34,905,000	-	$34,905,000
Total	**$16,479,316**	**$40,644,030**	**$55,047,128**	**$7,323,955**	**$119,494,429**

Figure 5. Budget Breakdown by Segment

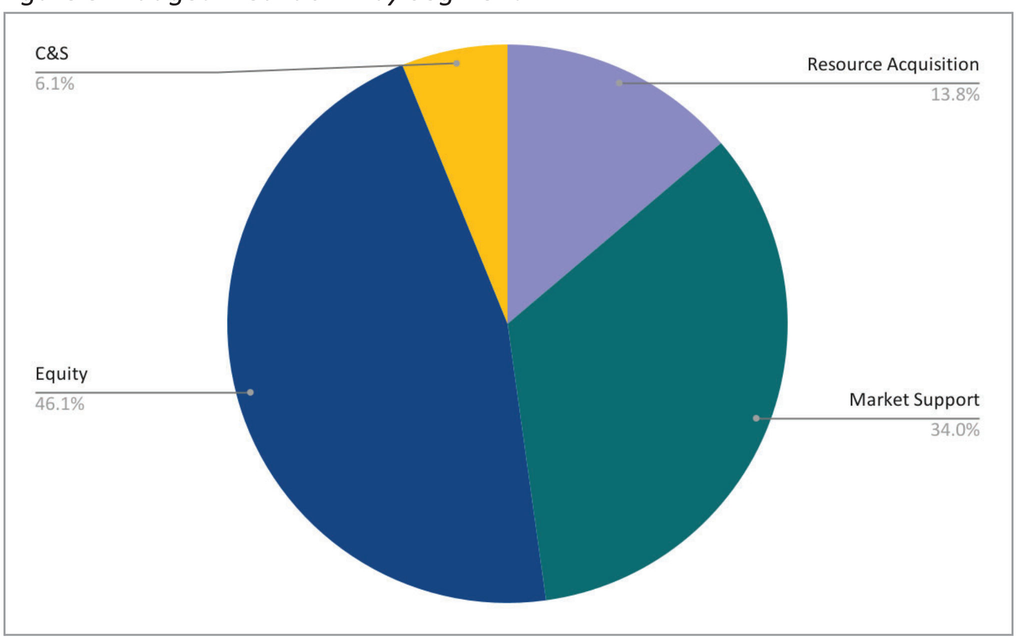
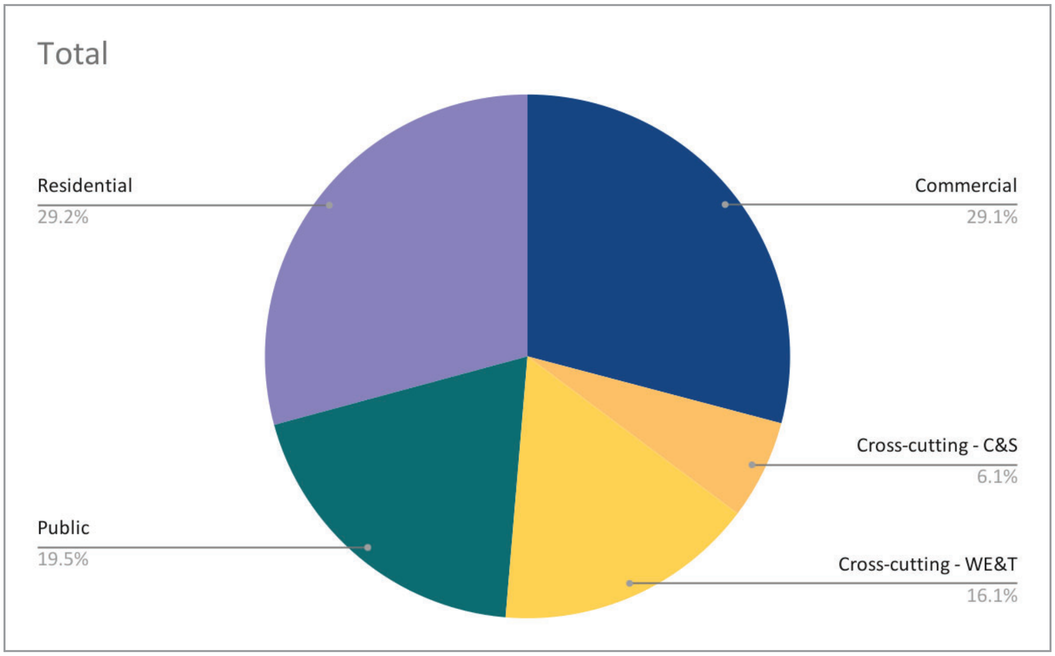


Figure 6. Budget Breakdown by Sector



Projected Sector-Level and Portfolio-Level Cost Effectiveness

Table 7. Forecasted cost effectiveness for portfolio and by sector and segment

	TRC, No Admin	TRC, W/ Admin	PAC, No Admin	PAC, W/ Admin
Portfolio	0.51	0.17	0.48	0.17
Resource Acquisition	0.64	0.39	0.87	0.46
Market Support	0.16	0.03	0.16	0.03
Equity	0.08	0.03	0.06	0.03
Codes & Standards	0.00	0.00	0.00	0.00
Commercial	0.51	0.27	0.62	0.29
WE&T	0.00	0.00	0.00	0.00
Public	0.16	0.06	0.16	0.06
Residential	0.26	0.14	0.19	0.12

Resource Acquisition Segment

The below table details the forecasted cost effectiveness for the Resource Acquisition segment. There is one Commercial Sector program segmented as Resource Acquisition in the portfolio. For this reason, only the Commercial Sector is listed below.

Table 8. Forecasted cost effectiveness of resource acquisition segment at portfolio, sector, and program level

	TRC, no Admin	TRC, w/Admin	PAC no Admin	PAC w/Admin
Resource Acquisition Segment	0.64	0.39	0.87	0.41
Commercial Sector	0.51	0.27	0.62	0.29
SDREN Flex Market Program	0.64	0.43	0.87	0.52

All Segments

SDREN is proposing one Resource Acquisition program, five Equity programs, three Market Support programs, and one Codes and Standards program. Several of these programs will contribute to SDREN's total system benefit (TSB) forecasts by offering measures and services not covered by other programs. Most, if not all, of SDREN programs will drive participation in SDG&E programs through referrals. This will, in turn, contribute to the region's TSB goals.

The biannual Potential and Goals (P&G) Study that develops savings goals to inform EE program planning for PAs does not currently set goals for RENs. The CPUC Decision Adopting Energy Efficiency Goals for 2024-2032 established the TSB goal for 2024-2027 in SDG&E territory at $184,147,673, based on the 2023 P&G Study.[15] Based on their most recently filed true up advice letter (TUAL), SDG&E's total TSB forecast is $395,517,890 for program years 2024-2027, equating to 215% of their goal.[16]

SDREN recognizes the importance of delivering on the TSB goals set through the authorization of this portfolio. The table below outlines the forecasted four-year TSB, net first year kWh, kW, therms, and CO_2 emissions avoided at the portfolio level, by segment and by sector.

Table 9. Forecasted 2024-2027 cumulative TSB, net first year savings, and GHG emissions avoided

[15] D. 23-08-005, pg. 18

[16] SDG&E True Up Advice Letter 4302-E.

	TSB ($)	Net kWh	Net kW	Net Therms	Tons CO_2e
Portfolio	$18,194,415	14,246,780	684	711,168	8,561
Resource Acquisition	$7,428,942	12,615,801	0	0	4,278
Market Support	$6,826,309	364,996	313	456,727	2,533
Equity	$3,939,164	1,265,984	372	254,442	1,750
Codes & Standards	$0	0	0	0	0
Commercial	$9,021,653	15,493,358	372	(445)	5,215
WE&T	$0	0	0	0	0
Public	$1,753,895	364,996	313	456,727	2,533
Residential	$637,360	(1,611,573)	0	254,887	813

Forecast Methodology

Portfolio Administration vs. Program Implementation Costs

SDCP started its portfolio planning process by focusing on the REN directives and designing an energy efficiency program portfolio appropriate to meet the unique unmet needs within San Diego County. A reasonable budget range was then designated for the portfolio by looking at the budgets of other RENs and PAs. The program-level budgets were developed using a zero-based budget approach and followed guidance from the CPUC and EE Policy Manual.

SDCP has tried its best to assess the EE program gaps and EE service needs within San Diego County, focusing particularly on HTR and underserved customer segments, to design and propose programs that will fill gaps and meet communities' needs. The proposed budgets are calibrated to allow a sufficient scale for program delivery to the targeted customer segments in the SDREN service territory and to confidently expect significant positive customer impacts. The requested budgets are commensurate with the program and portfolio budgets that have previously been approved by the CPUC for RENs in other IOU territories.

SDREN developed a budget conforming to CPUC guidance (referencing D.21-05-031 pp 32-33 for program administration versus program implementation) and the Energy Efficiency Policy Manual. The budget breakdown in the *SDREN 2024-2031 EE Application Excel Sheets* and *SDREN*

Attachment B Supplemental Budget Information Narrative includes the following categories and costs:

- Administration: The budget forecast includes 10% administrative costs allocated within each program to be apportioned at the portfolio-level for all activities that are not associated with program implementation. As a new REN, SDCP is allocating the full 10% cap, but anticipates developing administrative efficiencies to reduce administrative costs during operation. SDREN will meet regularly with other PAs, such as the other RENs, to understand best practices for decreasing the overall portfolio allocation to administration.
- Marketing, education, and outreach (ME&O): 6% ME&O has been allocated within each program to be apportioned for activities both at the program level and the portfolio level.
- Direct implementation - incentives: This has been allocated at the program level for any program that offers incentives for measures that deliver TSB. The allocation by program has been determined based on estimated incentive value disbursed through the program and energy savings targets achieved for measures installed or delivered.
- Direct implementation - non-incentives: This has been allocated at the program-level and is based on the services and resources the programs will deliver. It has been developed to align with the incentive program forecast when applicable.
- EM&V: 4% has been allocated at the portfolio-level in accordance with D.21-05-031 and in alignment with the 2024-2031 EE Application Attachment Tables.

Segmentation Strategy

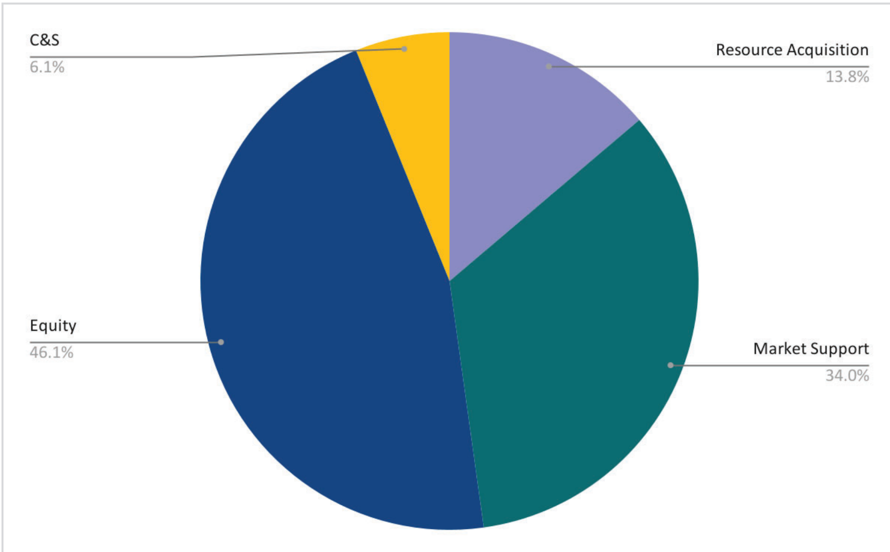
SDREN's overarching segmentation strategy is described below. Additional details on SDREN's segmentation justification at the program level can be found in *Exhibit 3 - Program Segmentation Justification Template Attachment A from D.23.06.055*.

Strategies Driving Distribution of Budget Among Segments

SDREN's portfolio includes programs in all segments, with the majority of its budget allocated to the market support and equity segments. The strategies driving its segmentation approach and budget distribution are in alignment with broader portfolio objectives to complement existing and emerging offerings to accelerate equitable decarbonization throughout San Diego County. SDREN's segmentation strategy, as described below, is informed by its core values and guiding principles.

The budget allocation by segment is illustrated in the graphic below.

Figure 7. SDREN 2024-2027 Budget Allocation by Segment



Resource Acquisition: SDREN has allocated nearly 14% of its budget toward the resource acquisition segment. SDREN recognizes that SDG&E is investing heavily in this segment and is projected to significantly exceed TSB goals established from the P&G study.[17] Given SDG&E's investment in resource programs, SDREN is proposing only one resource acquisition program. It is targeted to HTR customers that are not anticipated to be served by SDG&E programs. This market access program (MAP) expands an existing SDCP program that has been launched in their territory. The SDREN proposed program will expand this existing program to the entire SDREN territory using lessons learned from SDCP's program.

Codes & Standards: Approximately 6% of SDREN's portfolio budget is allocated toward codes and standards activities for a program focused on decarbonization-related code enforcement, compliance, and adoption of reach codes. SDREN identified that C&S activities are a demonstrated strength of RENs. As such, SDREN's budget allocation is commensurate with spending by other RENs within this segment.

Market Support: 34% of SDREN's budget is allocated to the market support segment. SDREN is proposing three market support programs, primarily focused on workforce, education, and training. All programs are based on successful models to build local capacity and strengthen the energy market's long-term success.

Equity: The highest proportion of SDREN's budget, at just over 46%, is allocated to equity programs. SDG&E has a limited investment in the equity segment, with just 7%[18] of their portfolio directed to equity programs.[19] SDREN's portfolio includes five equity programs designed to fill this gap in funding for equity customers. These programs are key to meeting SDREN's long-term goal of equitable decarbonization of the San Diego region. They will help

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[17] SDG&E True Up Advice Letter 4302-E.
[18] SDG&E True Up Advice Letter 4302-E.
[19] CPUC Budget Filing Metrics 2024-2027 https://public.tableau.com/app/profile/capublicutilities/viz/CPUC24-27BudgetFilingData/BudgetPlanDashboard.

equity customers to leverage other resources and programs and maximize the benefits to their communities.

Resource Acquisition

Resource acquisition programs have the primary purpose of and a short-term ability to deliver cost-effective avoided cost benefits to the electricity and natural gas systems. For SDREN, this segment is forecasted to deliver the bulk of savings to achieve TSB goals.[20]

Preliminary Resource Acquisition Budget for 2024-2027 and Rationale for Distribution

SDREN's resource acquisition segment budget is $16,479,316, representing 13.8% of SDREN's proposed 2024-2027 budget. There is one commercial sector program within the resource acquisition segment, which will focus on projects that reduce peak demand usage and deliver verifiable energy savings. This program will help SDREN advance decarbonization, reduce energy burdens, reduce energy consumption, and increase participation in and access to EE programs. The program will focus outreach efforts on small to medium HTR and underserved commercial customers that may be missed or passed over by other programs. It is intended to deliver a majority of the TSB savings for the portfolio.

Table 10. Resource Acquisition Four-Year Budget Breakdown by Sector

Sector	2024	2025	2026	2027	Total
Commercial	$2,102,000	$4,343,600	$4,777,960	$5,255,756	$16,479,316

Resource Acquisition Goals, Strategies, and Outcomes

For the 2024-2027 portfolio period, SDREN will follow the goals, strategies, and outcomes in the table below for the market support sector. The strategies included will help the state achieve Environmental and Social Justice Action Plan (ESJAP) goals 2 and 4 by investing in clean energy resources and improving climate resilience, while benefiting ESJ businesses.

Table 11. Resource Acquisition Goals, Strategies and Outcomes

Goals	Strategies	Outcomes
• Accelerate implementation of EE measures. • Accelerate load modification program participation.	• Scale an existing program that incentivizes long-life measures that also reduce peak demand. • Leverage incentives and commissioning process	• Establish emerging EE technologies such as heat pump water heaters with DR integration capabilities as the standard practice. • Normalize device commissioning and

[20] Decision 21-05-031, pg 14.

● Provide short-term benefits to electricity and natural gas systems, as measured by TSB. ● Achieve verifiable energy savings and peak demand reductions. ● Increase HTR and underserved businesses' participation in EE programs.	for load modification programs alongside EE measure purchase and installation. ● Focus on commercial customers that are underserved by other regional market access programs. ● Work with trusted local advisors to support access to programs.	enrollment in load modification programs as a standard business practice by contractors. ● Fully realize the potential of EE through comprehensive whole building retrofits that capture 'stranded' to-code energy savings at the meter. ● Small and medium businesses that have previously not participated in EE experience multiple benefits through participation.

Projected Portfolio and Sector-level Metrics

The following resource acquisition metrics will also be reported at the portfolio and commercial sector levels. Additional metrics and/or indicators may be identified by the implementer once under contract or through Commission direction. SDREN will report on relevant common metrics and others that roll up into the unique value metrics.

Table 12. Resource Acquisition Metrics

Description	2024	2025	2026	2027	Total
Total system benefit (TSB; $)	$0	$4,865,784	$6,168,332	$7,160,300	$18,194,416
Net GHG reduction	0	2,368	2,977	3,216	8,561
Net kWh savings	0	3,864,663	4,990,604	5,391,513	14,246,780
Net kW savings	0	203	228	254	685
Net therms savings	0	200,788	235,749	274,631	711,168

Resource Acquisition Segment-Specific Coordination

SDG&E is growing the number of resource acquisition commercial sector programs it offers through several current and upcoming third party solicitations. SDREN will coordinate closely with SDG&E ahead of program launch to prevent any market confusion. To ensure commercial customers are served effectively, SDREN will train local trusted entities as customer engagement representatives to direct customers to programs that fit their needs. Customer engagement representatives will target and market programs to HTR and underserved commercial customers that would benefit from customized engagement approaches.

Codes & Standards

The codes and standards segment has the following primary purposes:

- Influencing standards and code-setting bodies (such as the CEC) to strengthen energy efficiency and load management regulations.
- Improving compliance with existing codes and standards.
- Helping local governments develop ordinances that exceed statewide minimum requirements.
- Coordinating with the other programs and entities to support the state's policy goals.[21]

Preliminary Codes & Standards Budget for 2024-2027 and Rationale for Distribution

The Codes & Standards segment budget is $12,791,171, representing 6.1% of the SDREN proposed four year budget. The segment mirrors the cross-cutting C&S sector, which includes just one program. SDREN's C&S segment is intended to complement existing efforts at the state and regional level by improving compliance at the local level. The C&S landscape requires a localized approach due to the current gaps, barriers, and challenges permitting agencies face and the urgency needed to rapidly scale up compliance to meet ambitious decarbonization goals. SDREN's program will provide tailored support to help agencies navigate the intricate energy code compliance landscape effectively. Given agencies' needs and successes noted in other regions, the budget was developed to be commensurate with budget allocations for other REN C&S programs.

Table 13. C&S Four-Year Budget Breakdown

Sector	2024	2025	2026	2027	Total
C&S	$934,000	$1,930,500	$2,123,550	$2,335,905	$7,323,955

Codes & Standards Goals, Strategies, and Outcomes

For the 2024-2027 portfolio period, SDREN will follow the goals, strategies, and outcomes for the C&S sector outlined in the table below. The strategies below will support the state in meeting ESJAP goal 6: enhancing the enforcement of codes to ensure safety and consumer

[21] D.23-06-055, pg.13-14.

protection for ESJ communities. Reference the *C&S Sector Goals, Objectives, Strategies* section for a full description of goals, strategies, and outcomes.

Table 14. Codes & Standards Goals, Strategies and Outcomes

Goals	Strategies	Outcomes
● Empower permitting agencies and the C&S community to improve energy code compliance, reduce energy consumption, and reduce GHG emissions while supporting the state's EE and GHG goals. ● Help public agencies compile and use data to enhance energy code compliance and facilitate adoption of advanced energy codes and policies. ● Promote the adoption, implementation, and enforcement of advanced energy codes, standards, and policies that improve building energy performance and accelerate decarbonization.	● Streamline permitting processes. ● Provide comprehensive support for implementation of advanced energy codes. ● Develop compliance and enforcement strategies and effective tracking mechanisms. ● Create a suite of tools, technical resources, and templates, including an energy code coach. ● Build participant staff capacity and their ability to use building stock, benchmarking and C&S data. ● Create feedback loops from C&S activities that inform comprehensive strategies across SDREN offerings. ● Provide educational information to the C&S community about the phase out of HFCs and low-GWP refrigerant alternatives.	● The C&S community achieves high-performance and resilient buildings. ● Streamlined permit approvals that include energy resiliency and climate adaptation design elements. ● Public agency energy resilience action plans, energy/GHG reduction targets, and other strategies are informed by digitized data collected from permitting. ● Reduced energy costs, improved indoor air quality, and enhanced building functionality. ● State and federal technical expertise and funds are leveraged to develop and deploy new policies. ● Local building performance standards (BPS) and building benchmarking requirements that improve building efficiency, comfort, economics, and health become common practice.

Projected Annual Portfolio and Sector-Level Metrics

The following C&S metrics/indicators will be reported at the Portfolio and Cross-Cutting C&S Sector levels. Additional metrics/indicators may be identified by the implementer once under contract or through Commission direction.

Table 15. Codes & Standards Metrics

Metric or Indicator	Metric/Indicator Description	2024-2027
Metric	Number and percent of local government permitting agencies receiving C&S program services and assistance.	To be confirmed after SDREN awards contract to implementer.
Metric	Number and percent of local governments who adopt model energy codes and advanced energy policies/standards.	
Indicator	Magnitude of improved code compliance and closed permit outcomes by participating local governments.	
Indicator	Number and percent of local governments who implement improved permit data collection, tracking, and analysis to enhance energy code compliance outcomes.	
Metric	Number of training activities (classes, webinars, workshops, etc.) held and number of participants by category.	
Metric	Number and percent of permitting agencies who receive assistance from an SDREN energy code coach.	

SDREN will also report on segment- and sector-specific common metrics and other metrics and indicators that roll up into the portfolio's unique value metrics.

C&S Segment-Specific Coordination

SDREN will coordinate its C&S segment strategies with SDG&E's C&S programs and with statewide C&S programs administered by the IOUs and the CEC. Coordination with other C&S programs will avoid potential overlap and duplication and ensure that the SDREN C&S programs and initiatives provide substantial new value to the San Diego County C&S community. SDREN will leverage best practices, coordination strategies, program design innovations, and tools and resources from other RENs and IOUs, such as Energy Code Ace and the Energy Hub developed with the San Diego Regional Climate Collaborative (SDRCC), to develop consistent and comprehensive C&S solutions.

SDREN and SDG&E staff will convene regular meetings and communication to ensure a well-coordinated set of codes and standards program offerings and a comprehensive set of C&S policy strategies and compliance solutions. SDREN and SDG&E will also work together on marketing and outreach efforts. Both the proposed SDREN C&S program and the SDG&E Local Codes and Standards program will strive to offer a comprehensive set of strategies to effectively address current and anticipated C&S policy drivers and increase compliance support for permitting agencies and permit applicants. Areas of anticipated SDREN and SDG&E collaboration and coordination include:

- Working together on C&S needs assessments.
- Developing customized education and technical assistance for city and county building departments.
- Developing complementary C&S education tools, resources, workshops, training, and forums.
- Developing complementary approaches to educating and advocating for improved existing building performance, such as benchmarking, building performance standards, rating systems, energy auditing, etc.
- Working together to create innovative C&S solutions that assist in meeting state climate and energy goals.

Market Support

Market Support programs have a primary objective of supporting the long-term success of the energy efficiency market by educating customers, training contractors, building partnerships, or moving beneficial technologies towards greater cost-effectiveness.[22]

Multiple sub-objectives for the segment have also been identified and are listed below:[23]

1. Demand: Build, enable, and maintain demand for energy efficient products and services in all sectors and industries to ensure interest in, knowledge of, and awareness of how to obtain energy efficient products and/or services.
2. Supply: Build, enable, and maintain supply chains to increase the capability of market actors to supply energy efficient products and/or services, and to increase the ability, capability, and motivation of market actors to perform/ensure quality installations that optimize energy efficiency savings.
3. Partnerships: Build, enable, and maintain partnerships with consumers, governments, advocates, contractors, suppliers, manufacturers, community-based organizations and other entities to obtain delivery and/or funding efficiencies for energy efficiency products and/or services and create added value for partners.
4. Innovation and Accessibility: Build, enable, and maintain innovation and accessibility in technologies, approaches, and services to increase value, decrease costs, increase

[22] D.21-05-031, pg 14.
[23] Ibid.

energy efficiency, and/or increase scale of and access to energy efficient products and services.

5. Access to Capital: Build, enable, and maintain increased and equitable access to capital and program coordination to increase affordability of and investment in energy efficient projects, products, or services.

SDREN will also consider integration of flexible load products and projects alongside energy efficiency for these sub-objectives.

Preliminary Market Support Budget for 2024-2027 and Rationale for Distribution

SDREN's Market Support segment budget is $40,644,030, representing 34.0% of SDREN's proposed 2024-2027 budget. There are a total of three market support programs in the portfolio, one in the Public sector and two in the Cross-Cutting WE&T sector. SDREN's investment in the Market Support sector will support the long-term success of the EE market in the San Diego region by investing in a strong workforce and the public agencies that represent and lead the region. The allocation of budget to this segment is imperative for SDREN to deliver on all three of its portfolio goals: advancing decarbonization, providing comprehensive services that improve outcomes for underserved and HTR communities, and accelerating the clean energy economy through workforce opportunities. The overall budget commensurate with the investments of other RENs within the market support segment.

Table 16. Market Support Four-Year Budget Breakdown by Sector

Sector	2024	2025	2026	2027	Total
Public	$2,732,000	$5,645,500	$6,210,050	$6,831,055	$21,418,605
WE&T	$2,452,000	$5,067,500	$5,574,250	$6,131,675	$19,225,425
Total	**$5,184,000**	**$10,713,000**	**$11,784,300**	**$12,962,730**	**$40,644,030**

Market Support Goals, Strategies, and Outcomes

For the 2024-2027 portfolio period, SDREN will follow the goals, strategies, and outcomes listed in the table below for the market support sector. The strategies related to public agencies will support the state in meeting ESJAP goals 2 and 4 by increasing climate resiliency and investment in clean energy resources to benefit ESJ communities. Strategies related to workforce development will address the ESJAP goal 7 to promote high road career paths and economic opportunity for residents of ESJ communities.

Table 17. Market Support Goals, Strategies and Outcomes

Sector	Goals	Strategies	Outcomes
WE&T	• Build participant workforce capacity.	• Provide comprehensive workforce educational and wraparound services	• Increase the supply of skilled employees

	• Enhance workforce training pathways. • Strengthen employee skills and support professional growth focused on green careers.	to build skills and match participants with employers. • Coordinate with job placement programs to support workforce development. • Partner with local community college districts to provide college-level courses and skill development opportunities.	entering into the energy and green workforce. • Increase opportunities for job training and certifications. • Connect participants to high road jobs. • Increase participating organizations' staff retention and internal promotional opportunities.
Public	• Increase capacity, awareness, and understanding of the benefits of decarbonization and IDSM strategies. • Help public agencies address and adapt to climate change by reducing GHG emissions and increasing energy resilience.	• Offer comprehensive project management and technical assistance services to identify and install projects. • Deliver education and training to public agencies. • Deliver customized decarbonization and resilience roadmaps. • Provide energy analysis reports at the portfolio and project level. • Directly install EE and flexible load measures. • Channel project opportunities to other applicable EE and IDSM programs. • Help agencies secure internal and external funding for decarbonization projects.	• Agencies improve their energy resilience, increase preparedness for climate-related emergencies, and decarbonize their facilities and assets. • Public agencies demonstrate awareness of benefits of DERs and integrate policies and actions as standard practice. • Agency awareness of energy consumption and costs. • Integration of EE and IDSM recommendations into existing or new Climate Action Plans. • Agencies receive capital to fund their decarbonization and energy resilience projects. • Energy bill reductions are achieved.

Projected Annual Portfolio and Sector-Level Metrics

The 2023 decision authorizing EE Portfolios and Business Plans adopted a set of Market Support segment objectives and indicators. SDREN will engage with the joint PAs as part of the joint Tier 2 Advice Letter to be filed by May 1, 2024[24] to modify the common metrics, clarify and modify the adopted indicators, and define the process for proposing and adopting long-term market support and equity goals and metrics for success.

SDREN will track and report on the adopted and finalized Market Support indicators (by sector where applicable). These will be reported annually or quarterly and either at the segment or portfolio level, as outlined in the table below.

Table 18. Adopted Market Support Indicators

Market Support Indicators	Reported Annually or Quarterly?	Reported at Segment or Portfolio Level
Number of partners by type and purpose(s)	Q	P
Dollar value of non-ratepayer in-kind funds/contributions provided via partnerships	A	P
Participation rate relative to eligible target population for curriculum	Q	S
Percent of total WE&T program participants that meet the CPUC's definition of disadvantaged worker	Q	S
Number of career and workforce readiness participants who have been employed for 12 months after receiving training	A	S
Prior year percentage of new measures added to the portfolio that were previously emerging technology program (ETP) technologies	A	P
Prior year percentage of new codes or standards that were previously ETP technologies	A	P
Savings (lifecycle net kWh, kWh, and therms) of measures currently in the portfolio that were supported by ETP, added since 2009. Ex ante with gross and net for all measures, with ex post where available	A	P
Number of new, validated technologies recommended to the California Technical Forum	A	P
Cost-effectiveness of a technology before and after intervention by the market support program (percentage change in cost-effectiveness)	A	S

[24] D.23-06-055 Ordering Paragraph (OP) 11.

Number of collaborations, with a contextual descriptions, by business plan sector to jointly develop or share training materials or resources	A	P
Number of participants by sector that complete training	Q	S
Number of projects (outside of ETP) that validate the technical performance, market barrier knowledge, and/or effective program interventions of an emerging/under-utilized or existing energy efficient technology	A	P
Total projects completed/measures installed and dollar value of consolidated programs by sector	Q	P
Ratio of ratepayer funds expended to private capital leveraged by sector	Q	P
Percentage of partners that have taken action supporting energy efficiency by type	Q	P
Number of contractors (that serve in the portfolio administrator service areas) trained by relevant market support programs to provide quality installations that optimize energy efficiency	Q	S
Assessed value of the partnership by partners	A	P
Percent of market penetration of emerging/under-utilized or existing energy efficiency products or services	A	P
Percent of market participant awareness of emerging/under-utilized or existing energy efficiency products or services	A	P
Aggregated confidence level in performance verification by production, project, and service (for relevant programs)	A	P
Cost differential between comparable market rate products and program products	A	P
Comparisons between market-rate capital vs. capital accessed via energy efficiency programs (e.g., interest rate, monthly payment)	A	P

Other progress trackers SDREN will report on include:

- The additional seventeen indicators focused on awareness, knowledge, attitude, and behavior (AKAB) outlined in D.23-06-055, once additional guidance is available.[25]
- Program-level progress trackers, which are outlined in the program cards and will be finalized after award of contract to implementation consultant.
- Portfolio- and sector-specific common metrics and indicators.

[25] D.23.06.055, pg 63.

- Metrics and indicators that roll up into the portfolio's unique value metrics.

Market Support Segment-Specific Coordination

To meet the objectives of the market support segment, SDREN will thoughtfully and consistently coordinate with SDG&E and their third party program implementers. SDREN will engage with SDG&E ahead of soliciting any of the market support programs to third party implementers in order to clearly outline service gaps and opportunities for integrating coordination into the solicitations. Additionally, SDREN will coordinate with other workforce development actors in the region and across the state, such as other RENs and EE third party implementers, to share best practices and resources.

As part of SDREN's unique value and to meet market support objectives, they will coordinate with the following regional entities: San Diego Regional Climate Collaborative, SDCP, CEA, SDG&E, San Diego Workforce Partnership, San Diego Association of Governments (SANDAG), San Diego Green Building Council, and International Code Council (ICC) SD Chapter.

SDREN will also closely monitor market transformation initiatives and activities from CalMTA[26] for opportunities to incorporate them into the Market Support segment of the SDREN portfolio.

Equity

The purpose of Equity segment programs is to provide energy efficiency resources to hard-to-reach or underserved customers and disadvantaged communities and to advance the ESJ Action Plan.[27]

Multiple sub-objectives for the segment have also been identified as listed below:[28]

1. Address disparities in access to energy efficiency programs.
2. Promote resilience, health, comfort, safety, energy affordability, and/or energy savings.
3. Reduce energy-related greenhouse gas and criteria pollutant emissions.
4. Provide workforce opportunities.

Preliminary Equity Budget for 2023-2027 and Rationale for Distribution

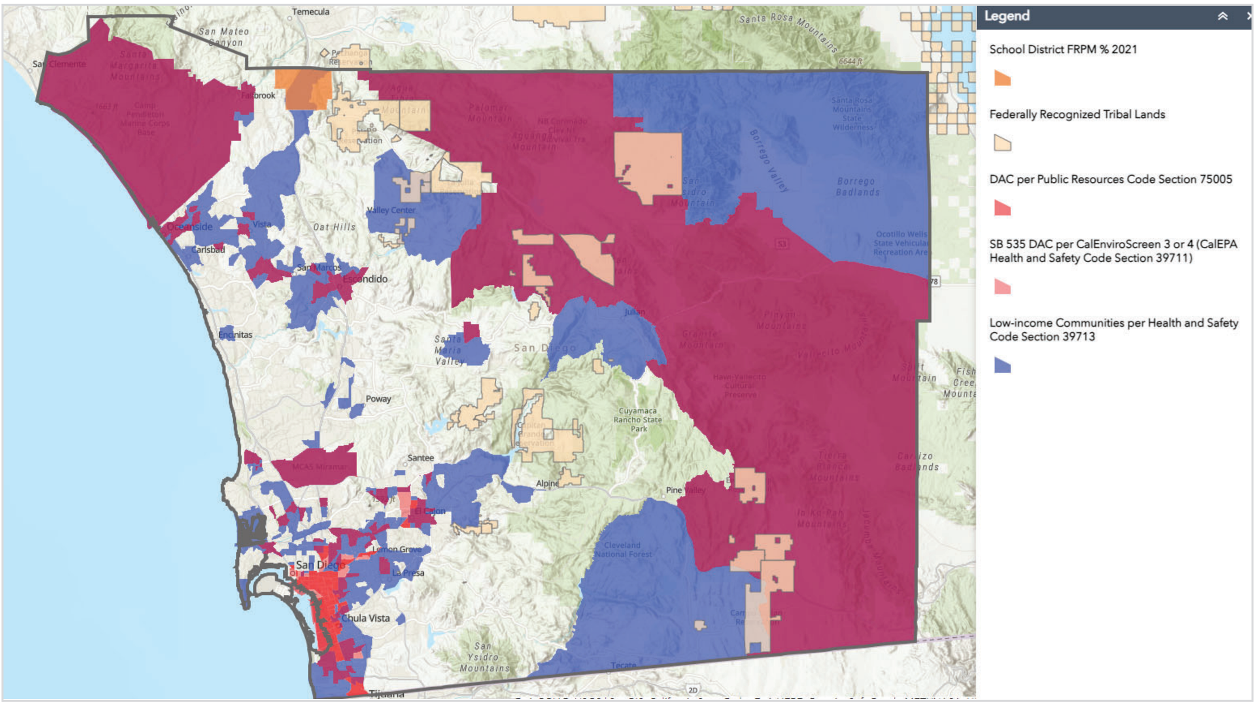
SDREN's Equity segment budget is $55,047,128, representing 46.1% of SDREN's proposed 2024-2027 budget. Consistent with SDREN's Guiding Principle 1 (to advance environmental equity) and Portfolio Goal 2 (to improve outcomes for underserved and hard-to-reach communities), SDREN has allocated the most significant portion of its budget to Equity segment activities. This focus area fills a gap in the region, since SDG&E's portfolio focuses only a small fraction of its budget on Equity segment activities.

As part of the market assessment when developing this application, SDREN developed a map to visualize the geographic regions considered hard-to-reach and underserved based on definitions

[26] https://calmta.org/
[27] D.21-05-031, pg 14.
[28] Ibid.

adopted in D.23-06-055. Based on this map, it was determined that **56% of the SDREN population lives in an underserved community**.

Figure 8. Underserved communities within SDREN territory, where 56% of population resides



SDREN proposes a total of five Equity programs in the Commercial, Public, and Residential sectors. The total budget allocated to each sector within the Equity segment is outlined in the table below. It is notable that nearly half (46%) of the total segment budget is allocated to direct install measures. This strategy, in alignment with SDREN's portfolio vision, enhances SDREN's ability to ensure underserved, hard-to-reach, and disadvantaged communities are not left behind in the clean energy transition.

Table 19. Equity Four-Year Budget Breakdown by Sector

Sector	2024	2025	2026	2027	Total
Commercial	$2,336,000	$4,826,200	$5,308,820	$5,839,702	$18,310,722
Public	$234,000	$482,600	$530,860	$583,946	$1,831,406
Residential	$4,453,000	$9,200,000	$10,120,000	$11,132,000	$34,905,000
Total	**$7,023,000**	**$14,508,800**	**$15,959,680**	**$17,555,648**	**$55,047,128**

Equity Specific Strategies, Goals, and Outcomes

For the 2024-2027 portfolio period, SDREN will pursue the goals, strategies, and outcomes listed in the table below for the Equity sector. All of the below strategies will support the state's ESJAP goals. The strategies related to Tribes will support the state in meeting ESJAP goal 5 by involving Tribal communities in the process of developing program strategies. All other strategies support

ESJAP goals 2 and 4 by increasing climate resiliency and investment in clean energy resources to benefit ESJ communities.

Table 20. Equity Segment Strategies, Goals, and Outcomes

Goals	Strategies	Outcomes
• Deliver equitable services to traditionally underserved and HTR customers to ensure they are included in the clean energy transition. • Reduce barriers to EE and flex load program participation among HTR and underserved customers.	• Focus outreach on and target underserved and HTR customers. • Provide in-person, equitable, and inclusive outreach and support services (i.e. in-language materials with cultural understanding, taking into consideration vision and hearing impaired customers, and customers without internet access etc.). • Customized energy programs and strategies shaped by community input. • Increased incentive opportunities for HTR and underserved communities. • One-on-one support to connect customers to other available programs, services, and funding opportunities. • Direct installation of energy efficiency measures. • Framework in which Tribal governments propose and design customized energy programs and strategies to meet their unique community needs. • Funding and financing support, connecting participants to other incentive programs, financing offerings, tax credits etc.	• Increased access to and awareness of energy efficiency, DER technologies, and funding and financing programs. • Increased participation in ratepayer-funded EE programs by HTR customers and underserved communities. • Reduced energy burden for HTR and underserved participants. • Energy co-benefits (e.g. health, comfort) realized by HTR and underserved participants. • A clean energy transition inclusive of customers historically left out of energy programs. • Energy justice for HTR customers and underserved communities. • Increased adoption of EE and IDSM measures and strategies.

Projected Annual Portfolio and Sector-Level Metrics

The Equity segment objectives and indicators were adopted in D.23-06-055. SDREN will engage with the joint PAs as part of the Tier 2 Advice Letter to be filed by May 1, 2024[29] to modify the common metrics, clarify and modify the adopted indicators, and define the process for proposing and adopting long-term market support and equity goals and metrics for success.

SDREN will track and report on the adopted and finalized Equity segment indicators (by sector where applicable). These will be reported annually or quarterly and either at the segment or portfolio level as outlined in the table below.

Table 21. Adopted Equity Indicators

Equity Sector Indicators	Reported Quarterly or Annually?	Reported by Segment or Portfolio?
Count of equity target participants in each segment and sector	Q	S
Sum of equity target participants' expected first-year bill savings in Equity segment by sector	Q	S
Sum of all Equity segment participants' greenhouse gas reductions (in tons of carbon dioxide equivalent)	Q	S
Sum of all equity segment participants' kilowatt hour (kWh) savings	Q	S
Sum of all equity segment participants' kW savings		
Sum of all equity segment participants' therm savings	Q	S
Sum of all equity segment participants' TSB	Q	S
Median of equity target participants' expected first-year bill savings by sector	Q	S
Percent of hard-to-reach customer participants in portfolio by residential single family/multi-family and commercial sector	A	P
Percent of disadvantaged community customer participants in portfolio by residential single-family/multifamily and commercial sector	A	P
Percent of equity target participants in equity segment by sector	Q	S

Other equity segment metrics SDREN will report on include:

[29] D.23-06-055 Ordering Paragraph (OP) 11

- Program-level progress trackers for the adopted Equity segment indicators. These trackers are outlined in the program cards and will be finalized after a contract is awarded to an implementation consultant.
- Portfolio- and sector-specific common metrics.
- Metrics and indicators that roll up into the portfolio's unique value metrics.
- Pursuant to D.23-06-055, SDREN will also develop indicators for the equity segment to measure community engagement. These will be included in the mid-cycle advice letter in 2025 and in subsequent annual reports.[30]

SDREN will engage in efforts outlined in D.23-06-055 to quantify non-energy benefits (NEBs) and report demographic EE program participation.

SDREN will participate in the newly formed working group intended to inform goals, priorities and scope of a study that responds to questions regarding NEBs[31]. Achievement of NEBs directly ties to equity objectives and SDREN anticipates that it will serve as a key metric for future portfolios focused on serving equity customers.

In D.23-06-055, the Commission directed PAs to work with the Reporting Policy Coordination Group to jointly submit a report addressing demographic questions by no later than September 1, 2025. SDREN will participate in this process and, based on that analysis, will include preferred approaches to reporting demographic energy efficiency program participation information in its 2026 proposal.[32]

Equity Segment Coordination

Similar to the other segments, SDREN will coordinate closely with SDG&E's team managing Equity programs. In addition to EE market rate program coordination, SDREN will look to engage with low-income programs for ongoing coordination strategies[33]. Before releasing solicitations for the Equity programs, SDREN and SDG&E will work together to clearly outline service gaps and opportunities for integrating coordination into the solicitations. SDREN will promote and support access to SDG&E programs for equity customers whenever possible.

To advance the ESJ Action Plan Goal 5 to "enhance outreach and public participation opportunities for ESJ communities to meaningfully participate in the CPUC's decision-making process and benefit from CPUC programs,"[34] SDCP will look for ways to engage with communities to collect ongoing feedback to inform program design and delivery.

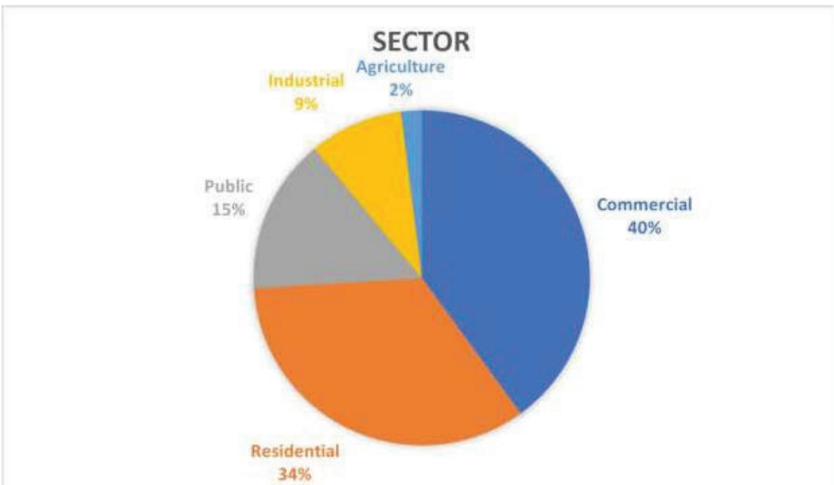
[30] D.23-06-055 OP 24.
[31] D.23-06-055 pg. 34.
[32] D.23-06-055 OP 23.
[33] Page 15 of D.21-05-031 states, "the 'equity' category is distinct from our separate low-income energy efficiency Energy Savings Assistance (ESA) programs, which have separate goals and regulatory treatment. While there is some overlap in customers within the target segments, the 'equity' category is intended to be defined within the energy efficiency programs covered in this rulemaking that are not specifically targeting low-income populations with program offerings that low-income populations could receive at no cost from the ESA program."
[34] Environmental & Social Justice Action Plan Version 2.0.

Sector Strategy

Strategies Driving Distribution of Budget Among Sectors and Alignment with Broader Portfolio Objectives

SDREN's portfolio includes the Commercial, Public, Residential, and Cross-Cutting C&S and WE&T sectors. The portfolio's focus and budget allocation across the targeted sectors of Commercial, Residential, and Public is in close alignment with the distribution of electricity consumption of these sectors across SDG&E's territory.

Figure 9. SDG&E 2018-2020 Average Electric Consumption by Sector[35]

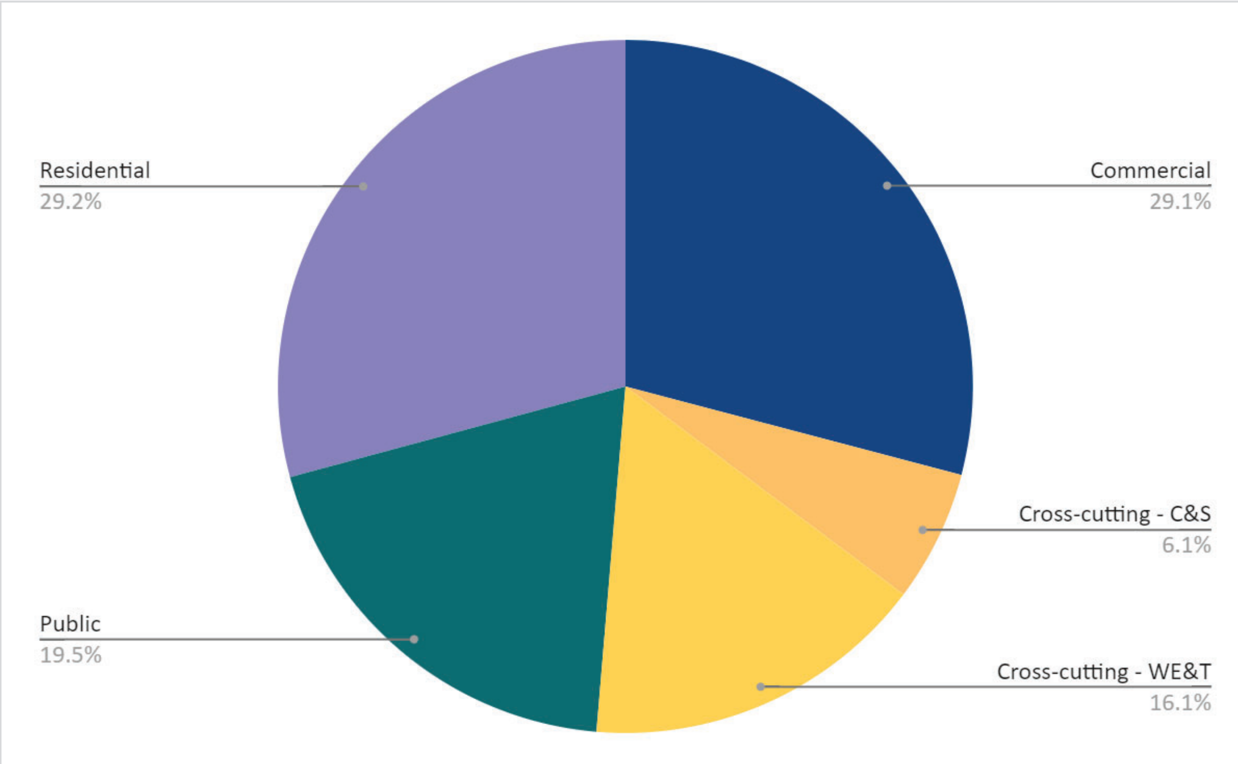


The Commercial, Residential, and Public sectors' budget allocations also reflect the portfolio objectives related to decarbonization and providing comprehensive services. SDREN's investment in the Cross-Cutting sector supports the portfolio objectives related to accelerating the clean energy economy through workforce, education and training and codes and standards offerings.

The budget allocation by sector is illustrated in the graphic below.

[35] SDG&E EE Business Plan Testimony (2024-2031) - Exhibit 1, pg.9.

Figure 10. SDREN 2024-2027 Budget Allocation by Sector



Description of Sectors SDREN Proposes to Serve

Through a market assessment, SDREN evaluated energy data (including the number of customers by type), energy efficiency program availability, and participation across sectors in San Diego County. This analysis informed SDREN's sector focus and resources for its portfolio.

To address gaps and adequately serve HTR communities, SDREN has identified programs that will serve the Commercial, Residential and Public sectors as well as the Cross-Cutting sectors of WE&T and C&S.

Commercial Sector: SDREN proposes three Commercial Sector programs that fill gaps and will be closely coordinated with SDG&E programs. Two are equity programs, targeting HTR small-to-medium sized businesses. The goal of these programs is to deliver equitable services to HTR customers to ensure they are not left behind in the clean energy transition. The programs will achieve this goal by reducing barriers to participation, increasing awareness, and increasing adoption of EE practices and measures. Store owners, particularly HTR owners, have limited staff capacity and capital to invest in energy efficient equipment. Two of SDREN's three commercial sector programs will deploy a direct install approach to alleviate the cost barrier to participation and enable store owners to participate in energy efficiency program offerings. SDREN's third commercial sector program is a resource program that will provide incentives to commercial customers for peak demand reduction and verifiable energy savings.

Public Sector: The public sector will offer two programs that fill gaps in SDG&E services and will guide participants to SDG&E programs where applicable. One is a market support program that offers comprehensive, customized and unbiased end to end EE project services to public agencies within San Diego County. The second is an equity program that will collaborate with Tribal communities to design and deliver community-specific programs. There are no current Tribal-specific EE strategies or programs offered by SDG&E or any other PA.

Residential Sector: SDREN proposes two residential programs, both of which address equity. Both fill gaps in current SDG&E offerings to multifamily and single-family customers by providing customized support and education to HTR renters and homeowners. Because residential customers are typically overwhelmed by complex program offerings and multiple entry points, SDREN will provide behavioral engagement and an unbiased "energy advisor" to demystify funding opportunities. Programs will conduct education and outreach to highlight non-energy benefits and a pathway to electrification. Understanding that the multifamily sub-sector has experienced EE program challenges across the state, SDREN will coordinate directly with PAs and implementers to apply the latest lessons learned from other multifamily programs prior to implementation.

Cross-Cutting Sector: SDREN's portfolio supports the Cross-Cutting sector through C&S and WE&T programs.

- **Codes & Standards:** SDREN's proposed codes and standards program will supplement and complement SDG&E's C&S programs and all statewide C&S programs. SDREN's program will provide local agencies with policy and compliance support, increase permitting authorities' expertise, and enhance communication between permitting authorities and permit applicants. SDREN's C&S program works with public agencies to provide policy and compliance support. Similar to other RENs, the program will coordinate closely with the current local SDG&E program and statewide programs, which primarily focus on advocacy to the CEC and Department of Energy (DOE) related to appliance and building standards.
- **Workforce, Education & Training:** SDREN proposes two market support WE&T programs that fill gaps, support development of a green workforce that includes vulnerable populations, and build resilient communities. These programs offer wraparound services targeting individuals in HTR, DAC, and historically underserved communities. They will provide equitable access to education and skill-building pathways that will increase clean energy career opportunities for new market entrants and increase green workforce training through employers.

Preliminary Distribution of Budget Among Sectors for 2024-2027 and Rationale for Distribution

Table 22. Distribution of programs and budgets among sectors for 2024-2027 (not including EM&V)

Sector	Number of	2024-2027 Budget	% of Portfolio

	Programs		
Residential	2	$34,905,000	29%
Commercial	3	$34,790,038	29%
Public	2	$23,250,011	19%
Cross-Cutting: WE&T	2	$19,225,425	16%
Cross-Cutting: C&S	1	$7,323,955	6%
Total	**10**	**$119,494,429**	**100%**

Commercial Sector: SDREN proposes three Commercial sector programs with a total four-year budget of $34.8 million, representing 29% of the SDREN portfolio. The Commercial sector accounts for the largest share of electricity consumption within SDG&E's service territory, comprising 40% of the total usage.[36] Approximately 77% of SDG&E commercial sector customers fall into the small commercial category and nearly two-thirds of all commercial customers have fewer than five employees.[37] This market context, coupled with the fact that all but one of the planned EE programs within the commercial sector will be focused on resource equity goals, justify SDREN's focus on this sector.

Cross-Cutting Sector: Approximately 22% of SDREN's portfolio is allocated to the Cross-Cutting sector, which includes both C&S and WE&T programs.

- **C&S:** SDREN is proposing a single codes and standards program with a total four-year budget of $7.3 million, representing 6% of the total portfolio budget. The budget is based on SDREN's evaluation of C&S market needs within San Diego County and is commensurate with total budget allocations of other REN C&S budgets that support IOU and statewide efforts. The C&S sector program fills gaps and is critical to accelerating a decarbonized energy future in San Diego County. The SDREN program will support permitting agencies on Title 24 compliance and adopting Title 24 reach codes, and will offer customized support. All other RENs in the state will have a C&S offering starting in 2024, highlighting a clear gap in San Diego for this support.

- **WE&T:** SDREN's portfolio includes two WE&T programs with a total four-year budget of $19.2 million, representing 16% of the total portfolio. The percent allocation of other REN WE&T budgets range from 4% (SoCalREN) to 25% (RuralREN). The transition toward decarbonized buildings, coupled with substantial investments in a clean energy economy (e.g. IRA and the Equitable Building Decarbonization Program), creates a heightened need for a skilled workforce to deliver on local, state, and federal climate and energy goals. SDREN is dedicated to addressing the shortage of workers with essential skills to support the transition to clean energy.

Public Sector: The Public sector segment will offer two programs with a total four-year budget of $23.3 million, representing 19% of the SDREN portfolio. SDREN has allocated a significant

[36] SDG&E EE Portfolio Testimony (2024-2027), Exhibit 2, pg. 57.
[37] SDG&E Business Plan, Exhibit 1, pg. 9.

budget to this sector because it has historically been underserved. Existing programs in the sector are resource segment programs, which tend to leave small customers behind due to strict cost-effectiveness requirements. Furthermore, during coordination discussions with SDG&E, SDREN identified a programmatic gap that formed when SDG&E's third party implemented k-12 schools program closed. SDREN's programs fill this gap and ensure public agencies are served equitably and comprehensively.

Residential Sector: SDREN proposes two residential equity programs with a total four-year budget of $34.9 million, representing 29% of the overall portfolio. SDREN has allocated a significant portion of its budget to this sector since the Residential sector is the largest customer group in SDG&E territory and it is currently challenging for HTR customers to participate in and fully benefit from the clean energy program landscape. Additionally, the EE P&G study found opportunity for significant savings in the region based on incremental market potential.

Commercial Sector

Market Characterization

The small-medium business (SMB) community is composed of diverse business owners, with approximately 77% falling into the small commercial category (energy demand of <20 kW). Nearly two-thirds of all commercial customers are micro businesses with fewer than five employees.[38] Additionally, it is estimated that 38% of San Diego County residents speak a language other than English at home.[39] SDREN's proposed Commercial sector programs open the door to a substantial market opportunity in the Commercial sector. The Commercial sector accounts for the largest share of electricity consumption within SDG&E's service territory, comprising 40% of the total usage.[40]

There are currently two SDG&E EE third party Commercial sector programs available for commercial customers, but SDG&E is actively soliciting several Commercial sector offers as outlined in the table below. These additional commercial programs are anticipated to be contracted and launched over the next eighteen months and are anticipated to target several market sub-sectors. Five of SDG&E's EE Commercial programs are segmented as resource acquisition programs, and there is one equity and one market support program anticipated to launch in early 2024.

Table 23. Current and upcoming SDG&E EE third party commercial programs

Program Type or Name and Segmentation	Status
Comprehensive Energy Management Solutions (CEMS) for customers >20kW - Resource Acquisition	Currently active
Business Energy Solutions (BES) for customers <20kW - Resource Acquisition	Will ramp down for new equity program
Small Business Outreach - Equity	Anticipated launch Q1 2024

[38] SDG&E Business Plan, Exhibit 1, pg. 9.
[39] US Census Data for San Diego County. https://www.census.gov/quickfacts/fact/table/sandiegocitycalifornia/PST045222
[40] SDG&E EE Portfolio Plan Testimony (2024-2027), Exhibit 2, p.57.

Groceries, Restaurants, Food Storage - Resource Acquisition	Anticipated launch Q4 2024
Private Institutions, Healthcare - Resource Acquisition	Anticipated launch Q2 2025
Lodging - Resource Acquisition	Anticipated launch Q1 2025
Cross-cutting Non-Residential Behavior - Market Support	Advice letter pending / anticipated launch Q1 2024

Commercial Sector Goals, Objectives and Strategies

SDREN's commercial portfolio has been crafted to meet the diverse energy efficiency needs of various business types, with a focus on hard-to-reach and underserved commercial customers. SDREN's services aim to bridge gaps by referring customers to appropriate programs and services.

The overarching objective for this sector is to deliver equity-driven and high-impact EE programs. These programs are designed to expand market reach, particularly among HTR and underserved businesses. Furthermore, they seek to accelerate the implementation of deep EE retrofits and deliver quantifiable EE benefits that reduce greenhouse gas emissions and increase grid reliability.

Table 24. Commercial Sector Goals, Objectives, and Strategies

Goals	Strategies	Objectives
Deliver equitable services to the traditionally underserved micro and small business sector.	• Focus on disadvantaged, underserved, and hard-to-reach communities within San Diego County. • Provide in-person, in-language and culturally sensitive outreach and support services through trusted representatives.	• Increase participation of HTR customers in ratepayer-funded EE programs. • Create equity co-benefits such as healthy, fresh food offerings in local grocery stores.
Reduce barriers to EE program participation among commercial customers.	• Provide each participant with a single implementer point of contact (energy coach) as a connection point to programs and services. • Offer direct installation of energy efficiency measures for SMBs. • Build program participants' EE expertise and train them to identify energy-saving potential at their businesses.	• Increase commercial sector adoption of EE equipment. • Increase awareness of EE technologies and funding/financing programs. • Reduce lifecycle costs of installing EE measures.

	● Connect businesses to and provide information on EE funding/financing, including IRA tax credits, in alignment with the 2023 Potential and Goals Study. ● Provide in-language and culturally sensitive outreach materials and program documents.	● Help customers save on energy bills and reduce GHG emissions. ● Realize TSB.
Accelerate implementation of EE measures and long-term EE market transformation through program interventions.	● Provide pathways through the SMB Energy Coach program for decarbonization, such as through heat pump water heaters. ● Flex Market program will incentivize long-life measures that provide high TSB via multi-year energy savings. ● Facilitate access to programs that encourage long-term sustainable energy actions, such as the California Green Business Network.	● Emerging EE technologies like heat pump water heaters have become standard practice. ● Realize full potential of EE through comprehensive whole building retrofits that capture 'stranded' to-code energy savings at the meter. ● Avoid peaker plant emissions through deep peak demand reduction. ● Increase participation in locally recognized programs that offer green business certifications.

Commercial Sector Coordination

SDG&E and statewide programs overlapping in this sector include:

- **Comfortably California,** a statewide upstream and midstream heating, ventilation and air conditioning (HVAC) program that offers deemed HVAC measures. SDREN's SMB Energy Coach program may refer program participants to this program as applicable.

- The **Smart Thermostat Program for Businesses,** where customers receive a $50 incentive for installing and registering an approved thermostat that activates during DR events. SDREN's SMB Energy Coach program will highlight this opportunity to eligible participants.

- SDG&E's commercial portfolio includes a Small Business Outreach equity program called **Small Business Saver** targeting EE interventions with small business customers (under 20 kW). As of the filing of this Business Plan, this program has not yet launched with a new third party implementer. SDREN will coordinate closely with this program to fill gaps and avoid duplication.

- SDG&E offers a market access program and the **Comprehensive Energy Management Solutions** (CEMS[41]) program for large commercial customers (over 20 kW). While the CEMs and Market Access Program (MAP) will be available to customers also eligible for the SDREN Flex Market program, the programs have notable differences, including:

    1. SDG&E CEMS offers direct install, deemed, custom, and site-NMEC incentives.
    2. SDG&E MAP offers a population-NMEC approach for a subset of measures that are unable to participate in SDG&E's other downstream EE programs with performance-based incentives paid to the aggregator.
    3. SDREN Flex Market offers a measure-flexible population-NMEC approach with performance-based incentives paid to the aggregator targeted to underserved and HTR businesses.

To avoid overlap among SDG&E and statewide programs in the region, SDREN will coordinate closely with SDG&E and the statewide program administrators and their implementers to offer complimentary and gap-filling services to program participants. Upon Business Plan approval, SDREN will file a joint cooperation memo with SDG&E and any other program administrators operating in shared service territory to outline coordination protocols that ensure services fill gaps, meet regional needs, and avoid duplication. Some initial strategies discussed with SDG&E during the portfolio application development include:

- Mapping of full commercial portfolios, including eligibility criteria, customer targeting, and services ahead of SDREN solicitations.
- Coordinating closely with the new SDG&E Commercial Equity program to fill gaps in service and prevent market confusion.
- Developing a joint customer messaging strategy.
- Promoting complementary programs such as Comfortably California and the Smart Thermostat Program to eligible customers.

While SDG&E's Small Business Outreach program may offer similar services to SDREN's SMB Energy Coach program, SMB Energy Coach pairs technical assistance and advisory services with turnkey direct install measure delivery for a seamless, integrated program experience. SDREN's direct install model alleviates the out-of-pocket cost barrier to EE measure adoption. Importantly, the SMB Energy Coach will identify all opportunities available to participants including SDG&E, statewide, and federal programs and funding opportunities. As with all of SDREN's offerings, the program will also integrate IDSM support. SDREN's Efficient Refrigeration program will target small local grocery stores, corner stores, and local small businesses that sell

[41] https://cedars.sound-data.com/documents/download/2889/main/

food products. The equity efficient refrigeration program will offer DI measures not offered by other programs. Both the SMB Energy Coach and equity Efficient Refrigeration programs will target hard-to-reach customers.

SDREN will monitor the market and coordinate with other programs to leverage complementary offerings and combine incentives, including:

- **Leveraging** GoGreen Financing to develop projects with favorable financing terms through California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) and IDSM incentive programs.

- **Stacking** IRA tax credits, 179D Commercial Building EE tax deductions, and TECH incentives to reduce equipment costs.

Categorization by Segment

Additional details on SDREN's segmentation justification at the program level can be found in *Exhibit 3 - Attachment X: Program Segmentation Justification template Attachment A* from D.23.06.055.

Table 25. Commercial Sector Program Categorization by Segment

Program	Segment	Justification/Goal
SMB Energy Coach	Equity	Provide energy efficiency services to hard-to-reach and/or underserved communities in alignment with the Commission's Environmental and Social Justice Action Plan.
Efficient Refrigeration		
Flex Market	Resource Acquisition	Deliver cost-effective avoided cost benefits to the state's energy systems. SDREN will rely on this program to deliver the bulk of the commercial portfolio's TSB target, in alignment with the CPUC's directive to expand NMEC programs statewide.

Commercial Sector Program Details

Table 26. Program Card for SMB Energy Coach

Program Name: SMB Energy Coach	
Program ID: SDREN-01-COM-SMB **New/Existing: New** **Link to implementation plan if existing (see D.21-05-031): N/A**	
Portfolio Segment: Equity	**Implementation Party:** Third-Party Implementer

<table>
<tr><td>Applicable Sector: Commercial</td><td>Market Sub-Sector: Small-Medium businesses</td></tr>
<tr><td>Sector Challenge:

SMBs may be unaware of EE technologies and value, and lack bandwidth to research and access resources.
SMBs lack education on how to develop and pursue EE projects while meeting the varying requirements to access incentives, tax credits, and financing.
SMBs need technical expertise to identify EE opportunities and to develop the scope of work and technical specifications for EE projects.
Many small businesses lease their space and do not control investing/implementing EE opportunities.
Coordination with both tenants and landlords is required.
Without energy program support, up-front capital costs prevent EE measure implementation.
</td><td>Sector Opportunity:

Small businesses (<20 kW) make up the majority (77%) of commercial SDG&E customers.
Assist SMBs to work with local CA Green Business Network to receive recognition for EE program participation.
Provide EE education and advisory services to landlords/property management companies and tenants to address split incentive challenges.
Educate SMBs on behavioral, retro-commissioning, and operational (BRO) measures applicable to their facilities.
In alignment with AB 793, educate SMBs on energy management technologies.
</td></tr>
<tr><td>Known Equity Concerns in the Selected Markets: There are multiple equity concerns related to SMBs in San Diego County. Many SMBs lack the knowledge and/or experience to pursue incentive opportunities and financing programs for EE projects, which may deter them from considering energy upgrades. SMBs commonly perceive EE measures as expensive investments, and they may lack the capital to pursue EE measures in their budget. Given the diversity of business owners in San Diego county, there are often language barriers for SMBs in HTR neighborhoods; current programs might not</td><td>Proposed Solutions to Equity Concerns: This program will provide a dedicated energy coach as a single point of contact and entry point to commercial sector opportunities. This energy coach will serve as an extension of participants' staff, offering education, technical assistance, and project management support. The program will also provide direct installation options for energy efficiency measures to avoid out of pocket costs to participating businesses. The program will provide various in-language and culturally sensitive outreach materials and program documents with messaging that resonates with diverse SMBs and their staff.</td></tr>
</table>

provide effective in-language outreach or materials to accommodate this need.	
Program Description: The SMB Energy Coach Program will raise awareness and increase adoption of energy efficiency practices and measures. The program will connect a dedicated energy coach to each participating SMB to educate them on the value of EE and IDSM, provide facility benchmarking and EE opportunity assessments, support access to funding and financing, offer technical assistance, and install EE measures at no cost to program participants. The program will coordinate with SDG&E EE programs, statewide EE programs, and the San Diego Green Business Council, the local partner of the Green Business Network, to combine service offerings and compound the programs' value. Through coordination with the Green Business Network, program participants may receive public recognition via Green Business Certification for their EE upgrades, encouraging continued investment in EE. The program may leverage partnerships with community-based organizations to provide resources for returning program participants, to encourage continuous pursuit of clean energy measures, and to provide ongoing education and training for SMB staff.	
Intervention Strategy: Downstream - direct install and technical assistance. ● Facility energy report and opportunity assessments: the program will provide on-site and virtual assessments to identify EE measures at each business and provide an in-language energy report. The report will incorporate: ○ No and low-cost EE measures available through EE programs. ○ Incentive and funding opportunities through external mechanisms such as SDG&E, statewide, and federal programs. ○ Green Business Certification. ○ IDSM program opportunities, including demand response. ○ Education on reducing energy costs. ○ If applicable, the program will assist with benchmarking in Energy Star Portfolio Manager (ESPM) to help businesses understand their facility's energy performance and comply with AB802 for facilities over 50,000 sq. ft.	**Program Metrics:** ● kWh ● kW ● Therms ● TSB ● Annual GHG reductions ● Number of SMBs enrolled ● Number of SMBs served ● Number of facility benchmarking and EE opportunity assessments performed ● Number of direct install projects completed ● Number of funding and financing presentations performed ● Number of projects where technical assistance was provided

● Technical assistance: the program will provide technical specifications for identified projects to ensure implemented measures realize anticipated energy savings. ● Direct installation: the program will offer a menu of direct install measures available at low-to-no-cost for program participants. Sample EE measures include smart thermostats, LED lighting, controls, economizer controls/repair, duct sealing, appliances, faucet aerators, auto door closers, ice makers, and smart plugs. ● Funding and financing support: the program will connect SMBs to other incentive programs, SDG&E on-bill financing, GoGreen Financing, IRA tax credits, and other local/state/federal funding and financing programs.	
High-level description of delivery workforce including necessary scale and its risks: SDREN's local trusted partners will engage with businesses to determine eligibility and interest in program offerings. The program implementer staff and energy coaches will guide program participants through the SDREN commercial and other applicable program offerings and services. Licensed local contractors, electricians, and equipment manufacturers will support the direct installation of energy efficiency measures. Engineering consultants will provide technical assistance as needed. The program implementer(s) will work with community partners, including CBOs, to ensure SMB participants are aware of local resources and opportunities. There are workers in place to support these programs, but an increase in demand may require additional training and recruitment of specialized support. A delay in manufacturing and delivery of equipment (or high demand) can pose a risk to project completion timelines.	
Market actors necessary for success: ● Third-party implementer(s). ● Trade professionals. ● Local contractors. ● Equipment manufacturers. ● Community outreach staff. ● Property management/landlords, if applicable.	
Solicitation Strategy: Third-party solicited	**Transition Plan:** Not applicable

Expected Program Life: 2024 - ongoing	**Short Term Plan:** Launch program in 2024 and ramp up implementation through 2027 to serve SMB customers.
Cost Effectiveness: 4 Year TRC: 0.14	**Long Term Outlook:** ● Increased interest in EE and IDSM. ● Adoption of EE measures among SMBs as a result of program intervention. ● Continuous engagement with returning and new program participants to achieve program objectives in alignment with state goals.
Proposed Annual Budgets for 2024-2027: **2024:** $1,402,000 **2025:** $2,895,700 **2026:** $3,185,270 **2027:** $3,503,797 **2024-2027 Total:** $10,986,767	**Anticipated directional and scale changes in budget for years 2028-2031:** SDREN will maintain program steady-state beyond 2027. For years 2028-2031, budgets will increase at a moderate 4% to address inflation and to meet increasing customer demand.
Implementation Plan: Implementation Plans for all SDREN programs will be developed after CPUC approval of SDREN's application and before implementation begins.	

Table 27. Program Card for Efficient Refrigeration

Program Name: Efficient Refrigeration	
Program ID: SDREN-02-COM-ERF **New/Existing: New** **Link to implementation plan if existing: N/A**	
Portfolio Segment: Equity	**Implementation Party:** Third-party Implementer
Applicable Sector: Commercial	**Market Sub-Sector:** Micro, small, and medium businesses, focusing on small local grocery stores, corner stores, and local small businesses that sell food products.
Sector Challenge: ● Store owners have limited staff capacity and capital to learn about high efficiency equipment options and to invest in energy efficient equipment.	**Sector Opportunity:** ● A direct install approach alleviates the cost barrier to participation and allows store owners to participate in energy efficiency program offerings.

