



## **AGENDA**

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

February 25, 2021

5:00 p.m.

Due to the public health orders and guidelines in California and in accordance with the Governor's Executive Orders N-25-20 and N-29-20, there will be no location for in-person attendance. SDCP is providing alternatives to in-person attendance for viewing and participating in the meeting. Further details are below.

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

1. Providing Oral Comments During Meeting. To provide comments during the meeting, join the Zoom meeting by computer, mobile phone, or dial-in number. On Zoom video conference by computer or mobile phone, use the "Raise Hand" feature. This will notify the moderator that you wish to speak during a specific item on the agenda or during non-agenda Public Comment. Members of the public will not be shown on video but will be able to speak when called upon. If joining the meeting using the Zoom dial-in number, you can raise your hand by pressing \*9. Comments will be limited to three (3) minutes.
2. Written Comments. Written public comments must be submitted prior to the start of the meeting by using this ([web form](#)). Indicate a specific agenda item when submitting your comment. All written comments received prior to the meeting will be provided to the Board members in writing. In the discretion of the Chair, the first ten (10) submitted comments shall be stated into the record of the meeting. Comments read at the meeting will be limited to the first 400 words. Comments received after the start of the meeting will be collected, sent to the Board members in writing, and be part of the public record.

If you have anything that you wish to be distributed to the Board, please provide it via [info@sdcommunitypower.org](mailto:info@sdcommunitypower.org), who will distribute the information to the Members.

The public may participate using the following remote options:

Teleconference Meeting Webinar

<https://zoom.us/j/94794075133>

Telephone (Audio Only)

**AGENDA – BOARD OF DIRECTORS – SAN DIEGO COMMUNITY POWER**

**Welcome**

**Call to Order**

**Pledge of Allegiance**

**Roll Call**

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

**Public Comments**

*Opportunity for members of the public to address the Board on any items not on the agenda but within the jurisdiction of the Board. Members of the public may use the web form noted above to provide a comment or request to speak.*

**Consent Calendar**

*All matters are approved by one motion without discussion unless a member of the Board of Directors requests a specific item to be removed from the Consent Agenda for discussion. A member of the public may use the web form noted above to comment on any item on the Consent Calendar.*

- 1. Approval of the minutes of the Special Meeting and Regular Meeting of the Board of Directors of San Diego Community Power held on January 15 and January 28, 2021, respectively.**
- 2. Treasurer's Report**

**REGULAR AGENDA**

*The following items call for discussion or action by the Board of Directors. The Board may discuss and/or take action on any item listed below if the Board is so inclined.*

**3. Operations and Administration Report from the Interim Chief Executive Officer**

Receive and file staff presentation: The presentation will discuss how operations will change within each functional area of SDCP as we move into the Phase 1 delivery stage of operations.

**4. Committee Reports**

Recommendation: Receive and file update from the Community Advisory Committee.

**Director Comments**

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

### **Reports by Management and General Counsel**

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

### **ADJOURNMENT**

#### ***Compliance with the Americans with Disabilities Act***

SDCP Board of Directors meetings comply with the protections and prohibitions of the Americans with Disabilities Act. Individuals with a disability who require a modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting may contact (888) 382-0169 or [info@sdcommunitypower.org](mailto:info@sdcommunitypower.org). Requests for disability-related modifications or accommodations require different lead times and should be provided at least 72-hours in advance of the public meeting.

#### ***Availability of Board Documents***

Copies of the agenda and agenda packet are available at <https://sdcommunitypower.org/resources/meeting-notes/>. Late-arriving documents related to a Board meeting item which are distributed to a majority of the Members prior to or during the Board meeting are available for public review as required by law. Previously, public records were available for inspection at the City of San Diego Sustainability Department, located at 1200 Third Ave., Suite 1800, San Diego, CA 92101. However, due to the Governor's Executive Orders N-25-20 and N-29-20 and the need for social distancing, in-person inspection is now suspended. Public records, including agenda-related documents, can instead be requested electronically at [info@sdcommunitypower.org](mailto:info@sdcommunitypower.org) or by mail to SDCP, 815 E Street, Suite 12716, San Diego, CA 92112. The documents may also be posted at the above website.



