



## **AGENDA**

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

November 17, 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](mailto:info@sdcommunitypower.org) and it will be distributed to the Members.

The public may participate using the following remote options:

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

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

## **Welcome**

## **Call to Order**

## **Roll Call**

## **Pledge of Allegiance**

## **Special Presentations and Introductions**

## **Report from Closed Session (If held)**

## **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. Approve Updated Legislative Policy**
- 3. Approve Resolution 2022-20 Adopting the 2023 Board Meeting Schedule**
- 4. Receive and File Treasurer's Report for Period Ending September 30, 2022**
- 5. Receive and File Update on Back Office Operations**
- 6. Receive and File Update on Regulatory and Legislative Affairs**
- 7. Receive and File Update on Marketing and Public Relations**
- 8. Receive and File Update on Community Advisory Committee**
- 9. Receive and File the Update on the New Board Member Orientation and New Board Member Handbook**

## **Items Removed from the Consent Calendar**

### **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.*

#### **10. Approval of Amendment to the Chief Executive Officer (CEO) Employment Agreement**

Recommendation: Approve Amendment to the Chief Executive Officer (CEO) Employment Agreement

#### **11. Receive and File the June 30, 2022 Fiscal Year-end Audited Financial Statement**

Recommendation: Receive and File the June 30, 2022 Fiscal Year-end Audited Financial Statement

#### **12. Approval of the Rate Development Policy**

Recommendation: Approve the Rate Development Policy

#### **13. Appointment of Presiding Officer for December 2022 and January 2023 Board of Directors Meetings**

Recommendation: Appoint Presiding Officer for December 2022 and January 2023 Board of Directors Meetings

#### **Director Initiated Items**

#### **14. Consider SDCP Actions Necessary to Accelerate Achievement of 100% Renewable Energy Portfolio (Continued to December 15th Board Meeting)**

(Consideration of a Request by Director Lawson-Remer)

##### **Recommended Action:**

1. Discuss SDCP actions necessary to do the following:
  - a. Align default and opt-in service tiers with previously adopted operational goals regarding gradual achievement of an 100% renewable energy portfolio;
  - b. Increase default service tier to 75% by 2027 and 100% by 2030; and
  - c. Establish a temporary service tier, if needed.
2. Consider directing SDCP staff to prepare the necessary documents, including an amendment to the Joint Powers Agreement and any policies, if needed, and place the documents on a future SDCP agenda for consideration and approval no later than April 2023.

#### **Recognition of Outgoing Board Members**

#### **15. Approval of Resolutions Recognizing Outgoing and Former Directors**

Recommendation: Approve resolutions 2022-14, 2022-15, 2022-16, 2022-17, 2022-18 and 2022-19 recognizing Chair Mosca, Vice Chair Padilla, Director Baber, Director Dedina and former Director Montgomery-Steppe for their service

#### **Reports by Chief Executive Officer and General Counsel**

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

#### **Director Comments**

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

### **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](mailto: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](mailto:info@sdcommunitypower.org) or by mail to SDCP, PO BOX 12716, San Diego, CA 92112. The documents may also be posted at the above website. Such public records are also available for inspection, by appointment, at San Diego Community Power, 2488 Historic Decatur Road, Suite 250, San Diego, CA 92106. Please contact [info@sdcommunitypower.org](mailto:info@sdcommunitypower.org) to arrange an appointment.



## SAN DIEGO COMMUNITY POWER Staff Report – Item 1

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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: November 17, 2022

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### 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

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To: San Diego Community Power Board of Directors  
From: Sebastian Sarria, Policy Manager  
Via: Karin Burns, Chief Executive Officer  
Subject: Approve Update to the Legislative Policy Platform  
Date: November 17, 2022

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### RECOMMENDATIONS

Approve update to the Legislative Policy Platform

### BACKGROUND

At the [March 24, 2022](#), regular meeting of the Board of Directors, the Board approved SDCP's first Legislative Policy Platform (Platform). To recap, the Platform serves as a guide to the SDCP Board of Directors and SDCP staff in their advocacy efforts and engagement on policy matters of interest to SDCP. Moreover:

- The Platform allows both Board members and staff to pursue actions at the local, regional, state and federal levels in a consistent manner and with the understanding that they are pursuing actions in the best interest of the organization and its mission, its member agencies, and its customers.
- The Platform enables the organization to move swiftly to respond to issues before Legislature and Executive Branch agencies including California Public Utilities Commission (CPUC), the California Energy Commission (CEC), California Independent System Operator (CAISO), and the California Air Resources Board (CARB) so that SDCP's views can be heard on important matters in a timely fashion.
- This Platform is also applicable to statewide referenda, grant funding opportunities, and local ballot initiatives.
- The Platform provides guidance to the Chief Executive Officer on support or oppose positions that should be taken on legislative matters identified by the SDCP Director of Regulatory and Legislative Affairs and the California Community Choice Association (CalCCA) Board of Directors.

At the [May 26, 2022](#), regular meeting, staff received feedback from the Board on making additional updates to the Platform. That feedback is discussed in the Analysis portion of this staff report.

### **ANALYSIS AND DISCUSSION**

Staff received direction from the Board to include language on supporting legislation that would evaluate the “social cost of carbon” concept. That change has been reflected in Attachment A.

Moving forward, and as discussed at the May 26, 2022, regular meeting of the Board, staff will bring the Platform at the beginning of every calendar year for Board approval. This timing coincides with the start of every legislative session. For 2023, staff anticipates bringing this item to the Board at the February meeting.

### **COMMITTEE REVIEW**

N/A

### **FISCAL IMPACT**

N/A

### **ATTACHMENTS**

Attachment A: Updated San Diego Community Power Legislative Platform







## **San Diego Community Power Legislative Platform**

### **Overview and Purpose**

San Diego Community Power's (SDCP) Legislative Policy Platform (Platform) serves as a guide to the SDCP Board of Directors and SDCP staff in their advocacy efforts and engagement on policy matters of interest to SDCP. The Platform allows both Board members and staff to pursue actions at the local, regional, state and federal legislative levels in a consistent manner and with the understanding that they are pursuing actions in the best interest of the organization and its mission, its member agencies, and its customers. The Platform enables the organization to move swiftly to respond to issues before Legislature and Executive Branch agencies including California Public Utilities Commission (CPUC), the California Energy Commission (CEC), California Independent System Operator (CAISO), and the California Air Resources Board (CARB) so that SDCP's views can be heard on important matters in a timely fashion. This Platform is applicable to statewide referenda, grant funding opportunities, and local ballot initiatives. The Platform provides guidance to the Chief Executive Officer on support or oppose positions that should be taken on legislative matters identified by the SDCP Director of Regulatory and Legislative Affairs and the California Community Choice Association (CalCCA) Board of Directors.

The Platform outlines the legislative priorities and stances of SDCP with the intent to inform customers, representatives, and policymakers on the myriad of public policies that intersect with SDCP's priorities, programs, and services.

SDCP has three major legislative priorities:

1. Accelerating Deep Decarbonization, including electrification of buildings and the transportation sector;
2. Promoting Local Development, and
3. Stabilizing Community Choice.

SDCP support of legislation will be contingent upon that legislation adhering to these legislative priorities as well as SDCP's organizational goals and priorities. Moreover, SDCP supports any and all policies that will preserve or enhance the ability of SDCP to promote these priorities at the local level.

Any questions regarding this Platform can be directed to Laura Fernandez, Director of Regulatory and Legislative Affairs, at [lfernandez@sdcommunitypower.org](mailto:lfernandez@sdcommunitypower.org).

### **General Legislative Principles**

SDCP has three general legislative principles. These priorities serve as the foundation for all actions SDCP will take, including the lobbying for policies that promote those same guiding priorities. Public policy encompasses a myriad of subject and topic areas. However, as these policies intersect at the local level, they have the ability to impact SDCP revenues, programs, and/or administrative discretion and control. SDCP will support policies that accelerate deep decarbonization, promote local development,



stabilize community choice, or any combination thereof. If a given policy does not meet these criteria, SDCP will oppose, support with amendments, or in some cases take no stance on that policy or legislation. The General Legislative Principles for SDCP are:

### **Accelerating Deep Decarbonization**

- Support the creation or expansion of federal, state, and local policies, programs and funding that enable SDCP to provide 100% renewable energy by 2035 or sooner to customers within its service territory as well as contribute to the State's efforts to reduce greenhouse gas emissions, including through building electrification and transportation electrification.
- Oppose any legislation, policies, programs, referenda, unfunded mandates and budgets that would have an adverse impact on SDCP's ability to advance decarbonization through its procurement, programs, projects, and services.

### **Promoting Local Development**

- Support any legislation, policy, funding, referenda, and budgets that enhance community choice energy providers' ability to invest in local clean energy, distributed energy resources, grid resiliency, zero-emission transportation, all while promoting equity in the communities that it serves.
- Oppose any legislation, policy, funding, referenda, and budgets that limit or undermine SDCP's ability to invest in local clean energy, distributed energy resources, zero-emission transportation, all while promoting equity in the communities that it serves.

### **Stabilizing Community Choice**

- Support any legislation, policies, funding, referenda, and budgets that maintain or improve the stability of community choice energy providers by ensuring regulatory structure is equitable and enables Community Choice Aggregators (CCAs) to meet their mission and goals. Maintaining local decision-making authority, including rate-setting authority and procurement of energy, is a key pillar for this stability.
- Oppose any legislation, policies, funding, referenda, and budgets that undermine or circumvent CCAs and impede the ability of SDCP to achieve its mission and goals or its value proposition.

The list of policy positions below is by no means exhaustive. In addition to the general legislative priorities, SDCP takes the following more specific public policy positions:

#### **I. Governance and Authority**

- a. Oppose legislation that limits the local decision-making authority for CCAs, including rate-setting authority and procurement of energy and capacity to serve their customers.
- b. Oppose legislation that limits SDCP's ability to effectively serve its customers.
- c. Support legislation that makes it easier for other cities and counties that are not served by a publicly owned utility to form a CCA, become

members of SDCP or other CCAs, and oppose legislation that restricts that ability.

## **II. Deep Decarbonization**

- a. Advocate for and support legislative efforts to accelerate deep decarbonization of the energy sector, transportation and the built environment.
- b. Advocate for and support legislative efforts to support and expand access to transportation and building electrification.
- c. Advocate for and support efforts to ensure flexibility in program design so that local data and local needs directly inform program offerings.
- d. Support state funding for electric vehicle infrastructure grant programs.
- e. Advocate for and support legislative efforts to provide incentives to support communities of concern achieving deep decarbonization.

## **III. Environmental Justice**

- a. Support legislation that supports the ability of communities of concern in the SDCP service area to have affordable, reliable and clean energy.
- b. Support legislation that strengthens the resilience of vulnerable communities to the impacts of climate change.
- c. Support legislation that enables all communities, including emerging and historically marginalized communities in California, to participate in deep decarbonization efforts.

d. Support legislation that would study the concept of social cost of carbon.

d.e. Support legislation and initiatives that would reduce local air pollution, reduce other negative local impacts associated with energy production, and boost adoption of distributed energy resources within communities of concern.

e.f. Oppose legislation and initiatives that have the potential to disproportionately and negatively impact communities of concern.

## **IV. Environmental Sustainability**

- a. Support legislation and initiatives that increase funding for the creation of sustainable and stable energy supply infrastructure.
- b. Support legislation and initiatives that encourage the conservation of energy resources as well as the development of dynamic load-shifting capabilities.
- c. Support legislation and funding for renewable and advanced energy technology that increase efficient consumption.
- d. Support legislation and funding for pilot energy and resource efficiency programs.
- e. Support legislation and initiatives with the goal of reducing and mitigating the effects of climate change and building local resiliency.

## **V. Investor-Owned Utility (IOU) Charges and Exit Fees - Power Charge Indifference Adjustment (PCIA)**

- a. Support efforts that seek to eliminate exit fees including the PCIA or wind down exit fees within a reasonable time frame.

- b. Support efforts to minimize the cost of the PCIA generally and minimize its impact on SDCP's rates.
- c. Support CalCCA efforts to increase the transparency of IOU electricity contracts that provide the basis for PCIA charges.
- d. Support legislation that would bring stability to the PCIA and/or provide new mechanisms for CCAs to securitize PCIA charges.
- e. Support legislation that advances ratepayer equity.
- f. Oppose legislation that would increase or expand exit fees on CCA customers.

#### **VI. Resource Adequacy**

- a. Support legislation by CalCCA to implement the recommendations from Working Group 3 via statute.
- b. Oppose legislation that would supplant CCAs' procurement authority for Resource Adequacy.
- c. Support reform of the CPUC Resource Adequacy program to allow for stability in the resource adequacy value of existing resources.
- d. Advocate for and support efforts to remove barriers to demand response, microgrids and behind the meter resources to provide Resource Adequacy.

#### **VII. Nonbypassable Charges**

- a. Oppose legislation that restricts or limits SDCP's ability to procure its own energy products to meet state policy goals.
- b. Support legislation that promotes a level playing field between CCAs and other market participants.
- c. Support legislation that enhances the flexibility of CCA programs to support statewide procurement policy and develop and expand programs, local options, and rate design to support SDCP's community and customers.

#### **VIII. Community Resilience**

- a. Advocate for and support funding for programs implemented by CCAs and their member jurisdictions to increase community resilience to wildfires, public safety power shutoff (PSPS) events and other potential service disruptions.
- b. Support legislation that reduces barriers to microgrid development by CCAs.
- c. Oppose legislation that would enable IOUs to be the only developer of microgrids.
- d. Support legislation that increases development of community-level resources and distributed energy resources that increase resilience and reduce the need for new transmission and distribution infrastructure.

#### **IX. Local Economic Development**

- a. Support legislation that is consistent with SDCP's commitment to an inclusive and sustainable workforce.
- b. Support legislation that enhances opportunities for CCAs to promote local economic development through locally designed programs that meet the unique needs of their member agencies, communities, and customers.

- c. Support efforts to enhance development of local and regional sources of renewable energy.
- d. Support legislation that enables CCAs to collaborate with their member jurisdictions on local energy resources and projects to advance environmental objectives.
- e. Advocate for and support efforts to direct federal economic stimulus/recovery funding to CCAs to deliver local energy resources and projects, as appropriate.

**X. California Energy Market Structure**

- a. Oppose legislation that expands direct access or the ability or economic incentives for electric service providers to selectively recruit CCA or IOU customers.
- b. Support legislation that would create renewable content and environmental standards for electric service providers to match the products offered by CCAs.
- c. Support legislation that changes California's market structures towards innovative models that reduce costs of energy service and support the expansion of carbon-free resources.
- d. Support legislation that advocates for equitable and timely data access/sharing between the IOUs, CCAs and other LSEs to support accurate and timely load forecasts, which aid in overall statewide grid reliability and resiliency efforts.

**XI. Finance**

- a. Support legislation that enhances the financial standing of CCAs and their ability to receive a positive credit rating.
- b. Oppose legislation that reduces or removes the tax-exempt status of municipal bonds.
- c. Oppose any legislation that would divert CCA revenues to the State or other governmental entities.

**XII. Educational, Neighborhood and Social Services**

- a. Support legislation that aids or helps to fund SDCP to provide energy support services, education, and opportunities for reducing energy costs to people who are low-income, seniors, veterans, and/or people with disabilities.
- b. Support legislation and initiatives that increase funding for energy efficiency, demand response, solar plus storage, and transportation electrification programs, and energy literacy services.



## SAN DIEGO COMMUNITY POWER Staff Report – Item 3

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To: San Diego Community Power Board of Directors  
From: Kimberly Isley, Clerk of the Board  
Subject: Approval of 2023 Board Meeting Schedule by Resolution  
Date: November 17, 2022

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### RECOMMENDATION

Adopt a resolution to establish a regular date, time and location for San Diego Community Power (SDCP) Board Meetings for the year 2023.

### BACKGROUND

Section 4.8 of the Joint Powers Authority (JPA) Agreement states that the date, hour, and place of each regular meeting shall be fixed annually by resolution of the Board.

### ANALYSIS AND DISCUSSION

For the 2022 calendar year, the Board of Directors held their meetings every fourth Thursday at 5 pm, except when holidays required an adjustment. Due to the declared COVID-19 State of Emergency and recommended social distancing measures, 2022 Board meetings were generally held in a remote or virtual format pursuant to Brown Act amendments adopted as part of AB 361 in 2021. Moving forward, staff recommends maintaining the same schedule and meeting format, as long as legal authority to hold remote meetings remains in place and it is required or recommended to continue social distancing measures due to the pandemic. Currently, it is anticipated that the Governor will end the declared COVID-19 State of Emergency after February 28, 2023, and it is anticipated that the Board would generally return to in-person meetings after such date. Once it is necessary or desirable to return to in-person meetings, staff expects for SDCP to hold these meetings at the City of San Diego Public Utilities Department's Metropolitan Operations Complex, located at 9192 Topaz Way, San Diego, CA 92123.

Below are proposed 2023 Board meeting dates with all meetings starting at 5 pm (exceptions noted):

Meetings anticipated to be remote/teleconference, with Board Member option to attend in person if feasible:

- January 20, 2023 (additional meeting to accommodate the new board member orientation, Noon-5 pm)



- January 23, 2023 (meeting date adjustment to accommodate rate setting)
- February 23, 2023

Meetings anticipated to be in-person for Board and public at Metropolitan Operations Complex – 9192 Topaz Way, San Diego, CA 92123:

- March 23, 2023
- April 27, 2023
- May 25, 2023
- June 22, 2023
- July 27, 2023
- August 24, 2023
- September 28, 2023
- October 26, 2023
- November 16, 2023 (Third Thursday)
- December 14, 2023 (Second Thursday)

The attached resolution reflects the schedule and location considerations described above.

#### **FISCAL IMPACT**

N/A

#### **ATTACHMENTS**

Attachment A: Resolution 2022-20 establishing a 2023 Board Meeting schedule.



