



AGENDA

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

June 23, 2022
5:00 p.m.

The meeting will proceed as a teleconference meeting in compliance with waivers to certain provisions of the Brown Act provided for under Government Code section 54953(e)(1)(A), in relation to the COVID-19 State of Emergency and recommended social distancing measures. There will be no location for in-person public attendance. In compliance with the Brown Act, SDCP is providing alternatives to in-person public attendance for viewing and participating in the meeting. Further details are below.

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 as a whole through the Chair. Comments may be provided in one of the following manners:

1. **Providing Oral Comments During Meeting.** To provide 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. Please be aware that the Chair has the authority to reduce equally each speaker's time to accommodate a large number of speakers.
2. **Written Comments.** Written public comments must be submitted prior to the start of the meeting by using this ([web 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

Pledge of Allegiance

Roll Call

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 Findings to Continue Holding Remote/Teleconference Meetings Pursuant to Assembly Bill 361**
- 2. Receive and File Treasurer's Report for Period Ending 4/30/22**
- 3. Approval of Amendment to Professional Services Agreement with Maher Accountancy for up to \$223,000 for services in FY2023**
- 4. Approval of Amendment to Professional Services Agreement with Tosdal APC for up to \$314,000 for Legal and Regulatory Services in FY2023.**
- 5. Approval of Amendment to Professional Services Agreement with Keys & Fox, LLP for up to \$250,000 for Legal Services in FY2023.**
- 6. Update on Regulatory and Legislative Affairs**
- 7. Update on Back Office Metrics/Dashboard**
- 8. Approval of Community Advisory Committee (CAC) Reappointment of Members for Terms Ending in 2022.**

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.

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

10. Approval of FY 2023 Operating Budget

Recommendation: Approve the FY 2023 Operating Budget.

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

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

Reports by Management 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.

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, 815 E Street, Suite 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, 2488 Historic Decatur Road, Suite 250, San Diego, CA 92106. Please contact info@sdcommunitypower.org to arrange an appointment.



SAN DIEGO COMMUNITY POWER Staff Report – Item 1

To: San Diego Community Power Board of Directors

From: Ryan Baron, General Counsel

Subject: Findings to Continue Holding Remote/Teleconference Meetings Pursuant to Assembly Bill 361

Date: June 23, 2022

RECOMMENDATION

Find and determine that the Board has reconsidered the circumstances of the COVID-19 State of Emergency; the State of Emergency remains in effect; state or local officials continue to impose or recommend social distancing measures; and meetings of SDCP legislative bodies may be held remotely in compliance with Government Code section 54953(e) for the next 30 days.

BACKGROUND

As more fully described in the staff report for the October 28, 2021 meeting related to AB 361, the State of California has adopted AB 361, which allows public agencies to hold fully or partially virtual meetings under certain circumstances without being required to follow certain Brown Act teleconferencing requirements. Under AB 361, a legislative body holding a fully or partially virtual meeting pursuant to AB 361 must make certain findings at least every thirty (30) days to continue holding such meetings.

If the Board desires to continue allowing Directors and members of SDCP committees to participate remotely pursuant to AB 361, the Board must reconsider the COVID-19 State of Emergency, find that the proclaimed State of Emergency remains in effect, and find either: (1) that state or local officials continue to impose or recommend measures to promote social distancing; or (2) that as a result of the COVID-19 emergency, meeting in person would present imminent risks to the health or safety of attendees.

ANALYSIS AND DISCUSSION

Based on the continued COVID-19 State of Emergency and continued required or recommended social distancing measures, as initially described in the staff report for October 28, 2021 meeting relating to AB 361, the Board may make the findings necessary to continue allowing Board members and members of all SDCP committees to participate remotely pursuant to AB 361.

FISCAL IMPACT

None.

ATTACHMENTS

None.





SAN DIEGO COMMUNITY POWER Staff Report – Item 2

To: San Diego Community Power Board of Directors

From: Eric W. Washington, Chief Financial Officer

Via: Karin Burns, Chief Executive Officer

Subject: Treasurer's Report – Presentation of Financial Results for Fiscal Year 2022 Period ended 4/30/22

Date: June 23, 2022

RECOMMENDATION

Receive and File Treasurer's Report for Period Ending 4/30/22

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 year-to-date financial statements for the period ended April 30, 2022, along with budgetary comparisons.

ANALYSIS AND DISCUSSION

Financial results for the period ended 4/30/22: \$274.95 million in net operating revenues were reported compared to \$277.95 million budgeted for the period. \$264.75 million in total expenses were reported (including \$257.57 million in energy cost) compared to \$274.91 million budgeted for the period (including \$266.34 million budgeted for energy costs). After expenses, SDCP's change in net position of \$10.20 million was reported YTD Fiscal Year 2022. The following is a summary of the actual results compared to the YTD Fiscal Year 2022 Budget.

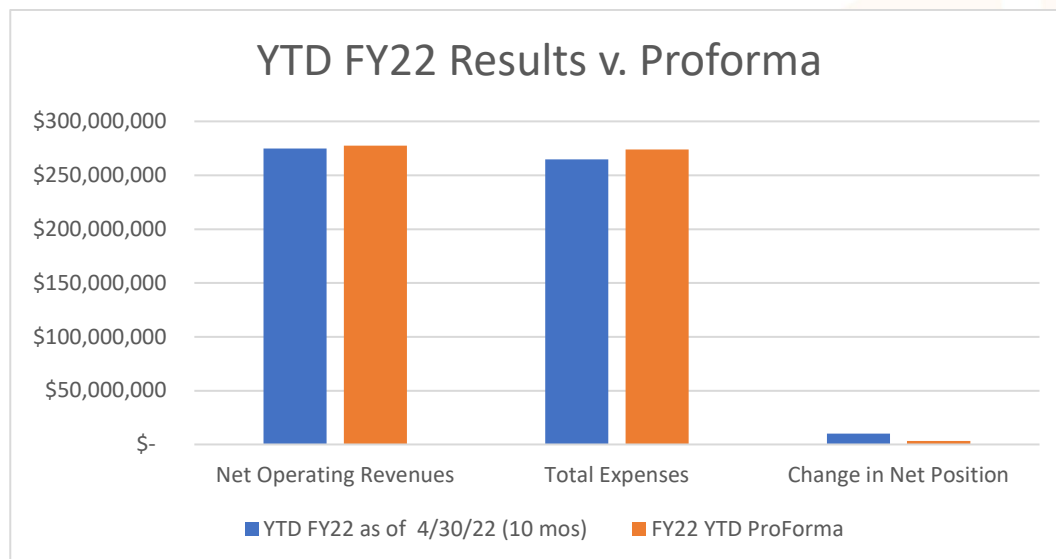
		Budget Comparison		
	YTD FY22 as of 4/30/22 (10 mos)	FY22 YTD Budget	Budget Variance (\$)	Budget (%)
Net Operating Revenues	\$ 274,947,538	\$ 277,946,768	\$ (2,999,230)	99
Total Expenses	\$ 264,751,778	\$ 274,906,492	\$ (10,154,714)	96
Change in Net Position	\$ 10,195,760	\$ 3,040,276	\$ 7,155,484	

- Net operating revenues finished -\$3.00 million (or -1.1 percentage points) under the amended budget primarily as a result of a timing differential related to billing which will be resolved in the next reporting period.
- Operating expenses finished -\$10.15 million (or -3.7 percentage points) under the amended budget primarily due savings from hedging activities.

Financial results for the period performed better than the projections presented in the year-to-date proforma. SDCP's change in net position was 202.68% over the projection primarily due to lower-than projected energy costs as a result of hedging activities. This was partially offset by lower-than expected net operating revenue.

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

	YTD FY22 as of 4/30/22 (10 mos)	FY22 YTD ProForma	ProForma Variance (\$)	Proforma (%)
Net Operating Revenues	\$ 274,947,538	\$ 277,553,840	\$ (2,606,302)	-0.94%
Total Expenses	\$ 264,751,778	\$ 274,185,332	\$ (9,433,554)	-3.44%
Change in Net Position	\$ 10,195,760	\$ 3,368,508	\$ 6,827,252	202.68%



COMMITTEE REVIEW

The report was reviewed by the Financial Risk Management Committee (FRMC) on June 6, 2022.

FISCAL IMPACT

N/A

ATTACHMENTS

Attachment A: 2022 Year-to-Date Period Ended 4/30/22 Financial Statements



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 April 30, 2022, 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
May 26, 2022

SAN DIEGO COMMUNITY POWER
STATEMENT OF NET POSITION
As of April 30, 2022

ASSETS

Current assets	
Cash and cash equivalents	\$ 6,764,220
Accounts receivable, net	24,133,968
Accrued revenue	14,068,656
Prepaid expenses	1,645,192
Other receivables	672,200
Deposits	6,012,057
Total current assets	<u>53,296,293</u>
Noncurrent assets	
Restricted cash	12,500,000
Deposits	3,650,000
Total noncurrent assets	<u>16,150,000</u>
Total assets	<u>69,446,293</u>

LIABILITIES

Current liabilities	
Accrued cost of energy	34,703,886
Accounts payable	510,939
Other accrued liabilities	424,270
State surcharges payable	92,532
Security deposits	604,000
Interest payable	105,720
Total current liabilities	<u>36,441,347</u>
Noncurrent liabilities	
Other noncurrent liabilities	517,741
Bank note payable	31,340,082
Loans payable	5,000,000
Total noncurrent liabilities	<u>36,857,823</u>
Total liabilities	<u>73,299,170</u>

NET POSITION

Unrestricted	<u>(3,852,877)</u>
Total net position (deficit)	<u>\$ (3,852,877)</u>

SAN DIEGO COMMUNITY POWER
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Ten Months Ended April 30, 2022

OPERATING REVENUES

Electricity sales, net	\$ 274,947,538
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OPERATING EXPENSES

Cost of energy	257,570,521
Contract services	2,170,665
Staff compensation	2,941,599
General and administration	1,545,125
Total operating expenses	264,227,910
Operating income	10,719,628

NONOPERATING EXPENSES

Interest and financing expense	523,868
Nonoperating expenses	523,868

CHANGE IN NET POSITION

	10,195,760
Net position at beginning of period	(14,048,637)
Net position at end of period	\$ (3,852,877)

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS
Ten Months Ended April 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 250,971,591
Receipts of supplier security deposits	184,000
Other operating receipts	5,596,638
Payments to suppliers for electricity	(241,754,271)
Payments for goods and services	(3,839,227)
Payments to employees for services	(2,640,761)
Payments for deposits and collateral	(7,183,708)
Payments for state surcharges	(808,996)
Net cash provided (used) by operating activities	<u>525,266</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Proceeds from loans	8,500,000
Interest and related expense payments	<u>(481,612)</u>
Net cash provided (used) by non-capital financing activities	<u>8,018,388</u>

Net change in cash and cash equivalents	8,543,654
Cash and cash equivalents at beginning of period	<u>10,720,566</u>
Cash and cash equivalents at end of period	<u><u>\$ 19,264,220</u></u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)	6,764,220
Restricted cash	<u>12,500,000</u>
Cash and cash equivalents	<u><u>\$ 19,264,220</u></u>

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS (continued)
Ten Months Ended April 30, 2022

**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income	\$ 10,719,628
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Provision for uncollectible accounts	2,777,248
(Increase) decrease in:	
Accounts receivable	(25,795,095)
Accrued revenue	(1,848,347)
Other receivables	3,371,072
Prepaid expenses	(1,645,192)
Deposits	(5,762,057)
Increase (decrease) in:	
Accrued cost of electricity	18,559,165
Accounts payable	148,657
Other accrued liabilities	334,936
State surcharges payable	81,251
Supplier security deposits	(416,000)
Net cash provided (used) by operating activities	<u><u>\$ 525,266</u></u>



SAN DIEGO COMMUNITY POWER Staff Report – Item 3

To: San Diego Community Power Board of Directors

From: Eric Washington, Chief Financial Officer

Via: Karin Burns, Chief Executive Officer

Subject: Amendment to Professional Services Agreement with Maher Accountancy for up to \$223,000 for services in FY2023

Date: June 23, 2022

RECOMMENDATION

Approve the second amendment to the professional services agreement with Maher Accountancy to extend the term and establish a \$223,000 maximum compensation amount payable for its services from July 1, 2022 to June 30, 2023, and to authorize the Chief Executive Officer or Chief Financial Officer to execute the Agreement.

BACKGROUND

On June 25, 2020, the San Diego Community Power (SDCP) Board of Directors (Board) received an update from staff on request for proposals and other solicitations stating that an accounting firm with Community Choice Aggregation (CCA) experience, Maher Accountancy (Consultant), would be retained and would start work for SDCP on August 1, 2020. Subsequently, on August 1, 2020, the professional services agreement (Agreement) between SDCP and the Consultant was executed for a term of August 1, 2020 to July 31, 2021, with a not-to-exceed amount of \$112,500.

Later, on May 27, 2021, the Board approved the first amendment to the Agreement to establish the not-to-exceed amount of \$241,000 for the period covering May 1, 2021 to June 30, 2022. This amendment was needed to extend the accounting services with the Consultant. The not-to-exceed amount was also increased to be in alignment with the level of accounting services needed – in Fiscal Year 2020-21 SDCP's operating expense budget was \$33.8 million and, by comparison, in Fiscal Year 2021-22, SDCP's operating expense budget was \$341.2 million.

SDCP completed Phase 3 Residential Enrollment in early June 2022. Therefore, extending the engagement term will facilitate the continuity and consistency of financial reporting through the end of fiscal year 2023. Maher Accountancy is believed to have the expertise needed given the firm's level of experience in the CCA industry.

ANALYSIS AND DISCUSSION

Maier Accountancy is a full-service audit, accounting, tax, and business consulting firm that provides services to businesses and local governments across California. The Consultant provides full-service accounting to eight other CCA clients in the state and provides ancillary services for other CCAs using software and analytical tools developed specifically for its CCA accounts.

The proposed not-to-exceed amount of \$223,000 for the period from July 1, 2022 to June 30, 2023 (12 months), or \$17,500/month plus a \$13,00 one-time audit support fee. This, is an increase from the first amendment which included a not-to-exceed amount of \$241,000 for the period from May 1, 2021 to June 30, 2022, or \$16,500/month (14 months) plus a one-time audit support fee. This translates to a 7.95% increase rate for the second amendment to the first amendment of the Agreement. This increase is in alignment with the combination of cost-of-living increases resulting from inflation and the level of accounting services needed.

By comparison, in Fiscal Year 2021-22, SDCP's operating expense budget was \$341.2 million and in Fiscal Year 2022-23, SDCP's proposed expense budget is \$693.6 million (per the June 6, 2022 meeting of the Financial and Risk Management Committee). This is a 103.28% increase year-over-year.

Scope of Services in FY23 (\$223,000)

Maier Accountancy's scope of services for the period outlines the below tasks.

- **Monthly Financial Operational Assistance (\$17,500 fixed monthly fee)**
 1. Maintain accounting system, accounts payable system and processes.
 2. Maintain the general ledger with proper support and documentation.
 3. Manage accounts payable.
 4. Assist with compliance of fiscal provisions of non-energy vendor contracts for services.
 5. Provide periodic and year-to-date financial statements in compliance with GAAP (without disclosures).
 6. Provide monthly financial statements with comparison to budget.
 7. Filing annual information returns, such as form 1099/1096's.
 8. Prepare and file various compliance reports for state and local agencies such as user taxes, energy surcharges and state controller reports including financial transaction and government compensation in California.
 9. Assist in treasury function and assist staff with development of the operating budget.
- **Financial Statement Audit Support (\$13,000 one-time fee)**
 1. Draft financial statements, notes, and MD&A letter.
 2. Prepare audit workpapers.
 3. Coordinate with CCA and auditor.



FISCAL IMPACT

Approval of the proposed second amendment to the Agreement will increase the not-to-exceed amount of the Agreement by \$223,000 for the period from July 1, 2022 to June 30, 2023 and represents a 7.95% increase from the first amendment. Staff believe this is a very reasonable increase given current inflation factors and given the 103.28% increase from SDCP's FY22 expense budget to the FY23 expense budget. The cost of this action is also included in the FY23 proposed budget pending review and final approval by the Board.

ATTACHMENTS

Attachment A: Second Amendment to Professional Services Agreement Between San Diego Community Power and Maher Accountancy.



SECOND AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT BETWEEN SAN DIEGO COMMUNITY POWER AND MAHER ACCOUNTANCY

THIS SECOND AMENDMENT (this “Amendment”) is entered into as of this June 23, 2022 by and between SAN DIEGO COMMUNITY POWER, a California joint powers agency (“SDCP”) and MAHER ACCOUNTANCY, a California corporation (“Consultant”). SDCP and Consultant are sometimes individually referred to herein as the “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, the Parties entered into that certain Professional Services Agreement between San Diego Community Power and Maher Accountancy, dated August 1, 2020 (the “Agreement”); and

WHEREAS, the Parties amended the Agreement to extend the term and establish the maximum compensation amount payable to Consultant for its services from May 1, 2021 to June 30, 2022.

WHEREAS, pursuant to the Agreement, Consultant provides accounting services to SDCP; and

WHEREAS, the parties desire to amend the Agreement to extend the term and establish the maximum compensation amount payable to Consultant for its services from July 1, 2022 to June 30, 2023.

NOW, THEREFORE, it is agreed by and between the parties as follows:

1. Recitals. The Recitals set forth above are true and correct and are incorporated into the body of this Amendment as though expressly set forth herein.
2. Amendment of Section 1.2. Section 1.2 of the Agreement is amended to extend the term of the Agreement to June 30, 2023.
3. Amendment of Section 3.1. Section 3.1 of the Agreement is amended to establish the not-to-exceed amount payable by SDCP to Consultant for Consultant’s services to \$223,000 for the period covering July 1, 2022 to June 30, 2023.
4. Scope of Work and Compensation for Services from July 1, 2022 to June 30, 2023. The Agreement is amended to add Exhibits A-1 (Scope of Services) and C-1 (Payment for Services Rendered), attached hereto and incorporated herein, to apply to Consultant’s services for the period covering July 1, 2022 to June 30, 2023.
5. Effect of Amendment. Except as expressly set forth in this Amendment, all other sections, provisions, exhibits and commitments of the Agreement remain unchanged and in full force and effect.

6. Counterparts. This Amendment may be executed in one or more counterparts, including facsimile counterparts, each of which shall, for all purposes, be deemed an original and all such counterparts, taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this First Amendment to the Professional Services Agreement between San Diego Community Power and Maher Accountancy as of the date first set forth above.

SAN DIEGO COMMUNITY POWER

MAHER ACCOUNTANCY

Name: Karin Burns
Title: Chief Executive Officer
Date: _____

Name: Michael Maher
Title: Vice President and Secretary
Date: _____

ATTEST:

Secretary, SDCP Board of Directors

Name: John Maher
Title: President
Date: _____

APPROVED AS TO FORM:

SDCP General Counsel

EXHIBIT A-1
SCOPE OF SERVICES

A. Monthly Financial Operational Assistance:

1. Maintain accounting system, accounts payable system and processes.
2. Maintain the general ledger with proper support and documentation, including:
 - a. Posting accrued revenue, cash receipts, accounts payable, cash disbursements, payroll, accrued expenses, aggregate customer billings, etc.
 - b. Prepare or maintain the following monthly analysis regarding general ledger account balances:
 - i. Reconciliation to statements from CCA's financial institution for cash activity and balances;
 - ii. Reconciliation of customer data manager reports of customer activity and accounts receivable aging to general ledger;
 - iii. Computation of estimated user fees earned but not billed as of the end of the reporting period;
 - iv. Schedule of depreciation of capital assets;
 - v. Aged schedule of accounts payable;
 - vi. Schedules of details regarding all remaining balance sheet accounts.
3. Manage accounts payable: Maher utilizes a cloud-based accounts payable document management system to provide for documentation of management review, proper segregation of duties, and access to source data. Maher ensures that required authorization is documented and that account coding is correct. CCA's staff then authorizes the release of payment, providing an additional safeguard.
4. Assist with compliance of fiscal provisions of non-energy vendor contracts for services. Before remitting vendor invoices for management approval, Maher verifies that each vendor invoice is compliant with contract provisions regarding time periods, rates, and financial limits.
5. Provide periodic and year-to-date financial statements in compliance with GAAP (without disclosures). The financial statements will be considered a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the AICPA.
6. Provide monthly financial statements with comparison to budget.
 - a. Provide timely budget amendments and insight suggestions.
7. Filing annual information returns, such as form 1099/1096's.
8. Prepare and file various compliance reports for state and local agencies such as user taxes, energy surcharges and state controller reports including financial transaction and government compensation in California.
9. Assist in treasury function and assist staff with development of the operating budget.

B. Financial Statement Audit Support

1. Draft financial statements, notes, and MD&A letter
2. Prepare audit workpapers
3. Coordinate with CCA and auditor.

EXHIBIT C-1

PAYMENT FOR SERVICES RENDERED

Maximum Limit & Fee Schedule

The total amount for services rendered not to exceed **\$223,000.00**. (NTE covers 12 months from July 1, 2022 to June 30, 2023.)

For monthly financial operations support, CCA will be billed with a fixed monthly fee of \$17,500.

For financial statement audit report, CCA will be billed a one-time fee of \$13,000 upon completion of the audit.

Reimbursable Expenses

Administrative, overhead, secretarial time or overtime, word processing, photocopying, in house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. CCA user fees and payment issuance costs charged by cloud-based accounts payable services will be borne by the CCA.



SAN DIEGO COMMUNITY POWER Staff Report – Item 4

To: San Diego Community Power Board of Directors

From: Sebastian Sarria, Program and Policy Manager
Stephen Gunther, Senior Regulatory Analyst

Via: Karin Burns, Chief Executive Officer

Subject: Approval of Amendment to Professional Services Agreement with Tosdal APC for Legal and Regulatory Services for up to \$314,000 for services in FY2023

Date: June 23, 2022

RECOMMENDATION

Approve Third Amendment to Professional Services Agreement with Tosdal APC to Add a Not-To-Exceed Amount of \$314,000 for FY 23 and Authorize the CEO to Execute The Agreement.

BACKGROUND

In November 2019, Tosdal APC was approved by the Board of Directors to provide energy regulatory counsel and legal services with a not-to-exceed amount of \$200,000. Tosdal, APC has extensive experience in the energy and regulatory advocacy space, including with Community Choice Aggregation (CCA) programs in California. In October of 2020, the Board approved increasing the contract by \$100,000 for a total amount not to exceed \$300,000 through June 30, 2021. In May of 2021, the contract was increased to include \$80,000 for services through June 30, 2021, and \$240,000 for FY 22.