**SAN DIEGO COMMUNITY POWER (SDCP)  
BOARD OF DIRECTORS**

San Diego City Administration Building, 12th Floor  
202 "C" Street  
San Diego, CA 92101

**SPECIAL MEETING MINUTES**

January 15, 2021, 1:00 p.m.

---

This meeting was conducted utilizing teleconferencing and electronic means consistent with State of California Executive Order N-29-20 dated March 17, 2020, regarding the COVID-19 pandemic.

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

The Agenda Items were considered in the order presented.

**CALL TO ORDER**

Chair Mosca (Encinitas) called the SDCP Board of Directors Special meeting to order at 1:04 p.m.

Chair Mosca announced the outcome of the San Diego Gas and Electric (SDG&E) Energy Resource Recovery Account ("ERRA") forecasting proceedings was favorable for SDCP and thanked all the stakeholders involved in making it happen.

**PLEDGE OF ALLEGIANCE**

Chair Mosca (Encinitas) led the Pledge of Allegiance.

**ROLL CALL**

**PRESENT:** Chair Mosca (Encinitas), Vice Chair Padilla (Chula Vista) (arrived at 1:17 p.m.), Director Baber (La Mesa), Director Dedina (Imperial Beach), and Director Montgomery Steppe (San Diego)

**ABSENT:** None

*Also Present: Interim Chief Executive Officer (CEO) Carnahan, Chief Operating Officer (COO) Hooven, General Counsel Baron, Interim Board Clerk Wiegelman*

## **ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA**

There were no additions or deletions to the agenda.

## **PUBLIC COMMENTS**

There were no public comments.

## **CONSENT CALENDAR**

There were no Consent Calendar Items for consideration.

## **REGULAR AGENDA**

### **1. Approval of the Energy Risk Management Policy Update**

Interim CEO Carnahan and General Counsel Baron provided a brief overview of the addendums and amendments to SDCP's Energy Risk Management policy and explained the purpose for the addendums and amendments.

Board questions and comments ensued.

**ACTION:** Motioned by Director Baber (La Mesa) and seconded by Director Montgomery Steppe (San Diego) to: (1) amend Section 6.5 "Delegation of Authority per Transaction by Position/Title" to allow the Chief Executive Officer to make collateral and security deposit payments to CAISO; and (2) adopt the "Managing Congestion Risk" addendum to the Energy Risk Management Policy. The motion carried by the following vote:

**Vote:** 5-0

**Yes:** Chair Mosca (Encinitas), Vice Chair Padilla (Chula Vista), Director Baber (La Mesa), Director Dedina (Imperial Beach), and Director Montgomery Steppe (San Diego)

**No:** None

**Abstained:** None

**Absent:** None

### **2. Approval of 2021 Rates**

Interim CEO Carnahan and John Dalessi, Pacific Energy Advisors, provided a PowerPoint presentation on the key considerations when determining rates, the cost pro forma model, developing projections of costs, developing rates, the timing/timeline, the rate design for SDCP customers, the proposed SDCP rates structure, SDCP rates compared to SDG&E current and future rates, and SDCP rates compared to other CCAs.

Board questions and comments ensued.

Chair Mosca (Encinitas) requested staff to return to the Board at a future meeting with a projected trajectory for reaching one hundred percent (100%) renewable by the years 2030 and 2035.

Board questions and comments continued.

**ACTION:** Motioned by Vice Chair Padilla (Chula Vista) and seconded by Director Montgomery Steppe (San Diego) to approve the preliminary rates for the PowerOn and Power100 products to be effective as of March 1, 2021. The motion carried by the following vote:

**Vote:** 5-0

Yes: Chair Mosca (Encinitas), Vice Chair Padilla (Chula Vista), Director Baber (La Mesa), Director Dedina (Imperial Beach), and Director Montgomery Steppe (San Diego)

No: None

Abstained: None

Absent: None

#### **DIRECTOR COMMENTS**

There were no comments.

#### **REPORTS BY MANAGEMENT AND GENERAL COUNSEL**

Interim CEO Carnahan reported on hiring and recruitment efforts, the California Public Utilities Commission local waiver, the sale of surplus Resource Adequacy, and staff discussions with SDG&E. Interim CEO Carnahan announced Laura Fernandez had been hired as the Director of Regulatory and Legislative Affairs and the new Power Services Manager would be starting on February 8, 2021. Interim CEO Carnahan thanked COO Hooven for all her work in the SDG&E ERRa forecast proceedings.