• Business priorities and day-to-day operations take precedence over energy efficiency.	• Leverage other programs, such as the CDFA Healthy Refrigeration Grant Program to create co-benefits, such as educating store owners about health benefits to providing local access to fresh, perishable food options (fruits, vegetables, nuts). • Installation of high efficiency refrigeration equipment with low-GWP refrigerants will realize utility bill savings for participants, encouraging future investment in energy efficiency.

Known Equity Concerns in the Selected Markets	Proposed Solutions to Equity Concerns
Known Equity Concerns in the Selected Markets: Past programs offering support with refrigeration equipment have focused on larger customers, leaving smaller customers without any offerings focused on refrigeration. Based on the recent EM&V study conducted by SoCalREN, energy burden is a concern for this sub-market. Corner stores in particular feel burdened by high electricity bills associated with refrigeration.[42] Recent inflation and supply chain issues have also impacted small business owners, with 85% of small business owners indicating they are concerned about inflation.[43] Additionally, when considering this sub-market, it is beneficial to consider the health-energy nexus related to food access. Several communities within San Diego County face poverty and food insecurity.[44] In 2019, 77 census tracts had a poverty rate of 50% or more. Across San Diego County, the percentage of the population experiencing food insecurity by region is: central: 26.9%, east: 46.6%, north central: 38.5%, north coastal: 39.8%, north inland: 30.9%, and south: 27.7%. These communities lack regular access to fresh, healthy foods. They need personalized in-person, in-language and culturally sensitive outreach and program services.	**Proposed Solutions to Equity Concerns:** This program will encourage stores to sell fresh, healthy, and affordable food products by providing high efficiency refrigerators and freezers. This program will also develop in-language outreach materials to improve the education and communication to staff at participating businesses and the local community. The program will deploy in-person program outreach staff to reach businesses and tell them about program opportunities and objectives. This program will leverage local contractors to stimulate the local economy and support local workforce development.
Program Description: The Efficient Refrigeration program will provide energy efficiency education and no-cost, direct install efficient refrigeration equipment to small corner stores/grocers/small businesses to support energy cost savings and the stocking of healthy, fresh, and affordable food products. This program will provide technical assistance to identify refrigerators that are eligible for replacement with high efficiency units. This program will also leverage other programs and resources to provide one-on-one education on sourcing California-grown produce and product placement/promotion to encourage shopper purchases. Additionally, it will deliver community outreach events to promote program	

[42] SoCalREN Food Desert Energy Efficiency Equity Program Market Study, pg. 14.

[43] "Special Report on Inflation and Supply Chain Shocks on Small Business," U.S. Chamber of Commerce, March 3, 2022, https://www.uschamber.com/small-business/special-report-on-inflation-and-supply-chain-shocks-on-small-business.

[44] https://www.sandiegocounty.gov/content/dam/sdc/hhsa/programs/phs/CHS/Poverty%201%20 Areas%20of%20 Concentrated%20 Poverty%20and%20Food%20 Insecurity%20Brief.pdf.

services, provide education on the benefits of energy efficiency, and encourage the public to shop at participating business locations by highlighting the availability of fresh, healthy foods. This program's target measures include glass and solid door refrigerator and freezer units. This program will also look for opportunities to integrate strategies from the new BayREN Refrigerant Replacement Program to encourage low-GWP refrigerants.

Intervention Strategy: Downstream - direct install, education and outreach.	**Program Metrics:**
• In-person and in-language culturally sensitive outreach: given the staff capacity barrier to EE program participation and that 36% of County residents speak a language other than English at home, the program will provide in-person and in-language outreach to target businesses that are underserved by existing programs. • Direct installation of high efficiency refrigeration equipment: the program will provide no-cost installation of refrigeration equipment, generating utility bill savings for program participants at no cost. • Community-level and one-on-one education on EE and healthy food options: the program will educate program participants on the benefits of EE, low-GWP refrigerant, EE programs, and best practices for stocking healthy, fresh, perishable foods. • IDSM program participation education: share informational materials and resources to participants on the benefits of participating in DR and other IDSM programs.	• kWh • Therms • TSB • Number of small corner stores/grocers/small businesses enrolled • Number of small corner stores/grocers/small businesses served • Number of in-person outreach events • Number of in-language outreach activities (events and/or marketing materials) • Number of direct-installations of high efficiency refrigeration equipment completed

High-level description of delivery workforce including necessary scale and its risks: This program is reliant on partnership with owners and staff of small grocery and corner stores across San Diego County. The program also requires installer partner(s) to facilitate the purchase and installation of efficient refrigerators and freezers. Implementer staff and outreach partners will perform program education and outreach. No risks were identified regarding the delivery of workforce for this program.

<table>
<tr><td colspan="2">Market actors necessary for success:
Third-party implementer(s).
Multi-lingual local outreach staff.
Grocery and corner store owners.
Local refrigerator/freezer installers.
Refrigerator/freezer manufacturers and distributors.</td></tr>
<tr><td>Solicitation Strategy: Third-party solicited</td><td>Transition Plan: Not applicable</td></tr>
<tr><td>Expected Program Life: 2024 - ongoing</td><td>Short Term Plan: Ramp up third-party program to full implementation to deliver year-round peak demand reduction.</td></tr>
<tr><td>Cost Effectiveness: 4 year TRC: 0.02</td><td>Long Term Outlook:
Small corner stores/grocers/small businesses realize utility bill savings by installing high efficiency refrigeration equipment.
Local communities have increased access to fresh, healthy food.
Small corner stores/grocers/small businesses understand the benefits of EE and pursue opportunities beyond refrigeration upgrades.</td></tr>
<tr><td>Proposed Annual Budgets for 2024-2027:
2024: $934,000
2025: $1,930,500
2026: $2,123,550
2027: $2,335,905
2024-2027 Total: $7,323,955</td><td>Anticipated directional and scale changes in budget for years 2028-2031: SDREN will continue to maintain program steady-state beyond 2027. For years 2028-2031, budgets will increase at a moderate 4% to address inflation and to meet increasing customer demand.</td></tr>
<tr><td colspan="2">Implementation Plan: Implementation Plans for all SDREN programs will be developed after CPUC approval of SDREN’s application and before implementation begins.</td></tr>
</table>

Table 28. Program Card for SDREN FLEX Market

<table>
<tr><th colspan="2">Program Name: SDREN FLEX Market</th></tr>
<tr><td colspan="2">Program ID: SDREN-03-COM-FXM
New/Existing: New
Link to implementation plan if existing: N/A</td></tr>
<tr><td>Portfolio Segment: Resource Acquisition</td><td>Implementation Party: Third-party Implementer</td></tr>
</table>

<table>
<tr><td>Applicable Sector: Commercial Property Owners</td><td>Market Sub-Sector: Small/Medium Businesses (SMBs)</td></tr>
<tr><td>Sector Challenge:
Delivering scalable programs with costs less than delivered TSB.
High administrative and capital cost barriers to business participation in EE programs.
Limited customized solutions have to serve a wide range of customer types, including HTR and underserved businesses.
Risk of large program investment without the delivery of anticipated TSB.
Customer engagement through a trusted entity.</td><td>Sector Opportunity:
Capture significant energy savings and peak demand reduction through tailored services offered via aggregators.
Bundle program services with federal IRA funding to improve project cost-effectiveness.
Leverage performance-based aggregator incentive approach to minimize program investment without the delivery of TSB and demand reduction.
Work with local trusted partners, such as chambers of commerce, to reach hard-to-reach and underserved businesses.</td></tr>
<tr><td>Known Equity Concerns in the Selected Markets: Barriers to EE implementation vary from business to business. However, small-to-medium businesses typically have limited staff capacity and resources to pursue EE projects. High capital costs are also a common barrier. There is often a lack of programs or incentives designed to serve HTR and underserved businesses.</td><td>Proposed Solutions to Equity Concerns: To reduce customer administrative burden, the aggregator will manage a program compliance process and provide flexible benefits to each customer. Benefits may include price concessions or technical services to motivate the customer to pursue the project. Higher investment and targeted approaches will help engage and serve HTR and underserved businesses.</td></tr>
<tr><td colspan="2">Program Description: SDREN’s Flex Market Program will provide performance-based incentives to project developers (aggregators) who deliver projects that realize peak demand reductions and verified energy savings. The program will utilize a population NMEC methodology to verify savings while paying incentives based on TSB achieved, encouraging long-life measures that deliver maximum grid benefit. The program will develop a suite of tools for aggregators to use to identify high opportunity projects at facilities with significant summer and year-round peak demand reduction potential, estimate energy savings, and secure incentives. Local trusted entities will lead customer engagement to high opportunity businesses, with a focus on HTR and underserved businesses. Aggregators will develop project opportunities and offer customizable services and financial benefits to participating businesses. This will influence businesses to implement identified energy measures. Since incentives will be delivered to aggregators based on NMEC-verified benefits to the grid, aggregators are encouraged to ensure projects realize or exceed anticipated energy savings.</td></tr>
</table>

Sample EE measures include HVAC replacement, HVAC controls, VFDs, lighting replacement, lighting controls, building envelope, and refrigeration.	
Intervention Strategy: Downstream – population-level normalized metered energy consumption (NMEC). ● Aggregator network: the program will maintain a network of qualified aggregators that operate in the marketplace to identify and install EE projects in exchange for performance-based incentives. ● Performance-based incentives: the program will provide performance-based incentives to aggregators based on achieved TSB for their portfolio of projects. ● Tax provision education: The program will educate aggregators on available EE tax provisions, including the 179D Energy Efficient Commercial Buildings tax deduction, which was recently enhanced by IRA, in order for aggregators to bundle ratepayer-funded incentives with tax deductions to improve project cost-effectiveness. ● Targeted outreach: the program will partner with trusted local entities to develop materials and outreach strategies for HTR and underserved businesses.	**Program Metrics:** ● kWh ● kW demand savings ● Therms ● TSB ● Annual GHG savings ● Number of participating businesses ● Number of projects installed ● Number of aggregators enrolled ● Dollar amount of incentives disbursed to aggregators ● Number of local entity partnerships
High-level description of delivery workforce including necessary scale and its risks: Program success will rely on the availability of qualified aggregators. The delivery workforce will include implementer staff, equipment vendors, and local trusted entities for outreach. There are no known workforce risks for successful implementation of the program.	
Market actors necessary for success: ● Third-party implementer(s). ● Aggregators and contractors. ● EE equipment vendors. ● Local trusted organizations for outreach.	

Solicitation Strategy: Third-party solicited	**Transition Plan:** Not applicable
Expected Program Life: 2024 - ongoing	**Short Term Plan:** Ramp up third-party program to full implementation to deliver year-round peak demand reduction.
Cost Effectiveness: 4 year TRC: 0.43	**Long Term Outlook:** ● Year-round peak demand reductions are delivered. ● Delivered TSB exceeds program costs.
Proposed Annual Budgets for 2024-2027: **2024:** \$2,102,000 **2025:** \$4,343,600 **2026:** \$4,777,960 **2027:** \$5,255,756 **2024-2027 Total:** \$16,479,316	**Anticipated directional and scale changes in budget for years 2028-2031:** SDREN will continue to maintain program steady-state beyond 2027. For years 2028-2031, budgets will increase at a moderate 4% to address inflation and to meet increasing customer demand.
Implementation Plan: Implementation Plans for all SDREN programs will be developed after CPUC approval of SDREN's application and before implementation begins.	

Cross-Cutting Sector – Codes & Standards

Market Characterization

The Codes and Standards (C&S) community is multi-faceted and involves a diverse array of stakeholders including local agency building department staff (who play a pivotal role in the energy code enforcement), building owners, contractors, developers, architects, mechanical engineers, and energy code consultants. The interactions among the various players are integral to achieving energy code compliance and enforcement.

Energy codes and energy technologies in new and existing buildings are growing more complex. This complexity is closely tied to the growing trend toward hyper-efficiency and the trend toward the "electrification of everything" as we modernize the electrical grid and strive to meet air quality standards. Permit agency staff and the broader C&S community need new knowledge, training, and experience to keep up. They must become well-versed in the selection, installation, and operation of heat pump water and space heating equipment, distributed renewable generation, battery storage, EV charging, real-time energy management systems, low-carbon construction materials, passive construction practices, and many other emerging building technologies.

Local governments are increasingly asserting their leadership in the realms of energy efficiency and decarbonization practices. Their authority over construction, land use, and the implementation of model codes, standards, and policies position them as catalysts for enhancing building energy performance. Their regulatory leadership will propel communities toward more sustainable construction and contribute to state and local policies accelerating cleaner, more energy efficient practices within their jurisdictions.

C&S Sector Goals, Objectives and Strategies

SDREN's Codes and Standards (C&S) interventions are designed to work in harmony with SDG&E's C&S programs, statewide IOU programs, the CEC's building and appliance standards, CARB's evolving scoping plan, and regional climate policy. By complementing and supplementing existing initiatives, SDREN aims to strengthen collective impact on the C&S landscape.

The C&S landscape needs a localized program approach, particularly in light of current gaps, barriers, and challenges for permitting agencies. These agencies require tailored support to navigate the intricate energy code compliance landscape effectively.

To address these needs, SDREN's proposed energy code coach services will be a focal point of the sector. These services will target gaps and overcome barriers that previous C&S programs have insufficiently addressed. The program will emphasize smaller and rural permitting agencies that face more capacity and resource constraints than their larger counterparts to ensure they can access tools and knowledge to overcome these constraints. By promoting local activities and addressing agency-specific limitations, SDREN's program will create a more equitable and comprehensive C&S landscape in support of energy code compliance and a decarbonized energy future.

Table 29. C&S Goals, Objectives, and Strategies

Goals	Strategies	Objectives
Provide permitting agencies and the C&S community with actionable resources to improve energy code systems and compliance, reducing energy consumption and GHG emissions in buildings and supporting the state's energy efficiency and GHG goals.	• Coordinate with the C&S community to simplify and streamline permitting processes while demonstrating the economic benefits of enhanced energy code compliance. • Create a suite of tools, technical resources, and templates, including an energy code coach, to support the C&S community, industry groups, trade allies, and their supply chains to accelerate building and	• Provide the C&S community with actionable resources that enable them to achieve high-performing and resilient buildings by improving permitting, inspection, and enforcement compliance outcomes. • Streamline the permit review and approval processes to facilitate the inclusion of energy resiliency and climate adaptation design elements, including DERs, in new and existing buildings.

	transportation systems electrification and the adoption of emerging clean energy technologies.	● Coordinate with the C&S community to enhance consumer protections, increase affordability of high-performance buildings, and prevent unjust or inequitable implementation of energy codes and policies.
Assist public agencies in compiling and utilizing building stock and C&S data to enhance energy code compliance and facilitate adoption and implementation of advanced energy codes and policies.	● Implement data-driven training strategies to build the staff capacity, competency, and permit agencies' efficiency, making use of building stock and C&S data. ● Provide access to residential and commercial energy benchmarking and energy performance standards tools and software to increase energy performance outcomes in new and existing buildings. ● Create feedback loops from C&S activities that lead to comprehensive strategies across SDREN offerings.	● Enable public agencies to leverage digitized data collected from their permitting activities to inform their energy resiliency action plans and energy/GHG reduction targets and strategies. ● Enable C&S community to reduce energy costs while improving building health and functionality through assistance with EE, load reduction strategies, and beneficial electrification approaches, which help mitigate costs from time- and location-dependent electricity pricing.
Promote the adoption, implementation, and enforcement of advanced energy codes, standards, and policies that lead the way for improved building energy performance and accelerate the decarbonization of building construction practices.	● Assist with and advocate for the development and adoption of reach codes, model codes, and advanced energy regulations/policies. ● Provide comprehensive support to local permit agencies for the implementation of advanced energy codes.	● Coordinate and promote the adoption of advanced energy codes that pave the way for improved building performance and increased prevalence of decarbonized and zero net energy (ZNE) buildings. ● Facilitate and advocate for local building performance standards (BPS) and building

	• Assist in the development of compliance strategies, enforcement strategies, and effective tracking mechanisms for advanced energy codes. • Leverage state and federal funding and technical analysis to develop equitable policies aligned with Justice 40, the ESJ Action Plan 2.0, and the DOE Affordable Home Energy Shot.™ • Provide educational information to the C&S community about the phase out of HFCs and low-GWP refrigerant alternatives.	benchmarking requirements that will improve the efficiency, comfort, economics, and health of buildings. • Lead regional efforts to attract funding and technical expertise for policy development and deployment. • Promote and facilitate regional policies that support adoption of efficient heat pump-based space and water heating systems to replace methane-gas-based systems in both new and existing buildings.

C&S Sector Coordination

SDREN acknowledges that cross-sector coordination is essential to empowering local governments and their constituents to lead the way towards a clean energy transformation within their communities.

Local governments have significant legal purview through their permitting authority to improve the way energy is generated and used within their communities. Land-use policies, building codes, and other regulations can improve the performance of new and existing buildings.

SDREN's C&S program will harness strong relationships with local governments to support portfolio success across sectors and segments. SDREN will create a resource hub for referring C&S program participants to other program opportunities.

SDREN is committed to harmonizing its efforts with all statewide codes and standards programs, including any San Diego County-specific programs implemented by SDG&E or local government permit agencies. SDREN will collaborate with SDG&E to ensure that SDREN's C&S services will augment and not duplicate the C&S programs and services already available in the County of San Diego. SDREN will also coordinate with statewide residential and commercial new construction programs and C&S programs administered by other RENs, particularly with BayREN, to build on their C&S experience and lessons learned. SDREN will collaborate with professional associations for building officials and building departments, statewide professional groups, and associations that focus on education and cooperation between permitting agencies and building permit/code compliance professionals. (See the C&S Segment-specific coordination discussion in the Codes & Standards program section above).

SDREN will forge partnerships with the administrators of energy benchmarking and energy performance standards tools and software. These partnerships will empower local permitting agencies to improve energy performance in new and existing buildings, align with the clean energy objectives in their communities, and create tailored solutions for underserved and HTR communities. Through this comprehensive approach, SDREN will foster a unified, cohesive, impactful, and just transformation toward cleaner and more efficient energy practices.

Categorization by Segment

Additional details on SDREN's segmentation justification at the program-level can be found in *Exhibit 3 - Program Segmentation Justification template Attachment A from D.23.06.055*.

Table 30. C&S Sector Program Categorization by Segment

Program	Segment	Justification
Codes and Standards	Codes and Standards	SDREN, as a local government-led network, is poised to play a pivotal role in assisting local government agencies with energy code compliance. SDREN's support will include collecting and evaluating building stock characteristics, energy use patterns, and building permit data. SDREN will champion advanced energy codes and requirements, setting the stage for a decarbonized energy future. Energy use in California is shifting toward full electrification of buildings and transportation. The recent influx of federal and state funding is hastening this transformation, which will hinge on the adoption of advanced, efficient, and integrated energy technologies. To meet the state's climate goals and support the transition to a clean energy future, permitting processes must not prohibit large-scale adoption of these technologies.

C&S Sector Program Details

Table 31. Program Card for C&S

Program Name: Codes & Standards	
Program ID: SDREN-01-CS-CSS **New/Existing: New** **Link to implementation plan if existing (see D.21-05-031): N/A**	
Portfolio Segment: Codes and Standards	**Implementation Party:** Third-party Implementer
Applicable Sector: Cross-Cutting	**Market Sub-Sector:** Cross-Cutting

Sector Challenge:	Sector Opportunity:
● Energy codes are complex and local government staff lack sufficient capacity and time to understand the codes and implement effective review and enforcement mechanisms. ● Energy efficiency is typically not a high priority for building departments, permit applicants, or within the C&S community. This results in missed opportunities for significant energy savings. ● There is a lack of resources for training, capacity, and technical support to build local government staff expertise, impeding their capacity to meet evolving energy code requirements. ● Increasingly stringent energy codes create compliance gaps, hindering the state from reaching decarbonization and greenhouse gas reduction goals. ● Future code cycles will incorporate requirements for building and transportation electrification, demand flexibility, indoor air quality, and grid interactive buildings, which will necessitate education for permitting agencies and their staff. ● Many types of projects (HVAC, water heating, etc.) have low permitting rates. This not only diminishes potential energy savings but also complicates code enforcement efforts, which play a vital role in energy efficiency. ● Most local governments lack the capacity and confidence to lead by example in advanced energy codes and standards for new and existing buildings, which is important for broader compliance.	● Conducting a needs assessment to identify C&S compliance gaps and barriers among local permitting agencies. ● Ongoing technical assistance, training, tools, case studies, peer-to-peer learning, and online resources can help local building department staff and permit applicants understand and comply with current and future energy codes and standards. ● An energy code coach can fill gaps in building department code comprehension and capacity. This resource can serve as a dedicated expert to assist local agencies with effectively implementing energy codes. ● Leverage SDCP's Building Housing Stock Analysis currently underway to inform strategies. ● Data-driven assistance with advanced energy codes, building performance requirements, and benchmarking requirements will encourage local leadership in energy efficiency, passive design, and ZNE construction. ● Energy code comprehension and compliance within the C&S community (developers, contractors, architects, engineers, property owners, etc.) can be enhanced through technical information, online and in-person education and training, and more effective code compliance assistance. This approach will create a more informed and compliant industry. ● The compilation and evaluation of accurate, digitized, and standardized permitting and compliance data will drive better local decision-making and

• There is frequently a disconnect between new energy code development, adoption, and enforcement. The disconnect can lead to confusion and delays in code implementation. • Energy code requirements vary by permit scope, climate zone, and building or site attributes. Moreover, energy code interpretation and enforcement varies by jurisdiction. These nuances and variability can lead to confusion and inconsistencies. • There is no transparent data available on local building stock. Better data could inform permitting and code compliance actions and reduce energy use and GHGs in the building sector. • Over the next several years, billions of dollars in new federal and state funding are earmarked for electrification and efficiency retrofits to existing buildings (with a major emphasis on income-qualified households), which will create significant new workload for permitting agencies.	better energy performance in new and existing buildings. • Given the expected influx of federal and state funding for electrification and efficiency retrofits in the coming years, permitting agencies must prepare in advance. This will ensure they can efficiently review and approve the significant number of new projects that are coming soon. Preparation will mitigate workload impacts and result in more efficient and well-managed building projects.
Known Equity Concerns in the Selected Markets: One pressing equity concern in the market is the issue of low compliance with energy code performance requirements, which leads to increased energy consumption and less healthy, safe, and comfortable living and working environments. This disproportionately affects vulnerable communities, further exacerbating existing disparities in access to energy efficient and comfortable spaces. Low-income building owners and occupants are often confronted with significant financial constraints. As a result, they may be more likely to perform unpermitted work within	**Proposed Solutions to Equity Concerns:** The program recognizes the potential for substantial improvements in code compliance and building performance through improved, more efficient, and more effective practices by permitting agencies. Permitting agencies can ensure codes are followed by improving their processes, resulting in higher-performing buildings that are more energy efficient and provide healthier, safer, and more comfortable environments for occupants. To address equity concerns, the program places a strong emphasis on implementing building permit services and offering technical assistance designed for

their buildings to reduce immediate costs and skirt code compliance requirements.	underserved, hard-to-reach, and disadvantaged communities. This approach will help alleviate customer trepidation often associated with the permit process, which can disproportionately affect these communities. In collaboration with the statewide Codes and Standards Enhancement (CASE) team and research institutions, the program will develop grid-friendly electrification opportunities that provide building owners and residents with shared economic benefits. In doing so, SDREN expects to significantly reduce the prevalence of unpermitted work in underserved, HTR, and DAC communities. Increased compliance will ultimately enhance energy efficiency, health, and safety. By directly engaging with communities and providing tailored support, the program seeks to bridge gaps in access to energy efficient and quality building practices, promoting a more equitable and sustainable future for all of San Diego County.
Program Description: The Codes and Standards (C&S) program will complement existing statewide and regional investor-owned utility programs and fill gaps in services for local governments and the C&S community. This program will engage and support local government permitting agencies to help them enhance energy code compliance and embrace advanced energy codes, standards, and policies. By doing so, the program seeks to significantly reduce energy consumption and GHG emissions, accelerating local government leadership in energy efficiency. This program is committed to providing local agencies and the C&S community with data-driven and actionable resources. These resources will bolster understanding of energy codes, increase compliance, decrease energy consumption within buildings, and support the state's energy efficiency and GHG reduction goals. The C&S program will help public agencies collect and use data on the age and condition of building stock, comparative energy usage within building sectors, and permit issuance and enforcement processes. This data will inform energy code compliance efforts and help identify the most promising opportunities for reach codes and policies.	

Intervention Strategy: Downstream – technical assistance, education, training, and outreach.	**Program Metrics:**
● **Design and deliver a comprehensive needs assessment** that will serve as the foundation of the intervention strategy. It will analyze permitting trends, identify gaps in current local government permit processes, and flag barriers to improved energy code compliance. ● **Provide targeted education, tools, training and resources** to local governments and C&S community stakeholders, including access to an energy code coach, to improve energy code compliance and effectiveness. ● **Leverage existing data resources** and existing tracking mechanisms to measure and analyze code compliance and code development interventions that are supported by the program. This data-driven approach will provide insights and feedback for continuous improvement. ● **Provide information, analysis, and technical assistance** to design, adopt, and implement advanced energy codes, benchmarking and energy audit requirements, buildings emissions performance standards, and other model approaches to lowering energy usage and GHGs (including low GWP refrigerants) in new and existing buildings. ● **Activate and engage key stakeholder representatives** in disadvantaged and hard-to-reach communities to aid in the development and delivery of programs. This approach will foster a sense of community ownership and will ensure interventions are tailored	● Number and percent of local government permitting agencies receiving C&S program services. ● Number and percent of local governments who adopt model energy codes and advanced energy policies/standards. ● Magnitude of improved code compliance and closed permit outcomes by participating local governments. ● Number and percent of local governments who implement improved permit data collection, tracking, and analysis to enhance energy code compliance outcomes. ● Number of training activities (classes, webinars, workshops, etc.) held and number of participants by category. ● Number and percent of permitting agencies who receive assistance from an energy code coach.

to the specific needs and concerns of participating communities.	
High-level description of delivery workforce including necessary scale and its risks: The program implementer staff will play a crucial role in leading participants through the program's offerings and services, acting as guides and facilitators. The program will leverage specialized subject-matter practitioners who are engaged by the implementer to provide comprehensive training and energy code coaching. The program will also leverage specialists to support data compilation, data analysis, and education and training.	
Market actors necessary for success: The primary actors for the C&S program are local government departments/divisions that are responsible for building permit issuance and enforcement. Within most agencies this would include building and safety, community development, planning, and any other departments responsible for developing, overseeing, and enforcing statewide and local building standards and ordinances. Practitioners (developers, contractors, architects, engineers, etc.) who apply for permits that trigger energy code requirements are also market actors necessary for the program's success, as well as third-party implementer(s).	
Solicitation Strategy: Third-party solicited	**Transition Plan:** Not applicable
Expected Program Life: 2024 - Ongoing	**Short Term Plan:** The program will launch in 2024 and ramp up implementation through 2027 to reach and serve the entire service area.
Cost Effectiveness: TRC: N/A	**Long Term Outlook:** ● Capacity and competence of local permitting agencies to review, inspect, and enforce energy code compliance will increase. As a result, local communities will experience improved energy efficiency, leading to more sustainable and comfortable buildings. ● As new and more stringent energy code requirements spread throughout the state, local permitting agencies will be capable of achieving broad compliance with the new standards, while contributing benefits to the entirety of the energy system. This will result in adherence to energy codes

	and contribute to the state's energy and climate goals. ● The C&S community will increase understanding of and adherence to energy code requirements. They will actively support more energy efficient and lower GHG construction practices.
Proposed Annual Budgets for 2024-2027: **2024:** $934,000 **2025:** $1,930,500 **2026:** $2,123,550 **2027:** $2,335,905 **2024-2027 Total:** $7,323,955	**Anticipated directional and scale changes in budget for years 2028-2031:** Continue to maintain program steady-state beyond 2027.
Implementation Plan: Implementation Plans for all SDREN programs will be developed after CPUC approval of SDREN's application and before implementation begins.	

Cross-Cutting Sector – Workforce, Education & Training

Market Characterization

SDREN recognizes that the building sector is undergoing a fundamental transformation towards electrification and decarbonization. These changes will have a profound impact on the job market, influencing both workforce requirements and workforce development.

The move towards electrification brings with it a growing demand for a workforce with specialties such as HVAC technicians, certified electricians, building automation and controls specialists, and plumbers as outlined in the table below. At the same time, existing jobs in legacy industries, such as oil and gas, may be affected. One study cited that reducing commercial and residential gas usage by 30% could result in 6,200 fewer gas extraction jobs in California.[45] California's move toward clean energy introduces both opportunities and challenges for the workforce.

Studies have forecasted a significant shortage of workers with essential skills needed to support the transition to a clean energy future. The UCLA Luskin Center for Innovation completed a study in 2019 detailing employment impacts of building decarbonization, which requires both energy efficiency improvements and reducing the use of fossil fuels, including methane gas. Their analysis concluded that electrifying 100% of California's existing and new buildings by 2045 would require over 100,000 additional full time workers in the construction industry and up to 4,900 additional full-time manufacturing workers.[46] This shortage underscores the urgency of developing a skilled workforce across the County of San Diego, where over 8% of Californians reside.

[45] California Building Decarbonization Workforce Needs and Recommendations, UCLA Luskin Center for Innovation, Executive Summary pg. 4.
[46] Ibid.

Table 32. Average number of jobs created in the San Diego region annually through energy demand expenditures from 2021-2030, by subsectors and technology. Figures assume 1 percent average annual productivity growth.[47]

Investment Area	Average Annual Expenditure	Direct Jobs	Indirect Jobs	Direct and Indirect Jobs	Induced Jobs	Direct, Indirect, and Induced Jobs
Vehicles	$7.7 billion	3,427	1,427	4,854	1,508	6,362
HVAC	$897.0 million	1,345	699	2,044	764	2,808
Refrigeration	$761.9 million	1,315	491	1,806	711	2,517
Appliances	$188.6 million	143	77	220	78	298
Construction	$113.4 million	263	149	412	146	558
Lighting	$106.6 million	177	95	272	100	372
Manufacturing	$45.7 million	40	32	72	27	99
Other commercial and residential	$38.9 million	59	30	89	33	122
Agriculture	$17.2 million	144	21	165	45	210
Mining	$2.4 million	1	1	2	1	3
Total	**$9.9 billion**	**6,914**	**3,022**	**9,936**	**3,413**	**13,349**

As we seek to electrify and decarbonize our buildings, SDREN will provide comprehensive training for the existing workforce and will prepare new workers to enter the industry, ensuring a pipeline of skilled professionals for the clean energy sector.

The transition toward decarbonized buildings, coupled with substantial investments in a clean energy economy (e.g. IRA and the Equitable Building Decarbonization Program), will require a

[47] IMPLAN 3.1

skilled workforce. In response to these needs, SDREN is committed to investing in workforce development through its programs, ensuring that all San Diegans have the opportunity to participate in the industry or acquire the new skills needed to support the transition to a clean energy economy.

WE&T Sector Goals, Objectives and Strategies

SDREN will deliver impactful workforce, education, and training programs focused on individuals in hard-to-reach, disadvantaged, and historically underserved communities. These programs will teach the necessary skills through comprehensive training and development opportunities to meet the future regional needs of the energy, electrification, and decarbonization career sectors, resulting in increased career opportunities.

SDREN's programs will train workers to identify, develop, fund, and implement energy savings across buildings and facilities.

The proposed programs focus on ensuring workers from hard-to-reach and underserved communities have access to certification, apprenticeship, education, and skill development opportunities to set them up to access high-quality jobs and ensure the San Diego region has skilled workers to meet future needs.

Table 33. Cross-Cutting WE&T Goals, Objectives, and Strategies

Goals	Strategies	Objectives
• Expose high school students to energy/green career pathways. • Encourage students to enroll in Science, Technology, Engineering, Arts, and Mathematics (STEAM) college courses. • Build students' connections with employers to boost their interest in a career within the green workforce.	• Target high school students in disadvantaged and hard-to-reach communities to promote program equity and skill development opportunities in areas with fewer resources and historic underinvestment. • Partner with local community college districts to provide college-level courses and skill development opportunities to enhance employment opportunities. • Partner with local employers to connect high school students with employers for coaching and mentorship opportunities.	• Build pathways for high school students to enter the green workforce with knowledge of industry practices and network connections. • Prepare students with on-the-job energy and green workforce skills for a smoother entry into the green workforce. • Increase the number of students interested in pursuing energy and green careers. • Build career pathways and a network of high schools and colleges as feeders to employment opportunities.

● Build participant workforce development capacity in the region. ● Enhance workforce training pathways through existing employers. ● Strengthen employee skill sets by focusing on entry-level energy and green job skill development for workforce participants. ● Support participating employers' internal professional growth focused on green careers.	● Provide training, certifications, networking, and apprenticeship opportunities to build skills for participants to enter the clean energy workforce. ● Provide wraparound services such as career coaching and mentorship to match participants with employers to secure jobs. ● Survey local employers to determine emerging industry careers and necessary skills for incoming professionals to succeed. ● Work with employers to design and deliver employee training to boost internal growth opportunities and employee retention. ● Guide employers to develop new policies to encourage employee training opportunities, funding for external training (e.g., the IRA-funded Home Energy Efficiency Contractor Training Grants), and time allocation for skill development. ● Target employees at CBOs, public agencies, contractors, and labor unions for workforce training pathways. ● Explore worker placement programs to build capacity and support workforce development.	● Increase the supply of skilled employees entering into the energy and green workforce. ● Increase access to opportunities for job training, certifications, and apprenticeships. ● Provide one-on-one career pathway assistance to support entry into the workforce. ● Benefit future generations and build career opportunities within the green workforce. ● Work with employers to develop customized internal training to boost employee skills. ● Coordinate with certification and apprenticeship opportunities to boost internal employee skill development. ● Increase participating employers' staff retention and internal promotional opportunities.

WE&T Sector Coordination

SDREN anticipates coordination efforts with the following approved SDG&E, statewide, and regional programs:

Career Connections - Energy is Everything, a statewide program administered by PG&E, provides standards-aligned, K-12 STEM, energy and environmental-focused curriculum and lesson supplies to educators statewide at no cost. The program also offers high school internships focused on energy and water audits to help students gain relevant industry skills. SDREN will coordinate on services, shared partnerships, internships, and/or job opportunities for program participants.

SDG&E Career & Workforce Readiness provides no-cost online energy classes that are readily available for skill development.

Construction Career Jumpstart Program, a regional program administered by San Diego Workforce Partnership, provides a four-week paid, hands-on program covering the fundamentals of a construction skilled trade position, including safety, trenching, jackhammering, proper usage of power tools, and other essential skills. Trainees are certified in several skills upon graduation.

Apprenticeship Readiness Program, a regional program administered by San Diego Workforce Partnership, provides the opportunity to explore various career/trade options while providing participants with the skills needed to get started in a construction career. The program utilizes the Multi-Craft Core Curriculum (MC3), which provides an overview of what each trade does and the qualifications and skills needed. This program offers an introduction to the tools of the trades, builds math skills, teaches workplace safety, and more.

California Climate Action Corps, a statewide program administered through California's Office of the Governor, places fellows across California to work with public agencies, non-profits, CBOs, universities, colleges, school districts, and Tribes. The fellows gain training and work experience while supporting state climate action goals focused on wildfire resiliency, urban greening, organic waste diversion, and edible food recovery.

Sustainability Service Corps, a statewide program administered by Bay Area Community Resources, places fellows across California to work with public agencies, non-profits, CBOs, universities, colleges, school districts, and Tribes. The fellows gain training and work experience in energy and environmental capacity building.

Energize Careers, a statewide program administered by SDG&E, provides holistic services to support disadvantaged workers through technical training, job placement, and wrap-around support. Energize Careers partners with regional contractors, pre-apprenticeship programs, apprenticeship programs, community-based training organizations, and community colleges.

Upon Business Plan approval, SDREN will file a Joint Cooperation Memo with SDG&E in conjunction with other program administrators operating in shared service territory to outline coordination protocols between programs and ensure services fill gaps, meet regional needs, and avoid duplication. Additional stakeholders SDREN will coordinate with that do not fall under the Joint Cooperation Memo include regional employers, college districts, and high schools.

SDREN will also monitor the market and coordinate with other programs to **leverage** complementary offerings and supplement program services. This includes:

- **Leverage:**
  - Career Connections - Energy is Everything to align on shared partnerships and services provided.
  - SDG&E to highlight potential internship or job opportunities for SDREN program participants.
  - Statewide Career & Workforce Readiness and other WE&T programs to share strategies and expand resources across the entire region. Partnership with Energize Careers will foster self-sustaining collaborations to train partners and industry partners.
- **Stack:**
  - Opportunities available to high schools and students served through Career Connections - Energy is Everything program to offer community college courses (CTE).
  - Opportunities available to employers by connecting them with programs such as Energize Careers for placement opportunities. Coordinate training resources, including custom training offerings offered directly through employers.
  - Sectorwide WE&T offerings through coordination on program-specific curriculum development and collaboratively filling gaps.

Categorization by Segment

Additional details on SDREN's segmentation justification at the program level can be found in *Exhibit 3 - Program Segmentation Justification template Attachment A from D.23.06.055*.

Table 34. Cross-Cutting WE&T Programs Categorization by Segment

Program	Segment	Justification/Primary Goal
Energy Pathways Program	Market Support	Increase awareness and build accessible pathways for youth to enter the green workforce, build long-lasting careers, and form a robust professional network.
Workforce Training & Capacity Building	Market Support	Build capacity in the region by working directly with employers to increase opportunities for education, training, certifications, mentorship, and job connections for energy job acquisition.

WE&T Sector Program Details

Table 35. Program Card for Energy Pathways Program

<table>
<tr><th colspan="2">Program Name: Energy Pathways Program</th></tr>
<tr><td colspan="2">Program ID: SDREN-01-WET-EPP
New/Existing: New
Link to implementation plan if existing (see D.21-05-031): N/A</td></tr>
<tr><td>Portfolio Segment: Market Support</td><td>Implementation Party: Third-Party Implementer</td></tr>
<tr><td>Applicable Sector: Cross-Cutting: Workforce, Education, & Training</td><td>Market Sub-Sector: Workforce, Education, & Training</td></tr>
<tr><td>Sector Challenge:
High school students often need academic prerequisites or specific skills to pursue energy-related careers.
Costs and the competitive nature of higher education and energy-related training programs that many energy careers require can be a significant barrier to entering the sector.
High school students may not be aware of energy career opportunities and the pathway to an energy career.
The energy industry can be highly competitive with limited job openings. High school students often need extra skills to distinguish themselves and secure job opportunities.</td><td>Sector Opportunity:
Services that inform high school students of energy career pathways and skills to support their interest in entering the energy sector.
Incorporating a standards-aligned curriculum and career technical education (CTE) with employment opportunities and postsecondary training.
Programs that connect high school students to college courses and other academic offerings to provide industry knowledge and the technical skills (including IDSM education/training opportunities) required to enter the workforce.</td></tr>
</table>

• The perceived value of working in construction and other skilled trades is low, reducing the number of individuals interested in entering this field. For those interested, understanding how to access these trades is limited and pathways for entry can be complicated.	• Connect high school students directly to employers in their area to provide mentorship, coaching, and career guidance focused on industry skills, terminology, and career pathways. • Provide or connect high school students with paid internship opportunities to build skills, create network connections, and increase industry knowledge. • Inform high school students of industry trends and the value and earning potential of energy careers through networking with professionals to support them in navigating their career paths. • Create or connect high school students to scholarship opportunities to pursue higher education, industry technical skills certification, or apprenticeships in STEAM or IDSM fields. • Access to resources such as financial aid through college partners, private scholarships, stipends for opportunity youth, and paid internships. • Leverage supplemental funding opportunities to enhance or expand STEAM or IDSM program services (as available).
Known Equity Concerns in the Selected Markets: There is a lack of access to Science, Technology, Engineering, Arts, and Mathematics (STEAM) programs for high school students, especially in disadvantaged and hard-to-reach communities. Because access to these skill-building pathways is limited, marginalized communities in the energy and STEAM industries are affected. Representation in the field matters, and high school students may be discouraged from pursuing careers in energy if they do not identify with the current industry makeup.	**Proposed Solutions to Equity Concerns:** This program will focus on disadvantaged hard-to-reach communities and Title I high school students to provide access to STEAM educational opportunities. By connecting high schools to no-cost educational resources, paid internship opportunities, and professional networks, eligible high school students will access a network of diverse (gender and ethnicity) energy/green professionals to act as coaches and mentors, provide guidance, and encourage them to pursue careers in energy.

	The program will provide one-on-one support to help identify career pathways, navigate course selection and enrollment, and secure paid internships that will reduce equity concerns and barriers to participation. Multilingual educational outreach materials and program documents will meet hard-to-reach high school students where they are and build the skilled worker pipeline for local employers.

Program Description: SDREN's proposed Energy Pathways program will increase access to education and training resources to develop students' awareness of energy/green career pathways, help them learn the skills to enter the workforce, and provide sector-specific information. The Energy Pathways program will provide high school students in the San Diego region with a standards-aligned curriculum focused on career technical education. Successful program implementation will build a bridge connecting participants to local employers within the energy, electrification, and decarbonization sectors.

Participants will have access to a diverse network of mentors and coaches to provide one-on-one guidance and educate them on the value of energy/STEAM career pathways. This personalized mentorship will focus on navigating the job market, building a network, resume development, interviewing skills, financial education, and industry-specific knowledge based on their desired field of employment. Partnerships with local higher education institutions will enable eligible students to enroll in college-level courses that boost their industry knowledge and technical skills to prepare them for the workforce at no cost. Students facing monetary barriers will be connected to additional resources such as financial aid through college partners, private scholarships, stipends for opportunity youth, and paid internships.

Intervention Strategy: Downstream – Technical assistance, education, training, and outreach. • **Deploy a needs assessment** to inform content development and identify job trends, skills gaps, and barriers to accessing entry-level positions in STEAM careers, including IDSM pathways. • **Deliver no-cost** standards-aligned curriculum and career technical education in partnership with local education agencies. • **Create placement opportunities** for program graduates within full-time high-quality jobs (e.g., fellow to	**Program Metrics:** • Number of high schoolers enrolled in programming. • Number of training hours provided. • Number of DACs/HTR or Title I schools participating. • Number of mentors/coaches matched with high school students. • Number of college courses completed. • Number of internships, certifications, or apprenticeship opportunities provided. • Percentage of knowledge and skills gained from program participants. • Dollar amount of supplemental funding leveraged.

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full-time work placement, an electrician at the local utility, etc.).

Leverage existing data resources and tracking to measure and analyze energy career trends and future industry needs.
Engage key stakeholders (employers, high schools, and colleges) in local communities to support program development and delivery.
Develop a one-on-one coaching/mentorship network with local employers.
Build articulation agreements between participating high schools and local colleges to support dual enrollment in STEAM college courses at no cost.
Develop certification opportunities for high school students to boost their employability and match students to paid internships, trade, school, or apprenticeship opportunities.
Build a network and career pipeline between high schools, colleges, trade schools, and local employers and offer networking events to make direct connections.

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Long term: Percentage of participants entering into the energy/STEAM/IDSM career sector, if the program is able to track.

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<tr>
<td colspan="2">High-level description of delivery workforce, including necessary scale and its risks: The delivery workforce will include SDREN’s program implementation staff to lead program participants through offerings and services. Other workforce members include high school educators facilitating program delivery after participating in train-the-trainer exercises, faculty/staff within partner organizations (local colleges, trade schools, and apprenticeships), and local employers in our network of mentors/coaches. No risks were identified regarding the delivery of workforce for this program.</td>
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<tr>
<td colspan="2">Market actors necessary for success: Third-party implementer(s), high school administrators, high school teachers, high school career counselors, high school students, local college district partners, and local energy employers/employees as mentors and coaches.</td>
</tr>
<tr>
<td>Solicitation Strategy: Third-party solicited</td>
<td>Transition Plan: Not applicable</td>
</tr>
</table>

Expected Program Life: 2024 - ongoing	**Short Term Plan:** Launch the program in 2024 and ramp up implementation through 2027 to reach and serve the entire service area.
Cost Effectiveness: TRC: N/A	**Long Term Outlook:** ● Increase the pipeline of skilled local workers in clean energy jobs (e.g. STEAM, ISDM). ● Increase the opportunity for youth in hard-to-reach and underserved communities to build skills, overcome barriers to high-quality jobs, and create a representative workforce.
Proposed Annual Budgets for 2024-2027: **2024:** \$934,000 **2025:** \$1,930,500 **2026:** \$2,123,550 **2027:** \$2,335,905 **2024-2027 Total:** \$7,323,955	**Anticipated directional and scale changes in budget for years 2028-2031:** SDREN will continue to maintain program steady-state beyond 2027. For years 2028-2031, budgets will increase at a moderate 4% to address inflation and to meet increasing customer demand.
Implementation Plan: Implementation Plans for all SDREN programs will be developed after CPUC approval of SDREN's application and before implementation begins.	

Table 36. Program Card for Workforce Training and Capacity Building

Program Name: Workforce Training and Capacity Building	
Program ID: SDREN-02-WET-BRC **New/Existing: New** **Link to implementation plan if existing (see D.21-05-031): N/A**	
Portfolio Segment: Market Support	**Implementation Party:** Third-party implementer
Applicable Sector: Cross-Cutting - Workforce, Education, & Training	**Market Sub-Sector:** Workforce, Education, & Training
Sector Challenge: ● Most clean energy careers require specialized education or training. Adult workers new to energy and incumbents may need new skills or certifications, which can be time-consuming and costly.	**Sector Opportunity:** ● Provide workers with no or low-cost specialized skill training, certifications, networking, and apprenticeship opportunities to build skills to enter the clean energy workforce.

● Specialized skills and certifications are expensive for employees, and they may be unable to invest their own money into training due to other pressing financial considerations. ● Inexperienced workers may struggle to find entry-level positions in the energy industry if they lack the required experience or education. They may need to start at a lower level than their previous careers, which can be financially challenging. ● Workers may not have emerging industry-specific knowledge, training, experience, or the technical skills required to maintain employment. ● Lack of disadvantaged and hard-to-reach workers with knowledge of energy efficiency, electrification, decarbonization, or green building skills makes it difficult to find local candidates for employment. Lack of access to external training resources, such as training centers or facilities, can be particularly challenging for employees in remote or less developed areas. ● High regional demand for energy efficiency, electrification, decarbonization, or green building workers in the face of an insufficient supply of skilled workers. ● Employees may struggle to find time for training within regular job duties and personal responsibilities or may not know what training will benefit career growth. ● Workplace culture may not support training and skill development, which can discourage employees from seeking opportunities on their own, especially if they do not see a direct	● Create no-cost employer-led EE and IDSM training programs for essential and emerging industry skills. Connect employees to external certifications and skill-building opportunities. ● Provide entry-level on-the-job training and wraparound services such as career coaching and mentor/mentee support by matching participants with employers to support securing jobs. ● Survey local employers to determine the emerging industry careers and necessary skills for incoming professionals to be successful in the industry. ● Increase network connections through industry events, professional organizations, networking, or shadowing professionals to build connections and gain insights. ● Directly support career preparedness training focused on resume development, interviewing skills, transferable skills, financial literacy, and networking skills. ● Support and incentivize high-quality career pathways, labor standards, and job quality within clean economy careers, particularly in the residential sector. ● Develop or change employer policies on training to allocate dedicated time and funds to pursue education and training opportunities that will benefit the employees and employers. ● Increase on-the-job training and skill-building opportunities through pre-professional shadowing, expert guest speakers, and industry leaders. ● More accredited training or certification opportunities in accessible locations or online.

pathway for career advancement or pay increases.	• Improve employer outcomes and revenues through a workforce capable of installing measures in alignment with local, state, and federal policies and funding streams (e.g. IRA-funded Home Energy Efficiency Contractor Training Grants).
Known Equity Concerns in the Selected Markets: A major known equity concern and barrier to entry is the cost associated with education opportunities, certification, or retraining programs. These costs can be prohibitive, particularly for those from low-income backgrounds. Workers from minority groups face challenges accessing information, training materials, or job opportunities, which reduces access to quality education and training opportunities in hard-to-reach and underserved communities. Additionally, members of marginalized communities disproportionately hold low-wage positions, perpetuating the cycle of poverty. Employer policies regarding training, hiring, promotions, and general career advancement may have biases that prevent minority employees from advancing in their positions. Further, a lack of training opportunities or knowledge of where to access training prevents career growth.	**Proposed Solutions to Equity Concerns:** SDREN seeks to bolster internal employee training and skill-building programs within energy-efficiency or IDSM-deploying employers to upskill the existing workforce and enable hard-to-reach and underserved participants to access high-quality jobs in the clean energy economy. The program will use a network of clean energy and green professionals from diverse and representative backgrounds as coaches and mentors to improve equitable access to industry-specific guidance and knowledge and support participants' long-term career success. Identifying or creating additional EE and IDSM accredited training or certification opportunities in accessible formats will ensure all program participants will benefit. SDREN will help workers in hard-to-reach and underserved communities access no-cost education and certifications. By doing so, we will also support businesses by providing on-the-job training and skill development for underserved, entry-level workers. Working directly with the workforce and employers places SDREN in a position to address equity concerns with multiple stakeholders. SDREN will encourage employers to change training policies to dedicate time and funds to education and training that will benefit the employee and employer. By creating no-cost employer-led training programs for essential and emerging industry skills, SDREN will give employees access to external certifications and skill-building opportunities directly.

<table>
<tr><td></td><td>SDREN will provide multilingual educational outreach materials and on-the-job training opportunities through pre-professional shadowing, expert guest speakers, and industry leaders. These training opportunities will meet participants where they are and expand the skilled worker pipeline for local employers.</td></tr>
<tr><td colspan="2"> Program Description: SDREN’s Workforce Training & Capacity Building program will enhance the clean energy workforce in our region, focusing on skill development for adult and incumbent workers. The program will target employees and employers, boosting employee skills and employer capacity to work on electrification and decarbonization projects.
By developing and delivering no-cost EE and IDSM training and certifications, SDREN will bolster employability, fill gaps for in-demand technical skills, and provide pathways for individuals to enter the clean energy workforce. This program will increase skills within the existing workforce, improve employee retention rates, foster participant career advancement, and provide opportunities for networking through industry events, professional organizations, and shadowing with seasoned professionals in the field. Participants will receive career coaching and mentorship focused on resume development, interviewing skills, transferable skills, financial literacy, and networking.
The program will collaborate with stakeholders within clean energy, electrification, and decarbonization workforce sectors, including CBOs, public agencies, contractors, and labor unions. Partnerships will boost growth opportunities for incumbent workers, increase retention rates for employers, and enhance employer workforce training. SDREN will guide participating employers to develop policies to promote employee training, allocate funding for external training, and set aside time for skill development. </td></tr>
<tr><td>Intervention Strategy: Downstream – technical assistance, education, training, and outreach.

Develop and deploy a survey for local employers to determine the emerging clean energy industry careers and required skills and qualifications for professionals to be successful.
Provide relevant training and ongoing workforce support aligned with industry needs to build capacity in the region, supporting employers along the way.
Partner with local agencies to create a network of connection resources,
</td><td>Program Metrics:

Number of participants trained.
Number of jobs secured after program participation.
Number of training hours completed.
Number of certifications provided.
Number of employee program participants.
Percentage of HTR and underserved participants.
Number of mentors/mentees.
Percentage of knowledge gained after training participation.
Number of career and workforce readiness participants who have been
</td></tr>
</table>

standardize content, and offer EE and IDSM-focused training. ● **Create opportunities** for program graduates to seamlessly transition into employment with local employers. Establish partnerships with employers to facilitate job placements. ● **Foster connections** between the workforce and SDREN's residential programs. ● **Create opportunities** for participants to connect with SDREN, IOU, and statewide programs to gain additional skills at no cost. ● **Explore worker placement programs** that can build workforce capacity while supporting participants skill development.	employed for 12 months after receiving training. ● Number of employers participating. ● Number of internal employer trainings delivered. ● Number of employer policies updated. ● Number of external training opportunities offered.
High-level description of delivery workforce, including necessary scale and its risks: The delivery workforce will include SDREN's program implementation staff to lead participants through program services. Other workforce members include local employers in the network of mentors and coaches for new and incumbent workers.	
Market actors necessary for success: Third-party implementer(s), adult workers interested in entering the energy sector, incumbent workers, local energy employers within the clean energy, electrification, and decarbonization workforce sectors, and training providers.	
Solicitation Strategy: Third-party solicited	**Transition Plan:** Not applicable
Expected Program Life: 2024 - Ongoing	**Short Term Plan:** Launch the program in 2024 and ramp up implementation through 2027 to reach and serve the entire service area.
Cost Effectiveness: TRC: N/A	**Long Term Outlook:** ● Increase the skills of the local workforce and provide pathways for employment in the energy workforce within local communities. ● Substantially increase workforce skills and provide pathways for industry advancement.

	• Increase employers' capacity to take on new work within the clean energy, electrification, and decarbonization workforce sectors.
Proposed Annual Budgets for 2024-2027: **2024:** $1,518,000 **2025:** $3,137,000 **2026:** $3,450,700 **2027:** $3,795,770 **2024-2027 Total:** $11,901,470	**Anticipated directional and scale changes in the budget for years 2028-2031:** SDREN will continue to maintain program steady-state beyond 2027. For years 2028-2031, budgets will increase at a moderate 4% to address inflation and to meet increasing customer demand.
Implementation Plan: Implementation Plans for all SDREN programs will be developed after CPUC approval of SDREN's application and before implementation begins.	

Public Sector

Market Characterization

The public sector market is the group of customers that are taxpayer funded, have political mandates, and that must go through a public budgeting and decision-making process.[48] They are a distinct and unique segment of non-residential customers with a set of exceptional challenges and characteristics that set them apart from other customer groups.

Public agencies encounter unique challenges based on common characteristics including multiple and competing goals, lengthy procurement processes, risk aversion, and funding constraints, among many others. Given these challenges, there is significant opportunity for SDREN to help agencies overcome barriers to participating in energy efficiency programs.

Historically, SDG&E has made efforts to engage with the public sector. However, previous efforts spanning 2018-2020 only yielded 4% of SDG&Es overall portfolio energy savings, though the public sector accounts for 15% of overall system electric consumption.[49] Within SDG&E's jurisdiction there are over 14,000 public sector accounts, with a significant 77% made up of small accounts with a peak demand of 20 kW or less.[50] These small accounts often face difficulties qualifying for existing IOU resource programs, generally due to those programs' cost effectiveness requirements.

SDG&E recently closed their K-12 Energy Efficiency program, so this customer group is being served by their Commercial BES program until another offering is available. This was out of SDG&E's control and was unplanned since the implementer suspended business operations.[51] Through coordination conversations with SDG&E leading up to this Business Plan submission,

48 Decision Authorizing Energy Efficiency Portfolios for 2024-2027 and Business Plans for 2024-2031. Conclusions of Law #33.
49 SDG&E Business Plan Exhibit 2 p. 163.
50 Ibid.
51 SDG&E AL 4302-E, pg. 29.

SDREN identified school districts in the territory as a service gap it could fill. Given this history and the persisting challenges in engaging public sector participants, SDREN identified a substantial opportunity to introduce impactful localized programs and services in this customer segment. As a result, SDG&E is not planning a new solicitation for this program, anticipating that SDREN will fill this gap if authorized.

Public Sector Goals, Objectives and Strategies

San Diego County hosts a diverse range of public agencies which SDREN aims to support through its offerings, including:[52]

- 24 San Diego Water Authority members.
- 19 local governments.
- 42 K-12 school districts and other public educational agencies.
- 13 community service districts.
- 18 Tribal nations.

These public agencies manage a wide range of infrastructure and facilities, from police stations and schools to wastewater treatment plants and streetlights. As public assets, these facilities are essential for community well-being and highly visible and accessible to the public. This unique positioning empowers public agencies to lead by example, setting the stage for community resilience.

By completing energy upgrades, public agencies can improve reliability, support cleaner energy systems, generate cost savings, inspire local action, and boost the local economy. This vital role of public agencies within their communities underscores the importance of addressing their unique needs and challenges.

SDREN will deliver programs and services that enable public agencies to lead their communities by example to a more decarbonized, affordable, and resilient energy future. The proposed public sector programs offer a comprehensive suite of services to public agencies throughout San Diego County. These services will overcome common barriers by helping agencies identify, develop, fund, and implement energy savings opportunities across buildings and facilities, ultimately contributing to local and regional decarbonization goals.

Public agencies are instrumental in setting the example for their communities. Therefore, our programs will go beyond conventional energy efficiency and will provide agencies with valuable educational information and technical support services for IDSM strategies. These offerings empower public agencies to establish or reinforce community resilience hubs, which play a crucial role as safe havens during climate-related emergencies. SDREN is well positioned to design and implement these programs successfully as its inaugural Advisory Committee consists of representatives from public agencies that are multi-jurisdictional.

SDREN's public sector programs are designed to ensure underserved and hard-to-reach communities are not left behind in the clean energy transition. We will prioritize outreach and

[52] Federal and state are currently served by existing programs and SDREN will not focus on these agencies unless there is a request from these agencies or SDG&E to coordinate and support offerings.

offer specialized services to HTR or underserved public agencies and K-12 schools to ensure that all communities in San Diego County can access the benefits of a cleaner, more resilient energy future.

Table 37. Public Sector Goals, Objectives and Strategies

Goals (Informed by SDCP Plan Community Priorities)	Strategy	Objectives
Help public agencies address and adapt to climate change by reducing GHG emissions and increasing energy resilience.	● Technical assistance through energy efficiency audits, project management services, and incentive and financing application support to identify and fund DER projects. ● Direct EE measure installations with a special focus on K-12 schools. ● Portfolio analyses and benchmarking paired with community indicators to identify facilities that are good candidates for resilience hubs. ● Identify and apply for outside funding sources of DER implementation including EE, renewables, etc. ● Prioritize Tribal outreach to improve and increase access to programs that will provide technical assistance and support implementation of shovel-ready EE projects. ● Support transition away from HFC refrigerants by providing education about low-GWP alternatives. Customers will receive relevant measures or recommendations with technical assistance. ● Coordinate with the C&S community to simplify and	● Agencies improve their energy resilience and preparedness for climate-related emergencies. ● Decarbonization of agency facilities and assets by implementing DER projects including EE, solar, battery storage, EV charging, DR program enrollment, etc. ● Agencies lead their communities by example. ● Agencies receive capital to fund their decarbonization and energy resilience projects. ● Energy bill reductions are achieved. ● Serve diverse and hard-to-reach communities.

	streamline permitting processes for IDSM and DERs.	
Increase energy capacity, awareness, and competency.	● Agencies receive education and training through webinars, workshops, and program deliverables on the benefits of decarbonization, energy resilience, and DR program participation. ● Build capacity and awareness through ongoing engagement, sharing of case studies, and educational resources. ● Provide energy analysis reports at the portfolio and project level. ● Develop customized decarbonization and resilience roadmaps that align with established agency goals and priorities.	● Agencies demonstrate awareness of DER benefits by integrating related policies and actions as a standard practice. ● Agencies are aware of energy consumption and costs across their assets. ● Agencies incorporate recommendations from the program's decarbonization and resilience roadmaps into their CAPs to increase the energy resilience of their critical infrastructure, increasing public buy-in. ● Agencies are more actively engaged in supporting decarbonization and resilience activities in their communities.
Ensure underserved public agencies are not left behind in the clean energy transition.	● Develop a new framework in which Tribal governments propose and design customized energy programs and strategies to meet their unique community and cultural needs. ● Specialize services developed to target K-12 schools that would otherwise not be served. ● Track all supplemental funding sources, including state and federal funding sources such as IRA's Indian Affairs' Tribal Electrification Program, that can be leveraged for projects and	● Tribal communities benefit from increased access to EE resources through tailored programming. ● Energy justice for DAC and HTR communities through reduced energy burden.

	offer application assistance for program participants.	

Public Sector Coordination

Our primary goal for coordination efforts is to eliminate customer confusion about EE programs and encourage seamless participation. We will work closely with SDG&E and other stakeholders, and there are several key programs we aim to coordinate with:

- The **SDG&E Local Government Third Party Program, Climate Action Plan for Zero Net Energy (CAP4ZNE)** offers a concierge approach tailored to local governments for energy efficiency and greenhouse gas reductions. SDREN's Public Sector programs will closely collaborate with this program to ensure SDREN's program is complementary and fills gaps. SDREN will also channel project opportunities to this program, wherever possible.

- The **Statewide Water Infrastructure and System Efficiency™ program (SW WISE™)** provides solutions related to water production, distribution, and water/wastewater treatment systems. SDREN's Climate Resilience Leadership program will introduce agencies with eligible project types to the WISE program and fill gaps in their services.

- The **Business Energy Solutions (BES)** program, which offers no-to-low cost direct install measures paired with audits and recommendations. SDG&E had intended to close the BES Program at the end of 2023 due to the launch of its new Small Business Outreach Program at the start of 2024. However, due to the early termination of the K-12 Energy Efficiency Program (KEEP), SDG&E now plans to keep the program active to serve the K-12 customer base.[53] Instead of issuing a new solicitation for their K-12 EE program, SDG&E will continue to offer the BES program until the launch of the SDREN Climate Resilience Leadership program, which will serve K-12 school districts.

- The **SDG&E On-Bill Financing (OBF) program** offers 0% financing for energy upgrades; SDREN will facilitate access to SDG&E OBF for projects eligible for SDG&E incentive programs. SDREN will help public agencies apply for and access SDG&E OBF for projects pursuing an SDG&E program.

- The **Higher Education Energy Efficiency Program (HEEP)** serves existing higher education facilities owned or operated by University of California, California State University, or California Community College. SDREN will coordinate as applicable.
- The **California Energy Design Assistance (CEDA) program** offers EE incentives for new construction projects. SDREN will refer program participants to this program where applicable, as SDREN services do not address new construction.

[53] SDG&E AL 4302-E, pg. 17.

- **San Diego (SD) EnergyLink** provides energy services to federal buildings, military bases, and Tribal nations. SDREN will coordinate with the program to ensure participants receive comprehensive services.

SDREN will also collaborate with the San Diego Regional Climate Collaborative (SDRCC) and the San Diego Association of Governments (SANDAG) to build on successes from previous LGP programs. These organizations are established regional networks for public agencies to develop and advance climate change and decarbonization solutions.

Effective coordination is paramount to deliver comprehensive and efficient services to the public sector. To avoid overlap with SDG&E and statewide programs in the region, SDREN will coordinate closely with SDG&E and the statewide program administrators and their implementers to offer services that fill gaps for program participants. Upon Business Plan approval, SDREN will file a Joint Cooperation Memo with SDG&E and any other program administrators operating in shared service territory to outline coordination protocols that ensure services fill gaps, meet regional needs, and avoid duplication. Initial strategies discussed with SDG&E during the portfolio application development include:

- Close coordination with existing programs to fill gaps in service and prevent market confusion.
- Mapping of full public sector portfolios including eligibility criteria, customer targeting, and services ahead of SDREN solicitations.
- Develop joint strategy around messaging to customers.
- Promote complementary programs such as SDG&E's CAP4ZNE and statewide WISE.

SDREN will also monitor the market and coordinate with other programs to **leverage** complementary offerings and **stack** supplemental program services, including:

- **Leverage** the CAP4ZNE program incentives and other unique offerings to bring incentive opportunities and services to public agency participants.
- **Stack** IRA tax incentives, 179D Commercial Building EE tax deductions, and TECH incentives to reduce equipment costs.
- **Leverage** previously drafted climate action plans to guide and inform opportunities with participants.

Categorization by Segment

Additional details on SDREN's segmentation justification at the program-level can be found in *Exhibit 3 - Program Segmentation Justification template Attachment A from D.23.06.055*.

Table 38. Public Sector Program Categorization by Segment

Program	Sector	Justification/Primary Goal
Climate Resilience Leadership	Market Support	Build capacity for public agency participants through education, training, and technical services and instill EE as a best practice. These goals are in alignment with the

		Commission MS objective to support long term success of the EE market.
Tribal Engagement	Equity	Provide energy efficiency services to Tribes, a hard-to-reach community that has been historically underserved. This goal is in alignment with the primary purpose of Equity segment programs, i.e. to provide EE services to HTR customers in DACs in advancement of the Commission's Environmental and Social Justice Action Plan.

Public Sector Program Details

Table 39. Program Card for Climate Resilience Leadership

Program Name: Climate Resilience Leadership	
Program ID: SDREN-01-PUB-CRL **New/Existing: New** **Link to implementation plan if existing: N/A**	
Portfolio Segment: Market Support	**Implementation Party:** Third-party Implementer
Applicable Sector: Public	**Market Sub-Sector:** Eligible public agency types. ● Cities ● County ● Public education agencies ● Special districts ● Tribes
Sector Challenge: ● Limited staff capacity, understanding, and expertise to address EE and decarbonization opportunities to improve energy resilience. ● Lengthy and cumbersome public procurement processes. ● Limited access to data for informed decision making. ● Limited capital and/or competing priorities for EE projects. ● Risk aversion. ● Resource constraints as staff and budgets have many competing	**Sector Opportunity:** ● Comprehensive yet tailored services to meet public agencies' unique needs, with a focus on agencies serving underserved and hard-to-reach communities. ● Provision of technical assistance and resources to help public agencies identify and implement clean energy projects and meet regional decarbonization goals. ● Increase staff capacity through education, outreach, project management, and technical assistance

priorities and energy management is just one of many. ● Complex decision making and political dynamics. ● Long-term planning challenges. ● Gaps in IOU third party offerings, including school district programming. ● Aging infrastructure, including buildings and utility systems that may require substantial energy efficiency upgrades.	to integrate EE as standard practice across operations. ● Reduced energy burden by reducing energy costs and reinvesting energy bill savings into communities. ● Provide no to low-cost EE measure installations through a direct install offering. ● Offer portfolio energy analyses to help inform decision making, targeting of clean energy opportunities, and creation of resilience hubs across agency owned assets. ● Support updating or creating short and long-term energy resilience plans.
Known Equity Concerns in the Selected Markets: Public agencies, especially smaller ones, often have constrained budgets and staff resources, making it difficult to allocate funding and staff for clean energy projects or take advantage of available services and funding. Additionally, a large proportion of public agency accounts are small (<20kW) and may not qualify for many IOU resource programs due to potential projects not meeting programs' cost effectiveness requirements. This in turn leads to even greater inequity in the long run, as energy and operational costs continue to rise while projects are delayed. These smaller agencies may not have resources to develop climate action or resilience plans and build internal capacity around DERs. Public agencies are expected to lead their communities by example, but there is limited funding and services to support them in achieving their goals.	**Proposed Solutions to Equity Concerns:** The program proposes to address equity concerns by prioritizing outreach to agencies that have historically been overlooked by EE programs. The program will provide technical assistance, end-to-end project management services, and educational resources to public agencies/facilities of all sizes, acting as an extension of agency staff. Financial assistance services will help agencies identify, apply for, and secure funding for EE and IDSM projects. The program will also offer: ● Increased incentives and no-cost direct install support of EE measures for HTR and underserved agencies. ● Education and training resources to help agency staff grow their capacity and awareness of the benefits of EE, DER technologies, and DR program participation to drive decarbonization efforts. ● Assistance for underserved agencies to develop actionable resilience roadmaps.

Program Description: The Climate Resilience Leadership program is designed to overcome barriers hindering public agencies from implementing EE projects. It also promotes IDSM technologies and programs, facilitating deeper decarbonization to help agencies meet their climate goals. Dedicated project managers will act as an extension of agency staff to provide customized and unbiased start-to-finish guidance and to coordinate delivery of technical services to identify and implement EE projects. The program operates through dedicated project managers who offer tailored guidance throughout the project cycle and coordinate technical service delivery to identify and implement EE and DER projects. This personalized approach ensures unbiased support and successful project execution. To address common challenges related to funding and procurement and to fill IOU program gaps, the program provides incentives for direct installation of EE measures. This will include providing targeted and specialized direct install services to K-12 schools, recognizing that there is a gap in services available to this market sub-sector. Project managers will also coordinate and facilitate access to third-party incentive programs. Moreover, the program will monitor emerging funding opportunities for public agencies (such as IRA) and provide support for all relevant incentive and financing applications, relieving them of major administrative burdens. In addition to the suite of project delivery services, the program tackles knowledge and capacity barriers by offering educational resources on DERs and DR programs through webinars, peer to peer learning opportunities, and case studies. Mini grants will also be available to fund public agency staff attendance at decarbonization or DER-related conferences and events. These resources empower agency staff to become champions for decarbonization internally while showcasing climate leadership to the broader community through successful project delivery.	
Intervention Strategy: Downstream – technical assistance, incentives via direct install, outreach and education, funding and financing support. **EE and DER project identification and delivery interventions.** ● Agency portfolio energy analysis and resilience roadmap: provides participants with overview of energy consumption and costs and facilitates project opportunities by identifying energy-intensive infrastructure. Sets foundation for development and delivery of energy resilience roadmap, which identifies DER opportunities to improve community energy resilience	**Program Metrics:** ● kWh ● Therms ● TSB ● Number of public agencies engaged and receiving services (including project management and education and outreach activities) ● Dollar amount of energy bill savings ● Audits completed ● Financial analyses delivered ● Projects managed ● Number of educational activities delivered (webinars/workshops) ● Number of unique outreach materials created ● Number of buildings benchmarked

and recommends sites to serve as resilience hubs. ● Comprehensive energy audits: identify energy savings, EE and decarbonization opportunities. ● Financial analysis: utilizes outputs from audit reports to provide business case summary to invest in clean energy projects. ● Project financing and funding assistance: facilitate access to various financing options including cash incentives, low to no interest loans, tax credits, and grants to help agencies overcome financial barriers to projects. ● Procurement assistance: provides agencies with documentation to procure installation contractors and receive applicable internal approvals. ● Construction support: review scope and contractor equipment submittals to ensure alignment with anticipated energy savings outcomes and funding eligibility requirements. **Engagement, education and outreach interventions.** ● Workshops/webinars/training and educational resources to build public agency staff's capacity and awareness of EE, sustainability, and decarbonization measures, including DR program participation. ● Micro grants to fund public agency participation in educational events, e.g. conferences. **Direct installation of EE measures** that help agencies overcome funding, financing, and procurement hurdles and achieve decarbonization and resilience goals.	● Number of energy resilience roadmaps delivered ● Number of energy savings measures identified and installed ● Number of funding and financing applications supported ● Dollar amount of non-ratepayer funding leveraged

● Sample direct install measures include: economizer controls/repair, heat pump water heaters, occupancy sensors, outdoor LED lighting, and pipe insulation.	
High-level description of delivery workforce including necessary scale and its risks: The program delivery workforce will include SDREN staff and third party implementation partners, including subcontracted engineering consultants and other industry experts to provide as needed services to program participants. There are no known related workforce risks for successful implementation of the program.	
Market actors necessary for success: ● Third-party implementer(s). ● Local entity or entities familiar with public agency barriers and solutions to installing EE and DERs. ● Local engineering firms and contractors.	
Solicitation Strategy: Third-party Solicited	**Transition Plan:** Not applicable
Expected Program Life: 2024 - Ongoing	**Short Term Plan:** Ramp up third-party program to full implementation to serve at least 50% of all eligible customers in service territory.
Cost Effectiveness: TRC 2024-2027: 0.41	**Long Term Outlook** ● Public agencies look to SDREN as a trusted advisor to help them improve energy resiliency and address energy needs. ● Energy and cost savings realized. ● Broader reach and support across underserved communities. ● Agencies demonstrate increased awareness of EE and IDSM best practices and integrate into operating practices and procedures. ● Enhanced resilience to climate challenges and emergencies, including more resilient energy infrastructure and practices. ● Disparities in energy access and program participation are reduced.
Proposed Annual Budgets for 2024-2027: **2024:** \$2,732,000 **2025:** \$5,645,500 **2026:** \$6,210,050	**Anticipated directional and scale changes in budget for years 2028-2031:** SDREN will continue to maintain program steady-state beyond 2027. For years 2028-2031, budgets

2027: \$6,831,055 **Total 2024-2027:** \$21,418,605	will increase at a moderate 4% to address inflation and to meet increasing customer demand.
Implementation Plan: Implementation Plans for all SDREN programs will be developed after CPUC approval of SDREN's application and before implementation begins.	

Table 40. Program Card for Tribal Engagement

Program Name: Tribal Engagement	
Program ID: SDREN-02-PUB-TRE **New/Existing: New** **Link to implementation plan if existing: N/A**	
Portfolio Segment: Equity	**Implementation Party:** Third-Party Implementer
Applicable Sector: Public	**Market Sub-Sector:** Tribes
Sector Challenge: ● Tribal cultural sensitivities, distrust in government programs. ● Some Tribal governments may lack in-house technical expertise, resources, and staff capacity to plan, implement, and manage energy efficiency initiatives, making it challenging to take advantage of available programs. ● Lack of capital to invest in EE and decarbonization strategies. ● Most public sector accounts in SDG&E territory are small (<20kW) and may be passed over by IOU resource programs with cost effectiveness requirements. ● Aging infrastructure, including buildings and utility systems that may require substantial energy efficiency upgrades. ● Navigating the complex regulatory environment, including compliance with federal and Tribal regulations, can be challenging for Tribal governments.	**Sector Opportunity:** ● Tribal community-led design of initiatives to facilitate energy planning, increase access to EE programs, reduce energy burdens, and decarbonize assets. ● Ongoing access to technical advisor with EE expertise to support successful programming and initiatives; access to industry experts including engineering firms. ● Advance climate resiliency on Tribal lands and in Tribal communities. ● Tribes demonstrate leadership in EE and share best practices and lessons learned.

Known Equity Concerns in the Selected Markets:	Proposed Solutions to Equity Concerns:
Known Equity Concerns in the Selected Markets: Tribal participants have long been underserved and underrepresented in energy efficiency programs. This historical underinvestment in outreach to Tribal participants is one of many factors that have significantly eroded Tribal governments' trust in public sector programs. This has led to missed opportunities for Tribal governments to secure vital funding and resources. One of the key equity concerns in Tribal communities is limited access to information about available programs, incentives, and resources. This limited access not only hinders the development of sustainable energy practices within Tribal lands but also compromises the resilience of Tribal communities in the face of energy-related emergencies and challenges.	**Proposed Solutions to Equity Concerns:** The Tribal Engagement program recognizes that addressing equity concerns within Tribal communities is a multifaceted endeavor that requires a tailored, culturally sensitive and empathetic approach. To overcome historical underinvestment in Tribal communities, the program proposes to provide grant funding and no-cost technical assistance to Tribal participants for community-driven interventions. This support will empower Tribal governments to design and offer EE programs to their Tribal government and community members. By providing financial resources and technical expertise, we aim to break down the barriers that have historically hindered Tribal participation in energy initiatives. Building trust within Tribal communities is a fundamental component of our approach. We understand that trust is built through meaningful relationships, respect for cultural sensitivities, and a genuine understanding of Tribal needs. To achieve this, we plan to establish partnerships with trusted leaders in Tribal communities. These partners will play a pivotal role in ensuring program design and delivery is culturally sensitive and responsive to the unique needs of each Tribal community. This includes acknowledging and addressing historical disparities in energy access, infrastructure investment, and environmental impacts that may have disproportionately affected Tribal governments. Building trust and engaging Tribal communities takes time; we are prepared to listen, learn, and adapt our approach to the unique cultural and historical context of each Tribal community.

Program Description: The Tribal Engagement program will create a pathway for Tribes and Tribal organizations in the San Diego region to develop, propose, and implement energy-related initiatives to address their unique needs and contribute to sustainability, resilience, and economic development within Tribal communities. Through our community-driven program, we will empower Tribes to take ownership of initiatives and exercise self-determination in pursuing decarbonization and sustainable energy practices. Program resources will include tailored no-cost technical assistance, including a dedicated technical advisor to support initiative applications and champion their success from idea inception to successful execution. All initiative applications will be required to promote sustainable energy practices within Tribal lands and enhance the resilience of Tribal communities by increasing their capacity to withstand energy-related emergencies and challenges. The third party program implementer will develop high-level blueprints of program design options for Tribes to follow and secure funding to implement. Moreover, we welcome and encourage innovative ideas outside of these blueprints, granting Tribes the freedom to propose unique solutions that align with their goals. Initiative applications will be evaluated based on their alignment with Tribal needs, sustainability, resilience, and economic development goals. Approved initiatives will receive customized services and resources to support implementation. These services may include technical expertise, project funding, and partnerships. The Tribal Engagement program is a catalyst for Tribal communities in the San Diego region to shape their energy destinies. By nurturing local talent, inspiring innovation, and providing the necessary support, we aim to create a vibrant and resilient energy landscape that Tribal communities can proudly call their own. This program will coordinate with SDREN's Climate Resilience Leadership program to ensure that there is no duplication of efforts. Tribes will be able to access all the technical services available from both programs, including direct install measure installations.

Intervention Strategy: Downstream – technical assistance, outreach and education. ● **Initiative ideation and application technical services support:** technical assistance is provided to help Tribes develop ideas and draft applications. ● **Direct funding grants** provided to Tribes to implement initiatives. ● **Initiative application evaluation:** includes approval by program implementer. ● **Technical assistance:** Approved initiatives receive customized services and resources to support delivery,	**Program Metrics:** ● Number of initiative applications submitted ● Number of initiative applications approved ● Number of implementation plans prepared ● Number of Tribes served ● Dollar amount of grant funds awarded Additional metrics to be determined as Tribal initiatives are approved.

<table>
<tr><td>including support to develop implementation plans.
● Access to energy experts (e.g. engineering firms, financial advisors, local agencies, and relevant stakeholders) to leverage expertise and resources.</td><td></td></tr>
<tr><td colspan="2">High-level description of delivery workforce including necessary scale and its risks: The delivery workforce will include third party implementation partners, including on-call subcontracted engineering consultants, and energy leaders from Tribal communities and organizations. Time and resource availability for Tribal energy leaders may be a risk factor.</td></tr>
<tr><td colspan="2">Market Actors necessary for success:
● Third-party implementer(s).
● Tribal nations and Tribal organizations.
● Others to be determined based on proposed and approved grant initiatives.</td></tr>
<tr><td>Solicitation Strategy: Third-party Solicited</td><td>Transition Plan: Not applicable</td></tr>
<tr><td>Expected Program Life: 2024 - Ongoing</td><td>Short Term Plan: Ramp up third-party programs to full implementation to offer grants to at least 8 Tribes.</td></tr>
<tr><td>Cost Effectiveness: TRC: N/A</td><td>Long Term Outlook:
● Tribes become more empowered as they gain experience proposing, implementing, and managing initiatives, and they become more sustainable as a result.
● A large portfolio of initiatives are serving diverse Tribal needs.
● Reduced energy burden and increased revenue generation through clean energy projects.
● Enhanced resilience to climate challenges and emergencies including more resilient energy infrastructure and practices.
● Disparities in energy access and participation are reduced.
● Supplemental funding sources can be leveraged, including IRA funding earmarked for Tribal governments to administer residential electrification and DER programs.</td></tr>
</table>

	• Successful initiatives serve as models for other Tribal communities within and beyond San Diego. Scalability may lead to expansion in other regions, increasing impacts. • Over time, Tribal communities that have successfully implemented initiatives may become sources of knowledge and best practices for other communities, fostering a culture of shared learning.
Proposed Annual Budgets for 2024-2027: **2024:** $234,000 **2025:** $482,600 **2026:** $530,860 **2027:** $583,946 **2024-2027 Total:** $1,831,406	**Anticipated directional and scale changes in budget for years 2028-2031:** SDREN will continue to maintain program steady-state beyond 2027. For years 2028-2031, budgets will increase at a moderate 4% to address inflation and to meet increasing customer demand.
Implementation Plan: Implementation Plans for all SDREN programs will be developed after CPUC approval of SDREN's application and before implementation begins.	

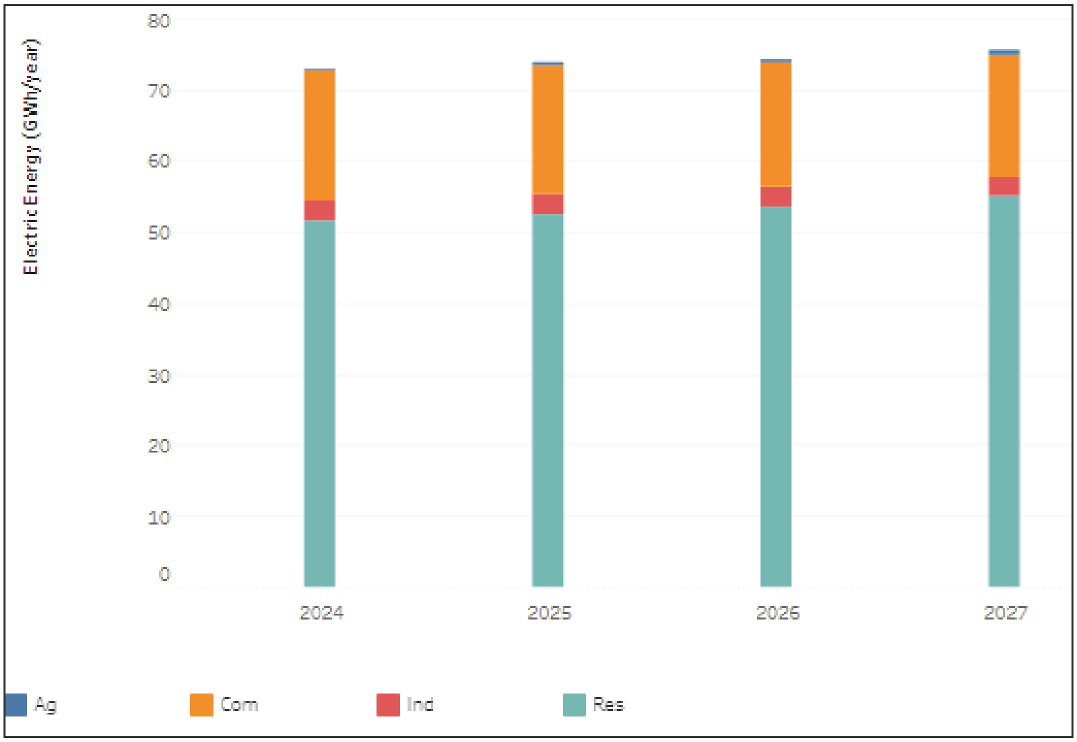
Residential Sector

Market Characterization

The residential sector is the largest customer group in SDG&E territory, making up 1.49 million accounts and consuming over a third of all electricity and more than half of all natural gas in San Diego County.[54] The importance of serving this sector in the realm of energy efficiency is clear, as it represents a substantial opportunity for significant savings in the region based on incremental market potential identified in the 2023 Energy Efficiency Potential and Goals Study findings.[55] These findings unequivocally illustrate the immense potential within the SDG&E territory's residential sector when compared to other sectors like agricultural, commercial, and industrial, as depicted in the figure below.

[54] SDG&E Business Plan Exhibit 2. P. 189.
[55] 2023 P&G Study Results Viewer V1.0; filtered for SDG&E, Residential, Cumulative Market Potential for all measures.

Figure 11. SDG&E Residential Sector Energy Efficiency Savings Potential



Moreover, the study categorizes a significant majority of this potential as behavioral, retro-commissioning, and operational (BRO), accounting for 94% of potential savings, with fuel substitution and water heating making up the majority of the remaining potential.[56]

These statistics emphasize the need for programs and services that can equitably serve the residential sector and instigate behavioral change and home electrification.

The residential sector has a diverse landscape of customer types, including single-family homes and multi-family dwellings, each with a distinct set of challenges and opportunities. The complexities vary from program accessibility and entry barriers to concerns surrounding equity and inclusion. For instance, programs targeting multi-family homes can have higher barriers, often necessitating approvals by property managers and owners, larger capital expenditures, and the potential for uneven distribution of program benefits, particularly among renters and property owners.

Furthermore, there is often a shortfall in ensuring equitable access to these programs, especially among HTR and underserved customers, due to insufficient consideration of equity and inclusion in program outreach and educational materials. This lack of accessibility is further compounded by the fact that affordable housing is often located in multi-family buildings, which can exacerbate gaps in program access and equity.

[56] Ibid.

Residential Sector Goals, Objectives and Strategies

To help bridge existing program gaps and create a more equitable landscape, SDREN will implement two residential sector programs designed to deliver equitable services to underserved and hard-to-reach community members for single-family and multi-family homes. These programs will work in harmony with all relevant existing third-party programs offered by SDG&E, state, and federal agencies. A key focus of the programs will be on stacking incentives wherever feasible, maximizing the benefits for customers while efficiently utilizing available resources.[57] Understanding that the multifamily sub-sector has experienced EE program challenges across the state, SDREN will coordinate directly with PAs and implementers to apply the latest lessons learned from other multifamily programs prior to implementation.

Both of SDREN's residential sector programs are strongly rooted in the principle of equity. They prioritize delivery to hard-to-reach customers by offering in-language outreach and anti-displacement policies. These programs will provide EE measures and serve buildings not covered (or only partially covered) through existing programs. Furthermore, they will fill gaps by addressing the specific needs of renters, including direct install upgrades and educational initiatives that emphasize non-energy benefits. Complementing these services, SDREN will help customers to leverage external funding and financing opportunities, including the stacking of incentives.

SDREN's residential sector programs aim to promote equity and inclusivity, recognizing the diversity of challenges that both single-family and multi-family homes face within the realm of clean energy initiatives. We believe that through these programs, SDREN can create meaningful change, ensuring that every member of the community benefits from the clean energy future.

Table 41. Residential Sector Goals, Objectives, and Strategies

Goals	Strategy	Objectives
Deliver equitable services to traditionally underserved and HTR residential customers to ensure they are included in the clean energy transition.	• Focus on underserved and HTR residential customers within San Diego County. • Provide in-person, equitable, and inclusive outreach and support services (i.e. in-language materials with cultural understanding, taking into account vision and hearing impaired customers, etc.). • Customized energy programs and strategies shaped by community	• Increased access to and participation in ratepayer-funded EE programs by HTR customers and underserved communities. • Reduced energy burden plus energy co-benefits (e.g. health, comfort) realized by HTR and underserved residents. • A clean energy transition inclusive of customers historically left out of energy programs.

[57] SDREN will ensure that there is no "double dipping" of ratepayer funding.

	input and tailored to meet unique community needs. ● Increased incentive opportunities offered to HTR and underserved communities.	● Energy justice for HTR customers and underserved communities.
Reduce barriers to EE program participation among residential customers.	● Provide one-on-one and in-language support to residents via an energy advisor who can connect customers to all other available programs, services, and funding opportunities (e.g. IOU third party, state, federal programs, etc.). ● Offer direct installation of energy efficiency measures to lower residents' energy bills and help secure rebates for other identified measures, ensuring various funding sources are identified and stacked wherever feasible. ● Provide guidance and support to customers seeking federal tax credits and other available incentives for clean energy projects. ● Educate residents and provide them with resources to understand energy-saving and co-energy benefits (e.g. health and comfort). ● Equitable and inclusive, culturally sensitive in-language outreach materials and program documents.	● Increased residential sector adoption of EE and energy upgrades/retrofits. ● Improved comfort and health despite climate threats like extreme heat. ● Increased access to and awareness of EE technologies and available funding and financing programs. ● Customer energy bill savings and GHG reductions realized.

Accelerate implementation of EE and decarbonization measures and long-term market transformation through program interventions.	● The energy advisor works to overcome barriers to program adoption. ● Adapt and evolve program services to best meet customer needs. ● Programs foster community and industry partnerships to develop holistic solutions to address resident needs. ● Support deeper and expanded electrification of space and water heating systems and other methane gas-based systems like ovens and dryers with efficient electric versions in order to accelerate building decarbonization. ● Assist resident enrollment in demand response (DR) programs and install DR-ready measures.	● Emerging EE technologies (e.g. heat pump water heaters) move toward standard practice. ● Full potential of EE for the residential sector is realized. ● Residents have a plan and the resources for future/capital intensive clean energy upgrades. ● Avoided peaker plant emissions through peak demand reductions.

Residential Sector Coordination

During the development of SDREN's Business Plan, SDREN held discussions with SDG&E to address potential overlap in ratepayer-funded programs and to avoid duplicating efforts. Notable existing programs discussed during these meetings include:

- Residential Zero Net Energy Transformation (RZNET) program: a regional third-party program that serves multifamily and manufactured homes.
- Quality Residential HVAC Services: a statewide program that provides extra incentives, training, and tools to HVAC contractors who provide enhanced services including maintenance plans, maintenance calls, and quality installations.
- Golden State Rebates: a midstream statewide plug load and appliance program that offers incentivized EE measures to participating retailers and distributors.

Other SDG&E-specific programs for collaboration may include the Energy Savings Assistance (ESA) program,[58] Residential Energy Solutions (RES)[59] program, and the future residential equity program (anticipated to launch mid-2024) and residential fuel-substitution market support program (anticipated to launch in 2025).

Upon approval of the Business Plan, SDREN will file a Joint Cooperation Memo (JCM) with SDG&E and any other applicable program administrators (PAs) with programs operating in shared service territory. The JCM will outline coordination protocols to ensure that SDREN services fill gaps, meet regional needs, and avoid duplication. SDREN will collaborate with SDG&E, PAs, program implementers, and any applicable initiatives or campaigns to offer complementary services that fill gaps for residential program participants. An example initiative is the Switch Is On, which inspires consumers to "equitably electrify communities."[60]

SDREN will monitor the market and coordinate with other programs to **leverage** complementary offerings and **stack incentives**, including:

- Self Generation Incentive Program (SGIP).
- Equitable Building Decarbonization Program (EBDB).
- California Electric Homes Program (CalEHP).
- California's Homeowner Managing Energy Savings Program (HOMES).
- High-Efficiency Electric Home Rebate Program (HEEHRA).
- TECH Clean California (TECH).
- Energy Savings Assistance (ESA) Multifamily Energy Savings program.
- GoGreen financing.
- IRA tax credits (e.g., Energy Efficient Home Improvement Credit and Clean Energy Tax Credit).

Categorization by Segment

Additional details on SDREN's segmentation justification at the program-level can be found in *Exhibit 3 - Program Segmentation Justification template Attachment A from D.23.06.055*.

Table 42. Residential Sector Program Categorization by Segment

Program	Segment	Justification
Residential Equity Program (single-family)	Equity	The primary goal of these programs is to provide energy efficiency services to hard-to-reach customers and/or disadvantaged communities in alignment with the Commission's Environment and Social Justice Action Plan.
Multi-Family Residential (two or more units)		

[58] https://www.sdge.com/residential/pay-bill/get-payment-bill-assistance/. assistance-programs/no-cost-energy-efficient-home-improvements.
[59] https://www.sdge.com/residential/savings-center/energy-saving-programs/res-program.
[60] https://switchison.org/.

Residential Sector Program Details

Table 43. Program Card for Single Family

<table>
<tr><th colspan="2">Program Name: Single Family</th></tr>
<tr><td colspan="2">Program ID: SDREN-02-RES-SFM
New/Existing: New
Link to implementation plan if existing: N/A</td></tr>
<tr><td>Portfolio Segment: Equity</td><td>Implementation Party: Third-party Implementer</td></tr>
<tr><td>Applicable Sector: Residential</td><td>Market Sub-Sector: Detached, renter or owner-occupied single family residences</td></tr>
<tr><td>Sector Challenge:
Residents often have limited familiarity with and/or are confused by existing EE and IDSM technologies, programs, and service offerings.
Capital intensive upgrades resulting from deferred maintenance hinders holistic projects and streamlined program implementation.
Difficulty establishing trust with HTR customers and within underserved communities.
HTR and underserved communities have historically faced disparities in access to clean energy programs and resources.
Split incentives between renters and property owners limit the opportunities to reach renter-occupied homes.
Many single family homes have aging infrastructure, which can be a barrier to implementing energy efficient technologies.
Local regulations and permitting requirements can be a major hurdle for homeowners looking to make energy-efficient improvements. Navigating the bureaucracy and securing the necessary approvals can be time-consuming and frustrating.</td><td>Sector Opportunity:
Partner with trusted CBOs and community partners for customer outreach to explain program opportunities. These organizations often have deep community connections and can reach underserved and hard-to-reach populations.
Focus on EE and IDSM offerings and educational opportunities that result in reduced energy costs and non-energy benefits for residents.
Support HTR and underserved communities with early decarbonization efforts. These communities often bear a disproportionate burden of environmental and energy-related challenges. Targeted support can improve living conditions and energy resilience of these customers.
Pair program opportunities with external programs for deeper savings and incentive stacking.
Provide no-cost installations through a direct install offering.</td></tr>
</table>

• Homeowners may be resistant to change, especially if they are unfamiliar with or skeptical of new energy efficient and IDSM technologies.	
Known Equity Concerns in the Selected Markets: Single-family residents in HTR and underserved communities often receive limited outreach from EE programs. Shortfalls in outreach can impede access to vital resources and accessible funding, limiting program participation. Programs often remain inaccessible to community members due to insufficient consideration of equity and inclusion in outreach and educational materials. The absence of culturally sensitive, linguistically appropriate, and inclusive materials exacerbates barriers to participation, especially for non-English speaking residents. Additionally, residents' busy schedules and their need for personalized outreach and program services through multiple mediums further hinders HTR and underserved community participation in EE programs.	**Proposed Solutions to Equity Concerns:** To address equity concerns within the residential sector, the program will implement a multi-faceted approach that includes an energy advisor service. Advisors will be tasked with ensuring expanded access to program services. Their role will encompass technical guidance, community outreach, and engagement. To make information more accessible to all community members, the program will prioritize marketing materials that are in-person, equitable, and inclusive. These materials will be thoughtfully designed, taking into consideration diverse needs such as in-language content, cultural understanding, accommodations for vision and hearing impaired customers, etc. Recognizing the importance of community trust and engagement, the program will partner with trusted CBOs and community partners for outreach. By working alongside organizations deeply rooted in the community, the program can leverage partners' existing networks and credibility to foster community trust and engagement.
Program Description: SDREN'S Single Family equity program will create a home energy advisor for residents that will serve as a personal concierge-style service to connect them to program information and funding and financing opportunities. The energy advisor will refer and connect residents to all eligible program resources and will act as a closed loop between participants and program service providers by coordinating with SDREN-supported contractors and contractors supporting other external programs. The program will offer a growing and evolving knowledge base to support participants. This approach aims to increase program participation for HTR and underserved residents who would otherwise have limited access to these resources. To maximize accessibility for the community, the program will provide services through multiple mediums, including an online	

<table>
<tr><td colspan="2">
platform with chat features, direct email correspondence to respond to participant questions and requests for information, and call centers.
The program's support services will meet homeowner and renter needs. The program seeks to meaningfully engage with the renter community, a group historically left out of traditional energy programs, by offering a package of free energy efficiency upgrades (direct-install measures) for their homes. These upgrades will reduce residents' energy consumption and lower their energy bills, and can complement other existing state programs aimed at reducing income-qualified resident utility bills, such as the Energy Assistance Savings program.
The energy advisor can support renters by working directly with property owners to advocate for upgrades at their properties. Rebates for additional energy efficiency measures will also be available. Targeted efficiency measures may include attic and wall insulation, LED lighting, duct testing and sealing, low-flow shower heads, and faucet aerators. The program will also focus on improving indoor air quality for residents through electrification by targeting heat pump water heaters, HVAC heat pumps, induction stoves, and heat pump clothes dryers. To support residents' demand flexibility, the program will include smart thermostats to support demand response. The program will leverage local contractors for installations to stimulate the local economy and support local workforce development.
The program will provide energy efficiency kits and educational opportunities for renters and homeowners to create awareness of the benefits of energy conservation, energy efficiency, electrification, clean and renewable energy, DR program participation, and low-GWP refrigerants. Educational topics may include energy efficiency technologies and why they are eligible for incentives; topics may span a sample project scenario with stacked incentives and explanations of energy, financing, and policy-related terms (e.g. kilowatt hour, power purchase agreement, and governmental reach codes).
The program will provide equitable and inclusive marketing and outreach strategies to promote the energy advisor services to both renters and homeowners. It will partner with trusted CBOs and community partners for strategic outreach to explain available program opportunities to customers. The program will share specific information and materials for renters to help renters advocate for upgrades in their homes. The energy advisor can work with property owners directly to educate and advocate for upgrades on behalf of renters.
</td></tr>
<tr><td>
Intervention Strategy: Downstream – Technical assistance, incentives (both rebates and direct install), education, training, and outreach.

Personal support and coaching for customers through an energy advisor service that is accessible through multiple mediums.
Closed loop design for the customer with a single source to provide guidance and referrals to connect

</td><td>
Program Metrics:

kWh
Therms
TSB
GHG
Number of outreach strategies conducted
Number of equity target participants expressing interest via one or more engagement channels
Percent of disadvantaged community and HTR customer participants

</td></tr>
</table>

<table>
<tr><td>participants with relevant program contractors.
● Equitable and inclusive outreach and marketing materials.
● Educational materials including an EE starter kit for customers.
● Direct install of selected EE measures.
● Rebates for selected EE measures that can stack with, or meet gaps of, other program rebate offerings.</td><td>● Number of and type of program referrals provided by energy advisor
● Sum of equity target and non-equity participants’ expected first-year bill savings
● Sum of all participants’ greenhouse gas reductions (in tons of carbon dioxide equivalent; channeled)
● kWh channeled
● kW channeled
● Therms channeled</td></tr>
<tr><td colspan="2">High-level description of delivery workforce including necessary scale and its risks:
SDREN staff, the program implementer staff, and the energy advisors will guide program participants through the SDREN residential program offerings and services, in partnership with subcontracted engineering consultants, CBOs, and community partners. Licensed local contractors, electricians, and equipment manufacturers will support the direct installation of energy efficiency measures. There are no known workforce related risks for successful implementation of the program, though a delay in manufacturing and delivery (or high demand) of equipment could pose a risk to project completion timelines.</td></tr>
<tr><td colspan="2">Market actors necessary for success:
● Third party implementer(s).
● Trade professionals.
● Local contractors.
● Equipment manufacturers.
● Homeowners.
● Renters.
● Community based organizations and community outreach partners.</td></tr>
<tr><td>Solicitation Strategy: Third-party Solicited</td><td>Transition Plan: Not applicable</td></tr>
<tr><td>Expected Program Life: 2024 - Ongoing</td><td>Short Term Plan: Launch program in 2024 and ramp up implementation through 2027.</td></tr>
<tr><td>Cost Effectiveness: 4-year TRC: 0.15</td><td>Long Term Outlook:
● HTR and underserved customers have fair and equal access to energy efficiency programs.
● HTR and underserved communities leverage program resources and incentives at an equal or greater rate than customer base at large.</td></tr>
<tr><td>Proposed Annual Budgets for 2024-2027:
2024: $2,904,000
2025: $6,000,000</td><td>Anticipated directional and scale changes in budget for years 2028-2031: SDREN will continue to maintain program steady-state</td></tr>
</table>

2026: $6,600,000 **2027:** $7,260,000 **2024-2027 Total:** $22,764,000	beyond 2027. For years 2028-2031, budgets will increase at a moderate 4% to address inflation and to meet increasing customer demand.
Implementation Plan: Implementation Plans for all SDREN programs will be developed after CPUC approval of SDREN's application and before implementation begins.	

Table 44. Program Card for Multifamily

Program Name: Multifamily	
Program ID: SDREN-01-RES-MFM **New/Existing: New** **Link to implementation plan if existing: N/A**	
Portfolio Segment: Equity	**Implementation Party:** Third-party Implementer
Applicable Sector: Residential	**Market Sub-Sector:** Multifamily buildings of two or more units.
Sector Challenge: ● HTR and underserved residents and property owners often have limited familiarity with existing EE and IDSM technologies, programs, and service offerings, especially electrification. ● Difficulty establishing trust with HTR customers and within underserved communities. ● Split incentives between renters and property owners limit the opportunities to reach renter-occupied homes. ● No existing single-program solution to meet the needs of a multifamily dwelling. ● Local regulations and permitting requirements can be major hurdles. ● Risks of tenant displacement as a result of increased property values and rising rents.	**Sector Opportunity:** ● Pair program opportunities with external existing and emerging programs for incentive stacking to realize deeper savings and decarbonization of multifamily properties. ● Partner with trusted CBOs and community partners for customer outreach to explain program opportunities. ● Focus on EE and IDSM offerings and educational opportunities that result in reduced energy costs and increased non-energy benefits for residents. ● Reduce property owners' energy and operating costs to support reinvestment into the building and improve quality of life for tenants. ● Provide EE and IDSM education and advisory services to property owners, property management companies, and tenants to address the split incentive challenge.

	● Provide no cost installations through a direct install offering, with a focus on electrification measures to support HTR and underserved communities decarbonize. ● Work to protect tenants from potential increased rents that can result from property investments. ● Coordinate directly with PAs and implementers to apply the latest lessons learned from other multifamily programs prior to implementation.
Known Equity Concerns in the Selected Markets: Multi-family residents and property owners in HTR and underserved communities often receive limited outreach from EE programs, which results in limited awareness and knowledge of available energy program services and potential benefits. Residents and property owners also often hold the perception that EE and IDSM measures are too capital intensive to pursue; they may not fully understand the savings benefits or long-term payback considerations. Programs may also be inaccessible to community members due to insufficient consideration of equity and inclusion in program outreach and educational materials.	**Proposed Solutions to Equity Concerns:** To make information more accessible to all community members, the program will prioritize marketing materials that are in-person, equitable, and inclusive. These materials will be thoughtfully designed, taking into consideration diverse needs such as in-language content, cultural understanding, accommodations for vision and hearing impaired customers, etc. Recognizing the importance of community trust and engagement, the program will partner with trusted CBOs and community partners for strategic outreach. By working alongside organizations deeply rooted in the community, the program can leverage their existing networks and credibility to foster community trust and engagement.
Program Description: SDREN's Multifamily program will target multi-family property owners/managers as well as tenants to address facility upgrades that impact both common area maintenance (CAM) and renter-specific in-unit utility bill savings. For property owners and property managers, the program will provide customizable engagement strategies tailored to the decision-maker for property upgrades. The program will promote benefits such as energy bill savings, operating cost savings, return on investment, and increased property value, as well as non-energy benefits such as health and comfort. The program will also offer technical assistance to property owners and managers in the form of un-biased program staff support throughout the project lifecycle. This turnkey service will	

engage decision-makers in energy upgrade decisions and ensure that projects achieve their intended energy cost savings and benefits.

The program will offer a systems tune-up assessment as an outreach strategy that will identify "quick-win" savings with project payback of less than two years. Building upgrades will be focused on impacts to CAM areas by providing energy audits to identify opportunities for energy efficiency measures. Recommended upgrades will be presented to the property owner or manager alongside corresponding costs, savings, and financial metrics. The program will offer rebates that can be stacked onto other applicable utility, regional, state, or federal program incentives, and will also provide financial resources to help secure external funding and financing, including for IDSM opportunities. Property owners and managers will receive guidance on state and municipal building code requirements and compliance, including reach codes and any upcoming Title 24 updates, to help guide upgrade decisions. Additionally, the program will offer unbiased reviews of contractor quotes to help make a contractor selection.

Specific to renters, the program seeks to meaningfully engage with the renter community—a group historically left out of traditional energy programs—by offering a package of free energy efficiency upgrades (direct install measures) for their residences. These upgrades will reduce residents' energy consumption and lower their energy bills, and can complement other existing state programs aimed at reducing income-qualified resident utility bills, such as the Energy Assistance Savings program. Rebates for additional energy efficiency measures will also be available. Targeted efficiency measures include attic and wall insulation, LED lighting, duct testing and sealing, low-flow shower heads, and faucet aerators. The program will also focus on improved indoor air quality for residents through electrification by targeting heat pump water heaters, induction stoves, heat pump clothes dryers. The program will target smart thermostats to support demand response and demand flexibility for residents. The program will leverage local contractors for installations to stimulate the local economy and support local workforce development.

The program will provide energy efficiency kits and educational opportunities for renters to create awareness of the benefits of energy conservation, energy efficiency, electrification, clean and renewable energy, DR program participation, and low-GWP refrigerants. Educational topics may include energy efficiency technologies, why the technologies are eligible for incentives, a sample project scenario with stacked incentives, and energy, financing, and policy-related terms.

The program aims to improve multi-family facilities while protecting tenants from potential increased rents that can result from property investments. As such, the program will partner with CBOs and trusted community partners with subject matter expertise alongside local municipalities to create awareness of existing and help inform new anti-displacement policies. An informed and community approach to anti-displacement policies will create a network involving tenants, property owners, and community partners where feedback is shared and incorporated, allowing all stakeholders to participate and prioritize the overall needs and long-term shared vision for the community.

<table>
<tr>
<td>Intervention Strategy:
Downstream – Technical assistance, incentives (both rebates and Direct Install), education, training, and outreach.
Personal project support for property owners and managers through turnkey technical assistance.
Equitable and inclusive outreach and marketing materials, targeted and customized to property owners, managers, and tenants.
Educational materials, including an EE starter kit for customers.
Direct install of selected EE measures.
Rebates for selected EE measures that can stack with, or meet gaps of, other program rebate offerings.</td>
<td>Program Metrics:
kWh
Therms
TSB
GHG reductions
Number of EE kits delivered to participants
Number of system tune-up assessments delivered
Number of outreach strategies conducted
Number of equity target participants expressing interest via one or more engagement channels
Percent of disadvantaged community and HTR customer participants
Number of and type of program referrals
Sum of equity target and non-equity participants’ expected first-year bill savings
Number of partners engaged</td>
</tr>
<tr>
<td colspan="2">High-level description of delivery workforce including necessary scale and its risks: SDREN staff and the program implementer staff will guide program participants through the SDREN residential program offerings and services in partnership with subcontracted engineering consultants, CBOs, and other community partners. Licensed local contractors, electricians, and equipment manufacturers will support the direct installation of energy efficiency measures. There are no known workforce related risks to the successful implementation of the program, though a delay in manufacturing and delivery (or high demand) of equipment could pose a risk to project completion timelines. Additional partners and stakeholders not under contract may include trade associations, chambers of commerce, and municipalities.</td>
</tr>
<tr>
<td colspan="2">Market actors necessary for success:
Third party implementer(s).
Trade professionals.
Local contractors.
Equipment manufacturers.
Community based organizations and community outreach partners.
Property owners.
Property managers.
Tenants.</td>
</tr>
<tr>
<td>Solicitation Strategy: Third-party Solicited</td>
<td>Transition Plan: Not applicable</td>
</tr>
</table>

Expected Program Life: 2024 - Ongoing	**Short Term Plan:** Launch program in 2024 and ramp up implementation through 2027.
Cost Effectiveness: 4-year TRC: 0.12	**Long Term Outlook:** ● HTR and underserved customers, specifically renters, have fair and equal access to programs. ● HTR and underserved communities leverage program resources and incentives at an equal or greater rate than customer base at large. ● Property owners and property managers are aware of program offerings and resources and have the policies to support energy efficiency upgrades.
Proposed Annual Budgets for 2024-2027: **2024:** \$1,549,000 **2025:** \$3,200,000 **2026:** \$3,520,000 **2027:** \$3,872,000 **2024-2027 Total:** \$12,141,000	**Anticipated directional and scale changes in budget for years 2028-2031:** SDREN will continue to maintain program steady-state beyond 2027. For years 2028-2031, budgets will increase at a moderate 4% to address inflation and to meet increasing customer demand.
Implementation Plan: Implementation Plans for all SDREN programs will be developed after CPUC approval of SDREN's application and before implementation begins.	

Portfolio Management

Strategies to Optimize Portfolio and Manage Risk

A comprehensive set of goals and metrics, as outlined in this Business Plan and Portfolio Application, is central to SDREN's strategy for optimizing its portfolio. SDREN's approach to integrate these goals and metrics into our portfolio management is guided by several key strategies, as detailed below.

Establishing a Strong Foundation through Systems and Tracking: We recognize the critical importance of robust tracking and reporting systems to maintain a comprehensive record of program participation and results. These systems will ensure that all aspects of our portfolio are systematically monitored and evaluated. This foundational approach will allow us to maintain transparency, accountability, and a complete understanding of the impact of our programs.

Regular Access to Metrics and Progress: To ensure that our portfolio remains dynamic and adaptable, we will develop data systems capable of generating automated reports for reporting and analysis. This real-time performance tracking will provide us with up-to-date insights into the progress of our programs. It allows us to promptly identify successes and challenges, offering opportunities for continuous improvement. This timely feedback loop will benefit both SDREN and our program implementers, empowering us to make informed decisions and adjust strategies as needed, while also informing our future planning activities.

Prioritization of Goals and Metrics that are Clearly Understood: We recognize that clarity is paramount in our goal-setting and metric selection. Prioritizing goals and metrics that are clearly understood by all stakeholders involved ensures that everyone is working toward a common purpose. This clear understanding fosters alignment and shared commitment to achieving the desired outcomes.

Adaptability and Adjustment to New Metrics and Goals: Our portfolio approach will remain nimble in order to adapt to any new metrics and goals as directed by the CPUC. We will also adjust targets based on evolving market trends or the unique needs of local communities. This adaptability ensures that our programs remain responsive to changing circumstances and are well positioned to achieve their objectives.

Goal Setting and Regular Progress Reporting from Implementers: Our strategy places strong emphasis on goal setting and regular progress reporting by our program implementers. SDREN will set regular reporting schedules while also adhering to any CPUC reporting timelines and requirements. Regular reflection on progress toward programmatic goals will ensure that all stakeholders are informed of successes and challenges, which can open dialogue to pivot and/or enhance implementation activities.

Adjustments to Programs to Optimize Delivery of Goals and Priority Metrics: SDREN seeks to optimize the delivery of goals. Strategies that may be implemented to accomplish this aim include modifying program strategies, reallocating resources, or introducing new initiatives to ensure that we are consistently on track to achieve our targets, while continuing to ensure programs comply with REN CPUC directives.

Our approach to using goals and metrics for portfolio optimization is built upon a foundation of systematic tracking, regular reporting, and evaluation of progress. These strategies ensure that we are not only meeting our goals but are also continuously refining and enhancing our programs to maximize their impacts.

How SDREN Will Stay On-Target

As described above, SDREN recognizes the importance of establishing systems and procedures for tracking and reporting to monitor portfolio progress and ensure it stays on track to achieve its targets. One key element of these plans involves SDREN's implementation of a customer relationship management (CRM) software platform. SDREN's CRM will track progress across all SDREN programs. This platform will form the backbone for collecting, storing, and managing data related to program targets. Further, third party implementers will be expected to use their own tracking databases when appropriate; their data will be shared with SDREN for upload and import to their internal CRM.

To oversee data collection and reporting, a dedicated reporting lead will collaborate closely with program implementers. The lead will be responsible for coordinating the data collection efforts across various programs, ensuring that data is collected accurately and in a timely manner, while ensuring adherence to any CPUC reporting requirements.

SDREN is committed to ongoing assessment and analysis of portfolio reports. These reports will be broken down by sector, segment, and individual program, enabling a granular evaluation of performance. The reports will cover key performance metrics and status, including but not limited to energy savings, Total Resource Cost (TRC), and Total Societal Benefit (TSB), among others. Continuous assessment will ensure that the program is informed of progress and allows for timely identification of potential areas of concern. Any targets appearing to be at risk of not meeting the 4-year portfolio goals will be promptly flagged. SDREN will subsequently initiate a structured process and request that implementers develop a corrective action plan that specifies the actions, strategies, and resources needed to get the targets back on track.

Approach to Risk Management

As the threat of climate change looms, it is imperative for any program portfolio to have a risk management strategy in place. The San Diego region, like many others in the state, has faced a range of unpredictable events, including pandemics, wildfires, flooding, and droughts. These occurrences have underscored the necessity of proactive planning for unforeseen challenges.

As a CCA, SDCP is familiar with the risks and liabilities associated with handling customer data. SDREN will leverage SDCP's experience and customer data confidentiality policy to protect customer information and mitigate the risk of data breaches.

The County of San Diego's Office of Sustainability and Environmental Justice (OSEJ) is a PA of SDREN. This relationship equips SDREN to conduct region-wide assessments following any unpredictable event. Through these assessments, we can swiftly gauge the impacts of events such as natural disasters or crises, enabling SDREN to make data-informed decisions on program adjustments and resource allocations. SDREN is also able to quickly coordinate with SDG&E in these circumstances so resources can be mutually mobilized as needed.

While unpredictable events can present challenges, they also create opportunities for targeted and creative solutions. Such events may lead to increased program participation as communities seek solutions to address their immediate needs. SDREN is positioned to identify and implement approaches that address the evolving priorities of our stakeholders and provide value during times of crisis.

SDCP was not administering customer programs during COVID as SDCP officially launched its service and began enrolling customers in March of 2021. Although SDCP was not administering programs during COVID, best practices were adopted that will be applied to SDCP's management approach. The COVID-19 pandemic demonstrated the importance of adaptability, resilience, and community focused solutions including:

- Similar to other agencies, to limit the spread of COVID-19 SDCP adopted best practices like remote work which has remained post COVID.
- Taking measures to avoid any breakdowns in IT security.
- Staff are equipped with tools to be able to work collaboratively.

The County of San Diego has developed a robust COVID-19 response that is rooted in health equity. Through data examination, the County identified disparities among race/ethnic groups, age, zip code and other factors. This data helped to inform strategies to ensure equity.

Components of the County's COVID-19 response include the Test, Trace, Treat (T3) strategy, a large-scale public health strategy which uses collaborative effort to achieve collective impact in protecting the public's health and ensuring the continuity of such protection throughout all stages of the region's reopening. The T3 Strategy includes accessible COVID-19 testing, culturally competent disease investigation, and assistance with safe isolation with individualized services.

Throughout all COVID-19 response activities, multiple strategies have been employed including:

- A focus on equity.
- Early, active, and sustained engagement of community partners.
- Utilization of scientific evidence and data.
- Proactive transparency and communication.
- Clear goals and measurable results.
- Culturally responsive hiring and staffing practices.

Approach to Flexible Portfolio Management

SDREN has set forth clear high-level goals and crafted **portfolio, segment, and sector-specific strategies** to deliver outcomes that align with our overarching vision. As a smaller non-IOU program administrator, SDREN is well positioned to respond to unexpected events or market adjustments, enabling us to remain agile in the face of change.

Drawing lessons from other regional energy networks that have showcased their ability to remain nimble and adjust program offerings, incentives, or open and close programs to respond to market changes, SDREN is similarly committed to managing our portfolio, segments, and sectors with adaptability in mind. Our primary focus will be on overall management across different levels, ensuring that each program contributes to our overall vision and adheres to SDREN's core values.

San Diego Community Power, serving as the lead program administrator, will oversee, manage and regularly assess if adjustments are necessary within the portfolio to properly manage portfolio, sector or segment level outcomes. These assessments will occur via forecasts, tracking and regular evaluation of outcomes, and review of schedules and costs against established forecasts. SDREN's Advisory Committee, made up of local and regional governments, and community based organizations will also provide feedback on these assessments and recommend portfolio enhancements. SDREN will consider forming sector-specific ad hoc committees that include subject matter experts who will be informed on program assessments. These experts will guide and advise sector strategies to ensure alignment with the overarching portfolio vision.

SDREN will monitor market trends and emerging opportunities to identify where SDREN could effectively fill gaps. This includes any changes to the SDG&E EE portfolio, such as the closing of a third party program. SDREN will regularly coordinate with SDG&E on opportunities to fill gaps, including opportunities to develop offerings that leverage additional programs or funding opportunities for San Diego communities. If an issue or opportunity is identified, SDREN will work collaboratively with appropriate partners to make adjustments to scopes, budgets or schedules to meet the portfolio's needs. This adaptability extends to the closing or developing of new programs as circumstances dictate. All of these activities will focus on both administrative efficiency and portfolio effectiveness.

Planned Procedures and Course Correction if Off-Track

As detailed above and in Exhibit 1, San Diego Community Power will oversee the SDREN portfolio, taking responsibility for both the oversight and management of goals and outcomes, including key metrics. While it's important to note that as a regional energy network, SDREN is not subject to specific cost-effectiveness requirements, we are committed to managing the portfolio to deliver on key metrics. These metrics include TSB, SDREN's unique value metrics, and program specific metrics, all of which will be achieved within budget over the 4-year program period. We also recognize that joint program administrators will be filing a joint Advice Letter by March 25, 2024, which is intended to support the adoption of common long-term market support and equity goals and associated metrics. SDREN intends to engage in this process, since the majority of SDREN's portfolio falls within the equity and market support segments. Once these goals and metrics are finalized, SDREN will also oversee progress toward their achievement.

All programs will be implemented by third party implementers, so when metrics are off track, SDCP will work closely with the implementer to course correct and ensure that goals are achieved. Specific thresholds necessitating corrective actions will be determined depending on the priority of the goal itself. These thresholds will be individually established in each program's manual once the portfolio is approved and programs are launched. In the event that SDREN's portfolio, segment, or programs are noted to be off target based on the regular assessments described in the section above, SDREN will engage its implementer(s) to develop a corrective action plan. SDREN will embed guidance into its contractual documents with each implementer that will specify and outline procedures for the implementer to initiate the plans. Once reviewed and approved, the implementer will put the plan into action and the issue will be monitored until it is resolved. As appropriate, SDREN will engage the Advisory Committee and sector specific ad hoc committees on the proposed improvement plan for feedback and guidance.

Third-Party Programs

As mentioned in previous sections, SDCP is the lead portfolio administrator for the SDREN portfolio and will be responsible for soliciting and managing contracts, tracking performance, and making decisions to deliver on goals. Neither SDCP nor the County of San Diego will be directly implementing programs. Upon CPUC authorization of the SDREN, SDCP will issue solicitations for all programs and select third party implementers to design and deliver all of its approved programs. All of the implementation responsibilities will be solely with the implementer.

Solicitation Strategy

As SDCP serves as the lead portfolio administrator responsible for procurement, SDCP's procurement process will be followed for SDREN.

As a public agency, SDCP procurement processes are open and transparent and all contracts above $125,000 are reviewed and executed by the SDCP Board. Contract approvals are placed on Board agendas and discussed at public Board meetings that are subject to the Brown Act. SDCP's procurement policy[61] establishes practices that facilitate efficient business operations and provide fair compensation and local workforce opportunities whenever possible within a framework of high quality, competitive service offerings.

The scope of solicitations will be based on the program cards included in this application. Solicitations will consider any market changes since submitting the Portfolio Plan, including new legislation, new CPUC decisions and guidance, SDG&E programs, or new programs such as the Equitable Building Decarbonization DI Program. All programs included in this application will be solicited within six months of SDRENs authorization date.

Third-Party 2024-2027 Solicitation Schedule

SDREN anticipates releasing Requests for Proposals (RFPs) for the residential, public, workforce education and training, and codes and standards sectors in Q4 2024 and for the commercial sector in Q1 2025.[62] This is subject to change based on CPUC approval timelines and other unforeseen factors.

Risk Distribution

SDREN will follow processes and protocols established for SDCP including the following to mitigate and distribute risk across its portfolio:

- **Procurement Policy** establishes administrative procurement practices that facilitate efficient business operations and provide fair compensation and local workforce opportunities whenever possible within a framework of high quality, competitive service offerings
- **Supplier Diversity** protocols to encourage diverse businesses to seek contracting opportunities with us. SDCP is committed to providing resources on the Supplier Diversity Program to ensure eligible vendors have the awareness and support they need to pursue certification. SDCP encourages all eligible vendors to seek certification through the CPUC Supplier Clearinghouse. Per California Senate Bill 255 (2019), Community

[61] SDCP's procurement policy can be viewed here: https://sdcommunitypower.org/wp-content/uploads/2022/12/SDCP-Procurement-Policy_Adopted_2022.07.28.pdf.
[62] Assumes SDREN is authorized ahead of Q3 2024.

Choice Aggregators (CCAs) like SDCP are required to report to the CPUC on spending with diverse businesses, as defined by CPUC General Order 156.

- **Inclusive and Sustainable Workforce Policy** demonstrates SDCP's commitment to inclusion extends to its supply chain. Where appropriate, and consistent with applicable law and other SDCP policies, including but not limited to its Procurement Policy, to support a diverse and inclusive supply chain, SDCP will strive to:
    - Use local businesses and provide fair compensation in the purchases of services and supplies.
    - Proactively seek services from local businesses and from businesses that are taking steps to protect the environment.
    - Engage in efforts to reach communities of concern, to ensure an inclusive pool of potential suppliers.
    - Collect information from vendors and project developers on their status as a woman, minority, disabled veteran, and/or LGBT business enterprise.
    - Encourage reporting from project developers and vendors on inclusivity in business staff.
    - Be transparent about these practices and lessons learned.
    - Provide contact information for staff who can answer questions about this Policy.

Additionally, SDREN activities as it relates to its risk distribution of third-party programs fall under oversight of SDCP's Finance and Risk Management Committee (FRMC), a standing committee of the SDCP Board, subject to the Brown Act, whose purpose, as stated in section 5.10.2 of SDCP's JPA Agreement includes providing input and oversight on matters related to financial policies and procedures and risk management policies and procedures.

Incorporation of Input on Current Solicitation Practices

This is not applicable to non-IOU PAs.

Supplier Diversity

SDCP is subject to the requirements of CPUC General Order 156 regarding supplier diversity. To increase the diversity of contractors and services that are utilized by SDREN, SDCP plans to post SDREN solicitations to the Supplier Clearinghouse portal which is visible to certified businesses. While SDCP, as a public agency, is subject to Proposition 209 constraints that prohibit preferential contracting based on race, sex, and ethnicity, it conducts outreach at events such as the CPUC Small Business Expo and within its own community to educate suppliers on the benefits of certification.

Per California Senate Bill 255 (2019), community choice aggregators (CCAs) like SDCP are required to report to the CPUC on spending with diverse businesses, as defined by CPUC General Order 156.[63] Through the statewide Supplier Diversity Program, established by General Order 156 from the California Public Utilities Commission (CPUC), the state aims to connect an

[63] SDCP's Annual Reports can be found here: https://sdcommunitypower.org/supplier-diversity/

increasing portion of these utility expenses with CPUC-certified minority-owned, women-owned, disabled veteran-owned, and/or LGBTQ-owned businesses. Certified suppliers are listed in the publicly accessible Supplier Clearinghouse database. Many utilities, including CCAs like SDCP, utilize the Clearinghouse to identify potential bidders for supplier solicitations.

Public Utilities Code Section 366.2(m) requires certain community choice aggregators, including SDCP, to annually submit to the CPUC: (1) a detailed and verifiable plan for increasing procurement from small, local, and diverse business enterprises; and (2) a report regarding its procurement from women, minority, disabled veteran, and LGBT business enterprises. To assist SDCP with its reporting obligations under Public Utilities Code Section 366.2(m) and with evaluating its supplier outreach and other activities, proposers that are awarded the contract will be asked to voluntarily disclose their certification status with the CPUC Clearinghouse, as well as their efforts to work with diverse business enterprises, including WBEs, MBEs, DVBEs, and LGBTBEs.

Continued Stakeholder Engagement on Solicitation Process

This is not applicable to non-IOU PAs.

Statewide Programs

As a REN, SDREN does not anticipate management of statewide programs, but looks to support existing and future statewide programs. For example, SDREN plans to support or co-brand with BayREN's statewide program if it is deemed appropriate. SDREN programs will also channel projects and customers to statewide programs where applicable. As another example, if the public sector programs identify water or wastewater pumping or process optimization project opportunities, the program will coordinate with the statewide WISE program. Current applicable statewide programs where SDREN plans to coordinate are listed under coordination strategies for each sector.

Assessment and Mitigation of Risk from Portfolio Diversity

As SDCP is the lead Portfolio Administrator responsible for procurement and contract management, SDREN will follow all processes and protocols in place for SDCP, including compliance with SDCP's Procurement Policy, SDCP's Supplier Diversity protocols, and SDCP's Inclusive and Sustainable Workforce Policy.

As a public agency, SDCP is subject to the Brown Act, ensuring all SDREN procurement and contracting by its nature is open and transparent. In compliance with SDCP's procurement policies, SDREN contracts above $125,000 must be approved by the SDCP Board of Directors before final execution. For contracts below $125,000 informal bidding procedures will be applied.

Contract Management

SDCP is the lead agency in the administration of SDREN and will be responsible for contract management. Contract administration and management roles and responsibilities including monitoring, tracking, managing performance, and invoice processing will be described in the Memorandum of Understanding that will be executed between SDCP and the County of San Diego upon CPUC approval of SDREN and approved by their respective Boards. SDREN will deploy effective contract management practices to ensure compliance, meeting critical deadlines, and staying within approved budgets. All contracts will adhere to SDCP procurement policies, SDCP Supplier Diversity protocols and SDCP's Inclusive and Sustainable Workforce Policy, utilize approved language and templates, and comply with CPUC guidelines.

Portfolio Coordination

Coordination with Other PAs

SDREN will operate in a territory that only overlaps with one existing program administrator, SDG&E. Both SDCP and SDG&E have demonstrated commitment to maintaining regular and ongoing coordination, as evidenced by the Letter of Commitment provided in *Exhibit 3 - Appendices - Appendix X: Letters of Commitment*.

- SDCP facilitates a bi monthly San Diego region CCA and SDG&E program coordination call to share information and to coordinate on customer-facing programs to ensure customers are well served.
- Meetings began in February 2023 and are ongoing. SDCP staff provide regular updates on REN developments.
- Program coordination calls with SDCP and SDG&E outside of bi monthly program coordination calls began in October 2023.
- Targeted meetings with SDGE sector specific teams occurred in October – November 2023.

SDREN and SDG&E are both committed to coordinating their respective programs, including all third party programs (3PP). Together, they aim to minimize duplicative offerings and ensure SDREN complements and supplements SDG&E and SDG&E's 3PPs while serving the purpose of the RENs.

SDG&E, in its recent Business Plan Filing and Portfolio Application, emphasized its commitment to coordinating with regional energy networks:

- In the SDG&E Portfolio Application under Codes and Standards, on page 123, SDG&E notes that they will "partner and support collaboration with RENs to educate others on C&S activities."
- Under Portfolio Coordination on page 237, SDG&E notes: "...in the event that a Community Choice Aggregation (CCA) or Regional Energy Network (REN) EE PA is

> approved in SDG&E's service territory, SDG&E will coordinate program offerings with them to avoid customer confusion and duplication of efforts...SDG&E will partner with these entities to effectively deliver Energy Efficiency programs to our customers in our shared territory. In the case that a CCA is looking to start offering EE programs in its geographic location, SDG&E will support the interested CCA by sharing SDG&E's portfolio of programs, policies affecting EE, goals/metrics and overall administration of the EE portfolio. This will ensure that the CCA has the tools and support necessary to be successful."

In alignment with the JCM requirements that originated in D.18-05-041 and were refined in D.21-05-031 and D.23-06-055, SDREN will coordinate closely with SDG&E to develop a Joint Coordination Memo (JCM) to file within 60 days of each true-up and mid-cycle advice letter filing. The JCM will outline regular and ongoing coordination efforts between SDG&E and SDREN.

SDREN will maintain coordination with SDG&E ahead of SDREN's next four-year Portfolio Application. The primary objective behind this coordination is to maximize benefits to the community and customers. Through this approach, SDREN and SDG&E will work in the best interest of the participating customers by providing complementary tools that help bridge gaps in meeting the region's climate goals and avoid customer confusion.

As a new REN, SDREN plans to work closely with the other RENs through CalREN, a new statewide collaborative for California's five existing RENs. CalREN's mission centers on fostering collaboration and unity amongst California's regional energy networks. CalREN provides a venue for RENs to work together to share resources and knowledge, use ratepayer funds cost-effectively, avoid duplicating services and customer confusion, speak with a unified voice in stakeholder engagement processes, and amplify their shared interest in issues that affect their communities. Together, California's RENs can leverage local knowledge, develop best practices, and conduct regulatory and legislative advocacy with a unified voice.

Additionally, SDREN looks forward to collaborating with all existing program administrators through various statewide initiatives and Project Coordination Groups (PCGs). Active participation in these statewide groups will enable SDREN to stay informed about emerging best practices as it emerges as a new program administrator. These groups help to create efficiencies through sharing of resources towards common goals and also promote statewide consistency. SDCP will join the California Energy Efficiency Coordinating Committee (CAEECC) as a program administrator coordinating committee member once authorized. In anticipation of becoming a program administrator, SDCP has already started participating in regular CAEECC meetings and is participating in joint program administrator calls regarding metrics.

How SDREN's Portfolio is Complementary With Other PAs in Service Territory

SDREN has completed a comprehensive review of SDG&E's 2024-2031 Business Plan, 2024-2027 Portfolio Application, solicitation schedule, and available Implementation Plans of existing programs. Our approach involves closely monitoring Advice Letters and actively participating in public webinars for programs that are in the process of closing or are at the IP draft stage. This proactive strategy allows us to stay abreast of the latest developments in SDG&E's programs.

As previously mentioned, SDREN held meetings with SDG&E during the development of the SDREN Business Plan and Portfolio Application. SDG&E invited EE staff leading the sectors/segments identified by SDREN to provide updates on solicitation plans and review draft SDREN programs. SDCP also held sector-specific coordination meetings with the SDG&E commercial, codes and standards, WE&T, public, and residential sector and appropriate EE program team members to discuss any comparable programs, potential gap filling activities, and anticipated coordination strategies at the individual program level. This gave SDG&E an opportunity to ask any clarifying questions and voice any anticipated concerns with future program delivery. The matrix developed in coordination with SDG&E is listed in *Exhibit 3 - Appendix X: SDREN SDG&E Program Matrix*. The specific strategies discussed were also incorporated into the sector-specific coordination strategies outlined in earlier sector strategy sections. The goal of these interactions was to ensure SDREN's proposed programs are designed to complement SDG&E's planned and existing programs.

Given that several solicitations within the SDREN targeted sectors are either ongoing or yet to be developed, SDREN remains flexible in its approach. After approval of the Business Plan, we plan to reevaluate certain programs and will make adjustments prior to soliciting programs to third parties. In situations where program services appear to be similar or overlap between SDREN and SDG&E, SDREN will market these programs to HTR customers not targeted by the SDG&E program.[64, 65]

The table below offers a sector-by-sector breakdown of how SDREN's portfolio complements SDG&E's, illustrating the strategic alignment and cooperation between the two Program Administrators to maximize benefits for the region.

Table 45. SDREN Summary of Complementary Offerings by Sector

SDREN Sector	How it complements SDG&E'S portfolio
Commercial	• Fill geographic and service gaps with SDGE&'s programs, with a focus on small businesses and corner stores.

[64] D. 23-06-055 Pg 88: The Commission also agrees with providing further direction regarding REN programs that only meet the criterion of serving hard-to-reach customers (and not the gap filling or pilot criteria confirmed by D.19-12-021). Such programs must be designed to target, and must market exclusively to, hard-to-reach customers or specific hard-to-reach customer segments. REN whole building multifamily residential programs that only meet the hard-to-reach criterion should target their marketing efforts to properties in which they can reasonably infer the majority of tenants are hard-to-reach customers; to facilitate coordination, we will require RENs to describe in their JCMs how they will identify customers or buildings to target marketing.

[65] D. 23-06-055 Pg 89: we expect programs offered by different PAs will not significantly overlap, except for programs intended to serve hard-to-reach customers. We maintain a preference for PAs to work collaboratively not only to minimize duplication in non-hard-to-reach customer populations but importantly to strive toward effective regional strategies and complementary program offerings; to be clear, PAs should communicate regularly in the course of administering their portfolios and preparing applications for future cycles; this regular communication is particularly important in light of the IOUs' solicitations, which could result in the launch of new programs at any time and potentially implicate existing programs offered by other PAs.

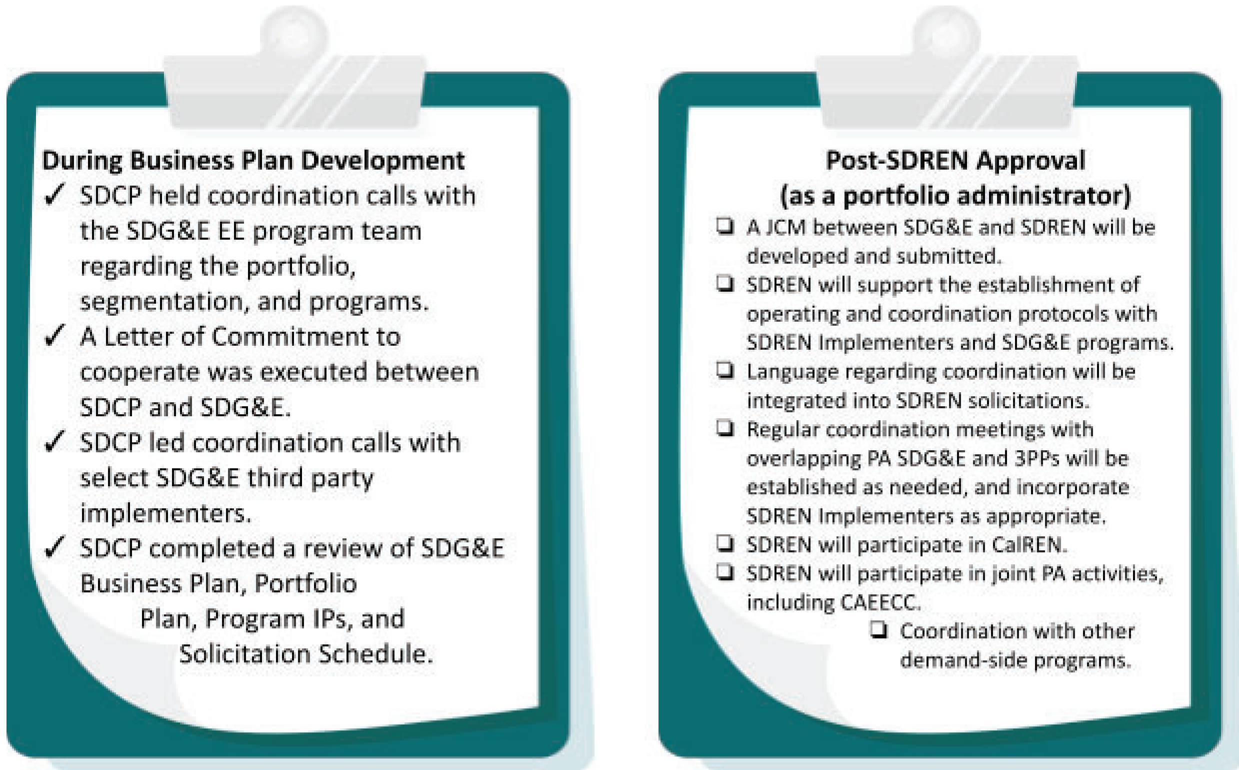
	● Customer engagement representatives will direct customers to programs that best suit their needs, including SDG&E programs ● Ongoing discussions with SDG&E as they finalize their commercial portfolio
Codes & Standards	● Additional support for electrification mandates ● Customized educational solutions for public agency building departments ● Coordinate with SDG&E to develop complementary codes & standards and subsequent educational strategies to increase regional compliance and advance state goals
WE&T	● Coordinate with SDG&E on potential internships and job opportunities ● Build upon curriculum offered in statewide programs by offering community college courses (CTE)
Public	● Coordinate targeting of K-12 schools to address gap left by discontinued SDG&E KEEP program ● Refer participating Tribes to SDG&E programs as appropriate ● Develop programming that addresses gaps for Tribal projects that do not qualify for SDG&E programs
Residential	● Coordination with ESA - multifamily offering to support multifamily facilities only partially covered by ESA. ● Coordinate with the ESA program to direct customers to program when eligible and measures will complement ESA measures. ● Coordination with SDG&E residential equity program (anticipated launch Q3 2024) to identify complementary measures

How SDREN's Portfolio Mitigates Duplication of Efforts

As described in the previous sections, SDREN's approach to portfolio design places a strong emphasis on complementing and coordinating with SDG&E's portfolio. This alignment extends beyond design and planning; SDREN remains committed to ongoing collaboration and coordination following authorization to prevent duplication of efforts, customer confusion, and to ensure cost efficiency. Our actions during the development of this Portfolio Application reflect this commitment.

The figure below summarizes actions SDREN took during the development of the BP and what actions are planned following authorization.

Figure 12. Activities to mitigate duplication of efforts between SDREN and SDG&E



How SDREN Will Coordinate Efforts With Other Demand-Side Programs

SDREN recognizes the importance of a coordinated approach with other demand-side programs to ensure maximum energy efficiency and customer benefit. Our coordination efforts include joint marketing initiatives, the stacking of incentives, and comprehensive customer education.

SDREN's commitment to coordination is integral to meeting our portfolio goals of advancing decarbonization, providing robust EE services that improve outcomes for underserved and hard-to-reach communities, and accelerating the clean energy economy through workforce opportunities. Our coordination plans entail a broad spectrum of strategies aimed at ensuring that demand side programs are interconnected and complementary, maximizing the benefits to our customers. The following table outlines the planned coordination and integration strategies:

Table 46. Coordination and Integration Strategies for Other IDSM Offerings

Other IDSM offerings	Coordination and Integration Strategies

IRA - Tax Credits, rebates, grants, & loans	● Increase customer awareness through education and outreach about offerings customized for customers by segment and program. ● Support customers with the stacking of rebates with SDREN offerings. ● Offer support services to customers to take advantage of tax credits, tax deductions, and grants where feasible. ● Provide technical assistance and guidance to customers on how to qualify and utilize IRA funding. ● Include IRA opportunities in financial analyses for customers.
TECH Clean California	● Coordinate on workforce development efforts. ● Offer education and marketing; seek co-branding opportunities. ● Develop and integrate strategy for stacking of offerings and incentives. ● Integrate C&S focus for heat pump permitting statewide efficiency efforts.
California Equitable Decarbonization Direct Install Program	● Coordination with selected Southern California program administrators. ● Offer local marketing and outreach support. ● Stack rebates and other offerings for customers.
Energy Savings Assistance Programs - Multifamily & Single Family	● Multifamily: Assist eligible customers in accessing the program and facilitate stacking of incentives for non-deed restricted units. ● Single-family: Assist eligible customers in accessing the program.
SDG&E Demand Response Programs[66]	● Base Interruptible Program (SDG&E proposes to retire this program in 2024) ● Capacity Bidding Program (SDG&E proposes to retire the traditional CBP product due to lack of interest while retaining CBP Elect products) ● Capacity Bidding Residential Pilot ● AC Saver Program (SDG&E proposes to rename program "Smart Energy Program" and expand program beyond ACs)

[66] Application of SDG&E Requesting Approval of Its Demand Response Portfolio for Bridge Year 2023 and Program Years 2024-2027, Prepared Direct Testimony of E Bradford Mantz - Chapter 1B on Behalf of San Diego Gas and Electric Company, May 2, 2022. As of the writing of this document, the CPUC has not adopted a final decision on SDG&E's Demand Response portfolio for Program Years 2024-2027.

	● Heat Pump Water Heaters ● Emergency Load Reduction Program (ELRP)
Self-Generation Incentive Program (SGIP)	● Deliver marketing and education to customers. ● Potential to support customers applying for incentives (eligible through IDSM funding).
SDCP programs	● Residential Solar and Storage Program ● Solar for Our Communities green tariff program ● Commercial Peak Load Reduction Pilot ● Community Clean Energy Innovation Grant Program ● DAC-SASH Enabling Roof Repair Pilot ● Managed EV Charging Pilot
Clean Energy Alliance Programs	● Support marketing of programs to customers. ● Encourage and offer stacking of offerings where appropriate.
EV Charger Programs (CALeVIP's Golden State Priority Project, SDG&E Power Your Drive, etc.)	● Offer education and marketing of programs to customers. ● Provide support to access incentives (eligible through IDSM funding).
Market Transformation	● General collaboration with Market Transformation. Administrator and initiatives to ensure program funds and efforts are aligned. ● Collaborate to support inclusion of currently non-cost-effective electric technologies in programs in support of transition to economic viability and broader adoption through programs. ● Support strategies related to building performance and grid interactive buildings. ● Explore opportunities to collaborate for C&S. ● Integration into WE&T programs.

