AGENDA

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

February 8, 2024
5:30 p.m.

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

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

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

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

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

2. Written Comments. Written public comments must be submitted prior to the start of the meeting by using this (web comment form). Please indicate a specific agenda item when submitting your comment. All written comments received prior to the meeting will be provided to the CAC members in writing. In the discretion of the Chair, the first ten (10) submitted comments shall be stated into the record of the meeting. Comments read at the meeting will be limited to the first 400 words. Comments received after the start of the

meeting will be collected, sent to the CAC members in writing, and be part of the public record.

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

The public may participate using the following remote options:

Teleconference Meeting Webinar

https://zoom.us/j/93647500600

Telephone (Audio Only)

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

WELCOME

ROLL CALL

PLEDGE OF ALLEGIANCE

LAND ACKNOWLEDGMENT

SPECIAL PRESENTATIONS AND INTRODUCTIONS

ITEMS TO BE WITHDRAWN OR REORDERED ON THE AGENDA

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

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

CONSENT CALENDAR

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

1. **Approval of January 11, 2024 CAC Meeting Minutes**
2. **Update on Marketing, Public Relations, and Local Government Affairs**
3. **Update on Customer Operations**
4. **Update on Programs**

5. **Approval of the 2024 CAC Work Plan**

REGULAR AGENDA

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

6. **Presentation on Mid-Year Budget Amendment**

   Recommendation: Receive and File the Mid-Year Budget Amendment Presentation

7. **Update on Load Management Standards Compliance Plan**

   Recommendation: Receive and File the Load Management Standards Compliance Plan

8. **Community Grant Program Ad-Hoc End of Committee Report**

   Recommendation: Receive and File the Community Grant Program Ad-Hoc End of Committee Report

9. **Update on Community Grant Program**

   Recommendation: Receive and File the Community Grant Program Update

10. **Update on Residential Solar + Storage Program**

    Recommendation: Receive and File the Residential Solar + Storage Program Update

DISCUSSION OF POTENTIAL AGENDA ITEMS FOR BOARD OF DIRECTORS MEETINGS

There are two ways that the CAC may bring items to the attention of the Board at a Board meeting:

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

2. Suggesting Board Agenda Items. The CAC may suggest agenda items for a Board of Directors meeting agenda by communicating with the CAC Chair and the designated SDCP staff, before and/or after a regular CAC meeting. If suggested during a regular meeting, there shall be no discussion or action by the CAC unless the item has been included on the CAC agenda. To be added to a Board agenda, items must have the approval of the SDCP Chief Executive Officer and the Chair of the Board of Directors. If approval is provided, staff must be given at least 5 business days before the date of the Board meeting to work with the CAC to draft any memos and materials necessary.

COMMITTEE MEMBER ANNOUNCEMENTS

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

ADJOURNMENT

Availability of Committee Documents

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

COMMUNITY ADVISORY COMMITTEE
SAN DIEGO COMMUNITY POWER (SDCP)

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

MINUTES
January 11, 2024

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

The Agenda Items were considered in the order presented.

WELCOME

Chair Vasilakis (City of San Diego) called the meeting to order at 5:32 p.m.

ROLL CALL

PRESENT: Chair Vasilakis (City of San Diego), Vice Chair Harris (La Mesa), Secretary Cazares (La Mesa), Committee Member Sclafani (Chula Vista); Committee Member Jahns (Encinitas), Committee Member Hammond (Encinitas), Committee Member Sandoval (Imperial Beach), Committee Member Castañeda (National City), Committee Member Emerson (National City), Committee Member Price (City of San Diego) (arrived at 5:41 p.m.), and Committee Member Andersen (County of San Diego)

ABSENT: Committee Member Webb (Imperial Beach)

VACANT: Seat 4 (Chula Vista) and Seat 12 (County of San Diego)

PLEDGE OF ALLEGIANCE

Vice Chair Harris (La Mesa) led the Pledge of Allegiance.

LAND ACKNOWLEDGMENT

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

SPECIAL PRESENTATIONS AND INTRODUCTIONS

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

Elaine Mezta, Key Accounts Services Manager
Patrick Welch, Senior Legislative Manager

Chair Vasilakis (City of San Diego) announced Committee Member Scofield (Chula Vista) resigned from the CAC in December 2023 and thanked Committee Member Scofield (Chula Vista) for her dedication and service to the CAC.

Former Committee Member Scofield (Chula Vista) reflected on her time serving on the CAC and expressed her gratitude and appreciation for the accomplishments and continued efforts of the CAC.

ITEMS TO BE WITHDRAWN OR REORDERED ON THE AGENDA

There were no items withdrawn or reordered on the agenda.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

There were no public comments.

CONSENT CALENDAR
(Items 1 through 4)

ACTION: Motioned by Secretary Cazares (La Mesa) and seconded by Vice Chair Harris (La Mesa) to approve Consent Calendar Items 1 through 4. The motion carried by the following vote:

Vote: 11-0

Yes: Chair Vasilakis (City of San Diego), Vice Chair Harris (La Mesa), Secretary Cazares (La Mesa), Committee Member Sclafani (Chula Vista); Committee Member Jahns (Encinitas), Committee Member Hammond (Encinitas), Committee Member Sandoval (Imperial Beach), Committee Member Castañeda (National City), Committee Member Emerson (National City), Committee Member Price (City of San Diego), and Committee Member Andersen (County of San Diego)
No: None
Abstained: None

1. **Approval of December 7, 2023 CAC Meeting Minutes**

Approved.

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

Received and filed.

3. Update on Customer Operations

Received and filed.

4. Update on Regulatory and Legislative Affairs

Received and filed.

REGULAR AGENDA

5. Presentation on the Update on 2024 Projected Rate Changes

Chief Financial Officer ("CFO")/Treasurer Washington introduced the item.

Senior Finance Manager Manglicmot and Senior Rates and Strategy Analyst Lu provided a PowerPoint presentation on the 2024 projected rate changes, highlighting the 2023 and 2024 rates timeline, rate mechanics, rate development policy objectives, rate trifurcation, 2024 generation rate projections, cost of energy projection and strategy, the purpose for reserves, and SDCP's reserve build.

Following Committee questions and comments, no action was taken.

6. Update on Flex Load Strategy

Senior Program Manager Treadwell provided a PowerPoint presentation on the Flex Load Strategy, highlighting the goals and objectives, load flexibility, system benefits and goals, flex load as a Community Choice Aggregation (CCA) resource, CCA flex load programs, flexible load and Distributed Energy Resources (DERs), DER asset classes by customer type, program portfolio, integration strategies, Distributed Energy Resource Management System (DERMS), DERMS Architecture - Phase I, II, and III, and the Flex Load Strategy tentative timeline.

Following Committee questions and comments, no action was taken.

7. Community & Equity Ad-Hoc End of Committee Report

Vice Chair Harris (La Mesa) reported on the objectives, discussions, and accomplishments of the Community and Equity Ad Hoc Subcommittee and thanked the members for their dedication and service to the Ad Hoc Subcommittee.

Following Committee questions and comments, no action was taken.

8. Programs Ad-Hoc End of Committee Report

Committee Member Emerson (National City) reported on the objectives, discussions, and accomplishments of the Programs Ad Hoc Subcommittee and thanked the members for their dedication and service to the Ad Hoc Subcommittee.

Following Committee questions and comments, no action was taken.

9. Discussion of the Creation of New Ad-Hoc Committees

Community Engagement Manager Crespo provided an overview of the purpose for ad-hoc subcommittees.

Board questions and comments ensued.

ACTION: Motioned by Vice Chair Harris (La Mesa) and seconded by Committee Member Castañeda (National City) to create a Grants Ad Hoc Subcommittee. The motion carried by the following vote:

Vote: 6-2-3

Yes: Chair Vasilakis (City of San Diego), Vice Chair Harris (La Mesa), Secretary Cazares (La Mesa), Committee Member Sclafani (Chula Vista); Committee Member Jahns (Encinitas), and Committee Member Castañeda (National City)
No: Committee Member Emerson (National City) and Committee Member Andersen (County of San Diego)
Abstained: Committee Member Hammond (Encinitas), Committee Member Sandoval (Imperial Beach), and Committee Member Price (City of San Diego)

ACTION: Motioned by Secretary Cazares (La Mesa) and seconded by Committee Member Castañeda (National City) to appoint Vice Chair Harris, Committee Member Castañeda, and Committee Member Sclafani (Chula Vista) to the Grants Ad Hoc Subcommittee. The motion carried by the following vote:

Vote: 6-1-4

Yes: Chair Vasilakis (City of San Diego), Vice Chair Harris (La Mesa), Secretary Cazares (La Mesa), Committee Member Sclafani (Chula Vista); Committee Member Jahns (Encinitas), and Committee Member Castañeda (National City)
No: Committee Member Andersen (County of San Diego)
Abstained: Committee Member Hammond (Encinitas), Committee Member Sandoval (Imperial Beach), Committee Member Emerson (National City), and Committee Member Price (City of San Diego)

ACTION: Motioned by Secretary Cazares (La Mesa) and seconded by Committee Member Andersen (County of San Diego) to create a Power100 Ad Hoc Subcommittee. The motion carried by the following vote:

Vote: 11-0

Yes: Chair Vasilakis (City of San Diego), Vice Chair Harris (La Mesa), Secretary Cazares (La Mesa), Committee Member Sclafani (Chula Vista); Committee

Member Jahns (Encinitas), Committee Member Hammond (Encinitas), Committee Member Sandoval (Imperial Beach), Committee Member Castañeda (National City), Committee Member Emerson (National City), Committee Member Price (City of San Diego), and Committee Member Andersen (County of San Diego)

No: None
Abstained: None

ACTION: Motioned by Committee Member Jahns (Encinitas) and seconded by Committee Member Price (City of San Diego) to appoint Secretary Cazares (La Mesa), Committee Member Hammond (Encinitas), Committee Member Sandoval (Imperial Beach), Committee Member Castañeda (National City), and Committee Member Andersen (County of San Diego) to the Power100 Ad Hoc Subcommittee. The motion carried by the following vote:

Vote: 11-0

Yes: Chair Vasilakis (City of San Diego), Vice Chair Harris (La Mesa), Secretary Cazares (La Mesa), Committee Member Sclafani (Chula Vista); Committee Member Jahns (Encinitas), Committee Member Hammond (Encinitas), Committee Member Sandoval (Imperial Beach), Committee Member Castañeda (National City), Committee Member Emerson (National City), Committee Member Price (City of San Diego), and Committee Member Andersen (County of San Diego)

No: None
Abstained: None

10. Approval of Amendments to the CAC Scope of Work

Community Engagement Manager Crespo reviewed the proposed amendments to the CAC Scope of Work.

ACTION: Motioned by Committee Member Castañeda (National City) and seconded by Committee Member Price (City of San Diego) to approve the amendments to the CAC Scope of Work and forward to the SDCP Board of Directors for final approval. The motion carried by the following vote:

Vote: 11-0

Yes: Chair Vasilakis (City of San Diego), Vice Chair Harris (La Mesa), Secretary Cazares (La Mesa), Committee Member Sclafani (Chula Vista); Committee Member Jahns (Encinitas), Committee Member Hammond (Encinitas), Committee Member Sandoval (Imperial Beach), Committee Member Castañeda (National City), Committee Member Emerson (National City), Committee Member Price (City of San Diego), and Committee Member Andersen (County of San Diego)

No: None
Abstained: None

11. Approval of Amendments to the CAC Policies and Procedures

Community Engagement Manager Crespo reviewed the proposed amendments to the CAC Policies and Procedures.

ACTION: Motioned by Committee Member Andersen (County of San Diego) and seconded by Secretary Cazares (La Mesa) to approve the amendments to the CAC Policies and Procedures and forward to the SDCP Board of Directors for final approval. The motion carried by the following vote:

Vote: 10-0

Yes:	Chair Vasilakis (City of San Diego), Vice Chair Harris (La Mesa), Secretary Cazares (La Mesa), Committee Member Sclafani (Chula Vista); Committee Member Jahns (Encinitas), Committee Member Hammond (Encinitas), Committee Member Sandoval (Imperial Beach), Committee Member Castañeda (National City), Committee Member Emerson (National City), and Committee Member Andersen (County of San Diego)
No:	None
Absent:	Committee Member Price (City of San Diego)
Abstained:	None

12. Update on 2024 CAC Work Plan

Community Engagement Manager Crespo provided an update on the various goals and initiatives of the 2024 CAC Work Plan.

Following Committee questions and comments, no action was taken.

DISCUSSION OF POTENTIAL AGENDA ITEMS FOR BOARD OF DIRECTORS MEETINGS

There were no potential agenda items for Board of Directors meetings.

COMMITTEE MEMBER ANNOUNCEMENTS

Committee Members made announcements and reported on various events taking place in the member jurisdictions. No action was taken.

ADJOURNMENT

Chair Vasilakis (City of San Diego) adjourned the meeting at 7:21 p.m.

SAN DIEGO COMMUNITY POWER
Staff Report – Item 2

To: San Diego Community Power Community Advisory Committee

From: Jen Lebron, Director of Public Affairs

Via: Karin Burns, Chief Executive Officer

Subject: Marketing, Public Relations, and Local Government Affairs

Date: February 8, 2024

RECOMMENDATION

Receive and file an update on marketing, public relations, and local government affairs activities for San Diego Community Power (SDCP).

BACKGROUND

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

ANALYSIS AND DISCUSSION

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

Recent and Upcoming Public Engagement Events

Chula Vista Chamber of Commerce First Friday Breakfast
Ocean Beach Cleanup
National City Library
North San Diego Business Chamber of Commerce Regional Connect
Jackie Robinson Family YMCA Dr. Martin Luther King Jr. Human Dignity Award Breakfast
Martin Luther King, Jr. Parade and Festival
San Diego Business Summit
Spring Valley Library
Imperial Beach Collaborative
Sun Coast Farmers Market
Cleantech Forum North America
University Heights Library
City Heights Library
Imperial Beach Chamber of Commerce

La Mesa Chamber of Commerce
National City Chamber of Commerce
Spring Valley Sustainability Resource Fair
Cardiff Farmers Market
Malcolm X Library
La Mesa Branch Library
NAIOP San Diego
San Diego Regional Chamber of Commerce Anniversary Celebration
Collier Park Reopening
Encinitas Chamber of Commerce Health and Wellness Expo
Logan Heights Library
Imperial Beach Neighborhood Food Pantry
Pacific Beach Library
San Ysidro Library
Balboa Library
Mira Mesa Library

Marketing, Communications and Outreach

SDCP provided local media with information about its 2024 rate setting process and received fair, balanced coverage. Stories that detailed the rates that went into effect on February 1 were featured in the San Diego Union-Tribune and the Voice of San Diego. There were follow-up stories about SDCP's power procurement and how those efforts will positively impact the affordability and reliability of electricity for customers in the long run.

The Public Affairs team has been working diligently behind the scenes to support programmatic efforts including the launch of "Solar for Our Communities" green tariff programs, a recently launched electrification education hub, webinars for developers to learn more about solar and battery storage opportunities, and soon-to-be launched programs including one that helps customers repair their roofs to be ready for solar installations and another that will distribute grants to small businesses that would benefit from more efficient refrigerators. The Public Affairs team is working closely with internal and external stakeholders to encourage participation in these programs and leveraging relationships with community partners to amplify our marketing and outreach efforts.

SDCP has ramped up its efforts to connect with local leaders. SDCP sent a representative to Sacramento alongside a delegation of local labor leaders. Staff have also been enhancing coordination with member agency staff and meeting with the leadership of sovereign tribal nations.

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

AD-HOC COMMITTEE AND/OR SUBCOMITTEE REVIEW

N/A

FISCAL IMPACT
N/A

ATTACHMENTS
N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 3

To: San Diego Community Power Community Advisory Committee

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

Via: Karin Burns, Chief Executive Officer

Subject: Update on Customer Operations

Date: February 8, 2024

RECOMMENDATION

Receive and file an update on various customer operations.

BACKGROUND

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

ANALYSIS AND DISCUSSION

A) Mass Enrollment Update

Phase 4:

Mass enrollment for our Non-Net Energy Metering (NEM) customers in National City and Unincorporated County of San Diego is officially complete as of May 3, 2023. As of January 31, 2024, SDCP is serving a cumulative total count of **944,489** active accounts correlating to **1,135,078** meters. There are **166,141** active accounts already enrolled in Unincorporated County of San Diego and **18,834** in National City.

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

B) Customer Participation Tracking

Staff and Calpine have worked together to create a reporting summary of customer actions to opt out of SDCP service, opt up to Power100, or opt down from Power100 to PowerOn. The below charts summarize these actions accordingly as of January 30th, 2024:

I. Total Opt Outs - Including Active and Inactive

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

Opt Outs by Jurisdiction	2021	2022	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024-01	Total
City of Chula Vista	266	3,472	244	102	242	160	37	4,523
City of Encinitas	66	1,886	94	31	70	34	12	2,193
City of Imperial Beach	32	345	27	6	38	28	15	491
City of La Mesa	85	1,272	77	30	77	51	11	1,602
City of San Diego	1,077	19,278	1,042	543	945	657	175	23,715
County of San Diego			6,920	2,667	2,119	1,892	583	14,180
National City			137	69	44	34	10	294
Total	1,526	26,253	8,541	3,448	3,535	2,856	843	46,998

Opt Outs by Class Code	2021	2022	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024-01	Total
Residential	36	25,717	7,717	3,091	3,272	2,683	810	43,322
Commercial/Industrial	1,490	536	824	357	263	173	33	3,676
Total	1,526	26,253	8,541	3,448	3,535	2,856	843	46,998

Opt Outs by Reason	2021	2022	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024-01	Total
Concerns about government-run power agency	24	1,496	503	213	151	96	19	2,502
Concerns about lack of equivalent CCA programs		132	53	12	13	11	2	223
Decline to provide	227	3,596	1,397	435	343	353	86	6,437
Dislike being automatically enrolled	203	7,214	2,754	1,056	924	740	216	13,107
Existing relationship with the utility	2	2,394	1,005	393	305	265	91	4,455
Have grid reliability concerns	1	292	169	46	19	18	5	550
Have renewable Energy Reliability Concerns	6							6
Other	818	2,653	706	393	244	204	75	5,093
Rate or additional cost concerns	6	7,754	1,693	792	1,385	1,035	321	12,984
Rate or Cost Concerns	233							233
Service or billing concerns	6	724	262	108	151	134	28	1,413
Total	1,526	26,253	8,541	3,448	3,535	2,856	843	46,998

Opt Outs by Method	2021	2022	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024-01	Total
Customer Service Rep (CSR)	1,098	7,002	1,846	876	966	692	223	12,702
Interactive Voice Response (IVR)	101	4,899	1,493	735	922	642	188	8,980
Web	327	14,353	5,202	1,837	1,647	1,522	432	25,319
Total	1,526	26,253	8,541	3,448	3,535	2,856	843	46,998

**Historical opt outs including inactive accounts as of 1/30/2024.*

III. Opt Downs from Power100 - Including Active and Inactive

Opt Downs by Jurisdiction	2021	2022	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024-01	Total
City of Chula Vista		1	3			1		5
City of Encinitas	35	425	27	17	20	7	6	537
City of Imperial Beach		1						1
City of La Mesa		2						2
City of San Diego		26	5	5	1	2	2	41
County of San Diego			1	1	2	1		5
Total	35	455	36	23	23	11	8	591

Opt Downs by Class Code	2021	2022	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024-01	Total
Residential		433	36	15	22	11	7	524
Commercial/Industrial	35	22		8	1		1	67
Total	35	455	36	23	23	11	8	591

Opt Downs by Method	2021	2022	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024-01	Total
Customer Service Rep (CSR)	31	305	21	19	15	7	4	402
Interactive Voice Response (IVR)	4	26	2		1		1	34
Web		124	13	4	7	4	3	155
Total	35	455	36	23	23	11	8	591

II. Opt Ups to Power 100 - Including Active and Inactive

Opt Ups by Jurisdiction	2021	2022	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024-01	Total
City of Chula Vista	701	168	18	15	15	7	3	927
City of Encinitas	18	1	1					20
City of Imperial Beach	60	29		1	9	1	1	101
City of La Mesa	148	118	6	5	2	6	1	286
City of San Diego	3,163	2,868	181	114	107	82	20	6,522
County of San Diego			48	91	38	23	10	210
National City			1	9		1		11
Total	4,090	3,184	255	235	171	120	35	8,076

Opt Ups by Class Code	2021	2022	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024-01	Total
Residential	3	2,895	181	136	131	102	30	3,476
Commercial/Industrial	4,087	290	74	99	40	18	5	4,601
Total	4,090	3,184	255	235	171	120	35	8,076

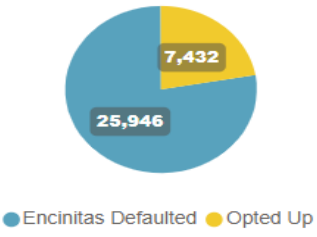
Opt Ups by Method	2021	2022	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024-01	Total
Customer Service Rep (CSR)	4,059	1,369	97	118	54	32	9	5,726
Interactive Voice Response (IVR)	4	81	21	17	16	24	8	171
Web	27	1,738	137	100	101	64	18	2,183
Total	4,090	3,184	255	235	171	120	35	8,076

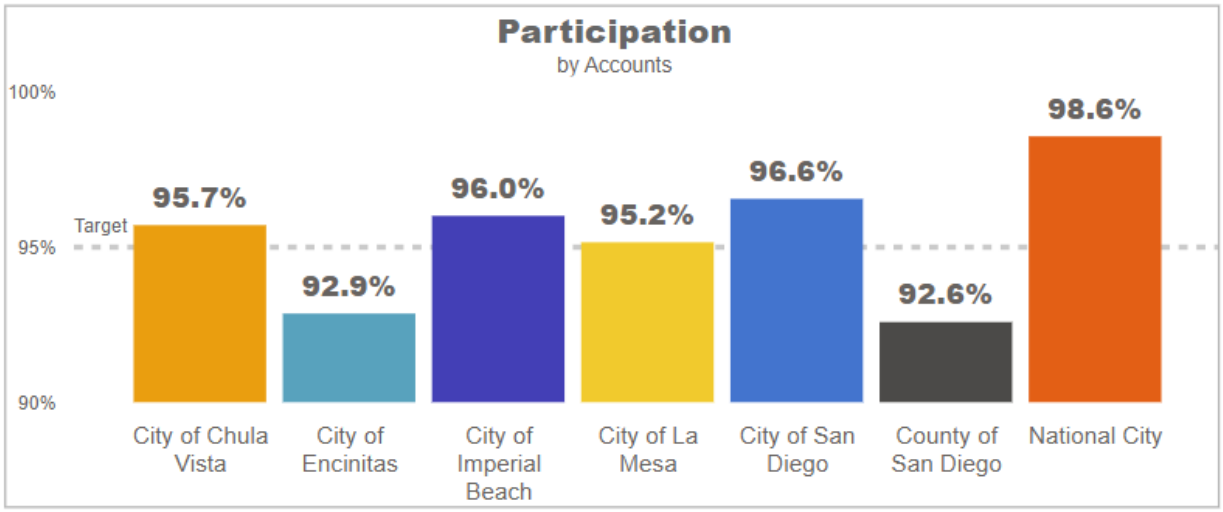
Current Active Power100 Accounts

Active Power100 Accounts

TownOrTerritory	Count
City of Encinitas	25,946
City of San Diego	6,019
City of Chula Vista	873
City of La Mesa	255
County of San Diego	197
City of Imperial Beach	78
City of National City	10
Total	33,378