COO Hooven reported on the SDCP team and partners that assisted with the favorable outcome of the SDG&E ERRa forecast proceedings.

Chair Mosca (Encinitas) thanked the SDCP staff and partners for their efforts in the SDG&E ERRa forecast proceedings and welcomed the new hires. Chair Mosca (Encinitas) offered SDCP's support to the County of San Diego in any present or future efforts to create or join a Community Choice Energy Program.

## **ADJOURNMENT**

Chair Mosca (Encinitas) adjourned the meeting at 2:25 p.m.

Megan Wiegelman, CMC

DRAFT



**SAN DIEGO COMMUNITY POWER (SDCP)  
BOARD OF DIRECTORS**  
San Diego City Administration Building, 12th Floor  
202 "C" Street  
San Diego, CA 92101

**MINUTES**

January 28, 2021

---

This meeting was conducted utilizing teleconferencing and electronic means consistent with State of California Executive Order N-29-20 dated March 17, 2020, regarding the COVID-19 pandemic.

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

The Agenda Items were considered in the order presented.

**WELCOME**

**CALL TO ORDER**

Chair Mosca (Encinitas) called the SDCP Board of Directors meeting to order at 5:03 p.m.

**PLEDGE OF ALLEGIANCE**

Chair Mosca (Encinitas) led the Pledge of Allegiance.

**ROLL CALL**

PRESENT: Chair Mosca (Encinitas), Vice Chair Padilla (Chula Vista), Director Baber (La Mesa), Director Dedina (Imperial Beach), and Director Montgomery Steppe (San Diego)

ABSENT: None

*Also Present: Interim Chief Executive Officer ("CEO") Carnahan, Chief Operating Officer ("COO") Hooven, General Counsel Baron, Interim Board Clerk Wiegelman*

**ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA**

There were no additions or deletions to the agenda.



## **PUBLIC COMMENTS**

Jim Whalen spoke on helping to make local projects cost competitive and the County of San Diego's Climate Action Plan.

## **CONSENT CALENDAR**

(Item 1)

### **1. Approval of the minutes of the Regular Meeting of the Board of Directors of San Diego Community Power held on December 17, 2020.**

Approved.

**ACTION:** Motioned by Director Baber (La Mesa) and seconded by Director Montgomery Steppe (San Diego) to approve Consent Calendar Item 1. The motion carried by the following vote:

**Vote:** 5-0

Yes: Chair Mosca (Encinitas), Vice Chair Padilla (Chula Vista), Director Baber (La Mesa), Director Dedina (Imperial Beach), and Director Montgomery Steppe (San Diego)

No: None

Abstained: None

Absent: None

## **REGULAR AGENDA**

### **2. Operations and Administration Report from the Interim Chief Executive Officer**

Interim CEO Carnahan provided an update on the status of the various vendor requests for proposals ("RFP") and other solicitations, the implementation of the organization plan, the hiring and recruitment efforts, and staff discussions with San Diego Gas and Electric (SDG&E).

Board questions and comments ensued.

COO Hooven introduced Laura Fernandez, Director of Regulatory and Legislative Affairs.

Ty Tosdal, Tosdal APC, provided a PowerPoint presentation on SDG&E's 2021 Energy Resource Recovery Account ("ERRA") forecasting application, SDG&E's 2020 ERRA Trigger application, the 2020 Renewables Portfolio Standard ("RPS") Procurement Plans, the Percentage of Income Payment Plan program, the Financial Security Requirements for CCAs, and other energy regulatory affairs as they relate to the interests of SDCP.

Following Board questions and comments, no action was taken.

### **3. Committee Reports**

Community Advisory Committee (“CAC”) Chair Price provided an update on the proceedings of the CAC.

Following Board questions and comments, no action was taken.

### **4. Treasurer’s Report**

Michael Maher, Maher Accountancy, provided a report on the financial statements and budgetary comparison statement for Fiscal Year 2020-2021 period ending November 30, 2020. Michael Maher, Maher Accountancy, stated a budget amendment to incorporate new information pertaining to rates and energy costs and to reformat the budget report to a condensed and easier to read format would be brought to the Board for consideration at a future meeting.