ANALYSIS AND DISCUSSION

Staff recommends adding a not-to-exceed amount of \$314,000 for FY 23. The reasons for this amendment include continuing and increased efforts by Tosdal APC that are central to the critical nature of CPUC regulatory decisions relative to SDCP's financial position, as well as increased scope of work to include the following:

- Engaging in SDG&E's General Rate Case application, which is filed once every four years, including significant rate analysis support
- Increased effort related to the litigation of multiple RA Citation appeals
- Increased effort supporting development of SDCP programs, such as the Disadvantaged Community-Green Tariff/Community Solar-Green Tariff program
- Increased effort required by PCIA-related activities

The FY23 budget, which will be presented to the Board for approval at the June 2022 meeting, has \$314,000 set aside for energy regulatory and rate analysis services from Tosdal APC.

FISCAL IMPACT

Cost of this action includes a total amount not to exceed \$314,000 through June 30, 2023. Funding is available in the proposed FY23 budget.

ATTACHMENTS

Attachment A: THIRD AMENDMENT TO ENGAGEMENT LETTER BETWEEN
SAN DIEGO COMMUNITY POWER AND TOSDAL, APC



**THIRD AMENDMENT TO ENGAGEMENT LETTER BETWEEN
SAN DIEGO COMMUNITY POWER AND TOSDAL, APC**

THIS THIRD AMENDMENT (this “Amendment”) is entered into as of this [REDACTED] day of June, 2022, by and between SAN DIEGO COMMUNITY POWER, a California joint powers agency (“SDCP”) and TOSDAL, APC, a professional corporation (“Tosdal APC”). SDCP and Tosdal APC are sometimes individually referred to herein as the “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, SDCP (then called the “San Diego Regional Community Choice Energy Authority”) and Tosdal APC entered into that certain Engagement Letter dated November 18, 2019, a First Amendment to Engagement Letter dated October 22, 2020, and a Second Amendment to Engagement Letter dated June 18, 2021 (collectively, the “Agreement”); and

WHEREAS, pursuant to the Agreement, Tosdal APC provides advice and representation in connection with energy regulatory matters before the California Public Utilities Commission, California Energy Commission, and the California Independent System Operator, in addition to related issues facing community choice energy programs; and

WHEREAS, the Parties desire to amend the Agreement to extend the term of the Agreement for the next fiscal year and establish the maximum amount payable for the next fiscal year.

NOW, THEREFORE, it is agreed by and between the Parties as follows:

1. Recitals. The Recitals set forth above are true and correct and are incorporated into the body of this Amendment as though expressly set forth herein.
2. Extension of Term. The term of the Agreement is hereby extended until June 30, 2023.
3. Not-To-Exceed Amount for Current Fiscal Year. For the period of SDCP’s 2022-2023 fiscal year (July 1, 2022 – June 30, 2023), the not-to-exceed amount payable by SDCP to Tosdal APC under the Agreement shall be \$314,000.
4. Effect of Amendment. Except as expressly set forth in this Amendment, all other sections, provisions, exhibits and commitments of the Agreement remain unchanged and in full force and effect.
5. Counterparts. This Amendment may be executed in one or more counterparts, including facsimile counterparts, each of which shall, for all purposes, be deemed an original and all such counterparts, taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Third Amendment to the Engagement Letter between San Diego Community Power and Tosdal APC as of the date first set forth above.

SAN DIEGO COMMUNITY POWER

TOSDAL APC

Name: Karin Burns
Title: Chief Executive Officer
Date: _____

Name: Ty Tosdal
Title: Partner
Date: _____

ATTEST:

Secretary, SDCP Board of Directors

APPROVED AS TO FORM:

SDCP General Counsel



SAN DIEGO COMMUNITY POWER Staff Report – Item 5

To: San Diego Community Power Board of Directors

From: Byron Vosburg, Managing Director

Via: Karin Burns, Chief Executive Officer

Subject: Approval of Amendment to Professional Services Agreement with Keys & Fox, LLP for up to \$250,000 for Legal Services in FY2023

Date: June 23, 2022

RECOMMENDATION

Approve Engagement Letter Between Keyes & Fox LLP and San Diego Community Power and Authorize the CEO to Execute the Agreement.

BACKGROUND

In June 2021, SDCP entered into an Engagement Letter with Keyes & Fox LLP (K&F) to provide energy procurement and transaction-related counsel and legal services with a not-to-exceed amount (NTE) of \$100,000. In February 2022, SDCP entered into a second Engagement Letter with K&F with a NTE amount of \$100,000 to cover expected costs through June 30, 2022. K&F has extensive, specialized experience in the energy industry, including with Community Choice Aggregation (CCA) programs in California and with many of the renewable energy developers with whom SDCP expects to contract.

ANALYSIS AND DISCUSSION

Staff recommends that SDCP enter into a third Engagement Letter with K&F to cover expected costs through April 30, 2023. Since entering into the first Engagement Letter in June 2021, K&F has served as SDCP's primary procurement counsel, supporting energy contracting for long-term renewable power purchase agreements (PPAs); short-term renewable, carbon-free, resource adequacy, and energy hedge contracts; developing standardized form agreements for all products; enabling agreements with potential energy suppliers; negotiating with the incumbent utility for energy supply that it had previously secured on behalf of customers that are now served by SDCP; and exclusivity and offtake agreements related to SDCP's Local Request for Information. K&F's expertise, professionalism, and efficiency have enabled SDCP to:

- i) meet program goals related to renewable energy supply and promotion of local renewable energy development
- ii) minimize risk and costs associated with its energy supply contracts and portfolio
- iii) achieve successful compliance outcomes with respect to CAISO and CPUC Resource Adequacy requirements.

Through June 2022, SDCP has incurred costs of approximately \$200,000. This third Engagement Letter with an NTE of \$250,000 is expected to allow for continued transactional support through April 30, 2023.

FISCAL IMPACT

Cost of this action will not exceed \$250,000, which is expected to be sufficient to cover K&F costs through at least, April 30, 2023. Funding is available in the FY23 budget.

ATTACHMENTS

Attachment A: Engagement Letter Between Keyes & Fox LLP and San Diego Community Power



June 15, 2022

Attn: Mr. Byron Vosburg
San Diego Community Power
815 E Street, Suite 12716
San Diego, CA 92112

RE: Engagement Letter Between Keyes & Fox LLP and San Diego Community Power

Keyes & Fox LLP (“K&F”) welcomes the opportunity to continue representation of San Diego Community Power, a California joint powers authority, (“SDCP”) with respect to the procurement of wholesale electricity supply, energy storage, resource adequacy, renewable energy credits, and transmission rights to serve SDCP customers (referred to herein as “Legal Services”). This Engagement Letter excludes work that K&F is performing for SDCP under a separate joint representation agreement and replaces the engagement letter dated February 17, 2022. This Engagement Letter describes the basis of the attorney-client relationship between K&F and SDCP with respect to the Legal Services, along with an explanation of how K&F will bill for those services.

1. Scope of Engagement

Pursuant to this engagement letter, K&F agrees to represent SDCP as its client with regard to the Legal Services described above. Keyes & Fox will do its utmost to serve SDCP effectively, provide Legal Services in an efficient manner, and respond promptly to SDCP’s inquiries.

K&F has run a conflict check as it relates to the contemplated Legal Services and has not found any direct conflicts with undertaking them. If a conflict arises that may impact our ability to provide SDCP with effective representation, including with respect to negotiations that may involve current or former K&F clients as counterparties, we will promptly bring that conflict to SDCP’s attention. If you have any concerns regarding any relationship K&F may have with particular companies, organizations or individuals, please bring those concerns to our attention.

K&F will coordinate the provision of the Legal Services with Byron Vosburg as the designated representatives of SDCP, or with whomever he may specifically delegate that authority. We understand that Mr. Vosburg have the authority to make decisions on behalf of SDCP in connection with the Legal Services, and we are relying on that understanding.

2. Confidentiality of Communications and Work Product

It is in SDCP’s interest to preserve confidentiality of all communications with K&F and such work product related to the Legal Services not intended for use with third parties. If SDCP discloses any of our communications, it jeopardizes the privileged nature of the communications or work product. Accordingly, we advise our clients to take care not to disclose privileged information or work product not intended for use with third parties to any third-party person or entity.

3. Fees, Expenses, Invoicing, and Retainer

By signing this Engagement Letter, SDCP agrees to pay K&F for all professional fees and out-of-pocket expenses related to the Legal Services, according to the terms set forth below. Compensation under this Engagement Letter shall not exceed two hundred fifty thousand dollars (\$250,000) without prior authorization by SDCP.

a. Professional Fees

K&F will keep an hourly total of time spent on the Legal Services. Work will be performed at the hourly rates set forth in the Rates for Professionals provided in Attachment A to this Engagement Letter, which is incorporated by reference herein. Attachment A lists those persons we anticipate may work on the Legal Services. In addition to the K&F attorneys listed in Attachment A, the assistance of other K&F attorneys and/or staff may be enlisted from time to time as determined necessary for the provision of the Legal Services.

It is K&F's policy to adjust hourly rates for all attorneys and staff at the beginning of the calendar year. Historically, rate increases have been between 5-8% per year. Rates quoted in Attachment A are 2022 rates. K&F shall not increase hourly rates charged for work performed during calendar year 2022 Legal Services above those listed in Attachment A. K&F's practice is to charge for travel time, as discussed in Attachment A.

Mr. Fox and Ms. Lai will be the lead K&F attorneys working with you in connection with the Legal Services. Mr. Fox and Ms. Lai may utilize the services of other K&F attorneys in connection with this matter. By entering into this Engagement Letter, you consent in writing to Mr. Fox and Ms. Lai serving as the lead attorneys in this matter and to Mr. Fox's and Ms. Lai's assignment, with authorization by SDCP, of work on this matter to the other persons listed in Attachment A.

b. Expenses

Expenses may be incurred in connection with the Legal Services. K&F will bill for all costs, disbursements, and expenses in addition to our hourly fees. Costs and expenses include messenger and other delivery fees, copying and reproduction costs, costs for travel including mileage and parking, and similar expenses. Expenses will be billed at actual cost.

c. Invoices and Payments

K&F will invoice SDCP at the beginning of each month for Legal Services during the prior calendar month. Invoices will list the matter worked on and provide information on the dates of service, time involved, person responsible and activity undertaken. K&F will use best efforts to respond to requests for special invoice formats. Upon receipt of properly prepared invoicing, SDCP shall pay K&F within thirty (30) calendar days for services provided in accordance with this Engagement Letter.

4. Termination of K&F's Representation

Either SDCP or K&F may terminate K&F's representation of SDCP at any time and for any reason. At the time K&F's representation of SDCP concludes, all unpaid fees and costs for work performed by K&F become due and payable. If at that time SDCP does not request the return

of files related to the Legal Services, K&F will retain such files for a period of three (3) years, after which K&F may have the files destroyed.

5. Miscellaneous

This letter is the entire agreement between SDCP and K&F concerning the Legal Services and supersedes all prior or contemporaneous agreement between SDCP and K&F, whether written or verbal, for the Legal Services. This agreement and the scope of work provided under it may be amended from time to time by mutual agreement among K&F and SDCP. California law will govern this agreement and any subsequent amendments.

6. Conclusion

If the terms of K&F's representation as explained in this letter are satisfactory, please execute a copy of this letter as indicated and return it to me. Please feel free to contact me if you have any questions.

We look forward to our representation of SDCP.

Sincerely,

A handwritten signature in dark ink, appearing to read "Kevin Fox", is positioned above the printed name.

Kevin Fox, Partner
Keyes & Fox LLP

By signing this letter, the signatory affirms that he or she understands and agrees to bind his or her company to the terms set forth in this Engagement Letter. This agreement shall not take effect, and K&F shall have no obligation to provide the work described herein, until SDCP has returned a signed copy of this letter.

San Diego Community Power

I have read the foregoing letter, understand it and agree to it on behalf of SDCP.

By: _____
[Name]

Title: _____

Date: _____

Attachment A

Rates for Professionals

Hourly Rates and Other Terms

<i>Kevin Fox, Partner</i>	<i>\$445</i>
<i>Caryn Lai, Counsel</i>	<i>\$380</i>
<i>Lilly McKenna, Associate</i>	<i>\$265</i>
<i>Julia Kantor, Associate</i>	<i>\$280</i>
<i>Beren Argetsinger, Partner</i>	<i>\$285</i>
<i>Alicia Zaloga, Paralegal</i>	<i>\$120</i>

Firm Travel: Travel time is billed at the one-half of the listed hourly rate. Every effort will be made to work productively on the Legal Services during travel. All reasonable travel expenses are billable – hotel, airfare, car rental, meals, taxi, public transit, etc.



SAN DIEGO COMMUNITY POWER Staff Report – Item 6

To: San Diego Community Power Board of Directors

From: Sebastian Sarria, Program and Policy Manager
Stephen Gunther, Senior Regulatory Analyst

Via: Karin Burns, Chief Executive Officer

Subject: Update on Regulatory and Legislative Affairs

Date: June 23, 2022

RECOMMENDATIONS

Review and file 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) Net Energy Metering – Reopened Record to Take Comment on Limited Basis

As described in the [staff report](#) from the May 26, 2022, Board of Directors meeting, the CPUC officially re-opened the Net Energy Metering 3.0 proceeding (Rulemaking 20-08-020), via a [ruling](#) which allows parties to provide comment on certain topics within the proceeding. The recent ruling invited parties to respond to specific questions regarding: (1) The Glide Path Approach; (2) Non-Bypassable Charges on Gross Consumption; and (3) Community Distributed Energy Resources. The ruling stated that opening comments were due June 10 and reply comments on June 24. A subsequent request by CalAdvocates was submitted to extend the reply comment deadline to July 1, and the deadline extension was [granted on June 2](#).

Consistent with previous actions taken by SDCP in this proceeding, which are listed on the [Key Documents page of our website](#) under Regulatory Advocacy, SDCP submitted [opening comments](#) along with East Bay Community Energy (EBCE), Redwood Coast Energy Authority (RCEA), and Peninsula Clean Energy (PCE) ("Joint CCAs") on June 10. While the scope of the comments was limited to the questions posed by the Administrative Law Judge (ALJ), SDCP worked to include language that signals our support for the sustainable growth of the solar industry and opposition to the grid benefit charge that was

laid out in the [proposed decision](#) in February of this year. Below is a high-level summary of the topics and responses provided by the Joint CCAs.

Glide Path Approach

Summary Proposal: The Commission proposed offering an Avoided Cost Calculator (ACC) Plus glide path approach, which would “provide a fixed cents per kilowatt-hour (c/kWh) export adder on top of the ACC-based hourly export credits.

Summary Response: The Joint CCAs support this approach, and in supporting electrification, suggest that the adder be set to the amount above the ACC that brings export compensation up to the electrification rate level. It further suggested that the glide path be reduced by 10%, with each tranche consisting of an additional one gigawatt (GW) capacity, until 10 GW have been installed and the export rate is the ACC.

Non-Bypassable Charges (NBCs)

Summary Proposal: Currently, NEM customers do not pay all of the NBCs. The Commission asks if that should change, and which NBCs to include. The full list is included in the reopened ruling from May 9, specifically on [page 6 and 7](#).

Summary Response: As mentioned in the Joint CCA [comments filed on January 7](#) regarding the proposed decision, it is reasonable for NEM customers to pay all non-bypassable charges. For the Power Charge Indifference Adjustment (PCIA), however, given the lack of bill quality data that is delivered by the Investor-Owned Utilities (IOUs) for CCAs to properly account for PCIA assessed on either gross consumption or hourly basis, the Joint CCAs recommended that the Commission direct that only PCIA charges be collected from tariff customers in the same manner as they are collected from NEM 2.0 customers.

Community Distributed Energy Resources

Summary Proposal: In looking at the Community Solar Green Tariff (CSGT) program, the Commission asks if low-income customers and/or renters would benefit from a community solar tariff program modeled on CSGT. Moreover, since CSGT provides a guaranteed 20% bill discount to participating customers, if a bill guarantee should be provided for any community solar program or tariff.

Summary Response: Overall, the Joint CCAs state that the program should have a strong physical nexus to the community it serves, and that any community solar program targeting low-income participants should be providing a guaranteed bill savings benefit to ensure that they are not further economically burdened or taken advantage of.



SDCP plans to submit reply comments by the revised July 1 deadline along with the other CCAs. After that, staff will await a revised proposed decision, which is expected to be released by the Commission later this year.

B) Resource Adequacy Rulemaking

On May 20, 2022, the CPUC issued a [proposed decision](#) (PD) within the Reform Track of the Resource Adequacy (RA) Rulemaking. The PD adopted SCE's 24-hour slice framework proposal, which requires each load-serving entity (LSE) to demonstrate it has enough capacity to satisfy its specific gross load profile, including a planning reserve margin (PRM), in all 24 hours on the California Independent System Operator's (CAISO) "worst day" in that month. The PD outlines details on the proposed reforms, including but not limited to:

- Worst day defined as the single day in the month that contains the hour with the highest coincident peak load forecast.
- CEC load forecast will be used to determine each LSE's load forecast in the 24-hour construct.
- Resource attributes and capabilities remain bundled across each compliance month and the existing full-capability/all-hour must-offer obligation is retained.
- Current penalties, including point system adopted in D. 21-07-014, will apply to 24-hour framework.
- Increases the PRM to 16% for 2023 and 17% for 2024
- 24-hour model will be tested in 2024 before full implementation in 2025.

SDCP [previously supported](#) the alternative 2-slice proposal in earlier stages of the process, but given the Commission's strong preference for the 24-hour framework, SDCP is working with CalCCA to improve specific elements of the PD. CalCCA filed opening [comments](#) on June 9 and reply comments on June 14, primarily urging the Commission to allow for hourly transactions of RA under the 24-hour framework. Hourly trading of resources and/or load obligations would allow LSEs to transact for the exact hours of need, without creating unnecessary and costly over procurement where it is not needed in order to meet their compliance obligations. This PD may be voted on, at the earliest, at the Commission's June 23, 2022 Business Meeting.

C) Power Charge Indifference Adjustment – Voluntary Allocation, Market Offer (VAMO)

Background

In 2021 with [Decision \(D.\) 21-05-030](#), the CPUC authorized new Voluntary Allocation and Market Offer (VAMO) processes for Renewables Portfolio Standard (RPS) contracts subject to the Power Charge Indifference Adjustment (PCIA). The Decision ordered the IOUs to offer PCIA-paying load-serving entities (LSEs) voluntary allocations (VA) of PCIA-eligible renewable resources, which shall comprise a "slice" of an IOU's entire PCIA-eligible RPS portfolio, and then sell any unallocated resources through an annual market



offer (MO) process. Implementation details are currently being determined within the RPS proceeding (Rulemaking (R.)18-07-003).

Portfolio Content Category (PCC) Classification

On May 20, the CPUC issued a [Proposed Decision](#) establishing rules for Portfolio Content Category (PCC) classification for Voluntary Allocations of RPS resources.

- Voluntary Allocations should not be considered resales to determine PCC classification, and therefore retain their original PCC classification, including PCC0 RECs.
 - This mitigates the risk that out-of-state PCC0s will transfer as PCC3s (unbundled RECs that are discouraged by SDCP's JPA and are difficult to remarket)
- Any subsequent transfer of these allocation shares will be considered a resale such that their REC PCC classification would be consistent with [D.11-12-052](#) and other applicable RPS laws and policy.
- For future resale transactions, the Commission directs applicable LSEs' compliance reporting (i.e., RPS Plan Filings) to include information linking the resale to that LSE's acquisition of the RECs through the Voluntary Allocation process. Information should include the following:
 - The contract volume or allocation share, (2) the expected PCC classification(s) status before the Voluntary Allocation and after the resale, (3) the bundled or unbundled nature of the RECs before the Voluntary Allocation and after the resale, and (4) the remaining contract duration at the time of the Voluntary Allocation and the resale.
 - For RPS compliance reporting for VAMO transactions, Energy Division staff will provide reporting guidance with next year's updated RPS compliance report template.

CalCCA filed [opening comments](#) largely in support of the PD on June 9. This PD may be voted on, at the earliest, at the Commission's June 23, 2022 Business Meeting.

Voluntary Allocation Pro Forma Contracts

On May 10, the CPUC issued Draft Resolution E-5216 approving the IOUs' VA pro forma contracts with modifications. The Draft Resolution adopted several recommendations included within CalCCA's protest of SDG&E's Advice Letter (AL) 3962-E but did not address several requests from SDCP and Clean Energy Alliance's March 21 response. On June 9, SDCP along with Clean Energy Alliance, and Marin Clean Energy, collectively the "Joint CCAs," submitted joint comments on the Draft Resolution to reiterate the request for timely access to data as well as specific unreasonable pricing and contractual provisions included in SDG&E's AL. These comments are attached to this staff report.

Market Offer Process



On May 2, the IOUs filed a joint [Market Offer process](#) proposal. SDCP worked with CalCCA to file [comments](#) on June 6 requesting modifications to SDG&E's solicitation documents and market offer process proposal.

Upcoming VAMO Schedule

- July 29, 2022: LSEs complete process of determining interest in VA elections and sign VA contracts
- Q3, 2022: CPUC issues Proposed Decision on Market Offer Process
- Q3, 2022: Disposition of IOU Market Offer pro forma contracts
- 12/31 (no later than): IOUs request approval of VA contracts deviating from VA pro forma
- Q1, 2023: IOUs commence VA and MO deliveries

D) SDCP Support for May Revision Proposal of \$1.2 Billion to Help Energy Utility Customers

On June 15, SDCP sent a letter indicating support for the \$1.2 billion in funding that is proposed in the Governor's May Revision to the state budget for the California Arrearage Payment Plan (CAPP). This letter is attached to this staff report as Attachment B.

COMMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

Attachment A: Joint CCA Comments on Draft Resolution E-5216

Attachment B: SDCP Support Letter for May Revision Proposal of \$1.2 Billion to Help Energy Utility Customers



June 9, 2022

Via E-Mail

Energy Division Tariff Unit
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

SUBJECT: San Diego Community Power, Clean Energy Alliance, and Marin Clean Energy's Comments on Draft Resolution E-5216, *Pacific Gas and Electric Company's, Southern California Edison Company's, and San Diego Gas & Electric Company's Renewables Portfolio Standard Voluntary Allocation Pro Forma Contracts*

Dear Energy Division Tariff Unit,

Pursuant to Rule 14.5 of the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission") and the notice accompanying *Draft Resolution E-5216. Pacific Gas and Electric Company's, Southern California Edison Company's, and San Diego Gas & Electric Company's Renewables Portfolio Standard Voluntary Allocation Pro Forma Contracts, dated June 23, 2022* ("Draft Resolution"), San Diego Community Power ("SDCP"), Clean Energy Alliance ("CEA"), and Marin Clean Energy ("MCE") (together, the "Joint CCAs") hereby respectfully submit the following comments on the Draft Resolution approving, with modifications, Pacific Gas and Electric Company ("PG&E") Advice Letter (AL) 6517-E, Southern California Edison Company ("SCE") AL 4732-E, San Diego Gas & Electric Company ("SDG&E") AL 3962-E.