Active Power100 Opt vs Defaulted





Jurisdiction	Active	Eligible	Opt Outs	Participation
City of Chula Vista	93,479	97,668	4,189	95.7%
City of Encinitas	26,458	28,492	2,034	92.9%
City of Imperial Beach	10,497	10,933	436	96.0%
City of La Mesa	28,002	29,427	1,425	95.2%
City of San Diego	600,474	621,866	21,392	96.6%
County of San Diego	166,292	190,235	14,105	92.6%
National City	18,936	19,444	277	98.6%
Total	**944,138**	**998,065**	**43,858**	**95.6%**

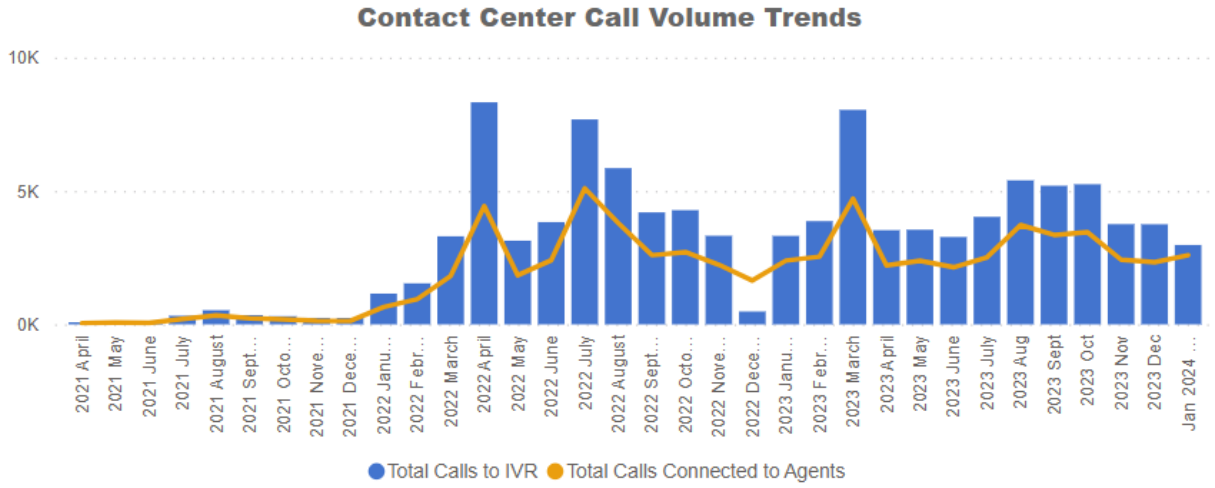
Phase 4 mass enrollment process in National City and Unincorporated County of San Diego for Non-Net Energy Metering (NEM) customers is officially completed as of May 2023. The participation rate for this new phase is fluid and will change as we continue with our enrollment of Net Energy Metering (NEM)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

C) Contact Center Metrics

Call volumes in January have remained relatively steady. With the transition to our Board-approved rates effective as of February 1st, 2024, call volumes are expected to likely increase.

The chart below summarizes contact made by customers into our Contact Center broken down by month through January 30, 2024:

V. Contact Center Metrics

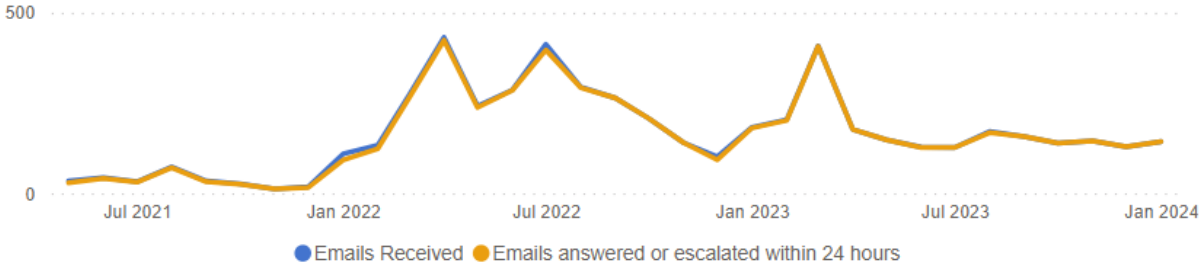


Interactive Voice Response (IVR) and Service Level Agreement (SLA) Metrics

	2021	2022	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024-01	Total
Total Calls to IVR	2,289	47,118	15,229	10,356	14,628	12,764	2,976	**105,360**
Total Calls Connected to Agents	1,401	30,174	9,641	6,735	9,589	8,208	2,591	**68,339**
Avg Seconds to Answer	20	12	8	3	7	9	11	**12**
Avg Call Duration (Minutes)	8.5	9.8	9.4	9.5	10.3	9.2	9.8	**9.4**
Calls Answered within 60 Seconds (75% SLA)	96.23%	95.50%	96.80%	99.69%	97.22%	96.59%	95.31%	**96.42%**
Abandon Rate	0.57%	0.36%	0.26%	0.00%	0.17%	0.31%	0.50%	**0.36%**

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

D) Customer Service Email Trends



Customer Service Emails

	2021	2022	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024-01	Total
Emails Received	272	2,894	795	453	455	413	143	**5,425**
Emails answered or escalated within 24 hours	257	2,821	790	452	452	413	143	**5,328**
Completion (%)	94%	96%	99%	100%	99%	100%	100%	**97%**

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

AD-HOC COMMITTEE AND/OR SUBCOMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 4

To: San Diego Community Power Community Advisory Committee

From: Colin Santulli, Director of Programs

Via: Jack Clark, Chief Operating Officer

Subject: Update on Programs

Date: February 8, 2024

RECOMMENDATIONS

Receive and file an update on customer energy programs.

BACKGROUND

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

ANALYSIS AND DISCUSSION

Updates on customer energy programs are detailed below.

Building Electrification

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

Status: Since May 2023, Staff have been working with a coalition of Southern California agencies led by the Southern California Regional Energy Network ("SoCalREN") to prepare for the CEC's Equitable Building Decarbonization ("EBD") direct install program. The program is directed towards under resourced communities that are located in disadvantaged communities as designated by CalEnviroScreen 4.0 and/or designated as low-income (where median household incomes are at or below 80 percent of the statewide median income or at/or below the threshold designated as low-income by the Department of Housing and Community Development). The program will directly replace existing gas-fired space heating and cooling equipment, water heaters, clothes dryers, and ranges or cooktops, and will upgrade electric panels to support the new electric equipment. Additionally, the program will cover some remediation and safety measures such as remediation of galvanized pipe, lead paint, asbestos, or mold, and energy efficiency work like air sealing and insulation. The project is being divided into three regions, with San Diego being included in the "Southern California" region. The Southern California region will be allocated 58% of the total statewide budget.

In October 2023, the CEC finalized and adopted the program guidelines in which they are seeking three program administrators to implement the program. In December 2023, the CEC released a Request for Information ("RFI") in which they asked for input on how the federal Home Efficiency Rebates ("HOMES") program funded by the Inflation Reduction Act could be braided with the EBD program. Staff has been monitoring the RFI as it is likely going to inform any potential Request for Proposals ("RFP") from the CEC to select the EBD program administrators.

In January 2024, the Governor released his initial State budget proposal in which $283 million was cut from the EBD program (going from the $944 million allocated to $639 million). Since the State budget has not been adopted, additional changes to the EBD budget may be possible. Staff will continue to monitor the budget process to stay informed about the EBD program.

Next Steps: Staff is coordinating with fellow Community Choice Aggregators ("CCAs") and SoCalREN on comments to the CEC's RFI. Staff will continue to monitor for a potential RFP and meet with SoCalREN and the coalition to iron out the details of the proposal. Staff anticipate that this program will launch in early 2025 given the delays in the release of the RFP.

Energy Education

Energy Education Website

Status: At the December 2023 CAC meeting, Staff presented an overview of the Power Your Life and Electrify Your Life webpages that provide education on the benefits of electrification and the various advanced electrification technologies currently available. In late December 2023, Staff launched a marketplace landing page powered by Electrum that allows customers to input their address and learn more about the costs to install solar and batteries and/or heat pump water heaters. The marketplace allows customers to create an account and get connected to an energy advisor that will provide support and assistance in getting bids from Electrum-vetted contractors. The energy advisor will help customers throughout the process of completing their project.

In January 2024, promotional activities of the marketplace and the Electrify Your Life webpages kicked off to help educate customers and encourage adoption of these technologies; this included mention in SDCP's inaugural newsletter that went out to over 1,500 subscribers and had a 56% open rate and led to 41 unique clicks on our Electrify Your Life webpage. Our social media posts have generated 4,000 impressions with an average engagement rate of 6% across Instagram, Facebook, and LinkedIn.

Next Steps: SDCP's Public Affairs team will continue to promote the marketplace to encourage usage and registration. Staff will continue to work with Electrum to increase the number of local contractors in the Electrum database.

Energy Efficiency

California Department of Food and Agriculture ("CDFA") Healthy Refrigeration Grant Program

Status: One of the recommended program types for implementation in the short-term in SDCP's Community Power Plan is Pilot Programs, which are specified as small-scale, short-duration projects that can provide SDCP and stakeholders with data helpful for broader program delivery. At the May 2023 CAC meeting, Staff presented an update on initial pilot program concepts under exploration, including an ENERGY STAR Refrigerator/Freezer Upgrade pilot program that could serve small commercial customers.

In July 2023, SDCP staff applied for grant funds under the CDFA Healthy Refrigeration Grant Program. The program provides energy-efficient refrigeration/freezer equipment to corner stores and small businesses in low-income or low-food access areas in the state to stock California-grown fresh produce, nuts, dairy, meat, eggs, and minimally processed and culturally appropriate foods. The purpose of the program is to improve access to healthy foods in underserved communities, while promoting California-grown agriculture.

In late December, Staff were notified that SDCP received a $710,000 grant award to provide refrigeration/freezer equipment and additional technical assistance offerings to stores throughout SDCP's service territory. At the January 2024 Board meeting, the Board adopted a Resolution that authorizes SDCP to accept, appropriate, and expend the CDFA grant funding. Full details of the pilot program will be determined after SDCP receives the grant agreement and associated scope from CDFA.

Next Steps: Staff expect to negotiate and execute a grant agreement with CDFA in Q1 2024 and to launch the pilot program in Q2/Q3 2024. Following execution of the agreement, Staff will develop program materials, issue solicitations as necessary to contract subconsultants, and start program outreach.

Regional Energy Network ("REN") Formation

Status: The REN Business Plan Application was submitted to the California Public Utilities Commission ("CPUC") on January 5, 2024. The approval of a REN in San Diego would bring CPUC energy efficiency funding to the region in the form of various programs. REN program offerings can include residential and commercial energy efficiency, workforce education and training, and public sector and codes and standards support. More details about the REN can be found in the update Staff presented at the September 2023 CAC meeting.

Next Steps: Staff will attend relevant statewide meetings related to the REN Business Plan Application, continue coordination with SDG&E, and respond to any data requests, questions, or comments from the CPUC or stakeholders during the evaluation period (i.e., post-application submittal through when a CPUC decision is made).

Flexible Load

Flexible Load Strategy

Status: In Q4 2023, Staff began developing a Flexible Load Strategy ("Strategy") that can be implemented across a range of programs. The Strategy is being designed to optimize customer energy usage around time of use rate schedules and customer preferences, directly reducing participant bills, while decreasing major SDCP cost drivers, such as energy and resource adequacy procurement. The Strategy will outline target end use technologies, key points of integration with existing/planned programs, a proposed software architecture to drive device dispatch and control, as well as a framework to guide dispatch and device operations. Staff presented an overview of the Strategy at the January 2024 CAC meeting. Staff have also requested bids from three consulting firms to provide procurement support for the Distributed Energy Resources Management System ("DERMS") identified in the Strategy.

Next Steps: With additional technical consultant support, Staff will initiate the DERMS procurement process. Staff anticipate a DERMS software architecture will be identified and under contract by Q3 2024, for funding in FY 2024-25.

Grant Programs

Community Grant Program

Status: SDCP's Community Grant Program aims to support local clean energy projects and programs that provide economic, environmental, health, and community benefits. In March 2023, SDCP officially launched the FY 2022-23 program cycle and in June 2023, grant awards were provided to 10 organizations. Grant reporting for the first round of awardees is anticipated to conclude in June 2024.

Once the inaugural FY 2022-23 program was underway, Staff began planning for the FY 2023-24 program. At the November 2023 CAC meeting, Staff presented an update on the program and solicited feedback on potential improvements for the next grant cycle in addition to suggestions for program promotion. Staff have been developing the FY 2023-24 program guidelines over the last few months with the program administrator, San Diego Foundation ("SDF"), and are now preparing to launch the next grant cycle on February 26, 2024. At the January 2024 CAC meeting, CAC members voted to form an ad hoc committee for the Community Grant Program. The ad hoc met once on January 24, 2024 and provided Staff with valuable feedback on the FY 2023-24 program guidelines. At the February 2024 CAC meeting, the ad hoc will provide an end of committee report and Staff will present an overview of the FY 2023-24 program.

Next Steps: Staff will continue to work with SDF to prepare application and promotional outreach materials before the launch of the FY 2023-24 program cycle.

Member Agency Grant Program

Status: SDCP's Member Agency Grant Program aims to support member agencies' climate action goals and initiatives such as projects or programs that promote clean energy, reduce carbon emissions, support climate equity, advance local economic development, and improve energy resilience. In August 2023, SDCP's Board approved the Member Agency Grant Program Policy. Staff presented an update on the program at

the November 2023 CAC meeting. In December 2023, Staff executed a contract with the San Diego Regional Climate Collaborative ("SDRCC") to administer the Member Agency Grant Program. Staff are currently working with SDRCC to finalize the program guidelines.

Next Steps: Staff anticipate the program to open to member agencies in February 2024. Once the application opens, SDRCC will work with member agency staff to provide project development and application support.

Solar and Energy Storage

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

Status: Staff presented an update on SDCP's Net Billing Tariff, one of the most customer centric tariffs in the State, at the October 2023 CAC meeting. SDCP's Net Billing Tariff was then adopted at the October 2023 Board meeting. The Board also adopted changes to the existing NEM policy to remove the net surplus compensation cap and implement a generation enhancement for monthly billing customers. SDCP's Account Services Staff worked closely with Calpine Energy Solutions (SDCP's back-office provider) throughout November and December 2023 to implement the tariff and support the billing mechanics ahead of the December 2023 transition. Staff continue to meet with Calpine and SDG&E to iron out any billing issues.

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

Next Steps: With the adoption of the net billing subtariffs for virtual and aggregation Net Billing Tariff, Staff anticipate bringing an update to the Net Billing Tariff to include support for virtual and aggregation subtariffs to the Board in Q1/Q2 2024.

Residential Solar + Storage Program

Status: In Q4 2023, Staff began developing an incentive program for solar and battery systems to continue to support the solar and storage industries and support the transition to NBT from NEM. The program will target residential customers throughout SDCP's service territory who do not have solar and storage.

Staff have been obtaining feedback from stakeholders on the program design. In December 2024, Staff presented initial program concepts to the standing CAC Programs Ad Hoc Committee. In January 2024, Staff held two industry workshops to ensure maximum industry feedback was received. The 72 attendees at the two virtual workshops included installers, aggregators, providers, and battery manufacturers. Staff learned that

many in the industry are unfamiliar with SDCP and therefore it is key to continue to engage with the industry to ensure the program can be successful. Overall, the industry responded positively to the program with additional feedback expected from California Solar & Storage Association ("CALSSA") members.

Based on feedback collected to date and research on other related existing solar and storage incentive programs, Staff have developed an initial program design that includes a one-time, upfront incentive and an annual performance incentive; the performance incentive will be based on SDCP managing a daily dispatch of the participating batteries. Staff are drafting a Program Manual in addition to developing battery and installer requirements to ensure the highest quality for SDCP customers. Staff are seeking feedback on the initial program design at the February 2024 CAC meeting.

Next Steps: Staff anticipate bringing the final program design to the March Board meeting. Staff anticipate the program to launch in Q2/Q3 2024.

Disadvantaged Communities–Single-Family Affordable Solar Homes ("DAC-SASH") Readiness Pilot

Status: At the May 2023 Board meeting, Staff presented an update on initial pilot program concepts under exploration, including a DAC-SASH Roof Repair pilot. DAC-SASH is a statewide program that was launched in September 2019. The program is funded by the CPUC and implemented statewide by the not-for-profit GRID Alternatives ("GRID"). The DAC-SASH program aims to overcome a common barrier of the lack of capital or credit needed to finance a solar installation. The program does this by providing a no-cost solar system installation to single-family low-income homeowners in disadvantaged communities ("DACs") as identified by CalEnviroScreen 4.0. In discussions with GRID, Staff learned many homes that were otherwise eligible to receive a solar system through the DAC-SASH program were unable to proceed with the program due to the condition of their roof not being suitable to support a system and the lack of capital and incentives for roof repairs/replacement.

Concurrently, Staff started engaging with the San Diego Foundation ("SDF"), the Environmental Health Coalition ("EHC"), and a coalition of other agencies on their *Rooted in Comunidad, Cultivating Equity* proposal to the Transformative Climate Communities ("TCC") program. SDCP submitted a letter of support that committed leverage funding for their proposal; in the letter, SDCP noted the expectation to launch a pilot that will increase rooftop solar adoption for low-income homeowners in DACs in early 2024. In December 2023, SDF, EHC, and the coalition were notified that they were awarded $22 million for their TCC proposal.

Objective

With the DAC-SASH Readiness Pilot, Staff will provide no-cost roof repairs or replacement to homes that are otherwise eligible to participate in the DAC-SASH program. By providing repairs or replacement of roofs, GRID would be able to enroll more homes in the DAC-SASH program and complete more solar system installations within SDCP's service territory. The Readiness Pilot will also allow Staff to gather data and

insights on the overall repair and/or upgrade costs of low-income homes adopting clean energy technologies. This data will better help SDCP offer holistic programs that address many potential barriers to the adoption of clean energy technologies.

Budget

A total of $500,000 from the Programs Department Pilot Projects budget has been allocated to complete roof repairs/re-roofing work. An additional $50,000 has been allocated to compensate GRID for the administration and implementation of the program. Recognizing that each home is unique and that some homes may require minor repair work while others may require complete roof replacements, the pilot will include an average incentive of $20,000 per home. The incentive amount would allow GRID to spend more than $20,000 on homes that need more extensive work as long as the average across the entire pilot stays at or below $20,000 per home. Based on an average $20,000 incentive level, Staff estimate that the budget would enable a maximum of twenty-five (25) homes to participate in the pilot and therefore in the DAC-SASH program.

Implementation

Pending Board approval, Staff will enter into an agreement with GRID to implement the Readiness Pilot. GRID was selected to implement the Readiness Pilot due to their status as the statewide implementer of the DAC-SASH program and the associated administrative and outreach efficiencies that come with pairing this pilot with the DAC-SASH program. GRID would be responsible for contracting with 2-3 licensed contractors to complete the roof repair/replacement work as well as contract with B-class licensed contractors to complete ancillary repairs and/or construction.

Eligibility criteria for the Readiness Pilot will mirror those for the DAC-SASH program. Additionally, participants must enroll in the DAC-SASH program and complete installation of a rooftop solar system.

As part of SDCP's support for SDF and EHC's TCC project (*Rooted in Comunidad, Cultivating Equity*), Staff will direct 80% of the pilot's funds towards homes that are within the TCC project area, which encompasses San Diego's central historic barrios (i.e., Logan, Stockton, Grant Hill, Mt. Hope, Sherman, Southcrest, and Shelltown). Participation in the Readiness Pilot would not be exclusive to homes in the TCC project area but targeted outreach in these areas would be conducted by GRID.

Next Steps: Staff will bring the DAC-SASH Readiness Pilot agreement to the February 2024 Board meeting for review and approval consideration. Pending Board approval of the pilot and contract, work with GRID would begin in late February 2024, with GRID starting to identify and enroll homes in Spring 2024.

Solar for Our Communities

Status: At the June 2023 CAC meeting, Staff provided an update on the Disadvantaged Communities Green Tariff ("DAC-GT") and Community Solar Green Tariff ("CSGT") programs. Since securing CPUC approval for SDCP's solicitation documents in August 2023, Staff have proactively pursued the implementation of both programs, with the aim

of delivering renewable energy access to disadvantaged communities. Following the issuance of the Request for Offer ("RFO") on August 25, 2023 to 1,555 pre-qualified vendors, Staff facilitated a Q&A session on November 3, 2023 to address developer inquiries. While formal offer submissions are yet to be received, proactive engagement with potential developers suggests strong interest, particularly in DAC-GT projects.

Staff have implemented a comprehensive outreach strategy to maximize program outreach. This strategy included hosting three well-attended webinars (56 participants), actively engaging in relevant conferences, and launching the dedicated "Solar for Our Communities" webpage, a centralized resource hub for developers featuring program information and essential materials.

Next Steps: The deadline for RFO submissions is February 24, 2024. Staff will follow up with RFO respondents as necessary from February 26 to March 25, 2024, and send supplier notification for SDCP's short list selection by April 29, 2024. The evaluation team will begin reviewing offers in early May 2024 and anticipate completing the evaluation by June 2024.

In Q1 2024, a comprehensive website designed for Community Sponsors will be launched. This centralized hub will serve as a valuable resource for qualified entities, including nonprofit community-based organizations, schools, and government agencies, located in the cities of National City, Chula Vista, and San Diego. The website will list the benefits of becoming a Community Sponsor such as access to 100% renewable energy, reduced electricity costs, and enhanced community engagement opportunities. It will also outline the responsibilities and duties of Community Sponsors by highlighting the crucial role Community Sponsors play in the CSGT program, encompassing site selection, community outreach and engagement, and collaboration with solar developers. A step-by-step guide will be readily available to clarify the application process and clearly outline eligibility requirements and necessary documentation.

To foster direct connections between Community Sponsors and developers, the website will host a convenient "Community Sponsor Interest Form." This form will allow interested entities to readily share their contact information and preferred communication methods. Solar developers can access submitted interest forms to efficiently identify potential partners located within their target areas. Additionally, Staff will leverage the collected information to reach out to interested Community Sponsors, providing personalized support and guidance throughout the program.

To address potential land availability concerns early on, Staff are proactively collaborating with member agencies to identify suitable project sites on city and county land to proactively address land constraints and minimize delays.

AD-HOC COMMITTEE AND/OR SUBCOMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 5

To: San Diego Community Power Community Advisory Committee

From: Xiomalys Crespo, Community Engagement Manager

Via: Karin Burns, Chief Executive Officer

Subject: Approval of 2024 Community Advisory Committee (CAC) Work Plan

Date: February 8, 2024

RECOMMENDATION

Approve the 2024 Community Advisory Committee (CAC) Work Plan.

BACKGROUND

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

> The Board shall establish a Community Advisory Committee comprised of non-Board members. The primary purpose of the Community Advisory Committee shall be to advise the Board of Directors and provide for a venue for ongoing citizen support and engagement in the strategic direction, goals, and programs of the Authority.

As part of the CAC Scope of Work that was amended by the Board of Directors at the August 2021 regular meeting: "the Community Advisory Committee will, under the direction of the SDCP Board of Directors and authorized SDCP staff... [a]dopt a work plan at the start of every fiscal year that aligns with the CAC Scope provided by the Board."

In anticipating the process, and concurrent with revisions to the CAC Fiscal Year 2022-2023 Work Plan, staff worked with members to revise the CAC Scope of Work, which was approved by the Board during its January 18, 2024 meeting, to change the time frame of the CAC Work Plan from fiscal years to calendar years. Staff leveraged the formation of the Community & Equity Ad-Hoc Committee to discuss the upcoming work plan.

ANALYSIS AND DISCUSSION

Proposed changes to the current workplan include: clarifying strategies under each focus to better track progress and outcomes; specifying proposed educational presentations; defining information-sharing protocols to activate member advocacy; deleting redundant

areas of focus; updating areas of focus to reflect status of implementation; and adding Civic Engagement and Participation as an area of focus to explore and develop ways to increase participation at CAC meetings, leverage CAC members' networks, and foster CAC member turnover resiliency.

Should it be approved, the Board will consider the adoption of the 2024 CAC Work Plan during its February 22, 2024 regular meeting.

AD-HOC COMMITTEE AND/OR SUBCOMITTEE REVIEW

The Community and Equity Ad-Hoc Committee discussed components of the work plan update during the November 6, 2023 and December 4, 2023 meetings. The CAC reviewed the final draft of the work plan at their January 11, 2024 meeting.

FISCAL IMPACT

There is no fiscal impact associated with this update.

ATTACHMENTS

Attachment A: Proposed Changes part of the 2024 Community Advisory Committee (CAC) Work Plan
Attachment B: Draft 2024 Community Advisory Committee (CAC) Work Plan

Community Advisory Committee
2024 Work Plan (DRAFT) Proposed Changes

Focus	Description	Timing	Outcome	2024 Proposed Changes
Equity Overview	Prioritize justice, equity, diversity, and inclusion by working with the SDCP Board and Staff.	Year round	Ensure that the CAC provides input from an equity perspective on the tasks brought before them.	**Clarify strategy to better track progress:** • Revise CAC key documents and SDCP policies and procedures brought before the CAC to ensure they promote equity. • Review and provide input on Payment Assistance Programs Referral Strategy
CAC Educational Presentations	CAC members may invite and hold educational presentations to the wider CAC to assist in ongoing support to SDCP staff and the Board to achieve the mission, vision, core values, and goals of the agency.	Year round	Ensure CAC is knowledgeable of SDCP operations as well as external issues which may affect the organization.	**Specify proposed presentations to better track progress:** • SDCP Orientation Training • Battery Storage: Why is it important? • Distributed Energy Resources • Advancements in Geothermal Energy • California Community Choice Association • Finance & Rate Setting
Legislative / Public Policy / Regulatory	Bring forth news and advise the Board of legislative, public policy and regulatory issues that are brought forward by SDCP and/or identified by the SDCP Board as a priority. Make public comments at public meetings supporting SDCP positions on these issues.	Year round	Anticipate issues that may come up to SDCP by utilizing the CAC's connections to the community and make possible public comments on said issue if provided with talking points by SDCP staff.	**Clarify strategies and information-sharing protocols to activate advocacy:** • Receive Legislative 101 Session Training • Receive Quarterly Presentations on Legislative and Regulatory Activity • CAC Secretary and SDCP Staff to determine and share time-sensitive developments to organize support from CAC members and their networks

Focus	Description	Timing	Outcome	2024 Proposed Changes
Equitable, Inclusive and Sustainable Workforce Policy	Review and provide potential comments to the Board regarding having an equitable, inclusive and sustainable workforce policy.	Year round	Support staff in updating the Inclusive and Sustainable Workforce Policy.	**Suggest dropping, as these is built into the Energy Bid Evaluation Criteria focus.**
Energy Bid Evaluation Criteria	Support and monitor the implementation of the revised Energy Bid Evaluation Criteria.	Year round	Support staff in implementing the Energy Bid Evaluation Criteria.	**Clarify strategy to better track progress:** • Receive quarterly presentations and/or staff reports on the implementation and functioning of the revised Energy Bid Evaluation Criteria and overall Power Procurement Efforts.
Marketing andCommunications Efforts	Support strategic outreach efforts to the community, including events, marketing, communication,and other activities.	Year round	Support SDCP staff in the strategic marketing and communication of agency activities.	**Clarify strategies and information-sharing protocols to dispel inaccurate information:** • Receive Community-Member Communications Guide & Tool Kit Training • Volunteer at SDCP outreach events and workshops • Promote SDCP Programs (ie. Online Marketplace)
~~Power Procurement Efforts~~	~~Receive briefing and give comment on short-term and long-term procurement projects under consideration by the Board of Directors.~~	~~Year round~~	~~Support SDCP staff by providing input from a community perspective on short-term and long-term power procurement project.~~	**Suggest dropping, as these updates are built into the Energy Bid Evaluation Criteria focus.**

Focus	Description	Timing	Outcome	2024 Proposed Changes

Community Power Plan Implementation	Assist staff in the implementation of the Community Power Plan, which informs what SDCP's long-term programmatic and local procurement outlook will be.	Year round	Ensure community input continues to be key in the development and implementation of CPP programs.	**Clarify strategies, avenues, and roles in implementing the CPP:**
				• Approve the creation of a Programs-specific body of the CAC (ad-hoc/subcommittee)
				• Receive quarterly updates and/or staff reports on pilot projects/CPP implementation at large
				• Supporting workshops with member agencies to increase community engagement on CPP programmatic adoption including:
				  ○ Solar for Our Communities
				  ○ Regional Energy Network
				  ○ Solar and Battery Storage Incentives

~~Staff and Board-Initiated Items~~	~~Provide recommendations on items as they are brought forward by SDCP staff and the Board.~~	~~Year round~~	~~Provide input and feedback as well as potential actions on miscellaneous items.~~	**Suggest dropping, as this is part of the CAC's operating procedures. Adding it as a focus of the Work Plan may be redundant.**
SDCP Orientation Training	Receive joint Board-CAC training on SDCP operations including but not limited to legislative, regulatory, finance, strategic direction, customer and data, power procurement, and CalCCA.	Q1 2023	Become aware of the intricate operations of SDCP in order to best provide advice that will further the mission, vision, and goals of the organization.	**Suggest dropping, as this is an educational presentation included under that focus.**
~~Solar for Our Communities~~	~~Provide input into the community outreach component of Solar for Our Communities (the Disadvantaged Communities~~	~~Year round~~	~~Support staff by providing community input on the development of Solar for Our Communities.~~	**Suggest dropping, as this is built under the Community Power Plan implementation focus.**

Focus	Description	Timing	Outcome	2024 Proposed Changes
	~~Green Tariff and Community Solar Green Tariff programs).~~			
2024 Proposed Additions				
Civic Engagement & Participation	Explore and develop ways to increase participation at CAC meetings, leverage CAC members' networks, and create an SDCP CAC member and volunteer recruitment pipeline.	Year round	Increase interest and awareness of SDCP programming; community involvement in the organization's mission, vision, and goals; CAC turnover resiliency.	• Assist in the development of social media content explaining the importance of the CAC • Facilitate a CAC Member Network and Affiliations Workshop • Connect SDCP staff to volunteering and fellowship programs to expand outreach capacity • Introduce members of the community to SDCP publicly-noticed meetings and staff and member agency programming/elected staff

The CAC shall cover other tasks not mentioned above with prior approval of SDCP staff but within the purview of the Scope of Work. All tasks shall be presented and acted upon in a manner that complies with the Brown Act.

SAN DIEGO COMMUNITY POWER

Community Advisory Committee
2024 Work Plan (DRAFT)

Focus	Description	Outcomes
Equity Overview	Prioritize justice, equity, diversity, and inclusion by working with the SDCP Board and Staff.	Ensure that the CAC provides input from an equity perspective on the tasks brought before them by revising CAC key documents and SDCP policies and procedures brought before the CAC to ensure they promote equity.
CAC Educational Presentations	CAC members may invite and hold educational presentations to the wider CAC to assist in ongoing support to SDCP staff and the Board to achieve the mission, vision, core values, and goals of the agency.	Ensure CAC is knowledgeable of SDCP operations as well as external issues which may affect the organization, which may include: • SDCP Orientation Training • Battery Storage: Why is it important? • Distributed Energy Resources • Advancements in Geothermal Energy • California Community Choice Association • Finance & Rate Setting Process
Legislative / Public Policy / Regulatory	Bring forth news and advise the Board of legislative, public policy and regulatory issues that are brought forward by SDCP and/or identified by the SDCP Board as a priority. Make public comments at public meetings supporting SDCP positions on these issues.	• Anticipate issues that may come up to SDCP by utilizing the CAC's connections to the community; • Clarify strategies and information-sharing protocols to activate advocacy, with the CAC Secretary and SDCP Staff determining and sharing time-sensitive developments to organize support from CAC members and their networks. • Make possible public comments and/or letters of support on issues if provided with talking points by SDCP staff. • Receive Legislative Session 101 Training and Quarterly Presentations on Legislative and Regulatory Activity.

Focus	Description	Outcomes
Energy Bid Evaluation Criteria	Support and monitor the implementation of the revised Energy Bid Evaluation Criteria.	Support staff in monitoring the Energy Bid Evaluation Criteria and overall Power Procurement Efforts by receiving quarterly reports on its implementation and functioning.
Marketing and Communications Efforts	Support strategic outreach efforts to the community, including events, marketing, communication, and other activities.	Support SDCP staff in the strategic marketing and communication of agency activities to dispel inaccurate information by: • Receiving Community-Member Communications Guide & Tool Kit Training • Volunteering at SDCP outreach events and workshops • Promoting SDCP Programs

Community Power Plan Implementation	Assist staff in the implementation of the Community Power Plan, which informs what SDCP's long-term programmatic and local procurement outlook will be.	Ensure community input continues to be key in the development and implementation of CPP programs by:
		• Approving the creation of a Programs-specific body of the CAC
		• Receive quarterly updates and/or staff reports on pilot projects/CPP implementation at large
		• Supporting workshops with member agencies to increase community engagement on CPP programmatic adoption including:
		  ○ Solar for Our Communities
		  ○ Regional Energy Network
		  ○ Solar and Battery Storage Incentives

Civic Engagement & Participation	Explore and develop ways to increase participation at CAC meetings, leverage CAC members' networks, and create an SDCP CAC member and volunteer recruitment pipeline.	Increase interest and awareness of SDCP programming; community involvement in the organization's mission, vision, and goals; CAC turnover resiliency by: • Assisting in the development of social media content explaining the importance of the CAC; • Facilitating a CAC Member Network and Affiliations Workshop; • Connecting SDCP staff to volunteering and fellowship programs to expand outreach capacity; and • Introducing members of the community to SDCP publicly noticed meetings and staff and member agency programming/elected staff.

The CAC shall cover these tasks year-round, and other tasks not mentioned above with prior approval of SDCP staff but within the purview of the Scope of Work. All tasks shall be presented and acted upon in a manner that complies with the Ralph M. Brown Act.

SAN DIEGO COMMUNITY POWER
Staff Report – Item 6

To: San Diego Community Power Community Advisory Committee

From: Eric Washington, Chief Financial Officer

Via: Karin Burns, Chief Executive Officer

Subject: Presentation on Mid-Year Budget Amendment

Date: February 8, 2024

RECOMMENDATION

Receive and File the Mid-Year Budget Amendment Presentation.

BACKGROUND

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

Section 7.3.1 of the JPA specifies that the board may revise the budget from time to time as may be reasonably necessary to address contingencies and unexpected expenses. On June 23, 2023, the Board approved the FY 2023-24 budget which included net revenue of $1,292,472,530 and total expenses of $1,002,038,709, resulting in net position of $290,433,821.

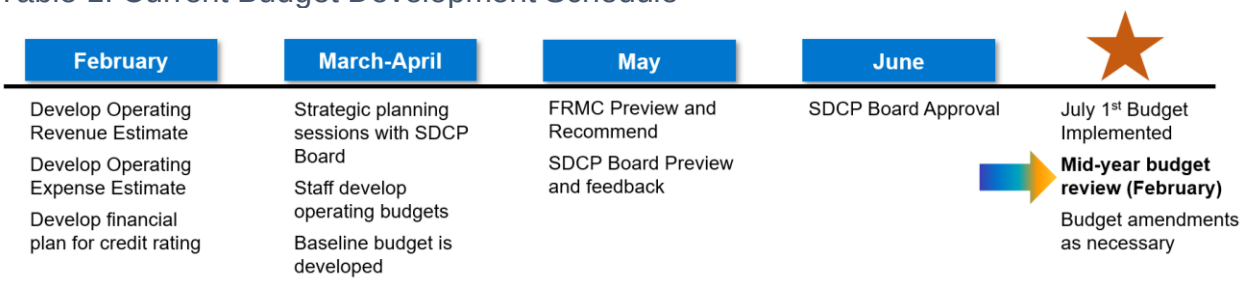
Since then, the FY 2023-24 budget has had changes to its operating revenues and expenses. Specifically, on January 18, 2024, the Board approved a rate change, effective February 1, 2024. Based on the rate setting action, SDCP estimated FY 2023-24 net revenue of $1,304,274,066 and total expenses of $1,133,463,719 resulting in an updated net position of $232,268,287. The rate-setting action informs the mid-year budget review and resulting budget amendment.

ANALYSIS AND DISCUSSION

Budget Development Timeline

On July 28, 2022, the Board adopted a budget development schedule as part of the SDCP Budget Policy. This development schedule includes a mid-year budget review through the proposed budget amendment.

Table 1. Current Budget Development Schedule



The CAC will receive a presentation on the mid-year budget review and resulting amendment.

FISCAL IMPACT

N/A

ATTACHMENTS

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 7

To: San Diego Community Power Community Advisory Committee

From: Aaron Lu, Senior Rates and Strategy Analyst

Stephen Gunther, Senior Regulatory Analyst

Via: Karin Burns, Chief Executive Officer

Subject: Update on Load Management Standards Compliance Plan

Date: February 8, 2024

RECOMMENDATION

Receive and File San Diego Community Power (SDCP) Load Management Standards (LMS) Compliance Plan.

BACKGROUND

On April 1, 2023, the California Energy Commission (CEC) adopted amendments to the LMS, which requires all large utilities and community choice aggregators (CCAs) to (1) develop retail electricity rates that change at least hourly and list of cost-effective load flexibility programs to better reflect grid costs and greenhouse gas (GHG) emissions and apply for approval by their governing board, (2) maintain up-to-date rates in CEC's new central repository for rate information, Market Informed Demand Automation Server (MIDAS), and (3) establish public outreach and education to customers about time-dependent rates and automation technologies. For additional background on the development of the LMS amendments and SDCP staff engagement, please refer to the regulatory and legislative staff report from the July 2022 meeting of the Board of Directors (see page 71).

ANALYSIS AND DISCUSSION

LMS Compliance Plan Requirements

Each large utility and CCA must develop and submit a compliance plan to the CEC describing actions they will take to meet the goals of the LMS amendments. Specifically, publicly owned utilities and large CCAs may delay or modify compliance of each requirement if they can show that despite, good faith efforts, that requirement must be modified to provide a more cost-effective, equitable, technologically feasible, or safe pathway to achieve the LMS goals. The following table is a roadmap identifying each regulatory requirement and its due date.

LMS Section	Regulatory Requirement	Due Date
§1623.1(c)	Within three months of regulation effective date, 4/1/2023, upload existing time-dependent rates to the MIDAS database.	8/1/2023
§1623.1(a)(1)	Within one year of regulation effective date, develop and submit compliance plan addressing how SDCP plans to comply with LMS requirements, and including evaluation of marginal cost-based rates and programs, to SDCP's Board. The plan must be considered for adoption within 60 days after submission.	4/1/2024
§1623.1(a)(3)(A)	Submit compliance plan to the Executive Director of the CEC within 30 days of adoption of the plan. Respond to requests for additional information and/or recommendations within 90 days.	6/1/2024
§1623(c)(4)	Within one year of regulation effective date, provide customers access to their Rate Identification Numbers (RIN) on billing statements and in online accounts using both text and QR.	4/1/2024
§1623(c)(2)	Within 18 months of regulation effective date, develop and submit to the CEC, in conjunction with the other obligated utilities, a single statewide standard tool for authorized rate data access by third parties, and the terms and conditions for using the tool. Upon CEC approval, maintain and implement the tool.	10/1/2024
§1623.1(b)(3)	Within 18 months of regulation effective date, submit to the CEC Executive Director a list of load flexibility programs deemed cost effective by SDCP. The portfolio of programs must provide at least one option to automate response to MIDAS signals for each customer class where SDCP's Board has determined such a program would materially reduce peak demand.	10/1/2024

§1623.1(a)(3)(C)	Submit annual reports to the CEC Executive Director demonstrating implementation of plan, as approved by SDCP's Board.	Every year, starting on 4/1/2025
§1623.1(b)(2)	Within 27 months of the regulation effective date, submit at least one marginal cost-based rate to SDCP's Board for approval for any customer class(es) where such a rate will materially reduce peak load.	7/1/2025
§1623.1(b)(4)	Within 51 months of the regulation effective date, offer customers voluntary participation in either a marginal cost-based rate, if approved by SDCP's Board, or a cost-effective load flexibility program.	7/1/2027
§1623.1(b)(5)	Conduct a public information program to inform and educate affected customers why marginal cost-based rates or load flexibility programs and automation are needed, how they will be used, and how these rates and programs can save customers money.	Ongoing, dependent on offerings
§1623.1(a)(1)(C)	Review the plan at least once every 3 years after the plan is adopted and submit a plan update to the Board if there is a material change.	Every 3 years

Compliance Plan Summary

SDCP's Compliance Plan (Attachment A) addresses each of the LMS update requirements outlined above and evaluates the potential implementation impacts on SDCP's operations and customers based on existing information.

SDCP firmly supports and aligns with the intent and goals of the LMS through its existing Community Clean Energy Innovation Grants Program and 100 Percent Renewable Energy by 2035 Policy. The Community Clean Energy Innovation Grants Program aims to support scalable, replicable clean energy pilot projects that promote load flexibility and management, energy resilience, and increased access to clean energy technologies. Through the 100 Percent Renewable Energy Policy, SDCP's Board of Directors establishes a firm commitment to achieve 100 percent renewable energy by 2035, thus eliminating GHG emissions from SDCP's power supply. SDCP is actively pursuing pathways to reduce system peak, stress on the grids, GHG emissions, and customer costs through programs and pilots.

SDCP's Compliance Plan includes considerations of the specified marginal cost-based rate structures and programs and evaluates the rate structures and programs with respect to cost-effectiveness, equity, technological feasibility, and benefits to the grid and to customers. Based on SDCP's evaluation, the conclusion is such that implementing complex new rate structures that change at least hourly by July 1, 2027 would not be cost

effective nor result in material benefits to our customers or promote grid reliability at this time. The implementation of new and complex rate structures without review of pilot study results, sufficient testing, and refinement of the new rate designs would likely result in low customer adoption and/or confusion. In addition, SDCP's evaluation cannot conclude that implementing new programs that allow for automated response to MIDAS signals would result in material benefits, to be cost-effective at this time.

Next Steps

SDCP describes the pathway and details of achieving LMS goals that are more cost-effective, customer oriented, and technologically feasible. SDCP staff will bring the Plan to SDCP's Board of Directors for review and approval on February 22, 2024, and upon adoption, submit the compliance plan to the Executive Director of the CEC within 30 days.

SDCP will continue to offer time-variant rates that customers are familiar with and develop and implement load flexibility programs. SDCP will assess results from delayed SDG&E dynamic rate pilots to determine whether to implement dynamic rates. In parallel, SDCP is currently designing and will be implementing one or more demand flexibility program pilots to evaluate marginal cost-based programs. SDCP will also re-evaluate the specified rate and program designs in the next update of the Plan, informed by future pilot study results.

AD-HOC COMMITTEE AND/OR SUBCOMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

Attachment A: Draft Load Management Standards Compliance Plan

San Diego Community Power

Load Management Standard

Compliance Plan - DRAFT

February 22, 2024

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1. Executive Summary

Since 1974, the California Energy Commission ("CEC") held the authority to establish and revise the Load Management Standards ("LMS"). On April 1, 2023, the CEC adopted amendments to the LMS, which require all large utilities and community choice aggregators ("CCAs") to provide dynamic electricity rates in a format that can be shared and communicated with smart devices or service providers. The updated standards aim to assist customers to take better advantage of time-dependent rates, with the goal of decreasing overall costs by shifting energy use from peak to non-peak time periods. In addition, any technological and behavior changes, resulting from the LMS revisions, slow the rise of future energy costs, increase grid reliability, reduce the need for building more conventional power plants, and avoid transmission and distribution congestion.

The updated standards require all large publicly- and investor-owned utilities and Large[1] CCAs to (1) develop retail electricity rates that change at least hourly and list of cost-effective load flexibility programs to better reflect grid costs and greenhouse gas ("GHG") emissions and apply for approval by their governing board, (2) maintain up-to-date rates in CEC's new central repository for rate information, Market Informed Demand Automation Server ("MIDAS"), and (3) establish public outreach and education to customers about time-dependent rates and automation technologies.

Each utility and CCA must develop and submit a compliance plan describing actions taken to meet the requirements of the LMS amendments. Specifically, publicly owned utilities and large CCAs may delay or modify compliance of each requirement if they can show that despite, good faith efforts, that requirement must be modified to provide a more cost-effective, equitable, technologically feasible, or safe pathway to achieve the LMS goals.

San Diego Community Power ("SDCP") firmly supports and aligns with the intent and goals of the LMS through its Community Clean Energy Innovation Grants Program[2] and 100 Percent Renewable Energy by 2035 Policy.[3] The Community Clean Energy Innovation Grants Program aims to support scalable, replicable clean energy pilot projects that promote load flexibility and management, energy resilience, and increased access to clean energy technologies. Through the 100 Percent Renewable Energy Policy, SDCP's Board of Directors establishes a firm commitment to achieve 100 percent renewable energy by 2035, thus eliminating GHG emissions from SDCP's power supply. SDCP is actively pursuing pathways to reduce system peak, stress on the grids, GHG emissions, and customer costs through programs and pilots.

SDCP's compliance plan ("Plan") includes considerations of the specified marginal cost-based rate structures and programs, as described in the LMS requirements,[4] and evaluates the rate structures and

[1] Large CCAs are defined as any CCA that provides in excess 700 GWh of electricity to customers in any calendar year.
[2] San Diego Community Power Community Clean Energy Innovation Grants Policy, December 15, 2022, 2022-13-Community-Grant-Program-Policy.pdf (sdcommunitypower.org).
[3] San Diego Community Power 100 Percent Renewable Energy by 2035 Policy, March 23, 2023, Item-12b-SDCP-100-Renewable-Energy-by-2035-Policy-c1.pdf (sdcommunitypower.org).
[4] Barclays Official California Code of Regulations, § 1623.1. Large POU and Large CCA Requirements for Load Management Standards, April 1, 2023, View Document - California Code of Regulations (westlaw.com).

programs with respect to cost-effectiveness, equity, technological feasibility, and benefits to the grid and to customers.

Based on SDCP's evaluation, the conclusion is such that implementing complex new rate structures that change at least hourly by July 1, 2027 would not be cost effective nor result in material benefits to our customers or promote grid reliability at this time. The implementation of new and complex rate structures without review of pilot study results, sufficient testing, and refinement of the new rate designs would likely result in low customer adoption and/or confusion. In addition, SDCP's evaluation cannot conclude that implementing new programs that allow for automated response to MIDAS signals would result in material benefits, to be cost-effective at this time.

SDCP describes the pathway and details of achieving LMS goals that are more cost-effective, customer oriented, and technologically feasible. SDCP will continue to offer time-variant rates that customers are familiar with as well as develop and implement load flexibility programs. SDCP will reevaluate the specified rate and program designs in the next update of the Plan, informed by future pilot study results.

SDCP's Plan was presented and submitted to SDCP's Board of Directors ("Board") within one year of the adoption of LMS amendments on April 1, 2023. The Plan was adopted by the Board in a duly noticed meeting on February 22, 2024, and this decision was made by SDCP's Board acting as its rate-approving body. SDCP will review the Plan every three years following adoption, and material Plan updates will be submitted to the Board for approval. This Plan will be filed with the CEC by April 1, 2024.

2. Introduction

2.1 About SDCP

SDCP is a Joint Powers Authority ("JPA") formed by the communities of Chula Vista, Encinitas, Imperial Beach, La Mesa, and San Diego in October 2019. In November 2021, SDCP's founding member agencies were joined by National City and the unincorporated areas of San Diego County. As a JPA, SDCP is a local government agency and is governed by a seven-member Board of Directors composed of elected representatives of its member local agencies. Through these representatives, SDCP is controlled by and accountable to the communities SDCP serves. SDCP provides retail electric generation services and complementary energy programs to customers within the municipal boundaries of its member local governments.

SDCP was formed to empower its member communities to choose the generation resources that reflect their individual values and needs. SDCP was established to procure and develop electrical energy for customers in participating jurisdictions, address climate change by reducing energy-related greenhouse gas emissions, promote electrical rate price stability and affordability, and foster local economic benefits such as job creation, local energy programs, and local power development while prioritizing equity.

SDCP commenced retail electric service to its first phase of customer enrollments in March 2021. As of April 2024, SDCP will successfully have completed its planned phase-in activities of all its member agencies. SDCP is currently serving approximately 930,000 service accounts, equal to approximately 670 gigawatt hours ("GWh") of energy consumption per month.

At service launch to customers, SDCP's Board approved a minimum 50 percent renewable energy supply portfolio for all participating customers, with a 100 percent renewable retail service option available on a voluntary basis. These retail service offerings have been named "PowerOn" and "Power100,"

respectively. The minimum quantity of renewable energy delivered to SDCP customers is expected to increase over time, moving to 85 percent by 2030.

2.1.1 Community Clean Energy Innovation Grants Program

On December 15, 2022, adopted through Board of Directors' approval of Policy Number 2022-13[5], SDCP established a grant program aimed to support scalable, replicable clean energy pilot projects that provide economic, environmental, and health benefits to local communities and increase overall energy literacy of SDCP customers. Enabling load flexibility is addressed by three of the program's five focus areas, including:

- Energy behaviors that reduce energy consumption and/or costs.
- Energy resilience to ensure communities can avoid, prepare for, minimize, adapt to, and recover from energy disruptions.
- Increased access to the benefits of clean energy technologies with a focus on underserved communities and vulnerable populations.

In June 2023, grants totaling $390,000 were awarded to ten organizations. SDCP expects to receive progress updates from the organizations periodically.[6] The program will run annually, and the next submission cycle will open in early 2024.

2.1.2 SDCP's 100 Percent Renewable Energy Policy

On March 23, 2023, adopted through Board of Directors' Resolution 2023-03, SDCP's 100 Percent Renewable Energy by 2035 Policy commits SDCP to achieving 100 percent renewable energy for its generation energy supply by 2035. The policy commits SDCP's Chief Executive Officer to take all operational actions necessary to achieve this target. Annually, SDCP shall review progress towards this target at a Board meeting. As SDCP ramps up its energy supply towards 100 percent renewable energy, the organization is also committed to continue promoting electrical rate price stability and affordability and fostering local economic benefits.

Currently, SDCP is actively negotiating the offtake of renewable power from long-term projects of multiple technologies. Promoting the construction of renewable energy projects, in culmination with battery energy storage systems, will help with grid reliability as well as decreasing green-house-gas emissions that would be otherwise produced via conventional power generation. Current portfolio content is such that after providing 100 percent RPS for Power100 customers, PowerOn is tracking towards serving customers with 75 percent RPS by 2027. SDCP's contracting of long-term renewable projects will allow SDCP to achieve the Board target of 100 percent renewable by 2035, and price negotiating efforts will allow SDCP to forecast portfolio price impacts.

[5] San Diego Community Power, Community Grant Program Policy, https://sdcommunitypower.org/wp-content/uploads/2023/02/2022-13-Community-Grant-Program-Policy.pdf.
[6] San Diego Community Power Community Clean Energy Innovation Grants Award Press Release, July 26, 2023, 23.07.26.SDCP_.SDF_.PressReleaseFinal.pdf (sdcommunitypower.org).

2.2 Load Management Standards

The central focus of CEC's LMS Rulemaking is to encourage customers to shift electricity use from peak times of day when it is expensive and polluting to cheaper and cleaner off-peak times of the day. According to the Public Resources Code, section 25132, load management is defined as "any utility program or activity that is intended to reshape deliberately a utility's load duration curve". Load management reduces the need for new electrical generation and backup generation, thus lowering customer energy costs, and is a key strategy to ensure grid reliability and resilience, distributed energy resources integration, and GHG emissions reduction.

The CEC adopted the LMS amendments through a rulemaking on April 1, 2023, and the amendments require publicly- and investor-owned utilities and Large CCAs to offer customers access to rate-structures and programs that provide the information needed to manage and optimize their energy use. Specifically, the revisions require development of marginal cost-based rates or load flexibility programs.

LMS defines marginal cost as the change in current and future electric system cost that is caused by a change in electricity supply and demand during a specified time interval at a specified location.[7] Total marginal cost is calculated as the sum of the marginal energy cost, the marginal capacity cost (generation, transmission, and distribution), and any other appropriate time and location dependent marginal costs, including the locational marginal cost of associated greenhouse gas emissions, on a time interval of no more than one hour.

In this Plan, SDCP uses the term dynamic rates to reflect responding to these marginal cost signals on an hourly or sub-hourly basis. Being a CCA, SDCP is authorized and responsible for setting and recovering only the generation cost components for each applicable electric rate. San Diego Gas and Electric ("SDG&E"), the investor-owned utility for the San Diego service area, is responsible for setting distribution, transmission, and any other non-generation cost components for each rate.

2.2.1 SDCP's Compliance Plan Roadmap

Adopted LMS amendments section 1623.1(c) requires SDCP, along with the other utilities and Large CCAs, to develop and submit a compliance plan in response to meeting the revised LMS requirements. The following table is a roadmap identifying where each regulatory requirement, along with the due date, is addressed within SDCP's compliance plan.

LMS Section	Regulatory Requirement	Due Date	Plan Section
§1623.1(c)	Within three months of regulation effective date, 4/1/2023, upload existing time-dependent rates to the MIDAS database.[8]	8/1/2023	3.1
§1623.1(a)(1)	Within one year of regulation effective date, develop and submit compliance plan addressing how SDCP plans to comply with LMS	4/1/2024	2.2.2.1

[7] Energy cost computations shall reflect locational marginal cost pricing as determined by the associated balancing authority, such as the Los Angeles Department of Water and Power, the Balancing Authority of Northern California, or other balancing authority. Marginal capacity cost computations shall reflect the variations in the probability and value of system reliability of each component (generation, transmission, and distribution).

[8] On June 1, 2023, the CEC issued Order No. 23-0531-10 in response to a request for extension from the IOUs and Large CCAs. The Order approved an extension for CCAs to upload time-dependent generation rates by August 1, 2023, and remaining time-depending rates with rate modifiers by October 1, 2023.

	requirements, and including evaluation of marginal cost-based rates and programs, to SDCP's Board. The plan must be considered for adoption within 60 days after submission.		
§1623.1(a)(3)(A)	Submit compliance plan to the Executive Director on the CEC within 30 days of adoption of the plan. Respond to requests for additional information and/or recommendations within 90 days.	6/1/2024	2.2.2.2
§1623(c)(4)	Within one year of regulation effective date, provide customers access to their Rate Identification Numbers ("RIN") on billing statements and in online accounts using both text and QR.	4/1/2024	3.1.2
§1623(c)(2)	Within 18 months of regulation effective date, develop and submit to the CEC, in conjunction with the other obligated utilities, a single statewide standard tool for authorized rate data access by third parties, and the terms and conditions for using the tool. Upon CEC approval, maintain and implement the tool.	10/1/2024	3.1.3
§1623.1(b)(3)	Within 18 months of regulation effective date, submit to the CEC Executive Director a list of load flexibility programs deemed cost effective by SDCP. The portfolio of programs must provide at least one option to automate response to MIDAS signals for each customer class where SDCP's Board has determined such a program would materially reduce peak demand.	10/1/2024	5.2.5.1
§1623.1(a)(3)(C)	Submit annual reports to the CEC Executive Director demonstrating implementation of plan, as approved by SDCP's Board.	Every year, starting on 4/1/2025	2.2.2.4
§1623.1(b)(2)	Within 27 months of the regulation effective date, submit at least one marginal cost-based rate to SDCP's Board for approval for any customer class(es) where such a rate will materially reduce peak load.	7/1/2025	4.3.5
§1623.1(b)(4)	Within 51 months of the regulation effective date, offer customers voluntary participation in either a marginal cost-based rate, if approved by SDCP's Board, or a cost-effective load flexibility program.	7/1/2027	4.3.5 and 5.2.5.2
§1623.1(b)(5)	Conduct a public information program to inform and educate affected customers why marginal cost-based rates or load flexibility programs and automation are needed, how they will be used, and how these rates and programs can save customers money.	Ongoing, dependent on offerings	6.3

§1623.1(a)(1)(C)	Review the plan at least once every 3 years after the plan is adopted and submit a plan update to the Board if there is a material change.	Every 3 years	2.2.2.3

2.2.2 SDCP's Compliance Plan Administration

2.2.2.1 Plan Development and Board Approval Process

Adopted LMS amendments section 1623.1(a) requires each Large CCA to submit a compliance plan consistent with the applicable requirements of the LMS, as well as actions taken to meet those requirements to its rate-approving body. The compliance plan must be submitted within one year of the regulation effective date, or by April 1, 2024, and must be considered for adoption by the rate-approving body in a duly noticed public meeting within 60 days of submission.

This Plan meets the requirements of section 1623.1(a). The Plan was submitted to the Board prior to April 1, 2024, and presented to SDCP's Board at a duly noticed meeting on February 22, 2024. SDCP's Board approved this Plan. The description of how SDCP complies with each element of the regulatory requirements of the LMS amendments is provided in the subsequent sections of this Plan.

2.2.2.2 CEC Review Process

Adopted LMS amendments section 1623.1(a)(3) specifies that, upon adoption by the Large CCA rate approving-body, the plan must be submitted to the CEC Executive Director within 30 days for review. SDCP's Board is the sole authority to approve rates and in this regulatory proceeding, the CEC's role is limited to determining whether this adopted Plan complies with the regulation.

Following the Plan's presentation and adoption by SDCP's Board on February 22, 2024, the Plan will be submitted to the CEC by April 1, 2024 for review. Any requests for additional information or recommended changes will be addressed, and a written response submitted to the CEC within 90 days as required in the regulation.

2.2.2.3 Triennial Plan Review

Adopted LMS amendments section 1623.1(a)(1)(C) requires each Large CCA to review its compliance plan at least once every three years. The CCA must submit a plan update to its rate-approving body where there is a material change to the factors considered in evaluating marginal cost-based rates and programs. Material revisions to the plan shall follow the same process as the initial plan approval.

This Plan will be reviewed by SDCP every three years following the date of adoption and material updates will be submitted to SDCP's Board for approval. Subsequently, this Plan and any approved material updates will be duly submitted to the CEC.

2.2.2.4 Annual Reporting

Adopted LMS amendments section 1623.1(a)(3)(C) requires each Large CCA to submit to demonstrate implementation of its LMS compliance plan through a submission to the CEC Executive Director. Each Large CCA must submit the initial report one year after adoption of the plan by the CCA's rate-approving body, and annually thereafter.

SDCP will timely submit annual reports to the CEC Executive Director describing the implementation of this Plan.

3. Access to Price Signals

3.1 Publication of Machine-Readable Rates in MIDAS

The CEC developed the MIDAS database, as part of the LMS revisions, so customers and automation service providers can link flexible loads to a machine-readable database of rates and other grid signals to automate demand flexibility. The LMS amendments require the utilities and Large CCAs to populate utility rate information into MIDAS and to facilitate access to MIDAS signals for customers and their authorized third parties. This section of the Plan details SDCP's planned actions to meet this requirement.

3.1.1 Upload of Time-Dependent Rates

Adopted LMS amendments section 1623.1(c) requires each Large CCA to upload existing time-dependent rates to the MIDAS database within three months of the regulation effective date, or by July 1, 2023. On June 1, 2023, the CEC issued Order No. 23-0531-10[9] in response to a request for extension from the IOUs and Large CCAs. The Order approved an extension for CCAs to upload time-dependent generation rates by August 1, 2023, and remaining time-depending rates with rate modifiers by October 1, 2023. Each uploaded rate must be assigned a RIN, which is used to uniquely identify each rate. The MIDAS database will provide information about the rate and any associated marginal signals to which the customer may automate response for each associated RIN.

Large CCAs are also required to upload any new time-dependent rates or changes to existing rates, prior to the effective date of that rate. All uploaded time-dependent rates must include all applicable time-dependent cost components.

3.1.1.1 Existing Rates Upload

On August 1, 2023, SDCP successfully uploaded 180 rate permutations of time-dependent rates, including residential and non-residential customer classes. A list of those current time-dependent rates and corresponding RINs can be found in Appendix A.

A message confirming successful upload was returned for each rate file loaded to MIDAS. SDCP also performed random retrieval of rates as a second point of confirmation to the successful rate upload and to validate accuracy of rates recorded in MIDAS. In addition, SDCP sent a confirmation of successful MIDAS upload email to CEC staff on August 1, 2023, and received acknowledgement from the CEC's MIDAS Lead contact on August 2, 2023.

On October 1, 2023, SDCP successfully uploaded the corresponding 180 rate permutations of time-dependent rates for SDCP's 100 percent renewable retail service option, "Power100". SDCP received acknowledgement from CEC's Lead contact on October 5, 2023, of confirmation of successful additional MIDAS upload. SDCP coordinated with its vendor to upload any new time-dependent rates or changes to existing rates, that became effective on February 1, 2024.

3.1.1.2 Future Rates Upload

Going forward, SDCP will upload existing rates as needed, to reflect any rate changes, and any new time-dependent rates or rate components. SDCP will follow a similar process to the successful existing rate

[9] California Energy Commission, Order No. 23-0531, June 1, 2023, https://efiling.energy.ca.gov/GetDocument.aspx?tn=250450&DocumentContentId=85205.

uploads in 2023. SDCP will create rate files in csv format, convert them to XML format and load them to MIDAS through the application programming interface.

3.1.2 Provide RINS to Customers

Adopted LMS amendments section 1623(c)(4) requires each Large CCA to provide customers access to their RIN(s) on customer billing statements and online accounts using both text and quick response ("QR") or similar machine-readable digital code. This access must be provided within one year of the regulation effective date, or by April 1, 2024.

3.1.2.1 Implementation Plan

SDCP partners with SDG&E, the local investor-owned utility in the service area, to serve electricity charges to customers through either a paper and/or an electronic bill statement. The bill is the standard presentation of electricity billing statements to customers. Customers also have access to billing statements through their protected on-line SDG&E accounts.

SDCP plans to make the RINs available in text and QR formats on billing statements on or before April 1, 2024. This will allow customers to access their RIN on the billing statement received by mail or accessed online. SDG&E has significant control of both paper and electronic billing statement designs, therefore SDCP's compliance with section 1623(c)(4) is dependent on successful coordination with SDG&E. SDCP, through its contracted back-office vendor, is coordinating with SDG&E to implement the RINs, both in text and QR formats, by April 1, 2024. RINs are standardized to include country, state, distribution, energy, rate, and location information. RINs are also based on customer energy providers, pricing plans, locations, and other account considerations, such as participation in assistance and/or solar programs and pricing plan(s) changes.

SDCP customers will see two RINs, one for the CCA-associated component(s) of their bill pertinent to their generation rates and another for the SDG&E-associated component(s) of their bill related to transmission and distribution rates. There may be multiple RINs for customers with group bills and corrected billing.

3.1.3 Statewide RIN Access Tool

Adopted LMS amendments section 1623(c) requires utilities and Large CCAs to collaboratively develop a single statewide standard tool for authorized rate data access by third parties, along with a single set of terms and conditions for third parties using the tool. The tool must meet all the following requirements:

- Provide the RIN(s) for the rate(s) applicable to a customer's premise.
- Provide any RIN(s) for the rate(s) to which the customer is eligible to be switched.
- Provide estimated average or annual bill amounts based on the customer's current rate and any other rate(s) for the customer is eligible to be switched if such calculation tools already exist.
- Enable authorized third parties, upon direction and consent of the customer, modify the customer's applicable rate, to be reflected in the next billing cycle.

The tool must also incorporate reasonable and applicable cybersecurity measures, minimize enrollment barriers, and be accessible in a digital, machine-readable format according to industry best practices and

standards. The tool must be submitted to the CEC for approval within 18 months of the regulation effective date, or by October 1, 2024. After CEC approval, the utilities and Large CCAs must collaboratively implement and maintain the tool.

3.1.3.1 Statewide Tool Development

SDCP has already started to and will continue to collaborate with the utilities and other Large CCAs to meet the regulatory requirements by October 1, 2024.

At the time of this filing, SDCP had already started internal planning and committed staff to join the working group to collaborate with other parties. SDCP continues to assess its internal infrastructure needs and business requirements in the working group discussions and future work. SDCP participated in a working group meeting held on September 20, 2023, and is currently awaiting input from the other parties about the scope, funding, and coordination for the project. SDCP is coordinating with SDG&E to perform two phases to develop and implement the statewide tool, targeting for customer data access by the end of Phase 1 and for customers and/or authorized third parties to access rate information, eligible rates, estimated bill, and pricing plan enrollment by the end of Phase 2.

3.1.3.2 Statewide Tool Implementation

SDCP's internal infrastructure must be updated to integrate and support the final approved statewide tool.

SDCP is unable to specifically identify the full scope of integration efforts needed until the final tool is designed and approved by the CEC. Concurrent with the development process, however, SDCP is reviewing its internal infrastructure and scheduling budget requests. Implementation projects will be added to SDCP's annual work prioritization queue. While SDCP anticipates complying with this requirement, any delays in development of the tool could result in implementation delays. Similarly, if the costs of integrating the tool result in an undue hardship to SDCP or its customers, SDCP may seek to delay or modify compliance with this requirement.

4. Dynamic Rates

The adopted LMS amendments identify dynamic hourly or sub-hourly rates as a central tool and are critical to encourage shifting peak energy-use, controlling daily and seasonal peak loads, lessening, or delaying the need for new electrical capacity, and reducing fossil fuel consumption and associated GHG emissions.

Adopted LMS amendments section 1623.1(b)(2) directs the Large CCAs to seek approval from their Boards for at least one dynamic rate for each customer class for which its rate-approving body determines such rate will materially reduce peak load. The application must be submitted within 27 months of the regulation effective date, or by July 1, 2025. In accordance with section 1623.1(b)(4), approved rates must be implemented 24 months following any Board rate approvals, or by July 1, 2027.

Adopted LMS amendments section 1623.1(a)(1) requires each Large CCA to evaluate the cost effectiveness, equity, technological feasibility, and benefits to the grid and customers, of dynamic rates for each customer class in its compliance plan. After evaluating such rates, the Large CCA may instead propose and evaluate specified programs and/or delay or modify compliance with the LMS requirements.

The following section of SDCP's Plan provides an overview of SDCP's current time-dependent rates, describes SDCP's rate development process, and addresses the requirement to evaluate the implementation of dynamic rates on the timeframes specified in the LMS.

4.1 Overview of Current Time-Dependent Rates

SDCP's portfolio of time-dependent rates include at least one marginal cost-based time-dependent rate for nearly every customer class. SDCP has five customer classes: residential, small commercial, medium/large commercial, agriculture, and lighting. Apart from lighting and unmetered customers, all customers have access to Time-of-Use ("TOU") rates and 84% of SDCP customers are on TOU rates. Please see the following table for details on SDCP's rates by customer class and percent of customers in that customer class on TOU rates.

Customer Class	Available Rates[10]	% on TOU Rates
Residential	TOU: - DR-SES - EV-TOU, EV-TOU-2, EV-TOU-5 - TOU-DR, TOU-DR-1, TOU-DR-2 - TOU-ELEC Non-TOU: - DR - DR-LI-MB (CARE/FERA/Medical Baseline)	83%
Small Commercial	TOU: - TOU-A (Primary or Secondary) - TOU-A-2 (Primary or Secondary) - TOU-A-3 (Primary or Secondary) - TOU-M Non-TOU: - A-TC (Traffic Control Service) - E-LI-NR (CARE/FERA for TOU-A, TOU-A-2, TOU-A-3, TOU-M)	96% (100% if excluding A-TC, Traffic Control Service accounts)
Medium/Large Commercial	TOU: - A6-TOU (Primary, Secondary or Transmission) - AL-TOU (Primary, Secondary or Transmission) - AL-TOU-2 (Primary, Secondary or Transmission) - EV-HP (Primary or Secondary) - DG-R (Primary, Secondary or Transmission) Non-TOU: - E-LI-NR (CARE/FERA for AL-TOU, AL-TOU-2, DG-R) - OL-TOU	96%
Agriculture	TOU:	100%

[10] SDCP has additional rate variants including legacy grandfathered rates and less than 20kW or 20kW or greater versions of rates.

	- PA-T-1 (Primary, Secondary or Transmission) - TOU-PA (Primary or Secondary) - TOU-PA-2 (Primary or Secondary) - TOU-PA-3 (Primary or Secondary)	
Lighting	TOU: - LS-2-AD Non-TOU: - LS - OL-2	0% (96% of lighting accounts are unmetered)

SDCP's is also developing load flexibility programs that incorporate time-varying marginal cost-based signals, some of which test response to different price signals, in addition to time-dependent rates to encourage customer peak load shift. The following section of the Plan provides a summary of SDCP's currently available time-dependent rates.

4.1.1 Residential Rates

SDCP's TOU-DR is the standard rate for residential customers. Residential customers pay different rates depending on the season, day, and hours of energy use, summarized in the table below. These time periods were selected because they best aligned with highest peak loads and marginal electricity prices, while also being simple and easy for customers to understand.

Time-Of-Use Periods	Summer Months (June 1 through October 31)	Winter Months (November 1 through May 31)
On-Peak	4 pm – 9 pm	4 pm – 9 pm
Off-Peak	weekdays 6 am – 4 pm and 9 pm – 12 am, weekends and holidays 2 pm – 4 pm and 9 pm to 12 am	weekdays 4 am – 4 pm (excluding 10 am – 2 pm in March and April) and 9 pm – 12 am, weekends and holidays 2 pm – 4pm and 9 pm to 12 am
Super Off-Peak	weekdays 12 am – 6 am, weekends and holidays 12 am – 2pm	weekdays 12 am – 6 am (excluding 10 am – 2 pm in March and April), weekends and holidays 12 am – 2pm

SDCP's other TOU rates provide options for customers in terms of difference in peak, off-peak, and super off-peak periods to shift energy use. SDCP enrolled residential customers onto its TOU rates in the first half of 2022 during phase 3 of enrollment. The high adoption and retention of residential TOU rates has benefited both SDCP and customers.

SDCP's EVTOU is the standard rate for residential customers that charge their EVs at home. This rate encourages customers to charge their EVs during super off-peak times when energy is abundant and energy prices are low.

4.1.2 Non-Residential Rates

SDCP's TOU-A is the standard rate for small commercial customers. SDCP's AL-TOU is the standard rate for medium/large commercial customers. SDCP's TOU PA is the standard rate for agriculture customers. All these rates are similar in concept to residential TOU rates, except the rate periods differ. Non-

residential customers have been offered TOU rates for a much longer time compared to residential customers.

4.2 SDCP's Rate Development Process

4.2.1 Strategic Direction on Competitive Rates

Adopted by the Board on November 17, 2022, the Rate Development Policy[11] guides SDCP's rate development process. The policy provides a framework to ensure SDCP's rate design, development, and implement processes remain transparent, fiscally responsible, and centered on the customer. The policy includes the following objectives:

- Cost Recovery: rates must be sufficient to recover all expenses, debt service and other expenditure requirements.

- Reserves: rates must be sufficient to build prudent reserves.

- 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.

- Rate Stability: rate changes should be minimized to reduce customer bill impacts with a preference for annual rate adjustments.

- 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.

- Rate Structures: as new rates are developed; emphasis shall be put on rate-design simplicity and comparability as well as overall customer experience.

- 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.

- Cost Shifting: SDCP shall avoid, to the best of its ability, cost shifting between customer classes.

- Cost of Service: SDCP may explore a cost-of-service model for rate design.

When designing rates, SDCP must balance all the above competing objectives, many of which are reflected in the LMS revisions' goals. As a public not-for-profit agency, SDCP designs and implements rates that meet revenue requirements as well as targeted reserves, while maintaining rate competitiveness, stability, and long-term financial viability. While SDCP understands the need to

[11] San Diego Community Power Rate Development Policy, https://sdcommunitypower.org/wp-content/uploads/2023/01/Item-12a_Rate-Development-Policy.pdf.

develop and implement dynamic rates, SDCP emphasizes the customer experience, such as ensuring the rate development process is transparent and rates are easy to understand, as well as minimize rate changes.

4.2.2 Rate Design and Implementation

Aligned with objectives of the Rate Development Policy, SDCP takes deliberate measures to ensure that any new rate development and implementation will be successful, effective, and accepted by its customers. These proactive measures may include:

- Conducting pilots to determine the effectiveness of different rate options and reception by customers.
- Developing and implementing iterative outreach and education campaigns.
- Developing and implementing new education tools, such as rate comparison tools and reports.

After rate implementation, SDCP is committed to monitoring the effectiveness of the rate with respect to shifting peak load and customer feedback.

4.3 Evaluation of New Dynamic Rates

Consistent with the adopted LMS amendments, the following section of the Plan evaluates the cost-effectiveness, equity, technological feasibility, and benefits of dynamic rates for each customer class. SDCP assumes that these new dynamic rates would be implemented on the schedule specified in the LMS amendments, which includes applying for Board approval of dynamic rates by July 1, 2025, and offering voluntary participation in those rates to all customers by July 1, 2027, where such a rate is determined to materially reduce peak load cost effectively.

SDCP's does not have sufficient information at this time to conclude that proposing and implementing dynamic rates following the adopted LMS amendments' schedule would be cost effective or provide incremental benefits. Significant uncertainties exist related to a gap in dynamic rate pilot evaluation results and data in SDCP's and SDG&E's service area, the level of incremental load shift potential, customer response to market price risks, and customer acceptance of a complex new rate design. Based on the results of this evaluation, SDCP plans to defer the proposal and adoption of new dynamic rates at this time. SDCP will re-evaluate dynamic rates with the benefit of additional information from dynamic rate pilots in SDCP's and SDG&E's service area and other service areas in the next update of this Plan.

4.3.1 Cost-Effectiveness

Adopted LMS amendments section 1623.1(a)(1)(A) specifies cost effectiveness as the first evaluation factor. SDCP strives to qualitatively estimate the costs and benefits to customers, that are associated with new dynamic rates for each rate class. This approach is necessary because, as of the time of the preparation of this Plan, SDCP does not have data to support a full quantitative analysis.

To assess cost effectiveness, it is necessary to consider the costs associated with designing, implementing, and maintaining new rates for each customer class, as well as the ongoing benefits associated with implementation. To demonstrate cost effectiveness, the expected benefits for each rate must exceed the costs of implementation.

As best practice for assessing the cost effectiveness of a new rate, SDCP would conduct a comprehensive pilot study to test and gather data on different rate options, which would likely require several years and a multi-million-dollar investment. Forming in 2019, SDCP is still a relatively young organization and has been limited in terms of developing rate options and has been prioritizing building a strong foundation as a customer-centric organization. Thus, SDCP has not had the sufficient time nor resources to pilot multiyear and multi-million-dollar rate pilots. SDCP plans to evaluate the effectiveness of dynamic rate options based on information gathered across the state from ongoing and proposed dynamic rate pilots.

SDG&E's proposed dynamic rate pilots would have provided the more accurate estimated costs and benefits compared to pilots in other service territories because weather conditions, local economy, and local energy policies, and other factors that are captured by SDG&E's pilot overlap with SDCP's conditions. However, SDG&E proposed two dynamic rate pilots through Applications 21-12-006 and 12-12-008 to the California Public Utilities Commission ("Commission"), but the import rate pilot was dismissed without prejudice and the other pilot delayed and will be refiled once the Commission issues a final decision in the Demand Flexibility Rulemaking that will provide guidance for dynamic rate applications.[12] As a result of the factors above, SDCP's cost-effectiveness evaluation is based on qualitative assessments and SDCP anticipates exploring opportunities to expand data access and/or refine estimates to inform future updates of the Plan.

4.3.1.1 Estimated Costs

Significant investment in planning, customer education and marketing, and technology development is required to implement new rates for all customer classes, particularly rates that are far more complex than any other currently available. SDCP has identified the following cost categories associated with implementing dynamic rates:

- Rate design costs would include the costs of initial market research, implementing pilots to test rate options, and analyzing the results of those pilots to refine the final design. Once the pilot is complete and evaluation data is analyzed, the final rate recommendation needs to be designed.

- Setup costs include coordinating with external vendors and SDG&E on Information Technology system updates to enable settlement over new intervals, data integration, updating the bill presentment to reflect these intervals, and developing new or updating existing customer tools. Having tools available for customers to self-service and monitor their costs and usage will be important for success with hourly rates.

- Recruitment and retention costs include marketing and enrollment costs. SDCP anticipates spending significant time educating customers through an extensive, phased marketing campaign and targeted outreach in a variety of languages. This effort will only be successful if significant time and funds are invested. Shifting to complex hourly rates while maintaining a positive customer experience – which is key for adoption and longer-term retention of the rate – will require informing and educating customers to, at a minimum, understand and monitor hourly rates, energy market dynamics, pricing, and temperature trends that may significantly impact their bills.

[12] Ordering Paragraphs 1 and 2, Proposed Decision Adopting Dynamic Export Rate Pilot and Dismissing Application for a Real Time Pricing Rate Pilot, September 25, 2023, 520650818.PDF (ca.gov).

SDCP anticipates the above costs to make a dynamic rate available are fixed and do not vary by load, electricity usage, or enrollment level. While SDCP does not currently have pilot results to inform implementation costs, SDCP estimates significant resources to develop, implement, and maintain hourly rates for customers will be required. Depending on the scope of the costs, implementing complex new rates may necessitate a rate increase for all customers to bring in additional revenue.

4.3.1.2 Estimated Benefits

This section of the Plan describes the potential benefits associated with implementing new dynamic rates and the estimated realization of incremental benefits based on design effectiveness, adoption levels, and additional load shift capacity available to be captured.

4.3.1.2.1 Potential Benefits

SDCP has identified the primary avoided cost benefits of new dynamic rates as the following:

- Avoided capacity costs, resulting from a reduction for new capacity additions or resource adequacy procurement.

- Avoided energy costs, resulting from shifting demand from higher-cost periods to lower-cost periods.

Secondary benefits can also flow from the realization of avoided capacity and energy procurement needs. For example, to the extent that load shifting reduces the need for new capacity and wholesale energy purchases during peak periods, these reductions can also contribute to the following:

- Avoided transmission and distribution in the form of reduced need for capital investments to deliver energy during peak periods.

- Avoided GHG compliance costs associated with a reduction in generating or purchasing energy from fossil -fueled resources that may otherwise be needed to serve load during peak periods.

- Improved air quality, public health, and environmental outcomes associated with a reduction in operations of fossil-fueled resources. While these benefits do not accrue directly to SDCP, they provide value on a societal basis.

4.3.1.2.2 Realization of Benefits

As a retail electric service provider and a CCA, SDCP anticipates that the greatest potential direct benefits would be derived from avoided capacity and energy procurement costs. However, the realization of any of the above-identified benefits from new dynamic rates is highly dependent on the following several factors:

- The effectiveness of the rate design in shifting customer usage patterns.

- The operational value of the load shift.

- The adoption levels of the new rates.

- The customer experience on the new rate.

In addition, with respect to avoided GHG compliance costs and improved air quality, public health, and environmental outcomes, the realization of benefits also depends on the relative utilization of fossil-fueled resources to serve peak load versus periods of lower demand. A discussion of each factor's expected effect on the benefits attributable to developing new dynamic rates is detailed in the next section of the Plan.

4.3.1.2.2.1 Estimated Design Effectiveness

Effective rate design is necessary to achieve predictable load shift during the most valuable peak hours of the day. The risk of not having sufficient generation, which spurs the need for new capacity additions or resource adequacy procurement, is typically concentrated in a small number of peak hours each year when serving peak load is most challenging. Accordingly, to realize any avoided capacity benefits, it is vitally important that a new rate design can achieve consistent and meaningful load reductions during those peak hours. Reducing capacity and energy procurement during peak periods relies on consistent shift in demand patterns.

Time to develop and test the effectiveness of rate design options will be especially important when shifting to a complex new rate structure that could include several price signal changes within a peak period or even within an hour. If customers do not understand the signals or the time periods During which they are provided, their response may not be predictable, leading to reduced efficacy and potentially adverse bill impacts. SDCP's ideal dynamic rate development process would include market research, testing the effectiveness of different rate options through pilots, analyzing the results, and considering refinements before proposing a rate. Completing these steps helps to ensure that the rate sends the right signals and takes into consideration customers' willingness to respond either directly or via automated technologies/devices while fully recognizing that the process can take significant time and resources.

The LMS requirements direct Large CCAs to propose new dynamic rates for every customer class to the Board by July 1, 2025. That timeline does not provide sufficient time for SDCP to design a pilot, test responses to different rate options, and analyze the results for even one rate class. In addition, SDG&E's dynamic rate pilots have been delayed and results of those studies may not be available before July 1, 2025. Without the results from pilots, SDCP cannot conclude that a complex new rate design would result in any incremental, dependable load shift or ensure a positive customer experience for any of our customers.

4.3.1.2.2.2 Estimated Adoption Level

The estimated adoption level of new hourly dynamic rates directly impacts the value of load shift benefits. Based on available information, SDCP anticipates that dynamic rates rolled out to customers by July 1, 2027, would likely have low adoption and retention levels. SDCP's assumption is based on several key factors, including the uncertainty in bill impacts from complex new rate structures, the time needed to educate customers to promote a positive experience, and the cost and limited accessibility of enabling behind-the-meter automation technology.

- Bill savings are a significant driver for customer rate adoption. The predictability of bill impacts gives customers the assurance of how they can leverage a rate to see bill savings. With dynamic rates, customers take on the full risk of price fluctuations, which may not be sustainable in the long term.

- One method of mitigating the uncertainty of bill impacts from new dynamic rates is to fully educate and inform customers. SDCP is dedicated to a culture of delivering the best possible customer experience when transitioning customers from one rate structure to another or when offering optional rates. Limited time to engage and educate customers on new complex hourly rates, and the potential benefits and risks associated with participation, may lead to confusion about bill impacts and low uptake. Customer experience is a priority for SDCP, so negative experiences may have an unintended negative impact to the brand and act as a deterrence on current and future initiatives.

- Realizing the benefits of dynamic rates is dependent on customers' ability to access and adopt enabling technology. There are challenges and uncertainties associated with utilizing these devices for grid services, as further discussed in Section 4.3.3.2. SDCP expects that limited adoption of the needed technology would translate to limited benefits from dynamic rates, but accessibility of customer-owned automated devices that allow for response to hourly or sub-hourly signals is a near-term constraint.

- Adoption is also impacted by a customer's ability to understand and their capacity to meaningfully respond to dynamic rate signals. As part of its due diligence, SDCP issued an on-going survey to the largest commercial customers in 2022 to gauge interest in a Real-Time Pricing pilot rate and to date, no responses have been received.[13]

4.3.1.2.2.3 Estimated Incremental Load Shift Capability

The primary potential benefits of dynamic rates are based on reducing new capacity additions and associated avoided wholesale energy costs, which may carry additional benefits associated with reduced transmission and distribution costs, reduced GHG compliance costs, and improved air quality, public health, and environmental outcomes. SDCP's existing time-dependent rates and planned new load flexibility programs are likewise designed to capture these same benefits and to create a customer-centric experience, that is simple and easy-to-understand and have been supported with extensive customer outreach and education. Any incremental benefits associated with implementing dynamic rates rely on achieving incremental load shift relative to SDCP's existing rates and planned new programs. The following summarizes the current load shift capability of SDCP's existing rates and planned new programs and potential incremental load shift opportunities.

- SDCP's TOU rate structures mirror SDG&E's rates and were designed to shift peak time periods energy use to off peak periods, thus reducing grid stress and resulting in financial benefits from combined energy and capacity savings.

- SDCP is in the process of designing and planning to offer new load flexibility and demand response programs that allow customers to respond to signals that incorporate day-ahead marginal prices, weather, and grid conditions. These programs complement our existing TOU rate structure and provide additional load shift benefit on a day-ahead basis and, in some cases, on a same-day basis for emergency scenarios. SDCP's new programs and pilots are discussed further in Section 5.

[13] Real-Time Pricing Pilot Rate Survey, https://sdcommunitypower.org/real-time-pricing-rtp-pilot-rate-2/.

- SDCP has not yet conducted pilots to evaluate more complex dynamic rate options in which hourly market price risk is passed directly to the customers. In addition, planned dynamic rate pilots in SDCP's and SDG&E's service area has been delayed. Without the benefit of pilot results and given the inherent complexity of new dynamic rates coupled with the risk of adverse bill impacts, and the existence of more customer-friendly TOU rates and planned new programs, SDCP cannot conclude that such dynamic rates would likely result in incremental load shift benefits. As part of its due diligence, SDCP issued an on-going survey to the largest commercial customers in 2022 to gauge interest in a Real-Time Pricing pilot rate and to date, no responses have been received.[14]

4.3.1.3 Discussion

Based on the evaluation of available information, SDCP cannot conclude that implementing dynamic rates for any customer class on the LMS required timeline would be cost-effective. There are significant uncertainties both in the magnitude of value that can be captured and SDCP's ability to realize the value based on design efficacy, how customers would react to hourly market risks, and expected adoption levels. According to the whitepaper, Time-Varying and Dynamic Rate Design, authored by the Regulatory Assistance Project ("RAP") and the Brattle Group, real-time/dynamic pricing presents high rewards but also high risks.[15] SDCP anticipates that developing dynamic rates would result in significant costs and may even require a rate increase to all customers to bring additional revenue to support the development and implementation of the said rates. Without pilot results in SDCP's and SDG&E's service area to perform a comprehensive analysis, SDCP cannot readily ascertain rate development costs, the estimated benefits, or whether those benefits would be likely to offset the costs.

A 2004 Lawrence Berkley National Laboratory whitepaper concludes that most dynamic rate programs in the early 2000s, implemented across the country, did not achieve significant level of participation. Another takeaway from the survey is that although many customers on dynamic rates are price responsive, a substantial fraction are not.[16]

Significant changes are happening and will occur in the rate landscape in our region and at the state level, including a shift to battery energy storage systems, implementation of net billing tariff, adoption of an income-graduated fixed charge, and exploration of other potential fixed charges. The combination of multiple concurrent rate variables can make evaluating dynamic rate and demand flexibility difficult. Isolating and quantifying the benefits of just dynamic rates becomes a challenge, and these overlapping efforts complicate signaling a customer to change energy use behavior and may increase development costs. For example, introducing fixed charges, such as the income-graduated fix charge, dilutes the hourly variability that dynamic rates are trying to reflect.

SDCP will continue to gather information to inform evaluation of future rate and program designs. As data becomes available from pilots, SDCP anticipates exploring cost-effectiveness analyses and/or quantifying the estimates provided in this section of the Plan.

[14] Real-Time Pricing Pilot Rate Survey, https://sdcommunitypower.org/real-time-pricing-rtp-pilot-rate-2/.
[15] *Time-Varying and Dynamic Rate Design*, RAP and the Brattle Group, July 2012, page 17.
[16] *A Survey of Utility Experience with Real Time Pricing*, Lawrence Berkeley National Laboratory and Neenan Associates, December 2004, ES-4 and ES-6.

4.3.2 Equity

The second criterion by which to evaluate dynamic rates is equity, a core principle for SDCP's establishing bylaws and purpose. Without pilot study data to support quantifying load shift and bill impacts for different customer groups, SDCP will qualitatively evaluate the equity impacts of these rates by considering customers' ability to benefit directly and indirectly from the rates.

4.3.2.1 Equitable Access to Direct Benefits

The ability to directly benefit from a dynamic rate depends on several factors, such as access to enabling technology, ability to shift load away from high-cost periods, and ability to benefit from the rate and absorb potential bill shocks.

- The ability to participate on a dynamic rate depends upon customers' access to technology with specific characteristics that enable response to hourly or sub-hourly price signals. Currently, the high upfront cost of this technology may pose a limitation. To help address these barriers, SDCP's Community Clean Energy Innovation Grant Program provides opportunities to increase access to the benefits of clean energy technologies with a focus on underserved communities and vulnerable populations. In addition, SDCP is exploring different incentive programs and developing strategies to help further broaden access.

- The ability to quickly shift load away from high-priced peak periods will affect whether participating customers can directly benefit from a dynamic rate. As market signals would be dynamic with potentially very large changes in prices between hours, customers that cannot or do not adopt and/or utilize and embrace enabling technology could see very large bill impacts.

- Participating customers on a dynamic rate run the risk of bill shocks if they are unable to shift load away from high-priced peak hours. Customers who face greater barriers in implementing enabling technology are likely to be most exposed and least able to absorb potential bill shocks.

4.3.2.2 Equitable Access to Indirect Benefits

As previously described in Section 4.3.1.2.1, dynamic rates may offer benefits to SDCP's customers, to the extent such rates reduce overall capacity costs, contribute to reliability, and reduce reliance on fossil-fueled resources. These benefits could serve as a downward pressure on rates and result in improved air quality, public health, and environmental outcomes. However, as discussed in Section 4.3.1.2.2, SDCP is unable to conclude at this time the magnitude of these benefits that would result from the implementation of dynamic rates.

4.3.2.3 Discussion

Based on the evaluation of available information, SDCP cannot conclude that implementing dynamic rates would result in any equity benefits. The availability of such rates is likely to disproportionately benefit higher-income customers, early adopters of technology, and can absorb the risk of bill shocks. It is critical to analyze pilot study results to accurately quantify the magnitude and uncertainty of these benefits, including the level of acceptance and adoption of dynamic, hourly or sub-hourly rates from customers of different income levels. Severin Borenstein, in a 2009 article, states that some customers would be winners and others would be losers with a switch to dynamic rates. He elaborates that those customers who consume disproportionate quantities at the most expensive times are being subsidized

under time-invariant rates and may be worse off if they cannot adjust their consumption substantially under dynamic rates.[17]

4.3.3 Technological Feasibility

Technological feasibility is the third evaluation factor for dynamic rates. SDCP's evaluation assesses the technological feasibility of implementing dynamic rates for all customers on the schedule specified in the LMS requirements and considers the feasibility of both the technology systems needed to support implementation of dynamic rates and to the external customer technology that is needed to enable response to hourly or sub-hourly signals. Since SDCP is a CCA that isn't the Meter Data Management Agent ("MDMA"), SDG&E is in control and responsible for a significant portion of the technology systems' updates and rollout required to implement dynamic rates that overlap both organization's service areas.