Following Board questions and comments, no action was taken.

### **5. Receive FY2020 Audited Financial Statements from Pisenti & Brinker**

Michael Maher, Maher Accountancy, explained that the SDCP Joint Powers Agreement required an annual financial statement audit by an independent auditor, and the audit report being presented was for the financial statements for Fiscal Year ended June 30, 2020.

Brett Bradford and Andrea Lifo, Pisenti & Brinker LLP, provided a PowerPoint presentation regarding the audit of the financial statements for Fiscal Year ended June 30, 2020, highlighting the relative roles and responsibilities of management and the auditor, the significant areas of focus for the audit, and the findings of the audit.

Brett Bradford and Andrea Lifo, Pisenti & Brinker LLP, reported the following required information to the SDCP Board of Directors:

- The significant accounting policies adopted by SDCP throughout the period audited appeared appropriate and consistently applied;
- No alternative treatments of accounting principles for material items in the financial statements were discussed with management;
- There were no proposed adjustments made to the financial statements;
- No significant or unusual transactions or applications of accounting principles where a lack of authoritative guidance exists were identified;
- There were no disagreements with management concerning the scope of the audit, the application of accounting principles, or the basis for management’s judgments on any significant matters; and
- There were no difficulties in dealing with management during the performance of the audit.

Following Board questions and comments, no action was taken.

**6. Adopt Resolution Granting the Interim Chief Executive Officer the Authority to Execute an Amendment with River City Bank**

Interim CEO Carnahan provided an overview of the amendment with River City Bank and explained the purpose for granting the Interim CEO the authority to execute an amendment with River City Bank.

Board questions and comments ensued.

ACTION: Motioned by Director Baber (La Mesa) and seconded by Vice Chair Padilla (Chula Vista) to adopt Resolution No. 2021-01 granting the Interim CEO authority to execute an amendment with River City Bank regarding technical modifications to the Credit Agreement to address changes to SDCP's fiscal year, pro-forma and phasing schedule. The motion carried by the following vote:

Vote: 5-0

Yes: Chair Mosca (Encinitas), Vice Chair Padilla (Chula Vista), Director Baber (La Mesa), Director Dedina (Imperial Beach), and Director Montgomery Steppe (San Diego)  
No: None  
Abstained: None  
Absent: None

**7. Adopt Resolution Approving SDG&E Master Power Purchase and Sales Agreement**

Interim CEO Carnahan and General Counsel Baron provided an overview of the purpose and content of the SDG&E Master Power Purchase and Sale Agreement.

Board questions and comments ensued.

ACTION: Motioned by Director Montgomery Steppe (San Diego) and seconded by Director Dedina (Imperial Beach) to adopt Resolution No. 2021-02 approving a Master Power Purchase and Sale Agreement ("Master Agreement") with SDG&E for the purchase of renewable energy and authorizing the Interim CEO to execute the Master Agreement, Confirmation and related documents. The motion carried by the following vote:

Vote: 5-0

Yes: Chair Mosca (Encinitas), Vice Chair Padilla (Chula Vista), Director Baber (La Mesa), Director Dedina (Imperial Beach), and Director Montgomery Steppe (San Diego)  
No: None  
Abstained: None  
Absent: None

## **8. Adoption of a Feed-In Tariff Schedule, Application, and Update to Inclusive and Sustainable Workforce Policy**

Interim CEO Carnahan provided a brief overview of the review process of the Feed-In Tariff ("FIT") program and the Inclusive and Sustainable Workforce Policy.

Kirby Dusel, Pacific Energy Advisors ("PEA"), provided an overview of the FIT schedule and application, highlighting the eligibility criteria, the term of the FIT Purchase Power Agreement ("PPA"), the FIT PPA initial base price, the FIT bonus incentives, the FIT capacity limit, the requirements for FIT participants, the FIT application fee, and the prohibition of FIT participants participating in other SDCP programs.

Board questions and comments ensued.

Program and Policy Coordinator Sarria provided a recap of the development of the Inclusive and Sustainable Workforce Policy and reviewed the connection between the FIT program and the Inclusive and Sustainable Workforce Policy.

Board questions and comments continued.

Interim Board Clerk Wiegelman read aloud the first 400 words of the emailed public comments submitted prior to the start of the Board meeting.