## RESOLUTION NO. 2022-20

### A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER ESTABLISHING ITS REGULAR MEETING SCHEDULE FOR CALENDAR YEAR 2023

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 (JPA Agreement).

B. The Ralph M. Brown Act (Cal. Gov. Code § 54950, *et seq.*) provides that the legislative body of each local agency shall provide, by ordinance, resolution, bylaws, or other rule, the time and place for holding its regular meetings.

C. Section 4.8 of the JPA Agreement provides that the “date, hour, and place of each regular meeting shall be fixed annually by resolution of the Board.”

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

Section 1. For calendar year 2023, regular meetings of the Board of Directors shall take place on the dates set forth below and shall begin at 5:00 P.M. All regular meetings shall take place at the Metropolitan Operations Complex 9192 Topaz Way, San Diego, CA 92123; provided that pursuant to Government Code section 54953(e), SDCP’s meetings may be held fully or partially by videoconference or teleconference while the circumstances permitting such meetings remain in effect.

#### **Regular Meeting Dates**

Meetings anticipated to be remote/teleconference, with Board Member option to attend in person:

January 20, 2023 (additional meeting to accommodate the new board member orientation, Noon-5 pm)

January 23, 2023 (meeting date adjustment to accommodate rate setting)

February 23, 2023

Meetings anticipated to be in-person for Board and public at Metropolitan Operations Complex – 9192 Topaz Way, San Diego, CA 92123:

March 23, 2023

April 27, 2023

May 25, 2023

June 22, 2023



July 27, 2023

August 24, 2023

September 28, 2023

October 26, 2023

November 16, 2023 (Third Thursday)

December 14, 2023 (Second Thursday)

Section 2. Special and adjourned meetings of the Board of Directors may be called and held in the manner authorized in the Ralph M. Brown Act, Cal. Gov. Code § 54950, *et seq.*, as may be amended from time to time or as may be modified or suspended by Executive Order.

Section 3. 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 November 17, 2022.

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Joe Mosca, Chair  
San Diego Community Power

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Kimberly Isley, SDCP Secretary  
San Diego Community Power



## SAN DIEGO COMMUNITY POWER Staff Report – Item 4

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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 2023 Period ended 9/30/22

Date: November 17, 2022

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### RECOMMENDATION

Receive and File Report

### BACKGROUND

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

SDCP has prepared its year-to-date financial statements for the period ended September 30, 2022, along with budgetary comparisons.

### ANALYSIS AND DISCUSSION

Actual financial results for the period ended 9/30/22: \$286.8 million in net operating revenues were reported compared to \$256.64 million budgeted for the period. \$272.89 million in total expenses were reported (including \$266.61 million in energy costs) compared to \$235.10 million budgeted for the period (including \$225.86 million budgeted for energy costs). After expenses, SDCP's change in net position of \$13.92 million was reported for Fiscal Year 2023. The following is a summary of the actual results compared to the Fiscal Year 2023 Budget.

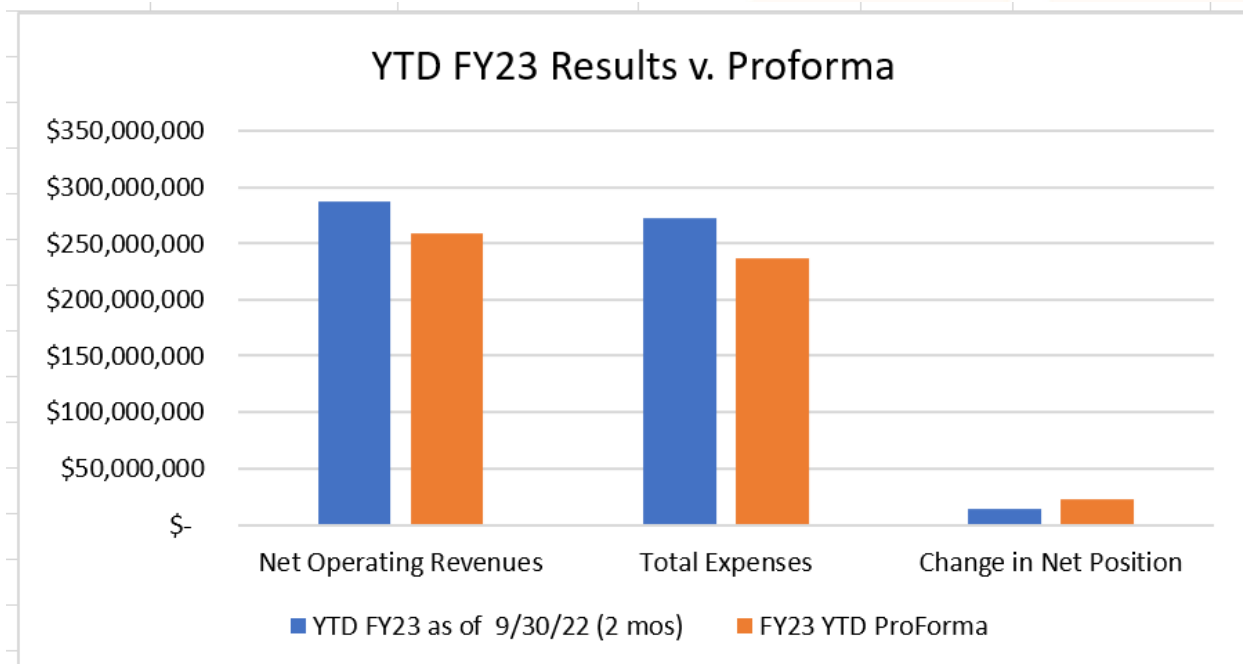
Budget Comparison				
	YTD FY23 as of 9/30/22 (3 mos)	FY23 YTD Budget	Budget Variance (\$)	Budget (%)
Net Operating Revenues	\$ 286,809,683	\$ 256,636,077	\$ 30,173,606	112
Total Expenses	\$ 272,892,537	\$ 235,099,487	\$ 37,793,050	116
Change in Net Position	\$ 13,917,146	\$ 21,536,590	\$ (7,619,444)	

- Net operating revenues finished \$30.17 million (or 12.0 percentage points) over the budget primarily due to opt outs performing better than projected and due to higher demand from non-residential customers.
- Operating expenses finished \$37.79 million (or 16.0 percentage points) over the budget primarily due to higher-than-expected energy usage and energy costs.

Financial results for the period performed under the projections presented in the year-to-date proforma. SDCP's change in net position was -37.3% under the projection similarly and primarily due to better opt-out performance and to higher-than projected energy usage and costs.

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

Proforma Comparison				
	YTD FY23 as of 9/30/22 (3 mos)	FY23 YTD ProForma	ProForma Variance (\$)	Proforma (%)
Net Operating Revenues	\$ 286,809,683	\$ 256,636,077	\$ 30,173,606	11.76%
Total Expenses	\$ 272,892,537	\$ 234,441,861	\$ 38,450,676	16.40%
Change in Net Position	\$ 13,917,146	\$ 22,194,216	\$ (8,277,070)	-37.29%



For the period ending 9/30/22, SDCP contributed \$13,917,146 to its reserves but was expecting to contribute \$21,536,590 per the FY 2022-23 adopted budget. Total SDCP reserves at the end of the period were \$31,373,037 and total available liquidity (including lines of credit) was \$54,352,955. SDCP has a total FY 2022-23 year-end reserve target of \$171,276,631, which is equivalent to 90-days of total operating expenses.

### **COMMITTEE REVIEW**

The report was reviewed by the Financial Risk Management Committee (FRMC) on November 3, 2022

### **FISCAL IMPACT**

N/A

### **ATTACHMENTS**

Attachment A: 2023 Year-to-Date Period Ended 9/30/22 Financial Statements





## SAN DIEGO COMMUNITY POWER Staff Report – Item 5

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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 Operations

Date: November 17, 2022

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### RECOMMENDATION

Receive and file update on various back-office operations.

### 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, Chula Vista, San Diego and Net Energy Metering (NEM) customers with a true up month of February through October are now complete. Our cumulative count of active accounts being served under our portfolio currently stands at **731,092** as of 11/14/2022, cementing San Diego Community Power as the 2<sup>nd</sup> largest CCA by accounts served in the State of California. Net Energy Metering (NEM) customers with a true up month of **November** are currently in the process of being transitioned over to our service and the enrollment process for NEM customers will continue until January of 2023.

#### B) Customer Participation Tracking

Staff and Calpine have worked together to create a reporting summary of customer actions to opt out of SDGP service, opt up to Power100, or opt down from Power100 to PowerOn. The below charts summarize these actions accordingly as of November 6<sup>th</sup>, 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	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-MTD	Grand Total
CITY OF CHULA VISTA	2	77	1	150	9	3	11	12	1	0	0	21	19	159	814	805	279	545	808	243	336	156	3451
CITY OF ENCINITAS	0	0	3	32	7	11	5	3	1	1	3	60	304	753	191	102	77	97	65	62	85	17	1879
CITY OF IMPERIAL BEACH	0	0	0	11	0	1	1	0	0	0	19	129	22	13	24	15	10	23	40	31	12	7	358
CITY OF LA MESA	0	0	15	51	3	6	3	0	6	0	1	158	372	93	122	50	47	122	106	59	72	13	1299
CITY OF SAN DIEGO	14	10	43	516	51	123	111	131	34	23	21	152	194	1501	6425	1645	1349	2809	1648	1122	1109	252	19283
Grand Total	16	87	62	760	70	144	131	146	42	24	44	520	911	2519	7576	2117	1762	3596	2167	1517	1614	445	26270

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	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-MTD	Grand Total
Residential	0	0	0	0	0	0	0	0	0	0	36	501	867	2473	7493	2089	1734	3519	2090	1464	1571	440	24277
Commercial/Industrial	16	87	62	760	70	144	131	146	42	24	8	19	44	46	83	28	28	77	77	53	43	5	1993
Grand Total	16	87	62	760	70	144	131	146	42	24	44	520	911	2519	7576	2117	1762	3596	2167	1517	1614	445	26270

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	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-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	87	81	77	57	58	17	1475
Concerns about lack of equivalent CCA programs	0	0	0	0	0	0	0	0	0	0	0	3	8	10	48	8	12	14	8	4	4	3	122
Decline to Provide	0	4	19	11	25	33	31	94	1	1	9	96	152	432	1243	403	210	389	166	149	148	37	3653
Dislike being automatically enrolled	0	0	28	59	23	18	34	16	3	4	17	142	257	743	2443	611	483	765	523	421	369	115	7074
Have renewable Energy Reliability Concerns	0	0	0	3	0	2	7	0	0	0	1	4	7	49	118	37	17	14	15	12	8	2	296
Other	1	83	2	667	12	18	3	7	8	3	8	69	126	325	1030	223	156	279	131	91	105	23	3370
Rate or Cost Concerns	15	0	11	5	8	70	50	29	29	16	6	95	174	493	1170	344	521	1724	1023	617	758	209	7367
Service or Billing Concerns	0	0	0	0	0	1	4	0	1	0	0	17	22	53	151	58	62	101	56	59	58	14	657
Existing relationship with the utility	0	0	0	0	0	0	0	0	0	0	2	61	112	216	773	243	214	229	168	107	106	25	2256
Grand Total	16	87	62	760	70	144	131	146	42	24	44	520	911	2519	7576	2117	1762	3596	2167	1517	1614	445	26270

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	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-MTD	Grand Total
Customer Service Rep (CSR)	0	83	31	681	23	67	73	84	23	17	16	147	259	462	1661	504	607	1212	760	436	429	103	7678
Interactive Voice Response (IVR)	0	0	1	8	5	27	22	9	16	4	9	55	45	423	1374	394	322	748	486	361	319	82	4700
Website	16	4	30	71	42	50	36	53	3	3	19	318	607	1634	4541	1229	833	1636	921	720	866	260	13892
Grand Total	16	87	62	760	70	144	131	146	42	24	44	520	911	2519	7576	2117	1762	3596	2167	1517	1614	445	26270

## 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	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-MTD	Grand Total
CITY OF CHULA VISTA	0	56	0	0	626	9	4	1	4	1	1	6	3	13	52	12	13	18	9	11	9	6	854
CITY OF ENCINITAS	0	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	19
CITY OF IMPERIAL BEACH	0	0	0	0	0	60	0	0	0	0	0	2	23	1	1	1	0	0	1	0	0	0	89
CITY OF LA MESA	0	0	12	0	130	3	0	3	0	0	0	6	32	15	29	11	4	7	4	5	1	1	263
CITY OF SAN DIEGO	0	133	1	2	2922	12	22	10	48	2	11	25	106	172	1210	215	209	201	215	297	85	24	5922
Grand Total	0	207	13	2	3678	84	26	14	52	3	12	39	164	201	1292	239	226	226	229	313	96	31	7147

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	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-MTD	Grand Total
Residential	0	83	31	681	23	67	73	84	23	17	16	147	259	462	1661	504	607	1212	760	436	429	103	7678
Commercial/Industrial	0	205	13	2	3678	84	26	14	52	3	11	24	13	22	113	6	2	57	18	12	17	5	4377
Grand Total	0	207	13	2	3678	84	26	14	52	3	12	39	164	201	1292	239	226	226	229	313	96	31	7147

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	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-MTD	Grand Total
Customer Service Rep (CSR)	0	207	11	1	3668	80	23	12	48	3	7	25	151	47	857	38	28	67	42	34	34	11	5394
Interactive Voice Response (IVR)	0	0	0	0	3	0	0	0	0	0	1	0	0	4	18	12	6	5	7	6	6	3	71
Web	0	0	2	1	7	4	3	2	4	0	4	14	13	150	417	189	192	154	180	273	56	17	1682
Grand Total	0	207	13	2	3678	84	26	14	52	3	12	39	164	201	1292	239	226	226	229	313	96	31	7147

### Cumulative Power 100 Dashboard

Opt Ups by Jurisdiction	Grand Total
CITY OF CHULA VISTA	853
CITY OF ENCINITAS	24804
CITY OF IMPERIAL BEACH	88
CITY OF LA MESA	261
CITY OF SAN DIEGO	5895
Grand Total	31901

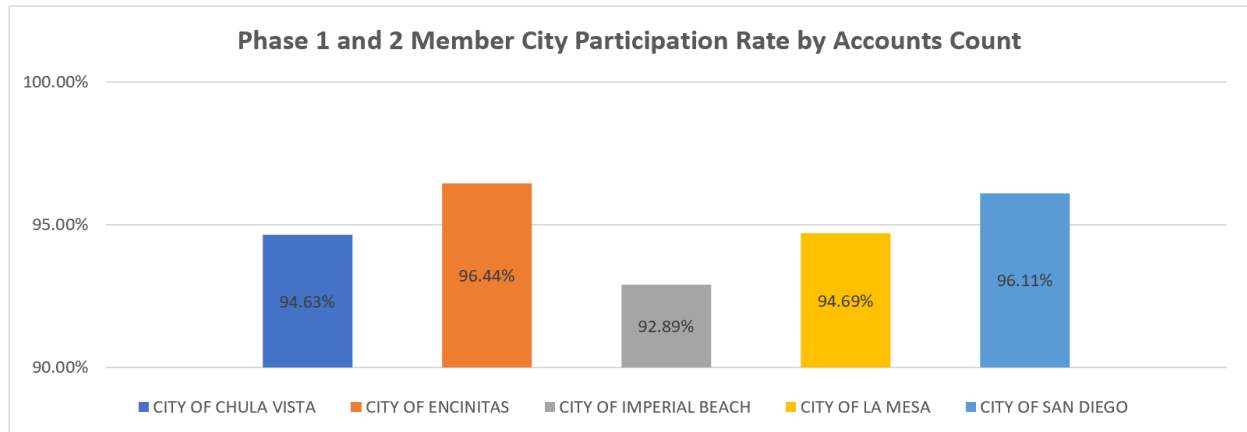
## III. Opt Downs from Power100

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	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-MTD	Grand Total
CITY OF CHULA VISTA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1
CITY OF ENCINITAS	0	0	0	0	24	8	1	1	1	0	0	5	34	127	56	40	52	40	15	17	22	1	444
CITY OF IMPERIAL BEACH	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1
CITY OF LA MESA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	2
CITY OF SAN DIEGO	0	0	0	0	0	0	0	0	0	0	0	0	1	2	2	5	1	6	6	3	1	0	27
Grand Total	0	0	0	0	24	8	1	1	1	0	0	5	35	129	58	45	54	49	21	20	23	1	475

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	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-MTD	Grand Total
Residential	0	0	0	0	0	0	0	0	0	0	0	4	31	128	58	43	51	46	20	13	23	1	418
Commercial/Industrial	0	0	0	0	24	8	1	1	1	0	0	1	4	1	0	2	3	3	1	7	0	0	57
Grand Total	0	0	0	0	24	8	1	1	1	0	0	5	35	129	58	45	54	49	21	20	23	1	475

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	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-MTD	Grand Total
Customer Service Rep (CSR)	0	0	0	0	22	6	1	1	1	0	0	4	30	96	26	24	41	29	13	14	15	1	324
Interactive Voice Response (IVR)	0	0	0	0	2	2	0	0	0	0	0	0	0	17	2	1	3	3	0	0	0	0	30
Web	0	0	0	0	0	0	0	0	0	0	0	1	5	16	30	20	10	17	8	6	8	0	121
Grand Total	0	0	0	0	24	8	1	1	1	0	0	5	35	129	58	45	54	49	21	20	23	1	475

