



Board of Directors

Regular Meeting

June 27, 2024



An aerial photograph of a rugged, 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 colors range from light tan to dark brown. A large, white, diagonal shape is overlaid on the image, pointing from the top-left towards the bottom-right. The text "Welcome & Call to Order" is written in a bold, yellow, sans-serif font across the white area.

**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

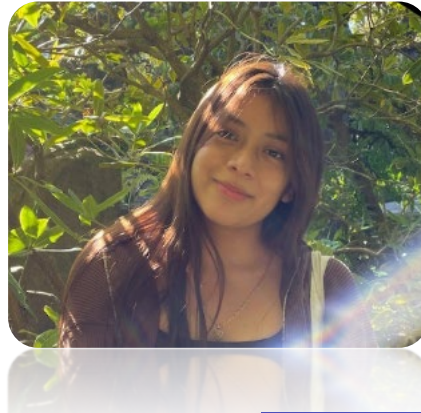




Land Acknowledgement

Warm Welcome to Finance Intern!

Michelle Soto



San Diego Native

Student at UC
Berkeley

Major:
Environmental Econ.
and Policy

Minor: Data Science

Warm Welcome to Public Affairs Intern

Kathleen Cramer




First Internship


Student at CSU San
Marcos

Major: Business
Marketing

Minor: Design



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Withdrawn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



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

Consent Agenda

- 1. Approve May 23 and May 30, 2024, Meeting Minutes**
- 2. Receive and File Treasurer's Report for Period Ending April 30, 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 Community Advisory Committee**



Public Comment for Consent Agenda

Regular Meeting Agenda

9. **Approval of IT Managed Services Contract with Tech Mahindra in the not-to-Exceed Amount of \$300,000 over Twelve Months with Options for two, One-Year Extensions with not-to-exceed Amounts of \$300,000 for each Subsequent Year**
10. **Regulatory and Legislative Affairs Update**
11. **Approval of Second Revision of Reserves Policy**
12. **Approve Investment Policy Revision**
13. **Approval of the FY 2024-25 Operating Budget, the FY 2024-25 Capital Budget, and the FY 2025-29 Capital Investment Plan**

Item 9

Approval of IT Managed Services Contract with Tech Mahindra in the not-to-Exceed Amount of \$300,000 over Twelve Months with Options for two, One-Year Extensions with not-to-exceed Amounts of \$300,000 for each Subsequent Year

Recommendation:

Approve a contract in substantially similar form to Attachment A for Managed IT Services and Support with Tech Mahindra in the not-to-exceed amount of \$300,000 over twelve months with options for two, one-year extensions with not-to-exceed amounts of \$300,000 for each subsequent year.


IT Managed Service RFP Scope

Scope and design of RFP allowed to select best value for SDCP

- I. Desktop Support
- II. O365 Infrastructure, Software Support, Maintenance, and License Management
- III. Network and Security Maintenance, Administration & Support
- IV. Software, Hardware Procurement, Tracking & Management
- V. User Onboarding & Offboarding
- VI. Data Backup, Restore Support and Administration
- VII. On-Site Conference Rooms and Network Support and Maintenance
- VIII. Off-site event IT support
- IX Intranet employee website and content management
- X. Cyber Security and Safety Support

IT Managed Service RFP Timeline





Public Comment for Item 9

Item 9

Approval of IT Managed Services Contract with Tech Mahindra in the not-to-Exceed Amount of \$300,000 over Twelve Months with Options for two, One-Year Extensions with not-to-exceed Amounts of \$300,000 for each Subsequent Year

Recommendation:

Approve a contract in substantially similar form to Attachment A for Managed IT Services and Support with Tech Mahindra in the not-to-exceed amount of \$300,000 over twelve months with options for two, one-year extensions with not-to-exceed amounts of \$300,000 for each subsequent year.

Item 10

Regulatory and Legislative Affairs Update

Recommendation:

Receive and File Regulatory and Legislative Affairs Update.

Presenters:

Patrick Welch, Senior Legislative Manager

Stephen Gunther, Regulatory Manager

Aisha Cissna, Senior Policy Manager

Update on Legislative Affairs


Outline

- I. Legislation update on SDCP supported bills.
- II. State budget update – impacts to energy programs.
- III. Legislative developments on energy affordability.

SDCP's Legislative Tracker

SDCP's Legislative Tracker

▼ 2023-2024 Legislative Cycle

<input type="checkbox"/>	Item	Author	Description	SDCP's Position	SDCP's Letter
<input type="checkbox"/>	ACR 153	Petrie Norris	Utility Worker Appreciation Day	Support	
<input type="checkbox"/>	AB 2891	Friedman	Energy: electrical demand forecasts	Support	
<input type="checkbox"/>	SB 1165	Padilla	State Energy Resources Conservation and Development ...	Support	
<input type="checkbox"/>	SB 1006	Padilla	Electricity: transmission capacity: reconductoring and gri...	Support	
<input type="checkbox"/>	AB 2672	Petrie Norris	California Alternate Rates for Energy program: public hou...	Support	
<input type="checkbox"/>	AB 2329	Muratsuchi	Energy: California Affordable Decarbonization Authority	Support	
<input type="checkbox"/>	AB 817	Pacheco	Open meetings: teleconferencing: subsidiary body	Support	
<input type="checkbox"/>	AB 3238	Garcia	California Environmental Quality Act: electrical infrastruc...	Support	
<input type="checkbox"/>	AB 2779	Petrie Norris	Independent System Operator: transmission planning	Support	

SDCP Bill tracker: <https://sdcommunitypower.org/legislative-priorities/>

Update on Legislative Affairs

Failed Passage – SDCP Supported Bills

- **SB 1165 (Padilla):** reintroduction of SB 619 (Padilla) from 2023 to allow the CEC to undertake CEQA review for certain transmission projects.
 - Held by the Senate Appropriations Committee due to cost pressures on the CEC.
- **AB 2329 (Muratsuchi):** would have created the CA Affordable Decarbonization Authority to provide non-ratepayer dollars to fund elements of the clean energy transition.
 - Held by the Assembly Appropriations Committee due to costs.
- **AB 2891 (Friedman):** would have tasked the CEC to set up standards so that CCAs could get RA value when they reduce demand through load automation/flexible load strategies.
 - Held by the Assembly Appropriations Committee due to cost pressures on the CEC.
- **AB 817 (Pacheco):** would have streamlined agenda posting requirements to make it more practical for advisory bodies to meet in a hybrid or virtual format.
 - Failed passed in the Senate Local Government Committee on 6/5.

Update on Legislative Affairs

Legislation Moving Forward – SDCP Supported Bills

- **SB 59 (Skinner):** would require electric vehicles to be bidirectional-capable if there is a sufficiently compelling beneficial use case for the vehicle and the electric grid.
 - New bill introduced on June 10. A modified version of SB 233 (Skinner), which SDCP supported and failed passage in 2023.
- **AB 1834 (Garcia):** would clarify that the CPUC needs to consider certain ratepayer protections when developing a capacity payment structure that could be assessed on an LSE under specific summer grid emergency conditions.
 - Approved by the Assembly 72-0 and the Senate Energy, Utilities, & Communications Committee .
- **AB 2672 (Petrie-Norris):** would allow Project Homekey sites that provide housing for persons experiencing homelessness – there are 5 in San Diego – to be eligible for the 30-35% CARE bill discount.
 - Approved by the Assembly 72-0 and Pending hearing in the Senate Energy, Utilities & Communications Committee.
- **ACR 153 (Petrie-Norris):** declared March 14 of each year as California Utility Workers Appreciation Day.
 - Passed.