Jason Anderson, Cleantech San Diego, submitted a comment in support of the proposed FIT schedule and application and update to the Inclusive and Sustainable Workforce Policy.

Micah Mitrosky, IBEW Local 569, spoke regarding proposed language to help ensure SDCP's FIT program creates quality local green jobs and supports high-road career opportunities in renewable energy construction and requested the SDCP Board of Directors incorporate the proposed language into SDCP's FIT program documents.

Board discussion ensued regarding the public comment policy for the SDCP Board of Directors meetings.

The Board unanimously directed staff to update the public comment policy to allow members of the public to address the Board during the meeting without requiring them to have signed up to speak prior to the start of the meeting.

Lane Sharman, San Diego Energy District, spoke regarding concerns with the proposed FIT capacity limit of three megawatts.

Board questions and comments continued.

**ACTION:** Motioned by Director Baber (La Mesa) and seconded by Vice Chair Padilla (Chula Vista) to: (1) adopt the initial FIT schedule and the related FIT application; (2) adopt the update to the Inclusive and Sustainable Workforce Policy, as amended, adding "SDCP will further encourage the use of a skilled and trained workforce" to the first paragraph of Subsection 2(c) and replacing the first sentence of the second paragraph of Subsection 2(c) with, "Moreover, SDCP will require contractors and

subcontractors performing work on an SDCP Feed-In Tariff project to pay at least the prevailing rate of wages.”; and (3) authorize staff to work with transactional counsel in developing a FIT PPA to be reviewed and approved at a future SDCP Board of Directors meeting. The motion carried by the following vote:

Vote: 5-0

Yes:	Chair Mosca (Encinitas), Vice Chair Padilla (Chula Vista), Director Baber (La Mesa), Director Dedina (Imperial Beach), and Director Montgomery Steppe (San Diego)
No:	None
Abstained:	None
Absent:	None

### **Director Comments**

There were no comments.

### **Reports by Management and General Counsel**

There were no reports.

### **ADJOURNMENT**

Chair Mosca (Encinitas) adjourned the meeting at 8:10 p.m.

Megan Wiegelman, CMC  
Interim Board Clerk



## SAN DIEGO COMMUNITY POWER Staff Report – Item 2

---

To: San Diego Community Power Board of Directors  
From: Michael Maher, Maher Accountancy  
Subject: Treasurer's Report  
Date: February 25, 2021

---

### RECOMMENDATION

Receive and file presentation of financial results for 2021/21 period ending 12/30/20.

### BACKGROUND

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

SDCP has prepared financial statements for the period ended December 31, 2020 as well as a budgetary comparison statement for the same period.

### ANALYSIS AND DIRECTION

#### Financial Comments:

- SDCP's main source of funding at this point is its Line of Credit with River City Bank (RCB).
- As planned, SDCP is running a deficit balance and will continue to do so until sufficient revenues from retail customers occur during the latter half of the fiscal year.
- Upcoming financial transactions: January and February 2021 will see pick up in cash outflows related to energy supply collateral and RA purchases. As planned, the next phase of the loan funding will be needed to pay these and other outflows.

#### Budget Comments:

- Through November 31, 2020 (6 months), total spending of \$1.2M remains under budget expectations of \$1.4M.
- SDCP management intends to propose a budget amendment at a future date to 1) incorporate new information pertaining to rates and energy costs 2) to reformat the budget report to a condensed and easier to read version.

### FISCAL IMPACT

Not applicable

## **ATTACHMENTS**

Attachment A: 2020/21 Period Ended 12/31/20 Financial Statements

Attachment B: 2020/21 Period Ended 12/31/20 Budgetary Comparison Statement





## ACCOUNTANTS' COMPILATION REPORT

Board of Directors  
San Diego Community Power

Management is responsible for the accompanying special purpose statement of San Diego Community Power (SDCP), a California Joint Powers Authority, which comprise the budgetary comparison schedule for the period ended December 31, 2020, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

The special purpose statement is prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of SDCP.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. SDCP's annual audited financial statements will include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to SDCP because we performed certain accounting services that impaired our independence.

*Maher Accountancy*

San Rafael, CA  
February 15, 2021



**SAN DIEGO COMMUNITY POWER**  
**BUDGETARY COMPARISON SCHEDULE**  
**July 1, 2020 through December 31, 2020**

	2020/21 YTD Budget	2020/21 YTD Actual	2020/21 YTD Budget Variance (Under) Over	2020/21 YTD Actual/ Budget %	2020/21 Annual Budget	2020/21 Budget Remaining
<b>REVENUES AND OTHER SOURCES</b>						
Working capital from River City Bank	\$ 1,500,000	1,000,000	\$ (500,000)	67%	\$ 24,600,000	\$ 23,600,000
Ratepayer revenues	-	-	-	0%	22,688,892	22,688,892
Less uncollectibles	-	-	-	0%	(56,722)	(56,722)
Total Revenues and Other Sources	<u>1,500,000</u>	<u>1,000,000</u>	<u>(500,000)</u>		<u>47,232,170</u>	<u>46,232,170</u>
<b>OPERATING EXPENSES</b>						
Operations and Administration						
Professional fees	175,000	150,786	(24,214)	86%	350,000	199,214
Board and Committee Expenses	7,500	-	(7,500)	0%	15,000	15,000
Staffing	193,167	102,971	(90,196)	53%	1,500,000	1,397,029
General and Administrative	175,000	36,131	(138,869)	21%	350,000	313,869
Debt Service and Bank Fees	140,000	66,230	(73,770)	47%	1,048,000	981,770
Total Operations and Administration	<u>690,667</u>	<u>356,118</u>	<u>(334,549)</u>		<u>3,263,000</u>	<u>2,906,882</u>
CAISO/Utility Fees						
CAISO deposit	-	-	-	0%	500,000	500,000
Financial Security Bond (CPUC)	-	-	-	0%	50,000	50,000
SDG&E billing service fees	-	-	-	0%	5,768	5,768
Total CAISO/Utility Fees	<u>-</u>	<u>-</u>	<u>-</u>		<u>555,768</u>	<u>555,768</u>
Technical and Energy Services						
Power contracting, portfolio and rate design	115,500	154,313	38,813	134%	273,000	118,687
Scheduling Fees	-	-	-	0%	8,000	8,000
Cost of Power	-	-	-	0%	32,511,279	32,511,279
Collateral/Lockbox reserves	-	-	-	0%	5,000,000	5,000,000
Total Technical and Energy Services	<u>115,500</u>	<u>154,313</u>	<u>38,813</u>		<u>37,792,279</u>	<u>37,637,966</u>
Communications & Customer Enrollment						
Marketing strategy and branding	65,000	227,754	162,754	350%	65,000	(162,754)
Permanent Website + Maintenance	45,000	-	(45,000)	0%	45,000	45,000
Collateral Design/Video	15,000	-	(15,000)	0%	60,000	60,000
PR/Advertising Campaign	37,500	-	(37,500)	0%	150,000	150,000
Community Engagement	31,250	-	(31,250)	0%	125,000	125,000
Materials for tabling and events (design/print)	7,500	-	(7,500)	0%	30,000	30,000
Customer Notifications (@ \$0.80 each)	12,250	-	(12,250)	0%	49,000	49,000
Community Sponsorships, etc.	25,000	7,500	(17,500)	30%	25,000	17,500
Total Communications & Customer Enrollment	<u>238,500</u>	<u>235,254</u>	<u>(3,246)</u>		<u>549,000</u>	<u>313,746</u>
Legal						
General Counsel Services	60,000	157,903	97,903	263%	120,000	(37,903)
Legal review of power supply & other contracts	60,000	-	(60,000)	0%	120,000	120,000
Total Legal	<u>120,000</u>	<u>157,903</u>	<u>37,903</u>		<u>240,000</u>	<u>82,097</u>
Regulatory Legislative						
Cal-CCA Membership	25,000	17,686	(7,314)	71%	50,000	32,314
Regulatory Monitoring and Reporting	100,000	312,260	212,260	312%	200,000	(112,260)
Participation in Regulatory /Compliance Matters	50,000	-	(50,000)	0%	100,000	100,000
Lobbyist	30,000	-	(30,000)	0%	60,000	60,000
Total Regulatory Legislative	<u>205,000</u>	<u>329,946</u>	<u>124,946</u>		<u>410,000</u>	<u>80,054</u>
Total Operating Expenses	<u>1,369,667</u>	<u>1,233,534</u>	<u>(136,133)</u>		<u>42,810,047</u>	<u>41,576,513</u>
<b>NET SURPLUS (DEFICIT)</b>	<u>\$ 130,333</u>	<u>\$ (233,534)</u>	<u>\$ (363,867)</u>		<u>\$ 4,422,123</u>	<u>\$ 4,655,657</u>

This budget does not include: 1) Reimbursable expenses for City of San Diego, La Mesa, and Encinitas, 2) Local Programs, and 3) Reserve Funds.