Stakeholder Engagement in the Development of This Application

In response to the CPUC requirements of stakeholder feedback and SDREN's desire to have effective and community-centric programs, SDREN conducted robust stakeholder feedback processes. The region's previous efforts to start a REN were examined and considered upon partaking in this effort. Key stakeholders include regional and community organizations as well as energy efficiency stakeholders across the state. A majority of feedback was overwhelmingly positive with support for the formation of an SDREN, along with the proposed structure, values, strategies, and programs. An overview of this engagement is included in *Exhibit 1 - SDREN Business Plan Testimony (2024-2031), Stakeholder Engagement*.

In total, SDREN consulted with stakeholders in over 60 meetings throughout the development of the Business Plan. Business Plan updates and calls for feedback were also presented in 8 public meetings. In both instances, feedback was encouraged and the process was communicated to ensure adequate time and information for review. All stakeholder feedback, including SDREN's response, can be seen in *Exhibit 3 - Appendix X: Stakeholder Feedback*. Feedback collected during this time period was generally in support of bringing REN resources to the region.

Evaluation, Measurement, and Verification

Summary of Planned EM&V Studies and Activities

SDREN is committed to actively participating in the evaluation, measurement, and verification (EM&V) process to ensure the effectiveness and efficiency of its energy programs. We recognize the importance of collaboration with various stakeholders to enhance the EM&V framework and contribute to well-informed decision-making on both SDREN and the energy efficiency portfolios across program administrators. Our approach to EM&V aligns with the collective efforts of the energy community in California. We are committed to the following:

Engagement and Collaboration: SDREN plans to work closely with CPUC staff, IOUs, and other PAs, with a particular focus on coordinating with other fellow RENs. We will actively participate in the development of CPUC EM&V Roadmaps and engage in various EM&V studies and working groups to ensure alignment with statewide objectives.

Contribution to REN Studies: SDREN recognizes that there are common needs and objectives among RENs. We are committed to joining and contributing to studies and activities that are relevant to RENs, ensuring that our actions are in harmony with the regional and statewide efforts.

Built-In Data Collection: In line with our commitment to sound program evaluation, SDREN plans to incorporate data collection mechanisms within each of our energy programs. This approach will facilitate the collection of valuable data needed for program performance assessment and the broader EM&V process.

Active Participation in EM&V Planning: We will take an active role in the planning and implementation of EM&V activities. This includes contributing to the design and execution of measurement and verification plans to assess the effectiveness of our energy programs.

By embracing these principles, SDREN will contribute to the continuous improvement of the EM&V framework and ensure that our energy programs deliver the expected benefits to the community and the environment. We are dedicated to maintaining an open and collaborative approach, working hand-in-hand with the CPUC, IOUs, and fellow PAs to enhance the EM&V process for the benefit of all stakeholders.

Planned EM&V Studies: Following the approach outlined above, SDREN will build out a more comprehensive plan for EM&V studies following authorization. Some initial planned activities include:

- Leading a SDREN unique value metrics and goals study as described in *Key Metrics and Outcomes* section.
- Supporting a study to set goals for the market support and equity segment indicators.[67]
- Coordinating with existing workforce assessments to determine gaps that could be supported through SDREN EM&V efforts towards prioritization of workforce development for electrification.

SDREN's Budget Allocation and Justification

SDREN has applied an additional 4% budget allocation on top of its portfolio budget request to set aside for EM&V activities. This equates to a total EM&V budget of $4,779,777. Pursuant to Decision 16-08-019, the total EM&V budget split between SDREN as the program administrator is at 27.5% and CPUC at 72.5%.[68]

Cost and Cost Recovery

San Diego Gas and Electric is the only overlapping program administrator with SDREN. Our recommendation is 100% of the funding and cost recovery come from SDG&E as the fiscal agent. This approach is also consistent with the Letter of Commitment signed by SDG&E.

Summary of Costs at Portfolio-level

San Diego Regional Energy Network built a program-level budget to deliver on the priorities of the region. As the budget was developed, inflation and program ramp up costs were considered. SDREN also assumed that programs would not launch until late 2024, therefore 2024 budgets are much smaller than future years. Detailed budget breakdowns are included in the *SDREN 2024-2031 EE Application Excel Sheets*, in accordance with CPUC Decision 21-05-031.[69] The below table summarizes portfolio-level costs.

Table 47. Summary of Portfolio-Level Costs 2024-2027

Sector	Admin	M&O	Direct Implementation - Non Incentive	Direct Implementation - Incentive	Total

[67] D.23. , OP. 25 "The portfolio administrators (PAs) shall set aside at least $1 million from their collective evaluation, measurement, and verification (EM&V) budgets and shall select one PA from among them to hire a vendor or vendors to conduct a study to set goals for the market support and equity segment indicators. By no later than March 1, 2025, the PAs must submit a joint Tier 3 advice letter…".
[68] D.16-08-019, pg. 81.
[69] D.23-06-055, OP5.

Commercial	$3,479,004	$2,087,402	$14,052,495	$15,171,137	$34,790,038
Cross Cutting: WE&T	$1,922,543	$1,153,526	$16,149,357	$0	$19,225,425
Cross Cutting: C&S	$732,396	$439,437	$6,152,122	$0	$7,323,955
Public	$2,325,001	$1,395,001	$12,823,341	$6,706,668	$23,250,011
Residential	$3,490,500	$2,094,300	$10,340,140	$18,980,060	$34,905,000
EM&V	$4,779,777	$0	$0	$0	$4,779,777
Total	$16,729,220	$7,169,666	$59,517,456	$40,857,865	$124,274,206

SDREN's Approach to Classification of Unspent Funds

San Diego Regional Energy Network will follow all procedures and guidance from the CPUC Energy Efficiency Policy Manual and Energy Division in coordination with SDG&E on classification and handling of "committed" funds. SDREN will apply the policy from the CPUC EE Policy Manual, which is quoted below:[70]

> *"Committed funds are defined as those associated with individual customer projects and/or are contained within contracts signed during a previous program cycle and associated with specific activities under the contract. Committed funds are not considered "unspent funds," and need not be spent during that program cycle so long as there is an expectation that the activities will be completed and that the committed funds are spent to complete the activities for which they were committed. Savings will be counted in the cycle in which the project is completed (D.12-11-015, pg. 92)."*

SDREN has reviewed SDG&E's approach to classification of "committed" funds in their Portfolio Application[71] and will apply best practices from their approach to committed funding as SDREN initiates operations.

[70] CPUC Energy Efficiency Policy Manual, Version 6, April 2020, Section II. 6.
[71] SDG&E EE Portfolio Plan Testimony (2024-2027) - Exhibit 2, pg. 254 "As part of the preparation for closing out the program year, SDG&E analyzes each program to identify existing contracts or approved program expenditures for which the underlying contracted service or program activity will be completed after December 31 of the program year. SDG&E retains copies of the contracts, agreements, engineering documentation, subsequent invoices, and any other relevant documentation that supports the identification of a future expenditure as committed to a prior program year and therefore not applied to reduce revenue recovery of a future program year. SDG&E monitors the status of committed funds through the future payment of the program expenditure. SDG&E does not propose any changes to the treatment of unspent, uncommitted funds for program years 2024-2027."

SAN DIEGO COMMUNITY POWER
Staff Report – Item - 12

To: San Diego Community Power Board of Directors

From: Laura Fernandez, Director of Regulatory & Legislative Affairs
Aisha Cissna, Senior Policy Manager
Stephen Gunther, Senior Regulatory Analyst

Via: Karin Burns, Chief Executive Officer

Subject: Update on Regulatory and Legislative Affairs

Date: December 14, 2023

RECOMMENDATIONS

Receive and file the update on regulatory and legislative affairs.

BACKGROUND

Staff will provide regular updates to the Board of Directors regarding SDCP's regulatory and legislative engagement.

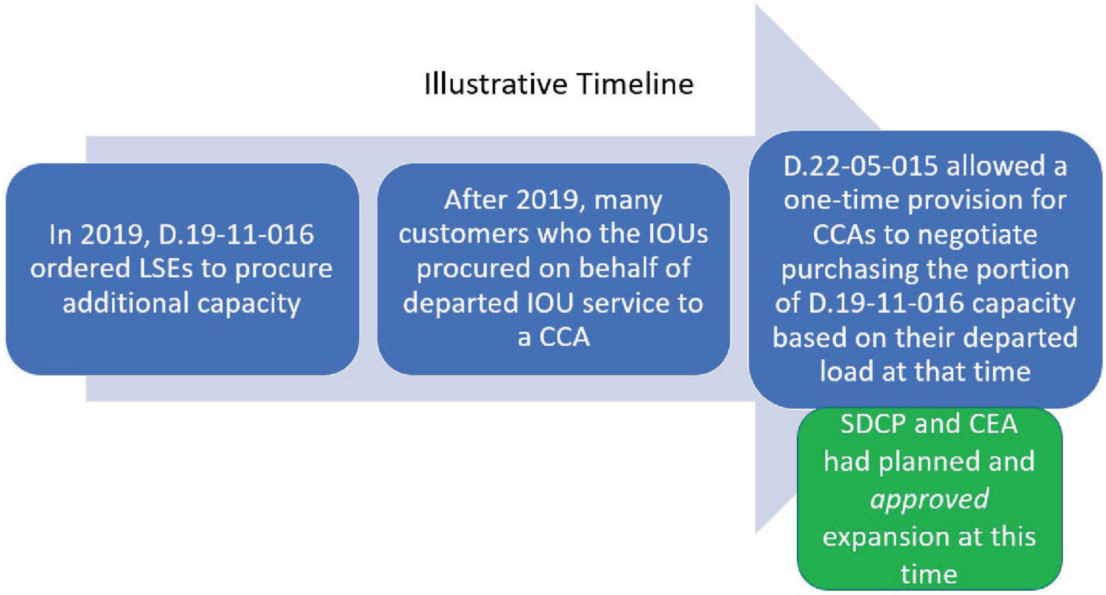
ANALYSIS AND DISCUSSION

A) Regulatory Updates

Proposed Decision Granting Petition for Modification of Decision (D.)22-05-015 on Modified Cost Allocation Mechanism (MCAM)

Background of D.22-05-015

To address the potential for electricity system resource adequacy shortages, the California Public Utilities Commission ("CPUC") issued Decision (D.)19-11-016 within the Integrated Resource Planning ("IRP") process on November 7, 2019. This Decision directed load serving entities ("LSE") to procure 3,300MW of system-level resource adequacy ("RA") capacity for 2021-2023 and ordered cost recovery through the Modified Cost Allocation Mechanism. However, after D.19-11-016, there was significant load shift to CCAs from the investor-owned utilities ("IOU"), including load shift resulting from the formation of SDCP and five other new CCAs. As such, the CPUC issued D.22-05-015 authorizing a one-time provision for LSEs with new load after 2019 to purchase their customers' share of RA capacity.



Joint CCA Petition for Modification

D.22-05-015 states that authorization to purchase RA capacity is, "a one-time provision that shall be based on the load of the non-IOU LSE, as mutually agreed between the IOU and the non-IOU LSE, as of the effective date of this decision and shall not include any charges for time periods prior to the effective date of this decision." Both SDCP and Clean Energy Alliance ("CEA") experienced load growth after the date of the Decision and interpreted the order to allow the use of its 2023 Year Ahead revised load, which was filed with the CPUC shortly before the issuance of D.22-05-015 and is representative of a mutually agreed upon load share. However, within negotiations SDG&E was unwilling to contract for amounts other than SDCP and CEA's respective load share at the time of the Decision.

Because a resolution could not be reached in bilateral negotiations, on October 28, 2022, SDCP and CEA (Joint CCAs) jointly filed a Petition for Modification ("PFM") of D.22-05-015 to seek clarity and guidance from the CPUC. Specifically, the requested modification would allow for the use of 2023 Year Ahead load forecasts for D.19-11-016 resource allocations.

On November 28, 2022, SDG&E, Southern California Edison ("SCE"), and the California Choice Energy Authority filed responses to the Joint CCA's PFM. Upon request, the Joint CCAs were granted permission by the ALJ to reply to the responses, which were filed on December 8, 2022. In addition, the SDCP met with CPUC Energy Division staff and held an Ex Parte meeting with Commissioner advisors to explain the need for the PFM and answer any questions.

Proposed Decision Denying the PFM and Withdrawal

On August 24, 2023, the CPUC issued a Proposed Decision denying the Joint CCA PFM. In its denial of the PFM, the Commission explained that the one-time provision was designed to balance the inequity created by the uncertainty of the cost recovery mechanism between the passage of D.19-11-016 and D.22-05-015, and that the purchase provision was not intended to extend beyond the time when D.22-05-015 was issued.

The Joint CCAs filed opening comments on September 13, 2023, reiterating previous arguments and quantifying the potential impact on ratepayers. Specifically, the Joint CCAs argued that by denying the PFM:

- **Customers would pay twice for the same capacity, costing them at least $54 million over 12 years.**
    - First: replacement capacity through their CCA generation rates (conservatively $54 million)
    - Second: SDG&E projects 880 MW of Unsold RA, meaning these same customers will continue to pay for D.19-11-016 procurement ($41 million, if all is left unsold)

On September 18, 2023, reply comments were filed by SDG&E and the California Choice Energy Authority. In addition, the Joint CCAs held an Ex Parte meeting with Commission staff on September 14, 2023, and continued to educate policymakers about the potential negative impact the Proposed Decision would have on ratepayers.

The CPUC was scheduled to vote on the Proposed Decision on October 12, 2023, but withdrew the item from the agenda on October 9.

Proposed Decision Granting the PFM

On November 9, 2023, the CPUC issued a new Proposed Decision granting the Joint CCA PFM. The Proposed Decision concurred with the Joint CCA arguments, noting it is "reasonable to base the volume of resource adequacy capacity available to them for purchase on a one-time basis, according to D.22-05-015, on the load that was expected to be served in 2023."

Ultimately, if adopted, the **Proposed Decision will allow SDCP to purchase an additional 36 MW of system RA capacity at the Market Price Benchmark beginning for 2025 resource adequacy requirements and continuing throughout the life of the resource adequacy contracts, thus saving ratepayers tens of millions of dollars**. (At the time of filing the opening comments on September 13, 2023, the Market Price Benchmark was $7.39/kW-month – this has since been updated to $14.37 – meaning that the value of this decision has increased from a savings of $54 million to well over $100 million for CCA ratepayers).

Opening comments were filed on November 29, 2023, and the Joint CCAs filed reply comments on December 4, 2023. (The reply comments are Attachment A to this staff report). The Proposed Decision is expected to be voted on during the December 14, 2023, CPUC Business Meeting.

Resource Adequacy (RA)

On October 12, 2023, the CPUC voted to open a new Order Instituting Rulemaking (OIR) to Oversee the Resource Adequacy Program, Consider Program Reforms and Refinements, and Establish Forward Resource Adequacy (RA) Procurement Obligations (see page 22 of the regulatory and legislative staff report for the October 2023 meeting of the Community Advisory Committee for an outline of the OIR).

In November, SDCP staff worked with CalCCA to file opening and reply comments on the OIR to advocate for critical issues to be included in the scope of the new rulemaking, R.23-10-011. Specifically, CalCCA's comments included the following arguments:

- Background:
    - The RA supply and demand balance makes it difficult, if not impossible, for every LSE to meet its RA requirements
    - The shortage of RA has capacity prices at all-time highs
- Recommendations for Scope Prioritization
    - The Commission should prioritize the RA compliance and penalties scope item given the current lack of RA supply making it more difficult for LSEs to comply with their requirements and more likely LSEs will need to pay exorbitant prices to obtain scarce supply
    - The Commission should prioritize 24-Hour Slice-of-Day Framework scope item to allow time to resolve any outstanding issues identified by Energy Division or Stakeholders prior to the first Slice-Of-Day compliance year
    - The Commission should include a revisit of the CPE Model within the scope of this proceeding because the current model has produced more deficiency in local procurement than when LSEs had individual obligations
    - The Commission should revisit the maximum Non-Resource Specific RA Bid Price in light of new information about RA import trends within California and capacity trends West-Wide
    - The Commission should prioritize the exploration of a UCAP counting methodology and expand this scope item to include an

assessment of the Counting Rules for Hydroelectric resources to ensure RA capacity is not stranded during Above-Normal hydro years

A Prehearing Conference was held on November 17, 2023. SDCP staff will continue to closely track and engage in this proceeding.

Energy Resource Recovery Account (ERRA) Forecast Proceeding Update

On November 27, 2023, the CPUC issued a Proposed Decision ("PD") in the ERRA Forecast proceeding. If approved, the PD would adopt SDG&E's updated 2024 revenue requirement. The PD also adopts SDG&E's Electric Sales Forecast for 2024, GHG Allowance Return Rates, Power Charge Indifference Adjustment ("PCIA") rates, rate components for the Green Tariff Shared Renewables Program, and MCAM rates.

In this proceeding, SDCP along with CEA had argued in briefing that SDG&E should be directed to adopt a forecasted 2024 RA sales volume equal to the average of actual RA sales recorded in 2023 to date. The PD agrees with SDCP and CEA and indicates that SDG&E should revise its 2024 RA sales forecast using the average of actual RA sales recorded in 2023 to date. This will mean a reduction in PCIA portfolio costs of $36.7 million, the vast majority of which will go to CCA customers as a benefit. This reduction in costs would show up in rates in January 2024.

Comments on the PD were filed December 4, and reply comments were filed December 7. A final decision expected to be adopted by December 14, 2023.

Net Billing Tariff Update: CPUC Decision Addressing Remaining Proceeding Issues

Background
In December 2022, the CPUC adopted the net billing tariff ("NBT") as the successor to the net energy metering ("NEM") tariff. The NBT is structured to incentivize battery storage, increase dispatch of renewable energy during times of peak demand, and reduce cost-shift onto non-participating customers. The NBT compensates rooftop solar customers at the Avoided Cost Calculator ("ACC") rate which equates to customers receiving approximately 80% less for their exports to the grid than they received under NEM.

On November 16, 2023, the CPUC adopted a decision speaking to the remaining issues in the proceeding, including consumer protections, customer billing presentation improvements, implementation of prevailing wage requirements for contractors installing rooftop solar systems, evaluation principles for the NBT, and aligning the existing virtual net energy metering (“VNEM”) tariff and net energy metering aggregation (“NEMA”) subtariff with NBT. The successor VNEM tariff is termed the “Virtual Net Billing Tariff” and the successor NEMA subtariff is termed the “Aggregation Subtariff”. Together, VNEM and NEMA customers constitute less than 2% of total SDCP accounts.

Key outcomes from this decision are detailed below.

Key Changes: Virtual Net Energy Metering

VNEM is a program largely utilized by multi-family properties to be compensated for solar production. It is distinct from traditional NEM because the electricity doesn't flow directly to any tenant meter but feeds directly back onto the grid. The intent of VNEM is to help tenants receive the direct benefits of the building's solar system, rather than all the benefits going to the building owner.

Under the Virtual Net Billing Tariff (“VNBT”), customers will be compensated for excess production based on the Avoided Cost Calculator (“ACC”) values, as is the case under NBT. While the ACC rates are vastly lower than the current export compensation rate, one notable change between the proposed decision and adopted decision is that residential VNBT customers’ self-generation will be recognized. Under the previous proposal, customers would be required to buy all of their energy from the utilities at full retail rates, even if some of that energy was being generated on their own rooftop. Additionally, it would have required customers to sell all their generation to the utilities at the ACC rate, even if some of that energy was being used by tenants in real time. This outcome makes the successor tariff slightly more economical for VNBT customers who are renters, a customer class that is predominantly lower income.

The decision also adopted the ACC Plus glide path for VNBT residential customers, which is the same as the structure adopted for the NBT. Accordingly, nonresidential and SDG&E VNBT customers are not eligible for the ACC Plus.

ACC Plus Adders For Residential Benefiting Account Holders Participating in the Residential Virtual Net Billing Tariff		
Utility	**Low-Income Customers**	**Non-Low-Income Customers**
PG&E	$0.090/kWh	$0.022/kWh
SCE	$0.093/kWh	$0.040/kWh
SDG&E	$0.000/kWh	$0.000/kWh

For imports, residential VNBT customers can enroll in any eligible time-of-use ("TOU") rate, and non-residential customers can enroll in any currently available rate schedule. VNBT customers can add storage to their existing system without altering their tariff status and can operate their systems, including storage devices, to serve onsite load during planned or emergency grid outages. Grid charging of onsite batteries is prohibited; however, the decision directs a process to develop an approach to allow grid-charging of batteries ahead of outages.

The SOMAH (Solar on Multifamily Affordable Housing) and MASH (Multifamily Affordable Solar Housing) tariffs are similar to the VNEM tariff and were established to help incentivize solar production on low-income multifamily dwellings. The CPUC opted to continue these tariffs as-is.

The sunset date for the current VNEM tariff is 11:59 p.m. on February 13, 2024. Full implementation of the VNBT will occur on March 31, 2025. Customers who sign-up for VNBT after the sunset date will be served on the VNEM tariff until full implementation of VNBT occurs. In the decision establishing NBT, the legacy period for VNEM customers was reduced to 9 years for customers enrolling in the tariff after April 15, 2023. Customers currently enrolled in VNEM retain their 9-year legacy period and will not be transitioned to the new tariff until that legacy period ends.

Key Changes: Net Energy Metering Aggregation

NEMA is designed to benefit a single customer with multiple eligible meters on the same property, or an adjacent or contiguous properties. It is often used by agricultural customers and municipalities. Changes to NEMA under this decision are largely the same as those made to VNEM, with differences noted below.

Previously, NEMA customers did not receive net surplus compensation ("NSC"). Under the Aggregation subtariff, customers will now receive NSC if their generation exceeds consumption at the end of the year. Residential customers taking service on the Aggregation subtariff are required to enroll in highly differentiated TOU import rates, while non-residential customers can take service on any available TOU rate. No netting is allowed under the Aggregation subtariff; however, this will not prevent self-consumption.

The sunset date, implementation date, legacy treatment, and interim treatment of customers is the same under the Aggregation subtariff as the VNBT.

CCA Engagement

SDCP and other CCAs submitted joint opening comments requesting changes to the decision language to ensure unbundled customer billing issues are explicitly addressed in billing presentment workshops required by the decision. The Joint IOUs opposed the Joint CCA proposal in reply comments.

To further advocate for unbundled NBT customers' billing needs following comments, SDCP organized two meetings with President Reynolds' staff to emphasize the need to change the decision language. These meetings were successful, and the Commission adopted the Joint CCAs' requested language. Billing presentment workshops will commence no later than April 13, 2024.

B) Federal Activities Report

As reported in the July 27, 2023, Update on Regulatory and Legislative Affairs, SDCP CEO Karin Burns requested during the SDCP Fly In to Washington DC that Congressman Scott Peters author a letter regarding CCA eligibility for funding flowing from the Inflation Reduction Act. Mr. Peters agreed to author the letter and his staff also led an effort to get other members of the California delegation, including Congressman Mike Levin, to sign onto the letter. SDCP worked with other CCAs in the state who also reached out to their representatives requesting that they sign onto the letter. The final version of the letter is attached to this staff report (Attachment B).

On October 31, 2023, the Environmental Protection Agency (EPA) responded to the letter in the affirmative, stating "*we anticipate allowing CCAs to participate in programs as appropriate*." The letter also states: "*We concur with the important work that CCAs offer, including fostering partnerships and aggregating local government projects where appropriate*." The full letter is attached to this staff report as Attachment C.

AD-HOC COMMITTEE AND/OR SUBCOMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

Attachment A: Reply Comments of SDCP and CEA on Proposed Decision
Attachment B: Letter to Secretary Granholm and Administrator Regan
Attachment C: Response from EPA

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Continue Electric Integrated Resource Planning and Related Procurement Processes.	Rulemaking 20-05-003 (Filed May 7, 2020)

**REPLY COMMENTS OF SAN DIEGO COMMUNITY POWER
AND CLEAN ENERGY ALLIANCE ON PROPOSED DECISION**

Tim Lindl
KEYES & FOX LLP
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San Francisco, CA 94104
Telephone: (510) 314-8385
E-mail: tlindl@keyesfox.com

December 4, 2023

On behalf of San Diego Community Power and Clean Energy Alliance

SUMMARY OF RECOMMENDATIONS

San Diego Community Power and the Clean Energy Alliance respectfully request the Commission take the following actions in response to parties' opening comments:

1. Make minor adjustments to references to the term "load forecasts" in the body, findings and conclusions of the Proposed Decision ("PD") to match that in Ordering Paragraph 2 to prevent bad faith implementation of the PD's orders;

2. Reject Southern California Edison's ("SCE's") request for special treatment; and

3. If the Commission finds them reasonable, adopt (a) SCE's request for an April 1, 2024, advice letter filing date and (b) the modifications to the PD proposed by Pacific Gas and Electric, Peninsula Clean Energy, and East Bay Community Energy to ensure the PD does not upend existing contracts using reasonable, agreed-upon calculations of load share.

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue Electric Integrated Resource Planning and Related Procurement Processes.	Rulemaking 20-05-003 (Filed May 7, 2020)

REPLY COMMENTS OF SAN DIEGO COMMUNITY POWER AND CLEAN ENERGY ALLIANCE ON PROPOSED DECISION

Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission (the "Commission"), San Diego Community Power ("SDCP") and Clean Energy Alliance ("CEA") (together, the "Joint CCAs"), hereby submit these Opening Comments on the Proposed Decision of Administrative Law Judge Julie A. Fitch, issued on November 9, 2023, *Granting Petition for Modification ("PFM") on Modified Cost Allocation Mechanism* (the "Proposed Decision" or "PD").

The Joint CCAs appreciate Judge Fitch and the Commission's on-going consideration of the PFM and are grateful for the PD's conclusions adopting it. The PD saves ratepayers in San Diego – customers who already reside in the most utility cost burdened region in the Unites States[1] – at least $100 million over the next 12 years.[2] It achieves the specific purpose behind the one-time provision in Ordering Paragraph ("OP") 4 of Decision ("D.") 22-05-015: to avoid requiring customers "to pay for past procurement from which they received no benefit."[3] It builds on that decision and the record in this proceeding to clearly support its conclusions, despite arguments in San Diego Gas & Electric Company's ("SDG&E's") opening comments that the decision is "arbitrary and capricious." [4] It is neither.

SDG&E's comments err in suggesting savings from the PD will bypass bundled ratepayers.[5] The PD better optimizes SDG&E's long RA position by requiring it to sell more capacity, which benefits *all*

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1 *See Electricity and Natural Gas Rates: The California Public Utilities Commission and Cal Advocates Can Better Ensure That Rate Increases Are Necessary*, Report No. 2022-115, August 29, 2023, available at https://www.auditor.ca.gov/reports/2022-115/index.html#section3 (stating that more than 25 percent of SDG&E customers were more than 30 days behind on paying their utility bills).

2 The $54M figure cited in the Joint CCAs' opening comments on the August PD is now over $100M because the benchmark for system Resource Adequacy ("RA") in SDG&E's service territory doubled from the forecast of $7.39/kW-month used in the opening comments to $14.37/kW-month for 2023. The RA Adder is forecasted to be $15.23/kW-month in 2024.

3 D.22-05-015 at 60.

4 R.20-05-003, *Comments of San Diego Gas & Electric Company (U 902 E) on Proposed Decision Granting Petition for Modification on Modified Cost Allocation Mechanism*, p. 6 ("SDG&E Comments").

5 SDG&E Comments at 2.

customers because *all customers* pay the Power Charge Indifference Adjustment ("PCIA") revenue requirement impacted by SDG&E's RA position. By selling more system resource adequacy ("RA") capacity, which, given the large amounts of load departure in SDG&E's service territory may have otherwise gone unsold and been valued at zero dollars, the PD reduces the PCIA revenue requirement in 2025 and beyond for both bundled *and* unbundled customers.[6]

SDG&E's comments do warrant a few small adjustments to the PD to prevent bad faith implementation of the Commission's final decision. SDG&E suggests it is still unclear about what load share it should use to determine the capacity to make available to the Joint CCAs.[7] These statements support the Commission adjusting references to load forecasts in the Proposed Decision to be consistent with the language in OP 2 in the PD: "2023 resource adequacy year-ahead forecast."[8] That adjustment will help preclude the future disputes SDG&E telegraphs will take place in response to the PD's adoption and limit the potential for the Joint CCAs to again need to appeal to the Commission.

The nature of the "one-time" provision obviates the need to adopt Southern California Edison Company's ("SCE's") repeated request for special treatment. The post-departure return to bundled service of certain customers is an anomalous situation that was not foreseen at the time D.22-05-015 was decided. It is unnecessary to carve out an entire service territory in response to the anomalous situation raised in SCE's comments.

Finally, while not addressed below, the Joint CCAs do not oppose either (1) SCE's request for an April 1, 2024, advice letter filing date, or (2) adopting the modifications to the PD that Pacific Gas and Electric, Peninsula Clean Energy, and East Bay Community Energy ("Joint Parties") suggested in their opening comments to ensure the PD does not upend existing contracts.

I. THE PD'S CONCLUSIONS ARE NEITHER ARBITRARY NOR CAPRICIOUS BUT SMALL AJDUSTMENTS TO IT CAN PREVENT BAD FAITH IMPLEMENTATION.

SDG&E's comments err in concluding the "record of the proceeding does not support the findings contained in the November PD and adoption of the change proposed in the Joint CCAs PFM would be arbitrary and capricious."[9] The Commission has previously determined Section 1757 of the Public Utilities

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6 *See* D.19-10-001 at Ordering Paragraph 2 and Attachment B.

7 SDG&E Comments at 2 and n. 6.

8 Further adjustment to this phrase may be warranted if the Commission adopts the recommendations of the Joint Parties.

9 SDG&E Comments at 6; Cal Pub Util Code § 1757.

Code applies to ratesetting, establishing that the Commission's final decision must be "supported by the findings," and those findings must be "supported by substantial evidence in light of the whole record," *i.e.*, they must be based on the record or inferences reasonably drawn from the record.[10] A party challenging a Commission finding for lack of substantial evidence must demonstrate that, based on the evidence before the Commission, a reasonable person could not reach the same conclusion.[11] Abuse of discretion will be found if the Commission's decision is shown to be "arbitrary" or to "exceed the bounds of reason."[12]

The PD certainly does not exceed the bounds of reason; it is supported by the findings, and those findings are based on the record established in this proceeding, the PFM, D.22-05-015, and inferences reasonably drawn from those portions of the record. SDG&E's comments spill extensive ink on the lack of a discussion of the term "load forecast" in D.22-05-015.[13] However, SDG&E's focus on the term "load forecast" misses that the key term in the decision is "mutually agreed". SDG&E admits, and even emphasizes, that Ordering Paragraph 4 in D.22-05-012 states the one-time provision "shall be based on the load of the non-[investor-owned utility ("IOU")] [load-serving entity ("LSE")], as mutually agreed between the IOU and the non-IOU LSE, as of the effective date of this decision …."[14] The purpose of the use of the term "2023 resource adequacy year-ahead forecast" in Ordering Paragraph 2 of the PD is to recognize the fact that the forecast is a snapshot of 2023 load "mutually agreed upon between the IOU and the non-IOU LSE, as of the effective date of [D.22-05-012]."

Specific to SDG&E and the Joint CCAs' service territory, and as discussed within the PFM, SDG&E knew *and agreed* the following customers would depart in 2023 prior to D.22-05-012's effective date:

- 197,681 customer accounts in San Diego County and National City; and
- 86,000 customer accounts in Escondido and San Marcos.[15]

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10 Cal. Pub. Util. Code § 1757; *see, e.g.,* D.20-05-027 at 5-6 (Order Denying Rehearing of D.18-06-027, stating "As an initial matter, SDG&E cites to the wrong statute, because Public Utilities Code section 1757.1 does not set forth the applicable standards for a ratesetting proceeding like this one. Rather, section 1757 provides the appropriate standard and requires a finding as to whether the Commission's findings are not supported by substantial evidence in light of the whole record.").

11 *Pacific Gas & Electric Co. v. Public Utilities Com.* (2015), 237 Cal. App. 4th 812, 838-839.

12 *Woodbury v. Brown-Dempsey* (2003) 108 Cal.App.4th 421, 438; *The Ponderosa Tel. Co. v. Pub. Utils. Com.* (2019), 36 Cal. App. 5th 999, 1019.

13 SDG&E Comments at 3-5.

14 *Id.* at 4.

15 R.20-05-003, *San Diego Community Power and Clean Energy Alliance's Petition For Modification of the D.22-05-015 on Modified Cost Allocation Mechanism for Opt-Out and Backstop Procurement Obligations*, pp. 3-

The revised 2023 Year Ahead load forecasts submitted to the Commission and discussed in the PD demonstrate that agreement.[16] Those load forecasts reflect mutually agreed upon outlooks of bundled and departed load between the IOUs and community choice aggregators that result from a meet-and-confer process and form the basis of the load forecasts upon which all LSEs' 2023 RA obligations are calculated.[17] They were filed with the Commission on May 16, 2022, *before* the issuance of D.22-05-015. [18] Thus, both the PD, and specifically OP 2 within the PD, are based on the "mutually agreed upon" language of OP 4 in D.22-05-015, the representations in the PFM and parties' responses and replies to those representations, and reasonable inferences drawn from both.

Also demonstrating the reasoned nature of the PD is the fact it best achieves the Commission's policy goal. In D.22-05-015, the Commission recognized and sought to prevent load migration after D.19-11-016 from being responsible for capacity from which it receives no benefit.[19] It recognized that LSEs had reasonably expected the one-time mechanism used to address costs for associated procurement would differ from the PCIA and that they would receive an associated capacity allocation.[20] It is telling SDG&E's opening comments on the PD do not try to persuade the Commission that rejection of the PFM will better achieve that goal. The fact is, despite its awareness of significant load departure, SDG&E ignored these customers and was unwilling to contract for larger, more accurate amounts without Commission approval.[21] The PD's acknowledgment of these 283,681 departures, and its requirement for SDG&E to contract for the 49 MW of capacity they represent,[22] strikes the balance between the Commission's goal

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4 (October 28, 2022) (citing to *SDCP's Amended & Restated Joint Powers Agreement, Exhibits C and D,* February 24, 2022, available at *https://sdcommunitypower.org/wp-content/uploads/2022/03/JPA-Exhibit-C-and-D-2022-Update-Voting-Shares.pdf*; *SDCP's Addendum No. 1 to the Community Choice Aggregation Implementation Plan and Statement of Intent,* November 18, 2021, p. 8, available at *https://sdcommunitypower.org/wp-content/uploads/2022/09/SDCP-CCA-Implementation-Plan_Addendum-No.-1.pdf*; CEA's Board of Director's Regular Meeting Minutes, July 28, 2022, p. 3, available at https://thecleanenergyalliance.org/wp-content/uploads/2022/08/7-28-22_Regular_Meeting_Minutes.pdf; and CEA's Special Board Meeting Presentation, October 20, 2022, available at https://thecleanenergyalliance.org/wp-content/uploads/2022/10/Board-Presentation-10-20-22.pdf).

[16] Petition For Modification at 6, 10.

[17] *Id.*

[18] *Id.*

[19] D.22-05-015 at OP 4.

[20] *Id.* at 59.

[21] Petition For Modification at 6, 10.

[22] *Id.*

of providing clear and efficient guidance, while also maintaining sufficient flexibility to account for unanticipated impacts or differences of interpretation.[23]

SDG&E's comments indicate the utility may act in bad faith with regard to what forecast it must use to determine the capacity to make available to CEA and SDCP after the PD's adoption. It is highly unlikely the use of the terms "year-ahead forecast" and "2023 RA year-head load forecast" confounds the utility as much as SDG&E's comments suggest.[24] The nits SDG&E picks about the definition of a load forecast appear intended to foster ambiguity in order to block the PD and/or disrupt the contracting process after the PD is adopted. OP 2 makes clear the load forecast to be used: the 2023 RA year-ahead forecast. The math works out to providing 49 MW combined of RA capacity total to the Joint CCAs. Adjusting other references to "load forecast" in the PD to reflect the more detailed phrasing in OP 2 may help ensure SDG&E acts in good faith after the PD's adoption.

II. SCE'S REQUEST FOR SPECIAL TREATMENT SHOULD BE REJECTED.

SCE's comments argue the modifications to D.22-05-015 adopted in the PD should be limited to SDG&E's service territory due to the return to bundled service of customers in Huntington Beach.[25] However, this post-departure return to service is an anomalous situation that was not foreseen at the time D.22-05-015 was decided; unlike the load departures at issue in the PFM. SCE made similar arguments in response to the PFM a year ago, as the Proposed Decision acknowledges,[26] and they should be rejected again. Alternatively, the Commission need not carve out all of SCE's service territory to address the issue – it could simply address the exception itself. If the Commission follows this course, SCE should be required to take all other actions necessary to effectuate the PD with regard to non-IOU LSEs beside Orange County Power Authority.

III. CONCLUSION

The Joint CCAs respectfully request that the Commission adopt the Proposed Decision with the small adjustments proposed or endorsed herein.

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[23] R.20-05-003, *Response of the California Choice Energy Authority ("CalChoice") to the Joint CCAs' Petition for Modification of D.22-05-015*, p. 3 (November 28, 2022).

[24] *See* SDG&E Comments at 2 and n. 6 (stating "Would parties would use an average of the monthly load expected to be served over 2023? Or would they instead use load forecasted to be served as of January 1, 2023?").

[25] R.20-0-5-003, *Southern California Edison Company's (U 338-E) Opening Comments on Proposed Decision Granting Petition for Modification on Modified Cost Allocation Mechanism*, pp. 2-3 (Nov. 29, 2023).

[26] *See* PD at 8.

Dated: December 4, 2023

Respectfully submitted,

Tim Lindl
Keyes & Fox LLP
580 California Street, 12th Floor
San Francisco, California 94104
Telephone: (510) 314-8385
Email: tlindl@keyesfox.com

Counsel to San Diego Community Power and Clean Energy Alliance

Congress of the United States

Washington, DC 20515

July 18, 2023

The Honorable Jennifer M. Granholm
Secretary
U.S Department of Energy
1000 Independence Avenue, S.W
Washington D.C. 20585

The Honorable Michael Regan
Administrator
U.S Environmental Protection Agency
1200 Pennsylvania Avenue, N.W
Washington, DC 20460

Dear Secretary Granholm and Administrator Regan:

We commend your implementation of expanded and established incentives in the Inflation Reduction Act (IRA). As you continue supporting IRA programs, it is imperative all forms of qualifying organizations take advantage of the available resources.

Specifically, we want to highlight the importance of Community Choice Aggregators (CCA). CCAs effectuate work in alignment with IRA programs since they are designated as local government agencies and load-serving entities.

CCAs are public agencies, authorized by state law, and formed by one or more cities and counties to procure electricity on behalf of their residents and businesses. CCAs procure renewable, affordable, and accessible power for their local communities to accelerate the decarbonization of the grid.

CCAs exist in ten states, and many other states are considering this model. In California alone, 25 CCAs serve more than 200 communities and over 11 million customers; they represent 33% of the state's electric load. Elected officials from member jurisdictions or city councils form a board of directors which govern CCAs.

As a direct extension of one or more local governments, CCAs have a unique and close relationship to their communities. CCAs can effectively distribute funding and launch programs, thus playing a key role in deploying funding quickly. CCAs also present a natural opportunity to aggregate local government projects which can encourage regional partnerships.

On June 14th, 2023, the U.S. Department of the Treasury released guidance regarding the direct payment of tax credits under Section 6417 of the Internal Revenue Code. The guidance suggests broad eligibility for the direct pay provisions of the Inflation Reduction Act, which will help state, local, and Tribal governments as well as non-profit organizations, U.S. territories, and CCAs to take advantage of clean energy tax credits.

We encourage the U.S Department of Energy and U.S. Environmental Protection Agency to follow the Treasury Department's lead and ensure CCAs are eligible for new and expanded programs under the Inflation Reduction Act.

Thank you for your consideration. We look forward to continuing to support your efforts

Sincerely,

Scott H. Peters
Member of Congress

Jimmy Panetta
Member of Congress

Mike Levin
Member of Congress

Mike Thompson
Member of Congress

Ro Khanna
Member of Congress

Mark DeSaulnier
Member of Congress

OFFICE OF CONGRESSIONAL AND INTERGOVERNMENTAL RELATIONS
WASHINGTON, D.C. 20460

October 31, 2023

The Honorable Mike Levin
United States House of Representatives
Washington, D.C. 20515

Dear Representative Levin,

Thank you for your July 18, 2023, letter to U.S. Environmental Protection Agency (EPA) Administrator Michael Regan, regarding the importance of Community Choice Aggregators (CCA) and EPA's programs authorized under the Inflation Reduction Act (IRA).

We appreciate Congress's efforts to provide EPA with the resources to successfully implement the IRA. EPA's programs authorized by the IRA are helping meet President Biden's goals of reducing greenhouse gas emissions 50-52% below 2005 levels in 2030 and achieving net zero emissions by no later than 2050. Along with cutting emissions, these programs are advancing President Biden's Justice40 Initiative to direct at least 40% of the overall benefits of these investments in climate and clean energy to disadvantaged communities to combat decades of underinvestment and address disproportionate environmental burden.

EPA has worked to design our IRA programs to meet the unique needs of stakeholders and maximize the results of this historic funding for communities and the environment. EPA evaluates eligibility in accordance with the authority governing each IRA program and we anticipate allowing CCAs to participate in programs as appropriate.

We concur with the important work that CCAs offer, including fostering partnerships and aggregating local government projects where appropriate. Our Office of Congressional and Intergovernmental Relations (OCIR) serves as EPA's liaison with these constituencies on the agency's major programs as well as on intergovernmental issues. EPA Region 9, which includes California, can be an additional resource for CCAs in your districts. We would be happy to connect CCAs in your district with additional resources within OCIR and Region 9.

Again, thank you for your interest in the EPA's programs under the IRA and your thoughts on this important issue. If you have further questions, please contact me or your staff may contact Denis Borum in EPA's Office of Congressional and Intergovernmental Relations at borum.denis@epa.gov.

Sincerely,

Tim Del Monico
Associate Administrator
Office of Congressional and Intergovernmental Relations

SAN DIEGO COMMUNITY POWER

SAN DIEGO COMMUNITY POWER
Staff Report – Item 13

To: San Diego Community Power Board of Directors

From: Aaron Lu, Senior Rates and Strategy Analyst
Lucas Utouh, Senior Director of Data Analytics and Customer Operations

Via: Karin Burns, Chief Executive Officer

Subject: Update on 2024 Rate & Power Charge Indifference Adjustment (PCIA) Projected Changes

Date: December 14, 2023

RECOMMENDATION

Receive and file an update on 2024 rates and Power Charge Indifference Adjustment (PCIA).

BACKGROUND

As San Diego Community Power (SDCP) prepares to develop and propose rates for 2024, it is critical to understand current and projected SDG&E rates and changes to the Power Charge Indifference Adjustment (PCIA) – as both SDG&E bundled rates and PCIA play a role in the SDCP rate setting process. SDCP's Board of Directors last adjusted generation rates on January 23, 2023, and those rates came into effect as of February 1, 2023.

ANALYSIS AND DISCUSSION

Rate Setting Process

SDCP will establish rates sufficient to recover all costs related to operations of our program and to provide service to our customers and the Board of Directors has the ultimate responsibility for setting the electric generation rates for SDCP's customers. The Chief Executive Officer, in cooperation with Staff and appropriate advisors, consultants, and committees of the Board, is responsible for developing proposed rates for the Board to consider before finalization. For SDCP to be fiscally sustainable, the final approved rates should, at a minimum, meet the annual revenue requirements developed by SDCP, including any reserves or coverage requirements set forth in policy and/or loan covenants/debt service. The Board has the flexibility to consider rate adjustments, provided that the overall revenue requirement is achieved.

In alignment with the Rate Development Policy, adopted by the Board of Directors on November 17, 2022, SDCP considers the following objectives in its rate setting framework:

- Cost Recovery
- Reserves
- Rate Competitiveness and Customer Value
- Rate Stability
- Equity Among Customers
- Rate Structure Simplicity and Comparability
- Transparency
- Avoidance of Cost Shifting
- Cost of Service

Additionally, per previous Board direction, SDCP staff will, if possible, recommend rates that remain competitive with SDG&E service.

It is important to note rates are made up of several components, only one of which SDCP has control over i.e., SDCP's generation rate. The chart below is an example of a current rate tariff composition for a residential customer to illustrate the various components that affect rates and make up a total customer bill. Staff tracks the changes to the PCIA as it is the above market cost of power associated with SDG&E's portfolio that both SDG&E's bundled customers pay as well as SDCP customers who have departed SDG&E commodity service and can affect SDCP's overall headroom or competitiveness. Above market refers to expenditures for generation resources that cannot be fully recovered through sales of these resources at current market prices.

Time of Use – TOUDR-Residential

Residential: TOUDR	SDG&E 44.5% Renewable	SDCP PowerOn 54.9% Renewable + 5% Carbon Free	SDCP Power100 100% Renewable
Generation Rate ($/kWh)	$0.15454	$0.17602	$0.18353
SDG&E Delivery Rate ($/kWh)	$0.25571	$0.25571	$0.25571
SDG&E PCIA ($/kWh)	$0.04439	$0.01687	$0.01687
Franchise Fees ($/%)	$0.00376	$0.00376	$0.00376
Total Electricity Cost ($/kWh)	$0.45840	$0.45236	$0.45987
Average Monthly Bill ($)	**$182.90**	**$180.49**	**$183.49**

Average Monthly Usage: 399 kWh

Rates current as of February 1, 2023

2023 – 2024 Rates Timeline

San Diego Community Power, like most Community Choice Aggregators, usually adjusts rates annually or in response to utility rate adjustments. There is a very narrow window of time between when SDG&E sets their 2024 rates and when SDCP needs updated rates available for 2024. The expected schedule for SDCP's rate setting is as follows:

- May 15, 2023: SDG&E's 2024 Energy Resource Recovery Account (ERRA) forecast application was filed.

- October 13, 2023: SDG&E's Updated 2024 Energy Resource Recovery Account (ERRA) forecast application was filed.

- December 14, 2023: SDCP staff briefs its Board of Directors of 2024 expected rate and PCIA changes.

- January 1, 2024: SDG&E's expected implementation of its generation rates and the PCIA.

- January 18, 2024: SDCP Board adopts 2024 rates, effective February 1, 2024.

2024 Bundled & PCIA Rate Projections

Based on SDG&E's October 2023 Updated 2024 Energy Resource Recovery Account (ERRA) forecast application, their projected bundled system average rates were expected to decrease by approximately 4.7% as of January 1, 2024. This translates to a decrease of approximately 8.5% to the underlying SDG&E's commodity rates. However, in November 2023, SDG&E filed a regulatory account update advice letter which adjusted their projected bundled system average rates to decrease by approximately 10.8% as of January 1, 2024. This translates to a decrease of approximately 16.9% to the underlying SDG&E's commodity rates. These projections are articulated in the table below:

SDG&E Commodity Rates

		October-23			November-23		
Rate Group	Current ($/kWh)	Proposed ($/kWh)	Difference	% Difference	Proposed ($/kWh)	Difference	% Difference
Residential	0.20	0.18	-0.02	-8.6%	0.16	-0.03	-16.8%
Small Commercial	0.17	0.16	-0.01	-8.4%	0.14	-0.04	-20.4%
Medium & Large C&I	0.20	0.19	-0.02	-9.1%	0.17	-0.03	-16.6%
Agriculture	0.15	0.13	-0.01	-8.2%	0.12	-0.02	-17.0%
Streetlighting	0.13	0.12	-0.01	-8.8%	0.11	-0.02	-16.7%
System Total	**0.19**	**0.18**	**-0.02**	**-8.5%**	**0.16**	**-0.03**	**-16.9%**

SDG&E attributes the decreasing electric generation energy costs in 2024 primarily to decreasing electricity purchasing costs. An adjustment between SDG&E's balancing accounts is also driving the projected rate decrease.

Based on our high-level forecasts, SDCP is expecting to see an approximately 730% increase in PCIA rates for Vintage Year 2020 (Phase 1 & 2 customers), 17% reduction for Vintage Year 2021 (Phase 3 customers), and 37% reduction for Vintage Year 2022 (Phase 4 customers), as depicted in the SDG&E PCIA Rates table, at the end of this staff report.

The primary driver for the decrease in PCIA rates for Vintage Years 2021 and 2022 is historically high energy market forward prices in 2024 which reduce the above market cost of SDG&E's portfolio. If approved by the CPUC before this year ends, SDGE's projected rate decreases and PCIA changes are expected to be effective as of January 1, 2024.

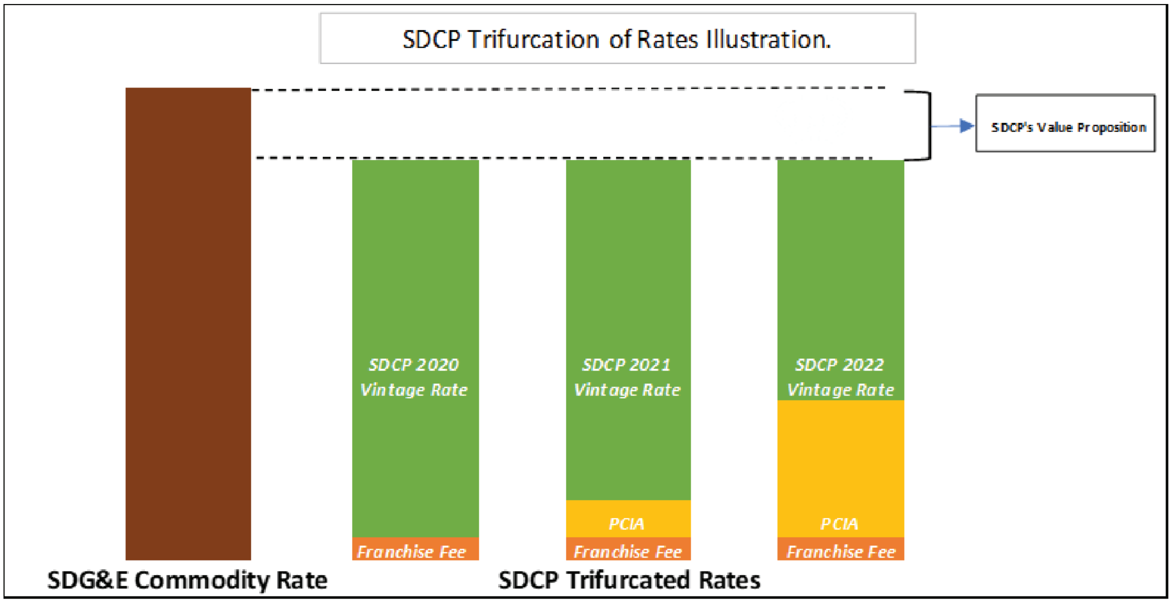
2024 Rate Setting Mechanics

In accordance with SDG&E's definition of load transfer from bundled service to SDCP's service per Schedule CCA-CRS, our Phase 1 and 2 customers' Vintage Year is 2020, our Phase 3 customers' Vintage Year is 2021, and our Phase 4 customers' Vintage Year is 2022. Vintaging denotes the year during which SDG&E recognizes the transition of our customers from bundled service into our service and creates a mechanism for the assessment of PCIA rate.

Next Steps

Staff will continue to monitor all updates from SDG&E/CPUC throughout the remainder of the year and into 2024 to be able to better analyze and recommend rate changes that are reflective of all the inputs articulated in CPUC's decision(s). Staff expects to present rates to the SDCP Board for adoption at the January 18, 2024 meeting that both meet the revenue and prudent reserve needs of SDCP as well as maintain value for our customers.

As a result of the substantial deltas expected between PCIA rates for Vintage Years 2020, 2021, and 2022, staff will also recommend to the Board to continue to trifurcate three sets of rates for 2024 during the January 2024 Board meeting. This trifurcation will maintain a fair, equitable, and balanced rate structure that does not create winners and losers across our customers with differing vintage years, as articulated below:



COMMITTEE REVIEW

This item was presented to the Community Advisory Committee on December 7th, 2023.

FISCAL IMPACT

N/A

ATTACHMENTS

N/A

SDG&E PCIA Rates

Rate Group	October-23												November-23								
	Current ($/kWh)			Proposed ($/kWh)			Difference			% Difference			Proposed ($/kWh)			Difference			% Difference		
	PCIA 2020 Vintage	PCIA 2021 Vintage	PCIA 2022 Vintage	PCIA 2020 Vintage	PCIA 2021 Vintage	PCIA 2022 Vintage	PCIA 2020 Vintage	PCIA 2021 Vintage	PCIA 2022 Vintage	PCIA 2020 Vintage*	PCIA 2021 Vintage	PCIA 2022 Vintage	PCIA 2020 Vintage	PCIA 2021 Vintage	PCIA 2022 Vintage	PCIA 2020 Vintage	PCIA 2021 Vintage	PCIA 2022 Vintage	PCIA 2020 Vintage	PCIA 2021 Vintage	PCIA 2022 Vintage
Residential	-0.001	0.017	0.044	-0.005	0.000	0.031	-0.004	-0.016	-0.013	-318%	-97%	-30%	0.011	0.017	0.030	0.012	0.000	-0.014	1042%	-2%	-32%
Small Commercial	-0.001	0.026	0.048	-0.004	0.005	0.034	-0.003	-0.020	-0.014	-377%	-79%	-29%	0.008	0.018	0.031	0.009	-0.008	-0.017	1140%	-30%	-36%
Medium & Large C&I	-0.002	0.029	0.055	-0.006	0.007	0.048	-0.004	-0.022	-0.007	-262%	-76%	-13%	0.010	0.023	0.041	0.012	-0.005	-0.014	725%	-18%	-25%
Agriculture	-0.001	0.023	0.042	-0.004	0.002	0.020	-0.003	-0.020	-0.021	-338%	-90%	-51%	0.007	0.014	0.021	0.008	-0.009	-0.020	1010%	-40%	-49%
Streetlighting	-0.001	0.021	0.039	-0.003	0.004	0.025	-0.002	-0.017	-0.014	-297%	-81%	-36%	0.006	0.013	0.022	0.007	-0.008	-0.016	1003%	-36%	-42%
System Total	**-0.001**	**0.020**	**0.047**	**-0.005**	**0.003**	**0.036**	**-0.004**	**-0.018**	**-0.010**	**-270%**	**-87%**	**-22%**	**0.009**	**0.017**	**0.029**	**0.010**	**-0.003**	**-0.017**	**730%**	**-17%**	**-37%**

*PCIA 2020 Vintage rate is becoming more negative.

SAN DIEGO COMMUNITY POWER
Staff Report – Item 14

To: San Diego Community Power Board of Directors

From: Byron Vosburg, Managing Director, Power Services; and
Kenny Key, Director of Power Contracts, Power Services

Via: Karin Burns, Chief Executive Officer

Subject: Renewable Power Purchase Agreement with CDH VIDAL LLC

Date: December 14, 2023

RECOMMENDATION

Approve the proposed Renewable Power Purchase Agreement with CDH VIDAL LLC and authorize the CEO to execute the agreement.

BACKGROUND

As San Diego Community Power (SDCP) strives to meet its environmental, financial, and regulatory compliance goals and requirements, long-term power purchase agreements (PPAs) of at least 10 years in duration are integral components of its energy supply portfolio. Long-term PPAs provide renewable generation facility developers with the certain revenue stream against which they can finance up-front capital requirements, so each long-term PPA that SDCP signs with a developing facility will underpin a new, incremental renewable energy project. In addition, long-term PPAs lock in renewable energy supply around which SDCP can build its power supply portfolio while also providing power supply cost certainty around which SDCP can develop its pro forma financial model.

Moreover, the California Renewable Portfolio Standard (RPS), as modified in 2015 by Senate Bill 350, requires that SDCP provide 65% of its RPS-required renewable energy from contracts of at least ten years in length. In D.21-06-025, the California Public Utilities Commission (CPUC) required each Load Serving Entity (LSE) in California to make significant long-term purchase commitments for resource adequacy from new, incremental generation facilities that will achieve commercial operation during 2023 through 2026. Further, as adopted March 23, 2023, SDCP has established a procurement target of 100% renewable by 2035.

The proposed PPA is for capacity and renewable energy benefits from a 160 MW solar and 160 MW (640 MWh) storage project ("Vidal") under development by CDH VIDAL LLC, a subsidiary of Core Energy ("Core"). The PPA originated from a bi-lateral offer SDCP received. SDCP engaged with Core after short-listing the project and has reached terms mutually agreeable to both parties.

ANALYSIS AND DISCUSSION

Staff negotiated the attached PPA for the purchase of renewable energy and capacity attributes from a 160 MW solar photovoltaic electricity generating facility, along with a 160 MWAC 4-hour (640 MWh) battery energy storage facility in San Bernardino County.

Renewable energy produced by the facility will provide approximately 480,000 MWh annually of long-term renewable energy deliveries for SDCP's power supply. Further, while SDCP is increasing efforts to target and encourage local project development for SDCP's generation portfolio, SDCP expects a certain amount of geographic diversity among its power supply to help mitigate risks that might be experienced locally or regionally from weather, project site and/or wholesale market conditions.

Below is additional information regarding Core and the proposed PPA.

Background on Core:

- Core Development Group is one of the top solar developers in the U.S. (Solar Power World, 2023)
- Over 800 MW of peak capacity developed

Contract Overview – CDH VIDAL LLC

- Project: 160 MW solar photovoltaic electricity generating facility, along with a 160 MWAC 4-hour (640 MWh) battery energy storage facility
- Project location: San Bernardino County
- Interconnection: WAPA (external to CAISO). Seller will deliver energy to CAISO, and SDCP will need to allocate import rights to this project to claim associated resource adequacy attributes.
- Guaranteed commercial operation date: March 1, 2026
- Contract term: 20 years
- Expected annual energy production: approximately 480,000 MWhs
- Pricing: Fixed pricing with no escalation
- SDCP would receive financial compensation in the event of seller's failure to successfully achieve certain development milestones as well as seller's failure to meet the guaranteed energy production.

Community Benefits and Workforce Development:

- The Vidal project is estimated to create approximately 250 temporary construction jobs and 11 permanent jobs.

- The project is located in a designated low-income community area and Core will be working with the Colorado River Indian Tribe on hiring local labor for the Vidal project.
- The project has a fully executed Project Labor Agreement with the Operating Engineers Local 12, the Southwest Regional Council of Carpenters, the Southern California District Council of Laborers and its affiliated Local Union 783, IBEW Local 477 and the Ironworkers Local 416 and 433.
- The project has committed $500,000 to a community benefit fund to benefit SDCP customers.

COMMITTEE REVIEW

Staff briefed the ECWG and the ECWG instructed SDCP to move forward with negotiations on the PPA on September 5, 2023. On December 5, 2023, the ECWG approved key PPA terms to move forward with the execution of this PPA.

FISCAL IMPACT

The competitive energy and capacity pricing of the PPA are confidential, but the long-term purchase of renewable energy and capacity will provide SDCP with significant value and cost certainty over the term of this PPA.

ATTACHMENTS

Attachment A: Renewable Power Purchase Agreement with CDH VIDAL LLC

RENEWABLE POWER PURCHASE AGREEMENT

COVER SHEET

Seller: CDH Vidal LLC, a Delaware limited liability company ("**Seller**")

Buyer: San Diego Community Power, a California joint powers authority ("**Buyer**")

Description of Facility: A 160 MW_{AC} pseudo-tied solar photovoltaic electricity generating facility, along with a hybrid 160 MW_{AC} 4-hour (640 MWh) battery energy storage facility, located in San Bernardino County, in the state of California, as further described in Exhibit A.

Milestones:

Milestone	Date for Completion
Evidence of Site Control	Complete
CEC Precertification Obtained	Complete
Documentation of Conditional Use Permit if required: **[ ] CEQA, [ ] Cat Ex, [ ]Neg Dec, [ ] Mitigated Neg Dec,** **[X] EIR**	2/28/2024
Seller's receipt of Phase I and Phase II Interconnection study results for Seller's Interconnection Facilities	Complete
Executed Interconnection Agreement	6/30/2024
Financial Close	9/30/2025
Procure Major Equipment	3/31/2025
Guaranteed Construction Start Date	4/30/2025
Guaranteed Commercial Operation Date	3/1/2026

Delivery Term: Twenty (20) Contract Years.

Expected Energy: The Expected Energy shall be as per below, *provided* that should the PTO loss percentage as defined under WAPA's Rate Schedule DSW-TL1 change from three percent (3%), then Seller may update the Expected Energy amounts in a Notice to Buyer to take into account such change.

Contract Year	Expected Energy
1	[redacted]
2	[redacted]

3	[redacted]
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	

Guaranteed Capacity: 160 MW_{AC} of Generating Facility capacity at the Interconnection Point, as may be adjusted pursuant to Section 5(a) of Exhibit B

Storage Contract Capacity: 160 MW_{AC} for four (4) hour discharge at the Interconnection Point, as may be adjusted pursuant to Section 5(b) of Exhibit B

Storage Contract Output: 640 MWh (based on four (4) hour discharge) at the Interconnection Point

Dedicated Interconnection Capacity: 160 MW_{AC} at the Interconnection Point

Guaranteed Storage Availability: [redacted] percent ([redacted]%)

Guaranteed Efficiency Rate: The Guaranteed Efficiency Rate shall be:

Contract Year	Guaranteed Efficiency Rate (%)
1	[redacted]
2	
3	
4	
5	
6	
7	
8	
9	

10	[redacted]
11	[redacted]
12	[redacted]
13	[redacted]
14	[redacted]
15	[redacted]
16	[redacted]
17	[redacted]
18	[redacted]
19	[redacted]
20	[redacted]

Minimum Efficiency Rate: [redacted] percent ([redacted]%) for all Contract Years

Contract Price

The Renewable Rate shall be:

Contract Year	Renewable Rate
1 – 20	$[redacted]/MWh (flat) with no escalation

The Storage Rate shall be:

Contract Year	Storage Rate
1 – 20	$[redacted]/kW-month (flat) with no escalation; *provided*, the Storage Rate shall be $[redacted]/kW-month for the period between the Commercial Operation Date and the RA Guarantee Date

Product:

☒ Generating Facility Energy
☒ Discharging Energy
☒ Green Attributes (Portfolio Content Category 1)
☒ Storage Capacity
☒ Capacity Attributes (Resource Specific Import RA)
☒ Ancillary Services

Scheduling Coordinator: Buyer/Buyer Third Party

Security:

Development Security: $[redacted]/kW multiplied by the Contract Capacity

Performance Security: The Performance Security on the first day of each Contract Year shall be as set forth in the following table:

Contract Year	Performance Security ($)
1	[redacted]
2	[redacted]
3	[redacted]
4	[redacted]
5	[redacted]
6	[redacted]
7	[redacted]
8	[redacted]
9	[redacted]
10	[redacted]
11	[redacted]
12	[redacted]
13	[redacted]
14	[redacted]
15	[redacted]
16	[redacted]
17	[redacted]
18	[redacted]
19	[redacted]
20	[redacted]

TABLE OF CONTENTS

EXHIBITS:

RENEWABLE POWER PURCHASE AGREEMENT

This Renewable Power Purchase Agreement ("**Agreement**") is entered into as of _________ (the "**Effective Date**"), between Buyer and Seller. Buyer and Seller are sometimes referred to herein individually as a "**Party**" and jointly as the "**Parties**." All capitalized terms used in this Agreement are used with the meanings ascribed to them in Article 1 to this Agreement.

RECITALS

WHEREAS, Seller intends to develop, design, permit, construct, own, and operate the Facility; and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, on the terms and conditions set forth in this Agreement, the Product;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the sufficiency and adequacy of which are hereby acknowledged, the Parties agree to the following:

ARTICLE 1
DEFINITIONS

1.1 **Contract Definitions**. The following terms, when used herein with initial capitalization, shall have the meanings set forth below:

"**Accepted Compliance Costs**" has the meaning set forth in Section 3.12(d).

"**Adjusted Energy Production**" has the meaning set forth in Exhibit G.

"**Adjusted Facility Energy**" [redacted]

"**Affiliate**" means, with respect to any Person, each Person that directly or indirectly controls, is controlled by, or is under common control with such designated Person. For purposes of this definition and the definition of "Permitted Transferee", "control", "controlled by", and "under common control with", as used with respect to any Person, shall mean (a) the direct or indirect right to cast at least fifty percent (50%) of the votes exercisable at an annual general meeting (or its equivalent) of such Person or, if there are no such rights, ownership of at least fifty percent (50%) of the equity or other ownership interest in such Person, or (b) the right to direct the policies or operations of such Person. Notwithstanding the foregoing, with respect to Seller, "Affiliates" shall mean Ultimate Parent and its subsidiaries; *provided*, *however*, that the term "Affiliate," when used with respect to Seller shall not include any direct or indirect tax equity investor.

"**Agreement**" has the meaning set forth in the Preamble and includes any Exhibits, schedules and any written supplements hereto; the Cover Sheet; and any designated collateral, credit support or similar arrangement between the Parties.

"**Alternating Current**" or "**AC**" means alternating current.

"**Ancillary Services**" means all ancillary services, products and other attributes, if any, that can be produced by the Facility consistent with the Operating Restrictions.

"**Annual Cost Cap**" has the meaning set forth in Section 3.12(b).

"**Annual Storage Availability**" has the meaning set forth in Exhibit P.

"**Applicable Annual Storage Availability Measurement Period**" has the meaning set forth in Exhibit P.

"**Approved Forecast Vendor**" means any of (a) the CAISO or (b) any other vendor reasonably acceptable to both Buyer and Seller for the purposes of providing or verifying the forecasts under Section 4.3(d).

"**Approved Maintenance Hours**" means up to [redacted] ([redacted]) hours of full capacity equivalent hours of Planned Outages each Contract Year, *provided* that such Planned Outages are scheduled in accordance with Section 4.6(a).

"**Attestation**" has the meaning set forth in Section 4.12.

"**Auxiliary Load**" means the Energy that is used within the Storage Facility to power certain lights, motors, temperature control systems, control systems and other ancillary electrical loads that are necessary for operation of the Storage Facility.

"**Auxiliary Load Meter**" means revenue quality meter or meters, along with a data processing gateway or remote intelligence gateway, telemetering equipment and data acquisition services sufficient for monitoring, recording and reporting, in real time, the amount of Idle Period Auxiliary Load delivered to the Storage Facility. The Facility may contain multiple measurement devices that will make up the Auxiliary Load Meter, and, unless otherwise indicated, references to the Auxiliary Load Meter shall mean all such measurement devices and the aggregated data of all such measurement devices, taken together.

"**Availability Adjustment**" or "**AA**" has the meaning set forth in Exhibit P.

"**Available Generating Capacity**" means the capacity of the Generating Facility, expressed in whole MWs, that is mechanically available to generate Energy.

"**Bankrupt**" means with respect to any entity, such entity that (a) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar Law, (b) has any such petition filed or commenced against it which remains unstayed or undismissed for a period of ninety (90) days, (c) makes an assignment or any general arrangement for the benefit of creditors, (d) otherwise becomes bankrupt or insolvent (however evidenced), (e) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (f) is generally unable to pay its debts as they fall due.

"**Base Case ITC**" means the ITC of thirty percent (30%) expected to be available in respect of the Facility under Current Tax Law plus to the extent the Facility procures domestic content as required under the IRA then an additional ten percent (10%) bonus.

"**Base Case PTC**" means the PTC amount equal to $0.015/kWh, as adjusted for inflation pursuant to Section 45(b)(2) of the Code (such that for 2022 the inflation adjusted amount was $0.027/kWh), and as expected to be available in respect of the Generating Facility under Current Tax Law plus to the extent the Facility procures domestic content as required under the IRA then an additional ten percent (10%) bonus.

"**Bid**" has the meaning as set forth in the CAISO Tariff.

"**Business Day**" means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday in California. A Business Day begins at 8:00 a.m. and ends at 5:00 p.m. Pacific Prevailing Time for the Party sending a Notice or payment, or performing a specified action.

"**Buyer**" means San Diego Community Power, a California joint powers authority.

"**Buyer Bid Curtailment**" means the occurrence of both of the following:

(a) the CAISO provides notice to a Party or the Scheduling Coordinator for the Facility, requiring the Party to deliver less Generating Facility Energy than the full amount of energy forecasted in accordance with Section 4.3 to be produced from the Generating Facility for a period of time; and

(b) for the same time period as referenced in (a), the notice referenced in (a) results from the manner in which Buyer or the SC schedules or bids the Generating Facility or Generating Facility Energy, including where Buyer or the SC for the Generating Facility:

(i) did not submit a Self-Schedule or an Energy Supply Bid for the MW subject to the reduction;

(ii) submitted an Energy Supply Bid and the CAISO notice referenced in (a) is solely a result of CAISO implementing the Energy Supply Bid;

(iii) submitted a Self-Schedule for less than the full amount of Generating Facility Energy forecasted to be generated by or delivered from the Generating Facility; or

(iv) [redacted]

[redacted]

[redacted]

"**Buyer Curtailment Order**" means (a) the instruction from Buyer to Seller to reduce Generating Facility Energy by the amount, and for the period of time set forth in such instruction, for reasons unrelated to a Planned Outage, Forced Facility Outage, Force Majeure Event or Curtailment Order, or (b) a reduction of Generating Facility Energy, if any, that directly results from Buyer's participation in the Ancillary Services market. If the Generating Facility is subject to a Planned Outage, Forced Facility Outage, Force Majeure Event and/or a Curtailment Period during the same time period as referenced in either (a) or (b), then the calculation of Deemed Delivered Energy during such period shall not include any Generating Facility Energy that was not generated or stored due to such Planned Outage, Forced Facility Outage, Force Majeure Event or Curtailment Period.

"**Buyer Curtailment Period**" means the period of time, as measured using current Settlement Intervals, during which Seller reduces Generating Facility Energy pursuant to or as a result of (a) Buyer Bid Curtailment or (b) a Buyer Curtailment Order; *provided*, the duration of any Buyer Curtailment Period shall be inclusive of the time required for the Facility to ramp down and ramp up.

"**Buyer Dispatched Test**" has the meaning in Section 4.9(b).

"**Buyer Failure**" means a failure by Buyer (or its agents) to perform Buyer's obligations hereunder and includes an Event of Default of Buyer.

"**Buyer's WREGIS Account**" has the meaning set forth in Section 4.10(a).

"**CAISO**" means the California Independent System Operator Corporation.

"**CAISO-Approved Meter**" means a CAISO-approved revenue quality meter or meters, or a PTO-approved revenue quality meter or meters accepted by the CAISO for settlement purposes, as applicable, approved data processing gateway or remote intelligence gateway, telemetering equipment and data acquisition services sufficient for monitoring, recording and reporting, in real time, all Facility Energy delivered to the Delivery Point.

"**CAISO Charges Invoice**" has the meaning set forth in Exhibit D.

"**CAISO Grid**" has the same meaning as "CAISO Controlled Grid" as defined in the CAISO Tariff.

"**CAISO Tariff**" means the California Independent System Operator Corporation Agreement and Tariff, Business Practice Manuals (BPMs), and Operating Procedures, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time to time and approved by FERC.

"**California Renewables Portfolio Standard**" or "**RPS**" means the renewable energy program and policies established by California State Senate Bills 1038 (2002), 1078 (2002), 107

(2008), X-1 2 (2011), 350 (2015), and 100 (2018) as codified in, *inter alia*, California Public Utilities Code Sections 399.11 through 399.31 and California Public Resources Code Sections 25740 through 25751, as such provisions are amended or supplemented from time to time.

"**Capacity Attribute**" means any current or future defined characteristic, certificate, tag, credit, or accounting construct associated with the amount of Energy that the Facility can generate or deliver to the Delivery Point at a particular moment and that can be purchased and sold under CAISO or CPUC market rules, including Resource Adequacy Benefits. Capacity Attributes are measured in MW and shall exclude Energy, Green Attributes, or any other Renewable Energy Incentives now or in the future associated with the construction, ownership or operation of the Facility.

"**Capacity Damages**" has the meaning set forth in Exhibit B.

"**CEC**" means the California Energy Commission, or any successor agency performing similar statutory functions.

"**CEC Certification and Verification**" means that the CEC has certified (or, with respect to periods before the date that is one hundred eighty (180) days following the Commercial Operation Date, that the CEC has pre-certified as such date may be extended pursuant to Section 3.9) that the Generating Facility is an Eligible Renewable Energy Resource for purposes of the California Renewables Portfolio Standard and that all Generating Facility Energy or Facility Energy, as applicable, delivered to the Delivery Point qualifies as generation from an Eligible Renewable Energy Resource.

"**CEC Precertification**" means that the CEC has issued a precertification for the Facility indicating that the planned operations of the Facility would comply with applicable CEC requirements for CEC Certification and Verification.

"**CEQA**" means the California Environmental Quality Act.

"**Change of Control**" means, except in connection with public market transactions of equity interests or capital stock of Seller's Ultimate Parent, any circumstance in which Ultimate Parent ceases to own, directly or indirectly through one or more intermediate entities, more than fifty percent (50%) of the outstanding equity interests in Seller; *provided*, in calculating ownership percentages for all purposes of the foregoing:

(a) any ownership interest in Seller held by Ultimate Parent indirectly through one or more intermediate entities shall not be counted towards Ultimate Parent's ownership interest in Seller unless Ultimate Parent directly or indirectly owns more than fifty percent (50%) of the outstanding equity interests in each such intermediate entity; and

(b) ownership interests in Seller owned directly or indirectly by any Lender (including any cash equity or tax equity provider and any trustee or agent or similar representative thereof acting on their behalf) or assignee or transferee thereof shall be excluded from the total outstanding equity interests in Seller.

"**Charging Energy**" means the as-available Energy produced by the Generating Facility and delivered to the Storage Facility pursuant to a Charging Notice, as measured at the Storage Facility Metering Point by the Storage Facility Meter, net of Electrical Losses between the Generating Facility Metering Point and the Storage Facility Metering Point. All Charging Energy shall be used solely to charge the Storage Facility inclusive of any Auxiliary Load that is not Idle Period Auxiliary Load, and, unless authorized in writing by Seller, all Charging Energy shall be generated solely by the Generating Facility. For the avoidance of doubt, Charging Energy may not be used to serve Idle Period Auxiliary Load.

"**Charging Notice**" means the operating instruction, and any subsequent updates, given by Buyer, Buyer's SC or the CAISO, directing the Storage Facility to charge at a specific MW rate for a specified period of time or to a specified Stored Energy Level; *provided*, (a) any such operating instruction shall be in accordance with the Operating Restrictions and such "Charging Notice" shall be deemed automatically adjusted to comply with the Operating Restrictions; and (b) if, during a period when the Storage Facility is instructed by CAISO or any other Governmental Authority to be charging, such "Charging Notice" shall be deemed to be automatically adjusted to be equal to such instruction. For the avoidance of doubt, (i) any instruction to charge the Storage Facility pursuant to a Buyer Dispatched Test shall be considered a Charging Notice, and (ii) any Charging Notice shall not constitute a Buyer Bid Curtailment, Buyer Curtailment Order or Curtailment Order.

"**Collateral Assignment Agreement**" has the meaning set forth in Section 14.2.

"**Commercial Operation**" has the meaning set forth in Exhibit B.

"**Commercial Operation Date**" has the meaning set forth in Exhibit B.

"**Commercial Operation Delay Damages**" means an amount equal to (a) the Development Security amount required hereunder, divided by (b) one hundred twenty (120).

"**Commercial Operation Storage Capacity Test**" has the meaning set forth in Exhibit O.

"**Communications Protocols**" means certain Operating Restrictions developed by the Parties pursuant to Exhibit Q that involve procedures and protocols regarding communication with respect to the operation of the Storage Facility pursuant to this Agreement.

"**Compliance Action**" has the meaning set forth in Section 3.12(b).

"**Compliance Cost Cap**" has the meaning set forth in Section 3.12(b).

"**Confidential Information**" has the meaning set forth in Section 18.1.

"**Construction Delay Damages**" means an amount equal to (a) the Development Security amount required hereunder, divided by (b) one hundred twenty (120).

"**Construction Start**" has the meaning set forth in Exhibit B.

"**Construction Start Date**" has the meaning set forth in Exhibit B.

"**Contract Capacity**" means the sum of the Guaranteed Capacity and the Storage Contract Capacity.

"**Contract Price**" has the meaning set forth on the Cover Sheet. To be clear, the Contract Price is each of the Renewable Rate and the Storage Rate.

"**Contract Term**" has the meaning set forth in Section 2.1(a).

"**Contract Year**" means a period of twelve (12) consecutive months. The first Contract Year shall commence on the Commercial Operation Date and each subsequent Contract Year shall commence on the anniversary of the Commercial Operation Date.

"**Costs**" means, with respect to the Non-Defaulting Party, brokerage fees, commissions and other similar third-party transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its obligations or entering into new arrangements which replace the Agreement, and all reasonable attorneys' fees and expenses incurred by the Non-Defaulting Party in connection with terminating the Agreement.

"**Cover Sheet**" means the cover sheet to this Agreement, which is incorporated into this Agreement.

"**COVID-19**" means the epidemic disease designated COVID-19 and the related virus designated SARS-CoV-2 and any mutations thereof, and the efforts of a Governmental Authority to combat such disease.

"**CPM Soft Offer Cap**" has the meaning set forth in Section 43A.4.1.1 of the CAISO Tariff (or its successor).

"**CPUC**" means the California Public Utilities Commission or any successor agency performing similar statutory functions.

"**CPUC Tier 1 System RA Penalty**" means the tier 1 RA penalties assessed against load serving entities by the CPUC for RA deficiencies that are not replaced or cured, as established by the CPUC in the Resource Adequacy Rulings and subsequently incorporated into the annual Filing Guide for System, Local and Flexible Resource Adequacy (RA) Compliance Filings that is issued by the CPUC Energy Division, or any replacement or successor documentation established by the CPUC Energy Division to reflect RA penalties that are established by the CPUC and assessed against load serving entities for RA deficiencies.

"**Credit Rating**" means, with respect to any entity, the rating then assigned to such entity's unsecured, senior long-term debt obligations (not supported by third-party credit enhancements) or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issuer rating by S&P or Moody's.

"**CRS**" has the meaning set forth in Section 4.12.

"**Cure Plan**" has the meaning set forth in Section 11.1(b)(vi).

"**Current Tax Law**" means the United States Internal Revenue Code of 1986 as of the Effective Date.

"**Curtailment Order**" means any of the following:

(a) CAISO orders, directs, alerts, or provides notice to a Party, including an Operating Instruction, to curtail deliveries of Generating Facility Energy for the following reasons: (i) any System Emergency, or (ii) any warning of an anticipated System Emergency, or warning of an imminent condition or situation, which jeopardizes CAISO's electric system integrity or the integrity of other systems to which CAISO is connected;

(b) a curtailment of Generating Facility Energy ordered by the Participating Transmission Owner for reasons including, but not limited to: (i) any situation that affects normal function of the electric system including, but not limited to, any abnormal condition that requires action to prevent circumstances such as equipment damage, loss of load, or abnormal voltage conditions, or (ii) any warning, forecast or anticipation of conditions or situations that jeopardize the Participating Transmission Owner's electric system integrity or the integrity of other systems to which the Participating Transmission Owner is connected;

(c) a curtailment of Generating Facility Energy ordered by the Transmission Provider due to scheduled or unscheduled maintenance on the Transmission Provider's transmission facilities that prevents: (i) Buyer from receiving of Generating Facility Energy at the Delivery Point or (ii) Seller from delivering of Generating Facility Energy to the Delivery Point; or

(d) a curtailment of Generating Facility Energy in accordance with Seller's obligations under its Interconnection Agreement with the Participating Transmission Owner or distribution operator.

"**Curtailment Period**" means the period of time, as measured using current Settlement Intervals, during which Generating Facility Energy is reduced pursuant to a Curtailment Order; *provided*, the Curtailment Period shall be inclusive of the time required for the Facility to ramp down and ramp up for the purposes of counting Lost Output; *provided further*, Lost Output shall exclude Generating Facility Energy delivered to the Delivery Point during the Curtailment Period.

"**Cycle**" means a quantity of Discharging Energy (in MWh) equal to the Storage Contract Output.

"**Damage Payment**" means the dollar amount that equals the amount of the Development Security.

"**Day-Ahead Forecast**" has the meaning set forth in Section 4.3(c).

"**Day-Ahead Market**" has the meaning set forth in the CAISO Tariff.

"**Day-Ahead Schedule**" has the meaning set forth in the CAISO Tariff.

"**Dedicated Interconnection Capacity**" means the maximum instantaneous amount of Energy that is permitted to be delivered by the Facility to the Interconnection Point under Seller's Interconnection Agreement, in the amount of MWs as set forth on the Cover Sheet.

"**Deemed Delivered Energy**" means the amount of Generating Facility Energy, expressed in MWh, that the Generating Facility would have produced and delivered to the Storage Facility and/or Delivery Point, but that is not produced by the Generating Facility during a Buyer Curtailment Period, which amount shall be calculated using the CAISO VER forecast or an industry-standard methodology agreed to by Buyer and Seller that utilizes meteorological conditions on Site as input for the period of time during such Buyer Curtailment Period, less the amount of Generating Facility Energy delivered to the Storage Facility and/or Delivery Point during the Buyer Curtailment Period; *provided*, if the applicable difference is negative, the Deemed Delivered Energy shall be zero (0).

"**Deemed Delivered RA**" means the amount of Resource Specific Import RA expressed in MW_{AC} that the Facility would have delivered, but for (a) the failure of Buyer to (i) obtain Import Capability sufficient to allow for the importation of such capacity into the CAISO, (ii) obtain any other rights or capacities that Buyer is required to obtain, or take any other action that Buyer is required to take, in order for Seller to provide or Buyer to make use of the Capacity Attributes of the Facility, (iii) timely submit a Supply Plan for the Facility after the Facility has received a Net Qualifying Capacity from CAISO, in each case as may be required under applicable Law and as may change from time to time, and (b) a Force Majeure Event as provided in Section 3.7(e).

"**Defaulting Party**" has the meaning set forth in Section 11.1(a).

"**Deficient Month**" has the meaning set forth in Section 4.10(e).

"**Delay Damages**" means Construction Delay Damages and Commercial Operation Delay Damages.

"**Delivery Point**" has the meaning set forth in Exhibit A.

"**Delivery Term**" shall mean the period of Contract Years set forth on the Cover Sheet beginning on the Commercial Operation Date, unless terminated earlier in accordance with the terms and conditions of this Agreement.

"**Development Cure Period**" has the meaning set forth in Exhibit B.

"**Development Security**" means (a) cash or (b) a Letter of Credit in the amount set forth on the Cover Sheet.

"**Discharging Energy**" means all Energy that is delivered from the Storage Facility to the Delivery Point pursuant to a Discharging Notice during any Settlement Interval or Settlement Period, as measured at the Storage Facility Metering Point by the Storage Facility Meter, as such meter readings are adjusted for Electrical Losses to the Delivery Point. For the avoidance of doubt, Discharging Energy may not be used to serve Idle Period Auxiliary Load.

"**Discharging Notice**" means the operating instruction, and any subsequent updates, given by Buyer, Buyer's SC or the CAISO, directing the Storage Facility to discharge Discharging Energy at a specific MW rate for a specified period of time or to a specified Stored Energy Level; *provided*, (a) any such operating instruction or updates shall be in accordance with the Operating Restrictions and such "Discharging Notice" shall be deemed automatically adjusted to comply with the Operating Restrictions, and (b) if, during a period when the Storage Facility is instructed by Buyer's SC or the CAISO to be discharging, the sum of Generating Facility Energy and Discharging Energy would exceed the Dedicated Interconnection Capacity, such "Discharging Notice" shall be deemed to be automatically adjusted to reduce the amount of Discharging Energy so that the sum of Discharging Energy and Generating Facility Energy does not exceed the Dedicated Interconnection Capacity, until such time as Buyer's SC or the CAISO issues a further modified Discharging Notice; and *further provided* that, if, during a period when the Facility is so instructed by CAISO or any other Governmental Authority to be discharging, such "Discharging Notice" shall be deemed to be automatically adjusted to be equal to such instruction. For the avoidance of doubt, any Discharging Notice shall not constitute a Buyer Bid Curtailment, Buyer Curtailment Order or Curtailment Order. Any instruction to discharge the Storage Facility pursuant to a Buyer Dispatched Test shall be considered a Discharging Notice.

"**Dispute Notice**" has the meaning set forth in Section 15.2.

"**Early Termination Date**" has the meaning set forth in Section 11.2(a).

"**Effective Date**" has the meaning set forth in the Preamble.

"**Efficiency Rate**" means the measured round-trip efficiency rate of the Storage Facility, expressed as a percentage, calculated pursuant to a Storage Capacity Test by dividing Energy Out by Energy In and which for a given calendar month shall be prorated as necessary if more than one Efficiency Rate applies during such calendar month.

"**Electrical Losses**" means, subject to meeting any applicable CAISO rules for Pseudo-Tie Resources, all transmission or transformation losses (a) between the Generating Facility Metering Point and the Delivery Point associated with delivery of Generating Facility Energy, (b) between the Storage Facility Metering Point and the Delivery Point associated with delivery of Discharging Energy, and (c) between the Generating Facility Metering Point and the Storage Facility Metering Point associated with delivery of Charging Energy.

"**Eligible Renewable Energy Resource**" has the meaning set forth in California Public Utilities Code Section 399.12(e) and California Public Resources Code Section 25741(a), as either code provision is amended or supplemented from time to time.

"**Energy**" means alternating current electrical energy measured in MWh.

"**Energy In**" has the meaning set forth in Part II.B of Exhibit O.

"**Energy Management System**" or "**EMS**" means the Facility's energy management system.

"**Energy Out**" has the meaning set forth in Part II.B of Exhibit O.

"**Energy Supply Bid**" has the meaning set forth in the CAISO Tariff.

"**Event of Default**" has the meaning set forth in Section 11.1.

"**Excess MWh**" has the meaning set forth in Exhibit C.

"**Excused Event**" has the meaning set forth in Exhibit P.

"**Expected Energy**" means the quantity of Generating Facility Energy that Seller expects to be able to deliver to Buyer during each Contract Year or other time period (assuming no Charging Energy or Discharging Energy during such Contract Year or time period) in the quantity specified on the Cover Sheet, which amount shall be adjusted proportionately to the reduction from Guaranteed Capacity to Installed Generating Capacity pursuant to Section 5(a) of Exhibit B, if applicable.

"**Facility**" means the Generating Facility and the Storage Facility.

"**Facility Energy**" means the sum of Generating Facility Energy and Discharging Energy during any Settlement Interval or Settlement Period, net of Charging Energy, Electrical Losses, Auxiliary Load, and Station Use, as measured by the Facility Meter, and adjusted in accordance with CAISO requirements applicable to Pseudo-Tie Resources to account for Electrical Losses to the Delivery Point.

"**Facility Meter**" means the CAISO-Approved Meter that will measure all Facility Energy, which Facility Meter may be adjusted in accordance with CAISO requirements applicable to Pseudo-Tie Resources to account for Electrical Losses to the Delivery Point. The location of the Facility Meter is shown on Exhibit R.

"**FERC**" means the Federal Energy Regulatory Commission.

"**Financial Close**" means Seller or one of its Affiliates has obtained debt or equity financing commitments from one or more Lenders sufficient to construct the Facility, including such financing commitments from Seller's owner(s).

"**Firm Transmission**" means transmission service that cannot be curtailed within an operating hour for economic reasons or for higher priority transmission within the operating hour, or the highest quality of transmission service available from the Transmission Provider.

"**Flexible Capacity**" has the meaning set forth in the CAISO Tariff.

"**Flexible Capacity Category**" has the meaning set forth in the CAISO Tariff.

"**Flexible RAR**" means the flexible capacity requirements established for load-serving entities by the CAISO pursuant to the CAISO Tariff, the CPUC pursuant to the Resource Adequacy Rulings, or by any other Governmental Authority.

"**Force Majeure Event**" has the meaning set forth in Section 10.1.

"**Forced Facility Outage**" means an unexpected failure of one or more components of the Facility that prevents Seller from generating Energy or making Facility Energy available at the Interconnection Point and that is not the result of a Force Majeure Event.

"**Forecasting Penalty**" means for each hour in which Seller does not provide the forecast required in Section 4.3(d) and Buyer incurs a loss or penalty resulting from its scheduling activities in such hour with respect to Generating Facility Energy, the product of (A) the absolute difference (if any) between (i) the expected Energy for such hour (which, for the avoidance of doubt, assumes no Charging Energy or Discharging Energy in such hour) set forth in the Monthly Delivery Forecast, and (ii) the actual Energy produced by the Generating Facility (absent any Charging Energy and Discharging Energy), multiplied by (B) the absolute value of the Real-Time Price in such hour.

"**Full Cycle Equivalent**" means either (a) a Cycle or (b) the sum of more than one Partial Cycles that equal the Discharging Energy in one Cycle.

"**Full PTC Value**" means the total value of the Base Case PTC that is expected to be available in respect to the Generating Facility over the PTC capture period.

"**Future Environmental Attributes**" shall mean any and all generation attributes other than Green Attributes or Renewable Energy Incentives under the RPS regulations or under any and all other international, federal, regional, state or other law, rule, regulation, bylaw, treaty or other intergovernmental compact, decision, administrative decision, program (including any voluntary compliance or membership program), competitive market or business method (including all credits, certificates, benefits, and emission measurements, reductions, offsets and allowances related thereto) that are attributable, now, or in the future, to the generation of electrical energy by the Facility. Future Environmental Attributes do not include Renewable Energy Incentives.

"**Gains**" means, with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of this Agreement for the remaining Contract Term, determined in a commercially reasonable manner. Factors used in determining the economic benefit to a Party may include, without limitation, reference to information supplied by one or more third parties, which shall exclude Affiliates of the Non-Defaulting Party, including without limitation quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs (e.g., SP-15), all of which should be calculated for the remaining Contract Term, and include the value of Green Attributes and Capacity Attributes.

"**Generating Facility**" means the renewable energy electricity generating facility described on the Cover Sheet and in Exhibit A located at the Site and including mechanical equipment and associated facilities and equipment required to deliver Generating Facility Energy to (a) the Interconnection Point, and (b) the Storage Facility as Charging Energy; *provided*, "Generating Facility" does not include the Storage Facility, Interconnection Facilities (other than Seller's Interconnection Facilities), Network Upgrades or the Shared Facilities.

"**Generating Facility Energy**" means all Energy that is delivered from the Generating Facility, as measured at the Generating Facility Metering Point by the Generating Facility Meter, as such meter readings are adjusted for Electrical Losses to the Delivery Point. For the avoidance of doubt, Generating Facility Energy shall be measured considering transmission losses on WAPA system to the Delivery Point but shall be before any round-trip efficiency losses of the Storage Facility.

"**Generating Facility Meter**" means revenue quality meter or meters, along with a data processing gateway or remote intelligence gateway, telemetering equipment and data acquisition services sufficient for monitoring, recording and reporting, in real time, the amount of Generating Facility Energy delivered to the Generating Facility Metering Point. The Generating Facility may contain multiple measurement devices that will make up the Generating Facility Meter, and, unless otherwise indicated, references to the Generating Facility Meter shall mean all such measurement devices and the aggregated data of all such measurement devices, taken together.

"**Generating Facility Metering Point**" means the location or locations of the Generating Facility Meter shown on Exhibit R.

"**GEP Damages**" has the meaning set forth in Section 4.7.

"**Governmental Authority**" means any federal, state, provincial, local or municipal government; any political subdivision thereof; or any other governmental, congressional or parliamentary, regulatory, or judicial instrumentality, authority, body, agency, department, bureau, or entity with authority to bind a Party at law, including CAISO; *provided*, *however*, that "Governmental Authority" shall not in any event include any Party.

"**Green Attributes**" means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Facility and its displacement of conventional energy generation. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (1) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (Sox), nitrogen oxides (Nox), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere; and (3) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Generating Facility Energy. Green Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Facility, (ii) Tax Benefits associated with the construction or operation of the Facility and other financial incentives in the form of credits, reductions, or allowances associated with the Facility that are applicable to a state or federal income taxation obligation including Renewable Energy Incentives, (iii) fuel-related subsidies or "tipping fees" that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Facility for compliance with local, state, or federal operating or air quality permits.

"**Green Tag Reporting Rights**" means the right of a purchaser of renewable energy to report ownership of accumulated "green tags" in compliance with and to the extent permitted by applicable Law and include, without limitation, rights under Section 1605(b) of the Energy Policy Act of 1992, and any present or future federal, state or local certification program or emissions trading program, including pursuant to the WREGIS Operating Rules.

"**Guaranteed Capacity**" means the amount of generating capacity of the Generating Facility, as measured in 160 MW_{AC} at the Interconnection Point, initially equal to the amount set forth on the Cover Sheet, as the same may be adjusted pursuant to Section 5(a) of Exhibit B.

"**Guaranteed Commercial Operation Date**" means the date set forth on the Cover Sheet, as such date may be extended pursuant to Exhibit B.

"**Guaranteed Construction Start Date**" means the date set forth on the Cover Sheet, as such date may be extended pursuant to Exhibit B.

"**Guaranteed Efficiency Rate**" means the guaranteed Efficiency Rate of the Storage Facility throughout the Delivery Term, as set forth on the Cover Sheet.

"**Guaranteed Energy Production**" means an amount of Adjusted Energy Production, as measured in MWh, equal to [redacted] percent ([redacted]%) of the total Expected Energy (as set forth on the Cover Sheet) for the applicable Performance Measurement Period.

"**Guaranteed Flexible Capacity**" means, at any point in time, the maximum quantity of Flexible Capacity (in MWs) for which a Pseudo-Tie Resource, that is a hybrid facility, that is located at the Site, with solar generation capacity equal to the Installed Generating Capacity, with battery discharge capability equal to the Installed Battery Capacity, with no grid charging, having interconnection capacity equal to the Dedicated Interconnection Capacity, with a Storage Facility maximum dependable operating capacity to discharge Energy for four (4) hours of continuous discharge, having Firm Transmission in the amount of the Installed Generating Capacity between the Interconnection Point and the Delivery Point, with transmission losses pursuant to the applicable WAPA Tariff, and performing with operational characteristics equal to those required by the Guaranteed Availability, Guaranteed Efficiency Rate, and the Operating Restrictions may be counted in any given Showing Month by the CAISO and CPUC pursuant to the then-current Law, including counting conventions set forth in the Resource Adequacy Rulings and the CAISO Tariff applicable to Resource Adequacy Resources.

"**Guaranteed Net Qualifying Capacity**" means, at any point in time, the maximum quantity of Net Qualifying Capacity (in MWs) for which a Pseudo-Tie Resource, that is a hybrid facility, that is located at the Site, with solar generation capacity equal to the Installed Generating Capacity, with battery discharge capability equal to the Installed Battery Capacity, with no grid charging, having interconnection capacity equal to the Dedicated Interconnection Capacity, with a Storage Facility maximum dependable operating capacity to discharge Energy for four (4) hours of continuous discharge, having Firm Transmission in the amount of the Installed Generating Capacity between the Interconnection Point and the Delivery Point, with transmission losses pursuant to the applicable WAPA Tariff, and performing with operational characteristics equal to those required by the Guaranteed Availability, Guaranteed Efficiency Rate, and the Operating

Restrictions may be counted in any given Showing Month by the CAISO and CPUC pursuant to the then-current Law, including counting conventions set forth in the Resource Adequacy Rulings and the CAISO Tariff applicable to Resource Adequacy Resources.

"**Guaranteed Storage Availability**" means the minimum guaranteed Annual Storage Availability of the Facility, as set forth on the Cover Sheet.

"**Guarantor**" means, with respect to Seller, any Person that (a) does not already have any material credit exposure to Buyer under any other agreements, guarantees, or other arrangements at the time its Guaranty is issued, (b) is an Affiliate of Seller, or other third party reasonably acceptable to Buyer, (c) has a Credit Rating of BBB- or better from S&P or a Credit Rating of Baa3 or better from Moody's, (d) has a tangible net worth of at least One Hundred Million Dollars ($100,000,000), (e) is incorporated or organized in a jurisdiction of the United States and is in good standing in such jurisdiction, and (f) executes and delivers a Guaranty for the benefit of Buyer.

"**Guaranty**" means a guaranty from a Guarantor provided for the benefit of Buyer substantially in the form attached as Exhibit L.

"**Hybrid Resource**" has the meaning set forth in the CAISO Tariff.

"**Idle Period Auxiliary Load**" means Auxiliary Load consumed by the Storage Facility during periods in which the Storage Facility is not charging or discharging pursuant to a Charging Notice or Discharging Notice, as such Idle Period Auxiliary Load is measured by the Auxiliary Load Meter.

"**Imbalance Energy**" means the amount of Energy in MWh, in any given Settlement Period or Settlement Interval, by which the amount of Facility Energy deviates from the amount of Scheduled Energy.

"**Import Capability**" means that portion of the Maximum Import Capability allocated by the CAISO that is necessary to support the importation of Resource Adequacy Benefits from the Facility into the CAISO market in an amount equal to the Guaranteed Net Qualifying Capacity.

"**Indemnifiable Loss(es)**" has the meaning set forth in Section 16.1(a).

"**Indemnified Party**" has the meaning set forth in Section 16.1(a).

"**Indemnifying Party**" has the meaning set forth in Section 16.1(a).

"**Initial Synchronization**" means the initial delivery of Facility Energy to the Delivery Point.

"**Installed Battery Capacity**" means the maximum dependable operating capability of the Storage Facility to discharge Energy, as measured at the Interconnection Point, that achieves Commercial Operation (up to but not in excess of the Storage Contract Capacity set forth on the Cover Sheet), adjusted for ambient conditions on the date of the performance test, and as evidenced by a certificate substantially in the form attached as Exhibit I hereto.

"**Installed Capacity**" means the sum of (i) the Installed Generating Capacity and (ii) the Installed Battery Capacity.

"**Installed Generating Capacity**" means the actual generating capacity of the Generating Facility, as measured at the Interconnection Point, that achieves Commercial Operation (up to but not in excess of the Guaranteed Capacity), adjusted for ambient conditions on the date of the performance test, and as evidenced by a certificate substantially in the form attached as Exhibit I hereto.

"**Insurable Force Majeure Event**" means any Force Majeure Event which (a) results in direct, physical loss to the Facility, and (b) excludes Force Majeure Events that occur beyond the Interconnection Point.

"**Interconnection Agreement**" means the interconnection agreement(s) entered into by Seller or a Seller Affiliate pursuant to which the Facility will be interconnected with the Transmission System, providing for interconnection capacity available or allocable to the Facility at the Interconnection Point that is no less than the Dedicated Interconnection Capacity, and pursuant to which Seller's Interconnection Facilities and any other Interconnection Facilities will be constructed, operated and maintained during the Contract Term.

"**Interconnection Facilities**" means the interconnection facilities, control and protective devices and metering facilities required to connect the Facility with the Transmission System in accordance with the Interconnection Agreement.

"**Interconnection Point**" means the point at which Seller's Interconnection Facilities interconnect with the Transmission System, which shall be the newly built switchyard on existing Headgate Rock – Blythe 161 kV transmission line, consistent with the Interconnection Agreement.

"**Interest Rate**" has the meaning set forth in Section 8.2.

"**Inter-SC Trade**" or "**IST**" has the meaning set forth in the CAISO Tariff.

"**Intertie**" has the meaning set forth in the CAISO Tariff.

"**Investment Grade Credit Rating**" means a Credit Rating of BBB- or higher by S&P or Baa3 or higher by Moody's.

"**IRA**" means the Inflation Reduction Act of 2022.

"**ITC**" means the investment tax credit established pursuant to Section 48 of the United States Internal Revenue Code of 1986.

"**Joint Powers Act**" means the Joint Exercise of Powers Act of the State of California (Cal. Gov. Code Section 6500 *et seq*.).

"**Joint Powers Agreement**" means that certain Joint Powers Agreement dated October 1, 2019, as amended from time to time, under which Buyer is organized as a joint powers authority in accordance with the Joint Powers Act.

"**kW**" means kilowatts in alternating current, unless expressly stated in terms of direct current.

"**Law**" means any applicable law, statute, rule, regulation, decision, writ, order, decree or judgment, permit, or any interpretation thereof, promulgated or issued by a Governmental Authority.

"**Lender**" means, collectively, any Person (i) providing senior or subordinated construction, interim, back-leverage or long-term debt, equity or tax equity, tax credit or cash equity financing or refinancing for or in connection with the development, construction, purchase, installation or operation of the Facility, whether that financing or refinancing takes the form of private debt (including back-leverage debt), equity (including tax equity), public debt or any other form (including financing or refinancing provided to a member or other direct or indirect owner of Seller), including any equity or tax equity investor directly or indirectly providing financing or refinancing for the Facility or purchasing equity ownership interests of Seller or its Affiliates, and any trustee or agent or similar representative acting on their behalf, (ii) providing Interest Rate or commodity protection under an agreement hedging or otherwise mitigating the cost of any of the foregoing obligations or (iii) participating in a lease financing (including a sale leaseback or leveraged leasing structure) with respect to the Facility.

"**Letter(s) of Credit**" means one or more irrevocable, standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch with such bank having a Credit Rating of at least A- from S&P or A3 from Moody's, in a form substantially similar to the letter of credit set forth in Exhibit K.

"**Licensed Professional Engineer**" means an independent, professional engineer selected by Seller and reasonably acceptable to Buyer, licensed in the state of California.

"**Limited Assignee**" has the meaning set forth in Section 14.4.

"**Local Capacity Area Resource**" has the meaning set forth in the CAISO Tariff.

"**Local RAR**" means the local Resource Adequacy Requirements established for load serving entities by the CPUC pursuant to the Resource Adequacy Rulings, the CAISO pursuant to the CAISO Tariff, or by any other Governmental Authority having jurisdiction.

"**Locational Marginal Price**" or "**LMP**" has the meaning set forth in the CAISO Tariff.

"**Losses**" means, with respect to the Non-Defaulting Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from termination of this Agreement for the remaining Contract Term, determined in a commercially reasonable manner. Factors used in determining economic loss to a Party may include reference to information supplied by one or more third parties, which shall exclude Affiliates of the Non-Defaulting Party, including quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, comparable transactions, forward price curves based on economic analysis of the relevant markets, and settlement prices for comparable transactions at liquid trading hubs (e.g., SP-15), all of which should be calculated for the remaining Contract Term and must include the value of Green Attributes, Capacity Attributes, and Renewable Energy Incentives (calculated on an after-tax basis), and the Parties agree that Seller's lost revenue under this Agreement resulting from a Buyer Event of Default are direct damages and may be included in Seller's determination of its Losses.

"**Lost Output**" means the amount of Generating Facility Energy expressed in MWh that the Generating Facility would have produced and delivered to the Storage Facility or the Delivery Point, but that is not produced by the Generating Facility during Force Majeure Events, Curtailment Periods, System Emergencies, or Buyer Failure, which amount shall be calculated using the most recent CAISO VER forecast, to the extent available, or an industry-standard methodology agreed to by Buyer and Seller that utilizes meteorological conditions on Site as input for the period of time during such Force Majeure Events, Curtailment Periods, System Emergencies, or Buyer Failure, less the amount of Generating Facility Energy delivered to the Storage Facility and/or Delivery Point during such period of time (or other relevant period); *provided* that, if the applicable difference is negative, the Lost Output shall be zero (0).

"**Major Equipment**" means solar modules and battery storage units inclusive of the storage units and inverters.

"**Master File**" has the meaning set forth in the CAISO Tariff.

"**Maximum Charging Capacity**" means the maximum power output level, in MW, at which the Storage Facility can be charged, as specified in Exhibit Q.

"**Maximum Discharging Capacity**" means the maximum power output level, in MW, at which the Storage Facility can be discharged, as specified in Exhibit Q.

"**Maximum Import Capability**" has the meaning set forth in the CAISO Tariff, and includes any replacement or successor method implemented by the CAISO with respect to the ability of generating units that are external to the CAISO balancing authority area to provide Resource Adequacy Benefits.

"**Maximum State of Charge**" means the maximum State of Charge to which the Storage Facility may be charged, as set forth in Exhibit Q.

"**Maximum Stored Energy Level**" means the maximum Stored Energy Level the Storage Facility is capable of achieving, expressed in MWh, as set forth in Exhibit Q.

"**Milestones**" means the development activities for significant permitting, interconnection, financing and construction milestones set forth on the Cover Sheet.

"**Minimum Efficiency Rate**" means the percentage specified on the Cover Sheet.

"**Minimum State of Charge**" means the minimum State of Charge to which the Storage Facility may be discharged, as set forth in Exhibit Q.

"**Minimum Stored Energy Level**" means the minimum Stored Energy Level the Storage Facility is capable of achieving, expressed in MWh, as set forth in Exhibit Q.

"**Monthly Delivery Forecast**" has the meaning set forth in Section 4.3(b).

"**Monthly Storage Availability**" has the meaning set forth in Exhibit P.

"**Moody's**" means Moody's Investors Service, Inc.

"**MW**" means megawatts in alternating current, unless expressly stated in terms of direct current.

"**MWh**" means megawatt-hour measured in alternating current, unless expressly stated in terms of direct current.

"**Negative LMP**" means, in any Settlement Interval, the LMP at the Facility's Pnode is less than Zero Dollars ($0).

"**Negative LMP Costs**" has the meaning set forth in Exhibit C.

"**NERC**" means the North American Electric Reliability Corporation or any successor entity performing similar functions.

"**Net Qualifying Capacity**" has the meaning set forth in the CAISO Tariff.

"**Network Upgrades**" has the meaning set forth in the Participating Transmission Owner Tariff.

"**New Benefit Legislation**" means (i) any newly enacted federal, state, and/or local legislation, as applicable after the Effective Date, or (ii) any new guidance provided by an applicable Government Authority relating to Current Tax Law that, in the case of either (i) or (ii) above, provides for Seller Tax Credit Benefits.

"**Non-Defaulting Party**" has the meaning set forth in Section 11.2.

"**Notice**" shall, unless otherwise specified in the Agreement, mean written communications by a Party to be delivered by hand delivery, United States mail, overnight courier service, or electronic messaging (e-mail).

"**Operating Instruction**" has the meaning set forth in the CAISO Tariff.

"**Operating Restrictions**" means those rules, requirements, and procedures set forth on Exhibit Q.

"**Partial Cycle**" means a quantity of Discharging Energy (in MWh) that is less than one hundred percent (100%) of the Storage Contract Output.

"**Participating Transmission Owner**" or "**PTO**" means an entity that owns, operates and maintains transmission or distribution lines and associated facilities or has entitlements to use certain transmission or distribution lines and associated facilities where the Facility is interconnected. For purposes of this Agreement, the Participating Transmission Owner is set forth in Exhibit A.

"**Party**" or "**Parties**" has the meaning set forth in the Preamble.

"**Performance Measurement Period**" means each two (2) consecutive Contract Year period during the Delivery Term so that the first Performance Measurement Period shall include Contract Years 1 and 2. Performance Measurement Periods shall overlap, so that if the first Performance Measurement Period is composed of Contract Years 1 and 2, the second Performance Measurement Period shall be composed of Contract Years 2 and 3, the third Performance Measurement Period shall be composed of Contract Years 3 and 4, and so on.

"**Performance Security**" means (a) cash, (b) a Letter of Credit or (c) a Guaranty in the amount set forth on the Cover Sheet.

"**Permitted Transferee**" means (a) any Affiliate of Seller or (b) any entity that has, or is controlled by another Person that satisfies the following requirements:

(i) A tangible net worth of not less than One Hundred Fifty Million Dollars ($150,000,000) or a Credit Rating of at least BBB- from S&P, BBB- from Fitch, or Baa3 from Moody's; and

(ii) At least two (2) years of experience in the ownership and operations of power generation facilities similar to the Facility, or has retained a third party with such operations experience to operate the Facility.

"**Person**" means any individual, sole proprietorship, corporation, limited liability company, limited or general partnership, joint venture, association, joint-stock company, trust, incorporated organization, institution, public benefit corporation, unincorporated organization, government entity or other entity.

"**Pnode**" has the meaning set forth in the CAISO Tariff.

"**Planned Outage**" means, subject to and as further described in the CAISO Tariff, a CAISO-approved planned or scheduled disconnection, separation or reduction in capacity of the Facility that is conducted for the purposes of carrying out routine repair or maintenance of such Facility, or for the purposes of new construction work for such Facility.

"**Portfolio Content Category 1**" or "**PCC1**" means any Renewable Energy Credit associated with the generation of electricity from an Eligible Renewable Energy Resource consisting of the portfolio content set forth in California Public Utilities Code Section 399.16(b)(1), as may be amended from time to time or as further defined or supplemented by Law.

"**Product**" has the meaning set forth on the Cover Sheet.

"**Progress Report**" means a progress report including the items set forth in Exhibit E.

"**Prudent Operating Practice**" means (a) the applicable practices, methods and acts required by or consistent with applicable Laws and reliability criteria, and otherwise engaged in or approved by a significant portion of the electric industry during the relevant time period with respect to grid-interconnected, utility-scale generating facilities with integrated storage in the Western United States, or (b) any of the practices, methods and acts which, in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Prudent Operating Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to acceptable practices, methods or acts generally accepted in the industry with respect to grid-interconnected, utility-scale generating facilities with integrated storage in the Western United States. Prudent Operating Practice includes compliance with applicable Laws, applicable reliability criteria, and the criteria, rules and standards promulgated in the National Electric Safety Code and the National Electrical Code, as they may be amended or superseded from time to time, including the criteria, rules and standards of any successor organizations.

"**Pseudo-Tie Participating Generator Agreement**" has the meaning set forth in the CAISO Tariff.

"**Pseudo-Tie Resource**" means a facility that is party to a Pseudo-Tie Participating Generator Agreement with the CAISO, which allows for Capacity Attributes from the facility to be imported into the CAISO as "unit-specific" or "resource specific" import resource adequacy capacity pursuant to applicable decisions of the CPUC.

"**PTC**" means the production tax credit established pursuant to Section 45 of the United States Internal Revenue Code of 1986.

"**PTC Amount**" means the amount, on a dollar per MWh basis, equal to the PTC that Seller would have earned in respect of Generating Facility Energy at the time, grossed up on an after-tax basis at the then-highest marginal combined federal and state corporate tax rate, but failed to earn as a result of Buyer Bid Curtailment or Buyer Curtailment Order, which amount will be calculated by reference to the amount of Deemed Delivered Energy and the portion of the Generating Facility eligible to receive PTCs at the time of determination.

"**Qualifying Capacity**" has the meaning set forth in the CAISO Tariff.

"**RA Compliance Showing**" means the (a) Local RAR compliance or advisory showings (or similar or successor showings), (b) RAR compliance or advisory showings (or similar or successor showings), and (c) Flexible RAR compliance or advisory showings (or similar successor showings), in each case, an entity is required to make to the CAISO pursuant to the CAISO Tariff, to the CPUC (and, to the extent authorized by the CPUC, to the CAISO) pursuant to the Resource Adequacy Rulings, or to any Governmental Authority.

"**RA Deficiency Amount**" means the liquidated damages payment that Seller shall pay to Buyer for an applicable RA Shortfall Month as calculated in accordance with Section 3.8(b).

"**RA Guarantee Date**" means the date that is the earlier of (a) the date that is three (3) months following the Commercial Operation Date or (b) the date that is first month the Facility is on a Supply Plan; *provided*, the Storage Rate shall be $[redacted]/kW-month for the period between the Commercial Operation Date and the RA Guarantee Date.

"**RA Shortfall**" means the greater of:

(a) the difference, expressed in kW, of the then applicable Guaranteed Net Qualifying Capacity of the Facility, *minus* (i) the then applicable Net Qualifying Capacity of the Facility that may be included in Supply Plans for Buyer by both the CAISO and CPUC, which shall be deemed to be zero (0) MW if the Net Qualifying Capacity has not been published by or otherwise established with the CAISO or the CPUC by the Notification Deadline for such RA Shortfall Month, *minus* (ii) Deemed Delivered RA, if any, *minus* (iii) Replacement RA, if any; and

(b) the difference, expressed in kW, of the then-applicable Guaranteed Flexible Capacity of the Facility, *minus* (i) the then applicable Flexible Capacity of the Facility that may be included in Supply Plans for Buyer by both the CAISO and CPUC, which shall be deemed to be zero (0) MW if the Flexible Capacity has not been published by or otherwise established with the CAISO by the Notification Deadline for such RA Shortfall Month, *minus* (ii) Deemed Delivered RA, if any *minus* (iii) Replacement RA, if any.

"**RA Shortfall Month**" means, for purposes of calculating an RA Deficiency Amount under Section 3.8(b), any Showing Month, commencing with the Showing Month that contains the RA Guarantee Date, during which there is an RA Shortfall.

"**RA Substitute Capacity**" has the meaning set forth in the CAISO Tariff.

"**Ramp Rate**" means the ability of the Storage Facility to change between power output levels, expressed in MW_{AC}/min.

"**Real-Time Forecast**" means any Notice of any change to the Available Generating Capacity, Storage Capacity, or hourly expected Energy delivered by or on behalf of Seller pursuant to Section 4.3(d).

"**Real-Time Market**" has the meaning set forth in the CAISO Tariff.

"**Real-Time Price**" means the Resource-Specific Settlement Interval LMP as defined in the CAISO Tariff. If there is more than one applicable Real-Time Price for the same period of time, Real-Time Price shall mean the price associated with the smallest time interval.

"**Recurring Certificate Transfers**" has the meaning set forth in Section 4.10(a).

"**Remedial Action Plan**" has the meaning set forth in Section 2.4.

"**Renewable Energy Credit**" has the meaning set forth in California Public Utilities Code Section 399.12(h), as may be amended from time to time or as further defined or supplemented by Law.

"**Renewable Energy Incentives**" means: (a) any federal, state, or local tax benefits, credits or other incentives associated with the construction, ownership, or production of electricity from the Facility (including credits under Sections 38, 45, 46 and 48 of the Internal Revenue Code of 1986, as amended), investment tax credits, production tax credits, depreciation, amortization, deduction, expense, exemption, preferential rate, and/or other tax benefit or incentive associated with the production of renewable energy and/or operation of, construction of, investments in or ownership of the Facility; (b) any federal, state, or local cash payments, grants, subsidies or other like benefits relating in any way to the Facility; and (c) any other form of incentive relating in any way to the Facility that is not a Green Attribute or a Future Environmental Attribute.

"**Renewable Rate**" has the meaning set forth on the Cover Sheet.

"**Replacement Green Attributes**" means Renewable Energy Credits of the same Portfolio Content Category (i.e., PCC1) as the Green Attributes portion of the Product and of the same year of production as the Renewable Energy Credits that would have been generated by the Generating Facility.

[redacted]

"**Resource Adequacy Benefits**" means the rights and privileges attached to the Facility that satisfy any entity's Resource Adequacy Requirements, as those obligations are set forth in any Resource Adequacy Rulings and includes any local, zonal or otherwise locational attributes associated with the Facility, in addition to flex attributes.

"**Resource Adequacy Requirements**" or "**RAR**" means the resource adequacy requirements applicable to an entity as established by the CAISO pursuant to the CAISO Tariff, by the CPUC pursuant to the Resource Adequacy Rulings, or by any other Governmental Authority.

"**Resource Adequacy Resource**" has the meaning set forth in the CAISO Tariff.

"**Resource Adequacy Rulings**" means CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-04-040, 06-06-064, 06-07-031 06-07-031, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-025, and 13-06-024 and any other existing or subsequent ruling or decision, or any other resource adequacy Law, however described, as such decisions, rulings, Laws, rules or regulations may be amended or modified from time to time throughout the Delivery Term.

"**Resource Category**" means the categories for established by the CPUC in the Resource Adequacy Rulings and subsequently incorporated into the annual Filing Guide for System, Local and Flexible Resource Adequacy Compliance Filings that is issued by the CPUC Energy Division, or any replacement or successor documentation established by the CPUC Energy Division.

"**Resource Specific Import RA**" means a resource that is listed on the CPUC's Net Qualifying Capacity list as a Pseudo-Tie Resource and satisfies all applicable requirements under the Resource Adequacy Rulings for resource-specific Resource Adequacy Resources that are not directly connected to the CAISO, including CPUC Decisions 05-10-042 and 20-06-028.

"**S&P**" means the Standard & Poor's Financial Services, LLC (a subsidiary of The McGraw-Hill Companies, Inc.).

"**Schedule**" has the meaning set forth in the CAISO Tariff, and "**Scheduled**" and "**Scheduling**" have corollary meanings.

"**Scheduled Energy**" means the Facility Energy that clears under the applicable CAISO market based on the final Day-Ahead Schedule, FMM Schedule (as defined in the CAISO Tariff), or any other financially binding Schedule, market instruction or dispatch for the Facility for a given period of time implemented in accordance with the CAISO Tariff.

"**Scheduling Coordinator**" or "**SC**" means an entity certified by the CAISO as qualifying as a Scheduling Coordinator pursuant to the CAISO Tariff for the purposes of undertaking the functions specified in "Responsibilities of a Scheduling Coordinator," of the CAISO Tariff, as amended from time to time.

"**Security Interest**" has the meaning set forth in Section 8.9.

"**Self-Schedule**" has the meaning set forth in the CAISO Tariff.

"**Seller**" has the meaning set forth on the Cover Sheet.

"**Seller Initiated Test**" has the meaning set forth in Section 4.9(b).

"**Seller Tax Credit Benefits**" means the value of any ITC or PTC or other tax benefit resulting from New Benefit Legislation available to the Facility in excess of the Base Case ITC or Base Case PTC, as applicable, but only to the extent that such excess value actually inures to the benefit of Seller (or any of its Affiliates or financing parties).

"**Seller's WREGIS Account**" has the meaning set forth in Section 4.10(a).

"**Settlement Amount**" means the Non-Defaulting Party's Costs and Losses, on the one hand, netted against its Gains, on the other. If the Non-Defaulting Party's Costs and Losses exceed its Gains, then the Settlement Amount shall be an amount owing to the Non-Defaulting Party. If the Non-Defaulting Party's Gains exceed its Costs and Losses, then the Settlement Amount shall be Zero Dollars ($0). The Settlement Amount does not include consequential, incidental, punitive, exemplary, or indirect or business interruption damages unless such damages are part of a Party's gains, Losses or Costs as those terms are explicitly defined herein.

"**Settlement Interval**" has the meaning set forth in the CAISO Tariff.

"**Settlement Period**" has the meaning set forth in the CAISO Tariff.

"**Shared Facilities**" means the gen-tie lines, transformers, substations, or other equipment, permits, contract rights, and other assets and property (real or personal), in each case, as necessary to enable delivery of Energy from the Facility (which is excluded from Shared Facilities) to the point of interconnection, including the Interconnection Agreement itself, that are used in common with third parties or by Seller for electric generation or storage facilities owned by Seller other than the Facility.

"**Showing Month**" shall be the calendar month of the Delivery Term, commencing with the Showing Month that contains the RA Guarantee Date, that is the subject of the RA Compliance Showing, as set forth in the Resource Adequacy Rulings and outlined in the CAISO Tariff. For illustrative purposes only, pursuant to the CAISO Tariff and Resource Adequacy Rulings in effect as of the Effective Date, the monthly RA Compliance Showing made in June is for the Showing Month of August.

"**Site**" means the real property on which the Facility is or will be located, as further described in Exhibit A, and as shall be updated by Seller at the time Seller provides an executed Construction Start Date certificate in the form of Exhibit J to Buyer; *provided*, the Site must be within the boundaries of the previously identified Site. Seller will be permitted to remove parcels that are not included in the Site, if any, at the time Seller provides an executed Construction Start Date certificate in the form of Exhibit J to Buyer; such update, if any, will be automatically incorporated into Exhibit A and replace the information set forth as of the Effective Date without any further action of the Parties.

"**Site Control**" means that, on and after the Construction Start Date, Seller (or, prior to the Construction Start Date, its Affiliate): (a) owns or has the option to purchase the Site; (b) is the lessee or has the option to lease the Site; or (c) is the holder of an easement or an option for an easement, right-of-way grant, or similar instrument with respect to the Site.

"**SP-15**" means the Existing Zone Generation Trading Hub for Existing Zone region SP15 as set forth in the CAISO Tariff.

"**State of Charge**" or "**SOC**" means the ratio of (a) the Stored Energy Level of the Facility to (b) the Storage Capacity multiplied by four (4) hours, expressed as a percentage.

"**Station Use**" means the Energy that is used within the Facility to power certain lights, motors, temperature control systems, control systems and other ancillary electrical loads that are necessary for operation of the Facility; *provided*, *however*, Station Use excludes all Auxiliary Loads served during periods in which the Storage Facility is charging or discharging pursuant to a Charging Notice or Discharging Notice.

"**Storage Capacity**" means (a) the maximum dependable operating capability of the Storage Facility to discharge Energy at the Interconnection Point that can be sustained for four (4) consecutive hours and (b) any other products that may be developed or evolve from time to time during the Contract Term that the Storage Facility is able to provide as the Facility is configured on the Commercial Operation Date and that relate to the maximum dependable operating capability of the Storage Facility to discharge Energy as the same shall be determined pursuant to Section 4.9 and Exhibit O to reflect the results of the most recently performed Storage Capacity Test, in either case (a) or (b) up to but not in excess of the Storage Contract Capacity as set forth on the Cover Sheet.

"**Storage Capacity Damages**" has the meaning set forth in Exhibit B.

"**Storage Capacity Test**" or "**SCT**" means any test or retest of the capacity of the Storage Facility and/or Efficiency Rate conducted in accordance with the testing procedures, requirements and protocols set forth in Section 4.9 and Exhibit O.

"**Storage Contract Capacity**" means the total capacity of the Storage Facility, initially equal to the amount set forth on the Cover Sheet, as the same may be adjusted pursuant to Section 5(b) of Exhibit B.

"**Storage Contract Output**" means the product of the Storage Contract Capacity multiplied by four (4) hours, represented in MWh, initially equal to the amount set forth on the Cover Sheet.

"**Storage Cure Plan**" has the meaning set forth in Section 11.1(b)(vii).

"**Storage Facility**" means the energy storage facility described on the Cover Sheet and in Exhibit A, located at the Site and including the Energy Management System and mechanical equipment and associated facilities and equipment required to deliver Storage Product, and as such Storage Facility may be expanded or otherwise modified from time to time in accordance with the terms of this Agreement; *provided*, "Storage Facility" does not include the Generating Facility, Interconnection Facilities (other than Seller's Interconnection Facilities), Network Upgrades or the Shared Facilities.

"**Storage Facility Meter**" means revenue quality meter or meters, along with a data processing gateway or remote intelligence gateway, telemetering equipment and data acquisition services sufficient for monitoring, recording and reporting, in real time, the amount of Charging Energy delivered to the Storage Facility and the amount of Discharging Energy discharged from the Storage Facility to the Delivery Point. The Facility may contain multiple measurement devices that will make up the Storage Facility Meter, and, unless otherwise indicated, references to the Storage Facility Meter shall mean all such measurement devices and the aggregated data of all such measurement devices, taken together.

"**Storage Facility Metering Point**" means the location or locations of the Storage Facility Meter shown on Exhibit R.

"**Storage Product**" means (a) Discharging Energy, (b) Capacity Attributes, if any, (c) Storage Capacity, and (d) Ancillary Services (as defined in the CAISO Tariff), if any, in each case arising from or relating to the Storage Facility.

"**Storage Rate**" has the meaning set forth on the Cover Sheet.

"**Stored Energy Level**" means, at a particular time, the amount of Energy in the Storage Facility available to be discharged as Discharging Energy, expressed in MWh.

"**Supplementary Storage Capacity Test Protocol**" has the meaning set forth in Exhibit O.

"**Supply Plan**" has the meaning set forth in the CAISO Tariff.

"**System Emergency**" means any condition that requires, as determined and declared by CAISO or the PTO, automatic or immediate action to (i) prevent or limit harm to or loss of life or property, (ii) prevent loss of transmission facilities or generation supply in the immediate vicinity of the Facility, or (iii) preserve Transmission System reliability.

"**Tax**" or "**Taxes**" means all U.S. federal, state and local and any foreign taxes, levies, assessments, surcharges, duties and other fees and charges of any nature imposed by a Governmental Authority, whether currently in effect or adopted during the Contract Term, including ad valorem, excise, franchise, gross receipts, import/export, license, property, sales and use, stamp, transfer, payroll, unemployment, income, and any and all items of withholding, deficiency, penalty, additions, interest or assessment related thereto.

"**Terminated Transaction**" has the meaning set forth in Section 11.2(a).

"**Termination Payment**" has the meaning set forth in Section 11.3.

"**Test Energy**" means Generating Facility Energy delivered (a) commencing on the later of (i) the first date that the CAISO informs Seller in writing that Seller may deliver Generating Facility Energy to the CAISO and (ii) the first date that the PTO informs Seller in writing that Seller has conditional or temporary permission to parallel and (b) ending upon the occurrence of the Commercial Operation Date.

"**Test Energy Rate**" has the meaning set forth in Section 3.6.

"**Test Station Use**" means the Energy that is used within the Facility to power certain lights, motors, temperature control systems, control systems and other ancillary electrical loads that are necessary for operation of the Facility (or as otherwise defined by the retail energy provider and CAISO Tariff).

"**Throughput**" means, at any point in time during any day or Contract Year, as applicable, the total cumulative amount of Discharging Energy from the Storage Facility at such point in time during such day or Contract Year, as applicable (expressed in MWh).

"**Transformer Failure**" means failure of all or part of the main power transformer that results in the Facility being unable to generate and/or deliver at least fifty percent (50%) of the Facility Energy during such failure, and such failure was not caused by Seller and could not have been avoided through the exercise of Prudent Operating Practice.

"**Transmission Provider**" means any entity or entities transmitting or transporting the Facility Energy on behalf of Seller or Buyer to or from the Delivery Point.

"**Transmission System**" means the transmission facilities operated by WAPA, the Transmission Provider or CAISO, now or hereafter in existence, which provide energy transmission service downstream from the Interconnection Point.

"**Ultimate Parent**" means Core Development Group.

"**Variable Energy Resource**" or "**VER**" has the meaning set forth in the CAISO Tariff.

"**WAPA**" means the Western Area Power Administration, or its successor in function.

"**WAPA Tariff**" means the WAPA Open Access Transmission Tariff, Business Practice Manuals (BPMs), and Operating Procedures, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time to time and approved by FERC, if applicable.

"**WREGIS**" means the Western Renewable Energy Generation Information System or any successor renewable energy tracking program.

"**WREGIS Certificate Deficit**" has the meaning set forth in Section 4.10(e).

"**WREGIS Certificates**" has the same meaning as "Certificate" as defined by WREGIS in the WREGIS Operating Rules and are designated as eligible for complying with the California Renewables Portfolio Standard.

"**WREGIS Operating Rules**" means those operating rules and requirements adopted by WREGIS as of October 2022, as subsequently amended, supplemented or replaced (in whole or in part) from time to time.

1.2 **Rules of Interpretation**. In this Agreement, except as expressly stated otherwise or unless the context otherwise requires:

(a) headings and the rendering of text in bold and italics are for convenience and reference purposes only and do not affect the meaning or interpretation of this Agreement;

(b) words importing the singular include the plural and vice versa and the masculine, feminine and neuter genders include all genders;

(c) the words "hereof", "herein", and "hereunder" and words of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement;

(d) a reference to an Article, Section, paragraph, clause, Party, or Exhibit is a reference to that Section, paragraph, or clause of, or that Party or Exhibit to, this Agreement unless otherwise specified;

(e) a reference to a document or agreement, including this Agreement, means such document, agreement or this Agreement including any amendment or supplement to, or replacement, novation or modification of such document, agreement, or this Agreement, but disregarding any amendment, supplement, replacement, novation or modification made in breach of such document, agreement or this Agreement;

(f) a reference to a Person includes that Person's successors and permitted assigns;

(g) the terms "include" and "including" or similar words means "include without limitation" or "including without limitation" and any list of examples following such term shall in no way restrict or limit the generality of the word or provision in respect of which such examples are provided;

(h) references to any statute, code or statutory provision are to be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or reenacted, and include references to all bylaws, instruments, orders and regulations for the time being made thereunder or deriving validity therefrom unless the context otherwise requires;

(i) in the event of a conflict, a mathematical formula or other precise description of a concept or a term shall prevail over words providing a more general description of a concept or a term;

(j) references to any amount of money shall mean a reference to the amount in United States Dollars;

(k) words, phrases or expressions not otherwise defined herein that (i) have a generally accepted meaning in Prudent Operating Practice shall have such meaning in this Agreement or (ii) do not have well known and generally accepted meaning in Prudent Operating Practice but that have well known and generally accepted technical or trade meanings, shall have such recognized meanings; and

(l) each Party acknowledges that it was represented by counsel in connection with this Agreement and that it or its counsel reviewed this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

ARTICLE 2
TERM; CONDITIONS PRECEDENT

2.1 **Contract Term**.

(a) The term of this Agreement shall commence on the Effective Date and shall remain in full force and effect until the conclusion of the Delivery Term, subject to any early termination provisions and any contract term extension provisions set forth herein ("**Contract Term**"); *provided*, *however*, subject to Buyer's obligations in Section 3.6, Buyer's obligations to pay for or accept any Product are subject to Seller's completion of the conditions precedent pursuant to Section 2.2.

(b) Applicable provisions of this Agreement shall continue in effect after termination, including early termination, to the extent necessary to enforce or complete the duties, obligations or responsibilities of the Parties arising prior to termination. The confidentiality obligations of the Parties under Article 18 and all indemnity and audit rights shall remain in full force and effect for two (2) years following the termination of this Agreement.

2.2 **Conditions Precedent**. The Commercial Operation Date shall be the date when each of the following requirements have been met to Buyer's reasonable satisfaction:

(a) Seller has delivered to Buyer (i) a completion certificate from a Licensed Professional Engineer substantially in the form of Exhibit H and (ii) a certificate from a Licensed Professional Engineer substantially in the form of Exhibit I setting forth the Installed Capacity on the Commercial Operation Date;

(b) A Pseudo-Tie Participating Generator Agreement and a Meter Service Agreement, as applicable, between Seller and CAISO shall have been executed and delivered and be in full force and effect, and a copy of each such agreement delivered to Buyer;

(c) Seller has obtained rights to Firm Transmission sufficient to deliver one hundred sixty (160) MW_{AC} of capacity from the Facility to the Delivery Point, and has provided documentation of the same to Buyer;

(d) An Interconnection Agreement between Seller (or Seller's Affiliate) and the PTO shall have been executed and delivered and be in full force and effect and a copy of the Interconnection Agreement delivered to Buyer;

(e) All applicable regulatory authorizations, approvals and permits for operation of the Facility have been obtained and all conditions thereof that are capable of being satisfied on the Commercial Operation Date have been satisfied (or if not capable of being satisfied before the Commercial Operation Date, within one hundred eighty (180) days of the Commercial Operation Date) and shall be in full force and effect, and Seller has delivered to Buyer an attestation certificate from an officer of Seller certifying to the satisfaction of this condition;

(f) Seller has received CEC Precertification of the Facility (and reasonably expects to receive final CEC Certification and Verification for the Facility in no more than one hundred eighty (180) days from the Commercial Operation Date);

(g) Seller (with the reasonable participation of Buyer) shall have completed all applicable WREGIS registration requirements, including the completion and submittal of all applicable registration forms and supporting documentation;

(h) The Facility has successfully completed all testing required by Prudent Operating Practice or any requirement of Law to operate the Facility;

(i) Insurance requirements for the Facility have been met, with evidence provided in writing to Buyer, in accordance with Section 17.1;

(j) Seller has delivered the Performance Security to Buyer in accordance with Section 8.8; and

(k) Seller has paid Buyer for all amounts then-owing under this Agreement, if any, including Construction Delay Damages and Commercial Operation Delay Damages.

2.3 **Development; Construction; Progress Reports**. Within fifteen (15) days after the close of (i) each calendar quarter from the first calendar quarter following the Effective Date until the Construction Start Date, and (ii) each calendar month from the first calendar month following the Construction Start Date until the Commercial Operation Date, Seller shall provide to Buyer a Progress Report and agree to regularly scheduled telephonic or video conferenced meetings (unless otherwise agreed to by the Parties) between representatives of Buyer and Seller to review such monthly reports and discuss Seller's construction progress. The form of the Progress Report is set forth in Exhibit E. Seller shall also provide Buyer with any reasonably requested documentation (subject to confidentiality restrictions) directly related to the achievement of Milestones within ten (10) Business Days of receipt of such request by Buyer. For the avoidance of doubt, Seller is solely responsible for the design and construction of the Facility, including the location of the Site, obtaining all permits and approvals to build the Facility, the Facility layout, and the selection and procurement of the equipment comprising the Facility.

2.4 **Remedial Action Plan**. If Seller misses any Milestone by more than ninety (90) days, except as the result of Force Majeure Event or Buyer Failure, Seller shall submit to Buyer, within ten (10) Business Days of such missed Milestone completion date, a remedial action plan ("**Remedial Action Plan**"), which will describe in detail any delays (actual or anticipated) beyond the scheduled Milestone dates, including the cause of the delay (e.g., governmental approvals, financing, property acquisition, design activities, equipment procurement, project construction, interconnection, or any other factor), Seller's detailed description of its proposed course of action to achieve the missed Milestones and all subsequent Milestones by the Guaranteed Commercial Operation Date (including any extension thereof); *provided*, that delivery of any Remedial Action Plan shall not relieve Seller of its obligation to provide Remedial Action Plans with respect to any subsequent Milestones and to achieve the Guaranteed Commercial Operation Date in accordance with the terms of this Agreement. Subject to the provisions of Exhibit B, so long as Seller complies with its obligations under this Section 2.4, Seller shall not be considered in default of its obligations under this Agreement solely as a result of missing any Milestone.

ARTICLE 3
PURCHASE AND SALE

3.1 **Purchase and Sale of Product**. Subject to the terms and conditions of this Agreement, during the Delivery Term, Buyer will purchase and receive all the Product produced by or associated with the Facility at the Contract Price and in accordance with Exhibit C, and Seller shall supply and deliver to Buyer all the Product produced by or associated with the Facility. At its sole discretion, Buyer may during the Delivery Term re-sell all or a portion of the Product; *provided* that no such resale or use shall relieve Buyer of any obligations hereunder, including under Section 5.2. During the Delivery Term, Buyer will have exclusive rights to offer, bid, or otherwise submit the Product, or any Capacity Attributes thereof, from the Facility after the Delivery Point for resale in the market, and retain and receive any and all related revenues. Subject to Buyer's obligation to purchase Capacity Attributes and Storage Product in accordance with this Section 3.1 and Exhibit C, Buyer has no obligation to purchase from Seller any Generating Facility Energy that is not or cannot be delivered to the Delivery Point as a result of an outage of the Facility, a Force Majeure Event, or a Curtailment Order.

3.2 **Sale of Green Attributes**. During the Delivery Term, Seller shall sell and deliver to Buyer, and Buyer shall purchase from Seller, all Green Attributes attributable to the Generating Facility Energy.

3.3 **<u>Imbalance Energy</u>**. Buyer and Seller recognize that in any given Settlement Period the amount of Facility Energy may deviate from the amount of Scheduled Energy. To the extent there are such deviations, any costs or revenues from Imbalance Energy shall be allocated to the Party that is acting as Scheduling Coordinator for the Facility except that if Imbalance Energy results from outage or reduction in the availability of the Facility that is not communicated to Buyer within the timelines required as set forth herein, then Seller will be responsible and will pay directly or promptly reimburse Buyer (and Buyer may offset amounts owed to Seller if not promptly paid by Seller) for the aggregate Imbalance Energy charges assessed, net of Imbalance Energy revenues earned during the period of noncompliance and reasonably attributable to such noncompliance, *provided* that Buyer will use reasonable efforts to minimize the amount of any such Imbalance Energy charges.

3.4 **<u>Ownership of Renewable Energy Incentives</u>**. Seller shall have all right, title and interest in and to all Renewable Energy Incentives. Buyer acknowledges that any Renewable Energy Incentives belong to Seller. If any Renewable Energy Incentives, or values representing the same, are initially credited or paid to Buyer, Buyer shall cause such Renewable Energy Incentives or values relating to same to be assigned or transferred to Seller without delay. Buyer shall reasonably cooperate with Seller, at Seller's sole expense, in Seller's efforts to meet the requirements for any certification, registration, or reporting program relating to Renewable Energy Incentives.

3.5 **<u>Future Environmental Attributes</u>**.

(a) The Parties acknowledge and agree that as of the Effective Date, environmental attributes sold under this Agreement are restricted to Green Attributes; however, Future Environmental Attributes may be created by a Governmental Authority through Laws enacted after the Effective Date. Subject to the final sentence of this Section 3.5(a), and Sections 3.5(b) and 3.12, in such event, Buyer shall bear all costs associated with the transfer, qualification, verification, registration and ongoing compliance for such Future Environmental Attributes, but there shall be no increase in the Contract Price. Upon Seller's receipt of Notice from Buyer of Buyer's intent to claim such Future Environmental Attributes, the Parties shall determine the necessary actions and additional costs associated with such Future Environmental Attributes. Seller shall have no obligation to alter the Facility or the operation of the Facility to reduce the Generating Facility Energy or to operate the Storage Facility inconsistent with the Operating Restrictions unless the Parties have agreed on all necessary terms and conditions relating to such alteration or changes in operation and Buyer has agreed to reimburse Seller for all costs, losses, and liabilities associated with such alteration or changes in operation, if any.

(b) If Buyer elects to receive Future Environmental Attributes pursuant to Section 3.5(a), the Parties agree to negotiate in good faith with respect to the development of further agreements and documentation necessary to effectuate the transfer of such Future Environmental Attributes, including agreement with respect to (i) appropriate transfer, delivery and risk of loss mechanisms, and (ii) appropriate allocation of any additional costs to Buyer, as set forth above; *provided*, that the Parties acknowledge and agree that such terms are not intended to alter the other material terms of this Agreement.

3.6 **Test Energy**. If and to the extent the Facility generates Test Energy, Seller shall sell and Buyer shall purchase from Seller all Test Energy and any associated Products on an as-available basis. As compensation for such Test Energy and associated Product, Buyer shall pay Seller an amount equal to [redacted] percent ([redacted]%) of all net CAISO revenues received by Buyer for the Generating Facility Energy (the "**Test Energy Rate**"). For the avoidance of doubt, the conditions precedent in Section 2.2 are not applicable to the Parties' obligations under this Section 3.6.

3.7 **Capacity Attributes**.

(a) Prior to the Delivery Term, Seller shall qualify the Facility as a Pseudo-Tie Resource with the CAISO pursuant to the CAISO's new resource implementation process. Seller shall maintain the Facility as a Pseudo-Tie Resource in compliance with the CAISO Tariff throughout the Delivery Term.

(b) Buyer shall use commercially reasonable efforts to (a) maintain Import Capability necessary to import the Guaranteed Net Qualifying Capacity from the Facility into the CAISO, and (b) obtain any other rights or capacities that Buyer is required to obtain, or take any other action that Buyer is required to take, in order for Seller to provide or Buyer to make use of the Capacity Attributes of the Facility, in each case as may be required under applicable Law and as may change from time to time. Seller shall use commercially reasonable efforts to support Buyer in obtaining such Import Capability. To the extent Buyer does not or cannot maintain Import Capability or any other rights or capacities necessary to support the importation of the Guaranteed Net Qualifying Capacity into the CAISO or otherwise receive or utilize the Capacity Attributes, for reasons other than a Seller failure under this Agreement or the inability of Seller to maintain the Facility as a Pseudo-Tie Resource, the Resource Adequacy Benefits that are not imported or that cannot be imported shall constitute Deemed Delivered RA.

(c) Throughout the Delivery Term, Seller grants, pledges, assigns and otherwise commits to Buyer all of the Capacity Attributes from the Facility. During the Delivery Term, Seller shall not assign, transfer, convey, encumber, sell or otherwise dispose of any of the Capacity Attributes to any Person other than Buyer, and Seller shall not report to any Person that any of the Capacity Attributes belong to any Person other than Buyer. For the duration of the Delivery Term, Seller shall take all commercially reasonable administrative actions, including complying with all applicable registration and reporting requirements, and execute all documents or instruments necessary to enable Buyer to use all of the Capacity Attributes committed by Seller to Buyer pursuant to this Agreement.

(d) Throughout the Delivery Term, Seller shall take commercially reasonable actions to ensure that the Facility qualifies to provide Resource Adequacy Benefits to Buyer, and Seller hereby covenants and agrees to transfer all of the Resource Adequacy Benefits to Buyer. Seller shall take all commercially reasonable administrative actions during the Delivery Term, including complying with all applicable registration and reporting requirements, and execute all documents or instruments that are reasonable and necessary to enable Buyer to use all the Resource Adequacy Benefits committed by Seller to Buyer pursuant to this Agreement.

(e) Notwithstanding anything to the contrary in this Agreement, Seller shall be permitted to reduce deliveries of Capacity Attributes and Resource Adequacy Benefits during any Force Majeure Event that results in Seller's inability, despite the use of commercially reasonable efforts, to deliver Capacity Attributes.

(f) If Seller anticipates it will have an RA Shortfall in any month of the Delivery Term, Seller may provide Replacement RA up to the anticipated RA Shortfall, *provided* Seller provides Buyer with Replacement RA product information in a Notice substantially in the form of Exhibit M at least forty-five (45) days before the RA Compliance Showing deadline for the applicable Showing Month

3.8 **Resource Adequacy Failure**.

(a) RA Deficiency Determination. For each RA Shortfall Month, Seller shall pay to Buyer the RA Deficiency Amount as liquidated damages as the sole remedy for the Capacity Attributes Seller failed to convey to Buyer.

(b) RA Deficiency Amount Calculation. Commencing on the RA Guarantee Date, for each RA Shortfall Month, Seller shall pay to Buyer an amount (the "**RA Deficiency Amount**") equal to the product of the RA Shortfall multiplied by the sum of (i) the CPM Soft Offer Cap and (ii) the CPUC Tier 1 System RA Penalty.

3.9 **CEC Certification and Verification**. Seller shall take all necessary steps including, but not limited to, making or supporting timely filings with the CEC to obtain and maintain CEC Certification and Verification for the Facility throughout the Delivery Term, including compliance with all applicable requirements for certified facilities set forth in the current version of the *RPS Eligibility Guidebook* (or its successor). Seller shall obtain CEC Precertification by the Commercial Operation Date. Within thirty (30) days after the Commercial Operation Date, Seller shall apply with the CEC for final CEC Certification and Verification. Within one hundred eighty (180) days after the Commercial Operation Date, which deadline will be extended on a day-for-day basis if there is a delay in CEC Certification and Verification and that delay is caused by any reason other than an act or omission of Seller, Seller shall obtain and maintain throughout the remainder of the Delivery Term the final CEC Certification and Verification. Seller must promptly notify Buyer and the CEC of any changes to the information included in Seller's application for CEC Certification and Verification for the Facility.

3.10 **Reserved**.

3.11 **California Renewables Portfolio Standard**.

(a) Eligibility. Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Facility qualifies and is certified by the CEC as an Eligible Renewable Energy Resource as such term is defined in California Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Facility's electrical energy output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. The term "commercially reasonable efforts" as used in this Section 3.11 means efforts consistent with and subject to Section 3.12. [STC 6].

(b) Transfer of Renewable Energy Credits. Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the renewable energy credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. [STC REC-1].

(c) Tracking of RECs in WREGIS. Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in WREGIS will be taken prior to the first delivery under this Agreement. [STC REC-2].

3.12 **Compliance Cost Cap**.

(a) The Parties acknowledge that an essential purpose of this Agreement is to provide renewable generation that meets the requirements of the California Renewables Portfolio Standard and that Governmental Authorities, including the CEC, CPUC, CAISO and WREGIS, may undertake actions to implement changes in Law. Seller agrees to use commercially reasonable efforts to cooperate with respect to any future changes to this Agreement needed to satisfy requirements of Governmental Authorities associated with changes in Law to maximize benefits to Buyer, including: (i) the modification of the description of Green Attributes and/or Capacity Attributes as may be required, including updating the Agreement to reflect any mandatory contractual language required by Governmental Authorities; (ii) submission of any reports, data, or other information required by Governmental Authorities; or (iii) all other actions that may be required to ensure that this Agreement or the Facility is eligible as an Eligible Renewable Energy Resource and for other benefits under the California Renewables Portfolio Standard; *provided*, Seller shall have no obligation to modify this Agreement, or take other actions not required under this Agreement, if such modifications or actions would materially adversely affect, or could reasonably be expected to have or result in a material adverse effect on, any of Seller's rights, benefits, risks and/or obligations under this Agreement.

(b) If a change in Law occurring after the Effective Date increases Seller's known or reasonably expected costs and expenses to comply with Seller's obligations under this Agreement with respect to obtaining, maintaining, conveying or effectuating Buyer's use of Green Attributes or Capacity Attributes in accordance with Sections 3.2, 3.7, 3.8, 3.9, 3.11, 4.3(g), 4.10, and 4.12 (any action required to be taken by Seller to comply with such change in Law, a "**Compliance Action**"), then the Parties agree that the maximum aggregate amount of costs and expenses Seller shall be required to bear during the Delivery Term to comply with all such Compliance Actions shall be capped at [redacted] Dollars ($[redacted]) per MW of Contract Capacity, in the aggregate over the Delivery Term of the Agreement ("**Compliance Cost Cap**"); *provided*, the maximum amount that Seller shall be required to pay to comply with Compliance Actions during any single Contract Year shall be capped at [redacted] Dollars ($[redacted]) per

MW of Contract Capacity ("**Annual Cost Cap**"); *provided*, *further*, Seller shall reimburse Buyer for amounts in excess of the Annual Cost Cap in the immediately following Contract Year(s) up to the amount of the Compliance Cost Cap for any Compliance Action costs paid by Buyer.

(c) If Seller reasonably anticipates the need to incur out-of-pocket expenses in excess of the Compliance Cost Cap or Annual Cost Cap in order to take any Compliance Action, Seller shall provide Notice to Buyer of such anticipated out-of-pocket expenses; *provided*, Compliance Actions shall not include any requirement of Seller to increase the Storage Capacity beyond the Storage Contract Capacity.

(d) Buyer will have sixty (60) days to evaluate such Notice (during which time period Seller is not obligated to take any Compliance Actions described in the Notice) and shall, within such time, either (1) agree to reimburse Seller for all of the costs that exceed Compliance Cost Cap or Annual Cost Cap (as applicable) (such Buyer agreed upon costs (including lost production, if any), the "**Accepted Compliance Costs**"), or (2) waive Seller's obligation to take such Compliance Actions, or any part thereof for which Buyer has not agreed to reimburse Seller.

(e) If Buyer agrees to reimburse Seller for the Accepted Compliance Costs, then Seller shall take such Compliance Actions covered by the Accepted Compliance Costs as agreed upon by the Parties and Buyer shall reimburse Seller for Seller's actual costs to effect the Compliance Actions, not to exceed the Accepted Compliance Costs, within sixty (60) days from the time that Buyer receives an invoice and documentation of such costs from Seller.

Any change in the value of any attributes provided by Seller to Buyer resulting from any change in Law shall not affect the Contract Price or Buyer's obligation to pay Seller for any attributes delivered.

3.13 **Project Configuration**. In order to optimize the benefits of the Facility, Buyer and Seller each agree that if requested by the other Party, then Buyer and Seller will discuss in good faith potential reconfiguration of the Facility or Interconnection Facilities, including the use of grid energy (i.e., energy not produced by the Generating Facility) to provide Charging Energy; *provided*, neither Party shall be obligated to agree to any changes under this Agreement, or to incur any expense in connection with such changes, except under terms mutually acceptable to both Parties (and Seller's Lenders) in their sole discretion as set forth in a written agreement executed by the Parties.

ARTICLE 4
OBLIGATIONS AND DELIVERIES

4.1 **Delivery**.

(a) Facility Energy. Subject to the provisions of this Agreement, commencing on the Commercial Operation Date and continuing through the end of the Contract Term, Seller shall supply and deliver Facility Energy to Buyer at the Delivery Point, and Buyer shall take delivery of the Facility Energy at the Delivery Point in accordance with the terms of this Agreement. Seller shall be responsible for paying or satisfying when due any costs or charges imposed in connection with the delivery of Facility Energy to the Delivery Point, including without limitation Idle Period Auxiliary Load, Electrical Losses, any costs associated with delivering the

Charging Energy from the Generating Facility to the Storage Facility, and any operation and maintenance charges imposed by the Transmission Provider directly relating to the Facility's operations. Buyer shall be responsible for all costs, charges and penalties, if any, imposed in connection with the delivery of Facility Energy at and after the Delivery Point, including without limitation transmission costs and transmission line losses and Imbalance Energy charges. The Facility Energy will be scheduled to the CAISO by Buyer (or Buyer's designated Scheduling Coordinator) in accordance with Exhibit D, including any scheduling obligations required for transmission of Facility Energy on the WAPA system to the Delivery Point.

(b) Green Attributes. All Green Attributes associated with the Generating Facility Energy or Facility Energy, as applicable, during the Delivery Term are exclusively dedicated to and vested in Buyer. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Generating Facility, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product.

4.2 **Title and Risk of Loss**.

(a) Energy. [redacted]

(b) Green Attributes. Title to and risk of loss related to the Green Attributes shall pass and transfer from Seller to Buyer upon the transfer of such Green Attributes in accordance with WREGIS.

4.3 **Forecasting**. Seller shall provide the forecasts described below at its sole expense and in a format acceptable to Buyer (or Buyer's designee). Seller shall use reasonable efforts to provide forecasts that are accurate and, to the extent not inconsistent with the requirements of this Agreement, shall prepare such forecasts, or cause such forecasts to be prepared, in accordance with Prudent Operating Practices.

(a) Annual Forecast of Energy. No less than forty-five (45) days before (i) the first day of the first Contract Year of the Delivery Term and (ii) the beginning of each calendar year for every subsequent Contract Year during the Delivery Term, Seller shall provide to Buyer and Buyer's SC a non-binding forecast of each month's average-day Expected Energy, by hour, for the following calendar year in a form substantially similar to the table found in Exhibit F-1, or as reasonably requested by Buyer.

(b) Monthly Forecast of Energy and Available Generating Capacity. No less than thirty (30) days before the beginning of Commercial Operation, and thereafter ten (10) Business Days before the beginning of each month during the Delivery Term, Seller shall provide to Buyer and Buyer's SC a non-binding forecast of the Available Generating Capacity and Storage Capacity for each day of the following month in a form substantially similar to the table found in Exhibit F-2 ("**Monthly Delivery Forecast**").

(c) Day-Ahead Forecast. By 5:30 a.m. Pacific Prevailing Time on the Business Day immediately preceding the date of delivery, or as otherwise specified by Buyer consistent with Prudent Operating Practice, Seller shall provide Buyer with a non-binding forecast of (i) Available Generating Capacity, (ii) Storage Capacity and (iii) hourly expected Energy, in each case, for each hour of the immediately succeeding day; *provided*, *however*, that the forecast of hourly expected Energy shall be deemed to be provided so long as Buyer has access to the CAISO day-ahead VER forecast ("**Day-Ahead Forecast**"). A Day-Ahead Forecast provided in a day prior to any non-Business Day(s) shall include non-binding forecasts for the immediate day, each succeeding non-Business Day and the next Business Day. Each Day-Ahead Forecast shall clearly identify, for each hour, Seller's best estimate of (i) the Available Generating Capacity, (ii) the Storage Capacity and (iii) the hourly expected Energy; *provided*, *however*, that the forecast of hourly expected Energy shall be deemed to be provided so long as Buyer has access to the CAISO day-ahead VER forecast. These Day-Ahead Forecasts shall be sent to Buyer's SC. If Seller fails to provide Buyer with a Day-Ahead Forecast as required herein for any period, then for such unscheduled delivery period only Buyer shall rely on any Real-Time Forecast provided in accordance with Section 4.3(d) or the Monthly Delivery Forecast or Buyer's best estimate based on information reasonably available to Buyer.

(d) Real-Time Forecasts. During the Delivery Term, Seller shall notify Buyer and the SC (if applicable) of any changes from the Day-Ahead Forecast of one (1) MW or more, or one (1) MWh or more, as applicable, in (i) Available Generating Capacity, (ii) Storage Capacity or (iii) hourly expected Energy, in each case, whether due to Forced Facility Outage, Force Majeure or other cause, as soon as reasonably possible; *provided*, *however*, that the forecast of hourly expected Energy shall be deemed to be provided so long as Buyer has access to the CAISO real-time VER forecast. Such Real-Time Forecasts of Energy shall be provided by an Approved Forecast Vendor and shall contain information regarding the beginning date and time of the event resulting in the change in Available Generating Capacity, Storage Capacity, or hourly expected Energy, as applicable; the expected end date and time of such event; and any other information required by the CAISO or reasonably requested by Buyer. With respect to any Forced Facility Outage, Seller shall use best efforts to notify Buyer and the SC (if applicable) of such outage within ten (10) minutes of the commencement of the Forced Facility Outage. Seller shall inform Buyer and the SC (if applicable) of any developments that will affect either the duration of such outage or the availability of the Facility during or after the end of such outage. These Real-Time Forecasts shall be communicated in a method reasonably acceptable to Seller; *provided* that Buyer specifies the method no later than five (5) Business Days prior to the effective date of such requirement. In the event Buyer fails to provide Notice of an acceptable method for communications under this Section 4.3(d), then Seller shall send such communications by telephone and e-mail to Buyer.

(e) Forced Facility Outages. Notwithstanding anything to the contrary herein, Seller shall promptly notify Buyer's SC of Forced Facility Outages and Seller shall keep Buyer informed of any developments that will affect either the duration of the outage or the availability of the Facility during or after the end of the outage.

(f) Forecasting Penalties. Subject to a Force Majeure Event, in the event Seller does not in a given hour provide the forecast required in Section 4.3(d) and Buyer incurs a loss or penalty resulting from its scheduling activities with respect to Generating Facility Energy during such hour, Seller shall be responsible for a Forecasting Penalty for each such hour. Settlement of

Forecasting Penalties shall occur as set forth in Article 8 of this Agreement. For clarification, failure of the CAISO to provide the VER forecast (excluding permanent discontinuance of providing the VER forecast or any successor forecast) shall be a Force Majeure Event for the purposes of this Section 4.3(f) and relieve Seller of any Forecasting Penalties.

(g) CAISO Tariff Requirements. Subject to the limitations expressly set forth in Section 3.12, Seller will comply with all applicable obligations for Hybrid Resources, Variable Energy Resources, and the Eligible Intermittent Resource Protocol under the CAISO Tariff, including providing appropriate operational data, such as metering, telemetry and meteorological data to Buyer's SC and the CAISO, as necessary. Seller will fully cooperate with Buyer, Buyer's SC, and CAISO in providing all data, information, and authorizations required thereunder.

(h) Meteorological and Storage Facility Status Data. Seller shall provide to Buyer's SC the following real-time data at a granularity of no less than five (5) minutes:

(i) Generating Facility point-of-array irradiance;

(ii) Generating Facility Energy delivered to the Generating Facility Meter;

(iii) Ambient temperature at the Site;

(iv) Storage Facility operational capacity;

(v) Discharging Energy delivered to the Storage Facility Meter;

(vi) State of Charge;

(vii) Stored Energy Level;

(viii) Automated Dispatch System (as defined in the CAISO Tariff) and Automatic Generation Control (as defined in the CAISO Tariff) set points; and

(ix) High Sustainable Limit (as defined in the CAISO).

4.4 **Dispatch Down/Curtailment**.

(a) General. Seller agrees to reduce the amount of Generating Facility Energy produced by the Generating Facility by the amount and for the period set forth in any Curtailment Order, Buyer Curtailment Order, or notice received from CAISO in respect of a Buyer Bid Curtailment; *provided*, Seller is not required to reduce such amount to the extent it is inconsistent with the operating limitations of the Generating Facility. Buyer shall use commercially reasonable efforts to cause Generating Facility Energy that is subject to a Curtailment Order to be used as Charging Energy.

(b) Buyer Curtailment. Buyer shall have the right to order Seller to curtail deliveries of Generating Facility Energy through Buyer Curtailment Orders; *provided*, Buyer shall pay Seller for all Deemed Delivered Energy associated with a Buyer Curtailment Period at the Renewable Rate and, if applicable, the PTC Amount, in accordance with Exhibit C.

(c) Failure to Comply. If Seller fails to comply with a Buyer Curtailment Order, Buyer Bid Curtailment or Curtailment Order, then, for each MWh of Generating Facility Energy that is delivered by the Facility to the Delivery Point in contradiction to the Buyer Curtailment Order, Buyer Bid Curtailment or Curtailment Order, Seller shall pay Buyer for each such MWh at an amount equal to the sum of (A) + (B) + (C), where (A) is the amount, if any, paid to Seller by Buyer for delivery of such excess MWh, (B) is the sum, for all Settlement Intervals with a Negative LMP during the Buyer Curtailment Period or Curtailment Period, of the absolute value of the product of a) such excess MWh in each Settlement Interval and b) the difference between the Negative LMP and Buyer's offer price (if applicable pursuant to a Buyer Bid Curtailment) for such Settlement Interval, and (C) is any penalties assessed by the CAISO or other charges assessed by the CAISO resulting from Seller's failure to comply with the Buyer Curtailment Order, Buyer Bid Curtailment or Curtailment Order. Such calculations shall exclude any Generating Facility Energy delivered to the Delivery Point in compliance with CAISO protocols while the Generating Facility is ramping up or ramping down during the Buyer Curtailment Order, Buyer Bid Curtailment or Curtailment Order.

(d) Seller Equipment Required for Curtailment Instruction Communications. Seller shall acquire, install, and maintain such facilities, communications links and other equipment as are required under the CAISO Tariff, and implement such protocols and practices, as necessary to respond and follow instructions, including an electronic signal conveying real time and intra-day instructions, to operate the Facility as directed by the Buyer in accordance with this Agreement or a Governmental Authority, including to implement a Buyer Curtailment Order, Buyer Bid Curtailment or Curtailment Order in accordance with the then-current methodology used to transmit such instructions as it may change from time to time. If at any time during the Delivery Term Seller's facilities, communications links or other equipment, protocols or practices are not in compliance with then-current methodologies applicable to the Facility and required by CAISO, Seller shall take the steps necessary to become compliant as soon as reasonably possible. Seller shall be liable pursuant to Section 4.4(c) for failure to comply with a Buyer Curtailment Order, Buyer Bid Curtailment or Curtailment Order during the time that Seller's facilities, communications links or other equipment, protocols or practices are not in compliance with then-current methodologies. For the avoidance of doubt, a Buyer Curtailment Order, Buyer Bid Curtailment or Curtailment Order communication via such systems and facilities shall have the same force and effect on Seller as any other form of communication.

4.5 **Charging Energy Management**.

(a) Generally. Upon receipt of a valid Charging Notice, Seller shall take any and all action necessary to deliver Charging Energy from the Generating Facility to the Storage Facility in order to deliver the Storage Product in accordance with the terms of this Agreement, including maintenance, repair or replacement of equipment in Seller's possession or control used to deliver Charging Energy from the Generating Facility to the Storage Facility.

(b) Charging Notices. During the Delivery Term, Buyer will have the right to charge the Storage Facility seven (7) days per week and twenty-four (24) hours per day (including holidays) by providing Charging Notices to Seller electronically; *provided*, that Buyer's right to issue Charging Notices is subject to the requirements and limitations set forth in this Agreement, including the Operating Restrictions. Each Charging Notice issued in accordance with this Agreement will be effective unless and until such Charging Notice is modified with an updated Charging Notice (including as automatically updated in accordance with the definition of Charging Notice). Seller shall comply with all Charging Notices, subject to the requirements and limitations set forth in this Agreement.

(c) No Unauthorized Charging. Seller shall not charge the Storage Facility during the Delivery Term other than pursuant to a valid Charging Notice, in connection with a Seller Initiated Test (including Facility maintenance or a Storage Capacity Test), or pursuant to a notice from CAISO, the PTO, Transmission Provider, or any other Governmental Authority. If, during the Delivery Term, Seller (i) charges the Storage Facility to a Stored Energy Level greater than the Stored Energy Level provided for in the Charging Notice or (ii) charges the Storage Facility in violation of the first sentence of this Section 4.5(c), then (x) Seller shall be responsible for all Energy costs associated with such charging of the Storage Facility, (y) Buyer shall not be required to pay for the charging of such Energy (i.e., Charging Energy), and (z) Buyer shall be entitled to discharge such Energy and entitled to all of the benefits (including Storage Product) associated with such discharge; *provided*, this Section 4.5(c) shall not apply to the extent there is Imbalance Energy that is typical of this type of Facility with an operator using Prudent Operating Practices. If at any time the sum of the Generating Facility Energy and the Discharging Energy would exceed the Dedicated Interconnection Capacity, the applicable Discharging Notice shall be deemed to be modified to reduce the amount of Discharging Energy so that the total Facility Energy does not exceed the Dedicated Interconnection Capacity.

(d) Discharging Notices. During the Delivery Term, Buyer will have the right to discharge the Storage Facility seven (7) days per week and twenty-four (24) hours per day (including holidays) by providing Discharging Notices to Seller electronically and subject to the requirements and limitations set forth in this Agreement, including the Operating Restrictions. Seller shall comply with all Discharging Notices, subject to the requirements and limitations set forth in this Agreement. Each Discharging Notice issued in accordance with this Agreement will be effective unless and until Buyer modifies such Discharging Notice by providing Seller with an updated Discharging Notice.

(e) No Unauthorized Discharging. Seller shall not discharge the Storage Facility during the Delivery Term other than pursuant to a valid Discharging Notice, in connection with a Seller Initiated Test (including Facility maintenance or a Storage Capacity Test), or pursuant to a notice from CAISO, the PTO, Transmission Provider, or any other Governmental Authority. If, during the Contract Term, Seller (i) discharges the Storage Facility other than as provided for in the Discharging Notice or (ii) discharges the Storage Facility in violation of the first sentence of this Section 4.5(c), then (x) Seller shall be responsible for all Energy costs associated with such discharging of the Storage Facility, (y) Buyer shall not be required to pay for the discharging of such Energy (i.e., Discharging Energy), and (z) Buyer shall be entitled to all of the benefits (including Storage Product) associated with such discharge; *provided*, this Section 4.5(e) shall not apply to the extent there is Imbalance Energy that is typical of this type of Facility with an Operator using Prudent Operating Practices.

(f) Curtailments. Notwithstanding anything in this Agreement to the contrary, during any Settlement Interval, Curtailment Orders, Buyer Curtailment Orders, and Buyer Bid Curtailments applicable to such Settlement Interval shall have priority over any Charging Notices and Discharging Notices applicable to such Settlement Interval, and Seller shall have no liability for violation of this Section 4.5 or any Charging Notice or Discharging Notice if and to the extent such violation is caused by Seller's compliance with any Curtailment Order, Buyer Curtailment Order, Buyer Bid Curtailment or other instruction or direction from a Governmental Authority or the PTO or the Transmission Provider. Buyer shall have the right, but not the obligation, to provide Seller with updated Charging Notices and Discharging Notices during any Buyer Curtailment Order, Buyer Bid Curtailment or Curtailment Order consistent with the Operating Restrictions.

(g) Pre-Commercial Operation Date Period, Etc. Prior to the Commercial Operation Date, (i) Buyer shall have no rights to issue or cause to be issued Charging Notices or Discharging Notices, (ii) Seller shall have exclusive rights to test, charge and discharge the Storage Facility, and (iii) all CAISO costs, revenues, penalties and other amounts owing to or paid by CAISO in respect of the Storage Facility shall be for Seller's account. Seller is responsible to procure, at its own cost, any energy required for commissioning purposes and to arrange to discharge such energy into the grid. Upon the Commercial Operation Date, Buyer shall have exclusive rights to issue or cause to be issued Charging Notices or Discharging Notices and all CAISO costs, revenues, penalties and other amounts owing to or paid by CAISO in respect of the Storage Facility operations shall be for Buyer's account.

(h) Station Use. Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge (i) during charging and discharging of the Storage Facility pursuant to a Charging Notice or Discharging Notice, Auxiliary Load that is integral to charging or discharging the Storage Facility (e.g., HVAC, fire suppression systems, telecommunications equipment and battery management systems) may be served by Charging Energy or Discharging Energy, (ii) Seller is responsible for providing all Energy to serve Idle Period Auxiliary Load, which may be served with Generating Facility Energy provided any such Generating Facility Energy is not included in the calculation of Facility Energy, Charing Energy or Discharging Energy, (iii) all Idle Period Auxiliary Load shall be separately metered and may not be served by Charging Energy or Discharging Energy, and (iv) Seller shall indemnify and hold harmless Buyer from any and all costs, penalties or charges for Energy supplied for Idle Period Auxiliary Load by any means other than retail service from the applicable utility, and shall take any additional measures to ensure Idle Period Auxiliary Load is supplied by the applicable utility's retail service if necessary to avoid any such costs, penalties or charges.

4.6 **Reduction in Energy Delivery Obligation**. For the avoidance of doubt, and in no way limiting Section 3.1 or Exhibit G.

(a) Facility Maintenance. Subject to providing Buyer one hundred twenty (120) days' prior Notice, Seller shall schedule all Planned Outages within the time period determined by the CAISO for the Facility as a Resource Adequacy Resource that is subject to the Availability Standards (as defined in the CAISO Tariff), to qualify for an "Approved Maintenance Outage" under the CAISO Tariff, and Seller shall either deliver RA Substitute Capacity to Buyer for such Approved Maintenance Outage as required by the CAISO or reimburse Buyer for any cost Buyer incurs in connection therewith (including the cost of any replacement Capacity

Attributes as required by the CAISO). During the five (5) month period from June 1 to October 31 during the Delivery Term, Seller shall not schedule any non-emergency maintenance that reduces the energy generation capability of the Facility, unless (i) such outage is required to avoid an emergency or damage to the Facility or its Interconnection Facilities, (ii) such maintenance is necessary to maintain equipment warranties or is otherwise required by the equipment manufacturer and cannot be scheduled outside the months of June to October, (iii) such outage is in connection with Force Majeure Events, (iv) such outage is required by law, or the requirements of the CAISO or the interconnecting utility and/or each other applicable Governmental Authority, or (v) the Parties agree otherwise in writing.

(b) Forced Facility Outage. Seller shall be permitted to reduce deliveries of Facility Energy during any Forced Facility Outage. Seller shall provide Buyer with Notice and expected duration (if known) of any Forced Facility Outage.

(c) System Emergencies and other Interconnection Events. Seller shall be permitted to reduce deliveries of Facility Energy during any period of System Emergency, Buyer Curtailment Period, or Curtailment Period pursuant to the terms of this Agreement, the Interconnection Agreement or applicable tariff.

(d) Force Majeure Event. Seller shall be permitted to reduce deliveries of Facility Energy during any Force Majeure Event, so long as Seller complies with the applicable requirements of Article 10.

(e) Health and Safety. Seller shall be permitted to reduce deliveries of Facility Energy as necessary to maintain health and safety pursuant to Section 6.2.

Notwithstanding anything in this Section 4.6 to the contrary, to the extent Generating Facility Energy is not or cannot be delivered to Buyer as a result of any of the conditions in this Section 4.6, Buyer shall have no obligation to pay Seller for any associated Product from the Generating Facility.

4.7 **Guaranteed Energy Production**. During each Performance Measurement Period, Seller shall deliver to Buyer at the Delivery Point or to the Storage Facility an amount of Generating Facility Energy, not including any Excess MWh, equal to no less than the Guaranteed Energy Production. For purposes of determining whether Seller has achieved the Guaranteed Energy Production, Seller shall be deemed to have delivered to Buyer all (a) Deemed Delivered Energy and (b) Lost Output for the Performance Measurement Period. If Seller fails to achieve the Guaranteed Energy Production amount in any Performance Measurement Period, Seller shall pay Buyer damages calculated in accordance with Exhibit G ("**GEP Damages**").

4.8 **Storage Availability and Efficiency Rate**.

(a) During the Delivery Term, the Storage Facility shall maintain an Annual Storage Availability during each month of no less than the Guaranteed Storage Availability, which Annual Storage Availability shall be calculated in accordance with Exhibit P. If the Annual Storage Availability calculated in any month of the Delivery Term is less than the Guaranteed Storage Availability, then Buyer's payment for the Storage Product shall be calculated by reference to the Availability Adjustment (as determined in accordance with Exhibit P).

(b) During the Delivery Term, the Storage Facility shall maintain an Efficiency Rate, calculated pursuant to a Storage Capacity Test, of no less than the Guaranteed Efficiency Rate. If the Efficiency Rate during any month is less than the Guaranteed Efficiency Rate, Seller shall owe Buyer liquidated damages pursuant to Exhibit C.

4.9 **Storage Capacity Tests**.

(a) [redacted].

(b) Buyer shall have the right to send one or more representative(s) to witness all Storage Capacity Tests. Buyer shall (i) comply with all reasonable and notified Seller health and safety policies and procedures and instructions while present at the Site, and (ii) shall conduct itself in a manner that will not unreasonably interfere with the operation of the Facility or other activities of Seller and its subcontractors on the Site. Buyer acknowledges that it will be escorted at all times while on the Site. Alternatively, to the extent that any Storage Capacity Tests are done remotely, and no representatives are needed on-site, Seller shall arrange for both Parties to have access to all data and other information arising out of such tests. Buyer shall be responsible for all costs, expenses and fees payable or reimbursable to its representative(s) witnessing any Storage Capacity Test. For any Storage Capacity Tests initiated by Seller ("**Seller Initiated Test**"), including all tests conducted prior to Commercial Operation, any Commercial Operation Storage Capacity Test, any Storage Capacity Test conducted if the Storage Capacity immediately prior to such Storage Capacity Test is below seventy percent (70%) of the Installed Battery Capacity, any test required by CAISO, and other Seller-requested discretionary tests or dispatches, Seller shall (i) not be entitled to the Renewable Rate for associated Charging Energy, (ii) be liable for all CAISO costs and charges for associated Charging Energy, and (iii) be entitled to any CAISO revenues associated with Discharging Energy. For any Storage Capacity Tests initiated by Buyer, including all required annual tests pursuant to Exhibit O ("**Buyer Dispatched Test**"), Buyer shall (x) pay Seller the Renewable Rate for associated Charging Energy, (y) be liable for all CAISO costs and charged for associated Charging Energy, and (z) be entitled to any CAISO revenues associated with associated Discharging Energy. No Charging Notices or Discharging Notices shall be issued during any Seller Initiated Test. Charging Notices or Discharging Notices may be issued during a Buyer Dispatched Test as reasonably necessary to implement the applicable test. The Storage Facility shall be deemed unavailable during any Seller Initiated Test. Any Buyer Dispatched Test shall be deemed an Excused Event for the purposes of calculating the Monthly Storage Availability.

(c) Following each Storage Capacity Test, Seller shall submit a testing report in accordance with Exhibit O. If the Storage Capacity and/or Efficiency Rate determined pursuant to a Storage Capacity Test varies from the then-current Storage Capacity and/or Efficiency Rate, as applicable, then the Storage Capacity and/or Efficiency Rate, as applicable, determined pursuant to a Storage Capacity Test (not to exceed the original Storage Contract Capacity set forth on the Cover Sheet, as such original Storage Contract Capacity on the Cover Sheet may have been adjusted (if at all) pursuant to Exhibit B) shall become the new Storage Capacity and/or Efficiency Rate at the beginning of the day following the completion of the test for all purposes under this Agreement, including compensation under Exhibit C.

(d) Excess Capacity. It is acknowledged that Seller shall have the right and option in its sole discretion to install capacity in excess of the Storage Contract Capacity; *provided*, for all purposes of this Agreement the amount of Installed Battery Capacity and Storage Capacity shall never be deemed to exceed the Storage Contract Capacity, and (for the avoidance of doubt) (A) Buyer shall have no rights to instruct Seller to (i) charge or discharge the Storage Facility at an instantaneous rate (in MW) in excess of Storage Capacity or (ii) charge the Storage Facility to a level (in MWh) in excess of the Storage Capacity times four (4) hours, (B) Buyer shall have no obligation to dispatch such excess capacity on behalf of Seller, or to make payment to Seller for such excess capacity, and (C) for purposes of calculating the Annual Storage Availability of the Facility, the unavailability of such excess capacity will not be considered in such calculations, and (D) Seller shall have no right to dispatch such excess capacity.

4.10 **WREGIS**. Seller shall, at its sole expense, take all actions and execute all documents or instruments necessary to ensure that all WREGIS Certificates associated with all Renewable Energy Credits corresponding to the Generating Facility Energy or Facility Energy, as applicable, are issued and tracked for purposes of satisfying the requirements of the California Renewables Portfolio Standard and transferred in a timely manner to Buyer for Buyer's sole benefit. Seller shall transfer the Renewable Energy Credits to Buyer. Seller shall comply with all Laws, including the WREGIS Operating Rules, regarding the certification and transfer of such WREGIS Certificates to Buyer and Buyer shall be given sole title to all such WREGIS Certificates. Seller shall be deemed to have satisfied the warranty in Section 3.11(c), *provided* that Seller fulfills its obligations under Sections 4.10(a) through (e) below.

(a) Prior to the Commercial Operation Date, Seller shall register the Facility with WREGIS and establish an account with WREGIS ("**Seller's WREGIS Account**"), which Seller shall maintain until the end of the Delivery Term. Seller shall transfer the WREGIS Certificates using "**Recurring Certificate Transfers**" (as described in the WREGIS Operating Rules) from Seller's WREGIS Account to the WREGIS account(s) of Buyer or the account(s) of a designee that Buyer identifies by Notice to Seller ("**Buyer's WREGIS Account**"). Seller shall be responsible for all expenses associated with registering the Facility with WREGIS, establishing and maintaining Seller's WREGIS Account, paying WREGIS Certificate issuance and transfer fees, and transferring WREGIS Certificates from Seller's WREGIS Account to Buyer's WREGIS Account.

(b) Seller shall cause Recurring Certificate Transfers to occur on a monthly basis in accordance with the certification procedure established by the WREGIS Operating Rules. Since WREGIS Certificates will only be created for whole MWh amounts of Generating Facility Energy or Facility Energy, as applicable, any fractional MWh amounts (i.e., kWh) will be carried forward until sufficient generation is accumulated for the creation of a WREGIS Certificate.

(c) Seller shall, at its sole expense, ensure that the WREGIS Certificates for a given calendar month correspond with the Generating Facility Energy or Facility Energy, as applicable, that is eligible to create a Green Attribute under applicable Law for such calendar month, as evidenced by the Facility's metered data. Seller shall use commercially reasonable efforts to assist Buyer to comply with any requirements of the CPUC, CEC, WREGIS and/or California Air Resources Board applicable to entities delivering RPS-eligible energy into the CAISO market with respect to documenting and reporting e-tags, including, as applicable, any requirements to match e-tags to WREGIS Certificate creation. For the avoidance of doubt, the Parties acknowledge that Buyer shall be responsible for complying with all such requirements, and all such documenting and reporting, with respect to e-tags, and shall bear all costs and expenses of failure to so comply, document or report, including any reduction in the amount of WREGIS Certificates produced by the Facility due to such failure, except when such failure to comply is caused by Seller's fault or negligence. Seller agrees to provide Buyer any such information as may be reasonably required by Buyer to comply with any requirements to match e-tags to WREGIS Certificate creation, including the CPUC's *PCC Classification Review Process Handbook* and any additional requirements.

(d) Due to the ninety (90) day delay in the creation of WREGIS Certificates relative to the timing of invoice payment under Section 8.2, Buyer shall make an invoice payment for a given month in accordance with Section 8.2 before the WREGIS Certificates for such month are formally transferred to Buyer in accordance with the WREGIS Operating Rules and this Section 4.10. Notwithstanding this delay, Buyer shall have all right and title to all such WREGIS Certificates upon payment to Seller in accordance with Section 8.2.

(e) A "**WREGIS Certificate Deficit**" means any deficit or shortfall in WREGIS Certificates delivered to Buyer for a calendar month as compared to the Generating Facility Energy or Facility Energy, as applicable, that is eligible to create a Green Attribute for the same calendar month ("**Deficient Month**") caused by an error or omission of Seller. If any WREGIS Certificate Deficit is caused, or the result of any action or inaction, by Seller, then the amount of Adjusted Facility Energy in the Deficient Month shall be reduced by the amount of the WREGIS Certificate Deficit for purposes of calculating Buyer's payment to Seller under Article 8 and damages, if any, under Exhibit G for the applicable Contract Year; *provided*, *however*, that such adjustment shall not apply to the extent that Seller either (x) resolves the WREGIS Certificate Deficit within ninety (90) days after the Deficient Month or (y) provides Replacement Green Attributes within ninety (90) days after the Deficient Month (i) upon a schedule reasonably acceptable to Buyer and (ii) provided that such deliveries do not impose additional costs upon Buyer for which Seller refuses to provide reimbursement. Without limiting Seller's obligations under this Section 4.10, if a WREGIS Certificate Deficit is caused solely by an error or omission of WREGIS, the Parties shall cooperate in good faith to cause WREGIS to correct its error or omission.

(f) Subject to Section 3.12, if (i) WREGIS changes the WREGIS Operating Rules after the Effective Date or applies the WREGIS Operating Rules in a manner inconsistent with this Section 4.10 after the Effective Date, or (ii) the CEC modifies its *RPS Eligibility Guidebook* to enable the full amount of Generating Facility Energy to generate WREGIS Certificates, without reduction for Storage Facility efficiency losses, the Parties promptly shall modify this Section 4.10 as reasonably required to cause and enable Seller to transfer to Buyer's WREGIS Account a quantity of WREGIS Certificates for each given calendar month that corresponds to the maximum quantity of WREGIS Certificates that can be transferred to Buyer from the Generating Facility in the same calendar month.

4.11 **Interconnection**. Seller shall be responsible for all costs of interconnecting the Facility to the Interconnection Point. During the Delivery Term, Seller shall have and maintain interconnection capacity available or allocable to the Facility that is no less than the Dedicated

Interconnection Capacity.

4.12 **CRS Listed**. Upon request of Buyer, Seller shall submit a Green-e® Energy Tracking Attestation Form ("**Attestation**") for Product delivered under this Agreement to the Center for Resource Solutions ("**CRS**") at https://www.tfaforms.com/4652008 or its successor. The Attestation shall be submitted in accordance with the requirements of CRS and shall be submitted within thirty (30) days of Buyer's request or the last day of the month in which the applicable Generating Facility Energy was generated, whichever is later, unless another longer timeframe is required by the CRS rules.

4.13 **CAISO Tariff Requirements**. Seller shall comply with all CAISO Tariff requirements applicable to Pseudo-Tie Resources, including Appendix N to the CAISO Tariff, throughout the Delivery Term.

4.14 **Firm Transmission**. Seller shall procure and maintain Firm Transmission rights sufficient to deliver no less than one hundred sixty (160) MW_{AC} between the Facility and the Delivery Point throughout the Delivery Term. Any failure by Seller to obtain such Firm Transmission shall result in RA Deficiency Amounts based on the amount of unsecured Firm Transmission to the extent such failure reduces the Capacity Attributes delivered.

ARTICLE 5
TAXES

5.1 **Allocation of Taxes and Charges**. Seller shall pay or cause to be paid all Taxes on or with respect to the Facility or on or with respect to the sale and making available of Product to Buyer that are imposed on Product prior to its delivery to Buyer at the time and place contemplated under this Agreement. Buyer shall pay or cause to be paid all Taxes on or with respect to the delivery to and purchase by Buyer of Product that are imposed on Product at and after its delivery to Buyer at the time and place contemplated under this Agreement (other than withholding or other Taxes imposed on Seller's income, revenue, receipts or employees), and with respect to Charging Energy prior to its delivery to Seller at the Delivery Point, if any. If a Party is required to remit or pay Taxes that are the other Party's responsibility hereunder, such Party shall promptly pay the Taxes due and then seek and receive reimbursement from the other for such Taxes. In the event any sale of Product hereunder is exempt from or not subject to any particular Tax, Buyer shall provide Seller with all necessary documentation within thirty (30) days after the Effective Date to evidence such exemption or exclusion. If Buyer does not provide such documentation, then Buyer shall indemnify, defend, and hold Seller harmless from any liability with respect to Taxes from which Buyer claims it is exempt.

5.2 **Cooperation**. Each Party shall use reasonable efforts to implement the provisions of and administer this Agreement in accordance with the intent of the Parties to minimize all Taxes, so long as no Party is materially adversely affected by such efforts. The Parties shall cooperate to minimize Tax exposure; *provided*, *however*, that neither Party shall be obligated to incur any financial or operational burden to reduce Taxes for which the other Party is responsible hereunder without receiving due compensation therefor from the other Party. All Product delivered by Seller to Buyer hereunder shall be a sale made at wholesale, with Buyer reselling such Product.

ARTICLE 6
MAINTENANCE OF THE FACILITY

6.1 **Maintenance of the Facility**. Seller shall comply with Law and Prudent Operating Practice relating to the operation and maintenance of the Facility, the generation and sale of Product, and the disposal and recycling of any equipment associated with the Facility, including without limitation batteries and solar panels.

6.2 **Maintenance of Health and Safety**. Seller shall take reasonable safety precautions with respect to the operation, maintenance, repair and replacement of the Facility. If Seller becomes aware of any circumstances relating to the Facility that create an imminent risk of damage or injury to any Person or any Person's property, Seller shall take prompt action to prevent such damage or injury and shall give Notice to Buyer's emergency contact identified on Exhibit N of such condition. Such action may include, to the extent reasonably necessary, disconnecting and removing all or a portion of the Facility, or suspending the supply of Energy or Discharging Energy to Buyer.

6.3 **Shared Facilities**. The Parties acknowledge and agree that certain of the Shared Facilities and Interconnection Facilities, and Seller's rights and obligations under the Interconnection Agreement, may be subject to certain shared facilities and/or co-tenancy agreements to be entered into among Seller, the Transmission Provider, Seller's Affiliates, and/or third parties. Seller agrees that any agreements regarding Shared Facilities (i) shall permit Seller to perform or satisfy, and shall not purport to limit, Seller's obligations hereunder, including providing interconnection capacity for the Facility's sole use in an amount not less than the Dedicated Interconnection Capacity; (ii) shall provide for separate metering for each of the Generating Facility and the Storage Facility; (iii) shall provide that any other generating or energy storage facilities not included in the Facility but using Shared Facilities shall not be included within the Facility's CAISO Resource ID; and (iv) shall provide that any curtailment of the full capacity of Shared Facilities that is ordered by Transmission Provider that Seller and its Affiliates have discretion to allocate across generating or energy storage facilities using the Shared Facilities shall not be allocated to the Facility more than its pro rata portion of the total capacity of all generating or energy storage facilities using the Shared Facilities. Seller shall not, and shall not permit any Affiliate to, allocate to other parties a share of the total interconnection capacity under the Interconnection Agreement in excess of an amount equal to the total interconnection capacity under the Interconnection Agreement minus the Dedicated Interconnection Capacity.

ARTICLE 7
METERING

7.1 **Metering**. Unless the Parties agree otherwise pursuant to Section 3.13, the Facility shall have one CAISO Resource ID for both the Generating Facility and the Storage Facility. Seller shall measure the amount of Generating Facility Energy using the Generating Facility Meter. Seller shall measure the amount of Charging Energy and the Discharging Energy using the Storage Facility Meter. Seller shall measure the amount of Facility Energy using the Facility Meter. The Facility Meter will be operated pursuant to applicable CAISO-approved calculation methodologies. Subject to meeting any applicable CAISO requirements applicable to Pseudo-Tie Resources, the Facility Meter shall be programmed to adjust for Electrical Losses, as applicable, from such meter to the Delivery Point in a manner subject to Buyer's prior written approval, not to be unreasonably withheld. Seller shall separately meter all Idle Period Auxiliary Load using the Auxiliary Load Meter. All meters will be maintained at Seller's cost. Metering shall be consistent with the Metering Diagram set forth as Exhibit R, a final version of which shall be provided to Buyer at least thirty (30) days before the Commercial Operation Date. Each Facility Meter, Generating Facility Meter, Storage Facility Meter, and Auxiliary Load Meter shall be kept under seal, such seals to be broken only when the meters are to be tested, adjusted, modified or relocated. In the event Seller breaks a seal, Seller shall notify Buyer as soon as practicable after Seller becomes aware of such broken seal. In addition, Seller hereby agrees to provide all meter data to Buyer in a form reasonably acceptable to Buyer, and consents to Buyer obtaining from CAISO the CAISO meter data directly relating to the Facility and all inspection, testing and calibration data and reports. Seller and Buyer, or Buyer's Scheduling Coordinator, shall cooperate to allow both Parties to retrieve the meter reads from the CAISO Market Results Interface – Settlements (MRI-S) (or its successor) or directly from the CAISO meter(s) at the Facility.

7.2 **Meter Verification**. Seller shall test the Facility Meter, Generating Facility Meter, Auxiliary Load Meter, and Storage Facility Meter at least annually and more frequently than annually if Buyer or Seller reasonably believe there may be a meter malfunction. The tests shall be conducted by independent third parties qualified to conduct such tests. Buyer shall be notified seven (7) days in advance of such tests and have a right to be present during such tests. If a meter is inaccurate, it shall be promptly repaired or replaced. If a meter is inaccurate by more than one point two percent (1.2%) and it is not known when the meter inaccuracy commenced (if such evidence exists such date will be used to adjust prior invoices), then the invoices covering the period of time since the last meter test shall be adjusted for the amount of the inaccuracy on the assumption that the inaccuracy persisted during one-half of such period so long as such adjustments are accepted by CAISO and WREGIS; *provided*, such period may not exceed twelve (12) months.

ARTICLE 8
INVOICING AND PAYMENT; CREDIT

8.1 **Invoicing**. Seller shall use commercially reasonable efforts to deliver an invoice to Buyer within ten (10) days after the end of the prior monthly delivery period. Each invoice shall (a) include records of metered data, including all available CAISO metering and transaction data (but excluding any missing interval data that is not available from CAISO) sufficient to document and verify the amount of Product delivered by the Facility for any Settlement Period during the preceding month, including the amount of Facility Energy as read by the Facility Meter, the amount of Generating Facility Energy as read by the Generating Facility Meter, the amount of Charging Energy and Discharging Energy as read by the Storage Facility Meter, the amount of Idle Period Auxiliary Load as read by the Auxiliary Load Meter, and Replacement RA delivered to Buyer (if any); the calculation of Adjusted Facility Energy, Deemed Delivered Energy, Deemed Delivered RA, Lost Output, and Adjusted Energy Production; the LMP prices at the Delivery Point for each Settlement Period; and the Contract Price applicable to such Product in accordance with Exhibit C; (b) reflect any records, including invoices or settlement data from the CAISO, necessary to verify the accuracy of any amount; and (c) be in a format reasonably specified by Buyer, covering the services provided in the preceding month determined in accordance with the applicable provisions of this Agreement. Buyer shall, and shall cause its Scheduling Coordinator to, provide Seller with all reasonable access (including, in real time, to the maximum extent reasonably possible) to any records, including invoices or settlement data from the CAISO, forecast data and other information, all as may be necessary from time to time for Seller to prepare and verify the accuracy of all invoices. The invoice shall be delivered by electronic mail in accordance with Exhibit N.

8.2 **Payment**. Buyer shall make payment to Seller for Product by wire transfer or ACH payment to the bank account provided on each monthly invoice. Buyer shall pay undisputed invoice amounts within thirty (30) days of Buyer's receipt of Seller's invoices; *provided*, if such due date falls on a weekend or legal holiday, such due date shall be the next Business Day. Payments made after the due date will be considered late and will bear interest on the unpaid balance. If the amount due is not paid on or before the due date or if any other payment that is due and owing from one Party to another is not paid on or before its applicable due date, a late payment charge shall be applied to the unpaid balance and shall be added to the next billing statement. Such late payment charge shall be calculated based on the 3-Month prime rate (or any equivalent successor rate accepted by a majority of major financial institutions) published on the date of the invoice in *The Wall Street Journal* (or, if *The Wall Street Journal* is not published on that day, the next succeeding date of publication), plus two percent (2%) (the "**Interest Rate**"). If the due date occurs on a day that is not a Business Day, the late payment charge shall begin to accrue on the next succeeding Business Day.

8.3 **Books and Records**. To facilitate payment and verification, each Party shall maintain all books and records necessary for billing and payments, including copies of all invoices under this Agreement, for a period of at least five (5) years or as otherwise required by Law. Upon ten (10) Business Days' Notice to the other Party, either Party shall be granted access to the accounting books and records within the possession or control of the other Party pertaining to all invoices generated pursuant to this Agreement. Seller acknowledges that in accordance with California Government Code Section 8546.7, Seller may be subject to audit by the California State Auditor with regard to Seller's performance of this Agreement because the compensation under this Agreement exceeds Ten Thousand Dollars ($10,000).

8.4 **Invoice Adjustments**. Invoice adjustments shall be made if (a) there have been good-faith inaccuracies in invoicing or payment that are not otherwise disputed under Section 8.5, (b) an adjustment to an amount previously invoiced or paid is required due to a correction of data by the CAISO, or pursuant to a Storage Capacity Test, or (c) there have been meter inaccuracies; *provided*, *however*, that there shall be no adjustments to prior invoices based upon meter inaccuracies except to the extent that such meter adjustments are accepted by CAISO for revenue purposes. If the required adjustment is in favor of Buyer, Buyer's next monthly payment shall be credited in an amount equal to the adjustment. If the required adjustment is in favor of Seller, Seller shall add the adjustment amount to Buyer's next monthly invoice. Adjustments in favor of either Buyer or Seller shall bear interest, until settled in full, in accordance with Section 8.2, accruing from the date on which the adjusted amount should have been due.

8.5 **Billing Disputes**. A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within five (5) Business Days of such resolution along with interest accrued at the Interest Rate from and including the original due date to but excluding the date paid. Inadvertent overpayments shall be returned via adjustments in accordance with Section 8.4. Any dispute with respect to an invoice is waived if the other Party is not notified in accordance with this Section 8.5 within twelve (12) months after the invoice is rendered or subsequently adjusted, except to the extent any misinformation was from a third party not affiliated with any Party and such third party corrects its information after the twelve (12) month period. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

8.6 **Netting of Payments**. The Parties hereby agree that they shall discharge mutual debts and payment obligations due and owing to each other under this Agreement on the same date through netting, in which case all amounts owed by each Party to the other Party for the purchase and sale of Product during the monthly billing period under this Agreement or otherwise arising out of this Agreement, including any related damages calculated pursuant to Exhibits B and P, interest, and payments or credits, shall be netted so that only the excess amount remaining due shall be paid by the Party who owes it.

8.7 **Seller's Development Security**. To secure its obligations under this Agreement, Seller shall deliver Development Security to Buyer in the amount set forth in the Cover Sheet within sixty (60) days of the Effective Date. Seller shall maintain the Development Security in full force and effect. Upon the earlier of (i) Seller's delivery of the Performance Security, or (ii) sixty (60) days after termination of this Agreement, Buyer shall return the Development Security to Seller, less the amounts drawn in accordance with this Agreement. If the Development Security is a Letter of Credit and the issuer of such Letter of Credit (i) fails to maintain the minimum Credit Rating specified in the definition of Letter of Credit, (ii) indicates its intent not to renew such Letter of Credit and such Letter of Credit expires prior to the Commercial Operation Date, or (iii) fails to honor Buyer's properly documented request to draw on such Letter of Credit by such issuer, Seller shall have ten (10) Business Days to either post cash or deliver a substitute Letter of Credit that meets the requirements set forth in the definition of Development Security.

8.8 **Seller's Performance Security**. To secure its obligations under this Agreement, Seller shall deliver Performance Security to Buyer in the amount set forth in the Cover Sheet on or before the Commercial Operation Date. If the Performance Security is not in the form of cash or Letter of Credit, it shall be substantially in the form of Guaranty set forth in Exhibit L. Seller shall maintain the Performance Security in full force and effect, and Seller shall within five (5) Business Days after any draw thereon replenish the Performance Security in the event Buyer collects or draws down any portion of the Performance Security for any reason permitted under this Agreement other than to satisfy a Termination Payment, until the following have occurred: (A) the Delivery Term has expired or terminated early; and (B) all payment obligations of Seller then due and payable under this Agreement, including compensation for penalties, Termination Payment, indemnification payments or other damages, are paid in full (whether directly or indirectly such as through set-off or netting). Following the occurrence of both events, Buyer shall promptly return to Seller the unused portion of the Performance Security. The amount of Seller's Performance Security shall be adjusted by the Parties during the Delivery Term, as set forth on the Cover Sheet. If the Performance Security is a Letter of Credit and the issuer of such Letter of Credit (i) fails to maintain the minimum Credit Rating set forth in the definition of Letter of Credit, (ii) indicates its intent not to renew such Letter of Credit and such Letter of Credit expires prior to the Commercial Operation Date, or (iii) fails to honor Buyer's properly documented request to draw on such Letter of Credit by such issuer, Seller shall have ten (10) Business Days to either post cash or deliver a substitute Letter of Credit that meets the requirements set forth in the definition of Performance Security.

8.9 **First Priority Security Interest in Cash or Cash Equivalent Collateral**. To secure its obligations under this Agreement, and until released as provided herein, Seller hereby grants to Buyer a present and continuing first-priority security interest ("**Security Interest**") in, and lien on (and right to net against), and assignment of the Development Security, Performance Security, any other cash collateral and cash equivalent collateral posted pursuant to Sections 8.7 and 8.8 and any and all interest thereon or proceeds resulting therefrom or from the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of Buyer, and Seller agrees to take all action as Buyer reasonably requires in order to perfect Buyer's Security Interest in, and lien on (and right to net against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof.

Upon or any time after the occurrence and continuation of an Event of Default caused by Seller, an Early Termination Date resulting from an Event of Default caused by Seller, or an occasion provided for in this Agreement where Buyer is authorized to retain all or a portion of the Development Security or Performance Security, Buyer may do any one or more of the following (in each case subject to the final sentence of this Section 8.9):

(a) Exercise any of its rights and remedies with respect to the Development Security and Performance Security, including any such rights and remedies under Law then in effect;

(b) Draw on any outstanding Letter of Credit issued for its benefit and retain any cash held by Buyer as Development Security or Performance Security and such draw will be deemed to cure an Event of Default of Seller pursuant to Section 11.1(b)(xiv); and

(c) Liquidate all Development Security or Performance Security (as applicable) then held by or for the benefit of Buyer free from any claim or right of any nature whatsoever of Seller, including any equity or right of purchase or redemption by Seller to the extent of damages or other amounts owed by Seller to Buyer hereunder.

Buyer shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce Seller's obligations under this Agreement (Seller remains liable for any amounts owing to Buyer after such application), subject to Buyer's obligation to return any surplus proceeds remaining after these obligations are satisfied in full.

8.10 **Financial Statements**. In the event a Guaranty is provided as Performance Security in lieu of cash or a Letter of Credit, Seller shall provide to Buyer, or cause the Guarantor to provide to Buyer, unaudited quarterly and annual audited financial statements of the Guarantor (including a balance sheet and statements of income and cash flows), all prepared in accordance with generally accepted accounting principles in the United States, consistently applied.

8.11 **Buyer's Financial Statements**. [redacted]

ARTICLE 9
NOTICES

9.1 **Addresses for the Delivery of Notices**. Any Notice required, permitted, or contemplated hereunder shall be in writing, shall be addressed to the Party to be notified at the address set forth on Exhibit N or at such other address or addresses as a Party may designate for itself from time to time by Notice hereunder.

9.2 **Acceptable Means of Delivering Notice**. Each Notice required, permitted, or contemplated hereunder shall be deemed to have been validly served, given or delivered as follows: (a) if sent by United States mail with proper first-class postage prepaid, three (3) Business Days following the date of the postmark on the envelope in which such Notice was deposited in the United States mail; (b) if sent by a regularly scheduled overnight delivery carrier with delivery fees either prepaid or an arrangement with such carrier made for the payment of such fees, the next Business Day after the same is delivered by the sending Party to such carrier; (c) if sent by electronic communication (including electronic mail or other electronic means) and if concurrently with the transmittal of such electronic communication the sending Party provides a copy of such electronic Notice by hand delivery or express courier, at the time indicated by the time stamp upon delivery; or (d) if delivered in person, upon receipt by the receiving Party. Notwithstanding the foregoing, invoices sent pursuant to Section 8.1 and Notices of outages or other scheduling or dispatch information or requests, and Replacement RA Notices, may be sent by electronic communication and shall be considered delivered upon successful completion of such transmission.

ARTICLE 10
FORCE MAJEURE

10.1 **Definition**.

(a) "**Force Majeure Event**" means any act or event that delays or prevents a Party from timely performing all or a portion of its obligations under this Agreement or from complying with all or a portion of the conditions under this Agreement if such act or event, despite the exercise of reasonable efforts, cannot be avoided by and is beyond the reasonable control (whether direct or indirect) of and without the fault or negligence of the Party relying thereon as justification for such delay, nonperformance, or noncompliance.

(b) Without limiting the generality of the foregoing, so long as the following events, despite the exercise of reasonable efforts, cannot be avoided by, and are beyond the reasonable control (whether direct or indirect) of and without the fault or negligence of the Party relying thereon as justification for such delay, nonperformance or noncompliance, a Force Majeure Event may include any country-wide pandemic (including COVID-19); an act of God or the elements, such as flooding, lightning, hurricanes, tornadoes, or ice storms; explosion; fire; volcanic eruption; flood; epidemic; landslide; mudslide; sabotage; terrorism; earthquake or other cataclysmic event; an act of public enemy; war; blockade; civil insurrection; riot; civil disturbance; or strike or other labor difficulty caused or suffered by a Party or any third party except as set forth below.

(c) Notwithstanding the foregoing, the term "**Force Majeure Event**" does not include (i) economic conditions or changes in Law that render a Party's performance of this Agreement at the Contract Price unprofitable or otherwise uneconomic (including an increase in component or compliance costs for any reason, including foreign or domestic tariffs, Buyer's ability to buy Product at a lower price, or Seller's ability to sell the Product, or any component thereof, at a higher price, than under this Agreement); (ii) Seller's inability to obtain permits or approvals of any type for the construction, operation, or maintenance of the Facility, except to the extent such inability is caused by a Force Majeure Event; (iii) the inability of a Party to make payments when due under this Agreement, unless the cause of such inability is an event that would otherwise constitute a Force Majeure Event as described above that disables physical or electronic facilities necessary to transfer funds to the payee Party; (iv) a Curtailment Period, except to the extent such Curtailment Period is caused by a Force Majeure Event; (v) Seller's inability to obtain sufficient labor, equipment, materials, or other resources to build or operate the Facility, including the lack of wind, sun or other fuel source of an inherently intermittent nature, except to the extent such inability is caused by a Force Majeure Event; (vi) a strike, work stoppage or labor dispute limited only to any one or more of Seller, Seller's Affiliates, Seller's contractors, their subcontractors thereof or any other third party employed by Seller to work on the Generating Facility or Storage Facility unless caused by a Force Majeure Event; (vii) any equipment failure, except if such equipment failure is caused by a Force Majeure Event; and (viii) events otherwise constituting a Force Majeure Event that prevents Seller from achieving Construction Start or Commercial Operation of the Facility, except to the extent expressly permitted as a Development Cure Period under this Agreement.

10.2 **Termination Following Force Majeure Event**. If a Force Majeure Event has occurred after the Commercial Operation Date that has caused either Party to be wholly or partially unable to perform its obligations hereunder, and the impacted Party has claimed and received relief from performance of its obligations for a consecutive twelve (12) month period, then the non-claiming Party may terminate this Agreement upon Notice to the other Party. Upon any such termination, neither Party shall have any liability to the other Party, save and except for those obligations specified in Section 2.1(b), and Buyer shall promptly return to Seller any Performance Security then held by Buyer, less any amounts drawn in accordance with this Agreement.

10.3 **Notice for Force Majeure Events**. Within five (5) Business Days of knowledge of a Force Majeure Event, the claiming Party shall provide the other Party with oral notice of the Force Majeure Event, and within two (2) weeks of knowledge of the Force Majeure Event the claiming Party shall provide the other Party with Notice in the form of a letter describing in detail the occurrence giving rise to the Force Majeure Event, including the nature, cause, estimated date of commencement thereof, and the anticipated extent of any delay or interruption in performance. Failure to provide timely Notice as described in the preceding sentence constitutes a waiver of a Force Majeure Event claim as to all periods prior to the delivery of a timely Notice. The suspension of performance due to a claim of Force Majeure Event must be of no greater scope and of no longer duration than is required by the Force Majeure Event. Upon written request from Buyer, Seller shall provide documentation demonstrating to Buyer's reasonable satisfaction that each day of the claimed delay was the result of a Force Majeure Event and did not result from Seller's actions or failure to exercise due diligence or take reasonable actions. The claiming party shall promptly notify the other Party in writing of the cessation or termination of such Force Majeure Event, all as known or estimated in good faith by the affected Party. The suspension of performance due to a claim of Force Majeure must be of no greater scope and of no longer duration than is required by the Force Majeure Event.

10.4 **No Liability If a Force Majeure Event Occurs**.

(a) If the cumulative extensions granted under the Development Cure Period equal or exceed the maximum number of days that may be claimed consistent with Exhibit B, and Seller has demonstrated to Buyer's reasonable satisfaction that such delays did not result from Seller's commercially unreasonable actions (or failure to take commercially reasonable actions), then Seller may, by Notice to Buyer, terminate this Agreement. As Buyer's sole right and remedy (and Seller's sole liability and obligation) arising out of any such termination, (i) Seller shall remain subject to Section 11.6 following such early termination, and (ii) Buyer shall be entitled to (A) liquidate and retain the Development Security and (B) to collect from Seller (and Seller shall be obligated to pay to Buyer) the total amount of all Delay Damages accrued and unpaid as of the termination date; *provided*, in no event shall the sum of (A) and (B) exceed an amount equal to two (2) times the Development Security amount.

(b) Except as provided in Section 4 of Exhibit B, neither Seller nor Buyer shall be liable to the other Party in the event it is prevented from performing its obligations hereunder in whole or in part due to a Force Majeure Event. The Party rendered unable to fulfill any obligation by reason of a Force Majeure Event shall take reasonable actions necessary to remove such inability with due speed and diligence. Nothing herein shall be construed as permitting that Party to continue to fail to perform after said cause has been removed. The obligation to use due speed and diligence shall not be interpreted to require resolution of labor disputes by acceding to demands of the opposition when such course is inadvisable in the discretion of the Party having such difficulty. Neither Party shall be considered in breach or default of this Agreement if and to the extent that any failure or delay in the Party's performance of one or more of its obligations hereunder is caused by a Force Majeure Event. The occurrence and continuation of a Force Majeure Event shall not suspend or excuse the obligation of a Party to make any payments due hereunder.

ARTICLE 11
DEFAULTS; REMEDIES; TERMINATION

11.1 **Events of Default**. An "**Event of Default**" shall mean,

(a) with respect to a Party (the "**Defaulting Party**") that is subject to the Event of Default, the occurrence of any of the following:

(i) the failure by such Party to make, when due, any payment required pursuant to this Agreement and such failure is not remedied within ten (10) Business Days after Notice thereof;

(ii) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated, and such default is not remedied within thirty (30) days after Notice thereof (or such longer additional period, not to exceed an additional sixty (60) days, if the Defaulting Party is unable to remedy such default within such initial thirty (30) day period despite exercising commercially reasonable efforts);

(iii) the failure by such Party to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default set forth in this Section 11.1; and except for (1) failure to deliver Capacity Attributes, the exclusive remedies for which are set forth in Section 3.8; (2) failures related to the Adjusted Energy Production that do not trigger the provisions of Section 11.1(b)(vi), (viii), and (ix), the exclusive remedies for which are set forth in Section 4.7 and Exhibit G; and (3) failures related to the Monthly Storage Availability that do not trigger the provisions of Section 11.1(b)(vii), the exclusive remedies for which are set forth in Section 4.8) and such failure is not remedied within thirty (30) days after Notice thereof (or such longer additional period, not to exceed an additional ninety (90) days, if the Defaulting Party is unable to remedy such default within such initial thirty (30) day period despite exercising best efforts);

(iv) such Party becomes Bankrupt;

(v) such Party assigns this Agreement or any of its rights hereunder other than in compliance with Article 14, if applicable; or

(vi) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of Law or pursuant to an agreement reasonably satisfactory to the other Party.

(b) with respect to Seller as the Defaulting Party, the occurrence of any of the following:

(i) if at any time, Seller delivers or attempts to deliver Energy to the Delivery Point for sale under this Agreement that was not generated or discharged by the Facility except as otherwise permitted under this Agreement;

(ii) the failure by Seller to achieve Commercial Operation on or before the Guaranteed Commercial Operation Date, as such date may be extended by Seller's payment of Commercial Operation Delay Damages pursuant to Section 2(c) of Exhibit B and/or a Development Cure Period pursuant to Section 4 of Exhibit B;

(iii) if not remedied within ten (10) days after Notice thereof, the failure by Seller to deliver a Remedial Action Plan required under Section 2.4 that demonstrates a reasonable plan for completing the Facility by the Guaranteed Commercial Operation Date;

(iv) the failure by Seller to achieve Construction Start on or before the Guaranteed Construction Start Date, as such date may be extended by Seller's payment of Construction Delay Damages pursuant to Section 1(b) of Exhibit B and/or a Development Cure Period pursuant to Section 4 of Exhibit B;

(v) Seller sells, assigns, or otherwise transfers, or commits to sell, assign, or otherwise transfer, the Product, or any portion thereof, during the Delivery Term to any party other than Buyer except as expressly permitted under this Agreement;

(vi) if, in any consecutive six (6) month period, Adjusted Energy Production is not at least ten percent (10%) of Expected Energy for such period, and Seller fails to (x) deliver to Buyer within ten (10) Business Days after Notice from Buyer a plan or report developed by Seller that describes the cause of the failure to meet the ten percent (10%) and the actions that Seller has taken, is taking, or proposes to take in an effort to cure such condition along with the written confirmation of a Licensed Professional Engineer that such plan or report is in accordance with Prudent Operating Practices and capable of cure within a reasonable period of time ("**Cure Plan**"), not to exceed (A) one hundred eighty (180) days, or (B) if such failure is caused by a Transformer Failure that cannot be cured pursuant to a Cure Plan within one hundred eighty (180) days (limited to one (1) occurrence during the Delivery Term), not to exceed three hundred sixty-five (365) days, so long as Seller commences a Cure Plan within such one hundred eighty (180) day period and thereafter diligently pursues such Cure Plan to completion, and (y) complete such Cure Plan in all material respects as set forth therein;

(vii) if, in any Contract Year, the simple average of the Monthly Storage Availability for such Contract Year is not at least [redacted] percent ([redacted]%) provided that in calculating the Monthly Storage Availability solely for purposes of this Section 11.1(b)(vii), "$EXCUSEDHRS_m$" will include Insurable Force Majeure Events, and Seller fails to (x) deliver to Buyer within ten (10) Business Days after Notice from Buyer a plan or report developed by Seller that describes the cause of the failure to meet the seventy percent (70%) and the actions that Seller has taken, is taking, or proposes to take in an effort to cure such condition along with the written confirmation of a Licensed Professional Engineer that such plan or report is in accordance with

Prudent Operating Practices and capable of cure within a reasonable period of time ("**Storage Cure Plan**"), not to exceed (A) one hundred eighty (180) days, or (B) if such failure is caused by a Transformer Failure that cannot be cured pursuant to a Storage Cure Plan within one hundred eighty (180) days (limited to one (1) occurrence during the Delivery Term), not to exceed three hundred sixty-five (365) days, so long as Seller commences a Storage Cure Plan within such one hundred eighty (180) day period and thereafter diligently pursues such Storage Cure Plan to completion, and (y) complete such Storage Cure Plan in all material respects as set forth therein;

(viii) if, beginning in the second Contract Year, the Adjusted Energy Production amount is not at least [redacted] percent ([redacted]%) of the Expected Energy amount in any Contract Year; *provided*, *however*, that to the extent Seller has provided a Cure Plan to Buyer, Seller shall be deemed to be in compliance with the foregoing obligation and shall not be deemed to be in default of such obligation so long as Seller completes such Cure Plan in all material respects as set forth therein;

(ix) if, in any two (2) consecutive Contract Year period during the Delivery Term, the Adjusted Energy Production amount is not at least [redacted] percent ([redacted]%) of the Expected Energy amount in each Contract Year; *provided*, *however*, that to the extent Seller has provided a Cure Plan to Buyer, Seller shall be deemed to be in compliance with the foregoing obligation and shall not be deemed to be in default of such obligation so long as Seller completes such Cure Plan in all material respects as set forth therein;

(x) if Seller fails to maintain an average Efficiency Rate of at least [redacted] percent ([redacted]%) over a rolling twelve (12) month period; *provided*, *however*, that to the extent Seller has provided a Storage Cure Plan to Buyer, Seller shall be deemed to be in compliance with the foregoing obligation and shall not be deemed to be in default of such obligation so long as Seller completes such Storage Cure Plan in all material respects as set forth therein;

(xi) if Seller fails to maintain a Storage Capacity equal to at least [redacted] percent ([redacted]%) of the Storage Contract Capacity for more than three hundred sixty (360) consecutive days; *provided*, *however*, that to the extent Seller has provided a Storage Cure Plan to Buyer, Seller shall be deemed to be in compliance with the foregoing obligation and shall not be deemed to be in default of such obligation so long as Seller completes such Storage Cure Plan in all material respects as set forth therein;

(xii) failure by Seller to satisfy the collateral requirements pursuant to Section 8.7 or 8.8 within ten (10) Business Days after Notice from Buyer, including the failure to replenish the Performance Security amount in accordance with this Agreement in the event Buyer draws against either for any reason other than to satisfy a Damage Payment or a Termination Payment;

(xiii) with respect to any Guaranty provided for the benefit of Buyer, the failure by Seller to provide for the benefit of Buyer either (1) cash, (2) a replacement Guaranty from a different Guarantor meeting the criteria set forth in the definition of Guarantor, or (3) a replacement Letter of Credit from an issuer meeting the criteria set forth in the definition of Letter of Credit, in each case, in the amount required hereunder within ten (10) Business Days after Seller receives Notice of the occurrence of any of the following events:

(A) if any representation or warranty made by the Guarantor in connection with this Agreement is false or misleading in any material respect when made or when deemed made or repeated, and such default is not remedied within thirty (30) days after Notice thereof;

(B) the failure of the Guarantor to make any payment required or to perform any other material covenant or obligation in any Guaranty;

(C) the Guarantor becomes Bankrupt;

(D) the Guarantor shall fail to meet the criteria for an acceptable Guarantor as set forth in the definition of Guarantor;

(E) the failure of the Guaranty to be in full force and effect (other than in accordance with its terms) prior to the indefeasible satisfaction of all obligations of Seller hereunder; or

(F) the Guarantor shall repudiate, disaffirm, disclaim, or reject, in whole or in part, or challenge the validity of any Guaranty; or

(xiv) with respect to any outstanding Letter of Credit provided for the benefit of Buyer that is not then required under this Agreement to be canceled or returned, the failure by Seller to provide for the benefit of Buyer either (1) cash (provided that any cash retained by Buyer after a draw of the Letter of Credit permitted under this Agreement will be deemed to satisfy this requirement in the amount of such drawn cash) or (2) a substitute Letter of Credit from a different issuer meeting the criteria set forth in the definition of Letter of Credit, in each case, in the amount required hereunder within ten (10) Business Days after Seller receives Notice of the occurrence of any of the following events:

(A) the issuer of the outstanding Letter of Credit shall fail to maintain a Credit Rating of at least A- by S&P or A3 by Moody's;

(B) the issuer of such Letter of Credit becomes Bankrupt;

(C) the issuer of the outstanding Letter of Credit shall fail to comply with or perform its obligations under such Letter of Credit and such failure shall be continuing after the lapse of any applicable grace period permitted under such Letter of Credit;

(D) the issuer of the outstanding Letter of Credit shall fail to honor a properly documented request to draw on such Letter of Credit;

(E) the issuer of the outstanding Letter of Credit shall disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, such Letter of Credit;

(F) such Letter of Credit fails or ceases to be in full force and effect at any time; or

(G) Seller shall fail to renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit and as provided in accordance with this Agreement, and in no event less than sixty (60) days prior to the expiration of the outstanding Letter of Credit.

11.2 **Remedies; Declaration of Early Termination Date**. If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party ("**Non-Defaulting Party**") shall have the following rights:

(a) to send Notice, designating a day, no earlier than the day such Notice is deemed to be received and no later than twenty (20) days after such Notice is deemed to be received, as an early termination date of this Agreement ("**Early Termination Date**") that terminates this Agreement (the "**Terminated Transaction**") and ends the Delivery Term effective as of the Early Termination Date;

(b) to accelerate all amounts owing between the Parties, and to collect as liquidated damages (i) the Damage Payment (in the case of an Event of Default by Seller occurring before the Commercial Operation Date, including an Event of Default under Section 11.1(b)(ii) or Section 11.1(b)(iv)), or (ii) the Termination Payment calculated in accordance with Section 11.3 below (in the case of any other Event of Default by either Party);

(c) to withhold any payments due to the Defaulting Party under this Agreement;

(d) to suspend performance; or

(e) to exercise any other right or remedy available at law or in equity, including on and after the Commercial Operation Date with respect to a Seller Event of Default, specific performance or injunctive relief, except to the extent such remedies are expressly limited under this Agreement; *provided*, payment by the Defaulting Party of the Damage Payment or Termination Payment, as applicable, shall constitute liquidated damages and the Non-Defaulting Party's sole and exclusive remedy for any Terminated Transaction and the Event of Default related thereto.

11.3 **Termination Payment**. The Termination Payment ("**Termination Payment**") for a Terminated Transaction shall be the aggregate of all Settlement Amounts plus any or all other amounts due to or from the Non-Defaulting Party (as of the Early Termination Date) netted into a single amount. The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount for the Terminated Transaction as of the Early Termination Date. Third parties supplying information for purposes of the calculation of Gains or Losses may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors and other sources of market information. The Settlement Amount shall not include consequential, incidental, punitive, exemplary, indirect or business interruption damages; *provided*, *however*, with respect to Seller as the Non-Defaulting Party, lost or recaptured Renewable Energy Incentives (calculated on an after-tax basis) shall be deemed direct damages covered by this Agreement. Without prejudice to the Non-Defaulting Party's duty to mitigate, the Non-Defaulting Party shall not have to enter into replacement transactions to establish a Settlement Amount. Each Party agrees and acknowledges that (a) the actual damages that the Non-Defaulting Party would incur in connection with a Terminated Transaction would be difficult or impossible to predict with certainty, (b) the Damage Payment or Termination Payment described in Section 11.2 or this Section 11.3 (as applicable) is a reasonable and appropriate approximation of such damages, and (c) the Damage Payment or Termination Payment described in Section 11.2 or this Section 11.3 (as applicable) is the exclusive remedy of the Non-Defaulting Party in connection with a Terminated Transaction but shall not otherwise act to limit any of the Non-Defaulting Party's rights or remedies if the Non-Defaulting Party does not elect a Terminated Transaction as its remedy for an Event of Default by the Defaulting Party.

11.4 **Notice of Payment of Termination Payment or Damage Payment**. As soon as practicable after a Terminated Transaction, but in no event later than sixty (60) days after the Early Termination Date, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Damage Payment or Termination Payment, as applicable, and whether the Termination Payment or Damage Payment, as applicable, is due to or from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of such amount and the sources for such calculation. The Termination Payment or Damage Payment, as applicable, shall be made to or from the Non-Defaulting Party, as applicable, within ten (10) Business Days after such Notice is effective.

11.5 **Disputes with Respect to Termination Payment or Damage Payment**. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment or Damage Payment, as applicable, in whole or in part, the Defaulting Party shall, within five (5) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment or Damage Payment, as applicable, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute. Disputes regarding the Termination Payment or Damage Payment, as applicable, shall be determined in accordance with Article 15.

11.6 **Limitation on Seller's Ability to Make or Agree to Third-Party Sales from the Facility After Early Termination Date**. [redacted]

11.7 **Rights and Remedies Are Cumulative**. Except where an express and exclusive remedy or measure of damages is provided, the rights and remedies of a Party pursuant to this Article 11 shall be cumulative and in addition to the rights of the Parties otherwise provided in this Agreement.

11.8 **Mitigation**. Any Non-Defaulting Party shall be obligated to use commercially reasonable efforts to mitigate its Costs, Losses and damages resulting from any Event of Default of the other Party under this Agreement.

11.9 **Seller Pre-COD Liability**. Unless and until the Facility has achieved Commercial Operation, Seller's aggregate liability for any and all reasons, including liabilities for payment of Delay Damages and the Damage Payment, shall not exceed [redacted]

ARTICLE 12
LIMITATION OF LIABILITY AND EXCLUSION OF WARRANTIES.

12.1 **No Consequential Damages**. EXCEPT TO THE EXTENT (A) PART OF AN EXPRESS REMEDY OR MEASURE OF DAMAGES HEREIN, (B) PART OF AN ARTICLE 16 INDEMNITY CLAIM, (C) INCLUDED IN A LIQUIDATED DAMAGES CALCULATION, OR (D) RESULTING FROM A PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER OR ITS INDEMNIFIED PERSONS FOR ANY SPECIAL, PUNITIVE, EXEMPLARY, INDIRECT, OR CONSEQUENTIAL DAMAGES, OR LOSSES OR DAMAGES FOR LOST REVENUE OR LOST PROFITS, WHETHER FORESEEABLE OR NOT, ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT.

12.2 **Waiver and Exclusion of Other Damages**. EXCEPT AS EXPRESSLY SET FORTH HEREIN, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. ALL LIMITATIONS OF LIABILITY CONTAINED IN THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, THOSE PERTAINING TO SELLER'S LIMITATION OF LIABILITY AND THE PARTIES' WAIVER OF CONSEQUENTIAL DAMAGES, SHALL APPLY EVEN IF THE REMEDIES FOR BREACH OF WARRANTY PROVIDED IN THIS AGREEMENT ARE DEEMED TO "FAIL OF THEIR ESSENTIAL PURPOSE" OR ARE OTHERWISE HELD TO BE INVALID OR UNENFORCEABLE.

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS AND EXCLUSIVE REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED.

IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT DAMAGES ONLY. THE VALUE OF ANY TAX CREDITS OR RENEWABLE ENERGY INCENTIVES, DETERMINED ON AN AFTER-TAX BASIS, LOST DUE TO BUYER'S DEFAULT (WHICH SELLER HAS NOT BEEN ABLE TO MITIGATE AFTER USE OF COMMERCIALLY REASONABLE EFFORTS) AND AMOUNTS DUE IN CONNECTION WITH THE RECAPTURE OF ANY RENEWABLE ENERGY INCENTIVES, IF ANY, SHALL BE DEEMED TO BE DIRECT DAMAGES.

TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, INCLUDING UNDER SECTIONS 3.8, 4.7, 4.8, 11.2 AND 11.3, AND AS PROVIDED IN EXHIBIT B, EXHIBIT G, AND EXHIBIT P, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, THAT OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT, AND THAT THE LIQUIDATED DAMAGES CONSTITUTE A REASONABLE APPROXIMATION OF THE ANTICIPATED HARM OR LOSS. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. THE PARTIES HEREBY WAIVE ANY RIGHT TO CONTEST SUCH PAYMENTS AS AN UNREASONABLE PENALTY.

THE PARTIES ACKNOWLEDGE AND AGREE THAT MONEY DAMAGES AND THE EXPRESS REMEDIES PROVIDED FOR HEREIN ARE AN ADEQUATE REMEDY FOR THE BREACH BY THE OTHER OF THE TERMS OF THIS AGREEMENT, AND EACH PARTY WAIVES ANY RIGHT IT MAY HAVE TO SPECIFIC PERFORMANCE WITH RESPECT TO ANY OBLIGATION OF THE OTHER PARTY UNDER THIS AGREEMENT.

ARTICLE 13
REPRESENTATIONS AND WARRANTIES; AUTHORITY

13.1 **Seller's Representations and Warranties**. As of the Effective Date, Seller represents and warrants as follows:

(a) Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, and is qualified to conduct business in the state of California and each jurisdiction where the failure to so qualify would have a material adverse effect on the business or financial condition of Seller.

(b) Seller has the power and authority to enter into and perform this Agreement and is not prohibited from entering into this Agreement or discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement. The execution, delivery and performance of this Agreement by Seller have been duly authorized by all necessary limited liability company action on the part of Seller and do not and will not require the consent of any trustee or holder of any indebtedness or other obligation of Seller or any other party to any other agreement with Seller.

(c) The execution and delivery of this Agreement, consummation of the transactions contemplated herein, and fulfillment of and compliance by Seller with the provisions of this Agreement will not conflict with or constitute a breach of or a default under any Law presently in effect having applicability to Seller, subject to any permits that have not yet been obtained by Seller, the documents of formation of Seller or any outstanding trust indenture, deed of trust, mortgage, loan agreement or other evidence of indebtedness or any other agreement or instrument to which Seller is a party or by which any of its property is bound.

(d) This Agreement has been duly executed and delivered by Seller. This Agreement is a legal, valid and binding obligation of Seller enforceable in accordance with its terms, except as limited by laws of general applicability limiting the enforcement of creditors' rights or by the exercise of judicial discretion in accordance with general principles of equity.

(e) The Facility is located in the state of California.

(f) Seller will be responsible for obtaining all permits necessary to construct and operate the Facility and Seller will be the applicant on any CEQA documents.

(g) As of the Effective Date, Seller represents and warrants to Buyer that it has not received notice from or been advised by any existing or potential supplier or service provider that COVID-19 has caused, or is reasonably likely to cause, a delay in the construction of the Facility or the delivery of materials necessary to complete the Facility, in each case that would cause the Commercial Operation Date to be later than the Guaranteed Commercial Operation Date.

13.2 **Buyer's Representations and Warranties**. As of the Effective Date, Buyer represents and warrants as follows:

(a) Buyer is a joint powers authority and a validly existing community choice aggregator, duly organized, validly existing and in good standing under the laws of the State of California and the rules, regulations and orders of the CPUC, and is qualified to conduct business in each jurisdiction of the Joint Powers Agreement members. All Persons making up the governing body of Buyer are the elected or appointed incumbents in their positions and hold their positions in good standing in accordance with the Joint Powers Agreement and other Law.

(b) Buyer has the power and authority to enter into and perform this Agreement and is not prohibited from entering into this Agreement or discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement, except where such failure does not have a material adverse effect on Buyer's performance under this Agreement. The execution, delivery and performance of this Agreement by Buyer has been duly authorized by all necessary action on the part of Buyer and does not and will not require the consent of any trustee or holder of any indebtedness or other obligation of Buyer or any other party to any other agreement with Buyer.

(c) The execution and delivery of this Agreement, consummation of the transactions contemplated herein, and fulfillment of and compliance by Buyer with the provisions of this Agreement will not conflict with or constitute a breach of or a default under any Law presently in effect having applicability to Buyer, the documents of formation of Buyer or any outstanding trust indenture, deed of trust, mortgage, loan agreement or other evidence of indebtedness or any other agreement or instrument to which Buyer is a party or by which any of its property is bound.

(d) This Agreement has been duly executed and delivered by Buyer. This Agreement is a legal, valid and binding obligation of Buyer enforceable in accordance with its terms, except as limited by laws of general applicability limiting the enforcement of creditors' rights or by the exercise of judicial discretion in accordance with general principles of equity.

(e) Buyer warrants and covenants that with respect to its contractual obligations under this Agreement, it will not claim and affirmatively waives immunity on the grounds of sovereignty or similar grounds with respect to itself or its revenues or assets from (1) suit, (2) jurisdiction of court (provided that such court is located within a venue permitted in Law and under the Agreement), (3) relief by way of injunction, order for specific performance or recovery of property, (4) attachment of assets, or (5) execution or enforcement of any judgment; *provided*, *however*, that nothing in this Agreement shall waive the obligations or rights set forth in the California Tort Claims Act (Cal. Gov. Code Section 810 *et seq*.)

(f) Buyer is a "local public entity" as defined in Section 900.4 of the Government Code of the State of California.

13.3 **General Covenants**. Each Party covenants that commencing on the Effective Date and continuing throughout the Contract Term:

(a) It shall continue to be duly organized, validly existing and in good standing under the Laws of the jurisdiction of its formation and to be qualified to conduct business in California and each jurisdiction where the failure to so qualify would have a material adverse effect on its business or financial condition;

(b) It shall maintain (or obtain from time to time as required) all regulatory authorizations necessary for it to legally perform its obligations under this Agreement; and

(c) It shall perform its obligations under this Agreement in compliance with all terms and conditions in its governing documents and in material compliance with any Law.

13.4 **Prevailing Wage**. Seller shall use reasonable efforts to ensure that all employees hired by Seller, and its contractors and subcontractors, that will perform construction work or provide services at the Site related to construction of the Facility are paid wages at rates not less than those prevailing for workers performing similar work in the locality as provided by applicable California law, if any. Nothing herein shall require Seller, and its contractors and subcontractors, to comply with or assume liability created by other inapplicable provisions of any California labor laws. Buyer agrees that Seller's obligations under this Section 13.4 will be satisfied upon the execution of a project labor agreement related to construction of the Facility.

13.5 **Workforce Development and Supplier Diversity**. Seller acknowledges that Buyer will, from time to time, request voluntary disclosure of Seller's certification status with the CPUC Supplier Clearinghouse, and voluntary disclosure regarding Seller's efforts to work with diverse business enterprises, including women, minority, disabled veteran, and lesbian, gay, bisexual, transgender and/or persons with disabilities business enterprises in a form similar to

Exhibit S.

13.6 **Community Benefits**. Seller pledges to deliver [redacted] Dollars ($[redacted]) to Buyer so that Buyer may direct such amount to community benefits initiatives that directly benefit stakeholders in Buyer's service area. Buyer shall have sole discretion to decide which initiatives shall be funded. Seller shall deliver this payment to Buyer within sixty (60) days after the Commercial Operation Date.

ARTICLE 14
ASSIGNMENT

14.1 **General Prohibition on Assignments**. Except as provided below, neither Party may voluntarily assign this Agreement or its rights or obligations under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Any Change of Control of Seller (whether voluntary or by operation of law) will be deemed an assignment and will require the prior written consent of Buyer, which consent shall not be unreasonably withheld. Any purported assignment made without the required written consent, or in violation of the conditions to assignment set out below, shall be null and void. Buyer shall reasonably cooperate with Seller or any Lender, to execute or arrange for the delivery of certificates, consents (subject to Section 14.2), opinions, and estoppels reasonably requested by Seller or Lender in order to consummate any financing or refinancing and shall enter into reasonable agreements with such Lender that provide that Buyer recognizes the Lender's security interest and such other provisions as may be reasonable requested by Seller, such Lender or potential Lender; *provided*, *however*, Buyer will have no obligation to provide any consent, or enter into any agreement, that materially and adversely affects any of Buyer's rights, benefits, risks or obligations under this Agreement, or to modify the Agreement, except as set forth in Section 14.2. Seller shall be responsible for Buyer's reasonable third party costs, including reasonable attorneys' fees, associated with the preparation, review, execution and delivery of documents in connection with Buyer's delivery of certificates, consents (subject to Section 14.2), opinions, and estoppels reasonably requested by Lender.

14.2 **Collateral Assignment**. Subject to the provisions of this Section 14.2, Seller has the right, without the consent of Buyer, to assign this Agreement as collateral for any financing or refinancing of the Facility. In connection with any financing or refinancing of the Facility by Seller, upon request of Seller, Buyer shall in good faith work with Seller and Lender(s) to agree upon a consent to collateral assignment of this Agreement ("**Collateral Assignment Agreement**"). The Collateral Assignment Agreement shall include the following provisions:

(a) Buyer shall give notice of an Event of Default by Seller to the Person(s) to be specified by Lender in the Collateral Assignment Agreement, before exercising its right to terminate this Agreement as a result of such Event of Default; *provided* that such notice shall be provided to Lender at the time such notice is provided to Seller and the cure period of Lender shall not commence until Lender has received notice of such Event of Default;

(b) Following an Event of Default by Seller under this Agreement, and if Lender has provided notice to Buyer of its intent to cure, Buyer may require Lender to provide to Buyer a report concerning:

(i) The status of efforts by Lender to develop a plan to cure the Event of Default;

(ii) Impediments to the cure plan or its development;

(iii) If a cure plan has been adopted, the status of the cure plan's implementation (including any modifications to the plan as well as the expected timeframe within which any cure is expected to be implemented); and

(iv) Any other information which Buyer may reasonably require related to the development, implementation and timetable of the cure plan.

Lender must provide the report to Buyer within ten (10) Business Days after Notice from Buyer requesting the report. Buyer will have no further right to require the report with respect to a particular Event of Default after that Event of Default has been cured.

(c) Lender will have the right to cure an Event of Default on behalf of Seller, only if Lender sends a written notice to Buyer indicating Lender's intention to cure before the later of (i) the expiration of any cure period, and (ii) ten (10) Business Days after Lender's receipt of notice of such Event of Default from Buyer. Lender must remedy or cure the Event of Default within the cure period under this Agreement and any additional cure periods agreed in the Collateral Assignment Agreement, which shall not exceed a maximum of thirty (30) days to cure a payment default, and ninety (90) days to cure defaults other than a payment default; *provided*, *however*, in the event of a bankruptcy of Seller or if any foreclosure or similar proceeding is required by Lender to cure any Event of Default, Seller shall be provided an additional reasonable period of time to complete such proceedings and effect such cure (not to exceed one hundred eighty (180) days without the written consent of Buyer, which consent shall not be unreasonably withheld);

(d) Lender will have the right to consent before any termination of this Agreement which does not arise out of an Event of Default;

(e) Lender will receive prior Notice of and the right to approve material amendments to this Agreement, which approval will not be unreasonably withheld, delayed or conditioned;

(f) If Lender, directly or indirectly, takes possession of, or title to, the Facility (including possession by a receiver or title by foreclosure or deed in lieu of foreclosure), Lender must assume all of Seller's obligations arising under this Agreement and all related agreements (other than any Events of Default which relate to Seller's bankruptcy or similar insolvency proceedings, to representations and warranties made by Seller or to Seller's failure to perform obligations under other agreements, or which are otherwise personal to Seller and subject to such limits on liability as are mutually agreed to by Seller, Buyer, and Lender as set forth in the Collateral Assignment Agreement); *provided*, before such assumption, if Buyer advises Lender that Buyer will require that Lender cure (or cause to be cured) any Event of Default existing as of the possession date (other than any Events of Default which relate to Seller's bankruptcy or similar insolvency proceedings, to representations and warranties made by Seller or to Seller's failure to perform obligations under other agreements, or which are otherwise personal to Seller and subject to such limits on liability as are mutually agreed to by Seller, Buyer, and Lender as set forth in the Collateral Assignment Agreement) in order to avoid the exercise by Buyer (in its sole discretion) of Buyer's right to terminate this Agreement with respect to such Event of Default, then Lender at its option, and in its sole discretion, may elect to either:

(i) Cause such Event of Default to be cured, or

(ii) Not assume this Agreement;

(g) If Lender elects to sell or transfer the Facility (after Lender directly or indirectly takes possession of, or title to, the Facility), or sale of the Facility occurs through the actions of Lender (for example, a foreclosure sale where a third party is the buyer, or otherwise), then Lender shall cause the transferee or buyer to assume all of Seller's obligations arising under this Agreement and all related agreements as a condition of the sale or transfer. Such sale or transfer may be made only to an entity that (i) meets the definition of Permitted Transferee and (ii) is an entity that Buyer is permitted to contract with under applicable Law;

(h) Subject to Lender's cure of any Events of Defaults under the Agreement in accordance with Section 14.2(f) (if applicable), if (i) this Agreement is rejected in Seller's Bankruptcy or otherwise terminated in connection therewith, Lender shall have the right to elect within ninety (90) days after such rejection or termination, to cause Buyer to enter into a replacement agreement with Seller having the same terms as this Agreement for the remaining term thereof, or (ii) if Lender or its designee, directly or indirectly, takes possession of, or title to, the Facility (including possession by a receiver or title by foreclosure or deed in lieu of foreclosure) after any such rejection or termination of this Agreement, promptly after Buyer's written request, Lender must itself or must cause its designee to promptly enter into a new agreement with Buyer having the same terms as this Agreement for the remaining term thereof, *provided* that in the event a designee of Lender, directly or indirectly, takes possession of, or title to, the Facility (including possession by a receiver or title by foreclosure or deed in lieu of foreclosure), such designee shall be approved by Buyer, not to be unreasonably withheld;

(i) If requested by Lender, Buyer will make all payments due to Seller under this Agreement to an account designated by Lender in writing; and

(j) Lender shall not have any liability or obligation under this Agreement as a result of exercising its rights under the Collateral Assignment Agreement, and Lender shall not be obligated or required to perform any of Seller's obligations under this Agreement, except if this Agreement is transferred to Lender pursuant to subsection (b) above or Lender is a counterparty to a replacement agreement entered into pursuant to subsection (h) above.

14.3 **<u>Permitted Assignment by Seller</u>**. Except as may be precluded by, or would cause Buyer to be in violation of, the Political Reform Act (Cal. Gov. Code Section 81000 *et seq*.) or the regulations thereto, California Government Code Section 1090, or any other conflict of interest Law, Seller may, without the prior written consent of Buyer, transfer or assign this Agreement, including through a Change of Control, to (a) an Affiliate of Seller, or (b) any Person succeeding to all or substantially all of the assets of Seller (whether voluntary or by operation of law); if, and only if:

(i) In the case of (b) only, the assignee is a Permitted Transferee;

(ii) Seller has given Buyer Notice at least fifteen (15) Business Days before the date of such proposed assignment; and

(iii) Seller has provided Buyer a written agreement signed by the Person to which Seller wishes to assign its interests that (x) provides that such Person will assume all of Seller's obligations and liabilities under this Agreement upon such transfer or assignment and (y) certifies that such Person meets the definition of a Permitted Transferee.

Except as provided in the preceding sentence, any assignment by Seller or its successors or assigns under this Section 14.3 shall be of no force and effect unless and until such Notice and agreement by the assignee have been received and accepted by Buyer.

14.4 **Permitted Assignment by Buyer**. Buyer may make a limited assignment in connection with a municipal prepayment transaction to an entity that has creditworthiness that is equal to or better than an Investment Grade Credit Rating ("**Limited Assignee**") of Buyer's right to receive Product and Buyer's obligation to make payments to Seller, subject to execution of an assignment agreement between and among Seller, Buyer, and Limited Assignee upon terms and conditions mutually agreed, including that the limited assignment shall be expressly subject to Limited Assignee's timely payment of amounts due under this Agreement. Buyer may make such assignment by delivering Notice upon not less than thirty (30) days prior to such proposed assignment. Subject to the foregoing, Seller agrees to (i) comply with Limited Assignee's reasonable requests for know-your-customer and similar account opening information and documentation with respect to Seller, including, but not limited to, information related to forecasted generation, credit rating, and compliance with anti-money laundering rules, the Dodd-Frank Act, the Commodity Exchange Act, the Patriot Act and similar rules, regulations, requirements and corresponding policies; and (ii) promptly execute such assignment agreement and implement such assignment as contemplated thereby, subject only to the countersignature of Limited Assignee and Buyer. Buyer shall be responsible for Seller's reasonable costs associated with the preparation, review, execution and delivery of documents in connection with any assignment of this Agreement by Buyer, including without limitation reasonable attorneys' fees.

ARTICLE 15
DISPUTE RESOLUTION

15.1 **Governing Law**. This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the State of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement. The Parties agree that any suit, action or other legal proceeding by or against any party (or its affiliates or designees) with respect to or arising out of this Agreement shall be brought in the federal courts of the United States or the courts of the State of California sitting in the County of San Diego, California.

15.2 **Dispute Resolution**. In the event of any claim, controversy or dispute between the Parties arising out of or relating to or in connection with this Agreement, either Party may deliver to the other Party Notice of the Dispute with a detailed description of the underlying circumstances of such Dispute (a "**Dispute Notice**"). The senior officers of the Parties shall meet and confer as often as they deem reasonably necessary during the thirty (30) day period following receipt of the Dispute Notice in good-faith negotiations to resolve the Dispute to the satisfaction of each Party. In the event a Dispute is not resolved by the expiration of the thirty (30) day period, then a Party may pursue any legal remedy available to it in accordance with this Agreement.

ARTICLE 16
INDEMNIFICATION

16.1 **Indemnity**.

(a) Each Party (the "**Indemnifying Party**") agrees to indemnify, defend and hold harmless the other Party and its Affiliates, directors, officers, employees and agents (collectively, the "**Indemnified Party**") from and against all third party claims, demands, losses, liabilities, penalties, and expenses (including reasonable attorneys' fees) for personal injury or death to Persons and damage to the property of any third party to the extent arising out of, resulting from, or caused by the negligent or willful misconduct of the Indemnifying Party or its Affiliates, directors, officers, employees, or agents ("**Indemnifiable Losses**").

(b) Nothing in this Section 16.1 shall enlarge or relieve Seller or Buyer of any liability to the other for any breach of this Agreement. Neither Party shall be indemnified for its damages resulting from its sole negligence, intentional acts, or willful misconduct. These indemnity provisions shall not be construed to relieve any insurer of its obligations to pay claims consistent with the provisions of a valid insurance policy.

16.2 **Claims**. Promptly after receipt by a Party of any claim or Notice of the commencement of any action, administrative, or legal proceeding, or investigation as to which the indemnity provided for in this Article 16 may apply, the Indemnified Party shall notify the Indemnifying Party in writing of such fact. The Indemnifying Party shall assume the defense thereof with counsel designated by the Indemnifying Party and satisfactory to the Indemnified Party, *provided*, if the defendants in any such action include both the Indemnified Party and the Indemnifying Party and the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it which are different from or additional to, or inconsistent with, those available to the Indemnifying Party, the Indemnified Party shall have the right to select and be represented by separate counsel, at the Indemnifying Party's expense, unless a liability insurer is willing to pay such costs. If the Indemnifying Party fails to assume the defense of a claim meriting indemnification, the Indemnified Party may at the expense of the Indemnifying Party contest, settle, or pay such claim, *provided* that settlement or full payment of any such claim may be made only following consent of the Indemnifying Party or, absent such consent, written opinion of the Indemnified Party's counsel that such claim is meritorious or warrants settlement. Except as otherwise provided in this Article 16, in the event that a Party is obligated to indemnify and hold the other Party and its successors and assigns harmless under this Article 16, the amount owing to the Indemnified Party will be the amount of the Indemnified Party's damages net of any insurance proceeds received by the Indemnified Party following a reasonable effort by the Indemnified Party to obtain such insurance proceeds.

ARTICLE 17
INSURANCE

17.1 **Insurance**.

(a) General Liability. Seller shall maintain, or cause to be maintained at its sole expense, (i) commercial general liability insurance, including products and completed operations and personal injury insurance, in a minimum amount of One Million Dollars ($1,000,000) per occurrence, and an annual aggregate of not less than Two Million Dollars ($2,000,000), endorsed to provide contractual liability in said amount, specifically covering Seller's obligations under this Agreement and including Buyer as an additional insured; and (ii) an umbrella insurance policy in a minimum limit of liability of Twenty Million Dollars ($20,000,000). Defense costs shall be provided as an additional benefit and not included within the limits of liability. Such insurance shall contain standard cross-liability and severability of interest provisions.

(b) Employer's Liability Insurance. Seller, if it has employees, shall maintain at all times during the Contract Term employers' liability insurance, in a minimum amount of One Million Dollars ($1,000,000) for injury or death occurring as a result of each accident. With regard to bodily injury by disease, the One Million Dollar ($1,000,000) policy limit will apply to each employee.

(c) Workers' Compensation Insurance. Seller, if it has employees, shall maintain at all times during the Contract Term workers' compensation insurance coverage in accordance with applicable requirements of California law.

(d) Business Auto Insurance. Seller shall maintain at all times during the Contract Term business auto insurance for bodily injury and property damage with limits of One Million Dollars ($1,000,000) per occurrence. Such insurance shall cover liability arising out of Seller's use of all owned (if any), non-owned and hired vehicles, including trailers or semi-trailers in the performance of the Agreement and shall name Buyer as additional insured and contain standard cross-liability and severability of interest provisions.

(e) Construction All-Risk Insurance. Seller shall maintain or cause to be maintained during the construction of the Facility prior to the Commercial Operation Date, construction all-risk form property insurance covering the Facility during such construction periods, and naming Seller (and Lender(s) if any) as the loss payee.

(f) Contractor's Pollution Liability. Seller shall maintain or cause to be maintained during the construction of the Facility prior to the Commercial Operation Date, pollution legal liability insurance in the amount of Two Million Dollars ($2,000,000) per occurrence and in the aggregate, naming Seller (and Lender if any) as additional named insured.

(g) Subcontractor Insurance. Seller shall require all of its material subcontractors to carry: (i) comprehensive general liability insurance with a combined single limit of coverage not less than One Million Dollars ($1,000,000); (ii) workers' compensation insurance and employers' liability coverage in accordance with applicable requirements of Law; and (iii) business auto insurance for bodily injury and property damage with limits of One Million Dollars ($1,000,000) per occurrence. All subcontractors shall name Seller as an additional insured to insurance carried pursuant to clauses (g)(i) and (g)(iii). All subcontractors shall provide a primary endorsement and a waiver of subrogation to Seller for the required coverage pursuant to this Section 17.1(g).

(h) Property Insurance. On and after the Commercial Operation Date, Seller shall maintain or cause to be maintained insurance against loss or damage from all causes under standard "all-risk" property insurance coverage in amounts that are not less than the actual replacement value of the Facility; *provided*, *however*, with respect to property insurance for natural catastrophes, Seller shall maintain limits equivalent to a probable maximum loss amount reasonably determined by a firm with experience providing such determinations, *provided* it may not exceed a five hundred (500) year event and *further provided* that such amount must be commercially available from the insurance market. Such insurance shall include business interruption coverage in an amount equal to twelve (12) months of expected revenue from this Agreement.

(i) Evidence of Insurance. Within ten (10) days after Construction Start and upon annual renewal thereafter, Seller shall deliver to Buyer certificates of insurance evidencing such coverage. Such certificates shall specify that Buyer shall be given at least thirty (30) days' prior Notice by Seller in the event of any material modification, cancellation or termination of coverage. Such insurance shall be primary coverage without right of contribution from any insurance of Buyer. Any other insurance maintained by Seller is for the exclusive benefit of Seller and shall not in any manner inure to the benefit of Buyer. The general liability, auto liability and workers' compensation policies shall be endorsed with a waiver of subrogation in favor of Buyer for all work performed by Seller, its employees, agents and subcontractors.

ARTICLE 18
CONFIDENTIAL INFORMATION

18.1 **Definition of Confidential Information**. The following constitutes "**Confidential Information**," whether oral or written, which is delivered by Seller to Buyer or by Buyer to Seller including: (a) the terms and conditions of, and proposals and negotiations related to, this Agreement, and (b) information that either Seller or Buyer stamps or otherwise identifies as "confidential" or "proprietary" before disclosing it to the other. Confidential Information does not include (i) information that was publicly available at the time of the disclosure, other than as a result of a disclosure in breach of this Agreement; (ii) information that becomes publicly available through no fault of the recipient after the time of the delivery; (iii) information that was rightfully in the possession of the recipient (without confidential or proprietary restriction) at the time of delivery or that becomes available to the recipient from a source not subject to any restriction against disclosing such information to the recipient; (iv) information that the recipient independently developed without a violation of this Agreement; and (v) information that is determined by Buyer to be subject to the California Public Records Act.

18.2 **Duty to Maintain Confidentiality**. Confidential Information will retain its character as Confidential Information but may be disclosed by the recipient (the "**Receiving Party**") if and to the extent such disclosure is required (a) to be made by any requirements of Law, (b) pursuant to an order of a court or (c) in order to enforce this Agreement; *provided*, each Party shall, to the extent practicable, use reasonable efforts to prevent or limit the disclosure. If the Receiving Party becomes legally compelled (by interrogatories, requests for information or documents, subpoenas, summons, civil investigative demands, or similar processes or otherwise in connection with any litigation or to comply with any Law, order, regulation, ruling, regulatory request, accounting disclosure rule or standard or any exchange, control area or independent system operator rule) to disclose any Confidential Information of the disclosing Party (the "**Disclosing Party**"), Receiving Party shall provide Disclosing Party with prompt Notice so that Disclosing Party, at its sole expense, may seek an appropriate protective order or other appropriate remedy. If the Disclosing Party takes no such action after receiving the foregoing Notice from the Receiving Party, the Receiving Party is not required to defend against such request and shall be permitted to disclose such Confidential Information of the Disclosing Party, with no liability for any damages that arise from such disclosure. Each Party hereto acknowledges and agrees that information and documentation provided in connection with this Agreement may be subject to the California Records Act (Cal. Gov. Code Section 6250 *et seq*.).

18.3 **Irreparable Injury; Remedies**. Receiving Party acknowledges that its obligations hereunder are necessary and reasonable in order to protect Disclosing Party and the business of Disclosing Party, and expressly acknowledges that monetary damages would be inadequate to compensate Disclosing Party for any breach or threatened breach by Receiving Party of any covenants and agreements set forth herein. Accordingly, Receiving Party acknowledges that any such breach or threatened breach will cause irreparable injury to Disclosing Party and that, in addition to any other remedies that may be available, in law, in equity or otherwise, Disclosing Party will be entitled to obtain injunctive relief against the threatened breach of this Agreement or the continuation of any such breach, without the necessity of proving actual damages.

18.4 **Disclosure to Lenders, Etc**. Notwithstanding anything to the contrary in this Article 18, Confidential Information may be disclosed by the Receiving Party to any of its agents, consultants, contractors, trustees, or actual or potential financing parties (including, in the case of Seller, its Lender(s) and potential lenders), so long as the Person to whom Confidential Information is disclosed agrees in writing to be bound by confidentiality provisions no less stringent than those in this Article 18 to the same extent as if it were a Party or is otherwise bound by a legal duty of confidentiality with respect to such Confidential Information no less stringent than that in this Article 18. Seller shall provide Notice to Buyer of any disclosure of Confidential Information pursuant to this Section 18.4, including the identity of the party receiving such Confidential Information.

18.5 **Press Releases**. Neither Party shall issue (or cause its Affiliates to issue) a press release regarding the transactions contemplated by this Agreement unless both Parties have agreed upon the contents of any such public statement. A Party's consent shall not be unreasonably withheld, conditioned or delayed.

ARTICLE 19
MISCELLANEOUS

19.1 **Entire Agreement; Integration; Exhibits**. This Agreement, together with the Cover Sheet and Exhibits attached hereto constitutes the entire agreement and understanding between Seller and Buyer with respect to the subject matter hereof and supersedes all prior agreements relating to the subject matter hereof, which are of no further force or effect. The Exhibits attached hereto are integral parts hereof and are made a part of this Agreement by reference. The headings used herein are for convenience and reference purposes only. In the event of a conflict between the provisions of this Agreement and those of the Cover Sheet or any Exhibit, the provisions of first the Cover Sheet, and then this Agreement shall prevail, and such Exhibit shall be corrected accordingly. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof.

19.2 **Amendments**. This Agreement may only be amended, modified or supplemented by an instrument in writing executed by duly authorized representatives of Seller and Buyer; *provided*, that, for the avoidance of doubt, this Agreement may not be amended by electronic mail communications.

19.3 **No Waiver**. Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default.

19.4 **No Agency, Partnership, Joint Venture or Lease**. Seller and the agents and employees of Seller shall, in the performance of this Agreement, act in an independent capacity and not as officers or employees or agents of Buyer. Under this Agreement, Seller and Buyer intend to act as energy seller and energy purchaser, respectively, and do not intend to be treated as, and shall not act as, partners in, co-venturers in or lessor/lessee with respect to the Facility or any business related to the Facility. This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement) or, to the extent set forth herein, any Lender and/or Indemnified Party.

19.5 **Severability**. In the event that any provision of this Agreement is unenforceable or held to be unenforceable, the Parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby. The Parties shall, however, use their best endeavors to agree on the replacement of the void, illegal or unenforceable provision(s) with legally acceptable clauses which correspond as closely as possible to the sense and purpose of the affected provision and this Agreement as a whole.

19.6 **Mobile-Sierra**. Notwithstanding any other provision of this Agreement, neither Party shall seek, nor shall they support any third party seeking, to prospectively or retroactively revise the rates, terms or conditions of service of this Agreement through application or complaint to FERC pursuant to the provisions of Section 205, 206 or 306 of the Federal Power Act, or any other provisions of the Federal Power Act, absent prior written agreement of the Parties. Further, absent the prior written agreement in writing by both Parties, the standard of review for changes to the rates, terms or conditions of service of this Agreement proposed by a Party shall be the "public interest" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956), and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956). Changes proposed by a non-Party or FERC acting *sua sponte* shall be subject to the most stringent standard permissible under Law.

19.7 **Counterparts**. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument and each of which shall be deemed an original.

19.8 **Electronic Delivery**. This Agreement may be duly executed and delivered by a Party by electronic format (including portable document format (.pdf)) delivery of the signature page of a counterpart to the other Party.

19.9 **Binding Effect**. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

19.10 **No Recourse to Members of Buyer**. Buyer is organized as a joint powers authority in accordance with the Joint Exercise of Powers Act of the State of California (Cal. Gov. Code Section 6500 *et seq*.) pursuant to its Joint Powers Agreement and is a public entity separate from its constituent members. Buyer shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Seller shall have no rights and shall not make any claims, take any actions or assert any remedies against any of Buyer's constituent members, or the employees, directors, officers, consultants or advisors or Buyer or its constituent members, in connection with this Agreement.

19.11 **Forward Contract**. The Parties acknowledge and agree that this Agreement constitutes a "forward contract" within the meaning of the U.S. Bankruptcy Code, and Buyer and Seller are "forward contract merchants" within the meaning of the U.S. Bankruptcy Code. Each Party further agrees that, for all purposes of this Agreement, each Party waives and agrees not to assert the applicability of the provisions of 11 U.S.C. § 366 in any bankruptcy proceeding wherein such Party is a debtor. In any such proceeding, each Party further waives the right to assert that the other Party is a provider of last resort to the extent such term relates to 11 U.S.C. § 366 or another provision of 11 U.S.C. §§ 101-1532.

19.12 **Service Contract**. The Parties intend this Agreement to be a "service contract" within the meaning of Section 7701(e) of the Internal Revenue Code of 1986, as amended.

19.13 **Further Assurances**. Each of the Parties hereto agree to provide such information, to execute and deliver any instruments and documents and to take such other actions as may be necessary or reasonably requested by the other Party which are not inconsistent with the provisions of this Agreement and which do not involve the assumptions of obligations other than those provided for in this Agreement, to give full effect to this Agreement and to carry out the intent of this Agreement.

19.14 **Change in Electric Market Design**. If a change in the CAISO Tariff or WAPA Tariff renders this Agreement or any provisions hereof incapable of being performed or administered, then any Party may request that Buyer and Seller enter into negotiations to make the minimum changes to this Agreement necessary to make this Agreement capable of being performed and administered, while attempting to preserve to the maximum extent possible the benefits, burdens, and obligations set forth in this Agreement as of the Effective Date. Upon delivery of such a request, Buyer and Seller shall engage in such negotiations in good faith. If Buyer and Seller are unable, within sixty (60) days after delivery of such request, to agree upon changes to this Agreement or to resolve issues relating to changes to this Agreement, then any Party may submit issues pertaining to changes to this Agreement to the dispute resolution process set forth in Article 15. Notwithstanding the foregoing, (i) a change in cost shall not in and of itself be deemed to render this Agreement or any of the provisions hereof incapable of being performed or administered, and (ii) all of the unaffected provisions of this Agreement shall remain in full force and effect during any period of such negotiation or dispute resolution.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the Effective Date.

CDH VIDAL LLC, a Delaware limited liability company	**SAN DIEGO COMMUNITY POWER, a California joint powers authority**
By: ____________________	By: ____________________
Name: ____________________	Name: ____________________
Title: ____________________	Title: ____________________

EXHIBIT A

FACILITY DESCRIPTION

Site Name: Vidal Solar

Site includes all or some of the following APNs: 064-705-108, 064-705-111, 064-706-101, 064-706-102, 064-706-103, 064-706-104, 064-706-105, 064-706-108, 064-706-109, 064-706-113, 064-706-115, 064-706-116, 064-706-120, 064-706-122, 064-706-129, 064-706-130, 064-708-137, 064-709-103, 064-709-104, 064-709-105, 064-709-106

County: San Bernardino County

CEQA Lead Agency: San Bernardino County

Zip Code: 92280

Latitude and Longitude: 34.092518, -114.467716

Facility Description: A 160 MW_{AC} pseudo-tied solar photovoltaic electricity generating facility, along with a hybrid 160 MW_{AC} 4-hour (640 MWh) battery energy storage facility, located in San Bernardino County, in the state of California. The solar generating facility is expected to use single-axis tracker racking. The facility will include an on-site substation to step up the voltage from the project to 161 kV and connect the project to a new WAPA switching station.

Delivery Point: The Delivery Point shall be Blythe161, which is an Intertie.

Generating Facility Meter and Metering Points: See Exhibit R.

Storage Facility Meter and Metering Points: See Exhibit R.

Participating Transmission Owner: Western Area Power Administration

Additional Information: Site Plan provided below.

EXHIBIT B

MAJOR PROJECT DEVELOPMENT MILESTONES AND COMMERCIAL OPERATION

1. **Construction Start**.

    a. "**Construction Start**" will occur upon Seller's acquisition of all applicable regulatory authorizations, approvals and permits for the construction of the Facility, and once Seller has engaged all contractors and ordered all essential equipment and supplies as, in each case, can reasonably be considered necessary so that physical construction of the Facility may begin and proceed to completion without foreseeable interruption of material duration, and has executed an engineering, procurement, and construction contract and issued thereunder a notice to proceed that authorizes the contractor to mobilize to Site and begin physical construction (including, at a minimum, excavation for foundations or the installation or erection of improvements) at the Site. The date of Construction Start will be evidenced by and subject to Seller's delivery to Buyer of a certificate substantially in the form attached as Exhibit J hereto, and the date certified therein shall be the "**Construction Start Date**." Seller shall cause Construction Start to occur no later than the Guaranteed Construction Start Date, as may be extended by Seller's payment of Construction Delay Damages pursuant to Section 1(b) of Exhibit B and/or a Development Cure Period pursuant to Section 4 of Exhibit B.

    b. [redacted]

2. **Commercial Operation of the Facility**. "**Commercial Operation**" means the condition existing when (i) Seller has fulfilled all of the conditions precedent in Section 2.2 of the Agreement, (ii) Seller has notified Buyer in writing that it has provided the required documentation to Buyer and met the conditions for achieving Commercial Operation, and (iii) Buyer has acknowledged to Seller in writing that Buyer agrees that Commercial Operation has been achieved. Buyer shall respond to Seller's notification that it has

provided the required documentation to Buyer and met the conditions for achieving Commercial Operation within ten (10) days of receipt of such Notice or be deemed to have accepted such Notice. The "**Commercial Operation Date**" shall be the date on which Commercial Operation is achieved.

a. Seller shall cause Commercial Operation to occur no later than the Guaranteed Commercial Operation Date, as such date may be extended by Seller's payment of Commercial Operation Delay Damages pursuant to Section 2(c) of Exhibit B and/or a Development Cure Period pursuant to Section 4 of Exhibit B. Seller shall notify Buyer at least sixty (60) days before the anticipated Commercial Operation Date.

b. Seller may deduct the amount of Construction Delay Damages previously paid to Buyer from the amount of Commercial Operation Delay Damages owed to Buyer. Buyer shall refund to Seller the positive amount, if any, by which Construction Delay Damages paid by Seller, if any, exceed the amount of Commercial Operation Delay Damages owed by Seller, if any. If no Commercial Operation Delay Damages are owed by Seller, and Construction Delay Damages were previously paid, Buyer shall refund any Construction Delay Damages paid by Seller after Commercial Operation is achieved.

c. Seller may extend the Guaranteed Commercial Operation Date by paying Commercial Operation Delay Damages in advance to Buyer for each day Seller desires to extend the Guaranteed Commercial Operation Date, not to exceed a total of one hundred twenty (120) days of extensions by such payment of Commercial Operation Delay Damages. If Seller elects to extend the Guaranteed Commercial Operation Date, on or before the date that is ten (10) days prior to the then-current Guaranteed Commercial Operation Date, Seller shall provide Notice and payment to Buyer of the Commercial Operation Delay Damages for the number of days of extension to the Guaranteed Commercial Operation Date. If Seller achieves Commercial Operation prior to the Guaranteed Commercial Operation Date, as extended by the payment of Commercial Operation Delay Damages, Buyer shall refund to Seller the Commercial Operation Delay Damages for each day Seller achieves Commercial Operation prior to the Guaranteed Commercial Operation Date times the Commercial Operation Delay Damages, not to exceed the total amount of Commercial Operation Delay Damages paid by Seller pursuant to this this Section 2(c) of Exhibit B.

3. **Termination for Failure to Achieve Construction Start by the Guaranteed Construction Start Date or Commercial Operation by the Guaranteed Commercial Operation Date**. If the Facility has not achieved Commercial Operation on or before the Guaranteed Commercial Operation Date, as such date may be extended by Seller's payment of Commercial Operation Delay Damages pursuant to Section 2(c) of Exhibit B and/or a Development Cure Period pursuant to Section 4 of Exhibit B, Buyer may elect to terminate this Agreement in accordance with Sections 11.1(b)(ii) and 11.2. If the Facility has not achieved Construction Start on or before the Guaranteed Construction Start Date, as such date may be extended by Seller's payment of Construction Delay Damages pursuant to Section 1(b) of Exhibit B and/or a Development Cure Period pursuant to

Section 4 of Exhibit B, Buyer may elect to terminate this Agreement in accordance with Sections 11.1(b)(iv) and 11.2.

4. **Extension of the Guaranteed Dates.** [redacted]

[redacted] [redacted]

[redacted] [redacted]

[redacted] [redacted]

[redacted]

5. **Failure to Reach Guaranteed Capacity or Storage Contract Capacity.**

   a. *Guaranteed Capacity.* If, at Commercial Operation, the Installed Generating Capacity is less than one hundred percent (100%) of the Guaranteed Capacity, Seller shall have ninety (90) days after the Commercial Operation Date to install additional capacity such that the Installed Generating Capacity is equal to (but not greater than) the Guaranteed Capacity, and Seller shall provide to Buyer a new certificate substantially in the form attached as Exhibit I hereto specifying the new Installed Generating Capacity. If Seller fails to construct the Guaranteed Capacity by such date, Seller shall pay "**Capacity Damages**" to Buyer, in an amount equal to [redacted] Dollars ($[redacted]) for each MW_{AC} that the Guaranteed Capacity exceeds the Installed Generating Capacity, and the Guaranteed Capacity and other applicable portions of the Agreement shall be adjusted accordingly. Capacity Damages shall not be offset or reduced by the payment of Construction Delay Damages, Commercial Operation Delay Damages, or any other form of liquidated damages under this Agreement.

b. *Storage Contract Capacity*. If, at Commercial Operation, the Installed Battery Capacity is less than one hundred percent (100%) of the Storage Contract Capacity, Seller shall have ninety (90) days after the Commercial Operation Date to install additional capacity such that the Installed Battery Capacity is equal to (but not greater than) one hundred percent (100%) of the Storage Contract Capacity, and Seller shall provide to Buyer a new certificate substantially in the form attached as Exhibit I hereto specifying the new Installed Battery Capacity. If Seller fails to construct the Storage Contract Capacity by such date, Seller shall pay "**Storage Capacity Damages**" to Buyer, in an amount equal to [redacted] Dollars ($[redacted]) for each MW_{AC} that the Storage Contract Capacity exceeds the Installed Battery Capacity, and the Storage Contract Capacity and other applicable portions of the Agreement shall be adjusted to reflect the Installed Battery Capacity. Storage Capacity Damages shall not be offset or reduced by the payment of Construction Delay Damages, Commercial Operation Delay Damages, or any other form of liquidated damages under this Agreement.

EXHIBIT C

COMPENSATION

Buyer shall compensate Seller for the Product in accordance with this Exhibit C.

(a) Renewable Rate. Buyer shall pay Seller the Renewable Rate for each MWh of Adjusted Facility Energy plus Deemed Delivered Energy, if any, up to [redacted] percent ([redacted]%) of the Expected Energy for each Contract Year.

(b) Excess Contract Year Deliveries over [redacted]%. If, at any point in any Contract Year, the amount of Adjusted Facility Energy plus the amount of Deemed Delivered Energy exceeds [redacted] percent ([redacted]%) of the Expected Energy for such Contract Year, the price to be paid for additional Adjusted Facility Energy or Deemed Delivered Energy shall be equal to the lesser of (a) the Delivery Point LMP for the Real-Time Market for the applicable Settlement Interval, but not less than $0.00/MWh, or (b) [redacted] percent ([redacted]%) of the Renewable Rate. If, at any point in any Contract Year, the amount of Adjusted Facility Energy plus the amount of Deemed Delivered Energy exceeds [redacted] percent ([redacted]%) of the Expected Energy for such Contract Year, no payment shall be owed by Buyer for any additional Adjusted Facility Energy or Deemed Delivered Energy.

(c) Excess Settlement Interval Deliveries. If during any Settlement Interval, Seller delivers Product amounts, as measured by the amount of Generating Facility Energy, in excess of the product of the Installed Generating Capacity *multiplied by* the duration of the Settlement Interval, expressed in hours ("**Excess MWh**"), then the price applicable to all such excess MWh in such Settlement Interval shall be [redacted] Dollars ($[redacted]), and if there is a Negative LMP during such Settlement Interval, Seller shall pay to Buyer an amount equal to the absolute value of the Negative LMP times such excess MWh ("**Negative LMP Costs**").

(d) Curtailment Payments. Seller shall receive no compensation from Buyer for Adjusted Facility Energy or Deemed Delivered Energy during any Curtailment Period, except for the Settlement Intervals during which the Generating Facility is ramping up or ramping down in which Seller delivers Generating Facility Energy to the Delivery Point. Buyer shall pay for Deemed Delivered Energy during Buyer Curtailment Periods at the Renewable Rate plus, if applicable, the PTC Amount in accordance with subsection (g) of this Exhibit C.

(e) Storage Payment. Each month of the Delivery Term (and prorated for the first and last month of the Delivery Term if the Delivery Term does not start on the first day of a calendar month), Buyer shall pay Seller a Storage Payment equal to the Storage Rate *multiplied by* the Storage Capacity(ies) for such month *multiplied by* the Availability Adjustment for such month (as determined under Exhibit P). Such payment constitutes the entirety of the amount due to Seller from Buyer for the Storage Product. If the Storage Capacity and/or Efficiency Rate are adjusted pursuant to a Capacity Test effective as of a day other than the first day of a calendar month, payment shall be calculated separately for each portion of the month in which the different Storage Capacity and/or Efficiency Rate are applicable.

(f) Liquidated Damages for Failure to Achieve Guaranteed Efficiency Rate. If during any month during the Delivery Term, the Efficiency Rate(s) applicable to such month is/are less than the Guaranteed Efficiency Rate, Seller shall owe liquidated damages to Buyer, which damages shall be calculated by *multiplying* (i) the total Charging Energy for such month, *by* (ii) the percentage amount by which such applicable Efficiency Rate(s) is/are less than the Guaranteed Efficiency Rate, *by* (iii) the Renewable Rate, which amount Seller shall set off against amounts payable by Buyer in the applicable monthly invoice.

(g) PTC Amount. If applicable, for new eligible PTC resources, during the period (not to exceed a total of one hundred twenty (120) consecutive months) in which Seller is receiving PTCs, Buyer shall also pay the PTC Amount for Deemed Delivered Energy until the sum of Generating Facility Energy plus the amount of Deemed Delivered Energy exceeds [redacted] percent ([redacted]%) of the Expected Energy for such Contract Year.

(h) Test Energy. Test Energy is compensated in accordance with Section 3.6.

(i) Tax Benefits. The Parties agree that the neither the Renewable Rate, the Storage Rate nor the Test Energy Rate is subject to adjustment or amendment if Seller fails to receive any Tax Benefits, or if any Tax Benefits expire, are repealed or otherwise cease to apply to Seller or the Facility in whole or in part, or Seller or its investors are unable to benefit from any Tax Benefits. Seller shall bear all risks, financial and otherwise, throughout the Contract Term, associated with Seller's or the Facility's eligibility to receive Tax Benefits or to qualify for accelerated depreciation for Seller's accounting, reporting or Tax purposes except as otherwise expressly provided herein. If, at any time after the Effective Date and before the later of (i) delivery of Test Energy to the Delivery Point; and (ii) funding from Seller's tax equity investors with respect to the Facility (as demonstrated by Notice from Seller to Buyer that such funding has commenced), Seller provides Notice to Buyer that Seller has reasonably determined that Seller will not be able to realize or secure financing for the Full PTC Value with respect to the Generating Facility and the Base Case ITC with respect to the Storage Facility via tax equity financing unless certain reasonable amendments are made to this Agreement (which may include separating this Agreement into two separate agreements for the Generating Facility and Storage Facility, respectively, on terms materially similar to this Agreement), then the Parties shall promptly meet, negotiate in good faith and use commercially reasonable efforts to amend this Agreement to cause Seller to be able to realize or secure financing for the Full PTC Value with respect to the Generating Facility and the Base Case ITC with respect to the Storage Facility via tax equity financing. Seller shall be responsible for Buyer's reasonable third party costs, including reasonable attorneys' fees, associated with the preparation, review, execution and delivery of amendments or other documents in connection with this clause (i) of Exhibit C. Seller shall have exclusive rights to all Tax Credits. The obligations of the Parties hereunder, including those obligations set forth herein regarding the purchase and price for and Seller's obligation to deliver Facility Energy and Product, shall be effective regardless of whether the sale of Facility Energy is eligible for or receives Tax Benefits during the Contract Term.

(j) Change in Tax Law. If, at any time after the Effective Date and before the commencement of both (i) delivery of Test Energy to the Delivery Point; and (ii) funding from Seller's tax equity investors with respect to the Facility (as demonstrated by Notice from Seller to Buyer that such funding has commenced), any New Benefit Legislation as to Seller is enacted, expanded, or extended, then Seller shall attest to Buyer in writing whether the Facility and/or Energy is eligible for, and whether Seller (or its Affiliates or Lenders) plans to claim, any Seller

Tax Credit Benefits pursuant to such New Benefit Legislation. Promptly upon Seller's (or its Affiliate's or Lender's) receipt of such Seller Tax Credit Benefits, Buyer shall receive [redacted] percent ([redacted]%) of the net economic benefit of the same actually realized by Seller or its Affiliate(s) (whether such Seller Tax Credit Benefits were claimed by Seller or its Affiliates or Lender), which, for the avoidance of doubt, shall take into account, among other things, any costs incurred by Seller in connection with obtaining such Seller Tax Credit Benefits and any subsequent recapture, reduction, or loss of all or any portion of such Seller Tax Credit Benefits. The [redacted] percent ([redacted]%) to which Buyer is entitled shall be passed through the invoicing process as a credit to Buyer's account during the Delivery Term. Buyer agrees that it shall take all administrative actions reasonably requested by Seller to facilitate the receipt of Seller Tax Credit Benefits from such New Benefit Legislation, including entering into customary estoppel agreements for the benefit of any tax equity investors.

EXHIBIT D

SCHEDULING COORDINATOR RESPONSIBILITIES

(a) Buyer as Scheduling Coordinator for the Facility. Upon Initial Synchronization of the Facility to the CAISO Grid, Buyer shall be the Scheduling Coordinator or designate a qualified third party to provide Scheduling Coordinator services with the CAISO for the Facility for both the delivery and the receipt of Test Energy and the Product at the Delivery Point. At least thirty (30) days prior to the Initial Synchronization of the Facility with the Transmission Provider's Transmission System (i) Seller shall take all actions and execute and deliver to Buyer and the CAISO all documents necessary to authorize or designate Buyer (or Buyer's designee) as the Scheduling Coordinator for the Facility effective as of the Initial Synchronization of the Facility with the Transmission Provider's Transmission System, and (ii) Buyer shall, and shall cause its designee to, take all actions and execute and deliver to Seller and the CAISO all documents necessary to authorize or designate Buyer or its designee as the Scheduling Coordinator for the Facility effective as of the Initial Synchronization of the Facility with the Transmission Provider's Transmission System. On and after Initial Synchronization of the Facility with the Transmission Provider's Transmission System, Seller shall not authorize or designate any other party to act as the Facility's Scheduling Coordinator, nor shall Seller perform for its own benefit the duties of Scheduling Coordinator, and Seller shall not revoke Buyer's authorization to act as the Facility's Scheduling Coordinator unless agreed to by Buyer. Buyer (as the Facility's SC) shall submit Schedules to the CAISO in accordance with this Agreement and the applicable CAISO Tariff, protocols and Scheduling practices for Product on a day-ahead, hour-ahead, fifteen (15) minute market or real-time basis, as determined by Buyer. Buyer (or its SC) shall comply with all applicable CAISO Tariff requirements, procedures, protocols, rules and testing as applicable to Buyer as the Scheduling Coordinator for the Facility.

(b) Notices. Buyer (as the Facility's SC) shall provide Seller with access to a web-based system through which Seller shall submit to Buyer and the CAISO all notices and updates required under the CAISO Tariff regarding the Facility's status, including, but not limited to, all outage requests, forced outages, forced outage reports, clearance requests, or must offer waiver forms. Seller will cooperate with Buyer to provide such notices and updates. If the web-based system is not available, Seller shall promptly submit such information to Buyer and the CAISO (in order of preference) telephonically, by electronic mail, or transmission to the personnel designated to receive such information.

(c) CAISO Costs and Revenues. Except as otherwise set forth below, Buyer (as Scheduling Coordinator for the Facility) shall be responsible for CAISO costs (including penalties, Imbalance Energy costs, and other charges) and shall be entitled to all CAISO revenues (including credits, Imbalance Energy revenues, and other payments), including revenues associated with CAISO dispatches, bid cost recovery, Inter-SC Trade credits, or other credits in respect of the Product Scheduled or delivered from the Facility. Seller shall assume all liability and reimburse Buyer for any and all CAISO costs, charges or sanctions associated with delivery of Resource Adequacy Benefits from the Facility (including Non-Availability Charges (as defined in the CAISO Tariff)); *provided*, any Availability Incentive Payments (as defined in the CAISO Tariff) are for the benefit of Seller and for Seller's account and that any Non-Availability Charges (as defined in the CAISO Tariff) are the responsibility of Seller and for Seller's account. In addition, if during the Delivery Term, the CAISO implements or has implemented any sanction or penalty related to scheduling, outage reporting, or generator operation (not including any new availability or non-availability mechanism), and any such sanctions or penalties are imposed upon the Facility or to Buyer as Scheduling Coordinator due to failure by Seller to abide by the CAISO Tariff or any CAISO directive, or to perform in accordance with this Agreement, including with respect to the outage notification requirements set forth in this Agreement, the cost of the sanctions or penalties shall be Seller's responsibility.

(d) CAISO Settlements. Buyer (as the Facility's SC) shall be responsible for all settlement functions with the CAISO related to the Facility. Buyer shall render a separate invoice to Seller for any CAISO payments, charges or penalties ("**CAISO Charges Invoice**") for which Seller is responsible under this Agreement. CAISO Charges Invoices shall be rendered after settlement information becomes available from the CAISO that identifies any CAISO charges. Notwithstanding the foregoing, Seller acknowledges that the CAISO will issue additional invoices reflecting CAISO adjustments to such CAISO charges. Buyer will review, validate, and, if requested by Seller under paragraph (e) below, dispute any charges that are the responsibility of Seller in a timely manner and consistent with Buyer's existing settlement processes for charges that are Buyer's responsibilities. Subject to Seller's right to dispute and to have Buyer pursue the dispute of any such invoices, Seller shall pay the amount of CAISO Charges Invoices within ten (10) Business Days of Seller's receipt of the CAISO Charges Invoice. If Seller fails to pay such CAISO Charges Invoice within that period, Buyer may net or offset any amounts owing to it for these CAISO Charges Invoices against any future amounts it may owe to Seller under this Agreement. The obligations under this Section with respect to payment of CAISO Charges Invoices shall survive the expiration or termination of this Agreement.

(e) Dispute Costs. Buyer (as the Facility's SC) may be required by Seller to dispute CAISO settlements in respect of the Facility. Seller agrees to pay Buyer's costs and expenses (including reasonable attorneys' fees) associated with its involvement with such CAISO disputes to the extent they relate to CAISO charges payable by Seller with respect to the Facility that Seller has directed Buyer to dispute.

(f) Terminating Buyer's Designation as Scheduling Coordinator. At least thirty (30) days prior to expiration of this Agreement or as soon as reasonably practicable upon an earlier termination of this Agreement, the Parties will take all actions necessary to terminate the designation of Buyer as Scheduling Coordinator for the Facility as of 11:59 p.m. on such expiration date.

(g) Master File and Resource Data Template and RA Resource Master Database. Seller shall provide all the data to Buyer that is required for the CAISO's Master File and Resource Data Template and the CPUC's RA Resource Master Database (or successor data systems) for the Facility consistent with this Agreement and Buyer (as SC) shall promptly provide such data to CAISO or the CPUC, as applicable. Neither Party shall change such data without the other Party's prior written consent. At least once per Contract Year, Seller shall review and confirm that the data provided for the CAISO's Master Data File and Resource Data Template and the CPUC's RA Resource Master Database (or successor data systems) for this Facility remains consistent with the actual operating characteristics of the Facility and provide information to Buyer for Buyer to update such data with CAISO or the CPUC as appropriate and Buyer (as SC) shall promptly provide any such updates to CAISO or the CPUC.

(h) NERC Reliability Standards. Buyer (as Scheduling Coordinator) shall cooperate reasonably with Seller to the extent necessary to enable Seller to comply, and for Seller to demonstrate Seller's compliance with, NERC reliability standards. This cooperation shall include the provision of information in Buyer's possession that Buyer (as Scheduling Coordinator) has provided to the CAISO related to the Facility or actions taken by Buyer (as Scheduling Coordinator) related to Seller's compliance with NERC reliability standards.

EXHIBIT E

PROGRESS REPORTING FORM

Each Progress Report must include the following items:

1. Executive Summary.
2. Facility description.
3. Site plan of the Facility.
4. Description of any material planned changes to the Facility or the Site.
5. Gantt chart schedule showing progress on achieving each of the Milestones.
6. Summary of activities during the previous calendar quarter or month, as applicable, including any OSHA labor hour reports.
7. Forecast of activities scheduled for the current calendar quarter.
8. Written description about the progress relative to Seller's Milestones, including whether Seller has met or is on target to meet the Milestones.
9. List of issues that are likely to potentially affect Seller's Milestones.
10. A status report of start-up activities including a forecast of activities ongoing and after start-up, a report on Facility performance including performance projections for the next twelve (12) months.
11. Prevailing wage reports as required by Law once following each calendar quarter pursuant to the IRA.
12. Progress and schedule of all major agreements, contracts, permits, approvals, technical studies, financing agreements and major equipment purchase orders showing the start dates, completion dates, and completion percentages.
13. Pictures, in sufficient quantity and of appropriate detail, in order to document construction and start-up progress of the Facility, the interconnection into the Transmission System and all other interconnection utility services.
14. Workforce Development or Supplier Diversity Reporting (if applicable). Format to be provided by Buyer.
15. Any other documentation reasonably requested by Buyer.

EXHIBIT F-1

AVERAGE EXPECTED ENERGY

[Average Expected Energy, MWh Per Hour]

	1:00	2:00	3:00	4:00	5:00	6:00	7:00	8:00	9:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00	23:00	24:00
JAN																								
FEB																								
MAR																								
APR																								
MAY																								
JUN																								
JUL																								
AUG																								
SEP																								
OCT																								
NOV																								
DEC																								

The foregoing table is provided for informational purposes only, and it shall not constitute, or be deemed to constitute, an obligation of any of the Parties to this Agreement.

EXHIBIT F-2

AVAILABLE CAPACITY

[Available Generating Capacity, MWh Per Hour] – [*Insert Month*]

	1:00	2:00	3:00	4:00	5:00	6:00	7:00	8:00	9:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00	23:00	24:00
Day 1																								
Day 2																								
Day 3																								
Day 4																								
Day 5																								
[insert additional rows for each day in the month]																								
Day 29																								
Day 30																								
Day 31																								

The foregoing table is provided for informational purposes only, and it shall not constitute, or be deemed to constitute, an obligation of any of the Parties to this Agreement.

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

EXHIBIT H

FORM OF COMMERCIAL OPERATION DATE CERTIFICATE

This certification ("**Certification**") of Commercial Operation is delivered by [*LICENSED PROFESSIONAL ENGINEER*] ("**Engineer**") to San Diego Community Power Authority, a California joint powers authority **(**"**Buyer**"), in accordance with the terms of that certain Renewable Power Purchase Agreement dated [*DATE*] ("**Agreement**") by and between [*SELLER*] and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

As of [*DATE*], Engineer hereby certifies and represents to Buyer the following:

1. The Generating Facility and the Storage Facility are fully operational, reliable and interconnected, fully integrated and synchronized with the Transmission System.

2. Seller has installed equipment for the Generating Facility with a nameplate capacity of no less than ninety-five percent (95%) of the Guaranteed Capacity.

3. Seller has installed equipment for the Storage Facility with a nameplate capacity of no less than ninety-five percent (95%) of the Storage Contract Capacity.

4. Seller has commissioned all equipment in accordance with its respective manufacturer's specifications.

5. Seller has demonstrated functionality of the Facility's communication systems and automatic generation control (AGC) interface to operate the Facility as necessary to respond and follow instructions, including an electronic signal conveying real time and intra-day instructions, directed by the Buyer in accordance with the PPA and/or the CAISO.

6. The Generating Facility's testing included a performance test demonstrating peak electrical output of no less than ninety-five percent (95%) of the Guaranteed Capacity for the Generating Facility at the Interconnection Point, as adjusted for ambient conditions on the date of the Facility testing.

7. The Storage Facility is fully capable of charging, storing and discharging energy up to no less than ninety-five percent (95%) of the Storage Contract Capacity and receiving instructions to charge, store and discharge Energy, all within the operational constraints and subject to the applicable Operating Restrictions.

8. Authorization to parallel the Facility was obtained from the Participating Transmission Owner on___[DATE]____.

9. The PTO has provided documentation supporting full unrestricted release for Commercial Operation _______[DATE]_____.

10. The CAISO has provided notification supporting Commercial Operation, in accordance with the CAISO Tariff on _______[DATE]_____.

11. Seller shall have caused the Generating Facility and the Storage Facility to be included in the Full Network Model (as defined in the CAISO Tariff) and has the ability to offer Bids into the CAISO Day-Ahead and Real-Time Markets in respect of each of the Generating Facility and Storage Facility.

12. Seller has segregated and separately metered Idle Period Auxiliary Load, and such Auxiliary Load Meter(s) have the same or greater level of accuracy of revenue quality meter or meters.

EXECUTED by [LICENSED PROFESSIONAL ENGINEER]

this ________ day of _____________, 20__.