Update on Legislative Affairs

Transmission Legislation Moving Forward – SDCP Supported

- **SB 1006 (Padilla):** would require planning or the use of grid enhancing technologies – power control devices – and advanced conductors to unlock capacity on existing corridors.
 - Approved by the Senate 39-0 and the Assembly Utilities & Energy Committee 16-0.
- **AB 3238 (Garcia):** would streamline a CPUC approval process for certain transmission lines, cutting down the approval timelines from around 1,700 days to just over 900 days.
 - Approved by the Assembly 62-0 the Senate Energy, Utilities & Communications Committee.
- **AB 2779 (Petrie-Norris):** would require the CAISO to report to the state energy agencies on the use of advanced conductors and grid enhancing technologies in the transmission planning process.
 - Approved by the Assembly 65-0 and pending a vote of the full Senate.
- **AB 3246 (Garcia):** would create a streamlined CPUC approval process for the use of advanced conductors.
 - Approved by the Assembly 72-0 and the Senate Energy, Utilities & Communications Committee.

Update on Legislative Affairs

State Budget Agreement Announced – Impacts to Key Energy Programs

- Addresses a \$46.8 billion deficit through use of reserves, program reductions, delays, and fund shifts
- **CEC Distributed Electricity Backup Assets (DEBA) program:** distribution level clean energy solutions for grid reliability. Reduction of \$63 million leaving \$532 million through 2027.
- **CEC Equitable Building Decarbonization (EBD) program:** electrification of buildings. Reduction from \$922 million to \$539.5 million spread over 5 years.
- **CPUC Self-Generation Incentive Funds:** residential solar + storage. Reduction from \$630 million to \$280 million.



**GOVERNOR
GAVIN NEWSOM**

FOR IMMEDIATE RELEASE
Saturday, June 22, 2024
Governor's Press Office: (916) 445-4571

California leaders announce 2024 state budget agreement

SACRAMENTO – Governor Gavin Newsom, Senate President pro Tempore Mike McGuire and Speaker of the Assembly Robert Rivas today announced that they have reached an agreement on the 2024 state budget, which will support the state's fiscal stability while preserving key programs that Californians depend on.

The agreement maintains the multi-year fiscal structure proposed by the Governor in the May Revision to balance the budget in both 2024-25 and 2025-26, based on current revenue and spending projections. It maintains the responsible budget approach that has benefitted California in recent years, and also protects key safety net, housing, homelessness, and classroom funding while preserving significant budget reserves to address future challenges.

Adding further fiscal protection, part of the agreement proposes additional legislation in August requiring the state to set aside a portion of anticipated surplus funds to be allocated in a subsequent budget act, so that the state does not commit certain amounts of future anticipated revenues until those revenues have been realized. A 2026 constitutional amendment to grow the state's Rainy Day Fund also will be pursued.

Update on Legislative Affairs

Legislative Deliberations About Reducing Electric Bills

- Both the Senate Energy, Utilities & Communications Committee and the Assembly Utilities & Energy Committee have held oversight hearings to explore affordability solutions.
- The details are being worked out and AB 3264 (Petrie-Norris) has been introduced as a placeholder bill.
- Potential areas of focus:
 - Set a bill savings target.
 - Create an affordability metric to use in CPUC general rate cases.
 - Review the appropriateness of ratepayer spending on energy efficiency programs.
 - Consider public financing of transmission projects.

ENERGYWIRE ♦

California lawmakers mull proposal to take \$10 off electric bills

By Wes Venteicher | 06/20/2024 06:19 AM EDT

The effort comes as electric rates continue to rise, driven primarily by wildfire spending.

Self-Generation Incentive Program

Center for Sustainable Energy Motion Still Under CPUC Review

Waitlists	
	CSE
Equity Resiliency	Waitlist
Generation	Waitlist
Large-Scale Storage	Waitlist
Non-Residential Storage Equity	Waitlist
Residential Storage Equity	Waitlist
San Joaquin Valley Non-Residential	
San Joaquin Valley Residential	
Small Residential Storage	Waitlist

Self-Generation Incentive Program

AB 209 Implementation and Programmatic Changes

- \$280M in solar and storage incentives for low-income customers
- Updated incentive levels
- Expands categorical eligibility
- 50% upfront payment
- Eligible project costs
- IRA tax credits
- Tribal customer set-aside
- NBT migration
- DR program participation

AB 209 Fiscal Year (FY) 2023-24 Funding Allocation:

Program Administrator	Total FY 23-24 Funds (in \$ millions)	Percentage, rounded (%)
Pacific Gas and Electric Company (PG&E)	\$110	39%
Southern California Edison Company (SCE)	\$97	35%
LADWP	\$36	13%
Center for Sustainable Energy (CSE) for San Diego Gas & Electric Company (SDG&E)	\$22	8%
Southern California Gas Company (SoCalGas)	\$15	5%
Total	\$280	100%

Disconnections



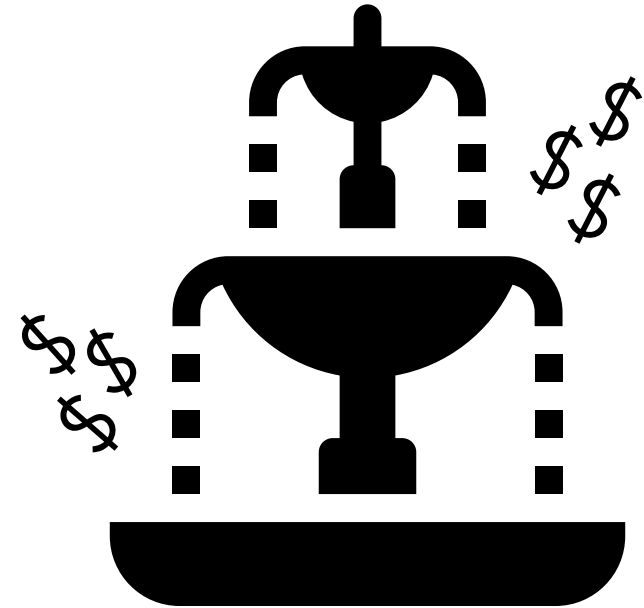
Disconnection Rate Caps

- COVID-era disconnection rate caps expire at the end of 2024
 - SDG&E's cap is currently set at 3%
 - Should the CPUC adopt permanent caps?

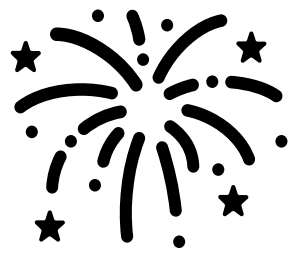
Disconnections

Allocation of Past Due Payments

- CPUC authorized proportional allocation method in 2021 when IOUs were not disconnecting residential customers
- Now that disconnections have resumed, should the CPUC make the proportional allocation method permanent?



San Diego Regional Energy Network



PROPOSED DECISION APPROVING MOTION!

- Approves full budget and program portfolio: **\$124,274,207**
- Does not consider SDG&E's intent to withdraw
- Opening comments due 7/10/24
- Reply comments due 7/15/24
- Earliest voting meeting: 8/1/24

ALJ/VUK/avs

PROPOSED DECISION

Agenda ID #22691
Ratesetting

Decision PROPOSED DECISION OF ALJS FITCH AND KAO
(Mailed 6/20/2024)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking
Concerning Energy Efficiency Rolling
Portfolios, Policies, Programs,
Evaluation, and Related Issues.

Rulemaking 13-11-005

DECISION ADDRESSING MOTION FOR AUTHORIZATION OF SAN DIEGO REGIONAL ENERGY NETWORK

Summary

This decision approves the portfolio application of a new energy efficiency portfolio administrator, San Diego Regional Energy Network. Energy savings goals and funding for 2024 - 2027 are adopted. San Diego Community Power, which will serve as portfolio administrator on behalf of San Diego Regional Energy Network, must submit a joint cooperation memo with San Diego Gas & Electric Company.

Income-graduated fixed charge (IGFC)

Background

Assembly Bill (AB) 205 authorizes investor-owned utilities (IOU) to change the structure of residential customer bills by shifting a portion of fixed costs currently recovered through volumetric rates (cents-per kWh) into a separate set monthly dollar amount, while reducing the volumetric rate.

Proposals were filed in the California Public Utilities Commission's (CPUC) Demand Flexibility proceeding (R. 22-07-005). **Changes are confined to distribution and transmission costs.**

On May 9, 2024, the CPUC adopted a Final Decision approving the first phase of the fixed charge.

Income-graduated fixed charge (IGFC)

Final Decision

- Adopts a new fixed charge that will appear on residential customers' bills in three tiers.
- Utilizes existing income-verification processes of the utilities' California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) programs.
- CPUC estimates SDG&E customers who electrify their home and vehicle will save up to \$39 a month in inland climate zones and up to \$43 in coastal climate zones.

TIER	DESCRIPTION	MONTHLY FIXED CHARGE AMOUNT
1	0-100% of the Federal Poverty Guidelines (customers enrolled in CARE)	Approximately \$6
2	100-200% of Federal Poverty Guidelines (customers enrolled in FERA) and those renting deed-restricted affordable housing	Approximately \$12
3	Everyone else	\$24.15

Table A-6: Estimated Impact of Adopted Fixed Charges on Average Monthly Bills of SDG&E Customers With Average Usage

Climate Zone	CARE	FERA*	Non-CARE/FERA**
Inland	\$ (6.63)	\$(10.31)	\$ 0.74
Coastal	\$ (3.78)	\$ (5.94)	\$ 2.39
Desert	\$(17.97)	\$(27.50)	\$ 0.33
Mountain	\$(19.79)	\$(30.89)	\$ (6.79)

Income-graduated fixed charge (IGFC)

Implementation and Timing

The Decision orders IOUs to:

- **Within 60 days:** invite parties to this proceeding to a workshop, consult with the CPUC's staff to plan the workshop, and jointly host a public workshop to discuss each utility's marketing, education, and outreach plan and consistent proposed terminology, high-level messages, and metrics
- **Within 90 days:** File a Tier 3 advice letter to implement IGFC, remove minimum bills from residential customer bills (if applicable), and propose a marketing, education, and outreach plan.

SDG&E shall begin to apply the adopted changes to residential customer bills during the **fourth quarter of 2025**.

Green Access Programs

Background

- On May 31, 2022, the IOUs each filed an application for review of the Disadvantaged Communities Green Tariff (DAC-GT), the Community Solar Green Tariff (CSGT), and the Green Tariff Shared Renewables (GTSR) programs.
- Assembly Bill 2316 (Ward, 2022) directed the CPUC to evaluate existing community solar programs and determine whether it would be beneficial to establish a new community renewable energy program.
- On December 2, 2022, the assigned Commissioner issued a Scoping Memo and Ruling party evaluation of existing programs and proposals for revised and new programs.
- SDCP became a program administrator of the DAC-GT and CSGT programs ([**Solar for Our Communities**](#)) in Q1 2023 and has been active in the proceeding with a group of CCAs.
 - *Both programs provide a 20% discount on the electricity and delivery portion of an eligible customers' bill when subscribed to a local project that meets the requirements.*

Green Access Programs

Final Decision Summary

On May 30, 2024, the CPUC approved a [Final Decision](#), which:

Consolidates the current CSGT and DAC-GT

- Discontinues CSGT and transfers remaining capacity to DAC-GT
- Modifies DAC-GT

Rejects the Net Value Billing Tariff (NVBT) proposal from the Coalition for Community Solar Access

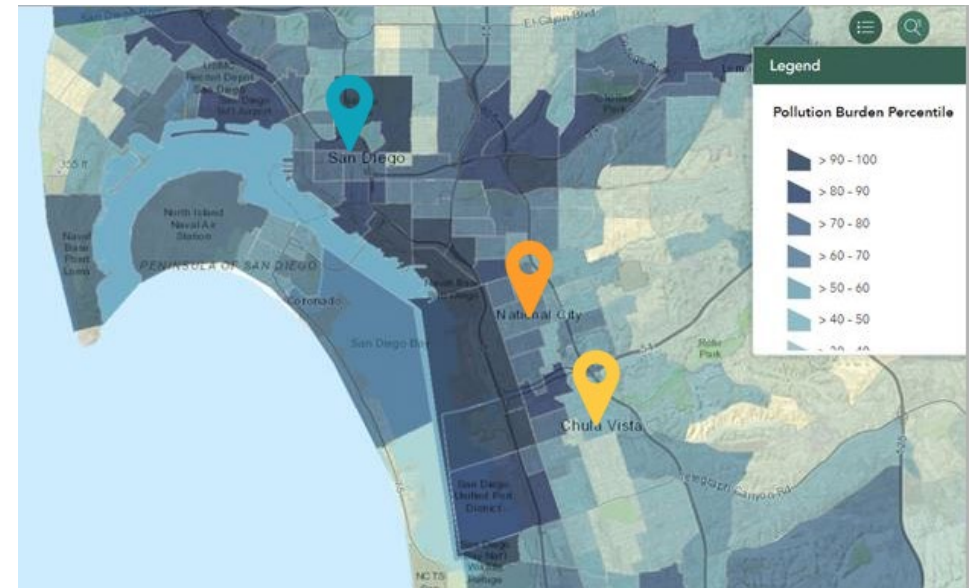
Adopts a new Community Renewable Energy Program

Green Access Programs

DAC-GT modifications

- Expands DAC-GT site requirement from within a DAC to no more than 5 miles from DACs.
- Updates the project cost containment cap, which will be revised through an Advice Letter process and include CCA input.
- Decreases DAC-GT program solicitations to a minimum of once a year.
- Allows the voluntary inclusion of storage in solicitations.

Program Administrator	Un-Procured DAC-GT Capacity as of Oct. 31, 2023 (MW)	50% Additional DAC-GT Capacity (MW)	Un-Procured CSGT Capacity as of Oct. 31, 2023 (MW)	Modified DAC-GT Total Available Capacity (MW)
SCE	56.500	0.000	11.6300	68.1300
SDCP	15.780	0.000	4.3800	20.1600
SDG&E	2.220	0.000	0.6200	2.8400




SDCP has over 40 eligible census tracts located in Chula Vista, National City, and the City of San Diego.

Green Access Programs

New Community Renewable Energy Program

- Utilizes an existing foundational tariff for IOUs (such as the Renewable Market Adjusting Tariff (ReMAT) or Standard-Offer-Contract).
- Allows customers to subscribe to the program and receive a flat monetary credit on their monthly bill based on a percentage of each project's overall revenue share (no less than 20% for low-income customers).
 - \$33 million appropriated to the CPUC as a subsidy to subscribing low-income customers who enroll or are enrolled program + the Commission anticipates using some portion of the recently awarded \$249,800,000 EPA Solar for All grant funding.
- On June 5, 2024, the CPUC issued a Ruling on implementation details, including how CCAs can participate.
 - Opening Comments due July 10 and Replies Comments due July 28.



Public Comment for Item 10

Item 10

Regulatory and Legislative Affairs Update

Recommendation:

Receive and File Regulatory and Legislative Affairs Update.

Presenters:

Patrick Welch, Senior Legislative Manager

Stephen Gunther, Regulatory Manager

Aisha Cissna, Senior Policy Manager

Item 11

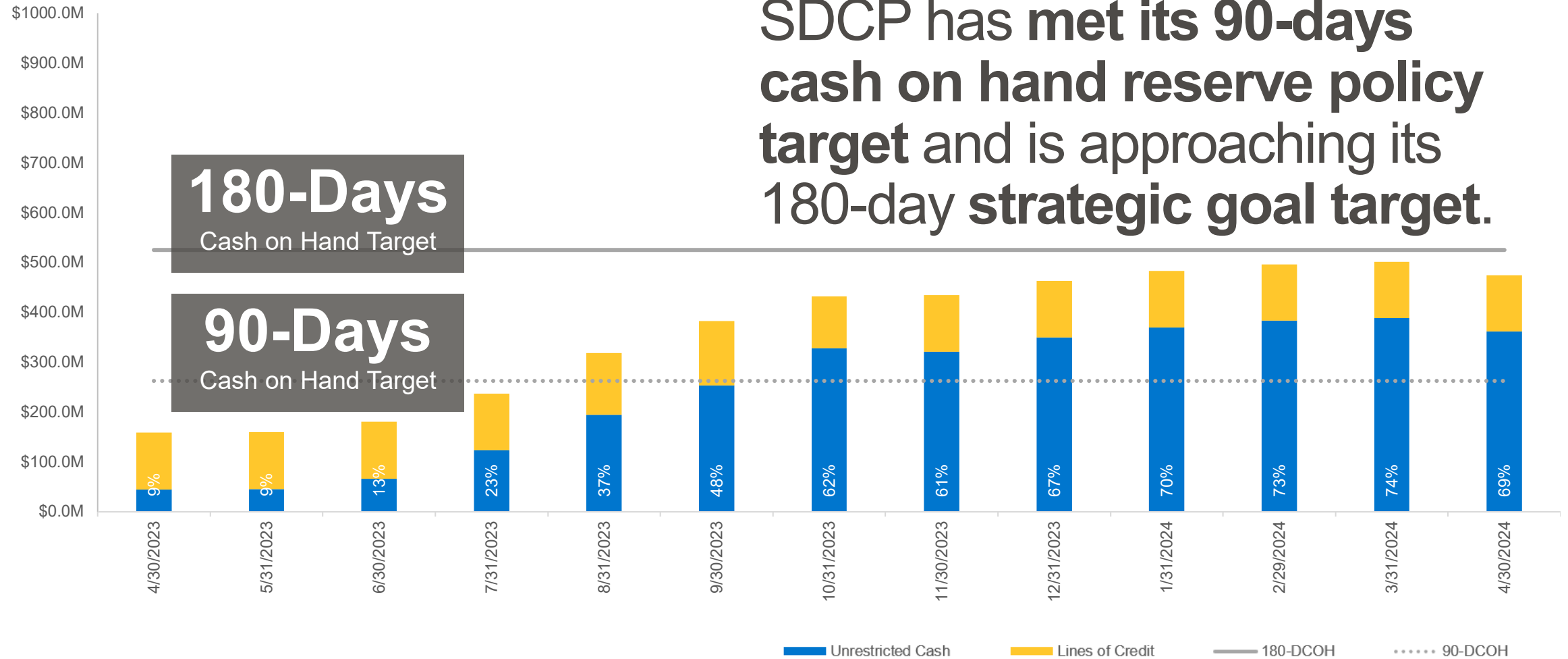
Approval of Second Revision of Reserves Policy

Recommendation:

Approve Second Revision to Financial Reserves Policy.

Historical Cash on Hand and Liquidity

SDCP has met its 90-days cash on hand reserve policy target and is approaching its 180-day strategic goal target.



Reserve Policy Updates

Current Policy

Contribution:
15% Gross Revenue
Annually

Goal:
90-Days Operating
Expense

SDCP will allocate up to 15% of gross revenue annually toward building an Operating/Working Capital Reserve equivalent to 90 days of total operating expenses held as unrestricted cash.

Proposed Policy

Contribution:
Discretionary

Goal:
180-Days Cash on
Hand

The contribution to Reserves is determined through SDCP's annual budget process as defined in the agency's Budget Policy and/or SDCP's rate setting process as defined in the agency's Rate Development Policy.

Use of Excess Reserves

Capital Projects	Financing Programs
Strategic Purposes	Paying Debt
	Rate Reductions

Use of Excess Reserves

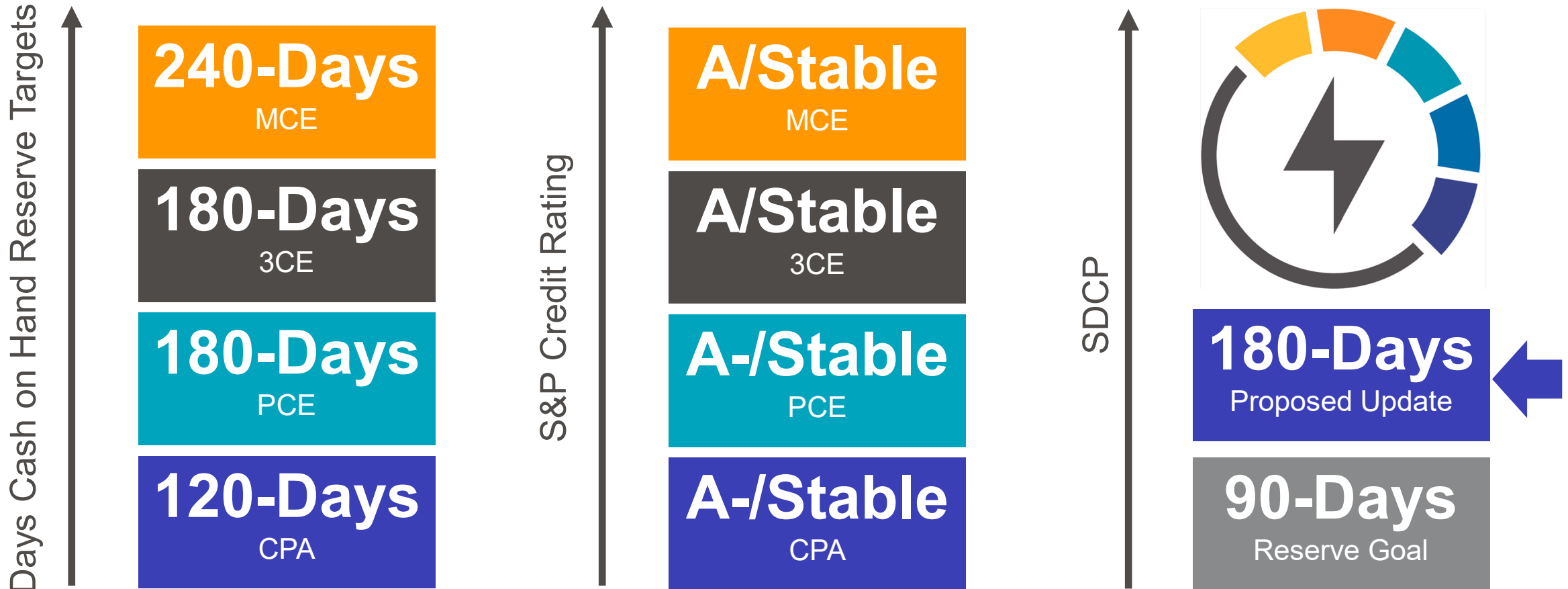
Capital Projects	Financing Programs
Strategic Purposes	Paying Debt
Stabilization Reserve	Rate Reductions
Programmatic Reserve	

Definitions

Reserves: Net Position

Days cash on hand:
(unrestricted cash and cash equivalents) x 365 /
(operating expenses for the current fiscal year)

Benchmarking – CCA Reserve Targets





Public Comment for Item 11

Item 11

Approval of Second Revision of Reserves Policy

Recommendation:

Approve Second Revision to Financial Reserves Policy.

Item 12

Approve Investment Policy Revision

Recommendation:

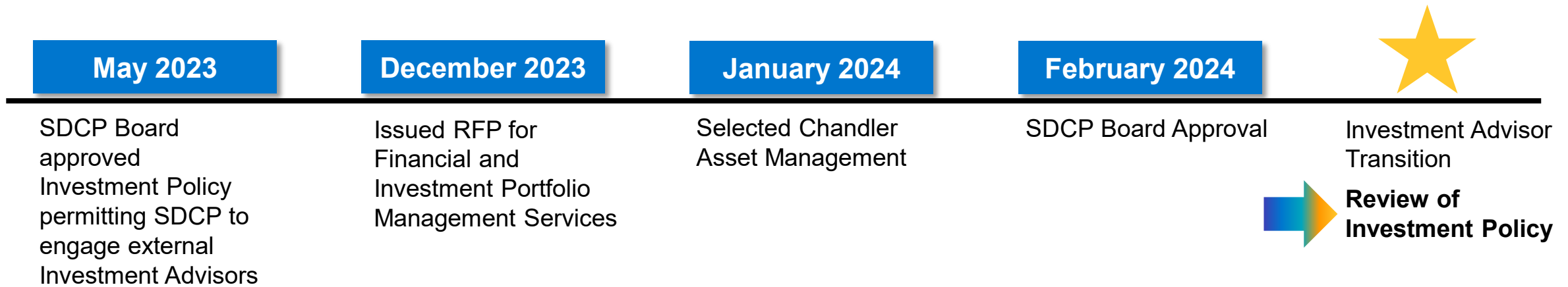
Board Approval of Resolution No. 2024-04, adopting the first revision of the SDCP Investment Policy.

Presenter:

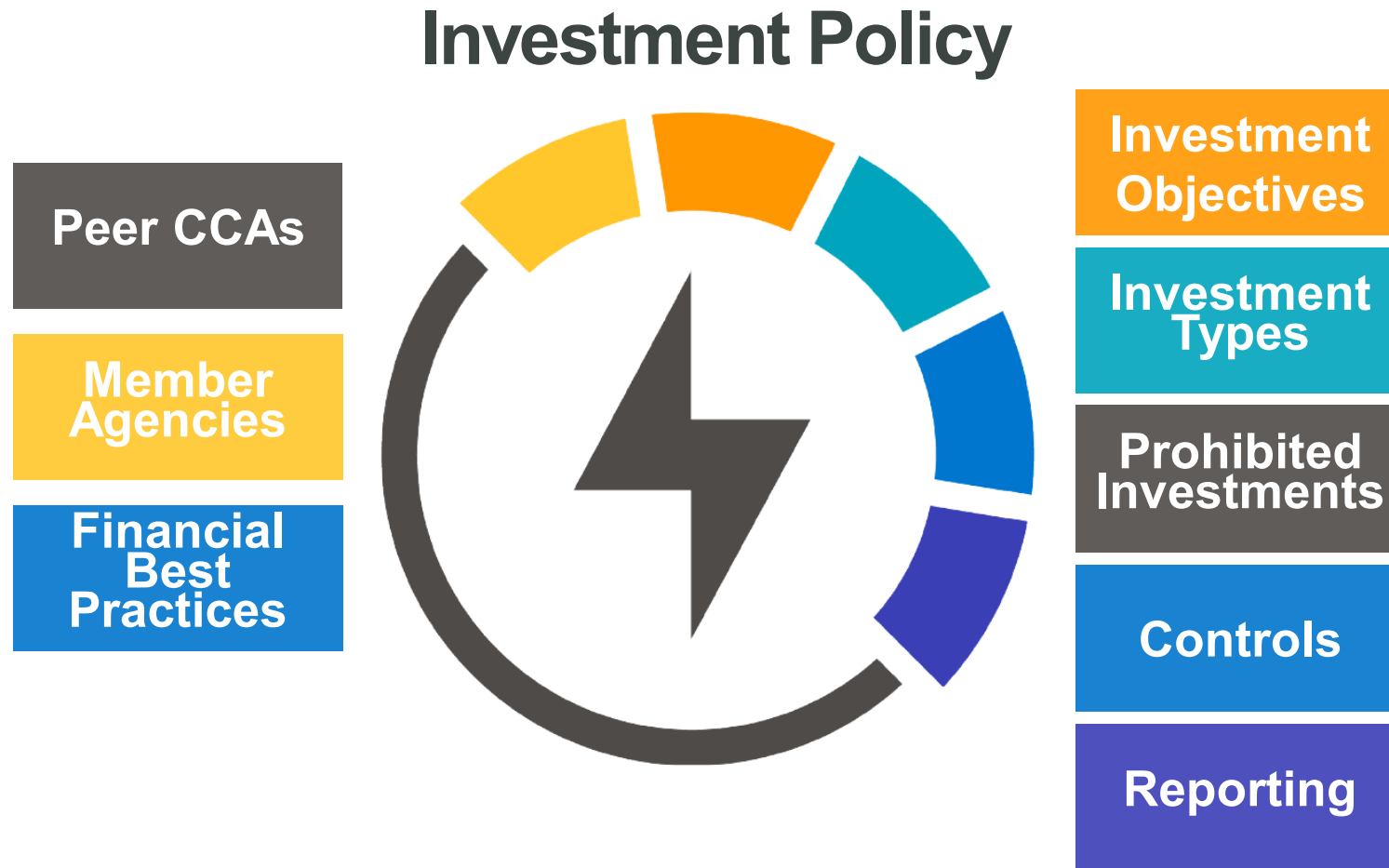
Dr. Eric Washington, Chief Financial Officer/Treasurer
Timothy Manglicmot, Director of Finance

Investment Policy Timeline

The timeline including Chandler Asset Management process:



Development of Investment Policy



Investment Policy Revisions

The revised Investment Policy includes updated language from the recent passing of SB 1489.