## ACCOUNTANTS' COMPILATION REPORT

Management  
San Diego Community Power

Management is responsible for the accompanying financial statements of San Diego Community Power (a California Joint Powers Authority) which comprise the statement of net position as of December 31, 2020, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

*Maher Accountancy*

San Rafael, CA  
February 15, 2021

**SAN DIEGO COMMUNITY POWER**  
**STATEMENT OF NET POSITION**  
**As of December 31, 2020**

**ASSETS**

Current assets	
Cash and cash equivalents	\$ 1,389,452
Deposits	300,000
Total current assets	<u>1,689,452</u>
Noncurrent assets	
Restricted cash	5,500,000
Total assets	<u>7,189,452</u>

**LIABILITIES**

Current liabilities	
Accounts payable	249,117
Payroll liabilities	26,723
Other accrued liabilities	100,000
Security deposits	1,581,000
Interest payable	68,997
Total current liabilities	<u>2,025,837</u>
Noncurrent liabilities	
Other noncurrent liabilities	582,176
Bank note payable	1,990,082
Loans payable	5,000,000
Total noncurrent liabilities	<u>7,572,258</u>
Total liabilities	<u>9,598,095</u>

**NET POSITION**

Unrestricted (deficit)	<u>(2,408,643)</u>
Total net position	<u><u>\$ (2,408,643)</u></u>

**SAN DIEGO COMMUNITY POWER**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**July 1, 2020 through December 31, 2020**

<b>OPERATING REVENUES</b>	\$ -
<b>OPERATING EXPENSES</b>	
Contract services	1,003,015
Staff compensation	102,971
General and administration	166,317
Total operating expenses	<u>1,272,303</u>
Operating income (loss)	<u>(1,272,303)</u>
<b>NONOPERATING EXPENSES</b>	
Interest expense	<u>66,230</u>
<b>CHANGE IN NET POSITION</b>	(1,338,533)
Net position at beginning of period	<u>(1,070,110)</u>
Net position at end of period	<u><u>\$ (2,408,643)</u></u>

**SAN DIEGO COMMUNITY POWER**  
**STATEMENT OF CASH FLOWS**  
**July 1, 2020 through December 31, 2020**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts of supplier collateral	\$ 1,581,000
Payments for goods and services	(1,243,390)
Payments to employees for services	(76,248)
Payments for deposits and collateral	<u>(200,000)</u>
Net cash provided (used) by operating activities	<u>61,362</u>

**CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES**

Proceeds from loans	1,000,000
Interest and related expense payments	<u>(10,892)</u>
Net cash provided (used) by non-capital financing activities	<u>989,108</u>

Net change in cash and cash equivalents	1,050,470
Cash and cash equivalents at beginning of period	<u>5,838,982</u>
Cash and cash equivalents at end of period	<u><u>\$ 6,889,452</u></u>

**Reconciliation to the Statement of Net Position**

Cash and cash equivalents (unrestricted)	1,389,452
Restricted cash	<u>5,500,000</u>
Cash and cash equivalents	<u><u>\$ 6,889,452</u></u>

**SAN DIEGO COMMUNITY POWER**  
**STATEMENT OF CASH FLOWS (continued)**  
**July 1, 2020 through December 31, 2020**

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

Operating income (loss)	\$ (1,272,303)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
(Increase) decrease in:	
Prepaid expenses	25,000
Deposits	(200,000)
Increase (decrease) in:	
Accounts payable	(80,925)
Payroll liabilities	26,723
Other accrued liabilities	(18,133)
Supplier security deposits	1,581,000
Net cash provided (used) by operating activities	<u><u>\$ 61,362</u></u>

# San Diego Community Power Board Update

*February 25, 2021*



Ty Tosdal  
Tosdal APC



# