



# Board of Directors

Regular Meeting

May 23, 2024



An aerial photograph of a rugged, eroded landscape, likely a desert or semi-arid region, showing deep, winding gullies and ridges. The terrain is characterized by its intricate, maze-like patterns of erosion. A large white diagonal shape is overlaid on the image, creating a central white space where the text is located. The text is written in a bold, yellow, sans-serif font.

# Welcome & Call to Order

An aerial photograph of a desert canyon with intricate, eroded rock formations. A large white diagonal shape is overlaid on the image, pointing from the top-left towards the bottom-right. The text 'Roll Call' is centered within this white area.

# Roll Call






# Land Acknowledgement

**Proclamation for outgoing Community  
Advisory Committee member  
Anna Webb**



**Items to  
be Added,  
Withdrawn  
or  
Reordered  
on the  
Agenda**



**Public  
Comment  
for Items  
NOT  
on the  
Agenda**



# Consent Agenda

- 1. Approve April 25, 2024, Meeting Minutes**
- 2. Receive and File Treasurer's Report for Period Ending March 31, 2024**
- 3. Receive and File Update on Programs**
- 4. Receive and File Update on Power Services**
- 5. Receive and File Update on Human Resources**
- 6. Receive and File Update on Customer Operations**
- 7. Receive and File Update on Marketing, Public Relations, and Local Government Affairs**
- 8. Receive and File Update on Regulatory and Legislative Affairs**
- 9. Receive and File Update on Community Advisory Committee**



# Public Comment for Consent Agenda

# Regular Meeting Agenda

- 10. Consideration and Approval of Community Advisory Committee (CAC) Appointment for the City of Imperial Beach**
- 11. Receive and File Update on IT and Data Analytics**
- 12. Presentation of Draft FY2024-25 Budget**
- 13. Approve the Contract for Professional Services for Marketing, Communications, Website Redesign and Website Maintenance with JSR Strategies in the Not-to-Exceed Amount of \$500,000 Over Two Years with Options for Two, One-Year Extensions with Not-to-Exceed Amounts of \$200,000 for Each Subsequent Year**
- 14. Approve Energy Storage Service Agreement with Euismod Project I, LLC**
- 15. Approve Financially Settled Toll and Energy Storage Agreement with MRP Pacifica Marketing LLC for Hybridization of Border Facility**
- 16. Approve Financially Settled Toll and Energy Storage Agreement with MRP Pacifica Marketing II LLC for Hybridization of Enterprise Facility<sub>1</sub>**

# Item 10

## Consideration and Approval of Community Advisory Committee (CAC) Appointment for the City of Imperial Beach


### Recommendation:

Approve appointment to the Community Advisory Committee (CAC) for the City of Imperial Beach.

# Membership Criteria & Selection Process

- The Community Advisory Committee (CAC) includes 2 members from each member agency.
- Appointments are to prioritize residents from diverse social, economic and racial backgrounds that are representative of all residents within SDCP's service territory.
- Staff promoted the vacancy via social media, the Board of Directors, the CAC, and directly engaging with member agency staff and the public in Imperial Beach; and worked with Director Aguirre to review and determine a nomination for appointment based on Membership Terms & Criteria.
- Director Aguirre has nominated Kenneth Hoyt.





# Public Comment for Item 10

# Item 10

## Consideration and Approval of Community Advisory Committee (CAC) Appointment for the City of Imperial Beach

### Recommendation:

Approve appointment to the Community Advisory Committee (CAC) for the City of Imperial Beach.

# Item 11

## Receive and File Update on IT and Data Analytics

### Recommendation:

Receive and File update on IT and Data Analytics





# SDCP Data Analytics & IT

**Building a World Class IT & Data  
Organization to deliver clean energy for  
local communities with global impact**

Kiran Singh, Director of IT and Data  
Analytics

May, 2024

# Table of Contents

## **Executive Summary**

Principles, Inspirations &  
Technology mechanics

## **Revisit & Review**

Discovery process & roadmap

## **Findings & Assessment**

SDCP landscape

## **Opportunities**

Building a world class IT & data  
analytics org

# Executive Summary

A robust technology and data strategy, and successful execution of it has delivered business transformation for many organizations world-wide and has proved to be a game changer in providing customer benefits.

San Diego Community Power (SDCP) is on a path to deliver 100% clean energy by 2035 or sooner to the consumers within its territories and is committed to its mission. SDCP's goal of sustained enrollment and excellent financial standing requires efficient and low-cost operations. This deck shares options and technology strategy to enable SDCP to deliver on its commitment to SDCP Board Of Directors (BOD) and to its communities.

The plan shared in this deck includes opportunities through which SDCP would build technology and analytics capabilities. As a growing organization, we must have effective and low-cost operations, and in-house IT & Data capabilities would help achieve these goals and sustain market volatility.



# Thank You - Entire SDCP Staff and SDCP Leaders





# Discovery Process

# Current State - SDCP Data & IT Landscape

## Discovery

Goals: Collect current state info



Current enterprise IT & data landscape

Current organization wide initiatives

Current pain points

## Assessment

Goals: Assess current state.



Understand system capabilities, cyber risks, resource allocations, data privacy standards

Understand & prioritize organization-wide initiatives

Understand & prioritize issue resolutions to serve

## Desired State

Goals: Meeting of minds

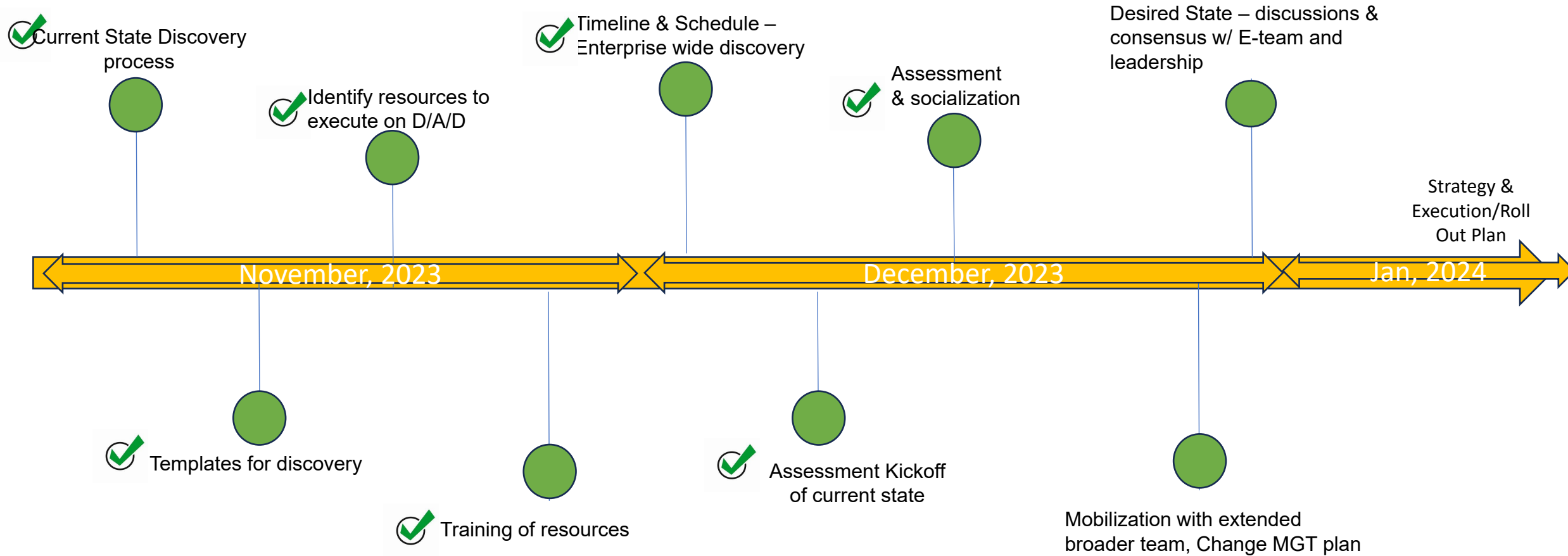


Strategic approach to developing a world class modern IT & Data org

Reliable, trusted & scalable systems that enable growth & innovation

IT structures & processes that empower enterprise teams

# Current State - Roadmap & Plan





# Assessment





## IVR Interactive Voice Response

Time and cost saving solution for customer service automation



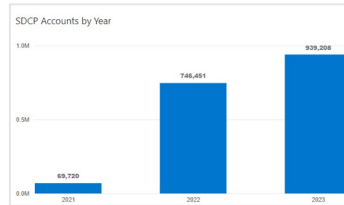
## ETRM - Energy Trading Risk Management System