4.3.3.1 Technology Systems

The primary technology systems needed to support dynamic rates include advanced metering infrastructure ("AMI"), SDCP and SDG&E's Customer Relationship Management software, and SDCP's and SDG&E's billing system software. SDCP also relies on additional applications from external vendors to develop customer educational tools and is working with these providers to provide functionality to communicate with and control enabling technologies, in the future. The following provides a feasibility assessment of each technology component:

- SDG&E's meters can provide hourly interval data for residential customers and sub-hourly interval data for non-residential customers. An assessment of the AMI network communication infrastructure is likely to be required to identify if additional equipment needs to be installed to support the increased volume. SDCP will coordinate with SDG&E to avoid any disruptions to customers.

- SDCP will coordinate with SDG&E regarding any necessary billing system configuration changes. SDCP anticipates it will be necessary to develop enhancements to SDG&E's online tools and services to help customers understand any new rates and rate changes holistically.

- Updating existing customer tools and developing new tools would be key to supporting a positive customer experience when implementing dynamic rates. SDCP will engage not only with external vendors on relevant existing tools but also SDG&E to assess the technological feasibility of and timeframes necessary to develop and/or modify existing tools to support dynamic rates.

In sum, SDCP anticipates that collaboration and coordination with SDG&E and external vendors will be critical to successfully implementing dynamic rates. SDCP will work with parties to assess enhancements, upgrades, and additional functionality that will be needed to ensure the optimal benefits realization of dynamic controls and a positive customer experience.

[17] *Electricity Pricing that Reflects Its Real-Time Cost*, Severine Borenstein, March 2009, https://www.nber.org/reporter/2009number1/electricity-pricing-reflects-its-real-time-cost.

4.3.3.2 Enabling Customer Technology

Realizing that the potential incremental benefits of dynamic rates depend on customer participation and the widespread availability of devices and technology that can support real time response to hourly or sub-hourly price signals; SDCP is in the process of assessing technologies with this kind of capability to include in future customer programs. The following is a list of common load flexibility technologies in SDCP's and SDG&E's service area. SDCP anticipates these same technologies would be needed to respond to new dynamic rates.

- Wi-fi enabled smart thermostats is the most widely adopted load flexibility technology. These devices can receive and respond to dispatch signals within 15-30 minutes. Utilities and CCAs rely on day-ahead and/or more real-time marginal costs and system conditions to inform the dispatch of resources in load flexibility programs.

- Battery energy storage systems are being adopted with increasing frequency by both residential and non-residential customers, particularly as an add-on to solar photo-voltaic ("PV") installations. Batteries have much greater ability to be dispatched on short notice, and SDCP is currently designing a program to accelerate this adoption and reduce the payback period for solar plus storage deployments through upfront financial and on-going performance incentives.

- Air conditioning ("AC") switches are one of the oldest distributed resource technologies and have been deployed since the 1970s. These switches are included in various demand flexibility programs across the utilities and CCAs.

- Electric vehicles ("EVs") are an emerging source of load flexibility. There is significant potential for further growth given statewide goals for zero emissions vehicles by 2030. SDCP is assessing potential future charging programs that include sending hourly price signals to participating EVs.

SDCP's future programs, utilities and CCAs' existing programs will inform SDCP's understanding of how to most effectively engage with customers with behind-the-meter devices, considering different technologies, customer needs and preferences, and other factors. SDCP anticipates future programs will help increase the acceptance and adoption levels of enabling technologies as well as testing their response to utility signals and dispatch whereby the results of these programs will also inform future consideration of dynamic rates.

4.3.3.3 Discussion

Based on the evaluation of available information, SDCP believes the technology exists to implement some level of dynamic rates on the LMS timeframe. However, the capabilities of enabling behind-the-meter device technology, along with the impacts on customer experience, are still being tested and developed. SDCP believes that reassessing the technological feasibility of dynamic rates after evaluating pilot study results and future programs would better inform the likelihood of positive customer acceptance and material load shift benefits.

SDCP anticipates coordination with SDG&E and external vendors on implementing any necessary changes to internal systems, with the necessary infrastructure deployments and system configuration implementations. Additional time to enhance the billing experience, develop customer tools, and enhance DER functionality and control would create a better experience, improve the likelihood of

acceptance of the new rates, and support improved realization of both customer and grid benefits in alignment with LMS desired outcomes.

4.3.4 Benefits to the Grid and Customers

The final two criteria for evaluating dynamic rates are benefits to the grid and benefits to customers. SDCP evaluates the two factors simultaneously because many benefits to the grid also have pass-through benefits to customers. SDCP evaluates each benefit by considering the expected effectiveness of the rate design and the expected adoption rate. The following is a summary of anticipated grid and customer benefits associated with implementation of new dynamic rates on the timeframe specified in the LMS requirements.

- An effective rate design that delivers meaningful, dependable load shift in response to hourly or sub-hourly signals is critical to capture benefits of avoided capacity costs, in terms of reduced new generation capacity or procurement. Shifting demand away from peak periods also has the potential to increase grid reliability. As further discussed in this Plan's section 4.3.1.2.2.3, SDCP is unable to conclude that implementing dynamic rates would result in incremental capacity cost savings, given the uncertainty around design effectiveness, adoption levels, and the magnitude of load shift potential.

- An effective rate design that encourages customers to shift from high-cost, high-GHG periods to lower-cost, lower-GHG periods is instrumental to capture the benefits of avoided energy costs. This allows for more efficient use of cheaper renewable energy when it is generated and reduces the higher costs of fossil-fueled energy associated with serving peak load. However, as further discussed in the Plan's section 4.3.1.2.2.3, SDCP cannot conclude that implementing dynamic rates would result in incremental avoided energy costs.

- As distributed energy resources ("DERs") programs are still in pilot stages across the state, how they and rate designs impact the need for various transmission and distribution services is still uncertain. With limited available information, SDCP cannot conclude that dynamic rates will result in any transmission and/or distribution savings.

- To the extent that dynamic rates can shift energy use from peak time periods in which fossil fueled resources serve load to time periods with greater renewable energy generation, there is the potential for reduced compliance costs for GHG emissions. Reducing grid thermal operations and/or limiting market purchases when the grid has a greater carbon intensity can save costs for SDCP's customers.

  However, any incremental GHG cost savings depend on the realization of incremental reductions in capacity needs and/or in energy purchases during high-cost/high-GHG periods. GHG cost savings benefits are uncertain because SDCP is unable to conclude that implementing dynamic rates would result in material incremental load shift. In addition, as SDCP gets closer to achieving a 100 percent renewable energy supply, SDCP anticipates increasingly less difference between the GHG emissions profiles of resources serving customers during the peak and in periods of lower demand.

- Potential air quality, public health, and environmental benefits associated with dynamic rates depend on if such rates can successfully reduce capacity needs or energy purchases during time

periods when the grid has a higher carbon intensity. SDCP cannot conclude that a material incremental increase in these benefits will accrue on the timeline specified in the LMS requirements.

- Through dynamic rates, customers have the potential to lower their energy costs by shifting their peak hour usage. However, customers take on the full risk of market price fluctuations, which could have severe impacts on customer bills especially during times of extreme market volatility. If high prices are sustained over a long period of time, customers may not be able to shift energy use to prevent excessively large bills. As an example, during the May 25, 2021 Advanced DER and Demand Flexibility Management Workshop, SDG&E expressed the concern that while wholesale prices are effective at balancing supply and demand, they may cause unintended consequences during extreme scarcity events. SDG&E cited the example of the negative experience of Texas residential customers on wholesale prices.[18]

- SDCP strives to maintain a delicate balance between multiple objectives as described in its Rate Development Policy. When designing rates, one priority is to emphasize rate-design simplicity, comparability, and transparency. Dynamic rates could be very complex and difficult for customers to understand. Thus, leading to confusion and potential negative bill impacts, particularly if SDCP does not have sufficient time to fully educate customers on the potential benefits and risks of marginal cost-based rates.

4.3.4.1 Discussion

Based on the evaluation of available information, SDCP is unable to conclude that implementing dynamic rates on the timeframe specified in the adopted LMS amendments would yield material incremental benefits to the grid or to customers. Important takeaways from the Lawrence Berkeley National Laboratory white paper emphasized that sufficient resources must be devoted to developing and implementing a customer education program and customers need help understanding and managing price risk.[19]

Another team of Lawrence Berkeley National Laboratory researchers interviewed 29 customers in the Niagara Mohawk Power Corporation service territory with day-ahead dynamic prices in 2004. The study specified that reasons customers gave for why they were not price-responsive included implicit value placed on reliability, pricing structures, lack of flexibility in adjusting production inputs, just-in-time practices, perceived barriers to onsite generation, and insufficient time.[20]

Therefore, a premature introduction of dynamic rates may cause confusion and shift additional market price risk onto customers, creating a negative customer experience that may hinder adoption of both the new rate and longer-term load flexibility initiatives. A hurried implementation of a complex and untested dynamic rate structure is likely to result in costs, rather than benefits, to the grid and to customers.

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[18] *Advanced Strategies for Demand Flexibility Management and Customer DER Compensation*, California Public Utilities Commission, June 22, 2022, page 103.
[19] *A Survey of Utility Experience with Real Time Pricing*, Lawrence Berkeley National Laboratory and Neenan Associates, December 2004, ES-9.
[20] *Real Time Pricing and the Real Live Firm*, Lawrence Berkeley National Laboratory, August 2004, page 1.

4.3.5 Compliance Approach

Based on the results of this evaluation, SDCP plans to continue offering the existing portfolio of time-dependent rates. SDCP regularly reviews its rates, including cost-effectiveness. SDCP also plans to implement new load flexibility programs and pilots that will help the organization better understand how best to engage with behind-the-meter customer devices. With additional information and results, SDCP can consider developing a dynamic rate pilot rate for one or more customer classes in the future.

Therefore, SDCP will defer developing and proposing adoption of new dynamic rates beyond July 1, 2025, and offering voluntary participation in any such rates beyond July 1, 2027. Based on available information, SDCP cannot conclude that proposing and implementing dynamic rates, as proposed in the LMS requirements' timeline, would be cost-effective, provide equity benefits, be technologically feasible, and/or or yield any cost savings or emissions-related benefits to the grid and to customers. The risks of premature implementation can adversely impact participating customers' bills, the overall customer experience, and even SDCP's image and reputation.

SDCP plans to reassess the timeline for proposing and implementing dynamic rates no later than the triennial review of the Plan. The Plan review will also include potential updates to qualitative and quantitative evaluations for cost-effectiveness, equity, technological feasibility, and benefits to the grid and to customers.

5. Load Flexibility Programs

The adopted LMS amendments recognizes that load flexibility programs may provide an alternative pathway to achieve the objectives of encouraging off-peak energy usage, controlling peak load to improve reliability and system efficiency, lessening, or delaying the need for new capacity, and reducing fossil-fuel consumption.

Adopted LMS amendments section 1623.1(a)(1)(B) requires each Large CCA to propose and evaluate programs that enable automated responses to marginal cost-based signals for each customer class, if the Large CCA does not propose the development of marginal cost-based rates. The programs must be evaluated based on cost effectiveness, equity, technological feasibility, benefits to the grid and to customers.

Adopted LMS amendments section 1623.1(b)(3) requires each Large CCA to submit a list of cost-effective MIDAS-integrated load flexibility programs to the CEC Executive Director by October 1, 2024. The portfolio of load flexibility programs must provide at least one option to automate response to MIDAS signals (that indicate, for example, hourly marginal cost-based rates, marginal prices, or hourly or sub-hourly GHG emissions) for every customer class where such a program is determined by its rate-approving body to materially reduce peak load.

Finally, each Large CCA is required to offer customers, by July 1, 2027, voluntary participation in a dynamic hourly rate, if approved by its rate-approving body, or a cost-effective MIDAS-integrated load flexibility program identified according to section 1623.1(b)(3).

The following section of SDCP's Plan provides an overview of SDCP's current and in-development future load flexibility programs and addresses the LMS requirement to evaluate and propose specified programs on the timeframes. It also addresses the requirement to submit a list of cost-effective MIDAS-integrated load flexibility programs to the CEC.

5.1 Overview of SDCP Load Flexibility Programs

Load flexibility is a key strategy in helping SDCP achieve its 100 percent renewable energy goal, by enabling customers to be part of the strategy in reducing procurement needs. SDCP is developing several leading-edge and innovative options for customers.

SDCP is focused on establishing and offering new load management programs because they are simple, effective, flexible, and potentially allow for SDCP to make rapid progress in unlocking peak load reduction potential. SDCP is working to innovate with technology and software providers to advance functionalities that will enable broad participation and maximize potential resources, optimized for customer and grid needs. When designing programs, SDCP strives to tailor its offers to specific customer segments and/or needs to maximize responsiveness beyond just price alone. SDCP analyzes data to identify where the need is to design programs that have the greatest potential for mutual benefits to customers and to SDCP. Piloting multiple approaches is a key strategy for SDCP. Pilot study results inform future program designs and the technology needed to scale adoption. SDCP's in development program portfolio includes a portfolio-level Distributed Energy Resource Management ("DERMS") deployment that will, in time, serve as the central point of control and dispatch for a range of load flexibility program offerings, which may include residential, C&I, and agricultural customer classes. In the near term, SDCP is developing specific offerings related to residential load flexibility and electric vehicle managed charging. The following section of the Plan provides a list of planned programs offerings that will test for reliability, load reduction, and customer adoption.

5.1.1 Residential Programs

5.1.1.1 Building Flexible Load Pilot

A major programmatic effort for SDCP in calendar year 2024 is the launch of a Building Flexible Load Pilot focused on major end uses in the residential sector. The pilot plan is to procure a DERMS platform in 2024, then begin enrollment of customers with existing or newly installed grid enabled devices, such as smart thermostats, water heaters, electric vehicle service equipment ("EVSE" or Level II chargers), and pool pumps. The pilot will include upfront incentives for initial device registration and enrollment, as well as ongoing incentives for continued device enrollment and control. Enrolled devices will be dispatched daily based on the host customer's time of use TOU rate schedule. This dispatch strategy will shift loads away from on-peak periods, resulting in lower bills for program participants, as well as lower energy procurement costs and a reduced resource adequacy ("RA") obligation for SDCP. In addition to TOU-based dispatch, SDCP will assess additional optimization pathways, such as day-ahead prices, forecasted weather, and grid conditions. It is SDCP's intent to scale the programmatic and software architecture developed through this pilot to include subsequent activities, including enrollment of flex load devices deployed through the planned Regional Energy Network and Residential Building Electrification Programs.

5.1.1.2 Solar + Storage Program

SDCP is also seeking Board approval to launch a solar and storage program targeting single-family residential homes within SDCP territory that do not already have storage or solar plus storage in early 2024. This program is designed to help with the transition from Net Energy Metering ("NEM") to Net Billing Tariff and support the solar and storage industry. The program will include an upfront incentive

to overcome the initial cost or reduce monthly loan/lease payments and a performance incentive to motivate customers to dispatch their batteries daily during peak periods to align with times when energy costs are high. The program will allow customers to optimize their solar plus storage system according to NBT and to maximize their benefits. Over time, SDCP plans to bring these battery assets under the portfolio wide DERMS deployment and co-optimize battery charge/discharge with Building Flexible Load device dispatch. The DERMS platform can dispatch "active" events, which would override the daily dispatch schedule when the price of power is high based on day-ahead forecasting to further maximize peak load reduction, while ensuring customer bill savings.

5.1.2 Managed Electric Vehicle Charging Programs

Electric vehicle charging is a large and growing load for SDCP's and, consequently, a major focus of residential flexible load pilot work. SDCP plans to launch a residential managed charging pilot in mid-2024, focused on the use of vehicle telematics to align vehicle charging with host customer time of use rates. As with the Building Flexible Load pilot, customers will be paid an upfront incentive for vehicle enrollment, as well as an ongoing incentive for remaining in the program. Also like the Building Flexible Load, the pilot will include an assessment of additional optimization pathways, such as day-ahead prices, forecasted weather, and grid conditions. In addition, SDCP is considering the inclusion of a small-scale vehicle-to-everything ("V2X") demonstration under the Managed Charging umbrella. This pilot element will optimize charging around TOU rates, like the core program, and include an assessment of battery discharge strategies ranging from minimizing onsite load to grid export. Additionally, the pilot will explore the economic and technical viability of automated dispatch from the CEC MIDAS database.

5.2 Evaluation of Programs

For a relatively young organization, SDCP is in the process of developing a robust portfolio of programs, including load flexibility, that strikes the right balance between customer needs and grid benefits. As summarized above, this portfolio is focused initially on the residential customer segment and exploring various dispatch signals, including automated response. These signals are based on several factors, including day-ahead marginal prices. The program development process will include collaborating with external vendors to build a technology platform that can optimize and automate dispatch of DERs.

The next section of the Plan evaluates the cost-effectiveness, equity, technological feasibility, and benefits to the grid and to customers of implementing programs that enable automated response to dispatch signals, including MIDAS signals, year-round, that are available to every customer class by July 1, 2027. Without program results at this time, SDCP cannot quantify the magnitude of peak load reduction and/or other benefits can be provided through programs that enable automated dispatch based on MIDAS signals.

5.2.1 Cost-Effectiveness

The first evaluation factor is cost-effectiveness. SDCP will assess cost-effectiveness of new programs by comparing the estimated costs and incremental benefits associated with designing and implementing new load flexibility programs that allow for response to dynamic price signals, including MIDAS signals, year-round. For a program to be cost-effectiveness, the expected benefits must exceed the costs of design and implementation.

5.2.1.1 Estimated Costs

The costs associated with implementing a new load flexibility program include program development, implementation, and administration costs. SDCP anticipates these cost categories would apply, regardless of customer class.

- Program development costs include the costs associated with program design and setup, including integrating new programs with the CEC's MIDAS database and any applicable technology platform to the extent feasible.

- Program administration costs include ongoing costs to administer the program such as marketing, customer recruitment, customer education, development and maintenance of customer tools, and any upfront or ongoing incentive payments that are part of the design.

- Technology and implementation costs include any external software systems that must be procured to communicate with and dispatch devices, as well as internal systems which must be developed and configured to integrate the external software. New load flexibility programs may require significant investments in new technology platforms.

5.2.1.2 Estimated Benefits

The following section describes the potential benefits associated with implementing programs that allow for automated response to dynamic price signals, including MIDAS signals, and the estimated realization of such benefits based on the additional load shift capacity available to be captured.

5.2.1.2.1 Potential Benefits

The potential benefits associated with implementing programs that achieve incremental load shift include avoided capacity and energy costs, improved reliability during peak periods, avoided GHG compliance costs, and avoided air quality, public health, and environmental costs associated with a reduction in fossil-fuel generation, consistent with the benefits discussed in Section 4.3.4.6. These potential benefits are not unique to programs implemented for any one customer class.

5.2.1.2.2 Realization of Benefits

There are several uncertainties and barriers associated with realizing the above-identified incremental load shift potential and its associated benefits. SDCP expects these barriers and uncertainties to apply across residential, C&I, and agricultural customer classes. These uncertainties and barriers are summarized as follows:

- While there has been a rapid increase in the number of devices on the market that are able to automate load reductions, SDCP is not aware of any devices capable of effectively responding to real-time signals without significantly compromising customers' daily activities. Battery storage, EVs and even thermostats all require advance notice to meet customer needs.

- Removing the limits on how many program events can be called may bring additional load flexibility to utilities and CCAs, but frequent device dispatch without first understanding the impacts on customer experience runs the risk of eroding participation and satisfaction in the program.

- SDCP anticipates that directly exposing participants to market prices could result in deeper load reductions, to the extent that increasing prices drive customers to shift more load away from the peak. However, the magnitude of additional load reduction as a function of price is not yet known. In addition, higher customer risk with dynamic prices is likely to reduce participation and benefits.

- SDCP anticipates that new programs would have to tap into load shift on 5- to 10- minute intervals to create incremental benefits relative to our programs and it is not yet known whether the issuance of multiple price signals over a peak period, or higher prices over the same period, would result in material incremental benefits, compared to existing programs.

5.2.1.2.3 Expected Incremental Benefits

Based on the above factors, following is a discussion of expected incremental benefits associated with programs that allow for automated response to dynamic price signals:

- The primary value stream for SDCP's load flexibility programs will be avoided RA procurement. To the extent a given program can generate MWs that meet the resource characteristics needed to avoid RA procurement, these avoided costs can be credited against the costs associated with implementing the program. While programs that expose customers to dynamic price signals may drive incremental load reductions when prices are highest, it is unknown how much and how reliable that incremental reduction would be, and how it would be credited under the current RA framework. Moreover, the magnitude of the load shift depends on significant adoption and acceptance of enabling technology.

- To the extent that new program structures and technology allow for faster load shift in response to short price spikes or drive greater load shift away from peak periods, SDCP could see reductions in energy purchase costs, but this is currently not yet known. Future program design will seek to maximize the energy savings associated with customer load flexibility, balanced against technological capability, customer acceptance, and impact on the overall energy system.

- Given uncertainties around customer response to dynamic price signals and current penetration of enabling technology, SDCP is unable to determine whether there would be secondary benefits (reliability benefits, avoided transmission and distribution costs, avoided GHG compliance costs, avoided public health, air quality, and environmental costs) associated with further reducing demand during peak periods from programs with automated response to hourly price signals versus existing programs.

5.2.1.3 Discussion

Based on the foregoing evaluation, SDCP cannot conclude that the development of new programs that allow for automated responses to dynamic price signals would be cost-effective at this time. SDCP will incur new programs' costs associated with design, implementation, and new technology investments. While these costs could potentially be offset with capacity and/or energy cost savings, the magnitude of those benefits are uncertain.

In addition, SDCP anticipates that any incremental benefits will be limited in the near-term, while new technology is continuing to grow. SDCP will continue to assess the expected incremental costs and

benefits associated with incorporating more dynamic price signals and/or allowing resources to be dispatched by MIDAS signals, as SDCP develops and potentially implements new programs.

5.2.2 Equity

The second criterion for evaluating new programs is equity. SDCP qualitatively evaluates whether programs that enable automated response to dynamic prices, including MIDAS signals, are likely to lead to equitable outcomes.

5.2.2.1 Equitable Access to Direct Benefits

When designing any program, SDCP ensures that all aspects of program design take equity into account. SDCP has committed to equity and the specific strategies for addressing it in SDCP's Community Power Plan ("CPP"). The CPP was created to provide strategic direction for developing customer energy programs that respond to community needs, with a focus on underserved communities and equity.

In accordance with the CPP, SDCP is committed to include equity as a core principle when designing programs that allow for response to dynamic signals, given the current access barriers and risk of price exposure that may disproportionately be experienced by lower income customers and customers from our communities of concern.

5.2.2.2 Equitable Access to Indirect Benefits

Program design also plays a major role in determining whether a program delivers incremental load shift benefits and results in cost savings and improved air quality, public health, and environmental outcomes that accrue to all customers. The realization of any indirect benefits is uncertain because SDCP cannot quantify load shift benefits that dynamic price signals would result.

5.2.2.3 Discussion

Based on the foregoing evaluation, SDCP is unable to conclude that implementing new programs that allow for automated response to dynamic price signals, including MIDAS signals, would materially address equity. Programs can be designed to ensure equitable access to participation and benefits regardless of if the programs incorporate sending dynamic signals directly to customers. Furthermore, the risk of price exposure from dynamic rates could potentially exacerbate inequities in outcomes.

5.2.3 Technological Feasibility

The third evaluation factor for programs is technological feasibility. SDCP's evaluation assesses the technological feasibility of implementing programs that allow for automated response to dynamic price signals on the schedule specified in the LMS requirements. SDCP's evaluation considers the feasibility of both the systems needed to dispatch dynamic price signals, including MIDAS signals, and to the external customer technology that is needed to enable response to hourly or sub-hourly signals.

5.2.3.1 SDCP's Technology Systems

As described previously, SDCP will coordinate and collaborate with external vendors and SDG&E to ensure technological platforms are configured to implement new programs. SDCP has started discussions with multiple parties in assessing whether it is technologically feasible to incorporate programs that enable automatic response to dynamic price signals, including MIDAS signals, into current platforms.

5.2.3.2 Enabling Customer Technology

The incremental benefits derived from implementing new programs that allow for response to dynamic price signals depend on customer participation and the widespread availability and acceptance of devices that can respond to sub-hourly price signals without compromising customer experience. Refer to Section 4.3.3.2 for a detailed description of common load flexibility technologies that are deployed across the state, and their capabilities and challenges.

5.2.3.3 Discussion

SDCP is uncertain whether the technology and platforms needed to enable programs that allow for response to dynamic price signals exist or could be updated on the LMS requirements' timeframe, given close coordination and collaboration with external vendors and SDG&E will be required. However, SDCP has started discussions with those parties on technological feasibility in anticipation of developing and offering programs with enabling device automation technology.

5.2.4 Benefits to the Grid and Customers

The final two criteria for evaluating dynamic rates are benefits to the grid and to customers. SDCP is evaluating these factors separately, in contrast to the previous dynamic rates evaluation.

5.2.4.1 Benefits to the Grid

To the extent that new programs enabling responses to dynamic price signals result in consistent, material incremental load reduction, the following are potential grid benefits:

- Deferred or reduced need for new generation capacity or RA procurement.
- Deferred or reduced need for wholesale energy purchases to meet peak demand.
- Deferred or reduced need to upgrade transmission and/or distribution capacity to deliver energy to meet peak demand.
- Increased reliability is associated with reducing grid strain during periods of peak demand.

These benefits all depend, in significant part, on the magnitude of load shift resulting from new programs. Mutual benefit is necessary for effective, consistent load shift. With limited available information, SDCP is unable to quantify load shift benefits of new MIDAS-integrated programs.

5.2.4.2 Benefits to Customers

The following is a summary of potential customers benefits associated with implementing new programs that allow for automated response to dynamic price signals:

- Pass-through cost savings associated with the realization of a reduced need for generation capacity, transmission and/or distribution upgrades, and higher-price wholesale energy purchases to meet peak load.
- Pass-through cost savings associated with avoided GHG compliance costs, to the extent that the incremental load shift reduces the need to rely on fossil-fuel resources to meet peak demand. SDCP anticipates these savings will become less significant as SDCP's energy supply transitions towards 100 percent renewable.

- Pass-through increased reliability, to the extent this grid benefit is realized.

- Improved public health, air quality, and environmental outcomes, to the extent that the incremental load shift reduces the need to rely on fossil-fuel resources to meet peak demand.

- Cost savings associated with participation, to the extent that devices automatically shift load away from higher price periods.

Based on the uncertainty of the magnitude of load reduction benefits that the new programs can achieve, SDCP is unable to conclude that there would be any incremental pass-through cost savings or reliability benefits to customers. Similarly, SDCP anticipates that any incremental air quality, public health, and environmental benefits would also be uncertain.

5.2.5 Compliance Approach

The following section of the Plan describes how SDCP plans to address the requirements to identify cost-effective programs that allow for automated response to dynamic price signals and offer customers voluntary participation in these programs, based on our evaluation of such programs.

5.2.5.1 Identification of Cost-Effective Load Flexibility Programs

Consistent with the LMS requirements, SDCP will submit to the CEC, no later than October 1, 2024, a list of cost-effective load flexibility programs that enable automated response to MIDAS signals for each customer class, if any, where such a program is determined by SDCP's Board to materially increase peak load reduction. Based on available information, SDCP is unable to determine that adding new programs that allow response to MIDAS signals would materially reduce peak load for any customer class or exceed the costs of implementation. SDCP will continue to evaluate the cost-effectiveness and incremental peak load reduction potential associated with incorporating automated response to MIDAS signals.

5.2.5.2 Voluntary Participation in Cost-Effective Load Flexibility Programs

SDCP is currently developing load flexibility programs that may offer customers voluntary participation. However, SDCP is unable to demonstrate that offering such programs beginning on July 1, 2027 would be cost effective. SDCP will continue to assess the cost-effectiveness and peak load reduction potential of programs that enable automated response to MIDAS signals as more information becomes available.

6. Public Information Program

Adopted LMS amendments section 1623.1(a)(5) requires each large CCA to conduct a public information program to inform and educate impacted customers about dynamic rates and/or load flexibility programs. Specifically, the information program must explain why dynamic rates or load flexibility programs, and their automation, are needed, how they will be used, and how they lower energy costs. This section of the Plan addresses how SDCP will comply with the public information program requirements.

6.1 SDCP's Communication Approach

As a community-driven local electricity provider, SDCP is committed to broad customer outreach and education, communication, and customer service. SDCP provides its customers with the information, education, and tools to best manage their energy use according to their needs.

SDCP communicates through a wide variety of channels, including our website, social media, in-person, and direct mail to help ensure customers are aware of SDCP more broadly and specifically about available time-dependent rates and load flexibility programs, and their benefits.

As part of our commitment to customer access and education, SDCP formally established a Language Access Policy to ensure that customers can access information and materials in their preferred language. SDCP's customer service agents regularly interact with customers over the phone and email to address questions and concerns and resolve issues. We strive to empower our customers with comprehensive information, education, and tools tailored to meet their unique energy needs.

SDCP has developed a comprehensive and customer-centric communication strategy that recognizes the unique customer segments that SDCP serves. This strategic approach is designed not only to disseminate information but to empower our customers, enabling them to make well-informed decisions aligned with their individual needs. Through our website, customers have access to a centralized hub of resources, where they can find detailed information and educational materials tailored to enhance their understanding of SDCP as an organization, energy efficiency, and time-dependent rates. Our active presence on various social media platforms amplifies our engagement, providing a space for interactive communication and real-time updates. In the spirit of transparency, SDCP maintains regular communication with regional media, providing factual and timely information to the broader public.

SDCP's communication and community outreach efforts reflect the diverse communities we serve, so a broad mix of communication channels is used to reach all customers. This includes in-person outreach in the community at public events with information and resources available to the attendees. SDCP regularly participates in events across our member agencies as we aim to increase general awareness and answer questions in a friendly, helpful manner. In addition to community outreach, SDCP consistently sponsors large events throughout the greater San Diego region to increase general brand awareness.

6.2 Current Outreach and Marketing

SDCP recognizes the importance of collaboration and public outreach. SDCP has engaged in a variety of public relations, marketing, community outreach, and local government affairs activities to drive energy awareness and education, spark community engagement, and maintain high customer enrollment. We work closely with internal and external stakeholders to encourage participation in programs and leveraging relationships with community partners to amplify our marketing and outreach efforts.

As noted above, SDCP's commitment to broad, in-person outreach and engagement is critical to our efforts. In 2023 SDCP participated in over 70 in-person events throughout our service territory which created the opportunity for approximately 250,000 interactions.

Having recently completed mass enrollment, SDCP has expanded marketing efforts to continue to educate our customers about SDCP and specifically, on the simple actions they can take to limit energy

use during times of peak use. Energy tips and education around time-dependent rates can be found across our digital communication channels and in printed materials, including the Power Content Label mailer, which serves as an annual touchpoint with customers. This approach has expanded to digital efforts in both organic and paid social media, and into other marketing efforts, including a year-long sponsorship agreement with San Diego Magazine across print and digital channels and other local print and television outlets.

To achieve decarbonization goals, SDCP will continue to educate customers on the benefits of peak load reduction through time-dependent rates and load flexibility programs, how they work and how they can save the customers money. SDCP will continue to develop new strategies, processes and capacity to conduct more community outreach, expand marketing and brand awareness efforts, and provide timely, accurate information across multiple channels.

6.3 Compliance Approach

SDCP will continue with communication best practices to maintain its outreach, education, and marketing of rates, programs, and pilots that support load flexibility and recognize the benefits of reducing peak load. In parallel, SDCP will also update education and marketing materials to incorporate discussion of new rates, programs, and pilots, along with the role of automation.

7. Delay and Modification of Compliance Requirements

Adopted LMS amendments section 1623.1(a)(2) of the LMS regulation specifies that a Large CCA may approve a compliance plan, or material revisions to an approved plan, that delays or modifies compliance with certain LMS requirements. To do so, the compliance plan must demonstrate one of the following factors:

- That despite good faith efforts to comply, requiring timely compliance would result in extreme hardship.
- Requiring timely compliance would result in reduced system reliability, equity, safety, or efficiency.
- Requiring timely compliance would not be technologically feasible or cost-effective to implement.
- Or despite good faith efforts to implement a compliance plan, it must be modified to provide a more technologically feasible, equitable, safe, or cost-effective way to achieve the LMS requirements or the plan's goals.

This section of the Plan addresses how SDCP's Plan delays or modifies compliance with certain elements of the LMS requirements.

7.1 Providing RINs to Customers

Adopted LMS amendments section 1623(c)(4) requires each Large CCA to provide customers access to their RIN(s) on billing statements and in online accounts by April 1, 2024, using both text and QR code. As detailed in section 3.1.2 of this Plan, SDCP plans to make the RINs available to customers in the

required formats within the designated time and SDCP has already begun engaging with appropriate parties, including SDG&E, on the necessary changes.

SDG&E has complete control of both paper and electronic billing statement designs. While SDCP does not anticipate needing to modify the RIN access requirement at this time, based on the scope of work and estimated completion timelines, compliance could be delayed if, for example, SDG&E's current bill design constrains the inclusion of the RIN in text and/or QR code, and the redesign cannot be timely completed, tested, and implemented by the same deadline. In such circumstances, SDCP would need to modify the deadline for providing RINs to customers in both text and QR code because implementing this requirement by April 1, 2024, would not be technologically feasible.

7.2 Statewide RIN Access Tool

7.2.1 Development of Statewide Tool

Adopted LMS amendments section 1623(c) requires the utilities and Large CCAs to develop a single statewide standard tool for authorized rate data access by third parties, along with a single set of terms and conditions for third parties using the tool, for submission to the CEC by October 1, 2024, for approval.

As discussed in section 3.1.3, SDCP plans to collaborate with the parties and has committed staff to participate in the working group. While SDCP anticipates that developing a single statewide tool that can perform the specified requirements and integrate with each load serving entity's system will be a challenging and complex task, at this time SDCP intends to comply with the requirement. Because the tool development requirement is jointly held by the utilities and Large CCAs, SDCP is optimistic that significant progress will be made and does not seek to delay or modify this requirement within this Plan. Should the need for an extension arise, SDCP anticipates that the parties would approach the CEC Executive Director collectively in accordance with section 1623(c)(2)(B) of the LMS, which allows the CEC Executive Director to extend the submission deadline upon a showing of good cause.

7.2.2 Implementation of Statewide Tool

Adopted LMS amendments section 1623(c)(3) also requires the utilities and Large CCAs to implement and maintain the tool, upon its approval by the CEC. SDCP does not anticipate needing to modify compliance with this requirement currently. However, SDCP notes that integration of the approved tool with internal systems could be delayed if the development and/or CEC approval of the tool are delayed, because integrating the tool before it is finalized and approved would not be technologically feasible, or if the cost of integrating the tool would cause extreme hardship for SDCP or SDCP's customers.

7.3 Dynamic Rates

Adopted LMS amendments section 1623.1(b)(2) directs each Large CCA to apply for approval of at least one dynamic rate for the customer class(es) from its Board by July 1, 2025, for which the Board determines such rate will materially reduce peak load. Section 1623.1(b)(4) requires CCAs to offer customers voluntary participation in such a rate or a specified load flexibility program by July 1, 2027.

As discussed in Section 4.3, based on its evaluation of dynamic rates, SDCP cannot currently conclude that developing and implementing such rates on the LMS timeframe for any customer class would result in material reductions in peak load or be cost effective. This is due to the following:

- Delayed SDG&E service area dynamic rate pilots, and corresponding data, to evaluate peak load reduction and cost-effectiveness.

- There is a significant market risk to customers on dynamic rates, even with enabling load-shifting technology.

- Customers understand time-dependent rates and programs better than a dynamic, market-based rate that fluctuates hourly.

While dynamic rates have the potential to provide incremental load shift and related benefits, there are significant uncertainties in the magnitude of such benefits. Without evaluation data from SDG&E service area dynamic rate pilots, it is incredibly difficult to quantify incremental load shift benefits and cost-effectiveness of dynamic rate implementation. In addition, implementation of unfamiliar and complex rate structures without sufficient testing and refinement of new rate designs, as well as thorough education, is likely to cause customer confusion, risking low adoption and limiting any incremental load shift benefits. The realization of incremental load shift benefits is made more uncertain by additional risks customers may bear with dynamic rates, especially if new enabling technology is not widely adopted.

While SDCP is not required to propose dynamic rates where such rates are not determined to materially reduce peak load, SDCP has determined that, for the reasons set forth in this Plan, the LMS requirements must be modified to provide a more cost-effective and technologically feasible way for SDCP to, in good faith, meet the LMS requirements and achieve the LMS goals. Thus, SDCP proposes to modify the dynamic rate requirements of the LMS to defer the development or proposal of new hourly or sub-hourly rate options, and offering new rates to SDCP's customers would be likewise deferred. SDCP believes proposing dynamic rates to our Board by July 1, 2025, to implement them by July 1, 2027, is premature. SDCP will continue offering our suite of time-dependent rates while gathering information for analysis once data is available from dynamic rate pilots in SDG&E's service area. The results of the pilots will help SDCP better understand the effectiveness of the pilot approach, how customers with different technologies respond to different dispatch signals, and to what extent incremental load shift opportunities exist beyond existing time-dependent rates and programs. As SDCP receives and analyzes results from those pilots, SDCP will be better positioned to evaluate the cost-effectiveness and flexibility of dynamic rates. SDCP will review dynamic rates in the next Plan update.

7.4 Dynamic Response Load Flexibility Programs

7.4.1 Identification of Cost-Effective Load Flexibility Programs

Adopted LMS amendments section 1623.1(b)(3) requires each Large CCA to submit a list of cost-effective MIDAS-integrated load flexibility programs to the CEC Executive Director by October 1, 2024. The portfolio of load flexibility programs must provide at least one option to automate response to MIDAS signals (that indicate, for example, hourly marginal cost-based rates, marginal prices, or hourly or sub-hourly GHG emissions) for every customer class where such a program would materially reduce peak load.

As discussed in Section 5.3, adding or modifying programs to allow response to MIDAS signals has not yet been determined to result in material incremental reductions in peak load for any customer class or to be cost effective. This is in part due to the uncertainties in incremental peak load reduction potential

and customer acceptance when introducing hourly or sub-hourly price signals and exposure to market price spikes and volatility.

SDCP is required to identify MIDAS-integrated dynamic load flexibility programs for customer classes where such programs are determined to be cost-effective and materially reduce peak load. SDCP anticipates submitting a list that includes planned load flexibility programs and pilots that achieve LMS goals without automated response to MIDAS signals, by October 1, 2024, because SDCP's evaluation has not concluded that developing and implementing programs or pilots with automated response to MIDAS would be cost-effective or materially reduce peak load. SDCP has determined that modifying this requirement is necessary to provide a more cost-effective and feasible way to meet the LMS requirements and achieve the LMS goals. Thus, SDCP will evaluate the cost-effectiveness and incremental peak load reduction potential associated with incorporating automated response to MIDAS signals into new pilots and include on a future list as appropriate.

7.4.2 Voluntary Participation in Cost-Effective Load Flexibility Programs

Adopted LMS amendments section 1623.1(b)(4) requires each Large CCA to offer customers voluntary participation in either a dynamic rate, if approved by the Board, or cost-effective MIDAS-integrated load flexibility program by July 1, 2027.

SDCP is required to offer voluntary participation in cost-effective load flexibility programs that materially reduce peak load. As discussed in Sections 5 and 7.4.1 above, SDCP's evaluation has been unable to conclude that developing and implementing new load flexibility programs or pilots with automated response to MIDAS signals would be cost effective or materially reduce peak load. SDCP has determined that, for the reasons set forth in this Plan, the LMS program participation requirements must be modified to provide a more cost-effective and technologically feasible way for SDCP to, in good faith, meet the LMS requirements and achieve the LMS goals. Thus, SDCP modifies this requirement to include voluntary participation in any load flexibility program or pilot, not just programs that allow for automated response to MIDAS signals. SDCP will assess the cost-effectiveness and peak load potential of planned and new programs that enable automated response to MIDAS signals as SDCP develops and refines load flexibility programs.

Appendix A

The following are the RINs associated with each of SDCP's rates and rate permutations that were uploaded to MIDAS.

RIN	Rate Permutation
USCA-XXSA-0001-0000	G-A6-TOU-P 2020 Vintage
USCA-XXSA-0002-0000	G-A6-TOU-P 2021 Vintage
USCA-XXSA-0003-0000	G-A6-TOU-P 2022 Vintage
USCA-XXSA-0004-0000	G-A6-TOU-T 2020 Vintage
USCA-XXSA-0005-0000	G-A6-TOU-T 2021 Vintage
USCA-XXSA-0006-0000	G-A6-TOU-T 2022 Vintage
USCA-XXSA-0007-0000	G-AL-TOU-P 2020 Vintage
USCA-XXSA-0008-0000	G-AL-TOU-P 2021 Vintage
USCA-XXSA-0009-0000	G-AL-TOU-P 2022 Vintage
USCA-XXSA-0010-0000	G-AL-TOU-S 2020 Vintage
USCA-XXSA-0011-0000	G-AL-TOU-S 2021 Vintage
USCA-XXSA-0012-0000	G-AL-TOU-S 2022 Vintage
USCA-XXSA-0013-0000	G-AL-TOU-T 2020 Vintage
USCA-XXSA-0014-0000	G-AL-TOU-T 2021 Vintage
USCA-XXSA-0015-0000	G-AL-TOU-T 2022 Vintage
USCA-XXSA-0016-0000	G-DG-R-P 2020 Vintage
USCA-XXSA-0017-0000	G-DG-R-P 2021 Vintage
USCA-XXSA-0018-0000	G-DG-R-P 2022 Vintage
USCA-XXSA-0019-0000	G-DG-R-S 2020 Vintage
USCA-XXSA-0020-0000	G-DG-R-S 2021 Vintage
USCA-XXSA-0021-0000	G-DG-R-S 2022 Vintage
USCA-XXSA-0022-0000	G-DG-R-T 2020 Vintage
USCA-XXSA-0023-0000	G-DG-R-T 2021 Vintage
USCA-XXSA-0024-0000	G-DG-R-T 2022 Vintage
USCA-XXSA-0025-0000	G-OL-TOU 2020 Vintage
USCA-XXSA-0026-0000	G-OL-TOU 2021 Vintage
USCA-XXSA-0027-0000	G-OL-TOU 2022 Vintage
USCA-XXSA-0028-0000	G-PA-T-1-P 2020 Vintage
USCA-XXSA-0029-0000	G-PA-T-1-P 2021 Vintage
USCA-XXSA-0030-0000	G-PA-T-1-P 2022 Vintage
USCA-XXSA-0031-0000	G-PA-T-1-S 2020 Vintage
USCA-XXSA-0032-0000	G-PA-T-1-S 2021 Vintage
USCA-XXSA-0033-0000	G-PA-T-1-S 2022 Vintage
USCA-XXSA-0034-0000	G-PA-T-1-T 2020 Vintage
USCA-XXSA-0035-0000	G-PA-T-1-T 2021 Vintage
USCA-XXSA-0036-0000	G-PA-T-1-T 2022 Vintage
USCA-XXSA-0037-0000	G-TOU-A-P 2020 Vintage

RIN	Rate Permutation
USCA-XXSA-0038-0000	G-TOU-A-P 2021 Vintage
USCA-XXSA-0039-0000	G-TOU-A-P 2022 Vintage
USCA-XXSA-0040-0000	G-TOU-A-S 2020 Vintage
USCA-XXSA-0041-0000	G-TOU-A-S 2021 Vintage
USCA-XXSA-0042-0000	G-TOU-A-S 2022 Vintage
USCA-XXSA-0043-0000	G-TOU-M 2020 Vintage
USCA-XXSA-0044-0000	G-TOU-M 2021 Vintage
USCA-XXSA-0045-0000	G-TOU-M 2022 Vintage
USCA-XXSA-0046-0000	G-TOU-PA-P 2020 Vintage
USCA-XXSA-0047-0000	G-TOU-PA-P 2021 Vintage
USCA-XXSA-0048-0000	G-TOU-PA-P 2022 Vintage
USCA-XXSA-0049-0000	G-TOU-PA-P Over 20kW-2020 Vintage
USCA-XXSA-0050-0000	G-TOU-PA-P Over 20kW-2021 Vintage
USCA-XXSA-0051-0000	G-TOU-PA-P Over 20kW-2022 Vintage
USCA-XXSA-0052-0000	G-TOU-PA-S 2020 Vintage
USCA-XXSA-0053-0000	G-TOU-PA-S 2021 Vintage
USCA-XXSA-0054-0000	G-TOU-PA-S 2022 Vintage
USCA-XXSA-0055-0000	G-TOU-PA-S Over 20kW-2020 Vintage
USCA-XXSA-0056-0000	G-TOU-PA-S Over 20kW-2021 Vintage
USCA-XXSA-0057-0000	G-TOU-PA-S Over 20kW-2022 Vintage
USCA-XXSA-0150-0000	A6-TOU-P 2020 Vintage
USCA-XXSA-0151-0000	A6-TOU-P 2021 Vintage
USCA-XXSA-0152-0000	A6-TOU-P 2022 Vintage
USCA-XXSA-0153-0000	A6-TOU-T 2020 Vintage
USCA-XXSA-0154-0000	A6-TOU-T 2021 Vintage
USCA-XXSA-0155-0000	A6-TOU-T 2022 Vintage
USCA-XXSA-0156-0000	AL-TOU-2-P 2020 Vintage
USCA-XXSA-0157-0000	AL-TOU-2-P 2021 Vintage
USCA-XXSA-0158-0000	AL-TOU-2-P 2022 Vintage
USCA-XXSA-0159-0000	AL-TOU-2-S 2020 Vintage
USCA-XXSA-0160-0000	AL-TOU-2-S 2021 Vintage
USCA-XXSA-0161-0000	AL-TOU-2-S 2022 Vintage
USCA-XXSA-0162-0000	AL-TOU-2-T 2020 Vintage
USCA-XXSA-0163-0000	AL-TOU-2-T 2021 Vintage
USCA-XXSA-0164-0000	AL-TOU-2-T 2022 Vintage
USCA-XXSA-0165-0000	AL-TOU-P 2020 Vintage
USCA-XXSA-0166-0000	AL-TOU-P 2021 Vintage