I. BACKGROUND

On May 24, 2021, the Commission issued Decision (D.) 21-05-030 (the "VAMO Decision") to authorize new Voluntary Allocation, Market Offer, and Request for Information ("RFI") processes for Renewable Portfolio Standard ("RPS") contracts subject to the Power Charge Indifference Adjustment ("PCIA"). The Decision adopted a Voluntary Allocation and Market Offer ("VAMO") mechanism, which authorizes a process for PG&E, SCE, and SDG&E ("the IOUs") to allocate a "slice" of their entire PCIA-eligible RPS portfolios to eligible Load Serving Entities ("LSEs") in proportion to their vintaged, forecasted annual load share.¹

¹ D.21-05-030, Ordering Paragraph ("OP") 2.

On February 28, 2022, the IOUs filed PG&E AL 6517-E, SCE AL 4732-E, and SDG&E AL 3962-E requesting approval of their respective Voluntary Allocation (“VA”) pro forma contracts (“VA Contracts”). In response to PG&E AL 6517-E, SCE AL 4732-E, SDG&E AL 3962-E, the California Community Choice Association² (“CalCCA”) submitted similar protests on each of IOUs’ VA Contracts³ that raised several issues, including timely meter data deliveries; and SDCP and CEA submitted a joint response to SDG&E AL 3962-E, identifying the pricing issues around unbundled Renewable Energy Credits (“RECs”).⁴ On May 19, 2022, the Commission issued the Draft Resolution in question.

II. COMMENTS

a. The Commission’s Finding that Providing LSEs with Timely Access to Meter Data is Impossible is Factually Incorrect

The Joint CCAs appreciate that the Commission is encouraging the receipt of timely forecast and meter data, however, the Joint CCAs respectfully disagree with the Commission’s finding that the IOUs’ ability to provide preliminary, non-binding forecast and meter data within 15 calendar days of the end of each calculation period is “difficult, if not impossible.”⁵ The difficulty of providing timely data deliveries should not be characterized as impossible and any difficulty in providing such data should not be the sole factor considered in denying the requested action.

Typically, it is common practice to receive monthly invoices from a supplier that contains the data being requested by CalCCA. Once such data is available, all that remains is the extraction and delivery of the relevant LSE’s forecast and meter data. Since CalCCA’s request was for *preliminary, non-binding* data, the extraction and delivery of such data from readily available invoices should only require minimal administrative efforts. Also, considering recent General Rate Case (“GRC”) Application filings that highlight anticipated cost increases from the development and management of VAMO as well as anticipated technology and meter upgrades, providing such

² California Community Choice Association represents the interests of 23 community choice electricity providers in California: Apple Valley Choice Energy, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance, CleanPowerSF, Desert Community Energy, East Bay Community Energy, Lancaster Choice Energy, Marin Clean Energy, Orange County Power Authority, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Pomona Choice Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Santa Barbara Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy.

³ California Community Choice Association’s Protest of SDG&E’s Tier 2 AL 3962-E Regarding Voluntary Allocation of Power Charge Indifference Adjustment Renewable Energy Resource Pro Forma Contracts Pursuant to Decision 22-01-004, March 21, 2022; California Community Choice Association’s Protest of PG&E’s Tier 2 AL 6517-E Regarding Voluntary Allocation of Power Charge Indifference Adjustment Renewable Energy Resource Pro Forma Contracts Pursuant to Decision 22-01-004, March 21, 2022; and California Community Choice Association’s Protest of SCE’s Tier 2 AL 4732-E Regarding Voluntary Allocation of Power Charge Indifference Adjustment Renewable Energy Resource Pro Forma Contracts Pursuant to Decision 22-01-004, March 21, 2022.

⁴ San Diego Community Power and Clean Energy Alliance’s Response to San Diego Gas & Electric Company’s Tier 2 Advice Letter 3962-E Regarding Voluntary Allocation of Power Charge Indifference Adjustment Renewable Energy Resource Pro Forma Contracts Pursuant to Decision 22-01-004, March 21, 2022.

⁵ Draft Resolution E-5216 at 20.

timely access to meter data should only be made more accessible.⁶ If the proposed 15-day timing is the most problematic aspect of this request, the Joint CCAs would appreciate a proposed timeframe the IOUs consider achievable.

Further, the disparate treatment of CCAs, caused by their lack of access to the IOUs' generation data, continues to favor bundled customers over unbundled customers. CCAs limited access to this data impedes their ability to plan for future customer needs, optimize their portfolio, account for purchases, and perform other administrative tasks.

Thus, the Joint CCAs continue to emphasize the importance of forecast and meter data and the IOUs' ability to provide such information.

b. Continued Use of the MPB to Price Unbundled Allocations is Unreasonable

Although the Joint CCAs recognize the Commission's position on the continued use of the Market Price Benchmark ("MPB") to price unbundled allocations, its use remains unreasonable. The use of the MPB will result in non-IOU LSEs overpaying for unbundled REC allocations and retaining less value when compared to the IOU.

c. SDG&E's Voluntary Allocation Provision Requiring Collateral is Unreasonable

Although the Joint CCAs recognize the Commission's position on the continued incorporation of SDG&E's collateral requirement, SDG&E's lack of conformity with the other IOUs' VA Contracts could present unforeseen consequences that disrupt the broader VAMO structure, including other LSEs' participation in the Market Offer process.

III. CONCLUSION

The Joint CCAs thank the Commission for its timely handling of this matter and consideration of these comments.

⁶ See Prepared Direct Testimony of Christopher A. Summers (Energy Procurement) ("Exhibit SDG&E-10"), filed in Application ("A.") 22-05-016; See also Prepared Direct Testimony of David H. Thai (Customer Services – Field Operations) ("SDG&E-17"), filed in A. 22-05-016.

Respectfully,

/s/ Chasity Hendren

Chasity Hendren
Tosdal, APC
845 15th Street, Suite 103
San Diego, CA 92101
(858) 252-6255
chasity@tosdalapc.com

*Regulatory Counsel for San Diego Community
Power and Clean Energy Alliance*

/s/ Sabrina Soldavini

Sabrina Soldavini
Marin Clean Energy
1125 Tamalpais Avenue
San Rafael, CA 94901
(415) 464-6670
ssoldavini@mcecleanenergy.org

Policy Analyst II

Copy (via email): Service List for R. 18-07-003 and R. 17-06-026
Cheryl Lee (cheryl.lee@cpuc.gov)
Christian Knierim (christian.knierim@cpuc.ca.gov)
Simon Baker (simon.baker@cpuc.ca.gov)
Energy Division (EDTariffunit@cpuc.ca.gov)

June 15, 2022

The Honorable Gavin Newsom
Governor, State of California
1021 O St., Ste. 9000
Sacramento, CA 95814

The Honorable Toni Atkins
President pro Tem, State Senate
1021 O St., Ste. 8518
Sacramento, CA 95814

The Honorable Anthony Rendon
Speaker, State Assembly
1021 O St., Ste. 8330
Sacramento, CA 95814

The Honorable Nancy Skinner
Chair, Senate Budget
1020 N Street, Room 502
Sacramento, CA 95814

The Honorable Phil Ting
Chair, Assembly Committee on Budget
1021 O St., Ste. 8230
Sacramento, CA 95814

The Honorable Ben Hueso
Chair, Senate Committee on Energy,
Utilities & Communications
1021 O Street, Room 3350
Sacramento, CA 95814

The Honorable Eduardo Garcia
Chair, Assembly Committee on Energy
& Utilities
LOB, Room 408
Sacramento, California 95814

Re: Support May Revision Proposal of \$1.2 Billion to Help Energy Utility Customers

Dear Governor Newsom, Pro tem Atkins, Speaker Rendon, Budget Chairs Skinner and Ting, Senator Hueso, and Assemblymember Garcia,

On behalf of San Diego Community Power, I write this letter in strong support for the \$1.2 billion funding proposal for the California Arrearage Payment Plan (CAPP).

SDCP is a Community Choice Aggregator (CCA) that will provide renewable electricity service to over 960,000 customer accounts in the in the cities of Chula Vista, Encinitas, Imperial Beach, La Mesa, and San Diego starting in 2022, with the unincorporated communities of the County of San Diego and the City of National City served in 2023. Upon full enrollment, we will be the second largest CCA. Our member agencies have banded together to provide cleaner electricity at competitive rates, offering a choice in electricity service providers for the first time in the region. SDCP offers a default energy product that consists of 50% renewable and 5% greenhouse-gas free (GHG) free power.

The CAPP program has proved to be very successful since its installment, helping nearly 1.5 million households pay their bills who were otherwise unable due to economic hardship brought on by the COVID Pandemic. We've seen the significant

impact of the program so far in the communities we serve and are pleased to see the additional funding as it will continue to help utility ratepayers in need.

While we fully support the \$1.2 billion proposal put forward by the Governor, we estimate the statewide need may be much greater. A recent [San Jose Mercury](#) article pointed out that many rental relief applicants have not been processed. Previously in 2021, CAPP was funded with a share of California's \$27 billion federal COVID Fiscal Recovery Funds and SB 115 (Skinner) allows the Department of Finance to transfer over \$11.2 billion of those funds to the General Fund, a portion of which could be redirected to CAPP. We would encourage a similar transfer of any remaining balances that could be used to meet the tremendous outstanding need and does not increase state spending to ensure the overall goal of helping offset financial hardship for Californians is provided expeditiously.

Thank you for your consideration of our request to further help utility customers and your constituents. If you have questions, or wish to discuss our position, please do not hesitate to contact Sebastian Sarria at ssarria@sdcommunitypower.org or (619) 657-0415.

Sincerely,



Karin Burns
Chief Executive Officer
San Diego Community Power

CC: The Honorable Toni Atkins
The Honorable Tasha Boerner Horvath
The Honorable Brian Maienschein
The Honorable Chris Ward
The Honorable Dr. Akilah Weber
The Honorable Senator Bates
The Honorable Brian Jones



SAN DIEGO COMMUNITY POWER Staff Report – Item 7

To: San Diego Community Power Board of Directors

From: Lucas Utouh, Director of Data Analytics and Account Services

Via: Karin Burns, Chief Executive Officer

Subject: Update on Back-Office Metrics and Dashboard

Date: June 23, 2022

RECOMMENDATION

Receive update on various back-office activities.

BACKGROUND

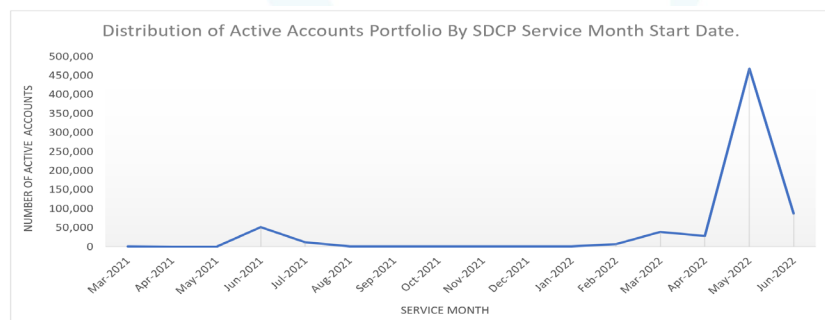
Staff will provide regular updates to the Board of Directors regarding San Diego Community Power's (SDCP) back-office activities centered around tracking opt actions (i.e., opt outs, opt ups and opt downs) as well as customer engagement metrics. The following is a brief overview of items pertaining to back-office operations.

ANALYSIS AND DISCUSSION

A) Phase 3 Enrollment Update

Staff is happy to report that our Phase 3 efforts for Imperial Beach, La Mesa, Encinitas, Net Energy Metering (NEM) customers with a true up month of February through May and our largest mass enrollment in Chula Vista and San Diego are now complete. Our cumulative count of active accounts being served under our portfolio currently stands at 695,098 as of 6/16/2022, making San Diego Community Power the 2nd largest CCA by accounts served in the State of California. Net Energy Metering (NEM) customers with a true up month of June are currently in the process of being transitioned over to our service:

SDCP Service Month Start Date	Count of Active Accounts
Mar-2021	578
Apr-2021	8
May-2021	2
Jun-2021	51,343
Jul-2021	11,374
Aug-2021	615
Sep-2021	581
Oct-2021	598
Nov-2021	554
Dec-2021	575
Jan-2022	481
Feb-2022	6,884
Mar-2022	38,435
Apr-2022	28,177
May-2022	467,510
Jun-2022	87,383
Total	695,098



B) Customer Participation Tracking

Staff and Calpine have worked together to create a reporting summary of customer actions to opt-out, opt-up to Power100 or opt-down from Power100 to PowerOn. The below charts summarize these actions accordingly as of June 13th, 2022:

I. Opt Outs

Opt Outs by Jurisdiction	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	June - MTD	Grand Total
CITY OF CHULA VISTA	2	77	1	150	9	3	11	12	1	0	0	21	19	159	814	305	48	1632
CITY OF ENCINITAS	0	0	3	32	7	11	5	3	1	1	3	60	304	753	191	102	21	1497
CITY OF IMPERIAL BEACH	0	0	0	11	0	1	1	0	0	0	19	129	22	13	24	15	4	239
CITY OF LA MESA	0	0	15	51	3	6	3	0	6	0	1	158	372	93	122	50	11	891
CITY OF SAN DIEGO	14	10	43	516	51	123	111	131	34	23	21	152	194	1501	6425	1645	421	11415
Grand Total	16	87	62	760	70	144	131	146	42	24	44	520	911	2519	7576	2117	505	15674

Opt Outs by Class Code	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	June - MTD	Grand Total
Residential	0	0	0	0	0	0	0	0	0	0	36	501	867	2473	7493	2089	487	13946
Commercial/Industrial	16	87	62	760	70	144	131	146	42	24	8	19	44	46	83	28	18	1728
Grand Total	16	87	62	760	70	144	131	146	42	24	44	520	911	2519	7576	2117	505	15674

Opt Outs by Reason	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	June - MTD	Grand Total
Concerns about Government-Run Power Agency	0	0	2	15	2	2	2	0	0	0	1	33	53	198	600	190	33	1131
Concerns about lack of equivalent CCA programs	0	0	0	0	0	0	0	0	0	0	0	3	8	10	48	8	7	84
Decline to Provide	0	4	19	11	25	33	31	94	1	1	9	96	152	432	1243	403	55	2609
Dislike being automatically enrolled	0	0	28	59	23	18	34	16	3	4	17	142	257	743	2443	611	183	4581
Have renewable Energy Reliability Concerns	0	0	0	3	0	2	7	0	0	0	1	4	7	49	118	37	6	234
Other	1	83	2	667	12	18	3	7	8	3	8	69	126	325	1030	223	48	2633
Rate or Cost Concerns	15	0	11	5	8	70	50	29	29	16	6	95	174	493	1170	344	93	2608
Service or Billing Concerns	0	0	0	0	0	1	4	0	1	0	0	17	22	53	151	58	16	323
Existing relationship with the utility	0	0	0	0	0	0	0	0	0	0	2	61	112	216	773	243	64	1471
Grand Total	16	87	62	760	70	144	131	146	42	24	44	520	911	2519	7576	2117	505	15674

Opt Outs by Method	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	June - MTD	Grand Total
Customer Service Rep (CSR)	0	83	31	681	23	67	73	84	23	17	16	147	259	462	1661	504	162	4293
Interactive Voice Response (IVR)	0	0	1	8	5	27	22	9	16	4	9	55	45	423	1374	384	87	2469
Web	16	4	30	71	42	50	36	53	3	3	19	318	607	1634	4541	1229	256	8912
Grand Total	16	87	62	760	70	144	131	146	42	24	44	520	911	2519	7576	2117	505	15674

II. Opt Ups to Power100

Opt Ups by Jurisdiction	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	June - MTD	Grand Total
CITY OF CHULA VISTA	0	56	0	0	626	9	4	1	4	1	1	6	3	13	52	12	3	791
CITY OF ENCINITAS	0	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18
CITY OF IMPERIAL BEACH	0	0	0	0	0	60	0	0	0	0	0	2	23	1	1	1	0	88
CITY OF LA MESA	0	0	12	0	130	3	0	3	0	0	0	6	32	15	29	11	2	243
CITY OF SAN DIEGO	0	133	1	2	2922	12	22	10	48	2	11	25	106	172	1210	215	92	4983
Grand Total	0	207	13	2	3678	84	26	14	52	3	12	39	164	201	1292	239	97	6123

Opt Ups by Class Code	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	June - MTD	Grand Total
Residential	0	2	0	0	0	0	0	0	0	0	1	15	151	179	1179	233	96	1856
Commercial/Industrial	0	205	13	2	3678	84	26	14	52	3	11	24	13	22	113	6	1	4267
Grand Total	0	207	13	2	3678	84	26	14	52	3	12	39	164	201	1292	239	97	6123

Opt Ups by Method	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	June - MTD	Grand Total
Customer Service Rep (CSR)	0	207	11	1	3668	80	23	12	48	3	7	25	151	47	857	38	14	5192
Interactive Voice Response (IVR)	0	0	0	0	3	0	0	0	0	0	1	0	0	4	18	12	1	39
Web	0	0	2	1	7	4	3	2	4	0	4	14	13	150	417	189	82	892
Grand Total	0	207	13	2	3678	84	26	14	52	3	12	39	164	201	1292	239	97	6123

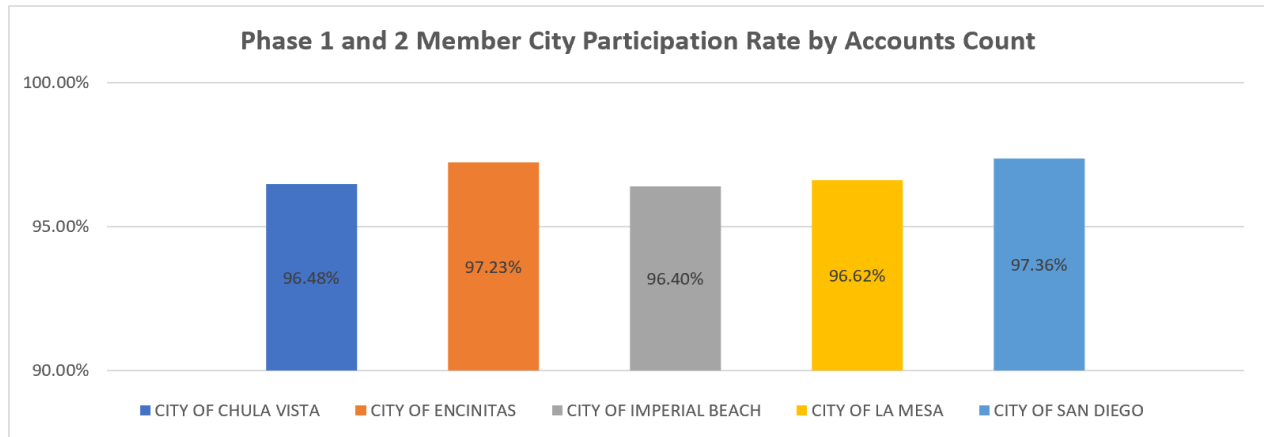
III. Opt Downs from Power100

Opt Downs by Jurisdiction	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	June - MTD	Grand Total
CITY OF CHULA VISTA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CITY OF ENCINITAS	0	0	0	0	24	8	1	1	1	0	0	5	34	127	56	40	10	307
CITY OF IMPERIAL BEACH	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CITY OF LA MESA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CITY OF SAN DIEGO	0	0	0	0	0	0	0	0	0	0	0	0	1	2	2	5	1	11
Grand Total	0	0	0	0	24	8	1	1	1	0	0	5	35	129	58	45	11	318

Opt Downs by Class Code	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	June - MTD	Grand Total
Residential	0	0	0	0	0	0	0	0	0	0	0	4	31	128	58	43	11	275
Commercial/Industrial	0	0	0	0	24	8	1	1	1	0	0	1	4	1	0	2	0	43
Grand Total	0	0	0	0	24	8	1	1	1	0	0	5	35	129	58	45	11	318

Opt Downs by Method	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	June - MTD	Grand Total
Customer Service Rep (CSR)	0	0	0	0	22	6	1	1	1	0	0	4	30	96	26	24	6	217
Interactive Voice Response (IVR)	0	0	0	0	2	2	0	0	0	0	0	0	0	17	2	1	1	25
Web	0	0	0	0	0	0	0	0	0	0	0	1	5	16	30	20	4	76
Grand Total	0	0	0	0	24	8	1	1	1	0	0	5	35	129	58	45	11	318

IV. Participation Rate.



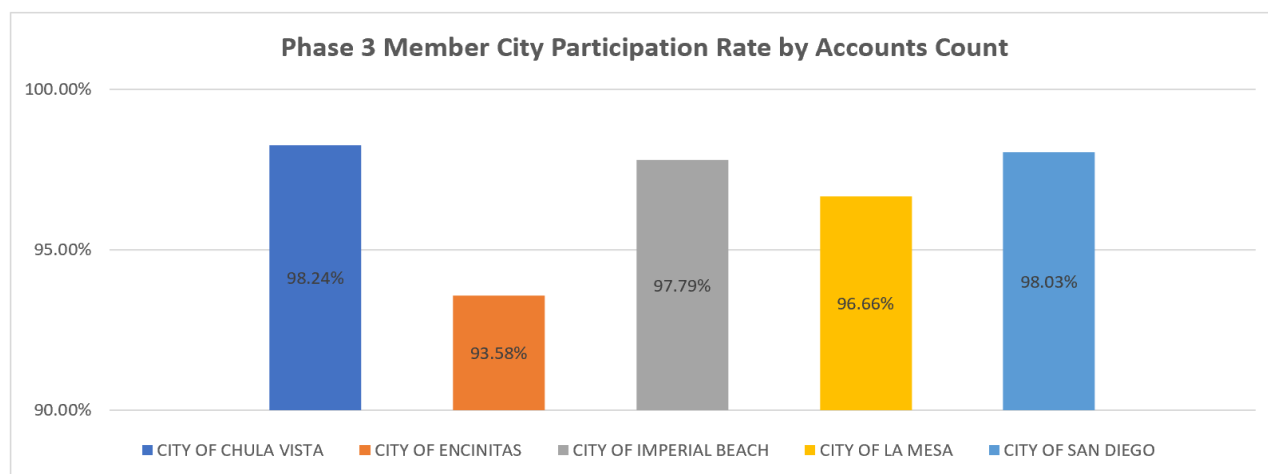
Phase 1 and 2

Town or Territory	Active	Eligible	Total Opt Outs	Participation Rate by Accounts Count
CITY OF CHULA VISTA	7569	7845	276	96.48%
CITY OF ENCINITAS	3128	3217	89	97.23%
CITY OF IMPERIAL BEACH	536	556	20	96.40%
CITY OF LA MESA	2657	2750	93	96.62%
CITY OF SAN DIEGO	56786	58324	1538	97.36%
Grand Total	70676	72692	2016	97.23%

For Phase 3, this participation rate is fluid and will change as we continue with mass enrollment across all member cities for customers on Net Energy Metering (NEM) throughout 2022. The true participation rate for this phase will be computed once all NEM and Non-NEM customers across our member cities and are fully enrolled. In the interim, we are reporting on the opt outs and eligible accounts associated with the phase on a rolling basis as of the reporting month:

Phase 3

Town or Territory	Active	Eligible	Total Opt Outs	Participation Rate by Accounts Count
CITY OF CHULA VISTA	75983	77341	1358	98.24%
CITY OF ENCINITAS	20487	21893	1406	93.58%
CITY OF IMPERIAL BEACH	9694	9913	219	97.79%
CITY OF LA MESA	23062	23860	798	96.66%
CITY OF SAN DIEGO	491741	501618	9877	98.03%
Grand Total	620967	634625	13658	97.85%



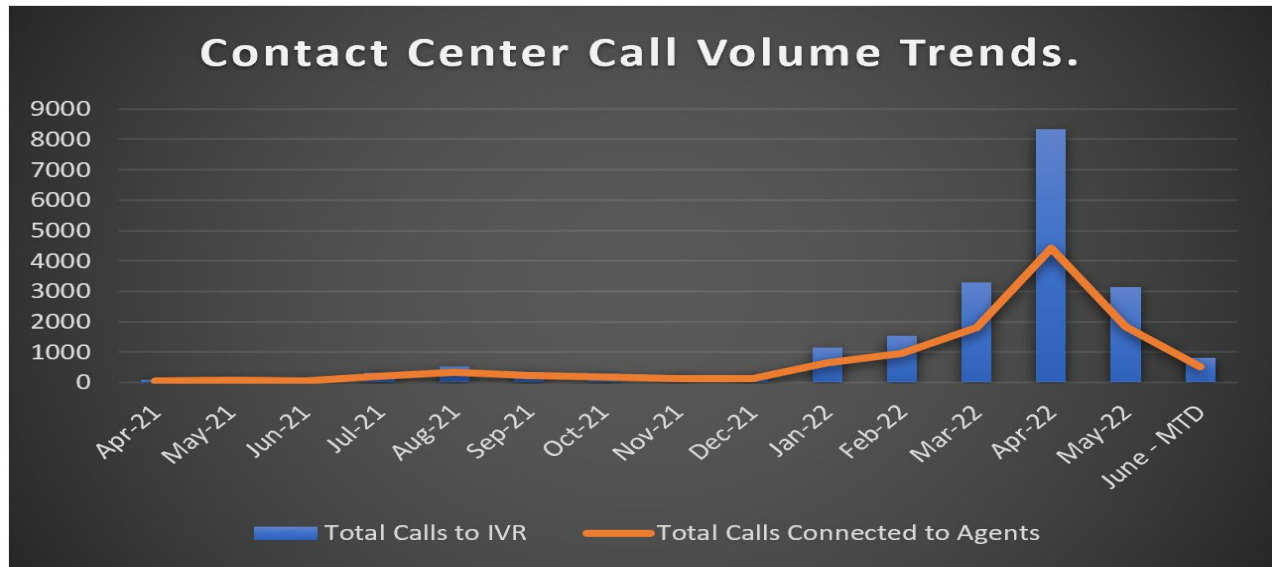
D) Contact Center Metrics

As expected, call volumes remained relatively high in May. We anticipate a bigger uptick in the remaining half of June and July as customers in Chula Vista and City of San Diego start seeing SDCP's generation charges on their bills in addition to the transition for all of our customers from the Winter to Summer season rates. During this time electricity bills usually increase due to Summer prices being higher than the Winter prices along with customers' usage increases due to cooling needs. Consistent with observations made in other CCAs' territories, the transition from Winter to Summer season and higher Summer bills expected to arrive starting in July could result in increased opt outs. The chart below summarizes contact made by customers broken down by month through May 16th:

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

IVR and SLA Details	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	June - MTD	Grand Total
Total Calls to IVR	79	109	103	324	531	349	307	244	243	1154	1538	3302	8326	3137	820	20566
Total Calls Connected to Agents	49	66	57	205	338	231	191	135	129	654	948	1817	4427	1841	518	11606
Average Seconds to Answer	0:00:38	0:00:14	0:00:21	0:00:37	0:00:22	0:00:14	0:00:13	0:00:13	0:00:08	0:00:09	0:00:06	0:00:03	0:00:04	0:00:03	0:00:03	
Average Call Duration	0:08:57	0:07:51	0:06:42	0:10:33	0:08:13	0:08:41	0:08:11	0:08:30	0:08:28	0:08:53	0:09:45	0:10:32	0:09:31	0:09:31	0:09:44	
Calls Answered within 60 Seconds (75% SLA)	91.84%	100.00%	89.83%	89.42%	96.46%	99.57%	98.95%	100.00%	100.00%	98.63%	99.26%	100.00%	99.37%	99.84%	100.00%	
Abandon Rate	0.00%	0.00%	3.39%	1.44%	0.29%	0.00%	0.00%	0.00%	0.00%	0.46%	0.21%	0.00%	0.00%	0.05%	0.00%	

Similar to other mass enrollments in other CCAs' service territories, we are anticipating the trend of our customers calling into our Contact Center's Interactive Voice Response 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 account 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.



Customer Service Emails			
Month	Emails Received	Emails answered or escalated within 24 hours	(%)
May-21	34	29	85.29%
Jun-21	43	41	95.35%
Jul-21	32	31	96.88%
Aug-21	73	71	97.26%
Sep-21	34	32	94.12%
Oct-21	26	25	96.15%
Nov-21	12	12	100.00%
Dec-21	18	16	88.89%
Jan-22	109	92	84.40%
Feb-22	133	123	92.48%
Mar-22	272	265	97.43%
Apr-22	432	424	98.15%
May-22	242	238	98.35%
June - MTD	79	79	100.00%

**Does not include junk email*

As of this reporting month, we still have a total of 30 Customer Service Representatives staffed at our Contact Center. 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.

COMMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

N/A



SAN DIEGO COMMUNITY POWER Staff Report – Item 8

To: San Diego Community Power Board of Directors

From: Rita De la Fuente, Director of External Affairs

Via: Karin Burns, Chief Operating Officer

Subject: Approval of Community Advisory Committee (CAC) Reappointment of Members for Terms Ending in 2022

Date: June 23, 2022

RECOMMENDATION

Approve the Community Advisory Committee (CAC) Reappointment of Members for Terms Ending in 2022.

BACKGROUND

According to Section 5.10.3 of the 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. The Community Advisory Committee is advisory only, and shall not have decision-making authority, nor receive any delegation of authority from the Board of Directors. *Each Party may nominate a committee member(s) and the Board shall determine the final selection of committee members, who should represent a diverse cross-section of interests, skills sets and geographic regions.*

In [April 2020](#), the Board of Directors approved the inaugural slate of members for SDCP's Community Advisory Committee. At the time, terms were staggered with some members ending their first term of service in 2022 and others in 2023, as shown in Attachment A. The purpose of this approach is to ensure continuity on the Committee in the case of a lack of applicants and the Committee is left with less than a quorum to conduct business.

Since then, the CAC has expanded to include two representatives each from the City of National City and unincorporated San Diego County. Those new representatives started earlier this year and have taken seats 10 through 14, with seats 11 and 13 automatically updating to expire in 2025 given their recent onboarding.

Committee members are eligible to serve two terms and may be reappointed by their respective Directors when their first term is up. Those same members may wish to not run for a second term. If that's the case, a search process is started to find a replacement.

ANALYSIS AND DISCUSSION

Given the upcoming term expirations for seats 1, 3, 5, 7, and 10, staff communicated with the Board of Directors and their respective staff asking if they would like to hold open applications for the expiring seats. All offices except the City of Chula Vista indicated that they would pursue a reappointment of those members for a second term. The outgoing member, Ed Lopez, indicated he wanted to step down due to work obligations and let another Chula Vista resident/business owner be on the CAC.

With that information, staff began a search process to fill seat 3 for Chula Vista which began on May 3, 2022 and concluded on May 27, 2022. The applications were then collected and given to Director Padilla and his staff for review and selection, which will come to the Board of Directors for approval at a future Board Meeting. The table below indicates the outstanding nominee for Chula Vista, and the existing members that are being reappointed for another term.

SEAT	TERM ENDS	NAME	MEMBER AGENCY
1	2025	EDDIE PRICE	SAN DIEGO
3	2025	VACANT	CHULA VISTA
5	2025	JEN DERKS	LA MESA
7	2025	GARY L. JAHNS	ENCINITAS
10	2025	ANNA WEBB	IMPERIAL BEACH

COMMITTEE REVIEW

The Community Advisory Committee received an update on the Chula Vista replacement at their June 10, 2022, regular meeting.

FISCAL IMPACT

N/A

ATTACHMENTS

Attachment A: CAC Roster and Seat Assignments





Community Advisory Committee Roster and Seat Assignments

Seat	Term Ends	Name	Member Agency Representing
1	2022	Eddie Price	San Diego
2	2023	Matthew Vasilakis	San Diego
3	2022	Edward Lopez	Chula Vista
4	2023	Carolyn Scofield	Chula Vista
5	2022	Jen Derks	La Mesa
6	2023	David Harris	La Mesa
7	2022	Gary L. Jahns	Encinitas
8	2023	Tara Hammond	Encinitas
9	2022	Anna Webb	Imperial Beach
10	2023	Tom Summers	Imperial Beach
11	2022*	Peter Andersen	County of San Diego
12	2023*	Victoria Abrenica	County of San Diego
13	2022*	Aida Castañeda	National City
14	2023*	Lawrence Emerson	National City

Seats 1, 3, 5, 7, and 9 will update to 2025 on July 1, 2022 once renewal for those seats take place.

Seats 11 and 13 will automatically update to 2025 since those members will have just joined earlier in 2022. County representatives will be from the unincorporated communities. Terms end on June 30 of every designated year.



SAN DIEGO COMMUNITY POWER Staff Report – Item 9

To: San Diego Community Power Board of Directors

From: Karin Burns, Chief Executive Officer

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

Date: June 23, 2022

RECOMMENDATION

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

BACKGROUND

Over the past several weeks, SDCP staff and consultants have assisted the Board of Directors in developing proposed mission, vision, core values and key organizational focus areas for SDCP. Specifically, the activities leading up to the creation of draft mission, vision, core values and key organizational focus areas included the following:

- During the weeks of May 2nd and May 9th, SDCP staff met in small groups to brainstorm Mission, Vision, Key Focus Areas and Values for SDCP. Each group assigned a spokesperson.
- On May 11th staff had an All-Staff Meeting to come together as a team to discuss the results of the small group meetings. The Spokesperson summarized each team's results.
- On Saturday, May 14th the Board of Directors and the Chief Executive Officer met in-person. The executive team was asked to attend virtually. Staff was encouraged to attend virtually (optional). The Board of Directors created a Working SDCP Vision Statement and a Working SDCP Mission Statement. They also drafted a set of Key Focus Areas.
- From May 16th through June 10th staff developed, from the Key Focus Areas, a set of recommended high-level goals that support the overall key focus areas of SDCP.
- On Saturday, June 11th all the members of the Board of Directors, the members of the Community Advisory Committee and SDCP staff met in-person (some attended virtually). Organizational goals were presented to the Board of Directors

that support organizational priorities and key focus areas. A draft Core Values document was also created (See Appendix A).

- On June 16th all staff met in person (some virtual) to have a Core Values Discussion and created a revised list of Core Values based on the original draft.

ANALYSIS AND DISCUSSION

The draft Mission Statement, Vision Statement, Core Values, and Key Focus Areas and Goals are described below:

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

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

Core Values:

1. Justice, Equity, Diversity & Inclusion (JEDI)
2. Impact
3. Integrity
4. Innovation
5. Servant Leadership
6. Togetherness

Key Focus Areas and Goals:

1. **Financial Stability: Practice fiscal strategies to promote long-term organizational sustainability**
 - a. Adopt financial controls and policies to meet or exceed best practices and manage risk.
 - b. Obtain an investment grade credit rating by Nov 2025.
 - c. Adopt plan to increase reserves to \$175M by 10/2023 (90 DCOH) and \$360M by 10/2025 (180 DCOH).
 - d. Develop Rate Stabilization Reserve of \$70M to mitigate power cost fluctuations and economic downturns.
2. **Energy Portfolio Development: Provide sufficient, reasonably priced, clean electricity to our customers**
 - a. Manage portfolio to manage risk, cost, and reliability objectives through risk management tools, sufficient staffing, and staff training.



- b. Develop secure Clean Energy Portfolio with goals of 50% RE (2022), 75% (2027), 85% (2030), and 100% (2035).
 - c. 15% of SDCP energy coming from new, distributed infill storage/solar+ storage resources within Member Agencies by 2035.
 - d. Support development of innovative energy sources to improve resiliency through pilot programs, grant programs, and partnerships.
 - e. Create high quality local jobs in renewable energy that support healthy families and vibrant communities.
- 3. Community Program Delivery: Implement energy projects and programs that reduce greenhouse gas emissions, align energy supply and demand, and provide benefits to community stakeholder groups**
- a. Implement CPP recommended programs through continuous community engagement and assessment of community benefits while considering technology/ market changes and changing community needs.
 - b. Invest in programs that target underserved communities (communities of concern) and are distributed throughout our Member Agencies.
 - c. Invest in programs that promote residential and commercial solar, infill solar and/or distributed battery storage.
 - d. Develop local support for deep decarbonization through building and transportation electrification.
 - e. Develop workforce opportunities in the local clean energy economy (green careers).
 - f. Support local government and state initiatives to advance decarbonization in alignment with Member Agency Climate Action Plans.
 - g. Provide all customers with actionable clean energy education.
 - h. Maintain appropriate and sufficient data sources to support smart program design, implementation and evaluation.
- 4. Brand Building: Develop trusted brand reputation to help drive participation in programs and support customer service and retention**
- a. Identify and address gaps between perception and desired brand identity.
 - b. Translate policy issues into consumer-friendly information and communication.
 - c. Become known as leadership experts on the CCA model and the industry.
 - d. Foster relationships with city planning offices, CBOs, NGOs, and Trade Associations.
 - e. Develop relationships with industry media and influencers.
 - f. Engage community through participation in local events.
- 5. Public Policy: Advocate for public policies that advance SDCP organizational priorities**



- a. Proactively educate and engage policymakers to develop policies that support SDCP's organizational priorities, including advocacy around PCIA reductions.
 - b. Sponsor, support, or lead legislation and regulation that is consistent with SDCP's mission, vision, and goals and oppose any that are not in line with SDCP goals.
 - c. Develop annual legislative plan to advance and support SDCP objectives and share with local Senate and Assembly members and staff.
 - d. Develop plan to meet more proactively with and educate key decisionmakers (e.g. CEC, CPUC commissioners).
 - e. Coordination with Member Agency government affairs' teams to align on legislative positions.
 - f. Continue to be an active participant in CalCCA and develop partnerships and coalitions to advance SDCP's policy and legislative agenda through CalCCA efforts.
- 6. Customer Service: Ensure high customer retention and satisfaction**
- a. Ensure customer satisfaction through key relationships including back-office support and key stakeholders.
 - b. Continually strive to offer competitive rates.
 - c. Maintain and grow high levels of customer participation and satisfaction.
 - d. Achieve 10% of our load at the Power 100 service level by 2027.
 - e. Build a robust data ecosystem for effective procurement, including program design, management & evaluation.
- 7. Organizational Excellence: Ensure excellence by adopting sustainable business practices and fostering a workplace culture of innovation, diversity, transparency and integrity**
- a. Create an organizational culture of inclusion, mutual respect, trust, innovation, and collaboration that upholds the organization's core values
 - b. Develop and implement risk management, HR, and other policies that ensure transparency and consistency, cover liabilities and emergencies, and ensure continuity of SDCP's mission.
 - c. Develop an annual staffing plan that identifies and addresses resource needs and gaps.
 - d. Provide training and professional development opportunities that build new skills and abilities.
 - e. Foster a culture of innovation to yield solutions that accelerate our mission and drive toward SDCP's vision.
 - f. Design & implement an internal program that attracts workforce from our member cities and creates opportunities for candidates new to CCAs and the industry.
 - g. Build institutional capacity of CAC to support the mission and core goals of SDCP

COMMITTEE REVIEW



N/A

FISCAL IMPACT

N/A

ATTACHMENTS

Appendix A - San Diego Community Power Core Values and Statements – Strategic Planning Session #2 – Saturday, June 11th Session DRAFT



APPENDIX A

San Diego Community Power Core Values and Statements Strategic Planning Session #2 June 11, 2022

Core Values:

1. **Diversity and Equity**
2. **Transparency, Respect, and Integrity**
3. **Leadership (Climate Action Leader):** Core Values Statement could express leadership and SDCP as a Climate Action Leader, **OR** you could create “Climate Action Leader” as a separate Core Value.
4. **Innovation/Ingenuity (Ingéniosité):** Ingéniosité is French for ingenuity, inventiveness, resourcefulness, cleverness, creativity, genius
5. **Teamwork/Togetherness (Umoja):** Umoja is Swahili for unity, oneness, togetherness, united
6. **Impact**
7. **Community** (Customers/Community Empowerment)

Core Values with Related Statements and Notes:

1. **Diversity and Equity**
 - We prioritize inclusivity and champion environmental justice.
 - We believe we are stronger together and it is important to have a team that represents our diverse communities through a lens of equity.
 - We are **intentional** about inclusion and collaboration.
2. **Transparency, Respect, and Integrity**
 - We value and encourage mutual transparency and respect.
 - We report to the people we serve. We respect each other and our communities.
3. **Leadership/Climate Action Leader**
 - We will demonstrate **leadership** in sustainability by constantly pursuing an innovative approach.
 - We believe that climate change is a generational challenge. We believe community choice energy is our way to affect change and make a positive difference.
4. **Innovation/Ingenuity (Ingéniosité)**
 - WE are **proactive** in our approach to innovation.

- Inspire creativity. Remember that we are doing something that has never been done before.
- We believe in the creation of an organization fueled on innovative and sustainable solutions.

5. Teamwork/Togetherness (“Umoja”)

- We are together in our mission to serve our communities.
- WE strive for **excellence** in all we do.

6. Impact

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

7. Community (Customers/Community Empowerment)

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

Other Core Values and Statements:

Stewardship: We are **stewards** of the environment, our communities, and each other.

Hypomone (Endurance): The Greek word for endurance; strength derived from bearing a heavy weight (responsibility).





SAN DIEGO COMMUNITY POWER Staff Report – Item 10

To: San Diego Community Power Board of Directors
From: Eric Washington, Chief Financial Officer
Via: Karin Burns, Chief Executive Officer
Subject: Approval of FY 2023 Operating Budget
Date: June 23, 2022

RECOMMENDATION

Approve the FY 2023 Operating Budget.

BACKGROUND

On October 1, 2019, the Founding Members of San Diego Community Power (SDCP) adopted the Joint Powers Agreement (JPA) which was amended and restated on December 16, 2021. Section 4.6.2 of the JPA specifies that the SDCP Board of Directors (Board) shall adopt an annual budget with a fiscal year that runs from July 1 to June 30.

Section 7.3.1 of the JPA specifies that that all subsequent budgets of SDCP shall be prepared and approved by the Board in accordance with its fiscal management policies that should include a deadline for approval.

Table 1 illustrates the draft FY 2022-23 operating budget in comparison to SDCP's budgets from prior years.

Table 1. SDCP Operating Budgets

SDCP Budget	Board Adoption Date	Expense	Net Position
Fiscal Year 2020-21 Operating Budget	6/25/20 (amended) 5/27/21	\$33,778,000	(\$7,848,092)
Fiscal Year 2021-22 Operating Budget	6/24/21 (amended) 2/24/22	\$341,199,063	\$36,119,151
Fiscal Year 2022-23 Operating Budget	TBD	\$694,621,893	\$13,047,831

ANALYSIS AND DISCUSSION

The draft FY 2022-23 budget includes net operating revenue of \$708,984,646, operating expenses of \$694,621,893, and total expenses of \$695,936,815, resulting in net income

of \$13,047,831. The FY 2022-23 budget includes the key assumptions outlined below. A more detailed breakdown and explanation of revenues and expenses are presented in Attachment A.

Operating Revenue

Allow for revenues from sales of electricity to customers for Phase 1, 2, 3 and the beginning of Phase 4. Assumptions include an overall 5% opt-out rate.

Cost of energy includes all the various services purchased from the power market through our suppliers to supply energy to SDCP's customers.

Operating Expenses

SDCP's operating expenses fall into five categories: personnel costs, professional services and consultants, marketing and outreach, general and administration and programs. Expense assumptions include the following:

- **Personnel** include salaries, payroll taxes, benefits, and excused absence and paid time off for staff. The recruitment strategy includes the addition of approximately 19 new staff members and two interns during the FY 2022-23 budget cycle.
- **Professional Services and Consultants** include SDG&E fees, data management fees from Calpine, technical support (for rate setting, load analysis, energy scheduling, etc.), legal/regulatory services and other general contracts related to IT services, audits and accounting services.
- **Marketing and Outreach** includes expenses for mandatory enrollment notices, communication consultants, mailers, printing, sponsorships, and partnerships to inform the community of SDCP.
- **General and Administration** budget covers the cost of office space, equipment, membership dues, and other general operational costs.
- **Programs** includes funding to support initial pilot programs after the SDCP Community Power Plan is launched and other community-based program efforts.

Non-Operating Expenses

SDCP's budget also includes non-operating expenses related to interest and related expenses used to finance its operations. These costs are comprised of loan associated interest costs as well as potential renewal fees on debt or letters of credit.

Net Income

The proposed FY 2022-23 budget results in a net position of \$13,047,831.

The following table illustrates SDCP's proposed FY 2022-23 operating budget compared to its amended budget for FY 2021-22.

Table 2. FY 2022-23 Proposed Budget compared to FY 2021-22 Amended Budget

Item	FY 23 Proposed Budget, \$M	FY 22 Amended, \$M
Gross Revenue	716.1	380.8
Less Uncollectible Accounts	(7.2)	(2.7)
Net Revenue	709.0	378.1
Cost of Energy	661.6	329.5
Non-Energy Costs	33.0	11.7
Subtotal Operating Expense	694.6	341.1
Debt Service	1.3	0.7
Total Expense	695.9	341.9
Net Position	13.0	36.1
Cumulative Net Position	49.1	36.1
Days Cash on Hand	35.6	38.6


Community Choice Aggregator (CCA) Comparison

Upon completion of Phase 4 in FY23, San Diego Community Power's budget will be similar in proportion when compared to other similar CCAs in California.

FY 2022-23 Budget Development Schedule

The current schedule for development of the draft FY 2022-23 budget is shown in Table 4 below.

Table 4. Current Budget Development Schedule

February	March-April	May	June	
Develop Operating Revenue Estimate Develop Operating Expense Estimate Develop financial plan for credit rating in 3-years	Staff develop operating budgets Baseline budget is developed	Strategic planning sessions with SDCP Board SDCP Board Preview (Information Item)	Financial and Risk Management Committee Review SDCP Board Approval	July 1 st Budget Implemented Mid-year budget review (February) Budget amendments as necessary

COMMITTEE REVIEW

The draft budget was reviewed at the Finance and Risk Management Committee (FRMC) on June 2, 2022 and an action was taken to move the budget forward, without a recommendation and without prejudice.

FISCAL IMPACT

The proposed FY 2022-23 budget is expected to result in a net position of \$13,047,831.

ATTACHMENTS

Attachment A: FY2022-23 Proposed Operating Budget

Attachment B: Resolution No. 2022-08 Adopting the Fiscal year 2022-23 Budget





SAN DIEGO COMMUNITY POWER

Operating Budget

Fiscal Year 2022-23

Proposed Draft

June 23, 2022



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How to Use This Book

San Diego Community Power's (SDCP's) proposed Fiscal Year (FY) 2022-23 operating budget contains Agency budgetary and fiscal policy information as well as detailed operating budgets for Agency Departments. The proposed operating budget is organized into the following sections:

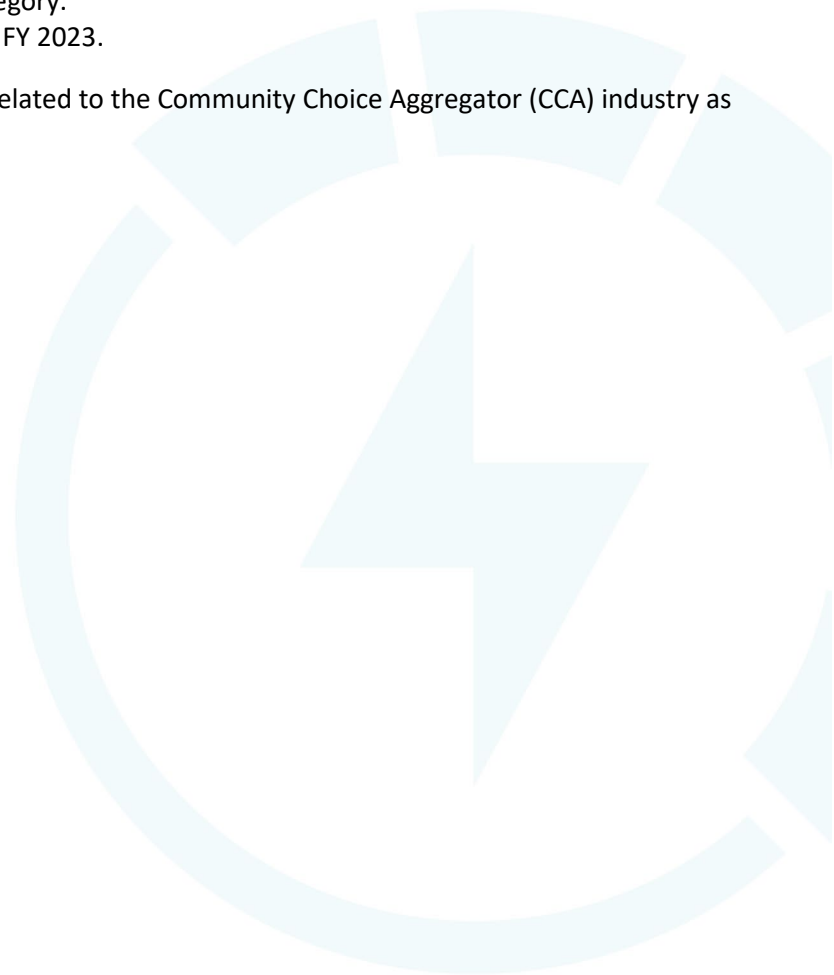
BUDGET PROCESS describes the various financial planning and budgeting processes and reports that inform the budget process.

BUDGET INFORMATION AND SUMMARY TABLES provides technical information on the structure, policies, and processes that govern the SDCP's budget development and implementation as well as high-level financial data summarizing the SDCP's proposed budget. The tables detail changes over a three-year period: FY22 budgeted, and the proposed FY23 budget.

OPERATIONAL BUDGETS provides budgetary information and operational priorities for each of the SDCP's Departments. Budget Level information is organized amount and includes the following information:

- Description of Budget Level 2 category.
- High-level highlights of expenses in the budget category.
- Comparison of expenses between the FY 2022 and FY 2023.

ADDITIONAL RESOURCES provides additional information related to the Community Choice Aggregator (CCA) industry as well as a glossary of commonly used terms.



Overview of San Diego Community Power



Overview of San Diego Community Power

Who We Are

San Diego Community Power is a coalition of people who live and work in our communities, focused on moving towards a healthier and sustainable, clean energy future. We're friends and neighbors, teachers and students, employees and bosses. We're of every color and ethnicity, every political stripe and religious belief. All of us have some important things in common: our goal is to manage our electricity supply, taking advantage of the affordable, common sense options available for cleaner power, today and for future generations. We also prioritize people over profits, to create better health for everyone.

About Community Choice

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

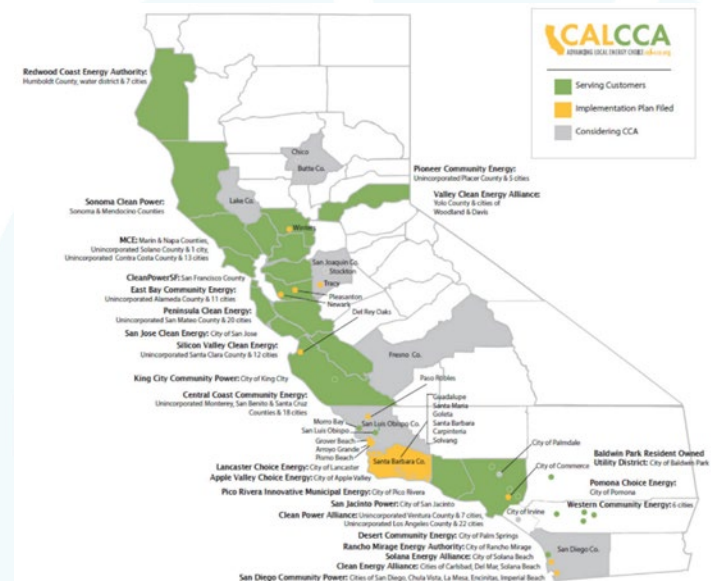
This not-for-profit model goes even further, eliminating for-profit shareholders who make a profit on your electricity use.

At SDCP, our only shareholder is you.

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

age, ethnicity and income group. The public gets choices that make real sense. Choices that are sensible, affordable, and focused on the future.

FIGURE 1: CCAs IN CALIFORNIA



Governance and Structure

In September 2019, the cities of San Diego, Chula Vista, Encinitas, La Mesa, and Imperial Beach adopted an ordinance and resolution to form San Diego Community Power, a California joint powers agency. In 2021, the County of San Diego and National City voted to join SDCP.

SDCP's Board is comprised of elected representatives from each member jurisdiction—which may expand as new communities in the surrounding area decide whether to join SDCP in the future. The Board is publicly accountable to

SDCP ratepayers and hosts monthly Board meetings, where they establish policy, set rates, determine power options and maintain fiscal oversight.

As a public agency, SDCP is designed to be fully transparent with all meetings and information open to the public.

FIGURE 2: SDCP MEMBER CITIES



Organization Structure

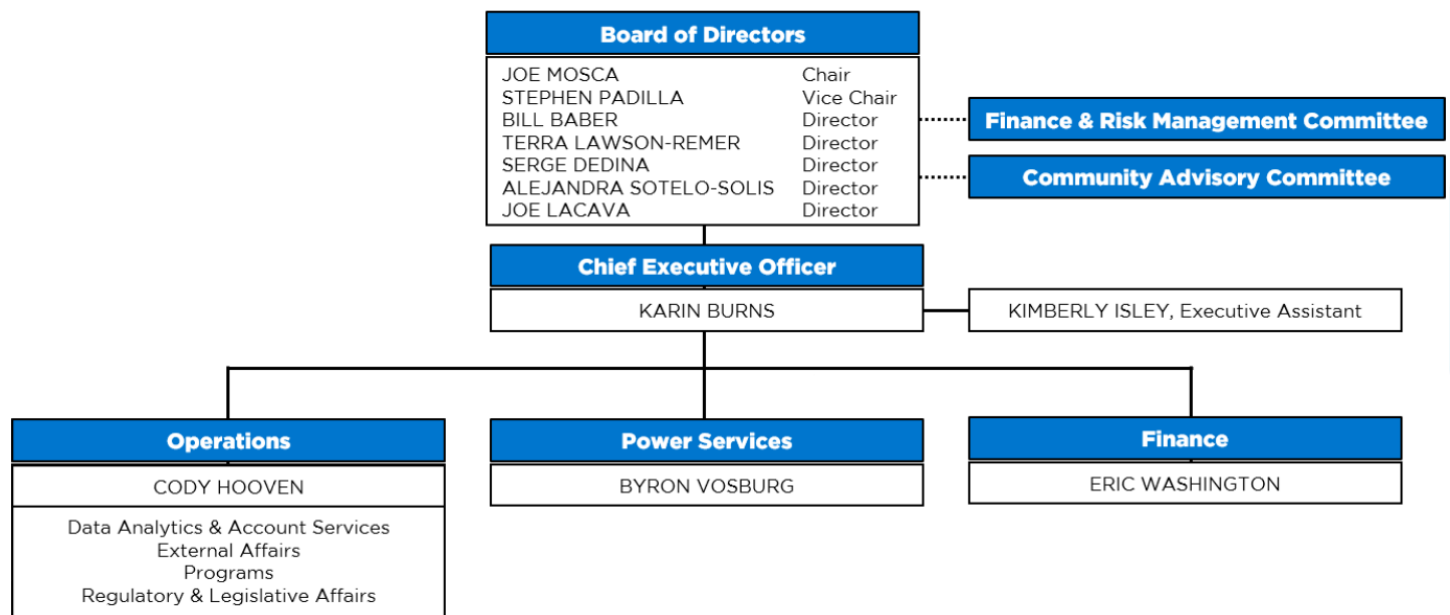


FIGURE 3: ORGANIZATION CHART

Budget Process



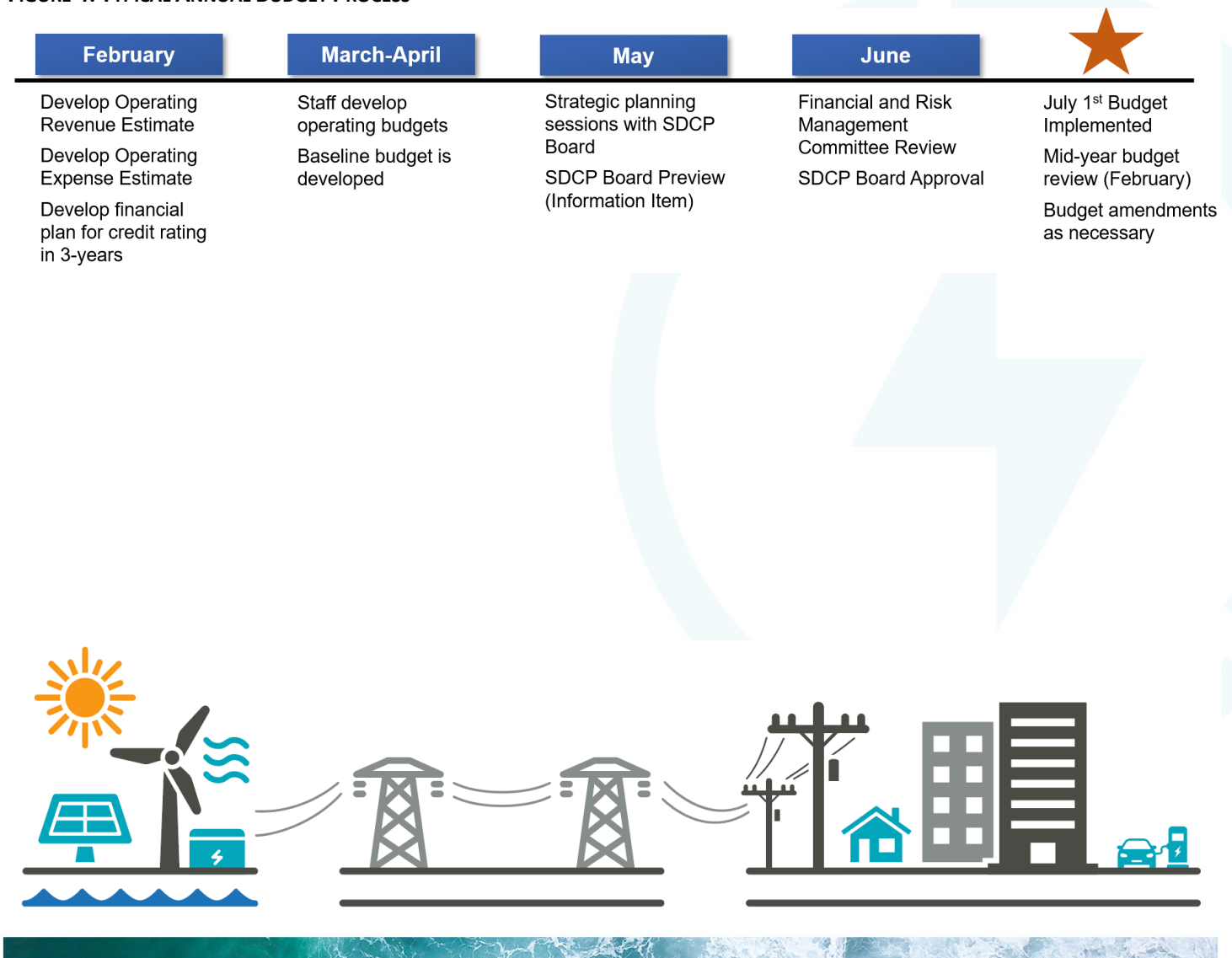
Budget Process

Annual Budget Cycle

On October 1, 2019, the Founding Members of SDCP adopted the Joint Powers Agreement (JPA) which was amended and restated on December 16, 2021. Section 4.6.2 of the JPA specifies that the SDCP Board of Directors shall adopt an annual budget with a fiscal year that runs from July 1 to June 30. Section 7.3.1 of the JPA additionally specifies that the board may revise the budget from time to time as may be reasonably necessary to address contingencies and unexpected expenses.

The annual budget process typically starts in February of any given year. The Finance department develops initial revenue and expense estimates and updates its short-term financial plan. In March and April, SDCP staff develop and refine budget proposals to develop an initial budget baseline for the Agency for the upcoming budget year. The budget is further refined through strategic planning sessions, through the SDCP Finance and Risk Committee, and through the SDCP Board of Directors, which needs to adopt the budget no later than July 1st.

FIGURE 4: TYPICAL ANNUAL BUDGET PROCESS



Budget Calendar

Date	Milestone
January 2022	Budget process begins.
February 2022	Initial revenue and expense estimates are developed.
March to April 2022	Departments propose unconstrained expense requests for review.
April 2022	Staff set initial budget baseline.
May 26, 2022	FY 2022-23 budget is reviewed by the Board of Directors as an information item.
June 2, 2022	Financial Management and Risk Committee reviews the FY 2022-23 budget and provides feedback.
June 11, 2022	Feedback incorporated from Strategic Planning sessions with the Board of Directors.
June 23, 2022	FY 2022-23 budget is potentially adopted by the Board of Directors as an action item.
July 1, 2022	FY 2022-23 budget is implemented.

FIGURE 5: BUDGET CALENDAR





Budget Guidelines

On October 1, 2019, the Founding Members of SDCP adopted the Joint Powers Agreement (JPA) which was amended and restated on December 16, 2021. There are several sections of the JPA that guide the development and management of the budget.

Section 4.6 Specific Responsibilities of the Board. The specific responsibilities of the Board shall be as follows:

4.6.2 Formulate and adopt an annual budget prior to the commencement of the fiscal year;

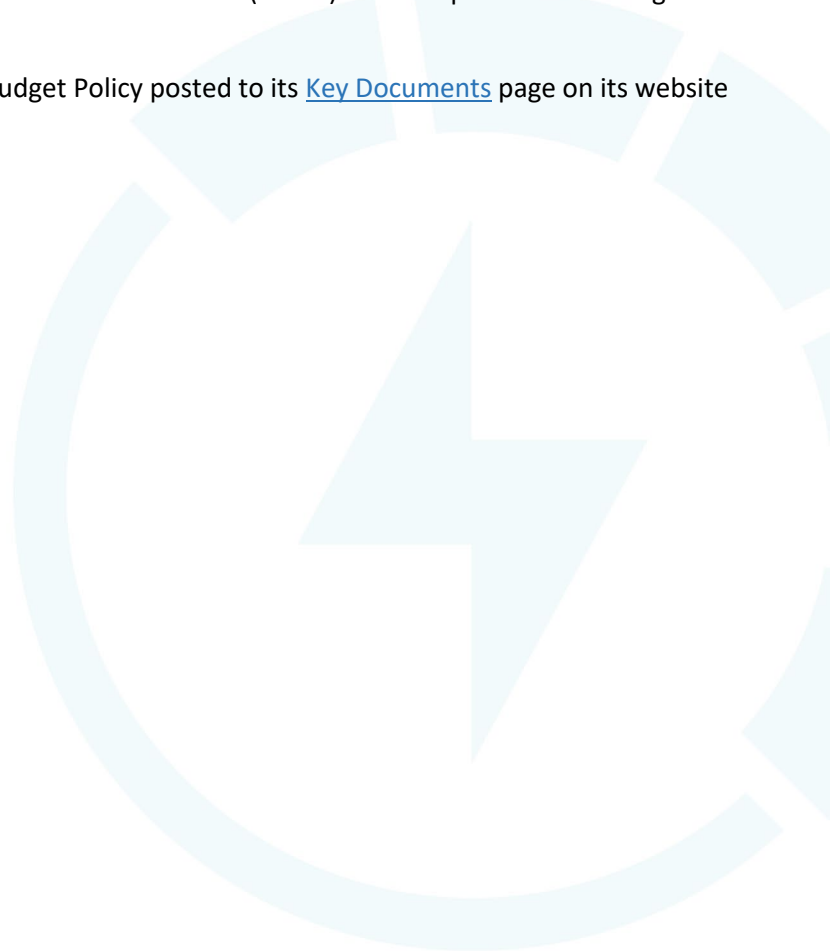
Section 7.2 Depository

7.2.3 All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its policies and procedures.

Section 7.3 Budget and Recovery Costs

7.3.1 Budget. The initial budget shall be approved by the Board. The Board may revise the budget from time to time as may be reasonably necessary to address contingencies and unexpected expenses. All subsequent budgets of SDCP shall be prepared and approved by the Board in accordance with its fiscal management policies that should include a deadline for approval. Section 4.6.2 of the JPA specifies that the SDCP Board of Directors (Board) shall adopt an annual budget with a fiscal year that runs from July 1 to June 30.

The Agency also maintains a Financial Reserve Policy and Budget Policy posted to its [Key Documents](#) page on its website that provides further fiscal guidance.



Budget Structure

Department Hierarchy

SDCP's budget is developed as a line-item budget and is organized by department to indicate the Agency's organizational responsibility.

Departments
Power Services Finance Operations <ul style="list-style-type: none"> • Regulatory Affairs • Data Analytics and Account Services • Programs • External Affairs

FIGURE 6: BUDGET STRUCTURE - DEPARTMENT HIERARCHY

Budget Level Hierarchy

Additionally and separately, the budget is also organized by budget levels to organize expenses into relevant, related categories.

1. Operating Revenues

Operating revenues allow for revenues from sales of electricity to customers for Phase 1, 2, 3 and the beginning of Phase 4. Assumptions include an overall 5% opt-out rate.

2. Operating Expenses

SDCP's operating expenses fall into six categories: cost of energy, personnel costs, professional services and consultants, marketing and outreach, programs, and general and administration.

- I. **Cost of Energy** – Includes all the various services purchased from the power market through our suppliers to supply energy to SDCP's customers.
- II. **Personnel** – Include salaries, payroll taxes, benefits, and excused absence and paid time off for staff. The recruitment strategy includes the addition of approximately 19 new staff members and two interns during the FY 2022-23 budget cycle.
- III. **Professional services and consultants** – Include SDG&E billing service fees, data management fees from Calpine, technical support (for rate setting, load analysis, energy scheduling, etc.), legal/regulatory services and other general contracts related to IT services, audits and accounting services. Funding is also included for a program consultant to guide future program investments in the community. Professional services and consultants are further broken down into the below Budget Level 3 categories.
 - a. Data Management
 - b. SDG&E Fees
 - c. Technical Support
 - d. Legal/Regulatory
 - e. Other Services

- IV. **Marketing and Outreach** – Includes expenses for mandatory enrollment notices, communication consultants, mailers, printing, sponsorships, and partnerships to inform the community of SDCP. Marketing and outreach are further broken down into the below Budget Level 3 categories.
- a. Printing
 - b. Sponsorships and Local Memberships
 - c. Communications Consultants
- V. **General and Administration** – Costs include leasing office space, industry fees or memberships (e.g., bank fees, CalCCA dues), equipment and software, as well as other general operational costs including Board and Committee expenses, Board stipends, staff travel or professional development, logo gear, and team building.
- VI. **Programs** – Includes funding to support initial pilot programs after the SDCP Community Power Plan is complete in calendar year 2023, grants to community organizations, investments that generate equitable energy-related benefits, education campaigns, opportunities for increased collaboration with member agencies and funding for a potential new CPUC energy-efficiency program.
3. **Non-Operating Revenues** – SDCP’s budget also includes non-operating expenses related to interest and related expenses used to finance its operations. These costs are comprised of loan associated interest costs as well as potential renewal fees on debt or letters of credit.

FIGURE 7: BUDGET STRUCTURE - BUDGET LEVEL HIERARCHY

Budget Level 1	Budget Level 2	Budget Level 3
Revenue	Gross Ratepayer Revenues	Gross Ratepayer Revenues
Revenue	(Less 1% Uncollectible Customer Accounts)	(Less 1% Uncollectible Customer Accounts)
Operating Expenses	Cost of Energy	Cost of Energy
Operating Expenses	Personnel Costs	Salaries
Operating Expenses	Personnel Costs	Benefits (retirement/health)
Operating Expenses	Personnel Costs	Payroll Taxes
Operating Expenses	Personnel Costs	Accrued PTO
Operating Expenses	Professional Services and Consultants	Legal/Regulatory
Operating Expenses	Professional Services and Consultants	Technical Support
Operating Expenses	Professional Services and Consultants	Programs Consultant
Operating Expenses	Professional Services and Consultants	Other Services
Operating Expenses	Professional Services and Consultants	SDG&E Fees
Operating Expenses	Professional Services and Consultants	Data Management
Operating Expenses	Professional Services and Consultants	Contingency
Operating Expenses	Marketing and Outreach	Communications Consultants
Operating Expenses	Marketing and Outreach	Printing
Operating Expenses	Marketing and Outreach	Sponsorships/Local Memberships
Operating Expenses	General and Administration	Cal CCA Dues
Operating Expenses	General and Administration	Insurance
Operating Expenses	General and Administration	Rent
Operating Expenses	General and Administration	Other G & A
Operating Expenses	Programs	Programs
Non-Operating Expenses	Debt Service	Interest and Related Expenses

FY 2022-23 Budget Principles



Fiscal Responsibility

Maintain a **fiscally responsible budget** in accordance with SDCP Budget Policy.



Understandable and Transparent

Provide an **understandable** and **transparent** operating budget for internal and external users.



Sufficient Funding

Ensure **sufficient funding** to meet procurement needs, sustain operational needs, and support sustained growth while delivering clean energy to the communities we serve.



People, Transparency, Community

Develop a budget that will ultimately **prioritize people, transparency, and our communities.**



Build SDCP Reserves

Build SDCP reserves and develop policies that **consider future economic conditions.**



Informed

Keep the SDCP Board of Directors and staff **informed** of SDCP's fiscal condition.

FIGURE 8: BUDGET PRINCIPLES



Proposed Operating Budget

The SDCP FY 2022-23 Proposed Operating Budget is presented in further detail in the following pages. The table below summarizes the revenue and expense budgets proposed for FY23 in comparison to the FY22 Amended Budget.

TABLE 1: OPERATING BUDGET OVERVIEW

	FY22 Amended	FY23 Proposed
Gross Revenue	380.8	716.1
Less Uncollectible Accounts	(2.7)	(7.2)
Net Operating Revenues	378.1	709.0
Cost of Energy	329.5	661.6
Non-Energy Costs	11.7	32.9
Subtotal Operating Expense	341.1	694.5
Debt Service	0.7	1.3
Total Expenses	341.9	695.8
Net Position	36.1	13.2

Amounts displayed in millions, \$

Operating Revenue

SDCP's sole source of revenue currently is from the retail sale of electricity to its customers. Revenue budgeted for FY 2022-22 reflects a full fiscal cycle of retail sales to our commercial and industrial customer base and retail sales to our residential customer base.

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

TABLE 2: OPERATING REVENUE BY BUDGET LEVEL 2

	FY22 Amended	FY23 Proposed
Gross Ratepayer Revenues	380.8	716.1
(Less 1% Uncollectible Customer Accounts)	(2.7)	(7.2)
Net Operating Revenues	378.1	709.0

Amounts displayed in millions, \$

Operating Expenses

Expenses in the SDCP Operating Budget fall into five budget level 2 categories: cost of energy, personnel costs, professional services and consultants, marketing and outreach, and general and administration. The table below summarizes the expenses for the FY22 Amended Budget and the FY23 Proposed Operating Budget.

TABLE 3: OPERATING EXPENSES BY BUDGET LEVEL 2

	FY23 Proposed
Cost of Energy	661.6
Professional Services and Consultants	16.9
Personnel Costs	7.8
Marketing and Outreach	4.2
General and Administration	2.6
Programs	1.4
Subtotal Operating Expenses	694.5
Interest and Related Expenses	1.3
Total Expenses	695.8

Amounts displayed in millions, \$

Operating Expenses by Department

The table below summarizes the FY23 Proposed Operating Budget expenses by department. Departments were established as part of the development of the FY23 Proposed Operating Budget and therefore are not shown in the prior year.

TABLE 4: OPERATING EXPENSES BY DEPARTMENT

	FY23 Proposed
Power Services	665.7
Data Analytics and Account Services	16.5
Finance	3.9
Operations	3.3
External Affairs	2.9
Programs	2.0
Regulatory Affairs	1.6
Total Operating Expenses	695.8

Amounts displayed in millions, \$

Personnel by Department

The table below summarizes the actual personnel at the end of FY22 and the full-time equivalent (FTE) personnel in the FY23 Proposed Operating Budget. While personnel may be authorized, they must be filled. Detailed information showing filled and proposed FTE transfers by department is included in the following Section.

TABLE 5: PERSONNEL BY DEPARTMENT

	FY22	FY23 Proposed
Power Services	5.0	8.0
Programs	2.0	7.0
Operations	4.0	6.0
Data Analytics and Account Services	3.0	6.0
External Affairs	2.0	6.0
Finance	2.0	4.0
Regulatory Affairs	3.0	3.0
Total FTEs	21.0	40.0



Budget Supplemental Details



Budget Supplemental Details

This section presents SDCP's FY 2022-23 draft budget in the format that it has been shown in prior years and is similar to the format presented by other CCAs in California.

	FY 2022-23 Draft Budget	% of Net Revenues
OPERATING REVENUES		
Gross Ratepayer Revenues	\$ 716,146,107	
(Less 1% Uncollectible Customer Accounts)	\$ (7,161,461)	
Net Operating Revenues	\$ 708,984,646	100.0%
COST OF ENERGY		
Cost of Energy	\$ 661,638,828	
Total Cost of Energy	\$ 661,638,828	93.3%
Gross Net Position	\$ 47,345,818	6.7%
OPERATING EXPENSES		
Professional Services and Consultants		
Data Management	\$ 10,541,810	
SDG&E Fees	\$ 2,563,226	
Technical Support	\$ 1,335,000	
Legal/Regulatory	\$ 1,330,000	
Other Services	\$ 1,111,000	
Total Prof. Svcs. Costs	\$ 16,881,036	2.4%
Personnel Costs		
Salaries	\$ 6,051,917	
Benefits (retirement/health)	\$ 1,274,972	
Payroll Taxes	\$ 443,464	
Accrued PTO	\$ 72,681	
Total Personnel Costs	\$ 7,843,034	1.1%
Marketing and Outreach		
Printing	\$ 2,323,000	
Sponsorships/Local Memberships	\$ 1,199,167	
Communications Consultants	\$ 642,000	
Total Mrktg and Outreach Costs	\$ 4,164,167	0.6%
General and Administration		
Other G & A	\$ 2,037,461	
Cal CCA Dues	\$ 370,000	
Rent	\$ 180,000	
Insurance	\$ 3,902	
Total G & A Costs	\$ 2,591,363	0.4%
Programs		
Programs	\$ 1,607,500	
Programs (Cost-Recovery)	\$ (212,500)	
Total Programs Costs	\$ 1,395,000	0.2%
Net Operating Expenses	\$ 32,874,600	4.6%
Total Operating Expenses	\$ 694,513,428	98.0%
Operating Income (Loss)	\$ 14,471,218	2.0%
NON-OPERATING REVENUES (EXPENSES)		
Interest and Related Expenses	\$ 1,314,922	
Total Non-Operating Revenues (Expenses)	\$ 1,314,922	0.2%
CHANGE IN NET POSITION	\$ 13,156,296	1.9%

TABLE 6: FY 2022-23 SUPPLEMENTAL BUDGET DETAILS

Budget by Level 2 and Level 3



Budget by Level 2 and Level 3

Operating Revenue

SDCP’s sole source of revenue is from the retail sale of electricity to its customers. Revenue reflects a full fiscal cycle of retail sales to our commercial and industrial customer base and a portion of retails sales to our residential customer base. Additional revenue assumptions include:

- The Enrollment for Phase 4 for the County of San Diego and National City beginning in April 2023.
- The substantial completion of Enrollment Phases 1,2, and 3.
- Uncollectible accounts are assumed to be at 1% of total gross revenue.
- The overall opt-out rate is assumed to be 5%.
- Participation rate in Power100 is assumed at 7% of revenues.

TABLE 7: OPERATING REVENUE BY BUDGET LEVEL 2 AND LEVEL 3

	FY22 Amended	FY23 Proposed
Gross Ratepayer Revenues	380.8	716.1
(Less 1% Uncollectible Customer Accounts)	(2.7)	(7.2)
Net Operating Revenues	378.1	709.0

Amounts displayed in millions, \$



Cost of Energy

Cost of energy includes all the various services purchased from the power market through our suppliers. This includes purchased energy, capacity, CAISO fees and other miscellaneous power market expenses. Energy costs assume hedging for FY 2022-23 as of June 2022 and forward electricity prices for the remaining, unhedged energy. This category represents the large majority of SDCP expenses.

TABLE 8: COST OF ENERGY BY BUDGET LEVEL 2 AND LEVEL 3

	FY22 Amended	FY23 Proposed
Cost of Energy	329.5	661.6
Cost of Energy	329.5	661.6

Amounts displayed in millions, \$



Professional Services and Consultants

Professional Services and Consultants include SDG&E fees, data management fees from Calpine, technical support (for rate setting, load analysis, energy scheduling, etc.), legal/regulatory services and other general contracts related to IT services, audits and accounting services.

- **Data Management** includes a broad scope of services that includes all “back office” billing data validation, bill coordination with SDG&E, call center services and billing technical support, customer enrollment database management, move-in/move-out services, customer research for enrollment support, and many support functions related to data reporting.
- **SDG&E Fees** include various service fees paid to SDG&E. This includes mass enrollment fees related to Phase 3 and planned Phase 4. The fees also cover SDG&E’s costs associated with meter reading, additional data processing and bill coordination as mandated and regulated by the California Public Utilities Commission (CPUC). Further, there are numerous small fees associated with data requests.
- **Technical Support** includes consultants to assist with rate setting, policies, joint rate comparisons with the IOU, load analysis, new member analyses and a scheduling coordinator. After electric power is scheduled for delivery to customers and ultimately consumed by those customers, the actual electric consumption must be trued up against the forecasted and scheduled energy. This true-up occurs through the settlement process. Settlements also entail addressing a number of other market and regulatory requirements.
- **Legal/Regulatory** includes legal counsel to assist with the complex aspects of the regulatory, compliance, power supply contract negotiations as well as its general legal needs. This line item also includes the retention of a lobbyist to support SDCP’s legislative and regulatory efforts.
- **Other Services** include contracts for IT services, audits (data and financial audits), accounting services, and human resource services. As SDCP matures we will continue to monitor these services to determine whether it is more cost effective or efficient to bring this work in-house.

TABLE 9: PROFESSIONAL SERVICES AND CONSULTANTS BY BUDGET LEVEL 2 AND LEVEL 3

	FY22 Amended	FY23 Proposed
Data Management	0.7	10.5
SDG&E Fees	1.4	2.6
Technical Support	1.0	1.3
Legal/Regulatory	1.1	1.3
Other Services	0.4	1.1
Broker Fees	0.1	0.0
Contingency	0.1	0.0
Professional Services and Consultants	5.1	16.9

Amounts displayed in millions, \$

Personnel Costs

Personnel include salaries, payroll taxes, benefits, and excused absence and paid time off for staff. The recruitment strategy includes the addition of approximately 19 new staff members and two interns during the FY 2022-23 budget cycle to support the continued growth of SDCP. Most notably, the hiring strategy assumes:

- Power Services expands to eight staff to support the continued procurement of energy, SDCP’s largest expense.
- Programs builds up to seven staff to position SDCP to receive public feedback and establish community programs.

TABLE 10: PERSONNEL COSTS BY BUDGET LEVEL 2 AND LEVEL 3

	FY22 Amended	FY23 Proposed
Salaries	3.2	6.0
Benefits (retirement/health)	0.5	1.3
Payroll Taxes	0.2	0.4
Accrued PTO	0.1	0.1
Contingency	0.1	0.0
Personnel Costs	4.0	7.8

Amounts displayed in millions, \$



Marketing and Outreach

Marketing and Outreach includes expenses for mandatory enrollment notices, communication consultants, mailers, printing, sponsorships, and partnerships to inform the community of SDCP. Marketing and outreach are further broken down into the below Budget Level 3 categories:

- **Printing** includes all statutory pre- and post-enrollment notification printing, postage and mailing requirements as part of our Phase 3 and Phase 4 mass enrollment efforts. SDCP also performs additional outreach in the form of mailers.
- **Sponsorships and Local Memberships** includes outreach to educate the community of the benefits of community choice. This comes in the form of media advertising, sponsorships of community events, community organizations and partnerships.
- **Communications Consultants** continues to be an important focus of SDCP in ensuring the community is informed about SDCP and that we continue to build professional-level name recognition, trust, and education. This also covers design of all required notifications sent out to customers, informing them of their enrollment in SDCP, opt-out procedures, rate comparisons, as well as other notices or educational or marketing information.

TABLE 11: MARKETING AND OUTREACH BY BUDGET LEVEL 2 AND LEVEL 3

	FY22 Amended	FY23 Proposed
Printing	0.3	2.3
Sponsorships/Local Memberships	0.2	1.2
Communications Consultants	0.9	0.6
Notices and Mailers (moved to Printing)	0.2	0.0
Pilot City Member Grants (moved to Programs)	0.2	0.0
Marketing and Outreach	1.7	4.2

Amounts displayed in millions, \$

General and Administration

General and Administration costs include leasing office space, industry fees or memberships (e.g., bank fees, CalCCA dues), equipment and software, as well as other general operational costs including Board and Committee expenses, Board stipends, staff travel or professional development, logo gear, and team building.

TABLE 12: GENERAL AND ADMINISTRATION BY BUDGET LEVEL 2 AND LEVEL 3

	FY22 Amended	FY23 Proposed
Other G & A	0.2	2.0
Cal CCA Dues	0.4	0.4
Rent	0.1	0.2
Insurance	0.1	0.0
General and Administration	0.8	2.6

Amounts displayed in millions, \$



Programs

Programs includes funding to support initial pilot programs after the SDCP Community Power Plan is complete in calendar year 2023, grants to community organizations, investments that generate equitable energy-related benefits, education campaigns, opportunities for increased collaboration with member agencies and funding for a potential new CPUC energy-efficiency program.

Funding is also included for the Disadvantaged Communities Green Tariff (DAC-GT) and Community Solar Green Tariff (CSGT) programs which is expected to be a fully recoverable cost that will be reimbursed by the California Public Utilities Commission.

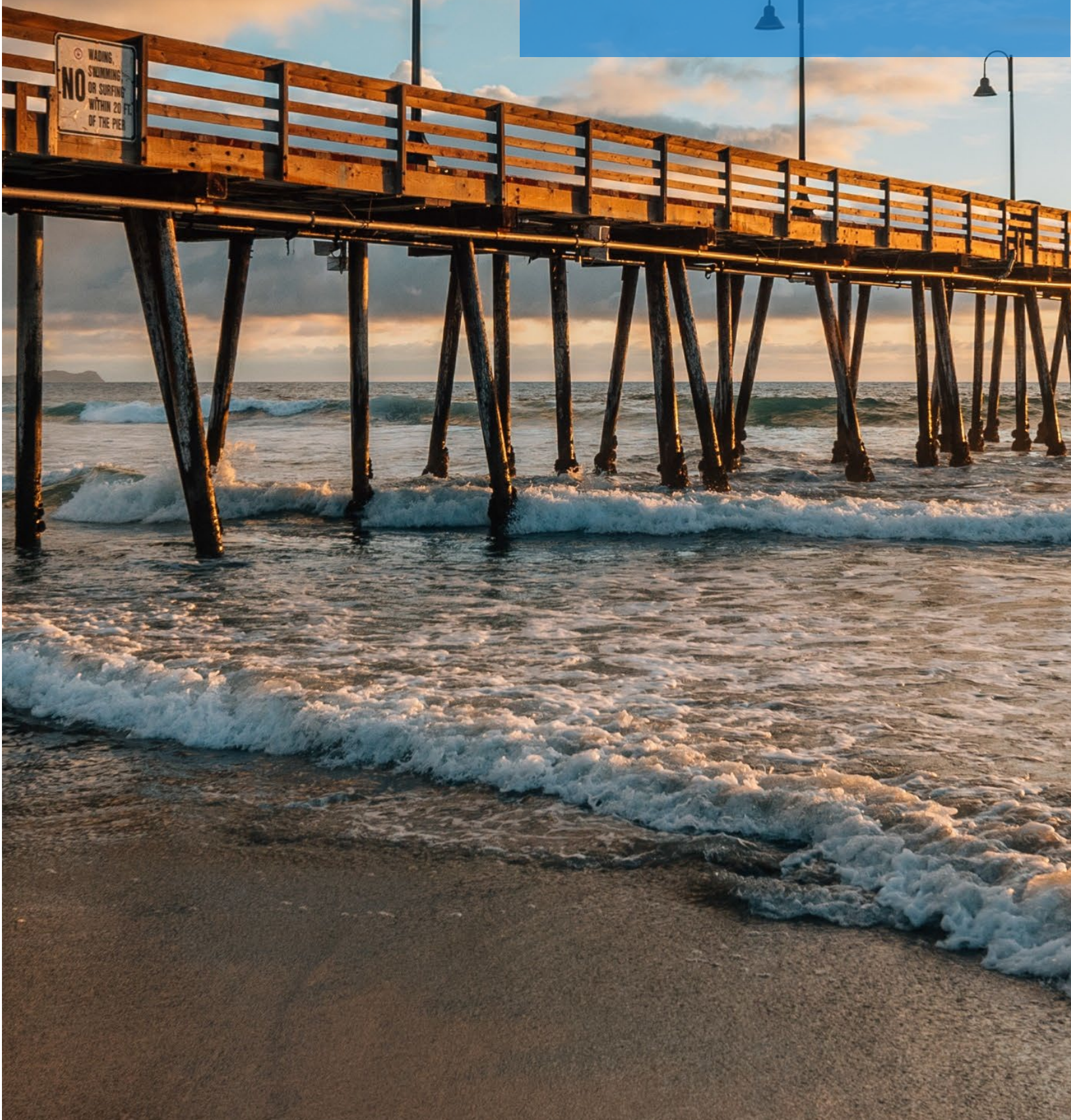
TABLE 13: PROGRAMS BY BUDGET LEVEL 2 AND LEVEL 3

	FY22 Amended	FY23 Proposed
Programs	0.0	1.6
Programs (Cost-Recovery)	0.0	(0.2)
Programs	0.0	1.4

Amounts displayed in millions, \$



Budget Resolution





Budget Resolution

RESOLUTION NO. 2022-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER ADOPTING THE FISCAL YEAR 2022–2023 BUDGET

A. San Diego Community Power (“SDCP”) is a joint powers agency formed pursuant to the Joint Exercise of Powers Act, Cal. Gov. Code § 6500 *et seq.*, California Public Utilities Code § 366.2, and a Joint Powers Agreement effective on October 1, 2019 and amended on December 16, 2021 (“JPA Agreement”).

B. The JPA Agreement provides that SDCP’s fiscal year shall be 12 months commencing each year on July 1 and ending on June 30 the following year.

C. The JPA Agreement further provides that all expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its policies and procedures.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Diego Community Power as follows:

Section 1. The Board of Directors hereby approves and adopts the Fiscal Year 2022–2023 Budget attached hereto and incorporated herein as Exhibit A.

Section 2. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on June 23, 2022.

Chair, Board of Directors
San Diego Community Power

ATTEST:

Secretary, Board of Directors
San Diego Community Power

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OF SAN DIEGO COMMUNITY POWER
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Chair, Board of Directors
San Diego Community Power

ATTEST:

Secretary, Board of Directors
San Diego Community Power



SAN DIEGO COMMUNITY POWER Staff Report – Item 11

To: San Diego Community Power Board of Directors

From: Byron Vosburg, Managing Director

Via: Karin Burns, Chief Executive Officer

Subject: EEI Transaction Confirmation for Resource Adequacy Capacity Product between SDCP and SDG&E for Modified CAM Resources

Date: June 23, 2022

RECOMMENDATION

Approve the EEI Transaction Confirmation For Resource Adequacy Capacity Product between SDCP and SDG&E for Modified CAM Resources and authorize the CEO to execute the agreement in substantially similar form.

BACKGROUND

Integrated Resource Planning – Modified Cost Allocation Mechanism

In 2019 with Decision (D.) 19-11-016, the CPUC ordered load-serving entities (LSEs) to procure 3,300 MW of System Resource Adequacy (RA) in three separate tranches, with projects to come online in 2021, 2022 and 2023. The resource need was identified for the entire system, and so the CPUC concluded that all LSEs serving load at the time should share in the responsibility and be allocated a procurement obligation. That obligation was allocated among LSEs using a combination of load forecast and RA requirements. Cost recovery and other issues, including RA credits, were to be addressed by a modified Cost Allocation Mechanism (mCAM) that was to be developed by the CPUC later in time.

On May 19, 2022, the CPUC approved the long-awaited proposed D. 22-05-015 on mCAM. The Decision addresses three categories of IOU procurement: (1) procurement on behalf of an LSE that opted-out of D. 19-11-016 obligations (“Opt-Out Procurement”); (2) procurement on behalf of an LSE that is deficient in meeting its obligation under D. 19-11-016, D. 21-06-035, and any future procurement requirements ordered in the context of the integrated resource planning (IRP) process (“Backstop Procurement”); and (3) procurement to meet the IOU’s own D. 19-11-016 obligations (“Bundled Procurement”). The Decision requires that the IOUs assign all above-market Bundle Procurement costs to PCIA vintage year (VY) 2019 for recovery from current IOU

customers (“Bundled Service Customers”) and from customers who have departed from bundled service since 2019 (“2019 Departed Load Customers”).

In addition, the Decision adopts a one-time provision that will allow for 2019 Departed Load Customers to access their share of associated resource benefits. Under this provision, an LSE, such as SDCP, that serves customers who departed after 2019 would be required to enter an agreement with the incumbent IOU for the purchase of its share of Bundled Procurement benefits at the applicable market price benchmark (MPB).

ANALYSIS AND DISCUSSION

Staff have negotiated the attached EEI Transaction Confirmation For Resource Adequacy Capacity Product between SDCP and SDG&E in order to facilitate SDCP’s purchase of mCAM RA.

Via this transaction, which is consistent with D.22-05-015, SDCP will purchase its 2022 load-share ratio (~35%) of all RA attributes that SDG&E receives from the resources it has contracted to meet its D.19-11-016 incremental procurement obligations. All RA will be transacted the then-applicable MPB. Staff expect deliveries to begin as soon as September 1, 2022 and to continue through the expiration of SDG&E’s applicable upstream supply contracts, which is expected to be at least through July 2037. The volume of RA SDCP receives under this contract is expected to be ~50 MW in 2022, increasing to ~70 MW in 2023 as additional resources come online.

EEI Transaction Confirmation For Resource Adequacy Capacity Product between SDCP and SDG&E for Modified CAM Resources

- Project: Various Battery Energy Storage and Natural Gas Fired Resources that SDG&E has contracted to meet its D.19-11-016 procurement obligations
- Delivery Term start: September 1, 2022
- Contract term: ~15 years
- RA price: CPUC MPB (~35% of SDG&E’s D.19-11-016 resource capacity)

COMMITTEE REVIEW

N/A

FISCAL IMPACT

This long-term purchase of RA at market-based prices will provide planning certainty, diversity within SDCP’s power supply cost portfolio, and contribute to SDCP’s fulfillment of its resource adequacy obligations over the term of this transaction. In addition, this transaction should reduce PCIA impacts of the portion of SDG&E’s PCIA-eligible RA capacity that is included in this transaction

ATTACHMENTS

Attachment A: EEI Transaction Confirmation For Resource Adequacy Capacity Product between SDCP and SDG&E



**EEI TRANSACTION CONFIRMATION
FOR RESOURCE ADEQUACY CAPACITY PRODUCT**

Resource Adequacy Contract Number: SDGE_SDCP_MCAM_SELL_LOCAL RA__FLEX

This confirmation letter ("Confirmation") confirms the transaction (the "Transaction") between San Diego Gas & Electric Company ("Seller") and San Diego Community Power, a California joint powers authority ("Buyer"), each individually a "Party" and together the "Parties", dated as of June XX, 2022 (the "Confirmation Execution Date") in which Seller agrees to provide to Buyer the right to the Product, as such term is defined in Section 3 of this Confirmation. This Transaction is governed by the EEI Master Power Purchase & Sale Agreement, effective as of December 20, 2021, along with any amendments and annexes executed between the Parties thereto (the "Master Agreement"). The Master Agreement and this Confirmation shall be collectively referred to herein as the "Agreement". Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the Master Agreement or the Tariff (defined herein). To the extent that this Confirmation is inconsistent with any provision of the Master Agreement, this Confirmation shall govern the rights and obligations of the Parties hereunder.

Name: Party A / Seller

Name: Party B / Buyer

All Notices:

San Diego Gas & Electric Company
8315 Century Park Court CP 21D
San Diego CA 92123-1593
Attn: Contract Administration
Telephone: (858) 650-6176
Facsimile: (858) 650-6190
Duns: 006911457
Federal Tax ID Number: 95-1184800

All Notices:

SAN DIEGO COMMUNITY POWER
815 E Street, Suite 12716
San Diego, CA 92112
Attn: Byron Vosburg, Managing Director
Phone: (619) 880-6545
Email: bvosburg@sdcommunitypower.org
Duns: 117548142
Federal Tax ID Number: 85-0824464

Invoices:

San Diego Gas & Electric Company
8315 Century Park Court
San Diego CA 92123-1593
Attn: Energy Accounting Manager
Telephone: (858) 650-6177
Facsimile: (858) 650-6190

Invoices:

Attn: Michael Maher
Phone: 415-526-3020
email: payments@sdcommunitypower.org

Scheduling:

San Diego Gas & Electric Company
8315 Century Park Court, CP 21D
San Diego, CA 92123-1593
Attn: Transaction Scheduling Manager
Day Ahead: (858) 650-6168
Real Time: (858) 650-6160
Facsimile: (858) 650-6191

Scheduling:

Tenaska Power Services CO.
Attn: Kara Whillock, Tenaska Power Services Co.
Phone: (972) 333-6122
Email: kwhillock@tnsk.com
Day Ahead: (817) 303-1115
Real Time: (817) 303-1852
Facsimile: (817) 303-1104

Payments:

San Diego Gas & Electric Company
8315 Century Park Court
San Diego CA 92123-1593
Attn: Energy Accounting Manager
Telephone: (858) 650-6177
Facsimile: (858) 650-6190

Wire Transfer:

Union Bank of California
445 South Figueroa Street
Los Angeles CA 90071
ABA Routing Number: 122000496
Payee: San Diego Gas & Electric Company
Account Number: 4430000352
Confirmation: SDG&E – Major Markets
Facsimile: (213) 244-8316< bank name >

Credit and Collections:

San Diego Gas & Electric Company
8326 Century Park Court, CP21C
San Diego, CA 92123-1593
Attn: Energy Risk Manager
Telephone: (858) 654-6484
Facsimile: (858) 650-6190

With additional Notices of an Event of Default or Potential Event of Default to:

San Diego Gas & Electric Company
8330 Century Park Ct.
San Diego, California 92123
Attn: General Counsel
Telephone: (858) 650-6141
Facsimile: (858) 650-6106

Payments:

Attn: Michael Maher
Phone: 415-526-3020
Email: payments@sdcommunitypower.org
Telephone: (415) 526-3020

Wire Transfer:

BNK: River City Bank
ABA: 121133416
ACCT: 5093687892ABA
Payee: San Diego Community Power
Confirmation: SDCP – Market
Transactions
Telephone: (415) 526-3020

Credit and Collections:

Attn: Michael Maher
Phone: 415-526-3020
Email: mmaher@mahercpa.com

With additional Notices of an Event of Default or Potential Event of Default to:

Best Best & Krieger LLP
18101 Von Karman Ave., Suite 1000
Irvine, CA 92612
Attn: Ryan Baron
Tel: (949) 263-2600
Email: ryan.baron@bbklaw.com
Fax: (949) 260-0972

1. **Definitions**

- 1.1 “Applicable Laws” means any law, rule, regulation, order, decision, judgment, or other legal or regulatory determination by any Governmental Body having jurisdiction over one or both Parties or this Transaction, including without limitation, the Tariff.
- 1.2 “Availability Incentive Payments” has the meaning set forth in the Tariff and includes any similarly defined payments under the Tariff in respect of Flexible RA Attributes.
- 1.3 “Availability Standards” has the meaning set forth in the Tariff and includes any similarly defined standards under the Tariff in respect of Flexible RA Attributes.
- 1.4 “Buyer” has the meaning specified in the introductory paragraph.
- 1.5 “CAISO” means the California Independent System Operator Corporation, or any successor entity performing the same functions.
- 1.6 “Capacity Attributes” means (a) the Local RA Attributes, (b) the RA Attributes, (c) the Flexible RA Attributes, and (d) any other current or future defined characteristics (including the ability to generate at a given capacity level, provide ancillary services, ramp up or down at a given rate, and flexibility or dispatch-ability attributes), certificates, tags, credits, howsoever entitled, including any account construct applied to any Compliance Obligations, based on the applicable Unit’s electric generation capacity.
- 1.7 “Capacity Price” means the price specified in the Capacity Price Table in Section 4.1.
- 1.8 “Capacity Replacement Price” means (a) the actual rate per kW-day paid for any Replacement Capacity purchased by Buyer pursuant to Section 5.2(a) including any penalties, fines, transaction costs and expenses reasonably incurred by Buyer in purchasing such Replacement Capacity, or (b) absent a purchase of Replacement Capacity, any penalties, fines, transaction costs and expenses plus the per kW-day market price for the Product not delivered by Seller under this Confirmation. Buyer shall determine such market prices in a commercially reasonable manner. For purposes of Section 1.51 of the Master Agreement, “Capacity Replacement Price” shall be deemed the “Replacement Price” for this Transaction.
- 1.9 “Compliance Obligations” means the RAR, Local RAR, Flexible RAR, and other resource adequacy requirements associated with a generating unit’s Capacity Attributes established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body having jurisdiction.
- 1.10 “Compliance Showing” means one or more of the following: (a) Local RAR Showing, (b) RAR Showing, (c) Flexible RAR Showing, or (d) other Capacity Attributes compliance or advisory filing (or similar or successor showing or filing), in each case, that an LSE is required to make to the CPUC (and/or, to the extent authorized by the CPUC, to the CAISO), pursuant to the CPUC Decisions, or to any Governmental Body having jurisdiction.
- 1.11 “Confirmation” has the meaning specified in the introductory paragraph.

- 1.12 Reserved.
- 1.13 "Confirmation Execution Date" has the meaning specified in the introductory paragraph.
- 1.14 "Contract Price" means, for any day in any Monthly Delivery Period, the Capacity Price for such period.
- 1.15 "Contract Quantity" means the quantity of Product (in MW) as set forth in Section 3.4.
- 1.16 "Contract Term" has the meaning set forth in Section 2.1.
- 1.17 "CPUC" means the California Public Utilities Commission.
- 1.18 "CPUC Decisions" means CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-04-040, 06-06-064, 06-07-031, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-25, and any other existing or subsequent decisions, resolutions or rulings related to resource adequacy, as may be amended from time to time by the CPUC.
- 1.19 "CPUC Filing Guide" is the annual document issued by the CPUC which sets forth the guidelines, requirements and instructions for LSEs to demonstrate compliance with the CPUC's resource adequacy program as provided in the CPUC Decisions.
- 1.20 "Credit Rating" means, with respect to any entity, the rating assigned to such entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) by S&P, Moody's or any other rating agency agreed by the Parties as set forth in the Master Agreement, 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, Moody's or any other rating agency agreed by the Parties as set forth in the Master Agreement.
- 1.21 "Delivery Period" has the meaning specified in Section 3.3.
- 1.22 "Emission Reduction Credits" or "ERC(s)" means emission reductions that have been authorized by a local air pollution control district pursuant to California Division 26 Air Resources; Health and Safety Code Sections 40709 and 40709.5, whereby such district has established a system by which all reductions in the emission of air contaminants that are to be used to offset certain future increases in the emission of air contaminants shall be banked prior to use to offset future increases in emissions.
- 1.23 "Environmental Costs" means costs incurred in connection with acquiring and maintaining all environmental permits and licenses for the Product, and the Product's compliance with all applicable environmental laws, rules and regulations, including capital costs for pollution mitigation or installation of emissions control equipment required to permit or license the Product, all operating and maintenance costs for operation of pollution mitigation or control equipment, costs of permit maintenance fees and emission fees as applicable, and the costs of all Emission Reduction Credits or Marketable Emission Trading Credits (including any costs related to greenhouse gas emissions) required by any applicable environmental laws, rules, regulations, and permits to operate, and costs associated with the disposal and clean-up of hazardous

substances introduced to the site, and the decontamination or remediation, on or off the site, necessitated by the introduction of such hazardous substances on the site.

- 1.24 “Flexible RA Attributes” means, with respect to a Unit, any and all flexible resource adequacy attributes, as may be identified from time to time by the CPUC, CAISO or other Governmental Body having jurisdiction that can be counted toward Flexible RAR, exclusive of any RA Attributes and Local RA Attributes.
- 1.25 “Flexible RAR” means the flexible capacity requirements, including, without limitation, maximum continuous ramping, load following, and regulation, established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body having jurisdiction. Flexible RAR may also be known as ramping, maximum ramping, maximum continuous ramping, maximum continuous ramping capacity, maximum continuous ramping ramp rate, load following, load following capacity, load following ramp rate, regulation, regulation capacity, regulation ramp rate.
- 1.26 “Flexible RAR Showing” means the Flexible RAR compliance or advisory filing (or similar or successor showing or filing) an LSE is required to make to the CPUC (and, to the extent authorized by the CPUC, to the CAISO) pursuant to the CPUC Decisions, or to any Governmental Body having jurisdiction.
- 1.27 “Forecast Adder for RA” has the meaning set forth in Section 4.1.
- 1.28 “GADS” means the Generating Availability Data System, or its successor.
- 1.29 “Governmental Body” means any federal, state, local, municipal or other government; any governmental, regulatory or administrative agency, commission or other authority lawfully exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; and any court or governmental tribunal.
- 1.30 “Local Capacity Area” has the meaning set forth in the Tariff.
- 1.31 “Local RA Attributes” means, with respect to a Unit, any and all resource adequacy attributes or other locational attributes for the Unit related to a Local Capacity Area, as may be identified from time to time by the CPUC, CAISO or other Governmental Body having jurisdiction, associated with the physical location or point of electrical interconnection of the Unit within the CAISO Control Area, that can be counted toward a Local RAR, but exclusive of any RA Attributes and Flexible RA Attributes.
- 1.32 “Local RAR” means the local resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body having jurisdiction. Local RAR may also be known as local area reliability, local resource adequacy, local resource adequacy procurement requirements, or local capacity requirement in other regulatory proceedings or legislative actions.
- 1.33 “Local RAR Showing” means the Local RAR compliance or advisory filing (or similar or successor showing or filing) an LSE is required to make to the CPUC (and, to the extent authorized by the CPUC, to the CAISO) pursuant to the CPUC Decisions, or to any Governmental Body having jurisdiction.

- 1.34 “LSE” means load-serving entity.
- 1.35 “Marketable Emission Trading Credits” means without limitation, emissions trading credits or units pursuant to the requirements of California Division 26 Air Resources; Health & Safety Code Section 39616 and Section 40440.2 for market based incentive programs such as the South Coast Air Quality Management District’s Regional Clean Air Incentives Market, also known as RECLAIM, and allowances of sulfur dioxide trading credits as required under Title IV of the Federal Clean Air Act (see 42 U.S.C. § 7651b.(a) to (f)).
- 1.36 “Master Agreement” has the meaning specified in the introductory paragraph.
- 1.37 “Monthly Delivery Period” means each calendar month during the Delivery Period and shall correspond to each Showing Month.
- 1.38 “Monthly Payment” has the meaning specified in Section 4.1.
- 1.39 “Moody’s” means Moody’s Investors Services, Inc. or its successor.
- 1.40 “NERC” means the North American Electric Reliability Corporation, or its successor.
- 1.41 “NERC/GADS Protocols” means the GADS protocols established by NERC, as may be updated from time to time.
- 1.42 “Net Qualifying Capacity” has the meaning set forth in the Tariff.
- 1.43 “Non-Availability Charges” has the meaning set forth in the Tariff and includes any similarly defined charges under the Tariff in respect of Flexible RA Attributes.
- 1.44 “Notification Deadline” is five (5) Business Days before the relevant deadlines for the corresponding Compliance Showings applicable to the relevant Showing Month.
- 1.45 “Outage” means any disconnection, separation, or reduction in the capacity of any Unit that relieves all or part of the offer obligations of the Unit consistent with the Tariff.
- 1.46 “Planned Outage” shall have the meaning in CPUC Decisions, and includes a planned, scheduled, or any other Outage approved by the CAISO for the routine repair or maintenance of the Unit, or for the purposes of new construction work, and does not include any Outage designated as either forced or unplanned as defined by the CAISO or NERC/GADS Protocols.
- 1.47 “Product” has the meaning specified in Section 3.1.
- 1.48 “Prorated Percentage of Unit Factor” means the percentage, as specified in Appendix A, of the Unit NQC as of the Confirmation Execution Date that is dedicated to Buyer under this Transaction.
- 1.49 “Prorated Percentage of Unit Flexible Factor” means the percentage, as specified in Appendix A, of the Unit EFC as of the Confirmation Execution Date that is dedicated to Buyer under this Transaction.

- 1.50 “RA Attributes” means, with respect to a Unit, any and all resource adequacy attributes, as may be identified from time to time by the CPUC, CAISO or other Governmental Body having jurisdiction that can be counted toward RAR, exclusive of any Local RA Attributes and Flexible RA Attributes.
- 1.51 “RA Substitute Capacity” means capacity that the CAISO permits under the CAISO Tariff to be substituted for a Resource Adequacy Resource that is on Outage.
- 1.52 “RAR” means the resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body having jurisdiction.
- 1.53 “RAR Showing” means the RAR compliance or advisory filing (or similar or successor showing or filing) an LSE is required to make to the CPUC (and/or, to the extent authorized by the CPUC, to the CAISO), pursuant to the CPUC Decisions, or to any Governmental Body having jurisdiction.
- 1.54 “Replacement Capacity” means capacity which has equivalent Capacity Attributes as the portion of the Product not provided by the Units committed to Buyer as of the Confirmation Execution Date.
- 1.55 “Replacement Unit” means a generating unit providing Replacement Capacity.
- 1.56 “Resource Category” shall be as described in the CPUC Filing Guide.
- 1.57 “RMR Contract” has the meaning set forth in the Tariff.
- 1.58 “S&P” means S&P Global Ratings or its successor.
- 1.59 “Scheduling Coordinator” or “SC” has the meaning set forth in the Tariff.
- 1.60 “Seller” has the meaning specified in the introductory paragraph.
- 1.61 “Showing Month” shall be the calendar month that is the subject of the Compliance Showing, as applicable, as set forth in the CPUC Decisions. For illustrative purposes only, pursuant to the CPUC Decisions in effect as of the Confirmation Execution Date, the monthly RAR Showing made in June is for the Showing Month of August.
- 1.62 “Substitution Rules” has the meaning set forth in Section 3.8(b).
- 1.63 “Supply Plan” has the meaning set forth in the Tariff and includes any similarly defined plan under the Tariff in respect of Flexible RA Attributes.
- 1.64 “Tariff” means the tariff and protocol provisions, including any applicable CAISO-published “Operating Procedures” and “Business Practice Manuals,” as amended or supplemented from time to time, of the CAISO.
- 1.65 “Transaction” has the meaning specified in the introductory paragraph.
- 1.66 “Unit” or “Units” shall mean the generation assets described in Appendix A (including any Replacement Units), from which Product is provided by Seller to Buyer.

- 1.67 “Unit Contract Quantity” means the amount of Product (in MW) to be delivered by Seller to Buyer by each individual Unit, as specified in Appendix A as of the Confirmation Execution Date.
- 1.68 “Unit Delivered Quantity” means the amount of applicable Product (in MW) actually “delivered” by Seller to Buyer by each individual Unit. As used herein, “delivered” shall mean shown in the Supply Plan and, for purposes of Section 4.1, shall include any RA Substitute Capacity under Section 3.8, and in all cases, shall not include (i) any portion of Contract Capacity for which Buyer is required under the Compliance Obligations or the Tariff to procure Replacement Capacity, and (ii) any portion of Contract Capacity for which Seller is required hereunder, but fails, to provide Replacement Capacity to Buyer.
- 1.69 “Unit EFC” means the effective flexible capacity or capacity that is qualified to provide Flexible RA Attributes established by the CAISO for the applicable Unit.
- 1.70 “Unit NQC” means the Net Qualifying Capacity established by the CAISO for the applicable Unit.

2. Term

2.1 Contract Term

The “Contract Term” shall mean the period of time commencing upon the Confirmation Execution Date and continuing until the later of (a) the expiration of the Delivery Period or (b) the date the Parties’ obligations under this Agreement have been fulfilled.

3. Transaction

3.1 Product

- (a) Seller shall sell and Buyer shall receive and purchase, the Capacity Attributes (including all Local RA Attributes and Flexible RA Attributes) of the Units identified in Appendix A (collectively, the “Product”) and Seller shall deliver the Product as described in Section 3.2 below. The Product does not include any right to dispatch or receive the energy or ancillary services from the Unit. Seller retains the right to sell any Product from a Unit in excess of its Unit Contract Quantity.
- (b) The Parties agree that (i) the Contract Price for the Product shall not change if the CAISO, CPUC or other Governmental Body (A) defines new or re-defines existing Local Capacity Areas which decreases or increases the amount of Local RA Attributes provided hereunder, or (B) defines new or re-defines existing Local Capacity Areas whereby the Units qualify for a Local Capacity Area and (ii) if the event in Section 3.1(b)(i)(B) occurs then the Product shall include such Local RA Attributes.
- (c) The Parties agree that (i) the Contract Price for the Product shall not change if the CAISO, CPUC or other Governmental Body defines new or re-defines existing Flexible RAR, Capacity Attributes related to Flexible RAR, or attributes of the Unit related to Flexible RAR, that results in a decrease or increase in the amount of Capacity Attributes related to Flexible RAR provided hereunder, and

(ii) if the event in Section 3.1(c)(i) occurs then the Product shall include such Capacity Attributes related to Flexible RAR.

3.2 Contingent Firm Quantity

During the Delivery Period, Seller shall provide Buyer with the Product from any one or from multiple Unit(s) in the amount of the Contract Quantity. Seller shall not provide Buyer with Replacement Capacity from one or more Replacement Units pursuant to Section 5.1, except in cases of Seller's gross negligence or intentional misconduct. If Seller fails to provide Buyer with Replacement Capacity pursuant to Section 5.1, then Seller shall be liable for damages and/or to indemnify Buyer for penalties, fines or costs pursuant to the terms of Section 5 and Section 10.

3.3 Delivery Period

The "Delivery Period" shall commence on the later of (a) August 1, 2022, and (b) the first day of the first Showing Month that commences at least [fifty (50)] days after CPUC Approval occurs (the "Delivery Start Date"), and shall continue until the expiration of all contracts by which Seller purchases Capacity Attributes from Units for purposes of compliance with D.19-11-016, unless terminated earlier in accordance with the terms of this Agreement.

3.4 Contract Quantity

During each month of the Delivery Period, the applicable "Contract Quantity" shall be Buyer's Allocation mCAM Quantity. "Buyer's Allocation mCAM Quantity" means [34.25%] of Seller's RA Total. "Seller's RA Total" shall mean the total amount of Capacity Attributes received by Seller in such month from the Units listed in Appendix A as shown on Seller's Supply Plan. If Seller is entitled to receive Capacity Attributes from any owner of a listed Unit as "replacement capacity" from an alternate generator, Seller shall sell such Capacity Attributes to Buyer under this Agreement as if the Capacity Attributes originated from the Unit.

As indicated in Appendix A, Capacity Attributes from some Units shall not be included in Seller's RA Total until the date specified in Appendix A.

Seller shall provide Buyer with monthly updates to Appendix A until all Units have achieved commercial operation and are delivery Product under this Agreement, and Seller shall provide Buyer at least twenty (20) days' written notice prior to the addition to or removal of any Units from Appendix A.

Seller shall retain the sole and absolute discretion to modify, enforce, or terminate its purchase agreements with respect to the Units during the Delivery Period. Buyer shall not have any right to consent to changes or the discretion to require changes to the facilities during the Delivery Period. Seller makes no representation or warranty (a) that any Units under development meet commercial operation, (b) that any Units have guaranteed levels or types of Capacity Attributes, or (c) relating to the performance of the Units. Seller agrees that it has an obligation, per CPUC oversight, to administer its purchase agreements reasonably (as determined by the CPUC) and, to the extent possible, shall convey Capacity Attributes of contracts associated with the Units for purposes of compliance with D.19-11-016 to Buyer in a manner such that the Capacity Attributes retain consistent value such as those received by Seller under the same contracts.

3.5 Delivery of Product

Seller shall provide Buyer with the Contract Quantity for each day in each Monthly Delivery Period consistent with the following:

- (a) Seller shall, on a timely basis, submit, or cause each Unit's SC to submit, Supply Plans to identify and confirm the Unit Delivered Quantity for each Unit provided to Buyer so that the total amount of Unit Delivered Quantity identified and confirmed equals the Unit Contract Quantity for each Unit, unless specifically notified or requested not to do so by Buyer pursuant to Section 3.8; and
- (b) Seller shall submit, or cause each Unit's SC to submit, written notification to Buyer, no later than ten (10) calendar days before the relevant deadline for any applicable Compliance Showing, that Buyer will be credited with Unit Delivered Quantity for the applicable portion of the Delivery Period in the Unit's SC Supply Plan so that the total amount of Unit Delivered Quantity for each Unit credited equals the Unit Contract Quantity.

3.6 CAISO/CPUC Offer Requirements

Subject to Buyer's request under Section 3.8(a), Seller shall, or cause the Unit's SC to, bid and/or schedule with, or make available to, the CAISO the Unit Contract Quantity for each Unit in compliance with the Tariff and the CPUC Filing Guide, including any must offer obligation under the Tariff or the CPUC Filing Guide, and shall, or cause the Unit's SC, owner, or operator, as applicable, to perform all obligations under the Tariff and the CPUC Filing Guide that are associated with the sale and delivery of the Product hereunder. Buyer shall have no liability for the failure of Seller or the failure of any Unit's SC, owner, or operator to comply with such Tariff and CPUC Filing Guide provisions, including any penalties, charges or fines imposed on Seller or the Unit's SC, owner, or operator for such noncompliance.