[LICENSED PROFESSIONAL ENGINEER]

By: _________________________________

Printed Name: ________________________

Title: _______________________________

EXHIBIT I

FORM OF INSTALLED CAPACITY CERTIFICATE

This certification ("**Certification**") of Installed Capacity is delivered by [*LICENSED PROFESSIONAL ENGINEER*] ("**Engineer**") to San Diego Community Power Authority, a California joint powers authority ("**Buyer**"), in accordance with the terms of that certain Renewable Power Purchase Agreement dated [*DATE*] ("**Agreement**") by and between [*SELLER*] and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

I hereby certify the following:

(a) The performance test for the Generating Facility demonstrated peak electrical output of __ MW_{AC} at the Interconnection Point, as adjusted for ambient conditions on the date of the performance test ("**Installed Generating Capacity**");

(b) [redacted] (the "**Installed Battery Capacity**"); and

(c) The sum of (a) and (b) is __ MW_{AC} and shall be the "**Installed Capacity**".

EXECUTED by [LICENSED PROFESSIONAL ENGINEER]

this ________ day of _____________, 20__.

[LICENSED PROFESSIONAL ENGINEER]

By: ________________________________

Printed Name: ________________________

Title: ______________________________

EXHIBIT J

FORM OF CONSTRUCTION START DATE CERTIFICATE

This certification of Construction Start Date ("**Certification**") is delivered by [SELLER ENTITY] ("**Seller**") to San Diego Community Power Authority, a California joint powers authority ("**Buyer**"), in accordance with the terms of that certain Renewable Power Purchase Agreement dated [*DATE*] ("**Agreement**") by and between Seller and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

Seller hereby certifies and represents to Buyer the following:

(1) Construction Start (as defined in Exhibit B of the Agreement) has occurred, and a copy of the notice to proceed that Seller issued to its contractor as part of Construction Start is attached hereto;

(2) the Construction Start Date occurred on _____________ (the "**Construction Start Date**"); and

(3) the precise Site on which the Facility is located is, which must be within the boundaries of the previously identified Site: ____.

IN WITNESS WHEREOF, the undersigned has executed this Certification on behalf of Seller as this ________ day of _____________, 20__.

[SELLER ENTITY]

By: _________________________________

Printed Name: ________________________

Title: _______________________________

EXHIBIT K

FORM OF LETTER OF CREDIT

[Issuing Bank Letterhead and Address]

IRREVOCABLE STANDBY LETTER OF CREDIT NO. [XXXXXXX]

Date:
Bank Ref.:
Amount: US$[XXXXXXXX]
Expiry Date:

Beneficiary:

San Diego Community Power Authority
PO Box 12716
San Diego, CA 92112

APPLICANT:
[FULL NAME AND ADDRESS]

Expiry Date:

Amount: US$[XXXXXX]

Ladies and Gentlemen:

By the order of __________ ("Applicant"), we, [insert bank name and address] ("Issuer"), hereby issue our Irrevocable Standby Letter of Credit No. [XXXXXXX] (the "Letter of Credit") in favor of San Diego Community Power, a California joint powers authority ("Beneficiary"), for an amount not to exceed the aggregate sum of U.S. $[XXXXXX] (United States Dollars [XXXXX] and 00/100), pursuant to that certain Renewable Power Purchase Agreement dated as of ______ and as amended (the "Agreement") between Applicant and Beneficiary. This Letter of Credit shall become effective immediately and shall expire on or before our close of business on [INSERT THE EXPIRATION DATE] (the "Expiration Date").

Funds under this Letter of Credit are available to Beneficiary by valid presentation on or before the Expiration Date of a dated statement purportedly signed by your duly authorized representative, in the form attached hereto as Exhibit A, containing one of the two alternative paragraphs set forth in paragraph 2 therein, referencing our Letter of Credit No. [XXXXXXX] ("Drawing Certificate").

The Drawing Certificate may be presented by (a) physical delivery, (b) as a PDF attachment to an e-mail to [*bank email address*] or (c) facsimile to [bank fax number [XXX-XXX-XXXX]] confirmed by [e-mail to [*bank email address*]]. Transmittal by facsimile or email shall be deemed delivered when received.

The original of this Letter of Credit (and all amendments, if any) is not required to be presented in connection with any presentment of a Drawing Certificate by Beneficiary hereunder in order to receive payment.

THIS LETTER OF CREDIT, AND ANY AMENDMENT THERETO, MAY BE DELIVERED TO THE BENEFICIARY IN ELECTRONIC FORM, AND SUCH ELECTRONIC COPY SHALL BE DEEMED TO BE THE ORIGINAL AND VALID FOR PURPOSES OF PRESENTATION HEREUNDER.

DRAWINGS MAY ALSO BE PRESENTED BY FACSIMILE TRANSMISSION ("FAX") TO FAX NUMBER [FAX NUMBER], UNDER TELEPHONE PRE-ADVICE TO [PHONE NUMBER] OR ALTERNATIVELY TO E-MAIL AT [E-MAIL], WITH THE ORIGINAL THEREOF TO BE SENT THE SAME BUSINESS DAY BY OVERNIGHT COURIER TO THE ISSUER. IN THE EVENT A REQUEST IS PRESENTED VIA FAX TO THE ISSUER, IT IS UNDERSTOOD AND AGREED THAT THE ISSUER MAY ACT ON SUCH REQUEST WITHOUT THE NEED OR THE OBLIGATION TO SECURE THE ORIGINAL. IN ANY EVENT, THE BANK SHALL NOT BE LIABLE FOR ANY DISCREPANCY THAT MAY ARISE BETWEEN THE REQUEST TRANSMITTED BY FAX AND THE ORIGINAL REQUEST DELIVERED AS PROVIDED HEREIN.

We hereby agree with Beneficiary that all documents presented under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation to Issuer on or before the Expiration Date. All payments made under this Letter of Credit shall be made with Issuer's own immediately available funds by means of wire transfer in immediately available United States dollars to Beneficiary's account as indicated by Beneficiary in its Drawing Certificate or in a communication accompanying its Drawing Certificate.

Partial draws are permitted under this Letter of Credit, and this Letter of Credit shall remain in full force and effect with respect to any continuing balance.

It is a condition of this Letter of Credit that it shall be automatically extended without amendment for successive periods of one (1) year from the Initial Expiration Date or from subsequent expiration dates, unless upon one hundred twenty (120) days' prior written notice from Issuer to Beneficiary by registered mail or overnight courier service that Issuer elects not to extend this Letter of Credit, in which case it will expire on the date specified in such notice. No presentation made under this Letter of Credit after such Expiration Date will be honored. IN NO EVENT SHALL THIS LETTER OF CREDIT EXTEND PAST [FINAL EXPIRATION DATE].

Notwithstanding any reference in this Letter of Credit to any other documents, instruments or agreements, this Letter of Credit contains the entire agreement between Beneficiary and Issuer relating to the obligations of Issuer hereunder.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision) International Chamber of Commerce Publication No. 600 (the "UCP"), except to the extent that the terms hereof are inconsistent with the provisions of the UCP, including, but not limited to, Articles 14(b) and 36 of the UCP, in which case the terms of this Letter of Credit shall govern. Matters not governed by the UCP shall be governed by the laws of the State of [STATE]. In the event of an act of God, riot, civil commotion, insurrection, war or any other cause beyond Issuer's control (as defined in Article 36 of the UCP) that interrupts Issuer's business and causes the place for presentation of the Letter of Credit to be closed for business on the last day for presentation, the Expiration Date of the Letter of Credit will be automatically extended without amendment to a date thirty (30) calendar days after the place for presentation reopens for business.

Please address all correspondence regarding this Letter of Credit to the attention of the Letter of Credit Department at [insert bank address information], referring specifically to Issuer's Letter of Credit No. [XXXXXXX]. For telephone assistance, please contact Issuer's Standby Letter of Credit Department at [XXX-XXX-XXXX] and have this Letter of Credit available.

All notices to Beneficiary shall be in writing and are required to be sent by certified letter, overnight courier, or delivered in person to: San Diego Community Power, Chief Financial Officer, PO Box 12716, San Diego, CA 92112. Only notices to Beneficiary meeting the requirements of this paragraph shall be considered valid. Any notice to Beneficiary which is not in accordance with this paragraph shall be void and of no force or effect.

All commissions, expenses, and charges incurred with this Letter of Credit are for the account of the Applicant.

VERY TRULY YOURS,

[Bank Name]

____
[Insert officer name]
[Insert officer title]

(DRAW REQUEST SHOULD BE ON BENEFICIARY'S LETTERHEAD)

Drawing Certificate

[Insert Bank Name and Address]

Ladies and Gentlemen:

The undersigned, a duly authorized representative of San Diego Community Power, a California joint powers authority, PO Box 12716, San Diego, CA 92112, as beneficiary ("Beneficiary") of the Irrevocable Letter of Credit No. [XXXXXXX] (the "Letter of Credit") issued by [insert bank name] (the "Bank") by order of __________ ("Applicant"), hereby certifies to the Bank as follows:

1. Applicant and Beneficiary are party to that certain Renewable Power Purchase Agreement dated as of ___________, 20__ (the "Agreement").

2. Beneficiary is making a drawing under this Letter of Credit in the amount of U.S. $___________ because a Seller Event of Default (as such term is defined in the Agreement) has occurred or other occasion provided for in the Agreement where Beneficiary is authorized to draw on the letter of credit has occurred.

OR

Beneficiary is making a drawing under this Letter of Credit in the amount of U.S. $___________, which equals the full available amount under the Letter of Credit, because Applicant is required to maintain the Letter of Credit in force and effect beyond the expiration date of the Letter of Credit but has failed to provide Beneficiary with a replacement Letter of Credit or other acceptable instrument within thirty (30) days prior to such expiration date.

3. The undersigned is a duly authorized representative of San Diego Community Power and is authorized to execute and deliver this Drawing Certificate on behalf of Beneficiary.

You are hereby directed to make payment of the requested amount to San Diego Community Power by wire transfer in immediately available funds to the following account:

[Specify account information]

San Diego Community Power

____
Name and Title of Authorized Representative

Date____________________________

EXHIBIT L

FORM OF GUARANTY

This Guaranty (this "**Guaranty**") is entered into as of [_____] (the "**Effective Date**") by and between [_____], a [______] ("**Guarantor**"), and San Diego Community Power, a California joint powers authority (together with its successors and permitted assigns, "**Buyer**").

Recitals

A. Buyer and [*SELLER* ENTITY], a _____________________ ("**Seller**"), entered into that certain Renewable Power Purchase Agreement (as amended, restated or otherwise modified from time to time, the "**PPA**") dated as of [____], 20___.

B. Guarantor is entering into this Guaranty as Performance Security to secure Seller's obligations under the PPA, as required by Section 8.8 of the PPA.

C. It is in the best interest of Guarantor to execute this Guaranty inasmuch as Guarantor will derive substantial direct and indirect benefits from the execution and delivery of the PPA.

D. Initially capitalized terms used but not defined herein have the meaning set forth in the PPA.

Agreement

1. Guaranty. For value received, Guarantor does hereby unconditionally, absolutely and irrevocably guarantee, as primary obligor and not as a surety, to Buyer the full, complete and prompt payment by Seller of any and all amounts and payment obligations now or hereafter owing from Seller to Buyer under the PPA, including, without limitation, compensation for penalties, the Termination Payment, indemnification payments or other damages, as and when required pursuant to the terms of the PPA (the "**Guaranteed Amount**"). The Parties understand and agree that any payment by Guarantor or Seller of any portion of the Guaranteed Amount shall thereafter reduce Guarantor's maximum aggregate liability hereunder on a dollar-for-dollar basis. This Guaranty is an irrevocable, absolute, unconditional and continuing guarantee of the full and punctual payment and performance, and not of collection, of the Guaranteed Amount and, except as otherwise expressly addressed herein, is in no way conditioned upon any requirement that Buyer first attempt to collect the payment of the Guaranteed Amount from Seller, any other guarantor of the Guaranteed Amount or any other Person or entity or resort to any other means of obtaining payment of the Guaranteed Amount. In the event Seller shall fail to duly, completely or punctually pay any Guaranteed Amount as required pursuant to the PPA, Guarantor shall promptly pay such amount as required herein.

2. Demand Notice. For avoidance of doubt, a payment shall be due for purposes of this Guaranty only when and if a payment is due and payable by Seller to Buyer under the terms and conditions of the PPA. If Seller fails to pay any Guaranteed Amount as required pursuant to the PPA for ten (10) Business Days following Seller's receipt of Buyer's Notice of such failure (the "**Demand Notice**"), then Buyer may elect to exercise its rights under this Guaranty and may make a demand upon Guarantor (a "**Payment Demand**") for such unpaid Guaranteed Amount. A Payment Demand shall be in writing and shall reasonably specify in what manner and what amount Seller has failed to pay and an explanation of why such payment is due and owing, with a specific statement that Buyer is requesting that Guarantor pay under this Guaranty. Guarantor shall, within ten (10) Business Days following its receipt of the Payment Demand, pay the Guaranteed Amount to Buyer.

3. Scope and Duration of Guaranty. This Guaranty applies only to the Guaranteed Amount. This Guaranty shall continue in full force and effect from the Effective Date until the earlier of the following: (x) all Guaranteed Amounts have been paid in full (whether directly or indirectly through set-off or netting of amounts owed by Buyer to Seller), or (y) replacement Performance Security is provided in an amount and form required by the terms of the PPA. Further, this Guaranty (a) shall remain in full force and effect without regard to, and shall not be affected or impaired by, any invalidity, irregularity or unenforceability in whole or in part of this Guaranty, and (b) subject to the preceding sentence, shall be discharged only by complete performance of the undertakings herein. Without limiting the generality of the foregoing, the obligations of the Guarantor hereunder shall not be released, discharged, or otherwise affected and this Guaranty shall not be invalidated or impaired or otherwise affected for the following reasons:

(i) the extension of time for the payment of any Guaranteed Amount,

(ii) any amendment, modification or other alteration of the PPA,

(iii) any indemnity agreement Seller may have from any party,

(iv) any insurance that may be available to cover any loss, except to the extent insurance proceeds are used to satisfy the Guaranteed Amount,

(v) any voluntary or involuntary liquidation, dissolution, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of, or other similar proceeding affecting, Seller or any of its assets, including, but not limited to, any rejection or other discharge of Seller's obligations under the PPA imposed by any court, trustee or custodian or any similar official or imposed by any law, statute or regulation, in each such event in any such proceeding,

(vi) the release, modification, waiver or failure to pursue or seek relief with respect to any other guaranty, pledge or security device whatsoever,

(vii) any payment to Buyer by Seller that Buyer subsequently returns to Seller pursuant to court order in any bankruptcy or other debtor-relief proceeding,

(viii) those defenses based upon (A) the legal incapacity or lack of power or authority of any Person, including Seller and any representative of Seller to enter into the PPA or perform its obligations thereunder, (B) lack of due execution, delivery, validity or enforceability, including of the PPA, or (C) Seller's inability to pay any Guaranteed Amount or perform its obligations under the PPA, or

(ix) any other event or circumstance that may now or hereafter constitute a defense to payment of the Guaranteed Amount, including, without limitation, statute of frauds and accord and satisfaction;

provided that Guarantor reserves the right to assert for itself any defenses, setoffs or counterclaims that Seller is or may be entitled to assert against Buyer (except for such defenses, setoffs or counterclaims that may be asserted by Seller with respect to the PPA, but that are expressly waived under any provision of this Guaranty).

4. Waivers by Guarantor. Guarantor hereby unconditionally waives as a condition precedent to the performance of its obligations hereunder, with the exception of the requirements in Paragraph 2, (a) notice of acceptance, presentment or protest with respect to the Guaranteed Amounts and this Guaranty, (b) notice of any action taken or omitted to be taken by Buyer in reliance hereon, (c) any requirement that Buyer exhaust any right, power or remedy or proceed against Seller under the PPA, and (d) any event, occurrence or other circumstance which might otherwise constitute a legal or equitable discharge of a surety. Without limiting the generality of the foregoing waiver of surety defenses, it is agreed that the occurrence of any one or more of the following shall not affect the liability of Guarantor hereunder:

(i) at any time or from time to time, without notice to Guarantor, the time for payment of any Guaranteed Amount shall be extended, or such performance or compliance shall be waived;

(ii) the obligation to pay any Guaranteed Amount shall be modified, supplemented or amended in any respect in accordance with the terms of the PPA;

(iii) subject to Section 9, any (a) sale, transfer or consolidation of Seller into or with any other entity, (b) sale of substantial assets by, or restructuring of the corporate existence of, Seller or (c) change in ownership of any membership interests of, or other ownership interests in, Seller; or

(iv) the failure by Buyer or any other Person to create, preserve, validate, perfect or protect any security interest granted to, or in favor of, Buyer or any Person.

5. Subrogation. Notwithstanding any payments that may be made hereunder by the Guarantor, Guarantor hereby agrees that until the earlier of payment in full of all Guaranteed Amounts or expiration of the Guaranty in accordance with Section 3, it shall not be entitled to, nor shall it seek to, exercise any right or remedy arising by reason of its payment of any Guaranteed Amount under this Guaranty, whether by subrogation or otherwise, against Seller or seek contribution or reimbursement of such payments from Seller.

6. Representations and Warranties. Guarantor hereby represents and warrants that (a) it has all necessary and appropriate [***limited liability company][corporate***] powers and authority and the legal right to execute and deliver, and perform its obligations under, this Guaranty, (b) this Guaranty constitutes its legal, valid and binding obligations enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting enforcement of creditors' rights or general principles of equity, (c) the execution, delivery and performance of this Guaranty does not and will not contravene Guarantor's organizational documents, any applicable Law or any contractual provisions binding on or affecting Guarantor, (d) there are no actions, suits or proceedings pending before any court, governmental agency or arbitrator, or, to the knowledge of the Guarantor, threatened, against or affecting Guarantor or any of its properties or revenues which may, in any one case or in the aggregate, adversely affect the ability of Guarantor to enter into or perform its obligations under this Guaranty, and (e) no consent or authorization of, filing with, or other act by or in respect of, any arbitrator or Governmental Authority, and no consent of any other Person (including, any stockholder or creditor of the Guarantor), that has not heretofore been obtained is required in connection with the execution, delivery, performance, validity or enforceability of this Guaranty by Guarantor.

7. **Notices**. Notices under this Guaranty shall be deemed received if sent to the address specified below: (i) on the day received if served by overnight express delivery, and (ii) four (4) Business Days after mailing if sent by certified, first-class mail, return receipt requested. If transmitted by facsimile, such notice shall be deemed received when the confirmation of transmission thereof is received by the party giving the notice. Any party may change its address or facsimile to which notice is given hereunder by providing notice of the same in accordance with this Paragraph 7.

If delivered to Buyer, to it at	[____] Attn: [____] Fax: [____]
If delivered to Guarantor, to it at	[____] Attn: [____] Fax: [____]

8. **Governing Law and Forum Selection**. This Guaranty shall be governed by, and interpreted and construed in accordance with, the laws of the United States and the State of California, excluding choice of law rules. The Parties agree that any suit, action or other legal proceeding by or against any party (or its affiliates or designees) with respect to or arising out of this Guaranty shall be brought in the federal courts of the United States or the courts of the State of California sitting in the City and County of San Diego, California.

9. **Miscellaneous**. This Guaranty shall be binding upon Guarantor and its successors and assigns and shall inure to the benefit of Buyer and its successors and permitted assigns pursuant to the PPA. No provision of this Guaranty may be amended or waived except by a written instrument executed by Guarantor and Buyer. This Guaranty is not assignable by Guarantor without the prior written consent of Buyer. No provision of this Guaranty confers, nor is any provision intended to confer, upon any third party (other than Buyer's successors and permitted assigns) any benefit or right enforceable at the option of that third party. This Guaranty embodies the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements and understandings of the parties hereto, verbal or written, relating to the subject matter hereof. If any provision of this Guaranty is determined to be illegal or unenforceable (i) such provision shall be deemed restated in accordance with applicable Laws to reflect, as nearly as possible, the original intention of the parties hereto and (ii) such determination shall not affect any other provision of this Guaranty and all other provisions shall remain in full force and effect. This Guaranty may be executed in any number of separate counterparts, each of which when so executed shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. This Guaranty may be executed and delivered by electronic means with the same force and effect as if the same was a fully executed and delivered original manual counterpart.

[*Signatures on next page*]

IN WITNESS WHEREOF, the undersigned has caused this Guaranty to be duly executed and delivered by its duly authorized representative on the date first above written.

GUARANTOR:

[_______]

By:_______________________________

Printed Name:___________________

Title:_____________________________

BUYER:

[_______]

By:_______________________________

Printed Name:___________________

Title:_____________________________

By:_______________________________

Printed Name:___________________

Title:_____________________________

EXHIBIT M

FORM OF REPLACEMENT RA NOTICE

This Replacement RA Notice (this "**Notice**") is delivered by [SELLER ENTITY] ("**Seller**") to San Diego Community Power, a California joint powers authority ("**Buyer**"), in accordance with the terms of that certain Renewable Power Purchase Agreement dated __________ ("**Agreement**") by and between Seller and Buyer. All capitalized terms used in this Notice but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

Pursuant to Section 3.8(b) of the Agreement, Seller hereby provides the below Replacement RA product information:

Unit Information[1]

Name	
Location	
CAISO Resource ID	
Unit SCID	
Prorated Percentage of Unit Factor	
Resource Type	
Point of Interconnection with the CAISO Controlled Grid ("substation or transmission line")	
Path 26 (North or South)	
LCR Area (if any)	
Deliverability restrictions, if any, as described in most recent CAISO deliverability assessment	
Run Hour Restrictions	
Delivery Period	

Month	Unit CAISO NQC (MW)	Unit Contract Quantity (MW)
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		

[1] To be repeated for each unit if more than one.

[SELLER ENTITY]

By: ________________________________

Printed Name: ________________________

Title: _______________________________

EXHIBIT N

NOTICES

CDH VIDAL LLC ("Seller")	SAN DIEGO COMMUNITY POWER ("Buyer")
All Notices: Street: 860 Wyckoff Ave Suite 200 City: Mahwah, NJ 07430 Attn: Henry Cortes Phone: 201-825-2195 Email: hcortes@coredevusa.com	**All Notices:** PO Box 12716 San Diego, CA 92112 Attn: Byron Vosburg, Director of Power Services Phone: (619) 880-6545 Email: bvosburg@sdcommunitypower.org
Reference Numbers: Duns: [redacted] Federal Tax ID Number: [redacted]	**Reference Numbers:** Duns: [redacted] Federal Tax ID Number: [redacted]
Invoices: Attn: Deborah Masker Phone: 201-825-2195 Email: dmasker@coredevusa.com	**Invoices:** Attn: SDCP Settlements Phone: (619) 880-6545 Email: settlements@sdcommunitypower.org
Scheduling: Attn: Henry Cortes Phone: 201-8252195 Email: hcortes@coredevusa.com	**Scheduling:** Tenaska Power Services Co. Attn: Kara Whillock Phone: (972) 333-6122 Email: kwhillock@tnsk.com Day Ahead: (817) 303-1115 Real Time: (817) 303-1852 Facsimile: (817) 303-1104
Confirmations: Attn: Henry Cortes Phone: 201-825-2195 Email: hcortes@coredevusa.com	**Confirmations:** Attn: SDCP Settlements Phone: (619) 880-6545 Email: settlements@sdcommunitypower.org
Payments: Attn: Deborah Masker Phone: 201-8252195 Email: dmasker@coredevusa.com	**Payments:** Attn: Michael Maher Phone: (415) 526-3020 Email: mmaher@mahercpa.com
Wire Transfer: BNK: [redacted] ABA: [redacted] ACCT: [redacted]	**Wire Transfer:** BNK: [redacted] ABA: [redacted] ACCT: [redacted]

<table>
<tr><td>CDH VIDAL LLC
(“Seller”)</td><td>SAN DIEGO COMMUNITY POWER
(“Buyer”)</td></tr>
<tr><td>With additional Notices of an Event of Default to:
Attn: Pianpian Wang
Phone: 201-825-2195
Facsimile:
Email: pwang@coredevusa.com</td><td>With additional Notices of an Event of Default to:
Best, Best & Krieger
Attn: Ryan Barron, General Counsel
655 West Broadway, 15th Floor
San Diego, CA 92101
Phone: (949) 263-6568
Email: ryan.baron@bbklaw.com</td></tr>
<tr><td>Emergency Contact:
Attn: Henry Cortes
Phone: 201-825-2195
Email: hcortes@coredevusa.com</td><td>Emergency Contact:
Attn: Byron Vosburg, Director of Power Services
Phone: (619) 880-6545
Email: bvosburg@sdcommunitypower.org</td></tr>
</table>

EXHIBIT O

STORAGE CAPACITY TESTS

Storage Capacity Test Notice and Frequency

A. Commercial Operation Storage Capacity Test. Upon no less than five (5) Business Days' prior Notice to Buyer, Seller shall schedule and complete a Storage Capacity Test prior to the Commercial Operation Date ("**Commercial Operation Storage Capacity Test**"). Such initial Commercial Operation Storage Capacity Test (and any subsequent Commercial Operation Storage Capacity Test permitted in accordance with Exhibit B) shall be performed in accordance with this Exhibit O and shall establish the initial Storage Capacity and Efficiency Rate hereunder.

B. Subsequent Storage Capacity Tests. Following the Commercial Operation Date, at least fifteen (15) days in advance of the start of each Contract Year, upon no less than ten (10) Business Days' prior Notice to Buyer, Seller shall schedule and complete a Storage Capacity Test. In addition, Buyer shall have the right to require a Storage Capacity Test at any time upon no less than five (5) Business Days' prior Notice to Seller if Buyer provides data with such Notice reasonably indicating that the Storage Capacity has varied materially from the results of the most recent Storage Capacity Test. Seller shall have the right to run a Storage Capacity Test upon five (5) Business Days' prior Notice to Buyer (or any shorter period reasonably acceptable to Buyer consistent with Prudent Operating Practice).

C. Test Results and Re-Setting of Storage Capacity and Efficiency Rate. No later than five (5) days following any Storage Capacity Test, Seller shall submit a testing report detailing results and findings of the test. The report shall include Storage Facility Meter readings and plant log sheets verifying the operating conditions and output of the Storage Facility at the Interconnection Point. In accordance with Section 4.9(c) of the Agreement, Part II.J and Part II.K below, the actual Efficiency Rate and Storage Capacity determined pursuant to a Storage Capacity Test (up to, but not in excess of, the original Storage Contract Capacity set forth on the Cover Sheet, as such original Storage Contract Capacity on the Cover Sheet may have been adjusted (if at all) pursuant to Exhibit B) shall become the new Storage Capacity and Efficiency Rate at the beginning of the day following the completion of the test for calculating the Storage Rate and all other purposes under this Agreement.

Storage Capacity Test Procedures

PART I. GENERAL.

Each Storage Capacity Test (including the initial Storage Capacity Test and all re-performances thereof) shall be conducted in accordance with Prudent Operating Practices and the provisions of this Exhibit O. For ease of reference, a Storage Capacity Test is sometimes referred to in this Exhibit O as an "**SCT**". Buyer or its representative may be present for the SCT and may, for informational purposes only, use its own metering equipment (at Buyer's sole cost).

PART II. REQUIREMENTS APPLICABLE TO ALL STORAGE CAPACITY TESTS.

A. Purpose of Test. Each SCT shall:

(1) Determine an updated Storage Capacity;

(2) Determine the amount of Energy required to fully charge the Storage Facility;

(3) Determine the Storage Facility charge Ramp Rate;

(4) Determine the Storage Facility discharge Ramp Rate; and

(5) Determine an updated Efficiency Rate.

B. Test Elements. Each SCT shall include the following test elements:

- The measurement of Charging Energy, as measured by the Storage Facility Meter or other mutually agreed meter, that is required to charge the Storage Facility up to the Maximum Stored Energy Level not to exceed the Storage Contract Output (MWh) ("**Energy In**");

- The measurement of Discharging Energy, as measured by the Storage Facility Meter or other mutually agreed meter, that is discharged from the Storage Facility to the Interconnection Point until the Storage Energy Level reaches zero MWh as indicated by the battery management system ("**Energy Out**");

- Electrical output at Maximum Discharging Capacity (as defined in Exhibit Q) at the Storage Facility Meter (MW);

- Electrical input at Maximum Charging Capacity (as defined in Exhibit Q) at the Storage Facility Meter (MW). For the avoidance of doubt the Maximum Charging Capacity fluctuates through time with the Generating Facility Energy output;

- Amount of time between the Storage Facility's electrical output going from zero (0) to Maximum Discharging Capacity;

- Amount of time between the Storage Facility's electrical input going from zero (0) to Maximum Charging Capacity;

- Amount of energy required to go from zero percent (0%) Stored Energy Level to one hundred percent (100%) Stored Energy Level charging at a rate equal to the Maximum Charging Capacity. For the avoidance of doubt, the Maximum Charging Capacity fluctuates through time with the Generating Facility Energy output;

- For avoidance of doubt, Efficiency Rate shall be measured from the AC side of the solar inverters to the Storage Facility and then from the Storage Facility to the high side of the main power transformer (the Interconnection Point). Efficiency Rate is not measured from and to the Delivery Point.

Energy In will be exclusive of all separately metered Test Station Use for testing purposes. Furthermore, if due to lack of Generating Facility Energy, there is not enough charging energy in one (1) day to fully charge the Storage Facility then Seller may continue the charging over the next day in order to reach 100% State of Charge. To the extent the average charging rate in MW during the test is less than 150 MW, then Seller may adjust the Efficiency Rate using a methodology reasonably acceptable to Buyer, taking into account manufacturers load versus efficiency curves to adjust for such lower charging rates and its impacts on the overall Efficiency Rate.

C. Parameters. During each SCT, the following parameters shall be measured and recorded simultaneously for the Storage Facility, at ten (10) minute intervals:

(1) discharge time (minutes);

(2) charging energy (MWh);

(3) discharging energy (MWh); and

(4) Stored Energy Level (MWh).

D. Site Conditions. During each SCT, the following conditions at the Site shall be measured and recorded simultaneously at ten (10) minute intervals:

(1) Relative humidity (%);

(2) Barometric pressure (inches Hg) near the horizontal centerline of the Storage Facility; and

(3) Ambient air temperature (°F).

E. Test Showing. Each SCT must demonstrate that the Storage Facility:

(1) successfully started;

(2) operated for at least four (4) consecutive hours at Maximum Discharging Capacity;

(3) operated for at least four (4) consecutive hours at Maximum Charging Capacity. For the avoidance of doubt the Maximum Charging Capacity fluctuates through time with the Generating Facility Energy output;

(4) has a Storage Capacity of an amount that is, at least, equal to the Maximum Stored Energy Level (as defined in Exhibit Q); and

(5) is able to deliver Discharging Energy to the Interconnection Point as measured by the Storage Facility Meter for four (4) consecutive hours at a rate equal to the Maximum Discharging Capacity.

F. Test Conditions.

(i) General. At all times during an SCT, the Storage Facility shall be operated in compliance with Prudent Operating Practices and all operating protocols recommended, required or established by the manufacturer for operation at Maximum Discharging Capacity and Maximum Charging Capacity (as each is defined in Exhibit Q).

(ii) Abnormal Conditions. If abnormal operating conditions that prevent the recordation of any required parameter occur during an SCT (including a level of irradiance that does not permit the Generating Facility to produce sufficient Charging Energy), Seller may postpone or reschedule all or part of such SCT in accordance with Part II.G below.

(iii) Instrumentation and Metering. Seller shall provide all instrumentation, metering and data collection equipment required to perform the SCT. The instrumentation, metering and data collection equipment electrical meters shall be calibrated in accordance with Prudent Operating Practice.

G. Incomplete Test. If any SCT is not completed in accordance herewith, Buyer may in its sole discretion: (i) accept the results up to the time the SCT stopped; (ii) require that the portion of the SCT not completed be completed within a reasonable specified time period; or (iii) require that the SCT be entirely repeated. Notwithstanding the above, if Seller is unable to complete a SCT due to a Force Majeure Event or the actions or inactions of Buyer or the PTO or the Transmission Provider, Seller shall be permitted to reconduct such SCT on dates and at times reasonably acceptable to the Parties.

H. Final Report. Within fifteen (15) Business Days after the completion of any SCT, Seller shall prepare and submit to Buyer a written report of the results of the SCT, which report shall include:

(1) a record of the personnel present during the SCT that served in an operating, testing, monitoring or other such participatory role;

(2) the measured data for each parameter set forth in Part II.A through C, including copies of the raw data taken during the test;

(3) the level of Storage Capacity, Energy In, Energy Out, Efficiency Rate, Charging Capacity, the current charge and discharge Ramp Rate, and Stored Energy Level determined by the SCT, including supporting calculations; and

(4) Seller's statement of either Seller's acceptance of the SCT or Seller's rejection of the SCT results and reason(s) therefor.

Within ten (10) Business Days after receipt of such report, Buyer shall notify Seller in writing of either Buyer's acceptance of the SCT results or Buyer's rejection of the SCT and reason(s) therefor.

If either Party rejects the results of any SCT, such SCT shall be repeated in accordance with Part II.F.

I. Supplementary Storage Capacity Test Protocol. No later than sixty (60) days prior to commencing Facility construction, Seller shall deliver to Buyer for its review and approval (such approval not to be unreasonably delayed or withheld) an updated supplement to this Exhibit O with additional and supplementary details, procedures and requirements applicable to Storage Capacity Tests based on the then-current design of the Facility ("**Supplementary Storage Capacity Test Protocol**"). Thereafter, from time to time, Seller may deliver to Buyer for its review and approval (such approval not to be unreasonably delayed or withheld) any Seller recommended updates to the then-current Supplementary Storage Capacity Test Protocol. The initial Supplementary Storage Capacity Test Protocol (and each update thereto), once approved by Buyer, shall be deemed an amendment to this Exhibit O.

J. Adjustment to Storage Capacity. The total amount of Discharging Energy delivered to the Interconnection Point (expressed in MWh AC) during each of the first four (4) hours of discharge (up to, but not in excess of, the product of (i) the original Storage Contract Capacity set forth on the Cover Sheet, as such original Storage Contract Capacity on the Cover Sheet may have been adjusted (if at all) under this Agreement, multiplied by (ii) four (4) hours, shall be divided by four (4) hours to determine the Storage Capacity, which shall be expressed in MW_{AC}, and shall be the new Storage Capacity in accordance with Section 4.9(c) of the Agreement until updated pursuant to a subsequent Storage Capacity Test.

K. Adjustment to Efficiency Rate.

The total amount of Energy Out (as reported in Part II.B above) divided by the total amount of Energy In (as reported in Part II.B above), and expressed as a percentage, shall be the new Efficiency Rate, and shall be used for the calculation of liquidated damages (if any) under Exhibit C until updated pursuant to a subsequent Storage Capacity Test.

Part III. INITIAL SUPPLEMENTARY STORAGE CAPACITY TEST PROTCOL

A. Initial Supplementary Storage Capacity Test Protocol

The initial Supplementary Storage Capacity Test Protocol outlined below shall not be binding on the Parties until delivery of the Supplementary Storage Capacity Test Protocol in accordance with Part II.I above and is included for the convenience of the Parties.

- Procedure:

(1) System Starting State: The Storage Facility shall be balanced using original equipment manufacturer procedures as appropriate and will be in the on-line state at the Minimum Stored Energy Level.

(2) Record the initial value of the Storage Facility State of Charge ("**SOC**").

(3) Charge the Storage Facility at the Maximum Charging Capacity until the battery reaches the maximum SOC allowed at that rate. Continue charging the Storage Facility at the fixed maximum battery voltage (CV charging). Stop the Storage Facility charge routine when the battery has reached the desired SOC.

(4) Record and store the AC Energy charged to the Storage Facility as measured at the Storage Facility Meter at the Storage Facility Metering Point associated with Charging Energy ("**Energy In**"). All separately metered Storage Facility Test Station Use shall be excluded from the measurement of Energy In.

(5) Following a rest period of no more than twelve (12) hours (unless agreed otherwise), *provided* that Seller shall minimize such rest period to the extent possible without curtailing Generating Facility Energy, command a real power discharge that results in an AC power output of the Storage Facility's Maximum Discharging Capacity and maintain the discharging state until the earlier of (a) the Facility has discharged at the Maximum Discharging Capacity for four (4) consecutive hours, (b) the Storage Facility has reached the Minimum Stored Energy Level, or (c) the sustained discharging level is at least 2% less than the Maximum Discharging Capacity.

(6) Record and store the AC Energy discharged (in MWh) as measured at the Storage Facility Meter. Such data point shall be used for purposes of calculation of the Storage Capacity.

(7) Record and store the AC Energy charged (in MWh) as measured at the Storage Facility Metering Point associated with Charging Energy. Such data point shall be used for purposes of calculation of the Efficiency Rate.

(8) If the Storage Facility has not reached the Minimum Stored Energy Level pursuant to Part III.A.5, continue discharging the Storage Facility until it reaches the Minimum Stored Energy Level.

(9) Record and store the AC Energy discharged (in MWh) as measured at the Storage Facility Metering Points. "Energy Out" means that total AC Energy discharged (in MWh) as measured at the Storage Facility Metering Point associated with Charging Energy from the commencement of discharging pursuant to Part III.A.5 until the Storage Facility has reached the Minimum Stored Energy Level pursuant to either Part III.A.5 or Part III.A.8, as

applicable. All separately metered Storage Facility Test Station Use shall be excluded from the measurement of Energy Out.

- Test Results:

  (1) The resulting Efficiency Rate is calculated as Energy Out/Energy In.

  (2) The resulting Storage Capacity measurement is the sum of the total Discharging Energy at the Storage Facility Meter divided by four (4) hours.

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Exhibit P - 2

EXHIBIT Q

OPERATING RESTRICTIONS

The Parties will develop and finalize the Operating Restrictions prior to the Commercial Operation Date; *provided*, the Operating Restrictions (i) may not be materially more restrictive of the operation of the Facility than as set forth below, unless agreed to by Buyer in writing, (ii) will, at a minimum, include the rules, requirements and procedures set forth in this Exhibit Q, (iii) will include protocols and parameters for Seller's operation of the Storage Facility in the absence of Discharging Notices or other similar instructions from Buyer relating to the use of the Storage Facility, and (iv) may include facility scheduling, operating restrictions and Communications Protocols.

File Update Date:	
Technology:	**Battery Energy Storage**
Storage Unit Name:	**Vidal**
A. Total Unit Dispatchable Range Information	
Interconnect Voltage (kV)	161 kV
Maximum State of Charge (SOC) during Charging	100%
Minimum State of Charge (SOC) during Discharging	0%
Maximum Stored Energy Level (MWh):	640 at Interconnection Point
Minimum Stored Energy Level (MWh):	0
Maximum Charging Capacity (MW):	The lower of a) 160 MW or b) the instantaneous PV Energy minus Electrical Losses from PV Meter to Storage Meter.
Maximum Discharging Capacity (MW):	160 at Interconnection Point
B. Maximum Throughput	
Maximum Daily Throughput:	1,280 MWh at Interconnection Point
Maximum annual Throughput:	233,600 MWh at Interconnection Point
C. Charge and Discharge Rates	
	Ramp Rate (MW/minute) Description
Energy	665, subject to any CAISO or WAPA defined limits generally applicable to Battery Storage that may restrict such capability.
D. Ancillary Services	
Spinning reserve is included:	Yes, subject to Pseudo-Tie Hybrid rules
Non-spinning reserve is included:	Yes, subject to Pseudo-Tie Hybrid rules
Regulation up is included:	Yes, subject to Pseudo-Tie Hybrid rules
Regulation down is included:	Yes, subject to Pseudo-Tie Hybrid rules
Black start is included:	No
Voltage support is included:	Yes, subject to Pseudo-Tie Hybrid rules

EXHIBIT R

METERING DIAGRAM

(Preliminary design and subject to change)

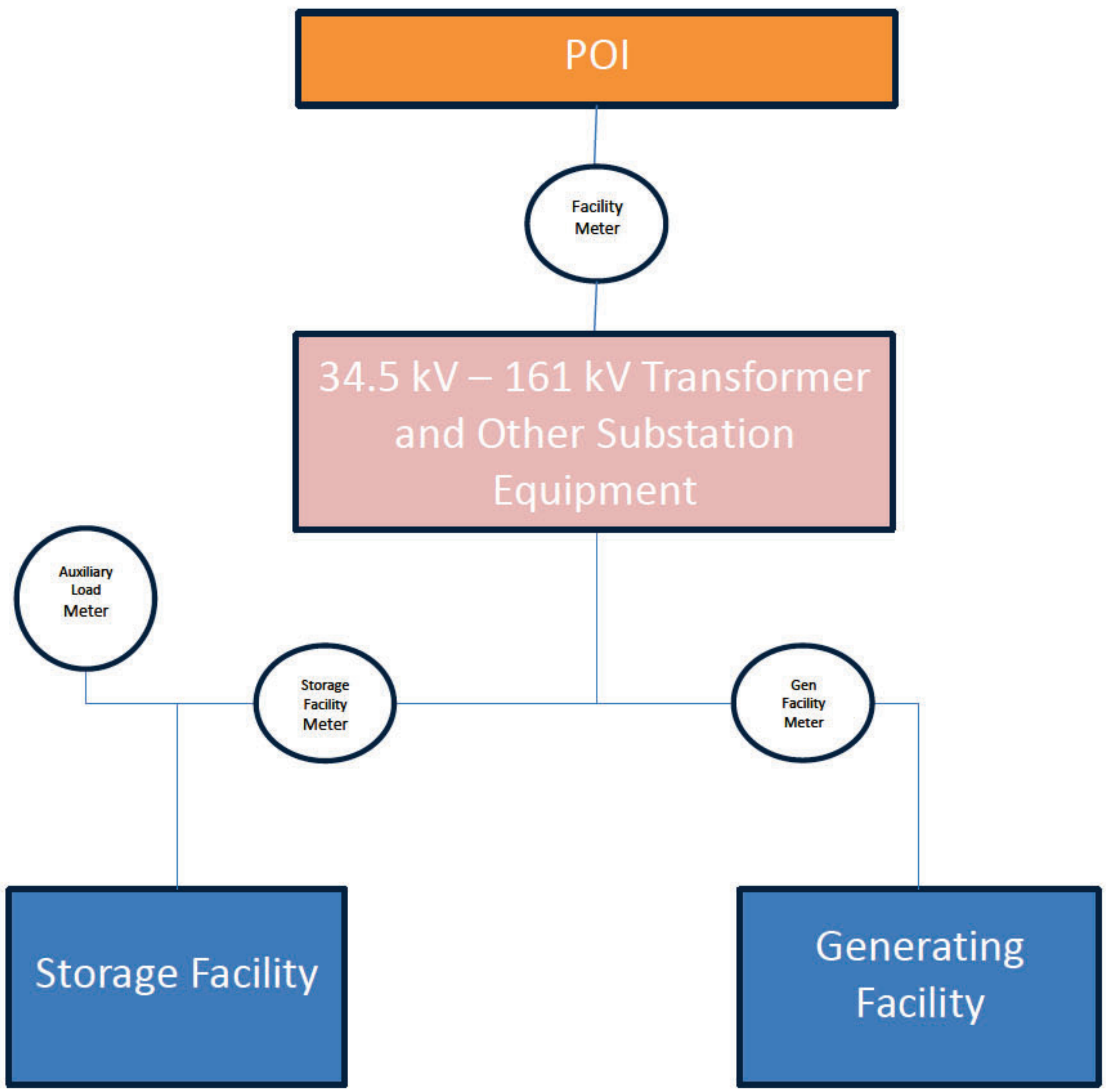


EXHIBIT S

WORKFORCE DEVELOPMENT

Sample Supplier Diversity Survey

Please note that not all questions may apply to your business. For the questions that do not apply, please skip them or answer "Not Applicable" or "Decline to State."

Pursuant to Proposition 209, SDCP does not give preferential treatment based on race, sex, color, ethnicity, or national origin. Providing information in these categories is optional and will not impact your participation in any future SDCP solicitation selection process. Responses are collected for informational and reporting purposes only pursuant to Senate Bill (SB) 255.

*Required

1. Business Name*

2. Email Address*

3. Where is your business located/headquartered?

4. Is your business certified under General Order 156 (GO 156)? GO 156 is a California Public Utilities Commission ruling that requires utility entities to report annually on their contracts with majority women-owned, minority-owned, disabled veteran-owned and LGBT-owned business enterprises (WMDVLGBTEs) in all categories. Qualified businesses become GO 156 Certified through the CPUC and are then added to the GO 156 Clearinghouse database at www.thesupplierclearinghouse.com.

    Yes

    No

    Qualified as a WMDVLGBTBE but not GO 156 certified

5. If you answered "yes" to Question 4, when does your certification expire?

6. If you answered "yes" or "qualified, but not certified" to Question 4, in which categories are you certified or qualified? Please choose all that apply.

    Minority Owned

    Women Owned

    LGBT Owned

    Disabled Veteran Owned

    Small Business Enterprise, as defined by 8(d) of the Small Business Act

7. If your business is a minority-owned business enterprise, what GO156 certification or qualification does your business fall under?

Black American

Hispanic American

Asian Pacific American

Native American

8. Please list the Standardized Industrial Code (SIC) of the products and services your business offers. Search for your SIC in the "Commodity Codes" search bar, here: https://sch.thesupplierclearinghouse.com/FrontEnd/SearchCertifiedDirectory.asp.

9. If certified under GO 156, please list your annual business revenue as reported to the CPUC Supplier Clearinghouse. You may check your CPUC Supplier Clearinghouse status here: https://sch.thesupplierclearinghouse.com/FrontEnd/SearchCertifiedDirectory.asp.

10. If your business is qualified, but not GO 156 certified, please identify the reasons for not completing the certification process?

11. If your business has used GO 156 certified subcontractors for your SDCP contract, please include a list of your subcontractor business names, if the subcontract is for products or services, and the anticipated subcontract amount. Example: Electrical Design Technology, Inc.; products (batteries); $100,000.

12. If applicable, please describe any hiring policies your business has for using small, local, and/or economically disadvantaged subcontractors or for using subcontractors that qualify for the GO 156 Supplier Clearinghouse.

13. Does your business have a history of using apprenticeship programs, local hires, union labor, or multi-trade project labor agreements? Local hires can be defined as labor-sourced from within SDCP's service area.

Yes, apprenticeship programs in this recent contract with SDCP

Yes, local labor in this recent contract with SDCP

Yes, union labor in this recent contract with SDCP

Yes, multi-trade PLA in this recent contract with SDCP

Yes, apprenticeship programs but not in this contract with SDCP

Yes, history of local hire but not in this contract with SDCP

Yes, history of union labor but not in this contract with SDCP

Yes, history of multi-trade PLA but not in this contract with SDCP

Uses California-based labor, but not local to SDCP's service areas

None of the above

Not applicable

14. Are you a small business? Please refer to the Small Business Association' Size Standards tool for more information: https://www.sba.gov/sizestandards.

Yes

No

15. If you answered "yes" to question 14, please describe your history with labor agreements, union labor, multi-trade labor, apprenticeship labor, or how many local workers/businesses you employ for your contract with SDCP.

16. Is there any additional feedback that you would like to provide to SDCP at this time?

17. Does the bidder have formal initiatives to promote diversity, equity, and inclusion among its workforce?

18. If the answer to question 17 is "Yes,", please explain and provide supporting documentation.

19. Has the bidder adopted formal Environmental, Social, and Governance (ESG) goals?

20. If the answer to question 19 is "Yes", please explain and provide supporting documentation.

SAN DIEGO COMMUNITY POWER

GLOSSARY OF TERMS

AB – Assembly Bill - An Assembly Bill is a piece of legislation that is introduced in the Assembly. In other words, the Assembly, rather than the Senate, is the house of origin in the legislature for the legislation. In California, it is common for legislation to be referred to by its house of origin number (such as, AB 32) even once it becomes law.

AL - Advice Letter - An Advice Letter is a request by a CPUC jurisdictional entity for Commission approval, authorization, or other relief.

ALJ – Administrative Law Judge - ALJs preside over CPUC cases to develop the evidentiary record and draft proposed decisions for Commission action.

ARB – Air Resources Board - The California Air Resources Board (CARB or ARB) is the "clean air agency" in the government of California. CARB is charged with protecting the public from the harmful effects of air pollution and developing programs and actions to fight climate change.

AReM – Alliance for Retail Energy Markets - a not for profit corporation that advocates for continued development of successful customer choice in retail energy markets and provides a focused voice for competitive energy retailers and their customers in selected public policy forums on the state level. AREM represented direct access providers such as Constellation NewEnergy and Direct Energy.

BayREN - Bay Area Regional Energy Network - BayREN offers region-wide energy programs, services and resources to members of the public by promoting energy efficient buildings, reducing carbon emissions and building government capacity.

CAISO – California Independent System Operator - a non-profit independent system operator that oversees the operation of the California bulk electric power system, transmission lines and electricity market generated and transmitted by its members (~80% of California's electric flow). Its stated mission is to "operate the grid reliably and efficiently, provide fair and open transmission access, promote environmental stewardship and facilitate effective markets and promote infrastructure development." CAISO is regulated by FERC and governed by a five-member governing board appointed by the governor.

CALCCA – California Community Choice Association – Association made up of Community Choice Aggregation (CCA) groups which represents the interests of California's community choice electricity providers.

CALSEIA – California Solar Energy Industries - CALSEIA represents more than 200 companies doing solar-related business in California, including manufacturers, distributors, installation contractors, consultants, and educators. Members' annual dues support professional staff and a lobbyist who represent the common interests of California's solar industry at the Legislature, Governor's Office, and state and local agencies.

CALSLA – California City County Street Light Association - statewide association representing cities, counties and towns before the CPUC that is committed to maintaining fair and equitable street light electric rates and facilities charges, and disseminating street light related information.

CAM – Cost Allocation Mechanism - the cost recovery mechanism to cover procurement costs incurred in serving the central procurement function.

CARB – California Air Resources Board – The CARB is charged with protecting the public from the harmful effects of air pollution and developing programs and actions to fight climate change in California.

CARE – California Alternative Rates for Energy - A State program for low-income households that provides a 30% discount on monthly energy bills and a 20% discount on natural gas bills. CARE is funded through a rate surcharge paid by all other utility customers.

CBE – Communities for a Better Environment - environmental justice organization that was founded in 1978. The mission of CBE is to build people's power in California's communities of color and low-income communities to achieve environmental health and justice by preventing and reducing pollution and building green, healthy and sustainable communities and environments.

CCA – Community Choice Aggregator - A community choice aggregator, sometimes referred to as community choice aggregation, allows local governments to procure power on behalf of their residents, businesses, and municipal accounts from an alternative supplier while still receiving transmission and distribution service from their existing utility provider. CCAs are an attractive option for communities that want more local control over their electricity sources, more green power than is offered by the default utility, and/or lower electricity prices. By aggregating demand, communities gain leverage to negotiate better rates with competitive suppliers and choose greener power sources.

CCSF – City and County of San Francisco - The City and County of San Francisco often engage in joint advocacy before the CPUC. San Francisco operates CleanPowerSF, a CCA.

CEC – California Energy Commission - the primary energy policy and planning agency for California, whose core responsibilities include advancing state energy policy, achieving energy efficiency, investing in energy innovation, developing renewable energy, transforming transportation, overseeing energy infrastructure and preparing for energy emergencies.

CEE – Coalition for Energy Efficiency - non-profit comprised of US and Canadian energy efficiency administrators working together to accelerate the development and availability of energy efficient products and services.

CLECA – California Large Energy Consumers Association - an organization of large, high load factor industrial customers located throughout the state; the members are in the cement, steel, industrial gas, pipeline, beverage, cold storage, food packaging, and mining industries, and share the fact that electricity costs comprise a significant portion of their costs of production. Some members are bundled customers, others are Direct Access (DA) customers, and some are served by Community Choice Aggregators (CCAs); a few members have onsite renewable generation.

CPUC – California Public Utility Commission - state agency that regulates privately owned electric, natural gas, telecommunications, water, railroad, rail transit, and passenger transportation companies, in addition to authorizing video franchises.

C&I – Commercial and Industrial – Business customers. C&I customers generally consume much higher volumes of electricity and gas. Many utilities segment their C&I customers by energy consumption (small, medium and large).

CP – Compliance Period – Time period to become RPS compliant, set by the CPUC (California Public Utilities Commission)

DA – Direct Access – An option that allows eligible customers to purchase their electricity directly from third party providers known as Electric Service Providers (ESP).

DA Cap – the maximum amount of electric usage that may be allocated to Direct Access customers in California, or more specifically, within an Investor-Owned Utility service territory.

DACC – Direct Access Customer Coalition a regulatory advocacy group comprised of educational, governmental, commercial and industrial customers that utilize direct access for all or a portion of their electrical energy requirements

DA Lottery – a random drawing by which DA waitlist customers become eligible to enroll in DA service under the currently-applicable Direct Access Cap.

DA Waitlist – customers that have officially registered their interest in becoming a DA customer but are not yet able to enroll in service because of DA cap limitations.

DAC – Disadvantaged Community - Disadvantaged communities refers to the areas throughout California which most suffer from a combination of economic, health, and environmental burdens. These burdens include poverty, high unemployment, air and water pollution, presence of hazardous wastes as well as high incidence of asthma and heart disease. One way that the state identifies these areas is by collecting and analyzing information from communities all over the state. CalEnviroScreen, an analytical tool created by the California Environmental Protection Agency (CalEPA), combines different types of census tract-specific information into a score to determine which communities are the most burdened or "disadvantaged."

DASR – Direct Access Service Request – Request submitted by C&I customers to become direct access eligible.

Demand - The rate at which electric energy is delivered to or by a system or part of a system, generally expressed in kilowatts (kW), megawatts (MW), or gigawatts (GW), at a given instant or averaged over any designated interval of time. Demand should not be confused with Load or Energy.

DER – Distributed Energy Resource – A small-scale physical or virtual asset (e.g. EV charger, smart thermostat, behind-the-meter solar/storage, energy efficiency) that operates locally and is connected to a larger power grid at the distribution level.

Distribution - The delivery of electricity to the retail customer's home or business through low voltage distribution lines.

DLAP – Default Load Aggregation Point – In the CAISO's electricity optimization model, DLAP is the node at which all bids for demand should be submitted and settled.

DR – Demand Response - An opportunity for consumers to play a significant role in the operation of the electric grid by reducing or shifting their electricity usage during peak periods in response to time-based rates or other forms of financial incentives.

DRP – Distributed Resource Plans - plans that are required by statute that are intended to identify optimal locations for the deployment of distributed resources.

DWR – Department of Water Resources – DWR manages California's water resources, systems, and infrastructure in a responsible, sustainable way.

ECR – Enhanced Community Renewable - An IOU program that reflects the "Community Solar" model of renewable energy purchasing. Customers sign up to purchase a portion of a local solar project directly from a Developer at a level that meets at least 25% of their monthly electricity demand, but up to 100%. The customer will pay the Developer for the subscribed output, and receive a credit on their utility bill that reflects their enrollment level.

ED – Energy Division - The CPUC's Energy Division develops and administers energy policy and programs to serve the public interest, advise the Commission, and ensure compliance with the Commission decisions and statutory mandates.

EE – Energy Efficiency- the use of less energy to perform the same task or produce the same result. Energy-efficient homes and buildings use less energy to heat, cool, and run appliances and electronics, and energy-efficient manufacturing facilities use less energy.

ELCC – Effective Load Carrying Capacity – The additional load met by an incremental generator while maintaining the same level of system reliability. For solar and wind resources the ELCC is the amount of capacity which can be counted for Resource Adequacy purposes.

EPIC – Electric Program Investment Charge – The EPIC program was created by the CPUC to support investments in clean energy technologies that provide benefits to the electricity ratepayers of PG&E, San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE)

ERRA – Energy Resource Recovery Account – ERRA proceedings are used to determine fuel and purchased power costs which can be recovered in rates. The utilities do not earn a rate of return on these costs, and only recover actual costs. The costs are forecast for the year ahead. If the actual costs are lower than forecast, then the utility gives money back, and vice versa.

ES – Energy Storage - the capture of energy produced at one time for use at a later time to reduce imbalances between energy demand and energy production.

ESA – Energy Storage Agreement - means a battery services contract, a capacity contract, demand response contract or similar agreement.

ESP – Energy Service Provider - An energy entity that provides service to a retail or end-use customer.

EV – Electric Vehicle - a vehicle that uses one or more electric motors for propulsion.

FCR – Flexible Capacity Requirements - "Flexible capacity need" is defined as the quantity of resources needed by the CAISO to manage grid reliability during the greatest three-hour continuous ramp in each month. Resources will be considered as "flexible capacity" if they can sustain or increase output, or reduce ramping needs, during the hours of "flexible need." "FCR" means the flexible capacity requirements established for LSEs by the CPUC pursuant to the CPUC Decisions.

GHG – Greenhouse gas - water vapor, carbon dioxide, tropospheric ozone, nitrous oxide, methane, and chlorofluorocarbons (CFCs). A gas that causes the atmosphere to trap heat radiating from the earth. The most common GHG is Carbon Dioxide, though Methane and others have this effect as well.

GRC – General Rate Case – Proceedings used to address the costs of operating and maintaining the utility system and the allocation of those costs among customer classes. For California's three large IOUs, the GRCs are parsed into two phases. Phase I of a GRC determines the total amount the utility is authorized to collect, while Phase II determines the share of the cost each customer class is responsible and the rate schedules for each class. Each large electric utility files a GRC application every three years for review by the Public Advocates Office and interested parties and approval by the CPUC.

GTSR – Green Tariff Shared Renewables - The GTSR program enables customers to receive 50 to 100 percent of their electricity demand from renewable sources. The GTSR program has two components: the Green Tariff (GT) component and the Enhanced Community Renewables (ECR) component. Through GT, a customer may pay the difference between their current generation charge and the cost of procuring 50 to 100 percent renewables. With ECR, a customer agrees to purchase a share of a community renewable (typically solar) project directly from a developer, and in exchange will receive a credit from their utility for the customer's avoided generation procurement.

GWh – Gigawatt-hour - The unit of energy equal to that expended in one hour at a rate of one billion watts. One GWh equals 1,000 megawatt-hours.

ICA – Integration Capacity Analysis - The enhanced integrated capacity and locational net benefit analysis quantifies the capability of the system to integrate Distributed Energy Resources (DERs) within the distribution system. Results are dependent on the most limiting element of the various power system criteria such as thermal ratings, power quality, system protection limits and safety standards of existing equipment.

IDER – Integrated Distributed Energy Resources – A CPUC proceeding that aims to more effectively coordinate the integration of demand-side resources in order to better meet customer and grid needs, while enabling California to attain its greenhouse gas reduction goals.

IDSM – Integrated Demand-Side Management - an approach that joins together all the resources utilities have at their disposal to plan, generate and supply electricity in the most efficient manner possible.

IEP – Independent Energy Producers – California's oldest and leading nonprofit trade association, representing the interest of developers and operators of independent energy facilities and independent power marketers.

IMD – Independent Marketing Division - Under state law, IOUs are prohibited from lobbying or marketing on community choice unless the IOU forms an independent marketing division funded by shareholders rather than ratepayers. SDG&E' and its parent company Sempra were permitted by the CPUC to create such an independent marketing division, which allowed SDG&E to lobby against plans to create a CCA program.

IOU – Investor-Owned Utility – A private electricity and natural gas provider, such as SDG&E, PG&E or SCE, which are the three largest IOUs in California.

IRP – Integrated Resource Plan – A plan which outlines an electric utility's resource needs in order to meet expected electricity demand long-term.

kW – Kilowatt – Measure of power where power (watts) = voltage (volts) x amperage (amps) and 1 kW = 1000 watts

kWh – Kilowatt-hour – This is a measure of consumption. It is the amount of electricity that is used over some period of time, typically a one-month period for billing purposes. Customers are charged a rate per kWh of electricity used.

LCE – Lancaster Choice Energy - the CCA that serves the City of Lancaster, California.

LCFS – Low Carbon Fuel Standard – A CARB program designed to encourage the use of cleaner low-carbon fuels in California, encourage the production of those fuels, and therefore, reduce greenhouse gas emissions.

LCR – Local (RA) Capacity Requirements – The amount of Resource Adequacy capacity required to be demonstrated in a specific location or zone.

LMP – Locational Marginal Price – Each generator unit and load pocket is assigned a node in the CAISO optimization model. The model will assign a LMP to the node in both the day- ahead and real time market as it balances the system using the least cost. The LMP is comprised of three components: the marginal cost of energy, congestion and losses. The LMP is used to financially settle transactions in the CAISO.

LNBA – Locational Net Benefits Analysis - a cost-benefit analysis of distributed resources that incorporates location-specific net benefits to the electric grid.

Load - An end use device or customer that receives power from an energy delivery system. Load should not be confused with Demand, which is the measure of power that a load receives or requires. See Demand.

LSE – Load-serving Entity – Entities that have been granted authority by state, local law or regulation to serve their own load directly through wholesale energy purchases and have chosen to exercise that authority.

LTPP – Long-Term Procurement Rulemaking - This is an "umbrella" proceeding to consider, in an integrated fashion, all of the Commission's electric procurement policies and programs.

MCE – Marin Clean Energy - the first CCA in California that began serving customers in 2010. They serve customers in Contra Costa, Marin, Napa and Solano counties in Northern California.

MEO – Marketing Education and Outreach - a term generally used to describe various strategies to inform customers, such as to motivate consumers to take action on energy efficiency or conservation measures and change their behavior.

MW – Megawatt – measure of power. A megawatt equals 1,000 kilowatts or 1 million watts.

MWH – Megawatt-hour – measure of energy

NAESCO – National Association of Energy Service Companies - – an advocacy and accreditation organization for energy service companies (ESCOs). Energy Service Companies contract with private and public sector energy users to provide cost-effective energy efficiency retrofits across a wide spectrum of client facilities.

NBC – Non-Bypassable Charge - fees that are paid on every kilowatt-hour of electricity that is consumed from the grid. These charges can be used to fund things like energy assistance programs for low-income households and energy efficiency programs. These charges apply even if customers buy grid-supplied power from an outside power company such as a CCA.

NDA – Non-Disclosure Agreement - a contract by which one or more parties agree not to disclose confidential information that they have shared with each other.

NEM – Net Energy Metering – A program in which solar customers receive credit for excess electricity generated by solar panels.

NRDC – Natural Resources Defense Council - non-profit international environmental advocacy group.

NP-15 – North Path 15 – NP-15 is a CAISO pricing zone usually used to approximate wholesale electricity prices in northern California in PG&E's service territory.

OIR – Order Instituting Rulemaking - A procedural document that is issued by the CPUC to start a formal proceeding. A draft OIR is issued for comment by interested parties and made final by vote of the five Commissioners of the CPUC.

OSC – Order to Show Cause - order requiring an individual or entity to explain, justify, or prove something.

ORA – Office of Ratepayer Advocates - the independent consumer advocate within the CPUC, now called Public Advocates office.

PA – Program Administrator (for EE Business Plans) IOUs and local government agencies authorized to implement CPUC-directed Energy Efficiency programs.

PCE – Peninsula Clean Energy Authority - CCA serving San Mateo County and all 20 of its cities and towns as well as the City of Los Banos.

PCC1 – RPS Portfolio Content Category 1 – Bundled renewables where the energy and REC are dynamically scheduled into a California Balancing Authority (CBA) such as the CAISO. Also known as "in-state" renewables.

PCC2 – RPS Portfolio Content Category 2 – Bundled renewables where the energy and REC are from out-of-state and not dynamically scheduled to a CBA.

PCC3 – RPS Portfolio Content Category 3 – Unbundled REC

PCIA or "exit fee" - Power Charge Indifference Adjustment (PCIA) is an "exit fee" based on stranded costs of utility generation set by the California Public Utilities Commission. It is calculated annually and assessed to customers of CCAs and paid to the IOU that lost those customers as a result of the formation of a CCA.

PCL – Power Content Label – A user-friendly way of displaying information to California consumers about the energy resources used to generate the electricity they sell, as required by AB 162 (Statue of 2009) and Senate Bill 1305 (Statutes of 1997).

PD – Proposed Decision – A procedural document in a CPUC Rulemaking that is formally commented on by parties to the proceeding. A PD is a precursor to a final Decision voted on by the five Commissioners of the CPUC.

PG&E – Pacific Gas & Electric - the IOU that serves 16 million people over a 70,000 square mile service area in Northern California.

PHC – Prehearing Conference - CPUC hearing to discuss the scope of a proceeding among other matters. Interested stakeholders can request party status during these.

Pnode – Pricing Node – In the CAISO optimization model, it is a point where a physical injection or withdrawal of energy is modeled and for which a LMP is calculated.

PPA – Power Purchase Agreement – A contract used to purchase the energy, capacity and attributes from a renewable resource project.

PRP – Priority Review Project - transportation electrification pilot projects approved by the CPUC pursuant to SB 350.

PRRR – Progress on Residential Rate Reform – Pursuant to a CPUC decision, the IOUs must submit to the CPUC and parties periodic updates on the progress of their efforts to assist customers with residential rate design changes related to rate reform, including tier collapse and transition to a default time of use rate.

PUC – Public Utilities Code - California statute that contains 33 Divisions, and the range of topics within this Code includes natural gas restructuring, private energy producers, telecommunication services, and specific municipal utility districts and transit authorities. Primary statute for governance of utilities as well as CCAs in California.

PURPA – Public Utilities Regulatory Policy Act - federal statute passed by Congress to encourage fuel diversity via alternative energy sources and to introduce competition into the electric sector. It was meant to promote energy conservation (reduce demand) and promote greater use of domestic energy and renewable energy (increase supply). The law was created in response to the 1973 energy crisis.

RA – Resource Adequacy - Under its Resource Adequacy (RA) program, the California Public Utilities Commission (CPUC) requires load-serving entities—both independently owned utilities and electric service providers—to demonstrate in both monthly and annual filings that they have purchased capacity commitments of no less than 115% of their peak loads.

RAM – Renewables Auction Mechanism - a procurement program the Investor-owned Utilities (IOUs) may use to procure RPS eligible generation. The IOUs may use RAM to satisfy authorized procurement needs, for example, system Resource Adequacy needs, local Resource Adequacy needs, RPS needs, reliability needs, Local Capacity Requirements, Green Tariff Shared Renewables needs, and any need arising from Commission or legislative mandates.

RE – Renewable Energy - Energy from a source that is not depleted when used, such as wind or solar power.

REC - Renewable Energy Certificate - A REC is the property right to the environmental benefits associated with generating renewable electricity. For instance, homeowners who generate solar electricity are credited with 1 solar REC for every MWh of electricity they produce. Utilities obligated to fulfill an RPS requirement can purchase these RECs on the open market.

RES-BCT – Renewables Energy Self-Generation Bill Credit Transfer - This program enables local governments and universities to share generation credits from a system located on one government-owned property with billing accounts at other government-owned properties. The system size limit under RES-BCT is 5 MW, and bill credits are applied at the generation-only portion of a customer's retail rate.

RFO – Request for Offers a competitive procurement process used by organizations to solicit the submission of proposals from interested parties in response to a scope of services.

RPS - Renewable Portfolio Standard - Law that requires CA utilities and other load serving entities (including CCAs) to provide an escalating percentage of CA qualified renewable power (culminating at 33% by 2020) in their annual energy portfolio.

SB – Senate Bill - a piece of legislation that is introduced in the Senate. In other words, the Senate, rather than the Assembly, is the house of origin in the legislature for the legislation.

SCE – Southern California Edison - the large IOU that serves the Los Angeles and Orange County area.

SCP – Sonoma Clean Power Authority - CCA serving Sonoma County and surrounding areas in Northern California.

SDG&E – San Diego Gas & Electric - the IOU that serves San Diego county, they own the infrastructure that delivers SDCP energy to customers.

SGIP – Self-Generation Incentive Program – A program which provides incentives to support existing, new, and emerging distributed energy resources (storage, wind turbines, waste heat to power technologies, etc.)

SUE – Super User Electric - electric surcharge that's intended to penalize consumers for excessive energy use.

SVCE – Silicon Valley Clean Energy - CCA serving Silicon Valley Area.

TCR EPS Protocol – The Climate Registry Electric Power Sector Protocol – Online tools and resources provided by The Climate Registry to assist organizations to measure, report, and reduce carbon emissions.

TE – Transportation Electrification - For the transportation sector, electrification means replacing fossil fuels with electricity as the means of powering light-duty vehicles, medium- and heavy-duty trucks, and buses. The primary goal is to reduce greenhouse gas (GHG) emissions and, ultimately, contribute to mitigating the effects of climate change on the planet.

Time-of-Use (TOU) Rates — The pricing of delivered electricity based on the estimated cost of electricity during a particular time-block. Time-of-use rates are usually divided into three or four time-blocks per 24 hour period (on-peak, mid-peak, off-peak and sometimes super off-peak) and by seasons of the year (summer and winter). Real time pricing differs from TOU rates in that it is based on actual (as opposed to forecasted) prices that may fluctuate many times a day and are weather sensitive, rather than varying with a fixed schedule.

TM – Tree Mortality - refers to the death of forest trees and provides a measure of forest health. In the context of energy, the CPUC is tasked with utilizing its authority to extend contracts and take actions to authorize new contracts on bioenergy facilities that receive feedstock from high hazard zones.

TURN – The Utility Reform Network - A ratepayer advocacy group charged with ensuring that California IOUs implement just and reasonable rates.

Unbundled RECs - Renewable energy certificates that verify a purchase of a MWH unit of renewable power where the actual power and the certificate are "unbundled" and sold to different buyers.

VPP – Virtual Power Plant – A cloud-based network that leverages an aggregation of distributed energy resources (DERs) to shift energy demand or provide services to the grid. For example, thousands of EV chargers could charge at a slower speed and hundreds of home batteries could discharge to the grid during a demand peak to significantly reduce the procurement of traditional supply resources.

VAMO – Voluntary Allocation, Market Offer - the process for SDG&E to allocate a proportional share of their renewable portfolio to SDCP and other LSEs within the service territory.