Market Benchmark

Added to Annual Report

Collateralization Language

Pursuant to State Code

Acceptable Investments

4 Additional Investment Types

Risk Management

Renamed Diversification section to include Risk Management

Updated Glossary

Clearer Glossary Terms

Prohibited Investments

Securities with settlement date exceeding 45 days

Acceptable Investment Types

All Authorized investment types for SDCP are pursuant to California Government Code 53601.

Acceptable Investments

- ✓ Deposits at Banks
- ✓ Local Agency Investment Fund (LAIF)
- ✓ US Treasury Obligations
- ✓ Federal Agency Securities
- ✓ Bankers' Acceptances
- ✓ Negotiable Certificates of Deposit
- ✓ Placement Service Deposits
- ✓ Money Market Funds
- ✓ Commercial Paper

Added Acceptable Investments

- ✓ Medium Term Notes
- ✓ Pass Thru Securities
- ✓ Municipal Securities
- ✓ Supranationals



Prohibited Investment Types

Pursuant to Section 53601.6, SDCP shall not invest in any fund or security that could result in a zero-interest accrual, or less, if held to maturity. These prohibited investments include, but are not limited to:

Prohibited Investments

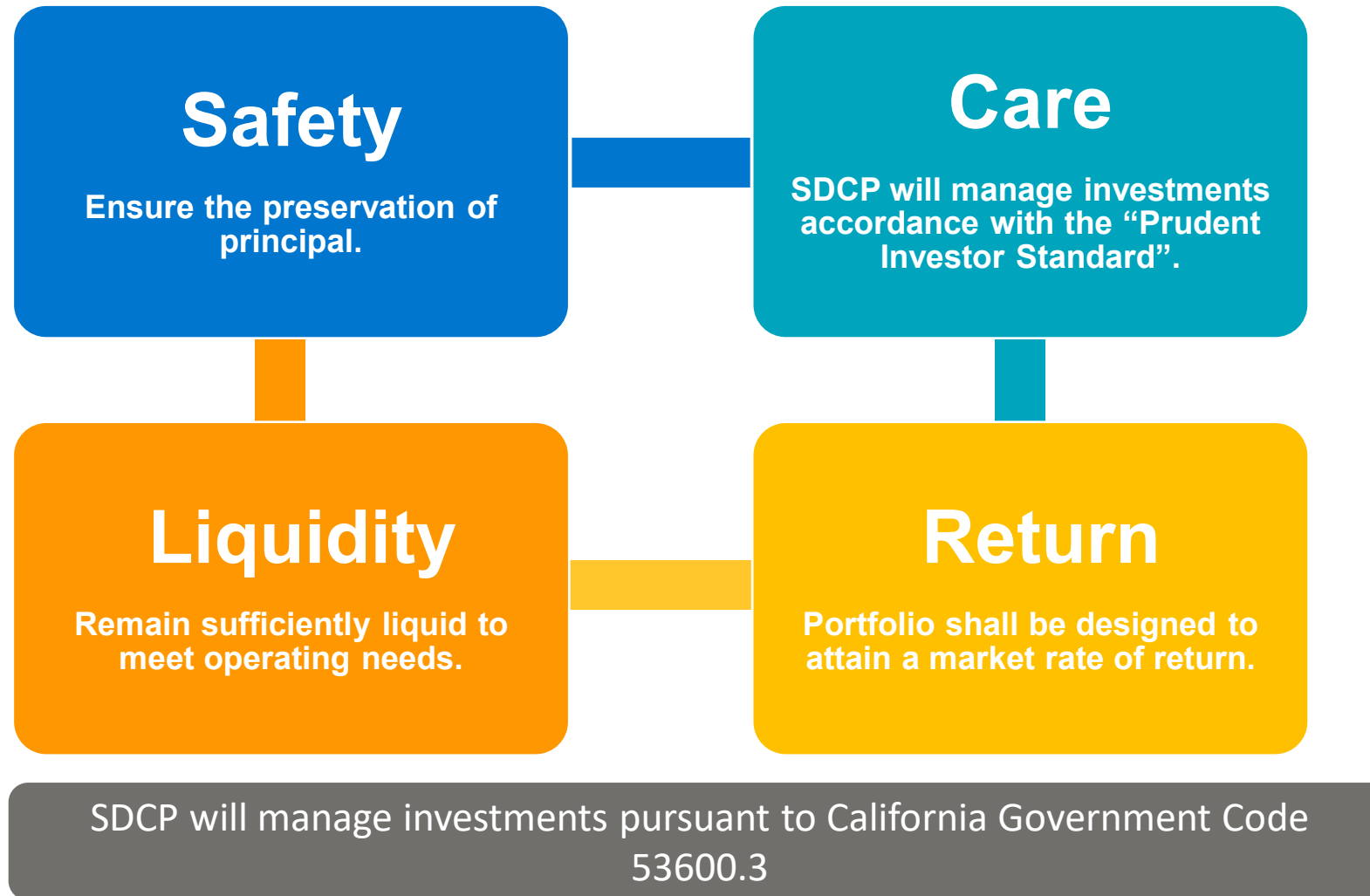
- X Inverse Floaters
- X Range Notes
- X Mortgage-derived Interest-only Strips
- X Foreign Currency
- X Crypto Asset Securities
- X Trading securities for the sole purpose of speculating on the future direction of interest rates.
- X Purchasing or selling securities on margin.


Added Prohibited Investments

- X Securities with settlement date exceeding 45 days (SB 1489 Requirement)



Investment Objectives (Safety, Liquidity, Return, Standard of Care)





Public Comment for Item 12

Item 12

Approve Investment Policy Revision

Recommendation:

Board Approval of Resolution No. 2024-04, adopting the first revision of the SDCP Investment Policy.

Presenter:

Dr. Eric Washington, Chief Financial Officer/Treasurer
Timothy Manglicmot, Director of Finance

Item 13

Approval of the FY 2024-25 Operating Budget, the FY 2024-25 Capital Budget, and the FY 2025-29 Capital Investment Plan

Recommendation:

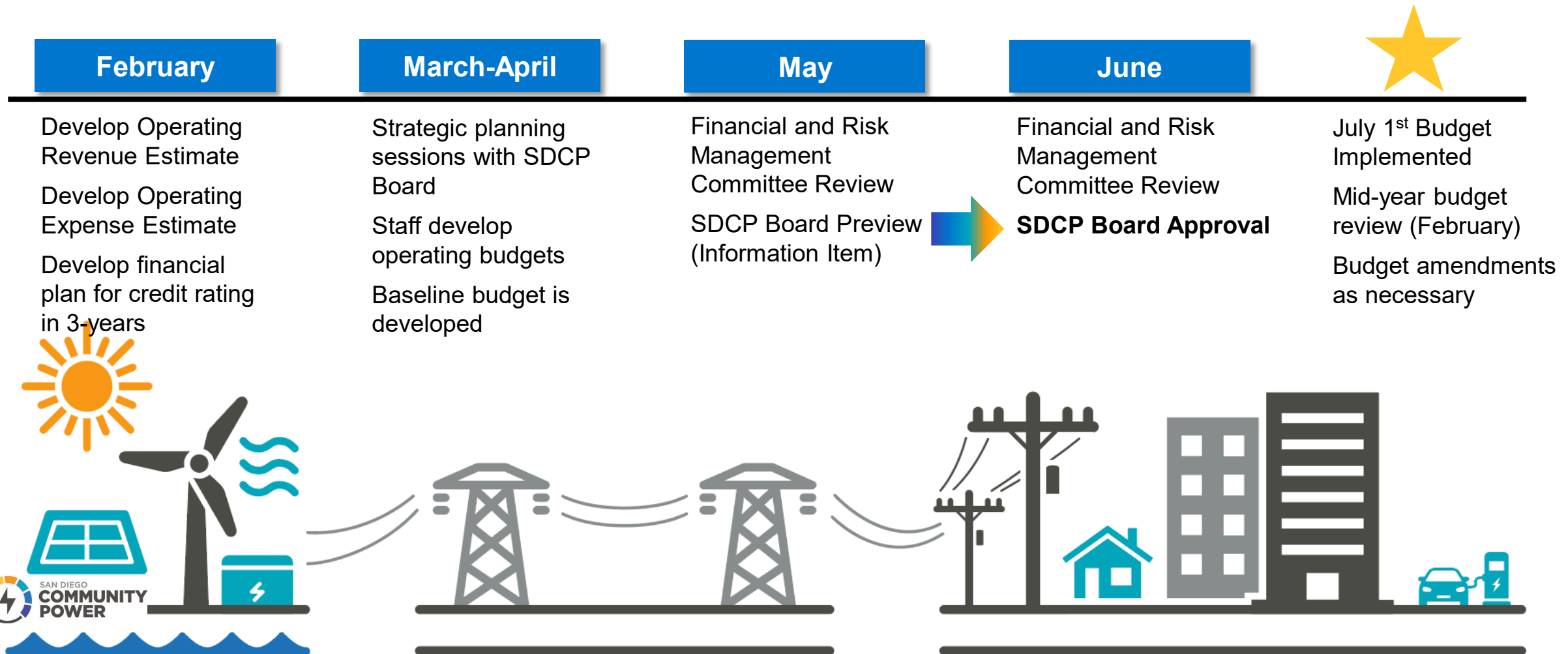
Board Approval of Resolution No. 2024-03, adopting the FY 2024-2025 Operating Budget, the FY 2024-2025 Capital Budget, and the FY 2025-2029 Capital Investment Plan.

Presenter:

Dr. Eric Washington, Chief Financial Officer/Treasurer

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**.
- **Engage the SDCP Board, constituent groups, and the public** in the budget process and inform them about **sustainable energy needs**.
- 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**.

Budget - Highlights

- Thoughtfully scale the agency by **growing to 80 total staff.**
- Continued outreach through **community events, sponsorships and advertising** to inform customers about SDCP.
- Projects added into **Capital Investment Plan (CIP)** for non-recurring costs.
- Reducing **Professional Service Agreement** costs by in-housing services.



SAN DIEGO COMMUNITY POWER

Proposed Budget

Fiscal Year 2024-25

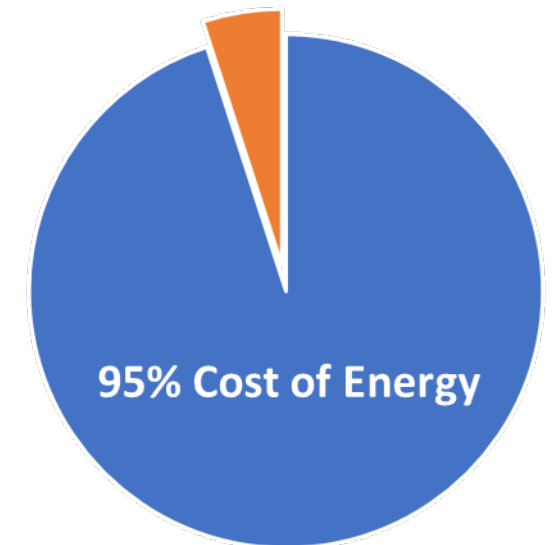
Proposed Draft

June 27, 2024

Budget – Summary

Item	FY 24 Amended Budget, \$M	FY 25 Draft Budget, \$M
Gross Revenue	1,365.7	1,233.4
Less Uncollectible Accounts	(61.5)	(55.5)
Net Revenue	1,304.3	1,177.9
Cost of Energy	1,020.8	1,073.6
Non-Energy Costs	43.8	53.8
Subtotal Operating Expense	1,064.6	1,127.5
Debt Service	2.4	1.3
Capital Investment Plan	3.9	15.2
Total Expense	1,071.0	1,143.9
Net Position	232.7	34.0
Cumulative Net Position	418.7	452.7

FY25 Cost of Energy / Net Revenue



Budget – Changes since May Meeting

Category	5/25 Board Meeting	6/27 Board Meeting	FY25 Budget Change	% Change
Revenue				
Gross Ratepayer Revenues	\$ 1,223,897,182	\$ 1,233,430,250	\$ 9,533,068	1%
(Less 4.5%* Uncollectible)	\$ 55,075,373	\$ 55,504,361	\$ 428,988	1%
Total	\$ 1,168,821,809	\$ 1,177,925,889	\$ 9,104,080	1%
Expenditures				
Cost of Energy	\$ 1,059,154,955	\$ 1,073,648,137	\$ 14,493,182	1%
General and Administration	\$ 7,734,163	\$ 7,440,416	\$ (293,747)	-4%
Marketing and Outreach	\$ 3,274,454	\$ 3,010,404	\$ (264,050)	-8%
Personnel Costs	\$ 17,854,012	\$ 18,570,043	\$ 716,031	4%
Professional Services and Consultants	\$ 25,087,218	\$ 24,799,232	\$ (287,986)	-1%
Programs	\$ 100,000	\$ -	\$ (100,000)	
Total	\$ 1,113,204,802	\$ 1,127,468,231	\$ 14,263,430	1%
Debt Service	\$ 2,551,069	\$ 1,276,000	\$ (1,275,069)	-50%
CIP	\$ 10,275,030	\$ 15,175,030	\$ 4,900,000	48%
Net Position	\$ 42,790,908	\$ 34,006,627	\$ (8,784,281)	-21%

FY 2025-29 Capital Investment Plan (CIP)



Solar Battery Savings Program

Regional Energy Network

CPUC Green Tariffs

Solar/Storage Feasibility Study

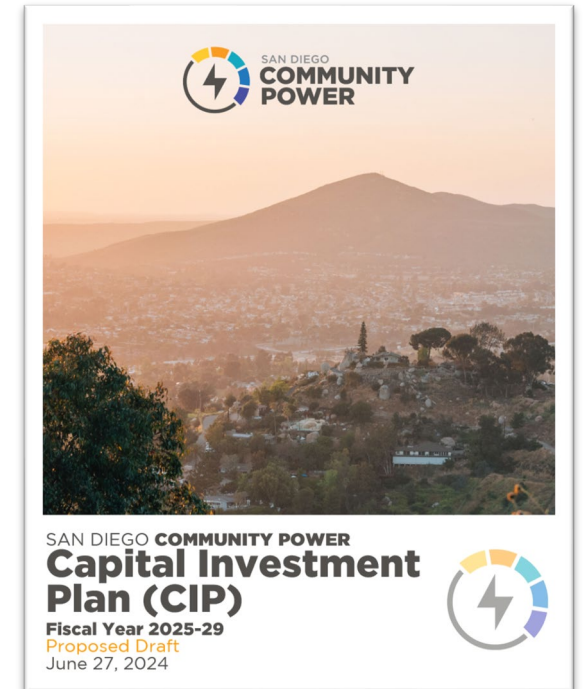
Community Grants

C&I Incentive Program

Draft CIP – Summary








- **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

Item	Carryforward, \$M	FY 25 Draft Budget, \$M
CIP - Operating Transfer In	3.2	15.2
DAC-GT CSGT	-	0.5
Regional Energy Network	-	0.7
CDFA Healthy Ref. Grant	0.7	-
Total CIP Revenue	3.9	16.4
Total CIP Expense	3.9	16.4



Draft FY 2024-25 Budget



Budget Changes by Category

	Revenue	Enrollment complete. Board approved rate change in January 2024.	FY24 \$1,365.7m	FY25 \$1,223.9m
	Cost of Energy	All contracts updated. Forward energy prices updated for open positions.	FY24 \$1,020.8m	FY25 \$1,073.6m
	Professional Services	Calpine higher with full enrollment. ETRM included. IT managed services, procurement counsel increased.	FY24 \$22.3m	FY25 \$24.8m
	Personnel	Recruitment strategy of 10 new staff growing the agency to 80 total staff.	FY24 \$11.7m	FY25 \$18.6m
	Marketing and Outreach	Customer interface improvements, slight increases to Partnerships and Events & Sponsorships.	FY24 \$2.9m	FY25 \$3.0m
	General and Administrative	Increased G&A budget to support operating and staff growth anticipated for FY25.	FY24 \$6.8m	FY25 \$7.4m
	Programs	Programs budget included in CIP as continuing projects. Overall admin in operating.	FY24 \$0.1m	FY25 \$0.0m

Draft Budget – Personnel

Department	SDCP Current	SDCP Proposed	MCE	CPA	AVA	PCE	3CE
Power Services	9	16	7	14	12	9	5
Data Analytics, IT & Customer Ops.	8	14	21	15	17	9	9
Public Affairs	9	12	16	8	9	8	4
Programs	7	11	19	6	12	7	4
Finance	6	7	5	12	5	2	5
Legal/Regulatory and Legislative	4	6	11	11	8	6	2
Executive Team	5	5	5	8	4	6	4
Operations	5	5	6	1	3	7	-
Human Resources	3	4	5	3	5	1	1
Total	56	80	95	78	75	49	38

Budget – Personnel

 : Vacant/Proposed
 : Filled

Authorized in FY24

Proposed in FY25

Operating Funding



69 FTEs
authorized
through FY24
14 FTEs vacant



4.8 FTEs funded
by operating
proposed in FY25

External Funding



1 FTE funded
externally in
FY24



5.2 FTEs funded
externally proposed
in FY25


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%
San Diego Community Power	Oct 2019	921,471	1,073.60	53.80	1,177.90	91%
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%
Clean Energy Alliance***	Nov 2019	250,014	317.09	9.38	351.57	90%

*Source: CalCCA as of December 2023. CEA includes recent Oceanside and Vista participation through 6/12/2024.

**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.

***CEA assumes "Option A" budget with Winter Rate Increase 30%; Summer Rate Increase 15%



Public Comment for Item 13

Item 13

Approval of the FY 2024-25 Operating Budget, the FY 2024-25 Capital Budget, and the FY 2025-29 Capital Investment Plan

Recommendation:

Board Approval of Resolution No. 2024-03, adopting the FY 2024-2025 Operating Budget, the FY 2024-2025 Capital Budget, and the FY 2025-2029 Capital Investment Plan.

Presenter:

Dr. Eric Washington, Chief Financial Officer/Treasurer



**Report by
Chief
Executive
Officer**

Recent Events



Equality Awards



San Diego Regional Chamber Leadership Delegation to Sacramento

Recent Events

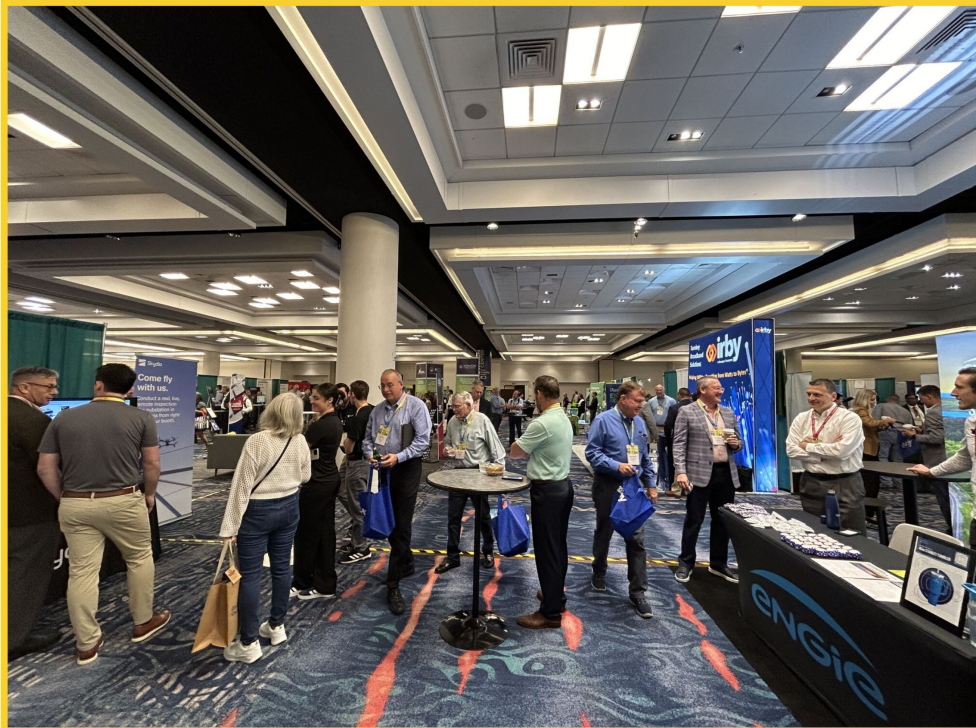


San Diego Regional EDC Annual Dinner



CivicWell California Climate and Energy Forum

Recent Events



APPA National Conference



Encinitas Chamber of Commerce Podcast

SDCP in the Community



Jackie Robinson YMCA Community Health and Resource Fair



EcoFest Encinitas



Community Climate Action Day

Solar Battery Savings



We're Hiring!

Final Stages

- Marketing Manager
- Strategic Policy Manager

Interview Stage

- Project Operations and Proposal Manager
- Data Engineer
- Data Scientist
- IT Systems Engineer

Melissa Elder, Community Engagement Associate, starting July 22

Aja Holmes, Senior Settlements Analyst, starting July 22



Director Comments


Closed Session Agenda

1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957

Title: Chief Executive Officer

2. CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6

Agency designated representative(s): General Counsel
Unrepresented employee: Chief Executive Officer



Public Comment on Closed Session Items



CLOSED SESSION RECESS



**Open Session
Regular
Agenda –
Continued**

**GENERAL COUNSEL REPORT FROM CLOSED
SESSION**

ADJOURNMENT

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 large, white, triangular shape is superimposed over the center of the image, pointing downwards. Inside this white triangle, the word "Adjournment" is written in a bold, yellow, sans-serif font.

Adjournment



Next Regular Board of Directors Meeting

August 22, 2024