#### IV. Participation Rate.



##### Phase 1 and 2

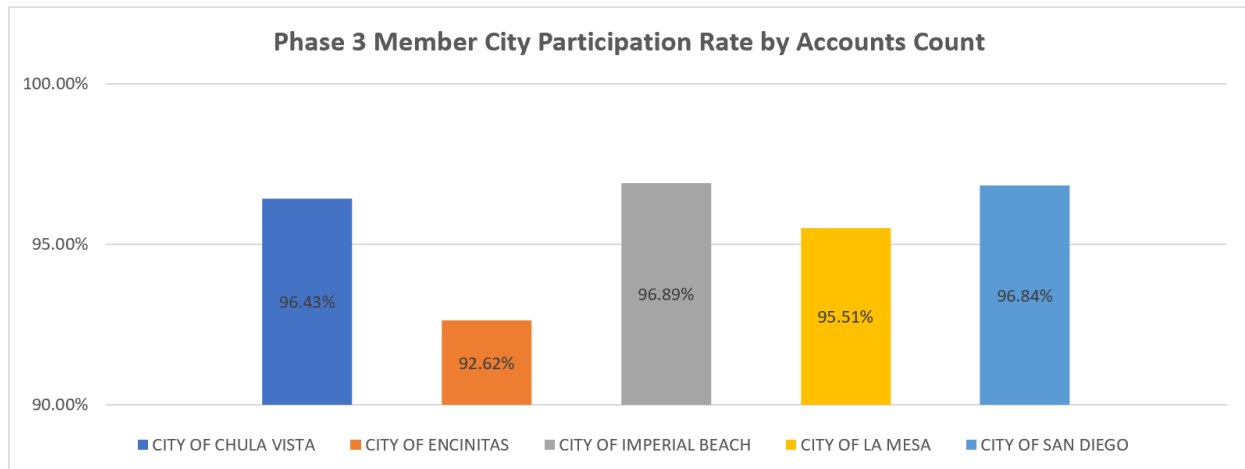
Town or Territory	Active	Eligible	Total Opt Outs	Participation Rate by Accounts Count
CITY OF CHULA VISTA	7634	8067	433	94.63%
CITY OF ENCINITAS	3139	3255	116	96.44%
CITY OF IMPERIAL BEACH	536	577	41	92.89%
CITY OF LA MESA	2673	2823	150	94.69%
CITY OF SAN DIEGO	57083	59395	2312	96.11%
<b>Grand Total</b>	<b>71065</b>	<b>74117</b>	<b>3052</b>	<b>95.88%</b>

For Phase 3, the 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	81501	84522	3021	96.43%
CITY OF ENCINITAS	22090	23850	1760	92.62%
CITY OF IMPERIAL BEACH	9875	10192	317	96.89%
CITY OF LA MESA	24452	25601	1149	95.51%
CITY OF SAN DIEGO	519535	536506	16971	96.84%
<b>Grand Total</b>	<b>657453</b>	<b>680671</b>	<b>23218</b>	<b>96.59%</b>





### C) Contact Center Metrics

Call volumes in the month of October were approximately 2% higher than September. Even amidst the unprecedented heat wave during the first week of September and bills encapsulating the heatwave impacts going out to customers in October, the fact that our Contact Center didn't see a drastic increase in call volume we believe is a result of our social media campaigns which provided customers with all the pertinent information needed for flex alert events, including tips on how to reduce electricity use while mitigating against extreme heat – like precooling homes and running major appliances outside of peak hours.

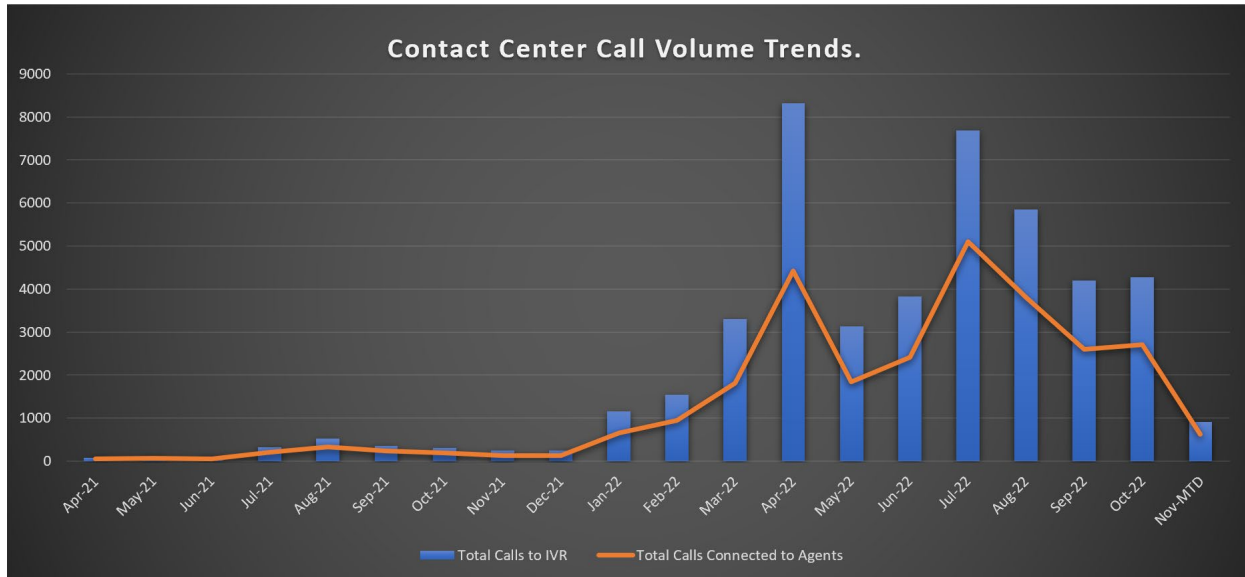
In light of the heatwave which generally increased customers' usage as a function of cooling needs, we saw higher-than-normal bills in October right before the transition from Summer and into the Winter season. Additionally, since the \$64.17 California Climate Credit that was applied to both August and September bills to help offset high Summer electricity charges was not applied to October bills, we saw a 6% increase in overall opt outs month over month from September through October.

The chart below summarizes contact made by customers into our Contact Center broken down by month through November 6<sup>th</sup>:

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	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-MTD	Grand Total
Total Calls to IVR	79	109	103	324	531	349	307	244	243	1154	1538	3302	8326	3137	3836	7683	5856	4199	4281	915	46516
Total Calls Connected to Agents	49	66	57	205	338	231	191	135	129	654	948	1817	4427	1841	2408	5099	3797	2594	2710	631	28327
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	0:00:04	0:00:45	0:00:27	0:00:10	0:00:13	0:00:16	
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	0:10:25	0:11:18	0:09:52	0:09:29	0:09:49	0:09:49	
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%	99.09%	79.70%	85.81%	95.35%	93.64%	92.27%	
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%	0.04%	1.52%	1.12%	0.27%	0.44%	0.47%	

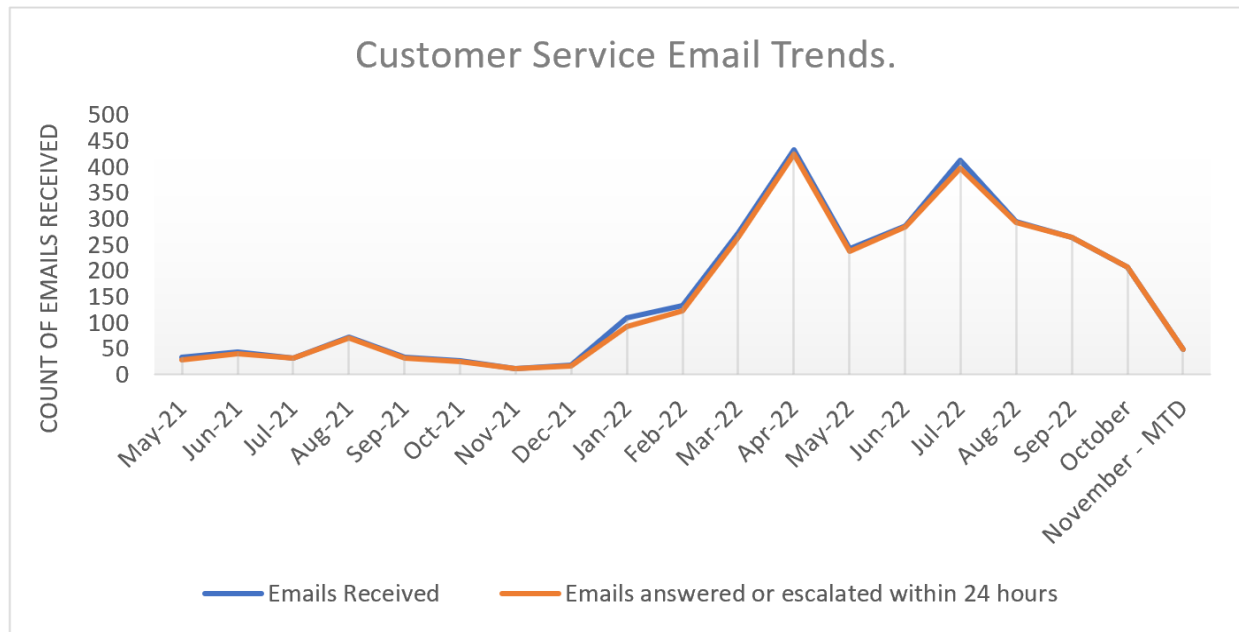




Similar to other mass enrollments in other CCAs' service territories, we are anticipating the trend of our customers calling into our Contact Center's Interactive Voice Response (IVR) system tree and being able to self-serve their opt actions using the recorded prompts as well as utilizing our website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

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%
Jun-22	286	285	99.65%
Jul-22	413	397	96.13%
Aug-22	295	293	99.32%
Sep-22	264	264	100.00%
October	207	207	100.00%
November - MTD	48	48	100.00%

*\*Does not include junk email*



As of this latest reporting month, we still have a total of 13 Dedicated 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.

#### D) Printing, Postage and Mailing RFP.

Staff is happy to announce that SDCP issued an RFP on October 26<sup>th</sup>, 2022 through which proposals from qualified firms to provide professional printing, postage and mailing services are being sought. These Services are sought in order to meet statutory and non-statutory mailing and noticing requirements. The RFP proposals are due by November 11<sup>th</sup>, 2022.

#### COMMITTEE REVIEW

N/A

#### FISCAL IMPACT

N/A

#### ATTACHMENTS

N/A



## SAN DIEGO COMMUNITY POWER Staff Report – Item 6

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To: San Diego Community Power Board of Directors

From: Sebastian Sarria, Policy Manager  
Laura Fernandez, Director of Regulatory and Legislative Affairs

Via: Karin Burns, Chief Executive Officer

Subject: Update on Regulatory and Legislative Affairs

Date: November 17, 2022

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### 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) Legislative Updates

There are no reportable items for this month.

#### B) Regulatory Updates

##### Green Access Programs

The Green Access Programs covers the Disadvantaged Communities Green Tariff (DAC-GT), Community Solar Green Tariff (CSGT), and Green Tariff Shared Renewables (GTSR) programs. Below is a summary of several developments:

- Prehearing Conference on Consolidated Green Access Programs Proceeding
  - On October 27, 2022, the Administrative Law Judge (ALJ) for the consolidated green access programs proceeding covering DAC-GT/CSGT, GTSR, and potentially new community renewables energy programs per AB 2316, held a prehearing conference for parties to discuss what issues to be scoped into the proceeding. SDCP participated via Braun Blasing & Wynne (BB&W) on DAC-GT/CSGT matters, and with Tosdal Law on GTSR matters. The next step in the

proceeding is issuance of a scoping memo, which will inform the parameters of issues to be addressed within the proceeding.

- SDG&E's Reply to SDCP's DAC-GT/CSGT Implementation Advice Letter
  - San Diego Gas & Electric (SDG&E) submitted a reply to SDCP's DAC-GT/CSGT Implementation Advice Letter (AL) on November 1, 2022, indicating their support for the transfer of capacity allocation based on additional disadvantaged communities (DACs) from the addition of the city of National City into SDCP. SDG&E's reply also pointed out several aspects of SDCP's AL in respects to tariffs, cost recovery, reporting, and timing of funds transfer. SDCP submitted a response to SDG&E's reply thanking them for their support of the capacity allocation transfer but also pointing to previous precedent set by other CCAs with these two programs in addressing their concerns. SDG&E's reply is attached here as Attachment A, and SDCP's response is Attachment B.

#### Net Energy Metering 3.0 Proceeding

On November 4, 2022, via email, the [CPUC announced](#) that oral arguments in the Net Energy Metering 3.0 proceeding will be entertained on Wednesday, November 16, 2022. Additionally, on November 10, 2022, the ALJ withdrew the December 2021 Proposed Decision. Subsequently, the ALJ issued a Revised Proposed Decision. Opening comments on the Revised Proposed Decision are due November 30, 2022. SDCP staff is reviewing the Revised Proposed Decision in anticipation of submitting comments jointly with other community choice aggregators.

#### **COMMITTEE REVIEW**

N/A

#### **FISCAL IMPACT**

N/A

#### **ATTACHMENTS**

Attachment A: SDG&E's Reply to SDCP's DAC-GT/CSGT Implementation Advice Letter  
Attachment B: SDCP's Response to SDG&E's Reply to SDCP's DAC-GT/CSGT Implementation Advice Letter



Clay Faber - Director  
Regulatory Affairs  
8330 Century Park Ct  
San Diego, CA 92123

[cfaber@sdge.com](mailto:cfaber@sdge.com)

November 1, 2022

ED Tariff Unit  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, California 94102

Re: **SAN DIEGO GAS & ELECTRIC'S (SDG&E) RESPONSE IN SUPPORT OF SAN DIEGO  
COMMUNITY POWER ADVICE LETTER 005-E**

### **BACKGROUND**

Pursuant to General Order (GO) 96-B, San Diego Gas & Electric (SDG&E) hereby responds to San Diego Community Power (SDCP) Advice Letter 005-E.

### **SDG&E'S RESPONSE**

SDG&E supports SDCP's request of the Commission to grant SDCP request for procurement capacity as a future program administrator of the Disadvantaged Communities Green Tariff (DAC-GT) & Community Solar Green Tariff (CSGT) programs. Although SDCP was not an active Community Choice Aggregator (CCA) at the time that Resolution E-4999 allocated DAC-GT & CSGT program capacity to Investor-Owned Utilities (IOUs) and interested CCAs, SDCP is now serving most disadvantaged communities (DACs) that are considered eligible for the DAC-GT & CSGT programs as defined by in D.18-06-027 & Commission Resolution E-4999.

### **MW Allocations**

DAC-GT and CSGT are procurement-based programs. Resolution E-4999 originally allocated the total DAC-GT & CSGT program capacity for SDG&E's territory as 18 MW and 5 MW, respectively, to SDG&E, since at the time no CCAs in SDG&E's territory were serving customers. To date, none of the DAC-GT or CSGT program capacity that was dedicated to SDG&E's service territory has been committed. The full program capacity of each program is still available for use. SDG&E supports the program capacity being allocated to the organizations that are currently positioned to provide commodity service to the program eligible customers. This approach aligns with SDCP's requested allocation.

Therefore, SDG&E supports the transfer of an updated total of 15.78 MW of DAC-GT program capacity and an updated total of 4.38 MW of CSGT program capacity to SDCP. These allocations are in alignment with the latest available estimates of eligible customers that will transition from SDG&E service to SDCP service for their electric commodity as proposed by SDCP on page 4 of the advice letter.

Additionally, SDG&E also provides the following comments and clarifications regarding details stated in SDCP's Implementation Plan contained in their advice letter's various appendices. SDG&E's comments are intended to further support SDCP's implementation and to suggest ways that SDCP can fully comply with past Commission directives.

As a threshold matter, SDG&E believes that SDCP must meet the same requirements the IOUs are subject to in operating these programs. D. 18-06-027 requires CCAs who wish to receive IOU funding and to implement these programs to file their advice letters (tier 3) and for the Commission to approve those plans that specifically show the CCA is planning to operate the programs consistent with the decision's requirements for the IOUs.<sup>1</sup>

### **Supporting Documentation in Reporting and Evaluation**

As stated above, SDG&E supports SDCP in their opportunity to launch a DAC-GT and CSGT program for customers SDCP serves. However, SDCP should be held to the same documentation standards that apply to the IOUs, since they are receiving ratepayer and/or greenhouse gas allowance funding from SDG&E. In the Program Evaluation section, SDCP states that supporting budget workpapers will be provided to the Evaluation, Measurement, and Verification contractor only "if available".<sup>2</sup> The Commission should direct SDCP to maintain records of all activity and spending just as any regulated IOU is required to do. SDCP must equally be prepared to undergo a CPUC audit at any time to ensure and validate compliance, just as any IOU is prepared for such audits as a regular course of business. SDCP should supply all documents that would be required of and provided by the IOUs during the programs' reporting and evaluations. This ensures that the programs are evaluated fairly, across the IOUs and CCAs, in a comparable manner, including how funds are spent. Again, if SDCP is utilizing an IOU's funds<sup>3</sup> such documents should be available in the normal management of CPUC-approved and ratepayer funded programs.

### **Tariffs**

SDG&E notes that the draft tariffs filed by SDCP for implementation of both programs, CSGT and DAC-GT, do not contain the same elements included by all of the IOUs.<sup>4</sup> For example (and not an exhaustive list), the tariffs do not state what happens when a customer is no longer CARE or FERA enrolled. To protect ratepayers, back billing should also be included for ineligible months, as well as the customer having responsibility of notifying the CCA if their status changes. SDG&E requests that SDCP be ordered to supply more robust tariffs that contain the elements consistent with those in the IOUs' tariffs.<sup>5</sup> Having different tariff requirements may complicate back-office processes.

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<sup>1</sup> D.18-06-027, pages 55-56 and footnote 36, page 87.

<sup>2</sup> SDCP AL, Appendix B at page 18.

<sup>3</sup> With these programs, the funds are either those collected in an IOU's public purpose program charges or are greenhouse gas allowance funds that are used and thus not refunded to customers as climate action bill credits. Both funding sources impact customers.