RIN	Rate Permutation
USCA-XXSA-0167-0000	AL-TOU-P 2022 Vintage
USCA-XXSA-0168-0000	AL-TOU-S 2020 Vintage
USCA-XXSA-0169-0000	AL-TOU-S 2021 Vintage
USCA-XXSA-0170-0000	AL-TOU-S 2022 Vintage
USCA-XXSA-0171-0000	AL-TOU-T 2020 Vintage
USCA-XXSA-0172-0000	AL-TOU-T 2021 Vintage
USCA-XXSA-0173-0000	AL-TOU-T 2022 Vintage
USCA-XXSA-0174-0000	DG-R-P 2020 Vintage
USCA-XXSA-0175-0000	DG-R-P 2021 Vintage
USCA-XXSA-0176-0000	DG-R-P 2022 Vintage
USCA-XXSA-0177-0000	DG-R-S 2020 Vintage
USCA-XXSA-0178-0000	DG-R-S 2021 Vintage
USCA-XXSA-0179-0000	DG-R-S 2022 Vintage
USCA-XXSA-0180-0000	DG-R-T 2020 Vintage
USCA-XXSA-0181-0000	DG-R-T 2021 Vintage
USCA-XXSA-0182-0000	DG-R-T 2022 Vintage
USCA-XXSA-0183-0000	DR-SES 2020 Vintage
USCA-XXSA-0184-0000	DR-SES 2021 Vintage
USCA-XXSA-0185-0000	DR-SES 2022 Vintage
USCA-XXSA-0186-0000	EV-HP-P 2020 Vintage
USCA-XXSA-0187-0000	EV-HP-P 2021 Vintage
USCA-XXSA-0188-0000	EV-HP-P 2022 Vintage
USCA-XXSA-0189-0000	EV-HP-S 2020 Vintage
USCA-XXSA-0190-0000	EV-HP-S 2021 Vintage
USCA-XXSA-0191-0000	EV-HP-S 2022 Vintage
USCA-XXSA-0192-0000	EV-TOU 2020 Vintage
USCA-XXSA-0193-0000	EV-TOU 2021 Vintage
USCA-XXSA-0194-0000	EV-TOU 2022 Vintage
USCA-XXSA-0195-0000	EV-TOU-2 2020 Vintage
USCA-XXSA-0196-0000	EV-TOU-2 2021 Vintage
USCA-XXSA-0197-0000	EV-TOU-2 2022 Vintage
USCA-XXSA-0198-0000	EV-TOU-5 2020 Vintage
USCA-XXSA-0199-0000	EV-TOU-5 2021 Vintage
USCA-XXSA-0200-0000	EV-TOU-5 2022 Vintage
USCA-XXSA-0201-0000	LS-2-AD 2020 Vintage
USCA-XXSA-0202-0000	LS-2-AD 2021 Vintage
USCA-XXSA-0203-0000	LS-2-AD 2022 Vintage
USCA-XXSA-0204-0000	OL-TOU 2020 Vintage
USCA-XXSA-0205-0000	OL-TOU 2021 Vintage
USCA-XXSA-0206-0000	OL-TOU 2022 Vintage
USCA-XXSA-0207-0000	PA-T-1-P 2020 Vintage
USCA-XXSA-0208-0000	PA-T-1-P 2021 Vintage

RIN	Rate Permutation
USCA-XXSA-0209-0000	PA-T-1-P 2022 Vintage
USCA-XXSA-0210-0000	PA-T-1-S 2020 Vintage
USCA-XXSA-0211-0000	PA-T-1-S 2021 Vintage
USCA-XXSA-0212-0000	PA-T-1-S 2022 Vintage
USCA-XXSA-0213-0000	PA-T-1-T 2020 Vintage
USCA-XXSA-0214-0000	PA-T-1-T 2021 Vintage
USCA-XXSA-0215-0000	PA-T-1-T 2022 Vintage
USCA-XXSA-0216-0000	TOU-A-2-P 2020 Vintage
USCA-XXSA-0217-0000	TOU-A-2-P 2021 Vintage
USCA-XXSA-0218-0000	TOU-A-2-P 2022 Vintage
USCA-XXSA-0219-0000	TOU-A-2-S 2020 Vintage
USCA-XXSA-0220-0000	TOU-A-2-S 2021 Vintage
USCA-XXSA-0221-0000	TOU-A-2-S 2022 Vintage
USCA-XXSA-0222-0000	TOU-A-3-P 2020 Vintage
USCA-XXSA-0223-0000	TOU-A-3-P 2021 Vintage
USCA-XXSA-0224-0000	TOU-A-3-P 2022 Vintage
USCA-XXSA-0225-0000	TOU-A-3-S 2020 Vintage
USCA-XXSA-0226-0000	TOU-A-3-S 2021 Vintage
USCA-XXSA-0227-0000	TOU-A-3-S 2022 Vintage
USCA-XXSA-0228-0000	TOU-DR 2020 Vintage
USCA-XXSA-0229-0000	TOU-DR 2021 Vintage
USCA-XXSA-0230-0000	TOU-DR 2022 Vintage
USCA-XXSA-0231-0000	TOU-DR-1 2020 Vintage
USCA-XXSA-0232-0000	TOU-DR-1 2021 Vintage
USCA-XXSA-0233-0000	TOU-DR-1 2022 Vintage
USCA-XXSA-0234-0000	TOU-ELEC 2020 Vintage
USCA-XXSA-0235-0000	TOU-ELEC 2021 Vintage
USCA-XXSA-0236-0000	TOU-ELEC 2022 Vintage
USCA-XXSA-0237-0000	TOU-M 2020 Vintage
USCA-XXSA-0238-0000	TOU-M 2021 Vintage
USCA-XXSA-0239-0000	TOU-M 2022 Vintage
USCA-XXSA-0240-0000	TOU-PA-2-P 2020 Vintage
USCA-XXSA-0241-0000	TOU-PA-2-P 2021 Vintage
USCA-XXSA-0242-0000	TOU-PA-2-P 2022 Vintage
USCA-XXSA-0243-0000	TOU-PA-2-S 2020 Vintage
USCA-XXSA-0244-0000	TOU-PA-2-S 2021 Vintage
USCA-XXSA-0245-0000	TOU-PA-2-S 2022 Vintage
USCA-XXSA-0246-0000	TOU-PA-3-P 2020 Vintage
USCA-XXSA-0247-0000	TOU-PA-3-P 2021 Vintage
USCA-XXSA-0248-0000	TOU-PA-3-P 2022 Vintage
USCA-XXSA-0249-0000	TOU-PA-3-P Over 20kW-2020 Vintage

RIN	Rate Permutation
USCA-XXSA-0250-0000	TOU-PA-3-P Over 20kW-2021 Vintage
USCA-XXSA-0251-0000	TOU-PA-3-P Over 20kW-2022 Vintage
USCA-XXSA-0252-0000	TOU-PA-3-S 2020 Vintage
USCA-XXSA-0253-0000	TOU-PA-3-S 2021 Vintage
USCA-XXSA-0254-0000	TOU-PA-3-S 2022 Vintage
USCA-XXSA-0255-0000	TOU-PA-3-S Over 20kW-2020 Vintage
USCA-XXSA-0256-0000	TOU-PA-3-S Over 20kW-2021 Vintage
USCA-XXSA-0257-0000	TOU-PA-3-S Over 20kW-2022 Vintage
USCA-XXSA-0264-0000	TOU-A-P 2020 Vintage
USCA-XXSA-0265-0000	TOU-A-P 2021 Vintage
USCA-XXSA-0266-0000	TOU-A-P 2022 Vintage
USCA-XXSA-0268-0000	TOU-A-S 2020 Vintage
USCA-XXSA-0269-0000	TOU-A-S 2021 Vintage
USCA-XXSA-0270-0000	TOU-A-S 2022 Vintage
USCA-XXSA-0272-0000	TOU-DR-2 2020 Vintage
USCA-XXSA-0273-0000	TOU-DR-2 2021 Vintage
USCA-XXSA-0274-0000	TOU-PA-P 2020 Vintage
USCA-XXSA-0275-0000	TOU-PA-P 2021 Vintage
USCA-XXSA-0276-0000	TOU-PA-P 2022 Vintage
USCA-XXSA-0277-0000	TOU-DR-2 2022 Vintage
USCA-XXSA-0278-0000	TOU-PA-S 2020 Vintage
USCA-XXSA-0279-0000	TOU-PA-S 2021 Vintage
USCA-XXSA-0280-0000	TOU-PA-S 2022 Vintage

SAN DIEGO COMMUNITY POWER
Staff Report – Item 9

To: San Diego Community Power Community Advisory Committee

From: Alyson Scurlock, Senior Program Associate
Colin Santulli, Director of Programs

Via: Karin Burns, Chief Executive Officer

Subject: FY 2023-24 Community Grant Program Update

Date: February 8, 2024

RECOMMENDATION

Receive and file the update on SDCP's Fiscal Year ("FY") 2023-24 Community Grant Program.

BACKGROUND

SDCP's Community Grant Program aims to support local clean energy projects and programs that provide economic, environmental, health, and community benefits. In March 2023, SDCP officially launched the FY 2022-23 program cycle and in June 2023, grant awards were provided to 10 organizations. Grant reporting for the first round of awardees is anticipated to conclude in June 2024.

Once the inaugural FY 2022-23 program was underway, Staff began planning for the FY 2023-24 program. In August 2023, SDCP ran a competitive bidding process to establish ongoing program administration support. San Diego Foundation ("SDF") was selected to serve as the program administrator for SDCP's Community Grant Program for the next three program cycles (until FY 2025-26) based on their demonstrated expertise supporting similar grant programs locally, established relationships with community-based organizations/nonprofits, and experience securing additional funding to support program budgets. SDF's mission is to inspire enduring philanthropy and enable community solutions to improve the quality of life in the San Diego region.

Staff have been developing the FY 2023-24 program guidelines over the last few months with SDF and are now preparing to launch the grant cycle in late February 2024.

ANALYSIS AND DISCUSSION

Program Overview

SDCP's FY 2023-24 Community Grant Program will award funding to community-based organizations and nonprofits to implement projects that move communities toward a

healthier, more sustainable, clean energy future. For the FY 2023-24 program cycle, funding from Calpine Energy Solutions ("Calpine"), SDCP's back-office provider, will be included in the total funding amount. Under Calpine's Professional Services Agreement with SDCP, Calpine commits to providing 3% of their annual service fees paid by SDCP to community organizations.

For the FY 2023-24 program cycle, upwards of $1,000,000 will be awarded, with grant sizes ranging from $25,000 to $100,000. Grant funds must be expended within 24 months from their award date.

Program Timing

The following table outlines the anticipated timeline for the FY 2023-24 program cycle.

Date	Description
February 26, 2024	Application period opens
April 5, 2024	Proposals due by 5:00 p.m. PDT
June 2024	Grant awardees notified, grant agreements executed, and press event
June 2026	Grant reporting anticipated to conclude

Program Guidelines

Similar to last year, applications must be led by a nonprofit with a 501(c)(3) public charity status and have proven experience serving community members through projects or programs. Proposed projects or programs must serve SDCP customers, directly relate to clean energy, and advance one or more of the following focus areas:

- Increasing overall energy literacy of SDCP customers.
- Energy focused educational programming that encourages clean energy use, particularly for youth.
- Improvements in indoor and/or outdoor air quality related to electrification.
- Workforce development opportunities that support careers in the clean energy industry.
- Improved energy resilience to ensure communities can avoid, prepare for, minimize, adapt to, and recover from energy disruptions.

A collaborative evaluation committee consisting of staff from SDCP, SDF, and Calpine will review, score, and select applications based on the evaluation criteria listed in the following table (out of 50 points).

Criteria	Description	Scoring
Funding Priority Alignment & Program Design	Project/program is designed to meet community needs while advancing one or more of the following focus areas: • Increasing overall energy literacy of SDCP customers. • Energy focused educational programming that encourages clean energy use, particularly for youth. • Improvements in indoor and/or outdoor air quality related to electrification. • Workforce development opportunities that support careers in the clean energy industry. • Improved energy resilience to ensure communities can avoid, prepare for, minimize, adapt to, and recover from energy disruptions.	20 Points
Feasibility	Application demonstrates having the staffing capability, timing, partnerships, and applicable skills to successfully implement the project/program. Budget is within the allowable grant range and is reasonable for the project/program's scope.	13 Points
Communities Served	Project/program demonstrates a comprehensive understanding of the population to be served and focuses on Communities of Concern in SDCP's service territory.	12 Points
Impact & Growth	Project/program is impactful with the potential to be replicated and/or expanded to other communities in SDCP's service territory.	5 Points

Program Promotion and Outreach

Promotional and outreach activities that SDCP and SDF may undertake to promote the FY 2023-24 program cycle include, but are not limited to, webpage updates, a pre-recorded webinar, press releases, newsletter updates, email blasts, and social media posts.

Staff are looking to enlist the help of Community Advisory Committee ("CAC") members to help promote the FY 2023-24 program cycle to their respective communities. Staff will provide the CAC with materials to help promote the grant opportunity once it launches.

Ad Hoc

At the January 2024 CAC meeting, CAC members voted to form an ad hoc committee for the Community Grant Program. The ad hoc met once on January 24, 2024 and provided Staff with valuable feedback on the FY 2023-24 program guidelines. The ad hoc will provide an end of committee report at the February 2024 CAC meeting.

Next Steps

SDCP and SDF Staff will continue to prepare application and promotional outreach materials before the launch of the FY 2023-24 program cycle on February 26, 2024.

FISCAL IMPACT

The Board-approved FY 2023-24 budget included $500,000 to be allocated to the FY 2023-24 Community Grant Program and funding to support SDF's administration of the program is included in the FY 2023-24 Programs Department budget. Calpine will contribute additional funding to the FY 2023-24 program cycle per their Data Services Agreement with SDCP. All program-related expenditures will comply with the SDCP Board-approved Procurement Policy.

ATTACHMENTS

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 10

To: San Diego Community Power Community Advisory Committee

From: Emily Fisher, Senior Program Manager
Colin Santulli, Director of Programs

Via: Karin Burns, Chief Executive Officer

Subject: Residential Solar and Storage Program Update

Date: February 8, 2024

RECOMMENDATION

Receive and file the update on SDCP's residential solar and storage program.

BACKGROUND

SDCP's Net Billing Tariff ("NBT") was approved at the October 2023 Board of Directors (Board) meeting. NBT reduces the value for excess solar generation for most of the year but strongly supports adding a battery to store excess solar and dispatch during on-peak periods when rates are much higher. To support continued adoption of solar and battery energy storage systems, Staff committed to develop a solar and storage program for SDCP customers and bring an update to the Board in Q1 2024. This update seeks feedback on potential incentive program designs.

ANALYSIS AND DISCUSSION

Goals

The goals of the solar and storage program are to:

1. Install solar and storage in residential single-family homes throughout SDCP's service territory.
2. Support clean energy and reliability by leveraging batteries on a daily basis during peak periods.
3. Leverage non-SDCP incentives to support customers in overcoming system costs.
4. Build strong relationships with the industry and SDCP customers.

Stakeholder Engagement

Over the last five months, Staff have been researching existing utility programs, and engaging a wide range of stakeholders, including installers, solar/storage providers, aggregators and battery manufacturers on the program design options. Staff compiled an

inventory of related programs and interviewed program implementers/funding agencies to understand the latest program designs and best practices to adopt for our needs.

In December 2024, Staff presented initial program concepts to the standing CAC Programs Ad Hoc Committee. In January 2024, Staff held two industry workshops to present initial program concepts. The 72 attendees at the two virtual workshops included installers, aggregators, providers, and battery manufacturers. Staff learned that many in the industry are unfamiliar with SDCP and therefore it is key to continue to engage with the industry to ensure the program can be successful. Industry has the relationship with SDCP customers, so we need to rely on the industry to spread customer awareness and participation to make this program work. Overall, the industry responded positively to the program with additional feedback expected from California Solar & Storage Association ("CALSSA") members in the near future.

Based on feedback collected to date and research on other related existing solar and storage incentive programs, Staff have developed an initial program design that includes a one-time, upfront incentive and an annual performance incentive. Staff continue to seek feedback from industry and other stakeholders on program design elements outlined below including customer eligibility, incentive levels, installer requirements, battery requirements and the application process.

Customer Eligibility

Proposed program eligibility include:

- Must be an active SDCP residential customer.
- Must own a single-family home where a battery storage system(s) is being installed.
- Systems must be properly permitted and interconnected.
- Battery must be charged completely by on-site solar.
- Battery cannot simultaneously be participating (or enrolling) in any other programs (e.g., demand response or virtual power plant programs).
- Only new battery systems are eligible (SDCP application must be submitted before system is installed).

This program may target Net Energy Metering ("NEM") 2.0 customers grandfathering in a battery storage system, NEM 2.0 customers adding additional solar and/or storage and therefore transitioning to NBT, or new customers who are installing solar and storage under NBT.

Proposed Incentives

SDCP is proposing to provide an upfront incentive to support customers in overcoming higher system costs as well as performance incentives to motivate customers to dispatch their batteries daily and reduce overall peak demand to support grid reliability. Below are the proposed incentive structures.

Incentives	Market Rate	CARE/FERA[1] & Communities of Concern
Solar Upfront Incentive	N/A	$450/kW-AC[2]
Storage Upfront Incentive	$350/kWh Useable nameplate capacity	Up to $500/kWh[3] Useable nameplate capacity
Storage Performance Incentive	$0.10/kWh Based on actual performance over 2-hour period during daily on-peak periods	

[1] California Alternate Rates for Energy ("CARE") and Family Electric Rate Assistance Program ("FERA")

[2] Based on if customer is eligible for other solar incentives, e.g., Disadvantaged Communities–Single-Family Affordable Solar Homes ("DAC-SASH") and City of San Diego Equity Program

[3] Up to based on if customer is eligible for other upfront storage incentives, e.g., Self-Generation Incentive Program ("SGIP")

The upfront incentive would be a one-time payment based on the product datasheet's nameplate useable capacity (kWh). The payment will be processed after the system has received permission to operate ("PTO") and payment to the appropriate party (e.g., installer, provider) will be processed within 30 days of PTO. There may be a prorated claw back if a customer unenrolls within the first year, and that is only to ensure the customer is realizing the benefits of participating in the program and are able to capture the first annual performance incentive.

The performance incentive would be based on actual battery data from the inverter. SDCP will allow for the customer to enroll different capacities between the summer and winter season, with a minimum of 50% of the battery's capacity. A preset schedule will be provided to the battery manufacturers for the same two-hour period each month (e.g., January may require a dispatch from 6-8 PM everyday while February may require a dispatch from 7-9 PM). Batteries will be expected to perform at 90% or more of the enrolled capacity each month. If it underperforms by over 10%, the customer will forfeit their incentive for that month. The performance incentive will be paid on an annual basis, lasting for 10 years.

Proposed Installer Requirements

SDCP is proposing to have an online training requirement for installers/providers to ensure clear communication of the program from a sales and marketing perspective. Additionally, there could be self-certification to ensure high quality work is done. SDCP is considering having more requirements for installers/providers to be approved which may include years of experience, insurance requirements, defined servicing and warranties, local address, etc.

Proposed Battery Requirements

SDCP is proposing to only allow incentives for approved battery products. Battery manufacturers would provide SDCP with an ability to collect the battery performance data—either through access to a platform where SDCP can pull the data directly or

sharing it through a CSV template. Additionally, batteries must meet the following requirements:

- Have single cycle round-trip efficiency of 80% or greater.
- Battery storage system must be UL1973 and UL9540 tested and certified.
- Battery inverters associated with battery storage shall be UL1741 and UL1741 Supplement A tested and certified.
- Battery storage system must have a 10-year warranty or greater.

Application and Installation Process

The potential application flow is still being designed and evaluated with stakeholders. One potential process flow includes the following steps: Once a customer is interested, their SDCP enrollment and incentive level can be checked on a to-be-developed program webpage. After a customer is confirmed, the installer's sales staff will provide the customer with an agreement that will include the SDCP incentive application for the customer's signature and review of terms and conditions. The application will be submitted to SDCP, and once reviewed and confirmed an email will go out to both the installer/provider and the customer to notify them of approval. From there, the installer/provider can continue with the interconnection application, permitting, procuring materials, and scheduling the installation. Once the installation is complete, the PTO letter and Customer Agreement (between the customer and installer) will be submitted to SDCP and the upfront incentive will be processed and paid by SDCP within 30 days after PTO via ACH. Additionally, the battery manufacturer will be notified of the customer's participation, and they will submit the battery data monthly. SDCP will perform the incentive calculation and the performance payment will be paid annually for 10 years.

While the specifics of the application process are still being drafted, all scenarios under consideration include involvement and partnerships with industry. SDCP will provide marketing materials to sales staff, installers, and providers to share with customers to ensure proper, clear communication of program messaging.

Next Steps

Staff will continue to develop the program specifics over the next few months in preparation for the program's anticipated launch in Q2/Q3 2024.

FISCAL IMPACT

The initial $1M tranche of funding for the upfront incentive is expected to come from the Program Department's Pilot Program budget. Funding for the performance incentive will come from the Power Services Department budget, with $0.10/kWh being a reasonable payment for the capacity being brought online. There is additional value from resource adequacy (RA) that will be available from the implementation of this program to potential support in offsetting the program budget. Full program budget will be determined once program design details are finalized likely around the end of Q1.

ATTACHMENTS

N/A