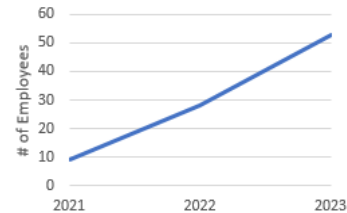
# Key systems and essential capabilities SDCP staff needs to succeed and deliver on clean energy goals

# Current State – Findings

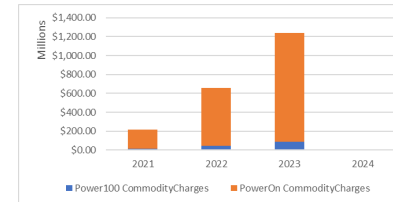
## SDCP Growth in Numbers



**Enrollments #, up 26+%**



**2x growth in staff**



**\$ in revenue, doubled**



**10+ community programs**



**19 internal initiatives**



**4000 Customer calls/month**



**500+ Hardware Equipment**



**50+ Software**

# Current State – Findings

## Pain points and challenges impacting SDCP Value Proposition



### Issues impacting strategic value:

- ❖ Cost of operations
- ❖ Enrollment sustainability
- ❖ Market volatility
- ❖ Community visibility & expectation
- ❖ Talent acquisition
- ❖ SDG&E impact
- ❖ Higher cost of living in SD
- ❖ Access to data for broader visibility & strategic decision-making
- ❖ Customer connections & experience

### Issues impacting operations & efficiencies

- ❖ Manual processes hurting emp experience & burn out,
- ❖ Risk and governance issues due to third-party dependencies
- ❖ Number of software applications in use
- ❖ Lack of enterprise standard software for core business operations
- ❖ Large pool of hardware & Software but no tool for tracking
- ❖ No consistent way to track vendors for deliveries
- ❖ Limited use of data for analytics and reporting
- ❖ Data quality, governance, approval process to access info or prevent unauthorized access.

An aerial photograph of a rugged, eroded landscape, likely a desert or semi-arid region. The terrain is characterized by deep, branching gullies and ridges, creating a complex, maze-like pattern. The color palette is dominated by warm, golden-brown and tan hues, with some darker shadows in the crevices. The image is split diagonally, with the top-left and bottom-right corners showing the landscape, and the center being a white triangle containing the text.

# Opportunities

# Current State – Assessment

## Opportunities – Simplifications, Transformation and Effectiveness

1

**Business Transformation underpinned by Digital & Data Transformation**

2

**Business optimization by right-sourcing aligning insourcing of core business operations**



4

**Efficiencies via simplification and governance – processes and frameworks**

3

**Organizational Structure – Evolution, steering towards industry standards**

# 1

# Business Transformation underpinned by Digital & Data Transformation

Stabilization, Transform and Innovate

## Insource IT Services & Users Support

- 2024+ IT Plan
- Cyber security controls
- Digitization of tracking & monitoring of SDCP assets
- Work management

## Develop Business Applications Portfolio

- Digitization of business operations
- Consolidation of Software applications
- Cost Visibility
- Modernize to improve employee experience

## Unlock Value Through Data

- Build SDCP data platform
- Centralization of internal & external data
- Analytics roadmap
- Enable responsible AI

# Impact - Digital & Data Transformation

Increased efficiency, greater operational agility and, ultimately, the unlocking of new value for staff, customers and agency constituents.

- Robust internal IT eco-system to deliver higher staff productivity.
- Improve support and service quality
- Cost containment and cost reduction on vendor spend.
- Ensure adequate protection from cyber threats and provide cyber security to everyone
- Self-reliant and reduce dependency on external vendors for core operations.

- Drive growth by digitizing and rewiring operational processes
- Build and provide right tools to operate.
- Work management tools – Plan ahead and be ready for market changes, reduce rework
- Drive sustainability efforts through innovative technologies
- Improve collaboration within and across functions – ETRM, CRM and customer connections

- Single source of truth
- Improve Time-to-Market using SDCP's own secure data platform
- Improve the customer experience – use data driven approach to proactively respond to customer needs
- Improving staff experience and driving cultural change to reduce manual touch points

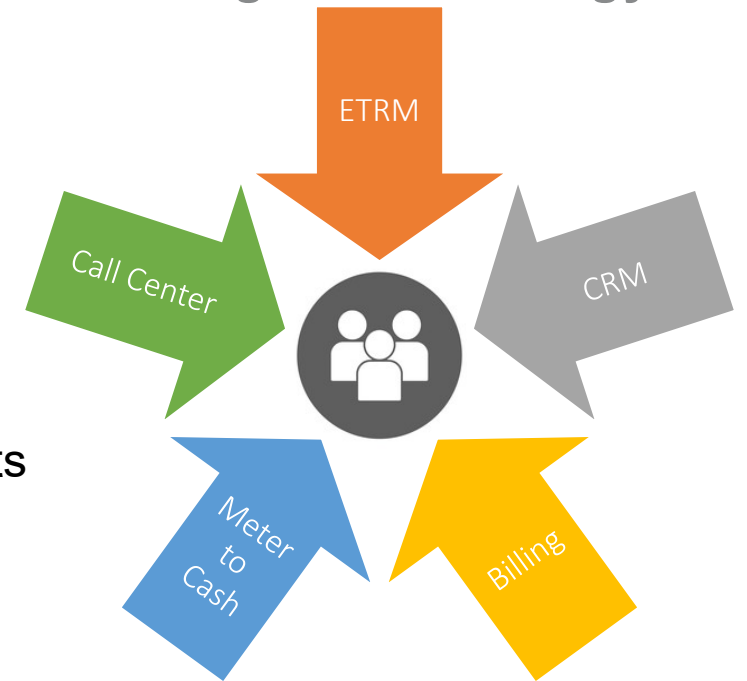
# 2

## Business optimization by right-sourcing aligning insourcing of core business operations

Right-sourcing and insourcing would require prioritization and growth strategy

### ❖ Right-sourcing and insourcing strategy & roadmap

- Reduce dependencies on external vendors
- Build core capabilities internally & evolve
- Better functional controls and change management
- Right behavior - Cost-Benefit-Risk analysis
- Documented Operational models and visibility to on-going costs





# Impact - Business optimization

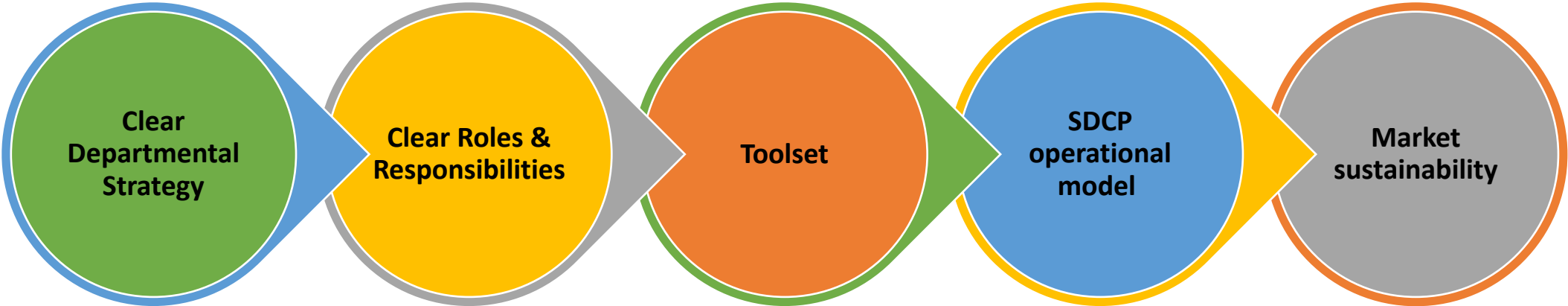
Better insights into core business activities, controls and improved time to market

- Reliance on technology and application eco-system such as Customer Relation Management and Energy Trade Risk Management for business operation vs depends on vendors
- Evolve and mature business processes
- Reduce manual touches and automate
- Digital transformation and do more with less
- Controller of SDCP data
- Deliver AI and analytics using SDCP data

# 3

## Organizational Structure – steering towards industry standards

Growth requires structures and framework for efficiencies



# Impact - Organizational Structure

Clear visibility, efficient work allocation, prioritization, innovation, caring of staff and focus on goals.

- Standard operating procedure leading to better decision-making.
- Processes removing ambiguity and continuous improvement
- Roles and responsibility leading to staff retention
- Improved collaboration leading to higher productivity
- Effective functional organization that allows goal alignment
- Staff morale and focus on SDCP goals

# 4

## Efficiencies via simplification and governance – processes and frameworks

Simplifying processes and governance would lead to staff effectiveness

- ❖ Structures & Processes
- ❖ Policy & Governance
- ❖ Vendor Oversight/audit



# Impact - Efficiencies via simplification and governance

Governance, effectiveness, strategic, readiness to respond to market volatility

- Manage external complexity with the governance and policy
- Effective and powerful strategies to navigate through complexities
- Better organizational performance
- Organized vendor selection and management
- Focus on local jobs and sustainability

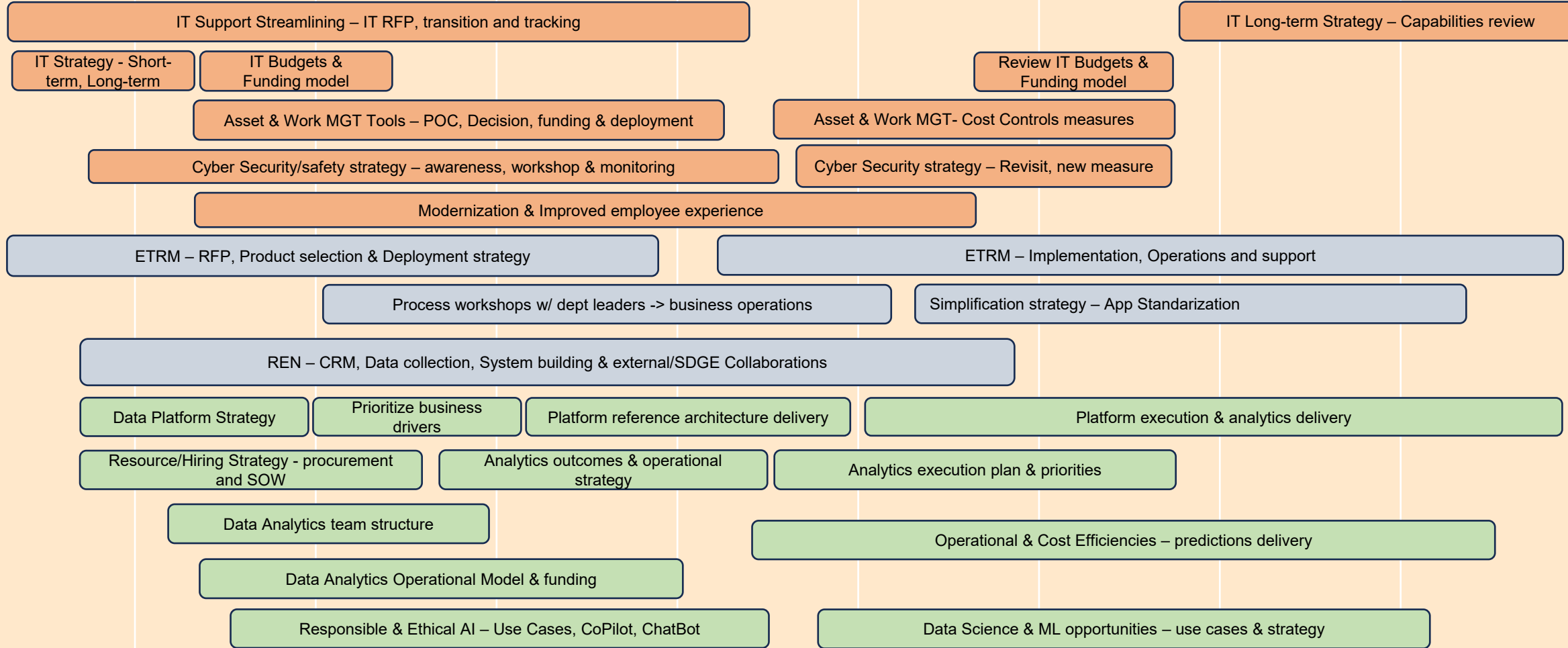
# Roadmap

CY 2024

COST VISIBILITY

CY 2025

COST CONTAINMENT



# Future State – Impact

## Simplifications, Transformation and Effectiveness

1

Local jobs

2

Focus on customer and clean energy goals

3

Staff retention and productivity

4

Focus on sustainability and effective management of external complexities

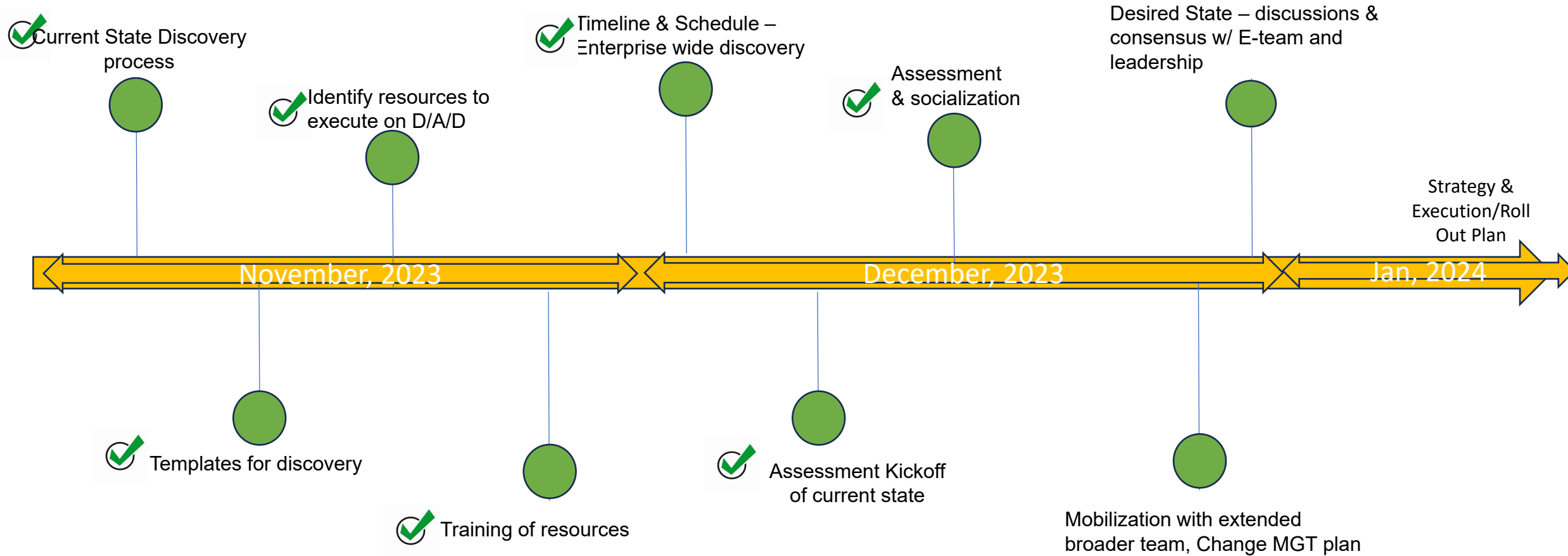


# Thank You





# Current State - Roadmap & Plan





# Public Comment for Item 11

# Item 11

## Receive and File Update on IT and Data Analytics

### Recommendation:

Receive and File update on IT and Data Analytics

# Item 12

## Presentation of Draft FY2024-25 Budget

### Recommendation:

Receive and File Draft FY2024-25 Budget.

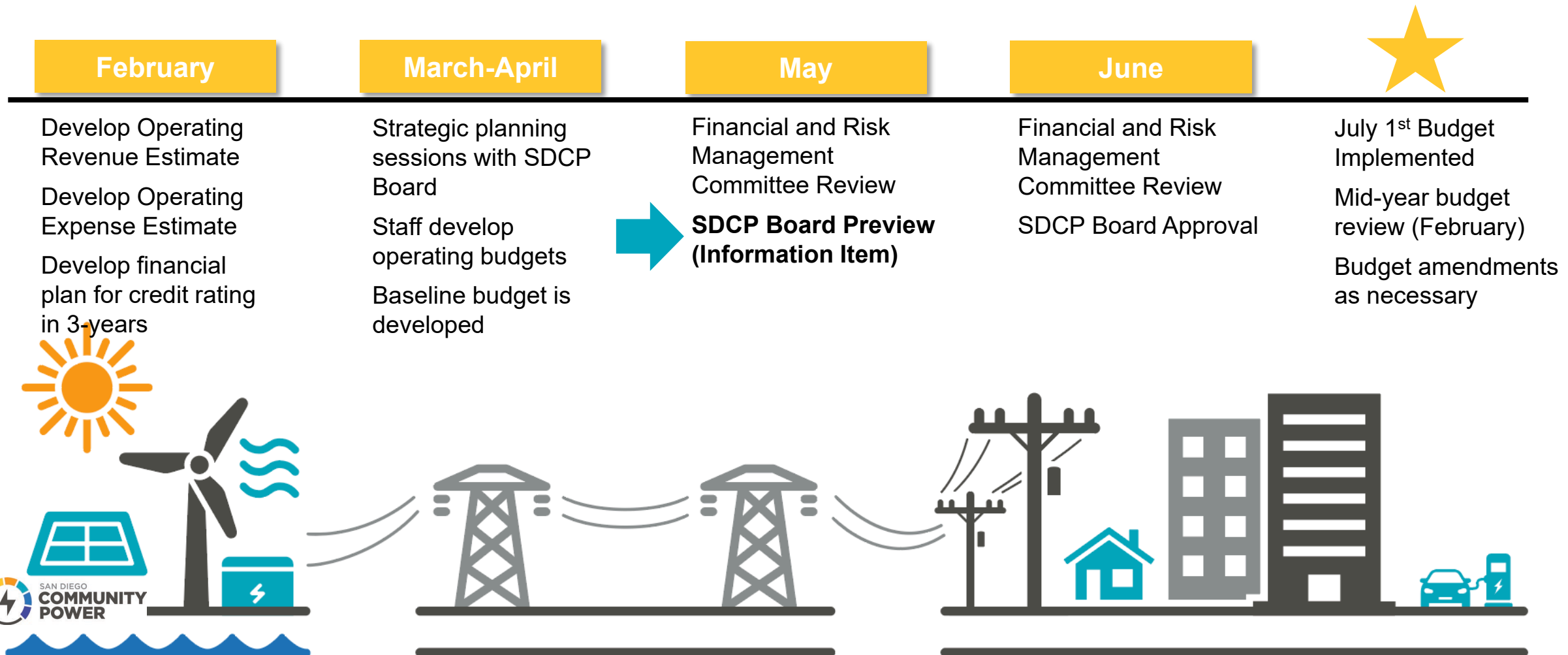
# Budget Highlights

## Operating

- Thoughtfully scales the agency by adding 24 staff to **grow to 80 total staff**.
- Continued outreach through **community events, sponsorships and educational opportunities** to raise public awareness of SDCP.
- **Rescoping Professional Services**

# Budget Development for FY 2024-25

The Board adopted schedule for budget development is the following.



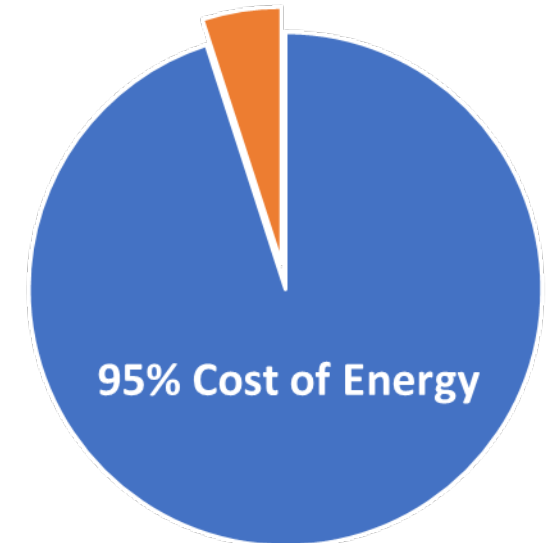
# Budget Principles for FY 2024-25

- Maintain a fiscally **responsible** and **sustainable** budget.
- **Maintain sufficient funds** and **reserves** to **sustain operations** while **considering future economic conditions**.
- **Provide an easier to understand and user-friendly** operating budget for both internal and external users.
- Develop budget within **framework of public-agency guidelines** and **best practices**.
- Keep the SDCP Board of Directors and Executive Team **informed** on the fiscal condition of SDCP.
- Develop a budget that will ultimately **prioritize people, transparency, and our communities**.