<sup>4</sup> The tariffs of PG&E and SCE both mirror those of SDG&E.

<sup>5</sup> SDG&E's tariffs may be found at [sdge.com](http://sdge.com): Schedule DAC-GT and Schedule CSGT.

**Cost Recovery**

As a matter of policy and consistent with D.18-06-027, the cost recovery process and requirements for these CCA programs should be consistent with that approved by the Commission for the IOUs. Second, SDCP does not have agency to direct cost recovery methodology for these programs, since SDG&E is still required to be the entity to collect the funds, and then transfer to SDCP once transfer is approved. Therefore, SDG&E will continue to conduct cost recovery for SDCP's allocated funds in the same way it conducts cost recovery for its own IOU costs for these programs and as previously approved in Commission decisions.

**Timing of Funds Transfer**

On page 20 of Appendix B, SDCP states that SDG&E is asked therein to include in its November 2022 ERRA application a request to transfer funds for SDCP's program implementation. SDG&E can only include such a request in a future ERRA application once the Commission has approved SDCP's budget amounts prior to SDG&E's annual filing of its ERRA application, as Resolution E-4999, Ordering Paragraph 2, requires SDG&E to have its own budget amounts approved annually by the CPUC prior to requesting funding in its annual ERRA application. Additionally, SDG&E requests that SDCP be directed to follow the same process that SDG&E follows for requesting administration costs in future years (filing its required February 1 annual administration budget AL).

This concludes our comments to support consistency with the implementation of the CSGT and DAC-GT.

Sincerely,

/s/ Clay Faber

---

CLAY FABER  
Director – Regulatory Affairs

cc: Leuwam Tesfai – Deputy Executive Director – Energy Division  
Tory Francisco – Energy Division  
Joshua Litwin – Energy Division  
Sebastian Sarria – San Diego Community Power  
Service List R.14-07-002

November 8, 2022

**Via Electronic Mail**

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

**Re: San Diego Community Power's Reply to San Diego Gas & Electric Company's  
Response in Support of Advice Letter 10-E**

Pursuant to General Order ("GO") 96-B, San Diego Community Power ("SDCP") hereby submits this Reply to San Diego Gas & Electric Company's ("SDG&E") Response in Support of SDCP's Advice Letter ("AL") 10-E ("SDG&E Response").<sup>1</sup>

SDCP appreciates SDG&E's support of SDCP's implementation of the Disadvantaged Communities Green Tariff ("DAC-GT") and Community Solar Green Tariff ("CSGT") programs. Specifically, SDCP appreciates SDG&E's support of the capacity transfer request for the programs. As mentioned in the SDG&E Response, although SDCP was not an active community choice aggregator ("CCA") at the time of Resolution E-4999, and was therefore not allocated DAC-GT and CSGT program capacity, SDCP is now serving most disadvantaged communities ("DACs") that are considered eligible for the DAC-GT and CSGT programs as defined in Commission Decision ("D")18-06-027 and Commission Resolution E-4999. SDCP provides the following reply to clarify points raised by the SDG&E Response.

**REPLY**

**Implementation of Other CCA Programs**

As SDG&E mentions, to date, none of the DAC-GT or CSGT program capacity that was dedicated to SDG&E's service territory has been committed.<sup>2</sup> As a result, DAC-GT and CSGT programs have not been implemented in SDG&E's service territory. This lack of experience explains many of SDG&E's response points. The majority of points raised by SDG&E have previously been addressed and decided by the Commission through the implementation of CCA DAC-GT and CSGT programs in Pacific Gas and Electric Company's ("PG&E") and Southern California Edison Company's ("SCE") service territories. Therefore, in addressing SDG&E's points, SDCP requests that the Commission look to the precedent and practice set by these other CCA DAC-GT and CSGT programs.

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<sup>1</sup> SDCP inadvertently submitted its DAC-GT/CSGT Implementation AL as "SDCP 005-E" before correcting the advice letter number to "SDCP 10-E." All references to SDCP 005-E in SDG&E's Response have been updated in this Reply to "10-E".

<sup>2</sup> See SDG&E Response at 1.



## **Funding and Cost Recovery**

SDG&E claims that it can only include a request to transfer funds for SDCP's program implementation in a future ERRA application "once the Commission has approved SDCP's budget amounts prior to SDG&E's annual filing of its [Energy Resource and Recovery Account ("ERRA")] application."<sup>3</sup> SDCP's request that SDG&E set aside funds in 2023 equal to the budgets proposed in AL 10-E is consistent with past Commission practice. In Decision ("D.")20-12-038, the Commission directed PG&E to set aside funds for the CCA DAC-GT and CSGT programs subject to disposition of the *pending* advice letter requests.<sup>4</sup> D.20-12-038 was issued in December 2020 and authorized two CCA programs (Marin Clean Energy and East Bay Community Energy) to receive DAC-GT and CSGT funding in 2021, subject to a possible true-up. The Commission's decision was issued ahead of the Commission's disposition of pending advice letter requests, which were not ultimately approved until April 2021.<sup>5</sup>

Additionally, SDG&E indicated in response to a data request in the context of SDG&E's ERRA application (A.22-05-025) that, while it is not SDG&E's practice to include into rates funding request amounts that have not been authorized by the Commission, SDG&E will defer to the Commission's direction as to whether it is appropriate for SDG&E to incorporate SDCP's funding request.<sup>6</sup> SDCP requests that this issue be addressed consistent with how the Commission previously addressed similar requests in D.20-12-038 and Resolution E-5124.

SDG&E also states that "the cost recovery process and requirements for these CCA programs should be consistent with that approved by the Commission for the IOUs," further commenting that "SDCP does not have agency to direct cost recovery methodology for these programs."<sup>7</sup> However, SDCP's cost recovery request is consistent with previous Commission direction. Resolution E-5102, approving Clean Power Alliance of Southern California's ("CPA") DAC-GT and CSGT programs, set a precedent by directing SCE to remit program funds to CPA in four quarterly installments, or within 30 days of issuance of the ERRA Forecast approval.<sup>8</sup> Subsequently in Resolution E-5124, the Commission adopted the quarterly transfer precedent and applied it to *all* CCAs participating in the DAC-GT and/or CSGT programs.<sup>9</sup> The Commission further enforced this precedent in Resolution 5130-E by directing SCE to transfer DAC-GT funds in four quarterly installments.<sup>10</sup> SDCP agrees that the cost recovery process for these programs should remain consistent, and therefore requests that the Commission approve SDCP's cost recovery request.

SDG&E further requests that SDCP be directed to file a February 1 annual administration budget advice letter in order to "follow the same process that SDG&E follows for requesting

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<sup>3</sup> SDG&E Response at 3.

<sup>4</sup> D.20-12-038 at 26.

<sup>5</sup> See Resolution E-5124 at 9 (referencing the previous treatment by the Commission in D.20-12-038).

<sup>6</sup> See Exhibit CCA-12 in SDG&E A.22-05-025 (included as Attachment A hereto).

<sup>7</sup> SDG&E Response at 3.

<sup>8</sup> See Resolution E-5102 at 14 (Findings and Conclusions 9).

<sup>9</sup> Resolution E-5124 at 9-10.

<sup>10</sup> Resolution E-5130 at 13 (Findings and Conclusions 7).

administration costs in future years.”<sup>11</sup> SDG&E’s concern is misplaced. As noted in AL 10-E, the budgets for Program Year (“PY”) 2023 and 2024 are included as an attachment to the AL and contain all the necessary information that would be included in a February 1, 2023 budget advice letter. SDCP will file a February 1 annual budget advice letter beginning in 2024 for PY 2025. This approach is consistent with Commission Resolutions E-5124 and E-5130 approving the CCA DAC-GT and CSGT programs in PG&E’s and SCE’s territories.

Additionally, SDG&E refers to the funds used to support the DAC-GT and CSGT programs as “IOU funding” or “an IOU’s funds.”<sup>12</sup> SDCP would like to clarify that the funds used to support these programs are *ratepayer* funds collected through greenhouse gas auction proceeds or through the public purpose program charge. Public purpose program funds and GHG allowance proceeds are funded both by bundled and unbundled customers and should, therefore, not be referred to as “IOU funds” for purposes of implementing these programs.<sup>13</sup>

### **Supporting Documentation and Tariffs**

SDG&E states that SDCP should be held to the same documentation standards that apply to the IOUs to ensure “that the programs are evaluated fairly, across the IOUs and CCAs, in a comparable manner.”<sup>14</sup> SDG&E further requests that SDCP be ordered to supply more robust tariffs.<sup>15</sup> While SDCP appreciates SDG&E’s concerns regarding documentation, SDCP’s AL 10-E does not deviate in any substantial way from previous CCA DAC-GT/CSGT implementation advice letters with regards to the specific language noted by SDG&E’s Response. For example, Peninsula Clean Energy, Lancaster Choice Energy, Pico Rivera Innovative Municipal Energy, and San Jacinto Power all reference the provision of supporting worksheets “if available.”<sup>16</sup> SDCP should be provided the same consideration as previous CCAs implementing these programs. Therefore, SDCP requests that the Commission approve SDCP’s AL as consistent with prior CCA DAC-GT and CSGT program approvals and Commission decisions.

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<sup>11</sup> SDG&E Response at 3.

<sup>12</sup> SDG&E Response at 2.

<sup>13</sup> See D.18-06-027. Per D.18-06-027 Greenhouse has (“GHG”) auction proceeds are the primary funding sources, supplemented by public purpose program (“PPP”) funds as needed. However, in 2021, the Commission’s Energy Division discovered the California Air Resources Board (“CARB”) Cap-and-Trade regulation prohibited the use of GHG auction proceeds for programs to ratepayers in a volumetric manner. Therefore, programs will be funded through either GHG auction proceeds or PPP funds only as allowable under CARB’s Cap-and-Trade Regulations.

<sup>14</sup> SDG&E Response at 2.

<sup>15</sup> SDG&E Response at 2.

<sup>16</sup> See PCE AL 11-E at 20, LCE AL 13-E at 12, PRIME AL 8-E at 12, SJP AL 6-E at 12.

## CONCLUSION

SDCP thanks the Commission for its consideration of these reply comments.

/s/ Sebastian Sarria

Sebastian Sarria  
Policy Manager  
San Diego Community Power  
PO Box 12716  
San Diego, CA 92112  
ssarria@sdcommunitypower.org

Copy (via e-mail):    Leuwan Tesfai, Deputy Executive Director for Energy and Climate Policy,  
                                CPUC Energy Division  
Joshua Litwin, CPUC Energy Division  
Tory Francisco, CPUC Energy Division  
Clay Faber, Director-Regulatory Affairs, San Diego Gas & Electric  
Service List: R.14-07-002



## SAN DIEGO COMMUNITY POWER Staff Report – Item 7

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To: San Diego Community Power Board of Directors  
From: Jen Lebron, Director of Public Affairs  
Via: Karin Burns, Chief Executive Officer  
Subject: Marketing and Public Relations Update  
Date: November 17, 2022

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### RECOMMENDATION

Receive and file update on Marketing and Public Relations activities for San Diego Community Power.

### BACKGROUND

San Diego Community Power (SDCP) has engaged in a variety of public relations, marketing, and community outreach activities to drive awareness, spark engagement, and minimize opt-outs.

### ANALYSIS AND DISCUSSION

SDCP participated in a record number of community events since the organization's inception during the months of October and November.

SDCP has increased its focus on community engagement over the last few months as it develops its Community Power Plan, which will be a roadmap for the selection, development, and investment of local programs based on community needs and gaps in program offerings. To ensure the plan reflects the needs of ratepayers, SDCP engaged in a Community Needs Assessment, which included listening sessions, interviews with key stakeholders, and conducting a survey, which thousands of San Diego residents participated in.

Aside from collecting survey results, attending the following events gave SDCP an opportunity to connect with community members and answer questions they have about the organization.

#### *Public Engagement Events*

SDCP participated in the following outreach events:

October 28, 2022 – SDSU Class Presentation

November 4, 2022 - Business for Good San Diego, *Doing Business for Good Summit*

November 5, 2022 - United Lowrider Coalition Car Show  
November 6, 2022 – CicloSDias Bike Event  
November 14, 2022 - Imperial Beach Outreach, La Chula Crew

*Paid Advertising*

Development and design of Phase 4 enrollment notices. We are working with Civilian on updated marketing campaign to prepare for April 2023 enrollment of National City and the unincorporated areas of San Diego County.

*Power100 Champion Comarketing*

Beginning negotiations on key partnerships for 2023 sports season including San Diego Wave Fútbol Club, San Diego Padres, SD Loyal SC.

*Communications and Outreach Strategy*

SDCP is in regular communication with regional media in the spirit of transparency and openness, as well as running key social media campaigns for increased brand awareness and visibility.

Currently developing communications and outreach strategies for the onboarding of new board members this winter, rate adjustments in January, and the enrollment of National City and the unincorporated areas of San Diego County next spring.

**COMMITTEE REVIEW**

This item was reviewed by the Community Advisory Committee on November 10, 2022.

**FISCAL IMPACT**

N/A

**ATTACHMENTS**

N/A





## SAN DIEGO COMMUNITY POWER Staff Report – Item 8

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To: San Diego Community Power Board of Directors  
From: Victoria Abrenica, Public Outreach Associate  
Via: Karin Burns, Chief Executive Officer  
Subject: Receive and File Community Advisory Committee (CAC) Monthly Report  
Date: November 17, 2022

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### RECOMMENDATION

Receive and file CAC monthly report.

### 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.

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

### ANALYSIS AND DISCUSSION

At the November 10, 2022, meeting of the CAC, several items took place.

1. The committee Reviewed and Recommended the Board Approve the CAC Fiscal Year 2022-2023 Work Plan.
2. The group Reviewed and Provided Input on the Rate Development Policy.
3. Staff provided updates to the CAC on the recent public relations and back-office operations.
4. The group received an update on the Community Power Plan.

The CAC still has two openings available to represent the city of Imperial Beach and unincorporated San Diego County. Members of the public must be residents and/or business owners of the respective jurisdictions and may submit their applications [here](#).

### COMMITTEE REVIEW



CAC Fiscal Year 2022-2023 Work Plan

**FISCAL IMPACT**

N/A

**ATTACHMENTS**

N/A





## SAN DIEGO COMMUNITY POWER Staff Report – Item 9

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To: San Diego Community Power Board of Directors

From/Via: Karin Burns, Chief Executive Officer

Subject: Update on the New Board Member Orientation and New Board Member Handbook

Date: November 17, 2022

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### RECOMMENDATIONS

Review and file update on the New Board Member Orientation and New Board Member Handbook

### BACKGROUND

Staff has developed a New Board Orientation and a New Board Member Handbook to facilitate the transition of new board members onto the Board of SDCP. SDCP operates in a complex, rapidly evolving, global market and industry that is both nuanced and multi-layered. Effective Board participation can be facilitated by ensuring that all new Board Members have a basic foundation of knowledge as they commence their Board appointments.

### ANALYSIS AND DISCUSSION

In January 2023 there will be multiple new board members joining the SDCP Board. We have scheduled a public, five-hour New Board Member orientation session to be held on Friday, January 20<sup>th</sup> 2023 for all New Board Members. We have also invited and encouraged our Community Advisory Committee members and new staff members to attend the orientation so they can familiarize and/or re-familiarize themselves with all of the departments that make up SDCP. In addition, Board Members will also be provided with a hard copy Handbook intended to provide background information helpful to facilitate their onboarding to SDCP. The attachments to this Staff Report include both the orientation schedule as well as the outline of the Handbook.

### COMMITTEE REVIEW

N/A

### FISCAL IMPACT

N/A

### ATTACHMENTS

Attachment A: Board Orientation Schedule and Staff Presentations  
Attachment B: Board of Directors Handbook/Table of Contents



**As of November 2022**  
**San Diego Community Power**  
**Board Orientation Schedule and Staff Presentations**  
**January 20, 2023**  
**(Supporting Documents in Board Handbook)**

\*\*\*\*\*

**Welcome** (5 minutes) – Interim Presiding Officer/CEO

**Introductions** (5 minutes)

**Oath of Office** (10 minutes)

**Presentations** (15 minutes each/5 minutes Q&A; CalCCA – 30 minutes):

1. CalCCA Presentation – Beth Vaughan, Executive Director, CalCCA
2. Overview of SDCP/Strategic Plan – Karin Burns
3. Power Presentation – Byron Vosburg
4. Overview of Financials/Budget – Eric Washington
5. Customers & Rates Overview – Lucas Utouh
6. Legislative Priorities FY 2023 – Laura Fernandez
7. Summary of Programs – Colin Santulli
8. Public Affairs Overview – Jen LeBron
9. CAC Overview – Victoria Abrenica
10. Board member Check-list and package of documents – Kimberly Isley

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**Notes:**

Lunch from noon – 12:30 p.m. Presentations begin at 12:30 p.m.

Reception from 5:00 p.m.-6:00 p.m.

**Updated – November 2022**  
**San Diego Community Power**  
**Board of Directors Handbook/Table of Contents (DRAFT)**

**Existing Documents and/or Documents to be Identified or Created:**

1. History of CCAs/CalCCA (Beth Vaughan, CalCCA Executive Director)
2. History of SDCP
3. SDCP Joint Powers Agreement
4. SDCP Bylaws
5. SDCP Mission/Vision/Values/Goals (Strategic Plan) for 2023-2027
6. SDCP Fact Sheet/Marketing Materials
7. SDCP Organizational Charts
8. 2022 Integrated Resource Plan (Standard LSE Plan)
9. Audited Financials FY 2022 and Adopted Budget FY 2023
10. Customers & Rates Overview (TBD)
11. Legislative Priorities FY 2023 (TBD)
12. Overview of Programs (TBD)
13. Public Affairs Overview (TBD)
14. List of Board Members (2023)
15. Board Committees and Responsibilities
16. Community Advisory Committee Members and Committees
17. Board Member Checklist & Package of Documents
18. Glossary of Terms



## SAN DIEGO COMMUNITY POWER Staff Report – Item 10

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To: San Diego Community Power Board of Directors

From: Ryan Baron, General Counsel

Subject: Approval of Amendment to Chief Executive Officer Employment Agreement

Date: November 17, 2022

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### RECOMMENDATION

Recommendation: Approve Amendment to Chief Executive Officer Employment Agreement.

### BACKGROUND

On March 24, 2022, the Board of Directors appointed Karin Burns as the SDCP Chief Executive Officer (CEO) and approved an employment agreement.

### ANALYSIS AND DISCUSSION

The proposed amendment to the CEO Employment Agreement would modify the term of the agreement that upon the expiration of the initial term of employment on April 17, 2025, the CEO would serve at the will and pleasure of the Board of Directors.

Therefore, the CEO's employment would not have a defined term after April 17, 2025.

In addition, the amendment modifies the repayment period for the \$50,000 relocation assistance that has been provided by extending the deadline from 8 months after the effective date of the agreement to June 30, 2023.

There are no other modifications to the Employment Agreement. Information on salary and benefits will be summarized verbally at the meeting in compliance with the Brown Act.

### FISCAL IMPACT

There is no impact to the current budget for Fiscal Year 22-23, as CEO salary and benefits were anticipated to be incurred during this fiscal year.

### ATTACHMENTS

Attachment: Amendment to CEO Employment Agreement

**FIRST AMENDMENT TO  
CHIEF EXECUTIVE OFFICER EMPLOYMENT AGREEMENT BETWEEN  
SAN DIEGO COMMUNITY POWER AND KARIN BURNS**

THIS FIRST AMENDMENT (“**First Amendment**”) is entered into effective as of November 17, 2022 (“**Amendment Effective Date**”), by and between the SAN DIEGO COMMUNITY POWER, a California joint powers authority (“**SDCP**”) and KARIN BURNS (“**Executive**”). SDCP and Executive are sometimes individually referred to herein as the “**Party**” and collectively as the “**Parties**.”

**RECITALS**

A. The Parties entered into a Chief Executive Officer Employment Agreement dated April 18, 2022 (“**Agreement**”).

B. Pursuant to the Agreement, Executive serves as the Chief Executive Officer to SDCP and is required to perform the functions and duties specified by SDCP’s Board of Directors and as provided by any such other resolutions of the Board, applicable laws, rules, regulations, orders, directives, policies, or procedures in effect or adopted by SDCP.

C. The Parties desire to execute this First Amendment as of the effective date.

**AGREEMENT**

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the Parties agree to the following terms and conditions:

1. Amendment 1 to the Agreement. The Parties hereby agree to amend the Agreement as follows:
  - a. Section 2. Section 2 of the Agreement is amended to provide that Executive is appointed as CEO beginning on the Effective Date of the Chief Executive Officer Employment Agreement through April 17, 2025, and that thereafter, the Chief Executive Officer shall serve at the will and pleasure of the Board. Executive’s employment with SDCP may be terminated in accordance with Section 3 of the Chief Executive Officer Employment Agreement.
  - b. Section 5(c). Section 5(c) is amended to provide that Executive is entitled to utilize the Relocation Expense Reimbursement until June 30, 2023.
2. Capitalized Terms. Any capitalized terms not defined herein shall have the meanings set forth in the Agreement.
3. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

4. Full Force. Except as expressly set forth herein, the Agreement shall remain unmodified and in full force and effect.

**IN WITNESS WHEREOF**, the Parties have executed this First Amendment to the Chief Executive Officer Employment Agreement between San Diego Community Power and Karin Burns as of the date first set forth above.

**SAN DIEGO COMMUNITY POWER**

**KARIN BURNS**

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_

General Counsel



## SAN DIEGO COMMUNITY POWER Staff Report – Item 11

---

To: San Diego Community Power Board of Directors  
From: Eric W. Washington, Chief Financial Officer  
Via: Karin Burns, Chief Executive Officer  
Subject: Receive and File 6/30/22 Fiscal Year End Audited Financial Statement  
Date: November 17, 2022

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### RECOMMENDATION

Receive and file report.

### 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 4.6.14 of the JPA specifies the Board of Directors (Board) shall arrange for an annual independent fiscal audit.

Section 5.4 of the JPA specifies the Board shall appoint a Treasurer who shall function as the combined offices of Treasurer and Auditor and shall strictly comply with the statutes related to the duties and responsibilities specified in Section 6505.5 of the Act. The section further specifies that the Treasurer shall cause an independent audit(s) of the finances of SDGP to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act.

Section 7.2.2 of the JPA additionally specifies that the SDGP Board shall contract with a certified public accountant to make an annual audit of the financial statements of SDGP, which shall be conducted in accordance with the requirements of Section 6505 of the Act.

On July 1, 2021, SDGP entered into a professional services agreement with Pimenti & Brinker to perform its annual audit for FY 2020-21. On July 1, 2022, SDGP exercised an option in the professional services agreement to extend the term from June 30, 2022, to June 30, 2023, to conduct its annual audit for FY 2021-22. Pimenti & Brinker is a firm with extensive experience auditing CCA's throughout California, as well as other local government entities.

On October 27, 2022, the item to Receive and File 6/30/22 Fiscal Year End Audited Financial Statement was on the Board agenda, but was continued to November 17, 2022 given that the final Audited Financial Statements for Fiscal Year Ended June 30, 2022 was still in progress.

### **ANALYSIS AND DISCUSSION**

Pisenti & Brinker prepared a presentation describing the audit process and results.

### **COMMITTEE REVIEW**

The report was reviewed by the Financial Risk Management Committee (FRMC) on October 20, 2022.

### **FISCAL IMPACT**

Not applicable

### **ATTACHMENTS**

Attachment A: Report to Those Charged with Governance for San Diego Community Power

Attachment B: Audited Financial Statements for Fiscal Year Ended June 30, 2022



**San Diego Community Power**

**Report to the Board of Directors**

**Year Ended June 30, 2022**





**PISENTI & BRINKER** LLP  
Certified Public Accountants & Advisors

3562 Round Barn Circle, Suite 200  
Santa Rosa, CA 95403  
(707) 542-3343 • Office  
(707) 527-5608 • Fax  
[pbllp.com](http://pbllp.com)

To the Board of Directors  
San Diego Community Power  
San Diego, California

We are pleased to present this report related to our audit of the financial statements of San Diego Community Power, ("SDCP") as of and for the year ended June 30, 2022. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for SDCP's financial reporting process.

This report is intended solely for the information and use of the Audit Committee, Board of Directors, and Management of SDCP and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to be of service to San Diego Community Power.

*Pisenti & Brinker LLP*

Santa Rosa, California  
November 1, 2022

cc: Dr. Eric Washington, Chief Financial Officer

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<b>Exhibit A</b> – Significant Written Communications Between Management and our Firm Representation letter	6

**Required Communications****Year Ended June 30, 2022**

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
<b>Our Responsibilities With Regard to the Financial Statement Audit</b>	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated July 1, 2022. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
<b>Overview of the Planned Scope and Timing of the Financial Statement Audit</b>	We have issued a separate communication dated September 8, 2022, regarding the planned scope and timing of our audit and identified significant risks.
<b>Accounting Policies and Practices</b>	<b>Preferability of Accounting Policies and Practices</b> Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

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**Required Communications**


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**Year Ended June 30, 2022**


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<b>Area</b>	<b>Comments</b>
<b>Accounting Policies and Practices (Continued)</b>	<p data-bbox="602 520 1187 554"><b>Adoption of, or Change in, Accounting Policies</b></p> <p data-bbox="602 558 1437 705">Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Company. The following is a description of significant accounting policies that will be adopted for the year ended June 30, 2022:</p> <p data-bbox="602 743 1437 1163">GASB Statement No. 87, Leases, is effective for fiscal years beginning after December 15, 2020. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, thereby enhancing the relevance and consistency of information about the government's leasing activities.</p> <p data-bbox="602 1201 1040 1234"><b>Significant or Unusual Transactions</b></p> <p data-bbox="602 1239 1437 1350">We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p>

**Required Communications**

**Year Ended June 30, 2022**

<b>Area</b>	<b>Comments</b>
<b>Audit Adjustments</b>	There were no audit adjustments made to the original trial balance presented to us to begin our audits.
<b>Uncorrected Misstatements</b>	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.
<b>Other Information in Documents Containing Audited Financial Statements</b>	Our responsibility for other information in documents containing the Company's audited financial statements is to read the information and consider whether its content or manner of presentation is materially inconsistent with the financial information covered by our auditor's report or whether it contains a material misstatement of fact. We read the Company's Board of Directors Meeting packet materials. We did not identify material inconsistencies with the audited financial statements.
<b>Disagreements With Management</b>	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audits, or significant disclosures to be included in the financial statements.
<b>Consultations With Other Accountants</b>	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
<b>Other Matter Paragraph in Auditor's Report</b>	Our report contains an Other Matter with respect to required supplementary information. Our opinion was not modified with respect to this other matter.
<b>Significant Issues Discussed With Management</b>	No significant issues arising from the audits were discussed or the subject of correspondence with management.

**Required Communications**

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**Year Ended June 30, 2022**

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<b>Area</b>	<b>Comments</b>
<b>Significant Difficulties Encountered in Performing the Audit</b>	We did not encounter any significant difficulties in dealing with management during the audit.
<b>Significant Written Communications Between Management and Our Firm</b>	Copies of significant written communications between our firm and the management of the SDCP, including the representation letter provided to us by management, are attached as Exhibit A.

**Exhibit A**  
**Significant Written Communications Between Management and**  
**Our Firm**

November 1, 2022

Pisenti & Brinker LLP  
3562 Round Barn Circle, Suite 200  
Santa Rosa, CA 95403

This representation letter is provided in connection with your audits of the basic financial statements of San Diego Community Power ("SDCP") as of and for the year and period ended June 30, 2022 and 2021, respectively, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, that as of November 1, 2022:

#### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated July 1, 2022, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.



5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.
9. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
10. We have no knowledge of any uncorrected misstatements in the financial statements.

### **Information Provided**

11. We have provided you with:
  - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
  - b. Additional information that you have requested from us for the purpose of the audits;
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence; and
  - d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.



14. We have no knowledge of allegations of fraud or suspected fraud affecting the entity's financial statements involving:
  - a. Management.
  - b. Employees who have significant roles in internal control.
  - c. Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements received in communications from employees, former employees, analysts, regulators, short sellers or others.
16. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
17. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements, and we have not consulted legal counsel concerning litigation or claims.
18. We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware.
19. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect SDGP's ability to record, process, summarize and report financial data.
20. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
21. During the course of your audits, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

#### **Required Supplementary Information**

22. With respect to Management's Discussion and Analysis presented as required by the Governmental Accounting Standards Board to supplement the basic financial statements:
  - a. We acknowledge our responsibility for the presentation of such required supplementary information.





- b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.

San Diego Community Power

  
\_\_\_\_\_  
Eric W. Washington  
Chief Financial Officer/Treasurer

*Michael Maher*  
\_\_\_\_\_  
Michael Maher,  
Maher Accountancy



SAN DIEGO COMMUNITY POWER  
FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 & 2021  
WITH REPORT OF  
INDEPENDENT AUDITORS

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## **Independent Auditor's Report**

To the Board of Directors  
San Diego Community Power  
San Diego, California

### **Opinion**

We have audited the financial statements of San Diego Community Power (SDCP), which comprise the statements of net position as of June 30, 2022 and 2021, the related statements of revenue, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SDCP as of June 30, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SDCP and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SDCP's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

## **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SDCP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SDCP's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Santa Rosa, California  
November 1, 2022

**SAN DIEGO COMMUNITY POWER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2022 AND 2021**

The Management's Discussion and Analysis provides an overview of San Diego Community Power's (SDCP) financial activities as of and for the years ended June 30, 2022 and 2021. The information presented here should be considered in conjunction with the audited financial statements.

**BACKGROUND**

The formation of SDCP was made possible in 2002 by the passage of California Assembly Bill 117, enabling communities to purchase power on behalf of their residents and businesses and creating competition in power generation.

SDCP was created as a California Joint Powers Authority (JPA) effective October 1, 2019, and was established to provide electric power at competitive costs as well as to provide other benefits to its members (County of San Diego and the cities of Chula Vista, Encinitas, Imperial Beach, La Mesa and San Diego), including reducing greenhouse gas emissions related to the use of power, procuring energy with a priority on the use and development of local renewable resources, stimulating local job creation through various programs and development, promote personal and community ownership of renewable resources, as well as promoting long-term electric rate stability and energy reliability for residents and businesses. Governed by a board of directors (Board) consisting of elected representatives from each jurisdiction, SDCP has the rights and powers to set rates for the services it furnishes, incur indebtedness, and issue bonds or other obligations. SDCP is responsible for the acquisition of electric power for its service area.

SDCP began providing electricity to municipal customers in March 2021, with commercial customers starting June 2021, and a major residential customer enrollment starting in May 2022.



**SAN DIEGO COMMUNITY POWER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2022 AND 2021**

**Financial Reporting**

SDCP presents its financial statements as an enterprise fund under the economic resources measurement focus and accrual basis of accounting, in accordance with Generally Accepted Accounting Principles (GAAP) for proprietary funds, as prescribed by the Governmental Accounting Standards Board (GASB).

**Contents of this report**

This report is divided into the following sections:

- Management discussion and analysis, which provides an overview of the financial operations.
- The basic financial statements:
  - The *Statements of Net Position* include all of SDCP's assets, liabilities, and net position and provide information about the nature and amount of resources and obligations at a specific point in time.
  - The *Statements of Revenues, Expenses, and Changes in Net Position* report all of SDCP's revenue and expenses for the year and period shown.
  - The *Statements of Cash Flows* report the cash provided and used by operating activities, as well as other sources and uses, such as debt financing.
  - Notes to the Basic Financial Statements provide additional details and information related to the basic financial statements.

**SAN DIEGO COMMUNITY POWER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2022 AND 2021**

**FINANCIAL HIGHLIGHTS**

The following is a summary of SDCP's assets, liabilities, and net position and a discussion of significant changes for the years ending June 30:

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Current assets	\$ 165,105,688	\$ 20,750,268	\$ 363,982
Noncurrent assets	15,950,000	11,250,000	5,600,000
Total assets	<u>181,055,688</u>	<u>32,000,268</u>	<u>5,963,982</u>
Current liabilities	106,666,913	40,531,164	566,834
Noncurrent liabilities	31,857,823	5,517,741	6,467,258
Total liabilities	<u>138,524,736</u>	<u>46,048,905</u>	<u>7,034,092</u>
Net position			
Restricted	2,500,000	-	-
Unrestricted (deficit)	40,030,952	(14,048,637)	(1,070,110)
Total net position	<u>\$ 42,530,952</u>	<u>\$ (14,048,637)</u>	<u>\$ (1,070,110)</u>

**Current assets**

Current assets were approximately \$165,106,000 at the end of 2022 and were comprised of the following major categories: cash of \$57,077,000, accounts receivable from customers of \$50,387,000, and accrued revenue of \$46,940,000, each of which mark an increase from 2021. The increase in current assets was driven by large enrollments of commercial and residential customers throughout 2022. Accrued revenue differs from accounts receivable in that it is the result of electricity use by SDCP customers before invoicing to those customers has occurred.

**Noncurrent assets**

Noncurrent assets is comprised of restricted cash and deposits in SDCP's name held by other parties, including \$10,000,000 of cash restricted as collateral on debt. As SDCP began securing electricity to sell to customers, various energy contracts required deposits which accounts for the increase in noncurrent assets.

**SAN DIEGO COMMUNITY POWER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2022 AND 2021**

**Current liabilities**

The largest component of current liabilities is the cost of electricity delivered to customers that is not yet due to paid by SDCP. Another significant component of current liabilities are security deposits held by SDCP from energy suppliers. Various contracts entered into by SDCP require the supplier to provide SDCP with a security deposit. These deposits will be returned by SDCP at the completion of the related contract or as other milestones are met.

Current liabilities increased year over year due to operating activities associated with a major enrollment of residential customers starting in May of 2022.

**Noncurrent liabilities**

As of June 30, 2021, the bank note payable was due within one year and was included in current liabilities. During 2022, the bank note was renegotiated, and the maturity date changed to 2024 and the note payable is now included in noncurrent liabilities. Additionally, SDCP increased its borrowings as described in the Note 4 to the financial statements.

Other noncurrent liabilities include \$518,000 for start-up related costs owed primarily to the City of San Diego.

**Net Position**

SDCP ended 2022 with a positive net position for the first time, driven by positive margins from a full year of delivering energy to customers. In 2022, \$2,500,000 of net position is considered restricted for collateral as part of a security agreement with various suppliers.

**SAN DIEGO COMMUNITY POWER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2022 AND 2021**

The following is a summary of SDCP's results of operations and a discussion of significant changes for the years ending June 30:

	<u><b>2022</b></u>	<u><b>2021</b></u>	<u><b>2020</b></u>
Operating revenues	\$ 386,237,698	\$ 14,809,010	\$ -
Interest income	14,603	-	-
Total income	<u>386,252,301</u>	<u>14,809,010</u>	<u>-</u>
Operating expenses	328,966,597	27,551,819	1,006,369
Nonoperating expenses	706,115	235,718	63,741
Total expenses	<u>329,672,712</u>	<u>27,787,537</u>	<u>1,070,110</u>
Change in net position	<u>\$ 56,579,589</u>	<u>\$ (12,978,527)</u>	<u>\$ (1,070,110)</u>

**Operating revenues**

SDCP's operating revenues are derived from the sale of electricity to commercial and residential customers throughout its territory. SDCP began selling electricity to a relatively small number of municipal and commercial accounts toward the end of 2021. In 2022, its commercial customer base came entirely online and residential customers began to phase in during late 2022. This expansion accounts for the large change in revenues compared to 2021.

**Operating expenses**

SDCP's largest expense was the purchase of electricity delivered to its customers. SDCP procures energy from a variety of sources and focuses on maintaining a balanced renewable power portfolio at competitive costs. Operating costs increased each year due to operating activities associated with enrollment of customer accounts.

Expenses for staff compensation, contract services, and other general and administrative expenses increased in 2022 as the organization grew to operational strength.

**Nonoperating expenses**

Interest expense on borrowings during the years are included as nonoperating expenses. Interest expense increased each year as a result of increased borrowings.

**SAN DIEGO COMMUNITY POWER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2022 AND 2021**

**ECONOMIC OUTLOOK**

SDCP began to provide electricity to its municipal customers in March 2021. Delivery of electricity to its commercial and industrial customers began in June 2021. Customer groups will continue to be added during multiple phases throughout fiscal year 2023, including the enrollment of commercial and residential customers. In August 2021, the County of San Diego voted to join SDCP. In November 2021, the City of National City voted to join SDCP. Other cities in the region continue to consider joining SDCP. Prior to adding new cities, SDCP performs a thorough cost benefit analysis to determine whether the addition would be mutually beneficial.

In the normal course of business, SDCP enters into various agreements, including renewable energy agreements and other power purchase agreements to purchase power and electric capacity. SDCP enters into power purchase agreements in order to comply with state law and voluntary targets for renewable and greenhouse gas (GHG) free products.

**REQUEST FOR INFORMATION**

This financial report is designed to provide SDCP's customers and creditors with an overview of the SDCP's finances and to demonstrate SDCP's accountability for the funds under its stewardship.

Please address any questions about this report or requests for additional financial information to 815 E Street, Unit 12716, San Diego, CA 92112.

Respectfully submitted,

Karin Burns, CEO

## **BASIC FINANCIAL STATEMENTS**

**SAN DIEGO COMMUNITY POWER**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 57,076,718	\$ 1,720,566
Accounts receivable, net	50,386,990	1,116,121
Accrued revenue	46,939,615	12,220,309
Prepaid expenses	4,461,308	-
Energy settlements receivable	-	4,043,272
Deposits	6,241,057	1,650,000
Total current assets	<u>165,105,688</u>	<u>20,750,268</u>
Noncurrent assets		
Restricted cash	12,500,000	9,000,000
Deposits	3,450,000	2,250,000
Total noncurrent assets	<u>15,950,000</u>	<u>11,250,000</u>
Total assets	<u>181,055,688</u>	<u>32,000,268</u>
<b>LIABILITIES</b>		
Current liabilities		
Accrued cost of energy	57,231,504	16,144,721
Accounts payable	624,955	362,282
Other accrued liabilities	740,006	89,334
State surcharges payable	332,586	11,281
Security deposits - energy suppliers	42,624,000	1,020,000
Interest payable	113,862	63,464
Bank note payable	-	22,840,082
Loans payable	5,000,000	-
Total current liabilities	<u>106,666,913</u>	<u>40,531,164</u>
Noncurrent liabilities		
Other noncurrent liabilities	517,741	517,741
Bank note payable	31,340,082	-
Loans payable	-	5,000,000
Total noncurrent liabilities	<u>31,857,823</u>	<u>5,517,741</u>
Total liabilities	<u>138,524,736</u>	<u>46,048,905</u>
<b>NET POSITION</b>		
Restricted for collateral	2,500,000	-
Unrestricted (deficit)	40,030,952	(14,048,637)
Total net position	<u>\$ 42,530,952</u>	<u>\$(14,048,637)</u>

**SAN DIEGO COMMUNITY POWER  
STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>OPERATING REVENUES</b>		
Electricity sales, net	\$ 383,800,198	\$ 14,809,010
Liquidated damages	2,437,500	-
Total operating revenues	<u>386,237,698</u>	<u>14,809,010</u>
<b>OPERATING EXPENSES</b>		
Cost of energy	319,686,027	24,361,374
Contract services	3,520,098	2,069,504
Staff compensation	3,662,441	907,442
General and administration	2,098,031	213,499
Total operating expenses	<u>328,966,597</u>	<u>27,551,819</u>
Operating income (loss)	<u>57,271,101</u>	<u>(12,742,809)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment income	14,603	-
Interest and financing expense	(706,115)	(235,718)
Nonoperating revenues (expenses)	<u>(691,512)</u>	<u>(235,718)</u>
<b>CHANGE IN NET POSITION</b>	56,579,589	(12,978,527)
Net position at beginning of year	(14,048,637)	(1,070,110)
Net position at end of year	<u>\$ 42,530,952</u>	<u>\$ (14,048,637)</u>



**SAN DIEGO COMMUNITY POWER  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$300,940,324	\$ 1,483,861
Receipts from liquidated damages	2,437,500	-
Receipts of supplier security deposits	42,204,000	1,581,000
Other operating receipts	6,801,249	-
Payments to suppliers for electricity	(284,842,750)	(12,259,925)
Payments for goods and services	(5,114,220)	(2,407,429)
Payments to employees for services	(3,407,133)	(819,010)
Payments for deposits and collateral	(7,212,708)	(4,361,000)
Payments for state surcharges	(808,996)	-
Net cash provided (used) by operating activities	<u>50,997,266</u>	<u>(16,782,503)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Proceeds from bank note	8,500,000	21,850,000
Interest and related expense payments	<u>(655,717)</u>	<u>(185,913)</u>
Net cash provided by non-capital financing activities	<u>7,844,283</u>	<u>21,664,087</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income received	<u>14,603</u>	<u>-</u>
Net change in cash and cash equivalents	58,856,152	4,881,584
Cash and cash equivalents at beginning of year	<u>10,720,566</u>	<u>5,838,982</u>
Cash and cash equivalents at end of year	<u><u>\$ 69,576,718</u></u>	<u><u>\$ 10,720,566</u></u>
<b>Reconciliation to the Statement of Net Position</b>		
Cash and cash equivalents (unrestricted)	\$ 57,076,718	\$ 1,720,566
Restricted cash	<u>12,500,000</u>	<u>9,000,000</u>
Cash and cash equivalents	<u><u>\$ 69,576,718</u></u>	<u><u>\$ 10,720,566</u></u>

**SAN DIEGO COMMUNITY POWER**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

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

	<u>2022</u>	<u>2021</u>
Operating income (loss)	\$ 57,271,101	\$ (12,742,809)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Provision for uncollectible accounts	3,876,770	149,586
(Increase) decrease in:		
Accounts receivable	(53,147,639)	(1,265,707)
Accrued revenue	(34,719,306)	(12,220,309)
Energy settlements receivable	4,043,272	(4,043,272)
Prepaid expenses	(4,461,308)	25,000
Deposits	(5,791,057)	(3,800,000)
Increase (decrease) in:		
Accrued cost of electricity	41,086,784	16,144,721
Accounts payable	262,672	32,240
Other accrued liabilities	650,672	(93,234)
State surcharges payable	321,305	11,281
Supplier security deposits	41,604,000	1,020,000
Net cash provided (used) by operating activities	<u>\$ 50,997,266</u>	<u>\$ (16,782,503)</u>

**SAN DIEGO COMMUNITY POWER  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

San Diego Community Power (SDCP) is a California Joint Powers Authority created on October 1, 2019. As of June 30, 2022, parties to its Joint Powers Agreement consist of the following local governments:

<u>County</u>	<u>Cities</u>	
San Diego	Chula Vista	Imperial Beach
	Encinitas	National City
	La Mesa	San Diego

SDCP is separate from and derives no financial support from its members. SDCP is governed by a Board of Directors whose membership is composed of elected officials or other representatives of the member governments.

A core function of SDCP is to provide electric service that includes the use of renewable sources under the Community Choice Aggregation Program under California Public Utilities Code Section 366.2.

SDCP began its energy delivery operations in March 2021. Electricity is acquired from commercial suppliers and delivered through existing physical infrastructure and equipment managed by San Diego Gas and Electric.

**BASIS OF ACCOUNTING**

SDCP's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements.

SDCP's operations are accounted for as a governmental enterprise fund and are reported using the economic resources measurement focus and the accrual basis of accounting – similar to business enterprises. Accordingly, revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred. Enterprise fund-type operating statements present increases (revenues) and decreases (expenses) in total net position. Reported net position is segregated into three categories, if applicable – investment in capital assets, restricted and unrestricted.

When both restricted and unrestricted resources are available for use, it is SDCP's policy to use restricted resources first, then unrestricted resources as they are needed.

**SAN DIEGO COMMUNITY POWER  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**CASH AND CASH EQUIVALENTS**

For the purpose of the Statements of Cash Flows, SDCP defines cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with an original maturity of three months or less. For the purpose of the Statements of Net Position, restricted cash balances are presented separately. Restricted cash reported on the Statements of Net Position includes collateral on a bank loan, as well as a required minimum balance to be maintained in one of its bank accounts.

**PREPAID EXPENSES AND DEPOSITS**

Contracts to purchase energy may require SDCP to provide a supplier with advanced payments or security deposits. Security deposits are generally held for the term of the contract and are classified as current or noncurrent assets depending on the length of the time the deposits are expected to be held. Also included are prepaid expenses and deposits for regulatory and other operating purposes.

**ENERGY SETTLEMENTS RECEIVABLE**

SDCP receives generation scheduling and other services from a registered California Independent System Operator (CAISO) scheduling coordinator. Energy settlements due from the scheduling coordinator were \$0 and \$4,043,272 as of June 30, 2022 and 2021, respectively. Energy settlements payable are included as a liability in "Accrued Cost of Energy."

**SECURITY DEPOSITS FROM ENERGY SUPPLIERS**

Various energy contracts entered into by SDCP require the supplier to provide SDCP with a security deposit. These deposits are generally held for the term of the contract or until the completion of certain benchmarks. Deposits are classified as current or noncurrent depending on the length of time the deposits will be held.

**OPERATING AND NONOPERATING REVENUE**

Operating revenues include revenue derived from the provision of energy to retail and wholesale customers, as well as liquidated damages resulting from counterparties who are unable to fulfill certain contractual obligations.

Investment income is considered "nonoperating revenue."

**SAN DIEGO COMMUNITY POWER  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**REVENUE RECOGNITION**

SDCP recognizes revenue on the accrual basis. This includes invoices issued to customers during the reporting period and electricity estimated to have been delivered but not yet billed. Management estimates that a portion of the billed amounts will be uncollectible. Accordingly, an allowance for uncollectible accounts has been recorded.

**OPERATING AND NONOPERATING EXPENSES**

Operating expenses include the costs of energy and services, administrative expenses, and depreciation of capital assets. Expenses not meeting this definition are reported as nonoperating expenses.

**ELECTRICAL POWER PURCHASED**

During the normal course of business, SDCP purchases electrical power from numerous suppliers. Electricity costs include the cost of energy and capacity arising from bilateral contracts with energy suppliers as well as generation credits, and load and other charges arising from SDCP's participation in the California Independent System Operator's centralized market. The cost of electricity and capacity is recognized as "Cost of Energy" in the Statements of Revenues, Expenses and Changes in Net Position.

To comply with the State of California's Renewable Portfolio Standards (RPS) and self-imposed benchmarks, SDCP acquires RPS eligible renewable energy evidenced by Renewable Energy Certificates (Certificates) recognized by the Western Renewable Energy Generation Information System (WREGIS). SDCP obtains Certificates with the intent to retire them and does not sell or build surpluses of Certificates with a profit motive. SDCP recognizes an expense on a monthly basis that corresponds to the volume sold to its customers for its various renewable and carbon free products. This expense recognition increases accrued cost of energy reported on the Statements of Net Position. Payments made to suppliers reduce accrued cost of energy.

SDCP purchases capacity commitments from qualifying generators to comply with the California Public Utilities Commission's Resource Adequacy Program. The goals of the Resource Adequacy Program are to provide sufficient resources to the California Independent System Operator to ensure the safe and reliable operation of the grid in real-time and to provide appropriate incentives for the siting and construction of new resources needed for reliability in the future.

**SAN DIEGO COMMUNITY POWER  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**STAFFING COSTS**

SDCP fully pays employees semi-monthly and fully pays its obligation for health benefits and contributions to its defined contribution retirement plan each month. SDCP is not obligated to provide post-employment healthcare or other fringe benefits and, accordingly, no related liability is recorded in these financial statements. SDCP provides compensated time off, and the related liability is recorded in these financial statements.

**INCOME TAXES**

SDCP is a joint powers authority under the provision of the California Government Code and is not subject to federal or state income or franchise taxes.

**ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**2. CASH AND CASH EQUIVALENTS**

SDCP maintains its cash in accounts at River City Bank in Sacramento, California. SDCP's deposits with River City Bank are subject to California Government Code Section 16521 which requires that River City Bank collateralize public funds in excess of the Federal Deposit Insurance Corporation limit of \$250,000 by 110%. SDCP has no deposit or investment policy that addresses a specific type of risk that would impose restrictions beyond this code. Accordingly, the amount of risk is not disclosed. SDCP monitors its risk exposure to River City Bank on an ongoing basis.

**SAN DIEGO COMMUNITY POWER**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**3. ACCOUNTS RECEIVABLE**

Accounts receivable were as follows:

	<b>2022</b>	<b>2021</b>
Accounts receivable from customers	\$ 54,413,346	\$ 1,265,707
Allowance for uncollectible accounts	(4,026,356)	(149,586)
Net accounts receivable	<u>\$ 50,386,990</u>	<u>\$ 1,116,121</u>

The majority of account collections occur within the first few months following customer invoicing. SDCP estimates that a portion of the billed accounts will not be collected. SDCP continues collection efforts on accounts in excess of *de minimis* balances regardless of the age of the account. The allowance for uncollectible accounts at the end of a year includes amounts billed during the current and prior fiscal years.

**4. DEBT**

**BANK NOTE PAYABLE**

In May 2020, SDCP arranged to borrow up to \$35,000,000 through a revolving credit agreement from River City Bank to provide cash for working capital before sufficient revenue is to be collected from customers. In March 2022, the agreement was amended and the amount available to SDCP increased to \$50,000,000. At June 30, 2022 and 2021, SDCP borrowed a total of \$31,340,000 and \$22,840,000, respectively. As security, SDCP assigned a security interest in all accounts, revenues, debt service reserve accounts, and cash collateral accounts. Principal can be drawn as needed and interest is accrued on the outstanding balance. Additionally, the bank requires \$10,000,000 cash collateral to be held during the term of the agreement. The stated maturity date is April 1, 2024, with interest payable each month. The interest rate at June 30, 2022, was computed at the Three-Month CME Term SOFR plus 2.25% per annum, subject to a floor of 2.25% per annum. In the event of default, the note becomes immediately due and payable.

**LOANS PAYABLE**

In May 2020, SDCP borrowed \$5,000,000 in total from two private lenders for the purpose of funding a collateral account to be held by River City Bank. Each loan is due on May 21, 2023. The notes bear interest equal to the one-month LIBOR, or its replacement rate, plus 2% per annum at June 30, 2021. Interest payments are due quarterly, commencing when SDCP begins selling electricity to customers. In August 2022, SDCP repaid both private loans in full.

**SAN DIEGO COMMUNITY POWER**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**4. DEBT (continued)**

Note and loan principal activity and balances were as follows for the following direct borrowings:

	<b>Beginning</b>	<b>Additions</b>	<b>Payments</b>	<b>Ending</b>
Year ended June 30, 2022				
Bank note payable	\$ 22,840,082	\$ 8,500,000	\$ -	\$ 31,340,082
Loans payable	5,000,000	-	-	5,000,000
Total	<u>\$ 27,840,082</u>	<u>\$ 8,500,000</u>	<u>\$ -</u>	<u>36,340,082</u>
Amounts due within one year				5,000,000
Amounts due after one year				<u>\$ 31,340,082</u>
	<b>Beginning</b>	<b>Additions</b>	<b>Payments</b>	<b>Ending</b>
Year ended June 30, 2021				
Bank note payable	\$ 990,082	\$ 21,850,000	\$ -	\$ 22,840,082
Loans payable	5,000,000	-	-	5,000,000
Total	<u>\$ 5,990,082</u>	<u>\$ 21,850,000</u>	<u>\$ -</u>	<u>27,840,082</u>
Amounts due within one year				22,840,082
Amounts due after one year				<u>\$ 5,000,000</u>

The following is a summary of SDCP's future annual payment obligations:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Year ended June 30,			
2023	\$ 5,000,000	\$ 1,527,687	\$ 6,527,687
2024	31,340,082	1,027,171	32,367,253
Total	<u>\$ 36,340,082</u>	<u>\$ 2,554,858</u>	<u>\$ 38,894,940</u>



**SAN DIEGO COMMUNITY POWER**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**5. OTHER NONCURRENT LIABILITIES**

Included in noncurrent liabilities are amounts advanced by the Cities of San Diego, La Mesa, and Encinitas (the Cities) to SDCP for start-up related costs. SDCP will reimburse the Cities as soon as practically possible and no later than the earlier of five years after SDCP's formation date of October 1, 2019, or two years after initial loans and lines of credit are repaid. Interest does not accrue on the liabilities to the Cities.

The following is a schedule of changes in other noncurrent liabilities during the period:

	<b>Beginning</b>	<b>Additions</b>	<b>Payments</b>	<b>Ending</b>
Year ended June 30, 2022				
Start-up funds				
advanced from Cities	\$ 517,741	\$ -	\$ -	\$ 517,741
Total	<u>\$ 517,741</u>	<u>\$ -</u>	<u>\$ -</u>	<u>517,741</u>
Amounts due within one year				-
Amounts due after one year				<u>\$ 517,741</u>
Year ended June 30, 2021				
Start-up funds				
advanced from Cities	\$ 477,176	\$ 40,565	\$ -	\$ 517,741
Total	<u>\$ 477,176</u>	<u>\$ 40,565</u>	<u>\$ -</u>	<u>517,741</u>
Amounts due within one year				-
Amounts due after one year				<u>\$ 517,741</u>

**SAN DIEGO COMMUNITY POWER**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**6. RISK MANAGEMENT**

SDCP is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. During the year, SDCP purchased insurance policies from investment-grade commercial carriers to mitigate risks that include those associated with earthquakes, theft, general liability, errors and omissions, and property damage. There were no significant reductions in coverage compared to the prior year. SDCP has general liability coverage of \$10,000,000 with a deductible of \$100,000. From time to time, SDCP may be party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and SDCP's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on SDCP's financial position or results of operations.

SDCP maintains risk management policies, procedures and systems that help mitigate credit, liquidity, market, operating, regulatory and other risks that arise from participation in the California energy market. Credit guidelines include a preference for transacting with investment-grade counterparties, evaluating counterparties' financial condition and assigning credit limits as applicable. These credit limits are established based on risk and return considerations under terms customarily available in the industry. In addition, SDCP enters into netting arrangements whenever possible and where appropriate obtains collateral and other performance assurances from counter parties.

**7. COMMITMENTS**

In the ordinary course of business, SDCP enters into various power purchase agreements in order to acquire renewable and other energy and electric capacity. The price and volume of purchased power may be fixed or variable. Variable pricing is generally based on the market price of electricity at the date of delivery. Variable volume is generally associated with contracts to purchase energy from as-available resources such as solar, wind, and hydro-electric facilities.

The following table represents the expected, undiscounted, contractual obligations outstanding as of June 30, 2022:

Year ending June 30,	
2023	\$ 570,000,000
2024	470,000,000
2025	270,000,000
2026	130,000,000
2027	50,000,000
2028-2043	560,000,000
Total	<u><u>\$ 2,050,000,000</u></u>



## SAN DIEGO COMMUNITY POWER Staff Report – Item 12

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To: San Diego Community Power Board of Directors

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

Via: Karin Burns, Chief Executive Officer

Subject: San Diego Community Power Rate Development Policy

Date: Board Meeting, November 17, 2022

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### RECOMMENDATION

Approve San Diego Community Power Rate Development Policy.

### BACKGROUND

San Diego Community Power (SDCP) advocates for ratepayers by providing a choice of electricity providers and shifting control of local energy decisions from the incumbent utility into the hands of residents and businesses located in our service jurisdiction. This creates competition in rates that benefits customers, increased transparency, and ensures a better overall customer experience.

SDCP staff has drafted the Rate Development Policy to enshrine specific objectives that shall be prioritized during SDCP's regular annual rate design and development process. The intent of this policy is to provide a framework for San Diego Community Power (SDCP) Board of Directors and staff to ensure SDCP's rate design, development and implementation process remains transparent, fiscally responsible and centered on the customer.

### ANALYSIS AND DISCUSSION

San Diego Community Power (SDCP) has established various objectives and priorities that shall be considered as part of SDCP's rate development process. SDCP's rate development objectives are as follows:

1. **Cost Recovery:** rates must be sufficient to recover all expenses, debt service and other expenditure requirements.
2. **Reserves:** rates must be sufficient to build prudent reserves in line with SDCP's Reserve Policy, which will provide funds to cover unanticipated expenditures, secure favorable terms with vendors, secure a standalone investment-grade credit rating and meet strategic objectives.

3. **Rate Competitiveness and Customer Value:** rates must allow SDCP to successfully compete in the marketplace to retain and attract customers while offering superior electricity service offerings with higher renewable content compared to the incumbent investor-owned utility.
4. **Rate Stability:** rate changes should be minimized to reduce customer bill impacts with a preference for annual rate adjustments. Additionally, a Rate Stabilization Fund may be established and over time sufficiently funded to help mitigate significant swings in rates.
5. **Equity among customers:** rate difference among customers should be justified by differences in usage characteristics and/or cost of service. Additionally, to the extent possible, rates shall be equalized from a value proposition perspective among customers enrolled during different Power Charge Adjustment Indifference (PCIA) Vintage Years.
6. **Rate Structures:** as new rates are developed emphasis shall be put on rate-design simplicity and comparability as well as overall customer experience. SDCP reserves the right to design pilot rates as reviewed and approved by the Board.
7. **Transparency:** SDCP's Board will review and approve rates at an open and public meeting held in accordance with the Ralph M. Brown Act. SDCP shall post a copy of the adopted rates in both English and Spanish on its website within 14 calendar days of approval or by the rates' effective date, whichever is sooner. SDCP shall also make any rate design documents promptly available upon request under the California Public Records Act.
8. **Cost Shifting:** SDCP shall avoid, to the best of its ability, cost shifting between customer classes.
9. **Cost of Service:** SDCP may explore a cost-of-service model for rate design. Cost-of-service studies are used to determine the total costs incurred by a utility in providing service to its customers and the allocation of those costs through rates back to customer classes. Revenue collected from each customer class then may be compared with that class's cost responsibility to determine the extent to which each class is reimbursing the utility for the costs it incurred in providing service.

### SDCP's Rate Setting Timeline

SDG&E's Energy Resource Recovery Account (ERRA) application is usually approved by the CPUC in December, which provides the trajectory of bundled service commodity rates including the above market costs and other fees<sup>1</sup> that will be passed on from

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<sup>1</sup> Fees passed on by SDG&E to "departing load" customers such as SDCP include the Power Charge Indifference Adjustment (PCIA) and Franchise Fees. The PCIA is a charge to ensure that both SDG&E customers and those who have left SDG&E service to purchase electricity from other providers pay for the above market costs for electric generation resources that were procured by SDG&E on their behalf. "Above market" refers to expenditures for generation resources that cannot be fully recovered through sales of these resources at current market prices.

The Franchise Fee is a surcharge applied to electricity transported over SDG&E systems that are constructed in public streets and highways. SDG&E collects the surcharge from customers and remits

SDG&E to all customers. Once the ERRA is approved, SDCP staff shall present proposed rates for the year to the Board in January of each year for review, deliberation and approval to be effective no later than February 15. With ever-changing market developments and regulatory climate, there may be instances where Staff also proposes intra-year changes to rates.

To the greatest extent possible, SDCP's rates will be competitive with SDG&E's rates. With each SDG&E and SDCP rate change, both entities are required to work collaboratively to co-publish and post a Joint Rate Comparison on their respective websites to allow customers to easily see how rates compare.

#### Implementation of SDCP's Rates

SDCP's rate setting process is and will always be open and transparent to the public. SDCP's Board of Directors, which is composed of a representative from each of its member agencies, will set rates according to agreed-upon strategic goals of SDCP and the cost of service.

Prior to the implementation of new rates, the Board will review and deliberate the proposed rates in a public setting and take comments from the public.

Once the Board approves proposed rates, the rates will be published on SDCP's website in advance of their effective date, giving customers time to compare, budget and better understand what to expect on their bills going forward. For more information on SDCP's rates, visit <https://sdcommunitypower.org/billing-rates/residential-rates/> for residential rates or <https://sdcommunitypower.org/billing-rates/commercial-rates/> for commercial rates.

#### **COMMITTEE REVIEW**

This item was reviewed by the Community Advisory Committee on November 10<sup>th</sup>, 2021.

#### **FISCAL IMPACT**

N/A

#### **ATTACHMENTS**

Attachment A: Rate Development Policy

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them to the appropriate municipality. The surcharge is charged equally to customers regardless of who provides their electric generation.

The PCIA and the SDG&E commodity portion of the Franchise Fee are included within the generation rate of SDG&E's standard bundled service. In other words, they are paid by all customers, regardless of who provides their electricity generation.





## San Diego Community Power

### Rate Development Policy

Effective Date: November 17, 2022

#### **BACKGROUND:**

San Diego Community Power (SDCP) advocates for ratepayers by providing a choice of electricity providers and shifting control of local energy decisions from profit-driven, incumbent utility into the hands of residents and businesses located in our service jurisdiction. This creates competition in rates that benefits customers, increased transparency and ensures a better overall customer experience.

#### **PURPOSE**

This policy provides the framework for SDCP's Board of Directors and staff to ensure SDCP's rate design, development and implementation process remains transparent, fiscally responsible and centered on the customer.

As a public not-for-profit agency, SDCP must, at a minimum, set rates to recover costs associated with debt service and the purchase of power and operational costs. It is in the best interest of SDCP and its customers to design and implement rates that meet revenue requirements as well as targeted reserves, while maintaining rate competitiveness, stability and long-term financial viability.

#### **GENERAL CRITERIA**

SDCP has established various objectives and priorities that shall be considered as part of SDCP's rate design process. SDCP's rate setting objectives are as follows:

1. **Cost Recovery**: rates must be sufficient to recover all expenses, debt service and other expenditure requirements.
2. **Reserves**: rates must be sufficient to build prudent reserves in line with [SDCP's Reserve Policy](#), which will provide funds to cover unanticipated expenditures, secure favorable terms with vendors, secure a standalone investment-grade credit rating and meet strategic objectives.
3. **Rate Competitiveness and Customer Value**: rates must allow SDCP to successfully compete to retain and attract customers while offering superior electricity service offerings with higher renewable content compared to the incumbent investor-owned utility.
4. **Rate Stability**: rate changes should be minimized to reduce customer bill impacts with a preference for annual rate adjustments. Additionally, a Rate Stabilization Fund may be established and over time sufficiently funded to help mitigate significant swings in rates.

5. **Equity among customers:** rate difference among customers should be justified by differences in usage characteristics and/or cost of service. Additionally, to the extent possible, rates shall be equalized from a value proposition perspective among customers enrolled during different Power Charge Adjustment Indifference (PCIA) Vintage Years.
6. **Rate Structures:** as new rates are developed, emphasis shall be put on rate-design simplicity and comparability as well as overall customer experience. SDCP reserves the right to design pilot rates as reviewed and approved by the Board.
7. **Transparency:** SDCP's Board will review and approve rates at an open and public meeting held in accordance with the Ralph M. Brown Act. SDCP shall post a copy of the adopted rates in both English and Spanish on its website within 14 calendar days of approval or by the rates' effective date, whichever is sooner. SDCP shall also make any rate design documents promptly available upon request under the California Public Records Act.
8. **Cost Shifting:** SDCP shall avoid, to the best of its ability, cost shifting between customer classes.
9. **Cost of Service:** SDCP may explore a cost-of-service model for rate design. Cost-of-service studies are used to determine the total costs incurred by a utility in providing service to its customers and the allocation of those costs through rates back to customer classes. Revenue collected from each customer class then may be compared with that class's cost responsibility to determine the extent to which each class is reimbursing the utility for the costs it incurred in providing service.

#### **SDCP's RATE SETTING TIMELINE**

SDG&E's Energy Resource Recovery Account (ERRA) application is usually approved by the CPUC in December, which provides the trajectory of bundled service commodity rates including the above market costs and other fees<sup>1</sup> that will be passed on from SDG&E to all customers. Once the ERRA is approved, SDCP staff shall present proposed rates for the year to the Board in January of each year for review, deliberation and approval to be effective no later than February 15. With ever-changing market developments and regulatory climate, there may be instances where SDCP staff also proposes intra-year changes to rates.

To the greatest extent possible, SDCP's rates will be competitive with SDG&E's rates. With each SDG&E and SDCP rate change, both entities are required to work collaboratively to co-publish and post a Joint Rate Comparison on their respective websites to allow customers to easily see how rates compare.

#### **IMPLEMENTATION OF SDCP's RATES**

SDCP's rate setting process is and will always be open and transparent to the public. SDCP's Board of Directors, which is composed of a representative from each of its member agencies, will set rates according to agreed-upon strategic goals of SDCP and the cost of service.

Prior to the implementation of new rates, the Board will review and deliberate the proposed rates in a public setting and take comments from the public.

Once the Board approves proposed rates, the rates will be published on SDCP's website in advance of their effective date, giving customers time to compare, budget and better understand what to expect on their bills going forward. For more information on SDCP's rates, visit

<https://sdcommunitypower.org/billing-rates/residential-rates/> for residential rates or

<https://sdcommunitypower.org/billing-rates/commercial-rates/> for commercial rates.

<sup>1</sup> Fees passed on by SDG&E to "departing load" customers such as SDCP include the Power Charge Indifference Adjustment (PCIA) and Franchise Fees. The PCIA is a charge to ensure that both SDG&E customers and those who have left SDG&E service to purchase electricity from other providers pay for the above market costs for electric generation resources that were procured by SDG&E on their behalf. "Above market" refers to expenditures for generation resources that cannot be fully recovered through sales of these resources at current market prices.

The Franchise Fee is a surcharge applied to electricity transported over SDG&E systems that are constructed in public streets and highways. SDG&E collects the surcharge from customers and remits them to the appropriate municipality. The surcharge is charged equally to customers regardless of who provides their electric generation.

The PCIA and the SDG&E commodity portion of the Franchise Fee are included within the generation rate of SDG&E's standard bundled service. In other words, they are paid by all customers, regardless of who provides their electricity generation.





## SAN DIEGO COMMUNITY POWER Staff Report – Item 13

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To: San Diego Community Power Board of Directors

From: Ryan Baron, General Counsel

Subject: Appointment of Presiding Officer for December 2022 and January 2023  
Board of Directors Meetings

Date: November 17, 2022

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### RECOMMENDATION

Recommendation: Approve Presiding Officer for December 2022 and January 2023 Board of Directors meetings.

### ANALYSIS AND DISCUSSION

The Board of Directors needs to appoint a presiding officer to run the December 15, 2022 and January 23, 2023 regular meetings since the Chair and Vice-Chair will no longer be in elected office at that time. Chair Mosca is terming off of the Encinitas City Council, and Vice Chair Padilla will no longer be on the Chula Vista City Council due to his election to the State Senate.

Section 5.2 of the SDCP Joint Powers Agreement states that in the event of a vacancy in the Chair or Vice Chair position, the position shall be filled at the next regular meeting of the Board held after such vacancy occurs or as soon as practicable thereafter. The Chair and Vice Chair vacancies would occur around the time of the December 15 meeting, and too close in time for the drafting and publication of the December agenda. In addition, five of the SDCP member agencies will be appointing new board members that will be seated at the December and/or January meetings. Section 5.2 further states that the Board shall elect the Chair and Vice Chair from among the Directors at the first meeting of each calendar year. Therefore, it is recommended that the Board appoint a presiding officer in the interim to run the December 15, 2022 meeting and a portion of the January 23, 2023 meeting until the officer election is held at the January meeting, which is the most practicable time due to the appointment circumstances.

### FISCAL IMPACT

Not applicable

### ATTACHMENTS

None



## SAN DIEGO COMMUNITY POWER Staff Report – Item 14

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To: San Diego Community Power Board of Directors

From: Director Terra Lawson-Remer, County of San Diego Member

Subject: Consider SDCP Actions Necessary to Accelerate Achievement of 100% Renewable Energy Portfolio (*Consideration of a Request by Director Lawson-Remer*)

Date: November 17, 2022

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### RECOMMENDATION

Recommendation: Consider SDCP Actions Necessary to Accelerate Achievement of 100% Renewable Energy Portfolio.

### BACKGROUND

Pursuant to Article V, Section 6 of the SDCP Bylaws (*Addition of Agenda Items Before a Meeting: Board Member Initiated Agenda Item*), Director Lawson-Remer has requested consideration of SDCP actions necessary to accelerate achievement of a 100% renewable energy portfolio. The proposed action for the Board to consider is a discussion of SDCP actions necessary to do the following:

1. Align default and opt-in service tiers with previously adopted operational goals regarding gradual achievement of an 100% renewable energy portfolio;
2. Increase default service tier to 75% by 2027 and 100% by 2030; and
3. Establish a temporary service tier, if needed.

The proposed action also includes the Board considering directing staff to prepare the necessary documents, including an amendment to the Joint Powers Agreement and any policies, if needed, and place the documents on a future SDCP agenda for consideration and approval no later than April 2023.

### FISCAL IMPACT

Not applicable

### ATTACHMENTS

None



## SAN DIEGO COMMUNITY POWER Staff Report – Item 15

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To: San Diego Community Power Board of Directors

From: Lee Friedman, Senior Manager – Strategic Partnerships

Via: Karin Burns, Chief Executive Officer

Subject: Approval of Resolutions Recognizing Outgoing San Diego Community Power Board Members

Date: Board Meeting, November 17, 2022

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### RECOMMENDATION

Adopt Resolutions No. 2022-14; 2022-15; 2022-16; 2022-17; 2022-18; 2022-19 recognizing Board members Serge Dedina, Joe Mosca, Bill Baber, Steve Padilla, Alejandra Sotelo-Solis, and Monica Montgomery Steppe respectively for their service on the San Diego Community Power Board of Directors.

### BACKGROUND

San Diego Community Power (SDCP) was formed on October 1, 2019 and held its first Board meeting on October 31, 2019. Each of the five member agencies appointed its first Board Member and alternate to represent their city on the Board of Directors.

In November of 2021, the County of San Diego and National City joined SDCP and the Board of Directors was expanded to seven members.

SDCP recognizes the commitment of our Board members who selflessly give their time and expertise to further SDCP's vision of achieving 100% clean affordable energy while prioritizing equity, sustainability, and high-quality jobs.

### ANALYSIS AND DISCUSSION

The following Board members will be honored for their service to SDCP:

Board Member & Mayor Serge Dedina, City of Imperial Beach  
Board Chair and Deputy Mayor Joe Mosca, City of Encinitas  
Board Member & Councilmember Bill Baber, City of La Mesa  
Vice Chair & Councilmember Steve Padilla, City of Chula Vista  
Board Member & Mayor Alejandra Sotelo-Solis, City of National City

Additionally, former Board Member & Councilmember Monica Montgomery Steppe of the City of San Diego will also be recognized for her service.

## **COMMITTEE REVIEW**

N/A

## **FISCAL IMPACT**

N/A

## **ATTACHMENTS**

Attachment A: Resolution no. 2022-14 Honoring the Service of Serge Dedina

Attachment B: Resolution no. 2022-15 Honoring the Service of Joe Mosca

Attachment C: Resolution no. 2022-16 Honoring the Service of Bill Baber

Attachment D: Resolution no. 2022-17 Honoring the Service of Steve Padilla

Attachment E: Resolution no. 2022-18 Honoring the Service of Alejandra Sotelo-Solis

Attachment F: Resolution no. 2022-19 Honoring the Service of Monica Montgomery  
Steppe







## A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER

### **Recognizing and Honoring Serge Dedina**

WHEREAS, Mayor Serge Dedina has served as Mayor of Imperial Beach since December of 2014 and has been a singular institution in Imperial Beach known throughout the region as the "Surfing Mayor" and also as co-founder of the international conservation organization WILDCOAST; and

WHEREAS, Mayor Dedina's advocacy for Imperial Beach has been a lifelong passion, and has worked tirelessly to improve the conditions of the Tijuana River Estuary, bicycle infrastructure through the Bayshore Bikeway and Bikeway Village project, and establish Imperial Beach as a "Welcoming City"; and

WHEREAS, Mayor Dedina continued his advocacy for both the climate and Imperial Beach by serving as a founding member on the Board of Directors of San Diego Community Power, California's second-largest community choice aggregator, ensuring every San Diegan has access to affordable, 100% renewable energy while reinvesting in the communities we serve; and

WHEREAS, Mayor Dedina served as a founding member of the San Diego Community Power's Finance and Risk Management Committee, on which he provided key input and direction to guide SDCP's establishment and implementation championing for equity, diversity, inclusion, and justice; and

WHEREAS, through his service to San Diego Community Power, Mayor Dedina's many contributions and dedication to public service have provided significant benefits to the residents of Imperial Beach and SDCP's other member cities, for cleaner power today and for future generations;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Diego Community Power that it hereby commends and honors Mayor Serge Dedina for his accomplishments and extends its gratitude for his service.

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on November 17, 2022.

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Joe Mosca, *Board Chair*  
San Diego Community Power

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Kimberly Isley, *Board Secretary*  
San Diego Community Power





## A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER

### **Recognizing and Honoring Joe Mosca**

WHEREAS, Deputy Mayor Joe Mosca has served on the Encinitas City Council since January 2017 bringing years of public service experience as former Councilmember of Sierra Madres City Council, Encinitas Parks & Recreation Commissioner, and intern of Rhode Island State Senator Claiborne Pell; and

WHEREAS, Deputy Mayor Mosca has long been an environmental steward, an advocate for Climate Action Planning and pragmatic resiliency, taking local action, and has said Climate Change is the biggest threat facing the world; and

WHEREAS, in the spirit of taking action, since October 2019, Deputy Mayor Mosca has served as a founding member on the Board of Directors of San Diego Community Power, California's second-largest community choice aggregator, ensuring every San Diegan has access to affordable, 100% renewable energy while reinvesting in the communities we serve; and

WHEREAS, Deputy Mayor Mosca has also honorably served as Chair of the Board of Directors, on which he provided key input and direction to guide SDCP's establishment and implementation of its community choice aggregation program, championing for equity, diversity, inclusion, and justice; and

WHEREAS, through his service to San Diego Community Power, Deputy Mayor Mosca's many contributions and dedication to public service have provided significant benefits to the residents of Encinitas and SDCP's other member cities, for cleaner power today and for future generations;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Diego Community Power that it hereby commends and honors Deputy Mayor Joe Mosca for his accomplishments and extends its gratitude for his service.

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on November 17, 2022.

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Joe Mosca, *Board Chair*  
San Diego Community Power

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Kimberly Isley, *Board Secretary*  
San Diego Community Power





## A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER

### **Recognizing and Honoring Bill Baber**

WHEREAS, Councilmember Bill Baber, who has had a long and storied career in local politics and civic engagement spanning 22 years, announced he would not be seeking re-election this year and leaves behind an impressive and impactful legacy; and

WHEREAS, Councilmember Baber's impacts to the region range from his legal work drafting municipal law reforms and initiatives to his advocacy as a member of many notable boards including SANDAG, California League of Cities, and the Countywide Redevelopment Successor Agency Oversight Board; and

WHEREAS, Councilmember Baber played a pivotal role during the formation and adoption of Community Choice Aggregation in the San Diego region, working closely with the initial five member cities to help develop and negotiate the terms of the Joint Powers Authority; and

WHEREAS, Councilmember Baber continued his advocacy for both the climate and La Mesa by serving as a founding member on the Board of Directors of San Diego Community Power, California's second-largest community choice aggregator, ensuring every San Diegan has access to affordable, 100% renewable energy while reinvesting in the communities we serve; and

WHEREAS, through his service to San Diego Community Power, Councilmember Baber's many contributions and dedication to public service have provided significant benefits to the residents of La Mesa and SDCP's other member cities, for cleaner power today and for future generations;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Diego Community Power that it hereby commends and honors Councilmember Bill Baber for his accomplishments and extends its gratitude for his service.

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on November 17, 2022.

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Joe Mosca, *Board Chair*  
San Diego Community Power

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Kimberly Isley, *Board Secretary*  
San Diego Community Power





## A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER

### **Recognizing and Honoring Steve Padilla**

WHEREAS, Councilmember Steve Padilla, a native San Diegan and lifelong Chula Vista resident, has made a career of public service and breaking boundaries first as a police detective, then as the first person of color to serve on the Chula Vista City Council, and then as the first LGBTQ Mayor of Chula Vista; and

WHEREAS, Councilmember Padilla's impressive political career will continue in Sacramento as the newly elected State Senator for the 18th District which now represents the southernmost territories of San Diego, including Chula Vista; and

WHEREAS, Councilmember Padilla passed Chula Vista's first ever Climate Action Plan and, through his work on the California Coastal Commission, advanced policies on preparing for sea level rise and embracing climate justice; and

WHEREAS, Councilmember Padilla played a critical role as a founding member on the Board of Directors of San Diego Community Power, California's second-largest community choice aggregator, ensuring every San Diegan has access to affordable, 100% renewable energy while reinvesting in the communities we serve; and

WHEREAS, through his service to San Diego Community Power, Councilmember Padilla's many contributions and dedication to public service have provided significant benefits to the residents of Chula Vista and SDCP's other member cities, for cleaner power today and for future generations;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Diego Community Power that it hereby commends and honors Councilmember Steve Padilla for his accomplishments and extends its gratitude for his service.

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on November 17, 2022.

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Joe Mosca, *Board Chair*  
San Diego Community Power

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Kimberly Isley, *Board Secretary*  
San Diego Community Power





## A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER

### **Recognizing and Honoring Alejandra Sotelo-Solis**

WHEREAS, Mayor Alejandra Sotelo-Solis is a third generation National City Resident and graduate of both Sweetwater High School and University of California, San Diego who has made education, policy, law and advocacy tenants of her public service; and

WHEREAS, Mayor Sotelo-Solis was elected to National City Council for this first time in 2008, and was the second women ever elected to the council, and then became the first Latina Mayor of National City in 2018, breaking barriers while still maintaining a business as President/CEO of La Pluma Strategies and raising three daughters; and

WHEREAS, Mayor Sotelo-Solis has made an incredible impact in National City by caring for all people, investing in safer playgrounds, building needed housing for older residents, and centering climate justice & equity; and

WHEREAS, Mayor Sotelo-Solis continued her advocacy for both the climate and National City by serving as a member on the Board of Directors of San Diego Community Power, California's second-largest community choice aggregator, ensuring every San Diegan has access to affordable, 100% renewable energy while reinvesting in the communities we serve; and

WHEREAS, through her service to San Diego Community Power, Mayor Sotelo-Solis many contributions and dedication to public service have provided significant benefits to the residents of National City and SDCP's other member cities, for cleaner power today and for future generations;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Diego Community Power that it hereby commends and honors Mayor Alejandra Sotelo-Solis for her accomplishments and extends its gratitude for her service.

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on November 17, 2022.

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Joe Mosca, *Board Chair*  
San Diego Community Power

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Kimberly Isley, *Board Secretary*  
San Diego Community Power





## A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER

### **Recognizing and Honoring Monica Montgomery Steppe**

WHEREAS, Councilmember Monica Montgomery Steppe has dedicated her life to public service, first, as an attorney fighting for families going through foreclosure and also as a Criminal Justice Advocate for the ACLU of San Diego; and

WHEREAS, Councilmember Montgomery Steppe took her knowledge of policy and love for community and ran for public office, winning her seat for City of San Diego District 4 in 2018, as "The People's Councilmember"; and

WHEREAS, Councilmember Montgomery Steppe has centered her focus on systemic racial injustice, including environmental justice for communities of concern, and has been critical in securing record levels of investment for the communities she serves; and

WHEREAS, Councilmember Montgomery Steppe continued her advocacy for both the climate and the City of San Diego by serving as a founding member on the Board of Directors of San Diego Community Power, California's second-largest community choice aggregator, ensuring every San Diegan has access to affordable, 100% renewable energy while reinvesting in the communities we serve; and

WHEREAS, through her service to San Diego Community Power, Councilmember Montgomery Steppe's many contributions and dedication to public service have provided significant benefits to the residents of the City of San Diego and SDCP's other member cities, for cleaner power today and for future generations;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Diego Community Power that it hereby commends and honors Councilmember Monica Montgomery Steppe for her accomplishments and extends its gratitude for her service.

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on November 17, 2022.

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Joe Mosca, *Board Chair*  
San Diego Community Power

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Kimberly Isley, *Board Secretary*  
San Diego Community Power

## GLOSSARY OF TERMS

**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** - a non-profit independent system operator that oversees the operation of the California bulk electric power system, transmission lines and electricity market generated and transmitted by its members (~80% of California's electric flow). Its stated mission is to "operate the grid reliably and efficiently, provide fair and open transmission access, promote environmental stewardship and facilitate effective markets and promote infrastructure development. CAISO is regulated by FERC and governed by a five-member governing board appointed by the governor.

**CALCCA – California Community Choice Association** – Association made up of Community Choice Aggregation (CCA) groups which represents the interests of California's community choice electricity providers.

**CALSEIA – California Solar Energy Industries**

**CALSLA – California City County Street Light Association**

**CAM – Cost Allocation Mechanism**

**CARB – California Air Resources Board** – The CARB is charged with protecting the public from the harmful effects of air pollution and developing programs and actions to fight climate change in California.

**CARE – California Alternative Rates for Energy**

**CBE – Communities for a Better Environment**

**CCA – Community Choice Aggregator**

**CSSF – City and County of San Francisco**

**CEC – California Energy Commission**

**CEE – Coalition for Energy Efficiency**

**CLECA – California Large Energy Consumers Association**



## **CPUC – California Public Utility 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.

## **DACC – Direct Access Customer Coalition**

**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.

## **DRP – Distributed Resource Plans**

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

## **ECR – Enhanced Community Renewable**

## **ED – Energy Division**



## **EE – Energy Efficiency**

**ELCC – Effective Load Carrying Capacity** – The additional load met by an incremental generator while maintaining the same level of system reliability. For solar and wind resources the ELCC is the amount of capacity which can be counted for Resource Adequacy purposes.

**EPIC – Electric Program Investment Charge** – The EPIC program was created by the CPUC to support investments in clean energy technologies that provide benefits to the electricity ratepayers of PG&E, San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE)

**ERRA – Energy Resource Recovery Account** – ERRA proceedings are used to determine fuel and purchased power costs which can be recovered in rates. The utilities do not earn a rate of return on these costs, and only recover actual costs. The costs are forecast for the year ahead. If the actual costs are lower than forecast, then the utility gives money back, and vice versa.

## **ES – Energy Storage**

### **ESA – Energy Storage Agreement**

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

## **EV – Electric Vehicle**

### **FCR – Flexible Capacity Requirements**

**GHG – Greenhouse gas** - water vapor, carbon dioxide, tropospheric ozone, nitrous oxide, methane, and chlorofluorocarbons (CFCs). A gas that causes the atmosphere to trap heat radiating from the earth. The most common GHG is Carbon Dioxide, though Methane and others have this effect as well.

**GRC – General Rate Case** – Proceedings used to address the costs of operating and maintaining the utility system and the allocation of those costs among customer classes. For California's three large IOUs, the GRCs are parsed into two phases. Phase I of a GRC determines the total amount the utility is authorized to collect, while Phase II determines the share of the cost each customer class is responsible and the rate schedules for each class. Each large electric utility files a GRC application every three years for review by the Public Advocates Office and interested parties and approval by the CPUC.

### **GTSR – Green Tariff Shared Renewables**

**GWh – Gigawatt-hour** - The unit of energy equal to that expended in one hour at a rate of one billion watts. One GWh equals 1,000 megawatt-hours.

### **ICA – Integration Capacity Analysis**

### **IDER – Integrated Distributed Energy Resources**

### **IDSMD – Integrated Demand-Side Management**

**IEP – Independent Energy Producers** – California's oldest and leading nonprofit trade association, representing the interest of developers and operators of independent energy facilities and independent power marketers.





**IMD – Independent Marketing Division**

**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.

**LCE – Lancaster Choice Energy**

**LCFS – Low Carbon Fuel Standard** – A CARB program designed to encourage the use of cleaner low-carbon fuels in California, encourage the production of those fuels, and therefore, reduce greenhouse gas emissions.

**LCR – Local (RA) Capacity Requirements** – The amount of Resource Adequacy capacity required to be demonstrated in a specific location or zone.

**LMP – Locational Marginal Price** – Each generator unit and load pocket is assigned a node in the CAISO optimization model. The model will assign a LMP to the node in both the day-ahead and real time market as it balances the system using the least cost. The LMP is comprised of three components: the marginal cost of energy, congestion and losses. The LMP is used to financially settle transactions in the CAISO.

**LNBA – Locational Net Benefits Analysis**

**Load** - An end use device or customer that receives power from an energy delivery system. Load should not be confused with Demand, which is the measure of power that a load receives or requires. See Demand.

**LSE – Load-serving Entity** – Entities that have been granted authority by state, local law or regulation to serve their own load directly through wholesale energy purchases and have chosen to exercise that authority.

**LTPP – Long-Term Procurement Rulemaking**

**MCE – Marin Clean Energy**

**MTR – Mid-Term Reliability**

**MEO – Marketing Education and Outreach**

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

**MWh – Megawatt-hour** – measure of energy

**NAESCO – National Association of Energy Service Companies**

**NBC – Non-Bypassable Charge**



**NDA – Non-Disclosure Agreement**

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

**NRDC – Natural Resources Defense Council**

**NP-15 – North Path 15** – NP-15 is a CAISO pricing zone usually used to approximate wholesale electricity prices in northern California in PG&E's service territory.

**OIR – Order Instituting Rulemaking** – A procedural document that is issued by the CPUC to start a formal proceeding. A draft OIR is issued for comment by interested parties and made final by vote of the five Commissioners of the CPUC.

**OSC – Order to Show Cause**

**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**

**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.

**PG&E – Pacific Gas & Electric**

**PHC – Prehearing Conference**

**Pnode – Pricing Node** – In the CAISO optimization model, it is a point where a physical injection or withdrawal of energy is modeled and for which a LMP is calculated.



**PPA – Power Purchase Agreement** – A contract used to purchase the energy, capacity and attributes from a renewable resource project.

**PRP – Priority Review Project**

**PRRR – Progress on Residential Rate Reform**

**PUC – Public Utilities Code**

**PURPA – Public Utilities Regulatory Policy Act**

**RA – Resource Adequacy** - Under its Resource Adequacy (RA) program, the California Public Utilities Commission (CPUC) requires load-serving entities—both independently owned utilities and electric service providers—to demonstrate in both monthly and annual filings that they have purchased capacity commitments of no less than 115% of their peak loads.

**RAM – Renewables Auction Mechanism**

**RE – Renewable Energy** - Energy from a source that is not depleted when used, such as wind or solar power.

**REC - Renewable Energy Certificate** - A REC is the property right to the environmental benefits associated with generating renewable electricity. For instance, homeowners who generate solar electricity are credited with 1 solar REC for every MWh of electricity they produce. Utilities obligated to fulfill an RPS requirement can purchase these RECs on the open market.

**RES-BCT – Renewables Energy Self-Generation Bill Credit Transfer**

**RFO – Request for Offers**

**RICA – Renewables Integration Cost Adder**

**RPS - Renewable Portfolio Standard** - Law that requires CA utilities and other load serving entities (including CCAs) to provide an escalating percentage of CA qualified renewable power (culminating at 33% by 2020) in their annual energy portfolio.

**SB – Senate Bill**

**SCE – Southern California Edison**

**SCP – Sonoma Clean Power Authority**

**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.)

**SUE – Super User Electric**

**SVCE – Silicon Valley Clean Energy**

**TCR EPS Protocol – The Climate Registry Electric Power Sector Protocol** – Online tools and resources provided by The Climate Registry to assist organizations to measure, report, and reduce carbon emissions.





## **TE – Transportation Electrification**

**Time-of-Use (TOU) Rates** — The pricing of delivered electricity based on the estimated cost of electricity during a particular time-block. Time-of-use rates are usually divided into three or four time-blocks per 24-hour period (on-peak, mid-peak, off-peak and sometimes super off-peak) and by seasons of the year (summer and winter). Real time pricing differs from TOU rates in that it is based on actual (as opposed to forecasted) prices that may fluctuate many times a day and are weather sensitive, rather than varying with a fixed schedule.

## **TM – Tree Mortality**

**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.

## **VAMO – Voluntary Allocation, Market Offer**

**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.