3.7 Reserved

3.8 Unit Substitution; RA Replacement Capacity

- (a) RA Replacement Capacity: No later than five (5) Business Days before the relevant deadline for each applicable Compliance Showing, Buyer may (i) request, subject to Seller's reasonable approval, that Seller not, or cause each Unit's SC not to, list a portion or all of a Unit's applicable Unit Contract Quantity on the Supply Plan or (ii) notify Seller that a portion or all of the Unit Contract Quantity of a Unit will be included in an applicable Compliance Showing as RA Substitute Capacity. The amount of Unit Contract Quantity that is the subject of such a request or notice shall be known as "RA Substitute Capacity" and, for purposes of calculating a Monthly Payment pursuant to Section 4.1, to the extent provided, such RA Substitute Capacity shall be deemed Unit Delivered Quantity provided consistent with Section 3.6.
- (b) Seller's Obligations With Respect to RA Substitute Capacity: If Buyer requests RA Substitute Capacity, Seller shall (i) make such RA Substitute Capacity available to Buyer during the applicable Showing Month to allow Buyer to

utilize, as applicable, the substitution rules in Section 40.9.3.6 of the Tariff including any similarly defined substitution rules under the Tariff (“Substitution Rules”) and (ii) take, or cause each Unit’s SC to take, all action to allow Buyer to utilize, as applicable, the Substitution Rules, including, but not limited to, ensuring that the RA Substitute Capacity will qualify, as applicable, for substitution under the Substitution Rules, and providing Buyer with all information needed to utilize the Substitution Rules.

- (c) Seller agrees that all RA Substitute Capacity utilized by Buyer under the Substitution Rules, as applicable, is subject to the requirements identified in Section 3.6.
- (d) Failure to Provide RA Substitute Capacity: If Seller fails to provide RA Substitute Capacity or Buyer is unable to utilize the RA Substitute Capacity under the Substitution Rules due to Seller’s failure to fulfill its obligations under Section 3.8(b)(ii), then Seller shall reimburse Buyer for any and all Non-Availability Charges incurred by Buyer and shall pay Buyer the CPM revenue the CAISO would have paid Buyer but for Seller’s failure; provided, that if Buyer is unable to utilize the Substitution Rules because the RA Substitute Capacity does not qualify for substitution under Section 40.9.3.6 of the Tariff, then Seller shall not be responsible for any such Non-Availability Charges described in this Section 3.8(d) associated with such inability.

3.9 Buyer’s Re-Sale of Product/Contract Quantity Reduction

Buyer may re-sell all or a portion of the Product, and the Parties may agree to a written amendment to this Agreement to reduce the Contract Quantity.

4. Payment

4.1 Monthly Payment

In accordance with the terms of Article Six of the Master Agreement, Buyer shall make a “Monthly Payment” to Seller for each Unit in respect of the applicable Monthly Delivery Period, as follows:

$$\text{Monthly Payment} = \sum_{n=1}^d (A_n * B_n * 1000)$$

where:

A = applicable Contract Price (in \$/kW-day) for that calendar day

B = Unit Delivered Quantity (in MW) for Capacity Attributes provided by Seller for the Unit(s) in that calendar day; provided, however, in no event shall this quantity “B” exceed the Contract Quantity (in MW) for Capacity Attributes nor shall this quantity “B” be less than zero.

d = Total number of calendar days in the respective Monthly Delivery Period

The Monthly Payment calculation shall be rounded to two decimal places. In no case shall a Unit's Monthly Payment (or any day in any Monthly Payment) be less than zero.

[The Contract Price shall be the then-applicable Forecast Adder for RA (in \$/kW-mo) for deliveries for the applicable calendar year, subject to the true-up set forth below.

On an annual basis, Seller shall calculate a true-up ("Annual True-Up") for each Calculation Period in which the Forecast Adder for RA was used to calculate the Monthly Cash Settlement Amount as an amount equal to (i) the Forecast Adder for RA less the Final Adder for RA, multiplied by (ii) the quantity of Product (in kW-mo) that Seller delivered to Buyer and for which Seller has already issued an invoice to Buyer (the "True-Up Payment"). If the True-Up Payment is a positive amount, such amount is owed by Seller to Buyer, and if the True-Up Payment is a negative amount, such amount is owed by Buyer to Seller.

Within thirty (30) Business Days after the Final Adder for RA is issued in each calendar year, Seller shall issue an invoice to Buyer for amounts owed by, or due to, Seller, as applicable, resulting from the Annual True-Up. Payment for the Annual True-Up shall be due and payable by the owing Party on or before the later of (i) the twentieth (20th) day of the month in which Seller issues a True-Up Payment invoice and (ii) ten (10) Business Days following Buyer's receipt of the invoice issued by Seller for the True-Up Payment, provided that, if such day is not a Business Day, then on the next Business Day.

For purposes of this Section 4.1, "Forecast Adder for RA" means the applicable PCIA Market Price Benchmark Forecast Adder for System, Local, or Flexible RA, established by the CPUC, as published in the Calculation of the Market Price Benchmarks for the Power Charge Indifference Adjustment Forecast and True Up, and originally implemented by D.19-10-001, and "Final Adder for RA" means the applicable PCIA Market Price Benchmark Final Adder for System, Local, or Flexible RA, established by the CPUC, as published in the Calculation of the Market Price Benchmarks for the Power Charge Indifference Adjustment Forecast and True Up, and originally implemented by D.19-10-001.][Contract Price/Payment Structure under review. Discuss backup index if CPUC fails to publish Forecast Adders]

4.2 Reserved.

4.3 Allocation of Other Payments and Costs

- (a) Seller shall retain any revenues it may receive from and pay all costs charged by, the CAISO or any other third party with respect to any Unit for (i) start-up, shutdown, and minimum load costs, (ii) capacity revenue for ancillary services, (iii) energy sales, and (iv) any revenues for black start or reactive power services. Seller shall be responsible for the Environmental Costs associated with the Product and shall indemnify, defend and hold Buyer harmless from and against all third-party claims brought against Buyer for Environmental Costs.
- (b) Buyer shall be entitled to receive and retain all revenues associated with the Contract Quantity during the Delivery Period including any capacity or

availability revenues from RMR Contracts for any Unit, Capacity Procurement Mechanism (CPM) or its successor, and Residual Unit Commitment (RUC) Availability Payments, or its successor but excluding payments described in Section 4.3(a)(i)-(iv).

- (c) In accordance with Section 4.1 of this Confirmation and Article Six of the Master Agreement, all such Buyer revenues described in Section 4.3(b), but received by Seller, or a Unit's SC, owner, or operator shall be remitted to Buyer, and Seller shall pay such revenues to Buyer if the Unit's SC, owner, or operator fails to remit those revenues to Buyer. In order to verify the accuracy of such revenues, Buyer shall have the right, at its sole expense and during normal working hours after reasonable prior notice, to hire an independent third party reasonably acceptable to Seller to audit any documents, records or data of Seller associated with the Contract Quantity.
- (d) If a centralized capacity market develops within the CAISO region, Buyer will have exclusive rights to offer, bid, or otherwise submit the Contract Quantity for re-sale in such market, and retain and receive any and all related revenues.
- (e) Subject to the Unit being made available to the CAISO in accordance with Article 3 of this Confirmation, Seller agrees that the Unit is subject to the terms of the Availability Standards, Non-Availability Charges, and Availability Incentive Payments under the Tariff. Furthermore, the Parties agree that any Availability Incentive Payments are for the benefit of Seller and for Seller's account and that any Non-Availability Charges are the responsibility of Seller and for Seller's account.

4.4 Offset Rights

Either Party may offset any amounts owing to it under this Confirmation, whether for penalties, fines, costs, reimbursement or other payments pursuant to Article Six of the Master Agreement, against any future amounts it may owe to the other Party under this Confirmation.

5. **Seller's Failure to Deliver Contract Quantity**

5.1 Seller's Duty to Provide Replacement Capacity

Seller will be excused from replacement obligations unless required under Section 3.2. If Seller is unable to provide the Contract Quantity from any Unit(s) for any day in any Monthly Delivery Period and Replacement Capacity is required under Section 3.2, then:

- (a) Seller shall notify Buyer of the non-availability of any portion of the Contract Quantity from any Unit(s) and identify Replacement Unit(s) prior to the Notification Deadline for such Showing Month, and
- (b) Seller shall, at no additional cost to Buyer, provide Buyer with Replacement Capacity from one or more Replacement Units, such that the total amount of Product provided to Buyer from all Units and Replacement Units equals Contract Quantity.

Once Seller has identified in writing any Replacement Units that meet the requirements of this Section 5.1, then any such Replacement Unit shall be deemed a Unit for purposes of this Confirmation for that day in such Monthly Delivery Period. Notwithstanding anything to the contrary in this Confirmation, Seller's failure to properly provide Replacement Capacity, including Seller's obligation to identify Replacement Units within the notice deadline specified in Section 5.1(a), may result in the calculation of damages payable to Buyer and/or the indemnification of Buyer against any penalties, fines or costs under Section 5 and Section 10.

5.2 Damages for Failure to Provide Replacement Capacity

If Seller fails to provide Buyer any portion of the Contract Capacity from Replacement Units for any day in any Monthly Delivery Period as required by Section 5.1, then the following shall apply:

- (a) Buyer may, but shall not be obligated to, obtain Replacement Capacity. Buyer may enter into purchase transactions with one or more parties to replace the portion of Contract Capacity not provided by Seller. Additionally, Buyer may enter into one or more arrangements to repurchase its obligation to sell and deliver the capacity to another party, and such arrangements shall be considered the procurement of Replacement Capacity. Buyer shall act in a commercially reasonable manner in purchasing any Replacement Capacity; and
- (b) Seller shall pay to Buyer damages, in accordance with the terms of Section 4.1 of the Master Agreement relating to "Accelerated Payment of Damages," if applicable, an amount equal to the positive difference, if any, between (i) the sum of (A) the Capacity Replacement Price paid by Buyer for any Replacement Capacity purchased by Buyer pursuant to Section 5.2(a) for such day, plus (B) the Capacity Replacement Price times the portion of Contract Capacity not provided by Seller nor purchased by Buyer pursuant to Section 5.2(a) for such day times 1,000 kW/MW, and (ii) the portion of Contract Capacity not provided for the applicable day in the applicable Monthly Delivery Period times the Contract Price for that day times 1,000 kW/MW.

5.3 Indemnities for Failure to Deliver Contract Capacity

If Buyer is unable to purchase Replacement Capacity after Seller fails to provide Buyer a portion of the Contract Capacity from Replacement Units for any day in any Monthly Delivery Period as required by Section 5.1, then in addition to the damages pursuant to Section 5.2(b)(i)(B) with respect to the portion of Contract Capacity that Buyer has not replaced, Seller agrees to indemnify, defend and hold harmless Buyer from any penalties, fines or costs assessed against Buyer by the CPUC, CAISO, or any Governmental Body having jurisdiction, resulting from any of the following:

- (a) Seller's failure to provide any portion of the Contract Capacity or any portion of the Replacement Capacity;
- (b) Seller's failure to provide timely notice of the non-availability of any portion of the Contract Capacity;

- (c) A Unit's SC's failure to timely submit Supply Plans that identify Buyer's right to the Unit Contract Quantity purchased hereunder, or;
- (d) any other failure by Seller to perform its material obligations under this Confirmation.

With respect to the foregoing, the Parties shall use commercially reasonable efforts to minimize such penalties, fines and costs; provided, that in no event shall Buyer be required to use or change its utilization of its owned or controlled assets or market positions to minimize these penalties, fines and costs.

6. Other Buyer and Seller Covenants

6.1 Seller's and Buyer's Duty to Take Action to Allow the Utilization of the Product

Buyer and Seller shall, throughout the Delivery Period, take commercially reasonable actions and execute any and all documents or instruments reasonably necessary to ensure Buyer's right to the use of the Contract Quantity.

6.2 Seller's Represents, Warrants and Covenants

Seller represents, warrants and covenants to Buyer that, throughout the Delivery Period:

- (a) Seller owns or has the exclusive right to the Product sold under this Confirmation from each Unit, and shall furnish Buyer, CAISO, CPUC or other Governmental Body with such evidence as may reasonably be requested to demonstrate such ownership or exclusive right;
- (b) No portion of the Contract Quantity has been committed by Seller to any third party in order to satisfy Compliance Obligations or analogous obligations in any CAISO or non-CAISO markets, other than pursuant to an RMR Contract between the CAISO and either Seller or the Unit's owner or operator;
- (c) Each Unit is connected to the CAISO Controlled Grid, is within the CAISO Control Area, and is under the control of CAISO;
- (d) Seller shall, and each Unit's SC, owner and operator is obligated to, comply with Applicable Laws, including the Tariff, relating to the Product;
- (e) If Seller is the owner of any Unit, the aggregation of all amounts of Capacity Attributes that Seller has sold, assigned or transferred for any Unit does not exceed the Unit NQC or Unit EFC, as applicable, for that Unit;
- (f) Seller has notified or will notify the SC of each Unit that Seller has transferred the Unit Contract Quantity to Buyer, and the SC is obligated to deliver the Supply Plans in accordance with the Tariff fully reflecting such transfer;
- (g) Seller has notified or will notify the SC of each Unit that Seller is obligated to cause each Unit's SC to provide to Buyer, at least ten (10) calendar days before the relevant deadline for each Compliance Showing, the Unit Contract

Quantity of each Unit that is to be submitted in the Supply Plan associated with this Agreement for the applicable period;

- (h) Seller has notified or will notify each Unit's SC that Buyer is entitled to the revenues set forth in Section 4.3, and such SC is obligated to promptly deliver those revenues to Buyer, along with appropriate documentation supporting the amount of those revenues;
- (i) In the event Seller has rights to the energy output of any Unit, and Seller or the Unit's SC schedules energy from the Unit for export from the CAISO Control Area, or commits energy to another entity in a manner that could result in scheduling energy from the Unit for export from the CAISO Control Area, it shall do so only as allowed by, and in accordance with, Applicable Laws and such exports may, if allowed by the Tariff, be curtailed by the CAISO, and;
- (j) The owner or operator of each Unit is obligated to maintain and operate each Unit using Good Utility Practice and, if applicable, General Order 167 as outlined by the CPUC in the Enforcement of Maintenance and Operation Standards for Electric Generating Facilities Adopted May 6, 2004, and is obligated to abide by all Applicable Laws in operating such Unit; provided, that the owner or operator of any Unit is not required to undertake capital improvements, facility enhancements, or the construction of new facilities.

7. Confidentiality

Notwithstanding Section 10.11 of the Master Agreement, the Parties agree that Buyer and Seller may disclose this Agreement to the CPUC, CAISO and any Governmental Body, as required by Applicable Law, and Seller may disclose the transfer of the Contract Quantity under this Transaction to the SC of each Unit in order for such SC to timely submit accurate Supply Plans; provided, that each disclosing Party shall use reasonable efforts to limit, to the extent possible, the ability of any such applicable Governmental Body, CAISO, or SC to further disclose such information. In addition, in the event Buyer resells all or any portion of the Product, Buyer shall be permitted to disclose to the other party to such resale transaction all such information necessary to effect such resale transaction. Each Party recognizes that this Confirmation may be subject to the requirements of the California Public Records Act (Government Code § 6250 *et seq.*).

8. Counterparts

This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement. Delivery of an executed counterpart of this Agreement by facsimile or electronic mail transmission (including PDF) will be deemed as effective as delivery of an originally executed counterpart. Any Party delivering an executed counterpart of this Agreement by facsimile or electronic mail transmission will also deliver an originally executed counterpart, but the failure of any Party to deliver an originally executed counterpart of this Agreement will not affect the validity or effectiveness of this Agreement.

9. Collateral Requirements

[Under SDG&E review]

10. Declaration of an Early Termination Date and Calculation of Settlement Amounts

Notwithstanding anything to the contrary, the Parties shall determine the Settlement Amount for this Transaction in accordance with Section 5.2 of the Master Agreement using the defined terms contained in this Confirmation as applicable. Furthermore, with respect to this Transaction only, the following language is to be added at the end of Section 5.2 of the EEI Agreement:

“Notwithstanding the foregoing, each Party’s economic loss shall be determined using the then current [INDEX PRICE TERM] plus the then current Contract Price, so the Non-Defaulting Party’s Losses shall be deemed to be zero (0); provided, however, that if Seller is the Defaulting Party, Seller shall be obligated to disgorge to Buyer any profits obtained from the resale of the Contract Quantity, unless resale is required under applicable law. The rights and obligations with respect to determining and paying any Settlement Amount or Termination Payment, and any dispute resolution provisions with respect thereto, shall survive the termination of this Transaction and shall continue until after those penalties or fines are finally ascertained.”

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Confirmation to be duly executed as of the date first above written.

SAN DIEGO COMMUNITY POWER
a Joint Powers Authority

SAN DIEGO GAS & ELECTRIC COMPANY
a California corporation

By: _____

By: _____

Name: Karin Burns

Name: _____

Title: CEO

Title: _____

APPROVED as to legal form _____

APPENDIX A

[SDG&E Developing Unit Information][INSERT Seller's RA Total start date, since some resources may come online but not be used under this Confirmation for an initial period]

Unit Information – deemed accurate as of the Execution Date

Unit Resource Name	
CAISO Resource ID	
Unit SCID	
Unit NQC (MW)	
Prorated Percentage of Unit Factor	
Unit EFC (MW)	
Prorated Percentage of Unit Flexible Factor	
Resource Type	
Resource Category (MMC Bucket 1, 2, 3 or 4)	
Path 26 (North or South)	
Local Capacity Area (if any, as of Confirmation Execution Date)	
Minimum Qualified Flexible Capacity Category (Flex 1, 2 or 3)	
Unit Contract Quantity (MW) for Capacity Attributes (excluding Flexible RA Attributes)	
Unit Contract Quantity (MW) for Flexible RA Attributes	
Deliverability restrictions, if any, as described in most recent CAISO deliverability assessment	
Run Hour Restrictions	



Item XX_EEI
Transaction Confirmat

GLOSSARY OF TERMS

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.

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.

CEC – California Energy Commission

CPUC – California Public Utilities Commission

C&I – Commercial and Industrial – Business customers

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.

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

DASR – Direct Access Service Request – Request submitted by C&I 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. SVCE settles its CAISO load at the PG&E DLAP as SVCE is in the PG&E transmission access charge area.

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.

DWR – Department of Water Resources – DWR manages California's water resources, systems, and infrastructure in a responsible, sustainable way.

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.

ESP – Energy Service Provider - An energy entity that provides service to a retail or end-use customer.

EV – Electric Vehicle

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.

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.

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.



IOU – Investor-Owned Utility – A private electricity and natural gas provider.

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.

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.

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.

NEM – Net Energy Metering – A program in which solar customers receive credit for excess electricity generated by solar panels.

NRDC – Natural Resources Defense Council

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.

MW – Megawatt – measure of power. A megawatt equals 1,000 kilowatts or 1 million watts.

MWH – Megawatt-hour – measure of energy

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.

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 (Statute of 2009) and Senate Bill 1305 (Statutes of 1997).

PD – Proposed Decision - A procedural document in a CPUC Rulemaking process 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.

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.

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.

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.

RPS - Renewables 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.

SCE – Southern California Edison

SDG&E – San Diego Gas & Electric

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.)

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.

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, midpeak, 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.

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.



AB	Assembly Bill
AL	Advice Letter
ALJ	Administrative Law Judge
ARB	Air Resources Board
AReM	Alliance for Retail Energy Markets
BayREN	Bay Area Regional Energy Network
CAISO	California Independent System Operator
CalCCA	California Community Choice Association
CALSEIA	California Solar Energy Industries Association
CALSLA	California City County Street Light Association
CAM	Cost Allocation Mechanism
CARE	California Alternate Rates for Energy
CBE	Communities for a Better Environment
CCA	Community Choice Aggregator
CCSF	City and County of San Francisco
CEC	California Energy Commission
CEE	Coalition for Energy Efficiency
CLECA	California Large Energy Consumers Association
CPUC	California Public Utilities Commission
DA	Direct Access
DACC	Direct Access Customer Coalition
DER	Distributed Energy Resources
DR	Demand Response
DRP	Distributed Resource Plans
DWR	Department of Water Resources
ECR	Enhanced Community Renewable
ED	Energy Division
EE	Energy Efficiency
ELCC	Effective Load Carrying Capacity
EPIC	Electric Program Investment Charge
ERRA	Energy Resource Recovery Account

ES	Energy Storage
ESA	Energy Storage Agreements
ESP	Electric Service Provider
EV	Electric Vehicle
FCR	Flexible Capacity Requirements
GHG	Greenhouse Gas
GRC	General Rate Case
GTSR	Green Tariff Shared Renewables
ICA	Integration Capacity Analysis
IDER	Integrated Distributed Energy Resources
IDSMD	Integrated Demand-Side Management
IEP	Independent Energy Producers
IMD	Independent Marketing Division
IOU	Investor Owned Utility
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LCE	Lancaster Choice Energy
LCFS	Low Carbon Fuel Standard
LCR	Local (RA) Capacity Requirements
LNBA	Locational Net Benefits Analysis
LSE	Load-Serving Entity
LTPP	Long- Term Procurement Rulemaking
MCE	Marin Clean Energy
MEO	Marketing, Education And Outreach
MW	Megawatt
NAESCO	National Association of Energy Service Companies
NDA	Non-Disclosure Agreement
NEM	Net Energy Metering
NBC	Non-Bypassable Charge
NRDC	Natural Resources Defense Council
OIR	Order Instituting Rulemaking
OSC	Order to Show Cause
ORA	Office of Ratepayer Advocates
PA	Program Administrator (for EE Business

	Plans)
PAC	Public Agency Coalition
PAM	Portfolio Allocation Methodology
PCE	Peninsula Clean Energy Authority
PCIA	Power Charge Indifference Adjustment
PD	Proposed Decision
PG&E	Pacific Gas & Electric
PHC	Prehearing Conference
PPA	Power Purchase Agreement
PRP	Priority Review Project
PRRR	Progress On Residential Rate Reform
PUC	Public Utilities Code
PURPA	Public Utilities Regulatory Policy Act
RA	Resource Adequacy
RAM	Renewables Auction Mechanism
REC	Renewable Energy Credit
RES-BCT	Renewable Energy Self-Generation Bill Credit Transfer
RFO	Request for Offers
RICA	Renewable Integration Cost Adder
RPS	Renewables Portfolio Standard
SB	Senate Bill
SCE	Southern California Edison
SCP	Sonoma Clean Power Authority
SDG&E	San Diego Gas & Electric
SGIP	Self-Generation Incentive Program
SUE	Super User Electric
SVCE	Silicon Valley Clean Energy
TE	Transportation Electrification
TM	Tree Mortality
TOU	Time-of-Use
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