# Draft Budget – Summary

| Item                              | FY 24 Amended Budget, \$M | FY 25 Draft Budget, \$M |
|-----------------------------------|---------------------------|-------------------------|
| Gross Revenue                     | 1,365.7                   | 1,223.9                 |
| Less Uncollectible Accounts       | (61.5)                    | (55.1)                  |
| <b>Net Revenue</b>                | <b>1,304.3</b>            | <b>1,168.8</b>          |
| Cost of Energy                    | 1,020.8                   | 1,059.1                 |
| Non-Energy Costs                  | 43.8                      | 54.1                    |
| <b>Subtotal Operating Expense</b> | <b>1,064.6</b>            | <b>1,113.2</b>          |
| Debt Service                      | 2.4                       | 2.5                     |
| Capital Investment Plan           | 3.9                       | 10.3                    |
| <b>Total Expense</b>              | <b>1,071.0</b>            | <b>1,126.0</b>          |
| <b>Net Position</b>               | <b>233.3</b>              | <b>42.8</b>             |
| <b>Cumulative Net Position</b>    | <b>419.3</b>              | <b>462.1</b>            |

FY25 Cost of Energy / Net Revenue



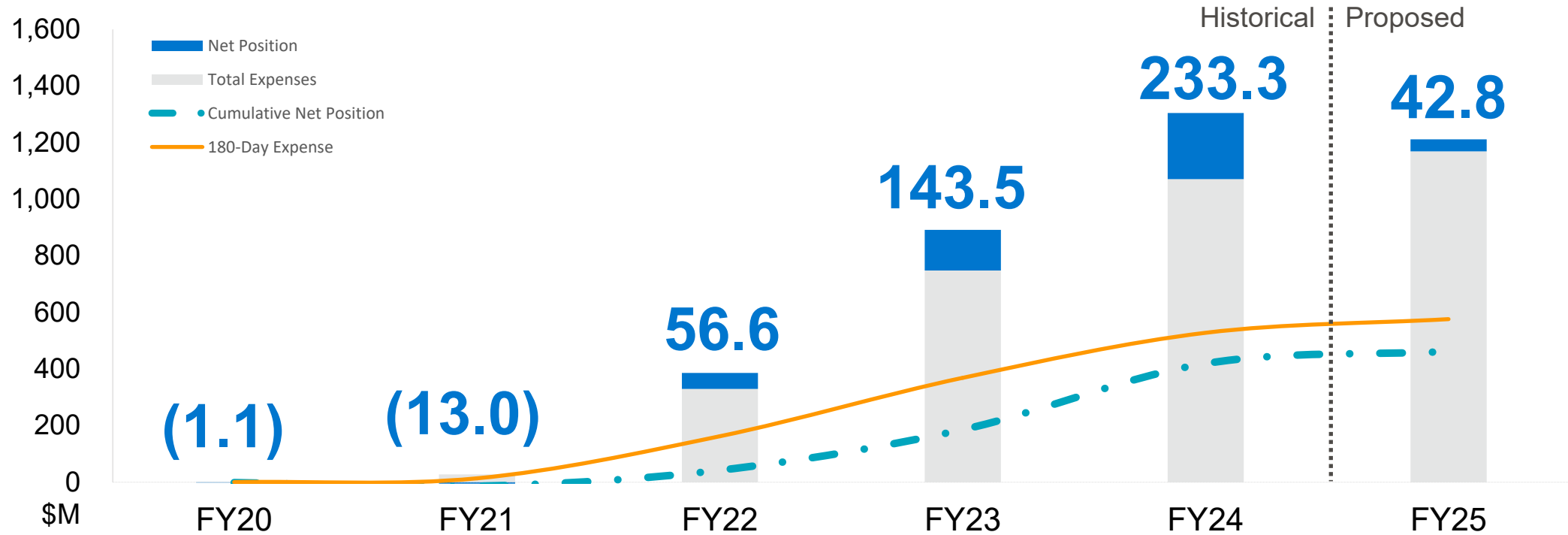


# Draft FY 2025-29 Capital Investment Plan (CIP)

CIP

- **5-year planning document** for tracking program spending over multiple years and non-recurring project costs
- **Leverages** state and federal funding
- Inform region of **community** anticipated needs
- **Key projects in the CIP:**
  - Solar Battery Savings Program
  - Regional Energy Network







# Draft Budget – Reserves



| Operating Budget, \$M         | FY21  | FY21   | FY22  | FY23  | FY24    | FY25    |
|-------------------------------|-------|--------|-------|-------|---------|---------|
| Net Revenue                   | 0.0   | 14.8   | 386.3 | 891.6 | 1,304.3 | 1,168.8 |
| Total Expense                 | 1.1   | 27.8   | 329.7 | 748.2 | 1,071.0 | 1,126.0 |
| Annual Reserve (Net Position) | (1.1) | (13.0) | 56.6  | 143.4 | 233.3   | 42.8    |
| Cumulative Net Position       | (1.1) | (14.0) | 42.5  | 186.0 | 419.3   | 462.1   |
| 180-Day Expense               | 0.5   | 13.7   | 162.6 | 369.0 | 530.7   | 576.4   |

# Draft FY 2024-25 Budget

## Budget Changes by Category

|   |                            |   |                           |                           |
|---|----------------------------|---|---------------------------|---------------------------|
|    | <b>Revenue</b>             | Enrollment complete. Board approved <b>rate change</b> in January 2024.                                 | FY24<br><b>\$1,365.7m</b> | FY25<br><b>\$1,223.9m</b> |
|    | Cost of Energy             | All contracts updated. Forward energy prices updated for open positions.                                | FY24<br><b>\$1,020.8m</b> | FY25<br><b>\$1,059.1m</b> |
|    | Professional Services      | Calpine higher with full enrollment. ETRM included. IT managed services, procurement counsel increased. | FY24<br><b>\$22.3m</b>    | FY25<br><b>\$25.1m</b>    |
|    | Personnel                  | Recruitment strategy of 24 new staff growing the agency to 80 total staff.                              | FY24<br><b>\$11.7m</b>    | FY25<br><b>\$17.9m</b>    |
|   | Marketing and Outreach     | Customer interface improvements, slight increases to Partnerships and Events & Sponsorships.            | FY24<br><b>\$2.9m</b>     | FY25<br><b>\$3.3m</b>     |
|  | General and Administrative | Increased G&A budget to support operating and staff growth anticipated for FY25.                        | FY24<br><b>\$6.8m</b>     | FY25<br><b>\$7.7m</b>     |
|  | Programs                   | Programs budget included in CIP as continuing projects. Overall admin in operating.                     | FY24<br><b>\$0.1m</b>     | FY25<br><b>\$0.1m</b>     |

# Draft Budget – Personnel


| Department  | SDCP<br>(Existing/<br>Proposed) | Marin Clean<br>Energy | Clean Power<br>Alliance | East Bay<br>Community<br>Energy | Peninsula<br>Clean Energy | Central Coast<br>Com. Energy |
|---|---------------------------------|-----------------------|-------------------------|---------------------------------|---------------------------|------------------------------|
| <b>Existing SDCP Staff</b>                            | <b>56</b>                       | -                     | -                       | -                               | -                         | -                            |
| <b>Data Analytics and IT/<br/>Customer Operations</b> | <b>6</b>                        | <b>21</b>             | <b>15</b>               | <b>17</b>                       | <b>9</b>                  | <b>9</b>                     |
| <b>Executive Team</b>                                 | -                               | <b>5</b>              | <b>8</b>                | <b>4</b>                        | <b>6</b>                  | <b>4</b>                     |
| <b>Finance</b>  | <b>1</b>                        | <b>5</b>              | <b>12</b>               | <b>5</b>                        | <b>2</b>                  | <b>5</b>                     |
| <b>Human Resources</b>                                | <b>1</b>                        | <b>5</b>              | <b>3</b>                | <b>5</b>                        | <b>1</b>                  | <b>1</b>                     |
| <b>Operations</b>                                     | -                               | <b>6</b>              | <b>1</b>                | <b>3</b>                        | <b>7</b>                  | -                            |
| <b>Power Services</b>                                 | <b>6</b>                        | <b>7</b>              | <b>14</b>               | <b>12</b>                       | <b>9</b>                  | <b>5</b>                     |
| <b>Programs</b>                                       | <b>4</b>                        | <b>19</b>             | <b>6</b>                | <b>12</b>                       | <b>7</b>                  | <b>4</b>                     |
| <b>Regulatory and<br/>Legislative/Legal</b>           | <b>3</b>                        | <b>11</b>             | <b>11</b>               | <b>8</b>                        | <b>6</b>                  | <b>2</b>                     |
| <b>Public Affairs</b>                                 | <b>3</b>                        | <b>16</b>             | <b>8</b>                | <b>9</b>                        | <b>8</b>                  | <b>4</b>                     |
| <b>Total</b>  | <b>80</b>                       | <b>95</b>             | <b>78</b>               | <b>75</b>                       | <b>49</b>                 | <b>38</b>                    |

# Draft Budget – CCA Comparison

| Community Choice Aggregator      | Years Est. (JPA eff. Date) | Customer Accounts* | Cost of Energy, \$M** | Non-Energy Costs, \$M | Net Ratepayer Revenue, \$M | Energy Costs/Net Revenue (%) |
|----------------------------------|----------------------------|--------------------|-----------------------|-----------------------|----------------------------|------------------------------|
| Clean Power Alliance             | Jun 2017                   | 1,006,961          | 1,393.30              | 67.51                 | 1,585.29                   | 88%                          |
| <b>San Diego Community Power</b> | <b>Oct 2019</b>            | <b>921,471</b>     | <b>1,059.10</b>       | <b>54.10</b>          | <b>1,168.80</b>            | <b>91%</b>                   |
| East Bay Community Energy        | Dec 2016                   | 643,275            | 753.52                | 56.62                 | 962.74                     | 78%                          |
| Marin Clean Energy               | Dec 2008                   | 586,296            | 688.76                | 45.55                 | 787.86                     | 87%                          |
| Central Coast Community Energy   | Mar 2018                   | 445,377            | 520.30                | 42.54                 | 562.83                     | 92%                          |
| Peninsula Clean Energy           | Feb 2016                   | 309,994            | 437.86                | 56.71                 | 466.93                     | 94%                          |

\*Source: CalCCA as of December 2023

\*\*CPA from 5/16/24 Community Advisory Committee FY25 draft budget. SDCP from proposed FY25 budget. EBCE from 5/8/24 Finance Subcommittee FY25 draft budget. MCE from 3/21/24 Board meeting FY25 proposed budget. PCE from 5/13/14 Audit and Finance Committee FY25 draft budget. 3CE from FY24 adopted budget.



# Public Comment for Item 12

# Item 12

## Presentation of Draft FY2024-25 Budget

### Recommendation:

Receive and File Draft FY2024-25 Budget.

# Item 13

**Approve the Contract for Professional Services for Marketing, Communications, Website Redesign and Website Maintenance with JSR Strategies in the Not-to-Exceed Amount of \$500,000 Over Two Years with Options for Two, One-Year Extensions with Not-to-Exceed Amounts of \$200,000 for Each Subsequent Year**

## **Recommendation:**

Approve the contract in substantially similar form to Attachment A for professional services for Marketing, Communications, Website Redesign and Website Maintenance with JSR Strategies in the not-to-exceed amount of \$500,000 over two years with options for two, one-year extensions with not-to-exceed amounts of \$200,000 for each subsequent year.

Presenter:

Jill Monroe, Senior Manager Marketing & Communications 56



# Marketing, Communications, Website Redesign & Maintenance RFP Design

## Group 1 Services:

- Agency Branding, Design, Messaging and Identity
- Marketing and Advertising Campaigns
- Project Management & Tracking Performance Metrics
- Agency Branding, Design, Messaging and Identity Transition (Optional)

## Group 2 Services:

- Website Redesign, Content Development and Maintenance
- Website Transition (Optional)

# Marketing, Communications, Website Redesign & Maintenance RFP Timeline

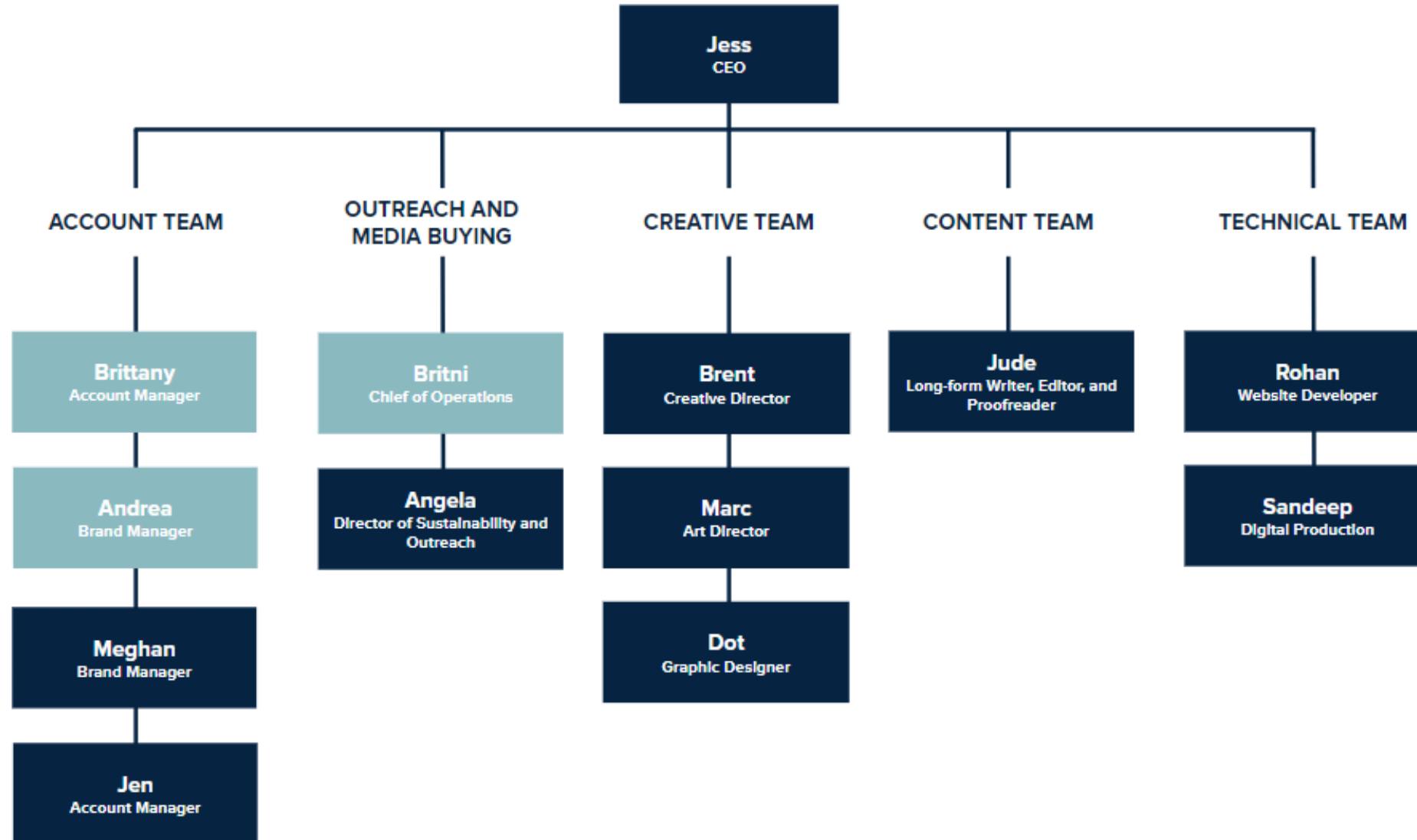




# Marketing and Communications

May 23, 2024

## Business Organizational Chart



## Meet a Few of Our Clients



# Your People Are At the Center of A Good Marketing Plan

- Research
- Survey
- Review data
- Build – Test – Refine






# Thank You!

We would be honored to be your marketing  
and communications partner.

**JR**  
STRATEGIES



# Public Comment for Item 13



# Item 13

**Approve the Contract for Professional Services for Marketing, Communications, Website Redesign and Website Maintenance with JSR Strategies in the Not-to-Exceed Amount of \$500,000 Over Two Years with Options for Two, One-Year Extensions with Not-to-Exceed Amounts of \$200,000 for Each Subsequent Year**

## **Recommendation:**

Approve the contract in substantially similar form to Attachment A for professional services for Marketing, Communications, Website Redesign and Website Maintenance with JSR Strategies in the not-to-exceed amount of \$500,000 over two years with options for two, one-year extensions with not-to-exceed amounts of \$200,000 for each subsequent year.

Presenter:

Jill Monroe, Senior Manager Marketing & Communications 65

# Item 14

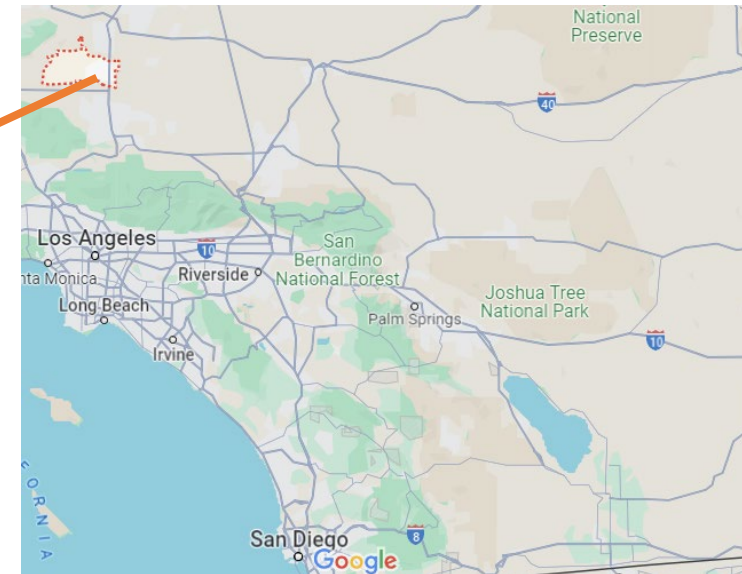
## Approve Energy Storage Service Agreement with Euismod Project I, LLC

### Recommendation:

Approve Energy Storage Service Agreement with Euismod Project I, LLC for a 200 MW (4-hour) Battery Energy System Storage (BESS) facility.

# Eusimod: Project Summary

- 200MW/800MWh (4-hour) lithium-ion battery
- Location: Kern County
- Developer: Aypa



# Eusimod: Key Terms

- **Product:** Full toll and Resource Adequacy benefits
- **Pricing:** Fixed for a 15-year term
- **Timeline:** Guaranteed Commercial Operation Date is June 1, 2028
- **Deliverability:** Contract is contingent on Aypa obtaining delivery for the Eusimod project via the CAISO Transmission Planning Process in 2024 or 2025
- SDCP would receive financial compensation in the event of seller's failure to successfully achieve certain development milestones as well as seller's failure to meet guaranteed storage capacity, availability, and efficiency rates.

# Eusimod: Staff Analysis

- Project would contribute to SDCP's reliability and capacity targets
- Pricing is competitive with comparable RA offers received from SDCP's recent RFPs.
- Aypa Power, formerly known as NRStor C&I, was founded in Toronto in 2017 with its first project coming online in 2018. In March of 2020, the business was acquired by Blackstone and changed its name to Aypa Power.
- Aypa has 33 solar and lithium-ion battery energy storage projects either under construction or in operation to date, with 18 projects in various stages of development in California.

# Eusimod: Workforce Development & Community Benefits

- The project is estimated to create approximately **180 construction jobs** and **12 permanent jobs**
- Aypa will require that the energy, procurement and construction contractor utilize a **Project Labor Agreement**
- The project has committed **\$100,000** to a community benefit fund to benefit SDCP customers



# Public Comment for Item 14

# Item 14

## Approve Energy Storage Service Agreement with Euismod Project I, LLC

### Recommendation:

Approve Energy Storage Service Agreement with Euismod Project I, LLC for a 200 MW (4-hour) Battery Energy System Storage (BESS) facility.



# Item 15

## Approve Financially Settled Toll and Energy Storage Agreement with MRP Pacifica Marketing LLC for Hybridization of Border Facility

### Recommendation:

Approve Financially Settled Toll and Energy Storage Agreement with MRP Pacifica Marketing LLC for a thermal resource including 51.25 MW of Resource Adequacy and a co-located 52 MWh Battery Storage (“Border Project”) and authorize execution by CEO.

Presenter:

Asikeh Kanu, Portfolio Manager

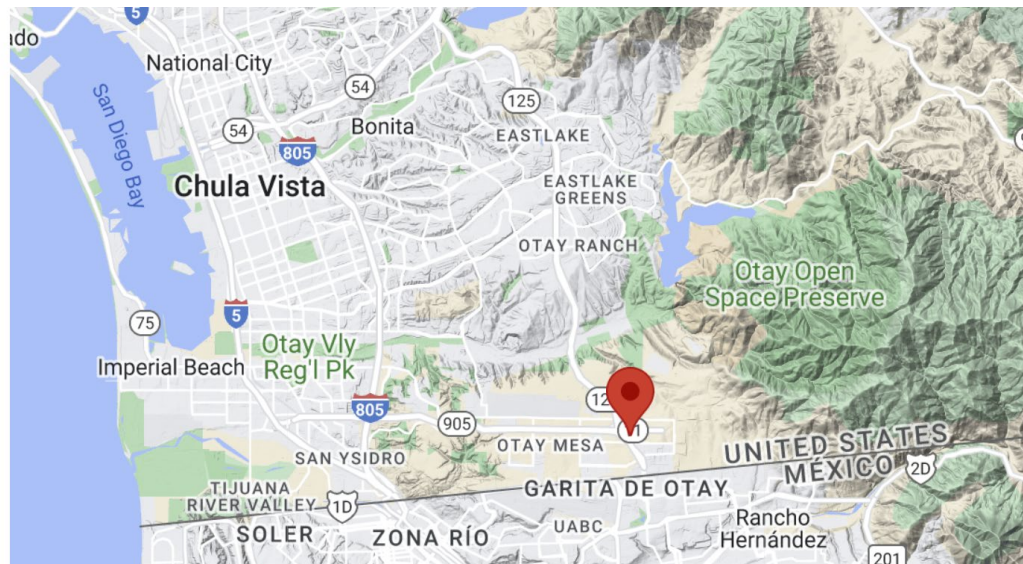
Byron Vosburg, Managing Director Power Services

# SDCP RA Procurement

- Long-term RA agreements provide cost and capacity certainty in SDCP's portfolio
- Long-term agreements provide developers with a certain revenue stream against which they can finance up-front capital requirements, incentivizing new incremental renewable energy and storage buildout.
- This project came through the rolling local RFI and SDCP's 2024-2026 RA solicitation.

# Border Project Summary

- 52MW/52MWh (1-hour) lithium-ion battery (new construction)
- 51.25 MW natural gas-fired facility (legacy plant)
- Location: Otay Mesa, CA (San Diego County)
- Interconnection: CAISO (Border Substation)



# Border: Key Terms


- **Products:** SD-IV Local RA & Financial Toll
- **Pricing:** Fixed for a 15-year term
- **Timeline:** RA start date is January 1, 2026. Guaranteed Commercial Operation Date (BESS & financial toll) is June 1, 2026.
- **Deliverability:** RA is associated with the legacy asset and is not contingent on construction of the BESS.
- SDCP would receive financial compensation in the event of seller's failure to successfully achieve certain development milestones as well as seller's failure to meet guaranteed resource adequacy guarantees once the project is operational.

# Border: Staff Analysis

- This project would contribute to SDCP's resource adequacy contracting goals providing local, 24/7 and flex attributes. These attributes address SDCP's compliance requirements.
- Pricing is competitive with comparable product offerings received from SDCP's recent RFPs. The long-term purchase of resource adequacy will provide SDCP with value and cost certainty over the term of this agreement.
- MRP is an experienced developer with 6 GW of projects under management nationally, including 491 MW of hybrid peaker projects under construction or in advanced development with four other CCAs
- Operation of the BESS should "cannibalize" operation of the legacy thermal asset. Legacy plant currently operates at a 3-5% capacity factor. BESS operation is envisioned decreasing operation of thermal asset by half or more at the start and to continue decreasing annually.

# Border: Workforce Development and Community Benefits

- MRP has committed to use an EPC contractor that will enter into PLA agreement to build the resource.
- Project development will bring approximately 20 clean-energy jobs throughout construction with one job remaining during operations.
- The project will help displace gas-fired generation at the peaker located on-site (Otay Mesa)
- The project has committed **\$125,000** to a community benefit fund to benefit SDCP customers.



# Public Comment for Item 15

# Item 15

## Approve Financially Settled Toll and Energy Storage Agreement with MRP Pacifica Marketing LLC for Hybridization of Border Facility

### Recommendation:

Approve Financially Settled Toll and Energy Storage Agreement with MRP Pacifica Marketing LLC for a thermal resource including 51.25 MW of Resource Adequacy and a co-located 52 MWh Battery Storage (“Border Project”) and authorize execution by CEO.

Presenter:

Asikeh Kanu, Portfolio Manager

Byron Vosburg, Managing Director Power Services 80



# Item 16

## Approve Financially Settled Toll and Energy Storage Agreement with MRP Pacifica Marketing II LLC for Hybridization of Enterprise Facility

### Recommendation:

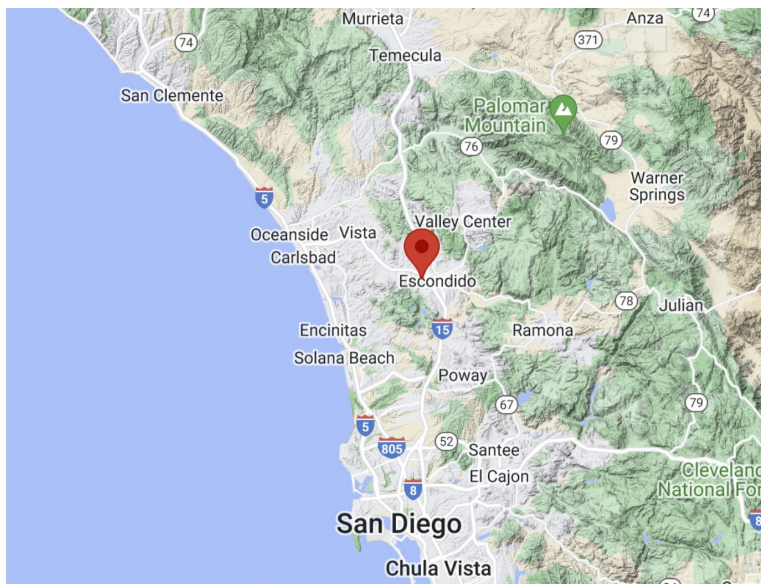
Approve Financially Settled Toll and Energy Storage Agreement with MRP Pacifica Marketing II LLC for a thermal resource including 48.04 MW of Resource Adequacy and a co-located 52 MWh Battery Storage (“Enterprise Project”) and authorize execution by CEO.

# SDCP RA Procurement

- Long-term RA agreements provide cost and capacity certainty in SDCP's portfolio
- Long-term agreements provide developers with a certain revenue stream against which they can finance up-front capital requirements, incentivizing new incremental renewable energy and storage buildout.
- This project came through the rolling local RFI and SDCP's 2024-2026 RA solicitation.

# Enterprise Project Summary

- 52MW/52MWh (1-hour) lithium-ion battery (new construction)
- 48.04 MW natural gas-fired facility (legacy plant)
- Location: Escondido, CA (San Diego County)
- Interconnection: CAISO (Escondido Substation)



# Enterprise: Key Terms


- **Products:** SD-IV Local RA & Financial Toll
- **Pricing:** Fixed for a 15-year term
- **Timeline:** RA start date is January 1, 2026. Guaranteed Commercial Operation Date (BESS & financial toll) is December 1, 2026.
- **Deliverability:** RA is associated with the legacy asset and is not contingent on construction of the BESS.
- SDCP would receive financial compensation in the event of seller's failure to successfully achieve certain development milestones as well as seller's failure to meet guaranteed resource adequacy guarantees once the project is operational.

# Enterprise: Staff Analysis

- This project would contribute to SDCP's resource adequacy contracting goals providing local, 24/7 and flex attributes. These attributes address SDCP's compliance requirements.
- Pricing is competitive with comparable product offerings received from SDCP's recent RFPs. The long-term purchase of resource adequacy will provide SDCP with value and cost certainty over the term of this agreement.
- MRP is an experienced developer with 6 GW of projects under management nationally, including 491 MW of hybrid peaker projects under construction or in advanced development with four other CCAs
- Operation of the BESS should “cannibalize” operation of the legacy thermal asset. Legacy plant normally operates at a 3-5% capacity factor (1.5% in 2023). BESS operation is envisioned decreasing operation of thermal asset by half or more at the start and to continue decreasing annually.

# Enterprise: Workforce Development and Community Benefits

- MRP has committed to use an EPC contractor that will enter into PLA agreement to build the resource.
- Project development will bring approximately 20 clean-energy jobs throughout construction with one job remaining during operations.
- The project will help displace gas-fired generation at the peaker located on-site (Escondido)
- The project has committed **\$125,000** to a community benefit fund to benefit SDCP customers.



# Public Comment for Item 16

# Item 16

## Approve Financially Settled Toll and Energy Storage Agreement with MRP Pacifica Marketing II LLC for Hybridization of Enterprise Facility

### Recommendation:

Approve Financially Settled Toll and Energy Storage Agreement with MRP Pacifica Marketing II LLC for a thermal resource including 48.04 MW of Resource Adequacy and a co-located 52 MWh Battery Storage (“Enterprise Project”) and authorize execution by CEO.





**Report by  
Chief  
Executive  
Officer**

# Recent Speaking Engagements



California Efficiency + Demand Management Council



Sustainable Hood Education Expo

# SDCP in the Community



San Pasqual Earth Day



Bill Explainer Workshop



Cyclovia Encinitas

# WE ARE HIRING!

## Final Stages

- Community Engagement Associate

## Interview Stage


- Energy Settlements Analyst
- (Sr.) Strategic Policy Manager
- Project Operations and Proposal Manager
- Marketing Manager

## Open Positions

- Data Engineer
- Data Scientist

A close-up photograph of two hands shaking, symbolizing an agreement or hiring. The hands are positioned in the center of the slide, with the background being a light blue and white gradient.

**Michelle Soto, Finance  
Intern, starting June 10**



# Report by General Counsel



# Director Comments

An aerial photograph of a dry, eroded landscape, likely a desert or semi-arid region. The terrain is characterized by deep, winding gullies and ridges, creating a complex, textured pattern. The color palette is dominated by warm, earthy tones such as tan, brown, and ochre. A prominent white diagonal line runs from the top-left to the bottom-right, bisecting the image and framing the central text.

# Adjournment



# Next Special Board of Directors Meeting

May 30, 2024

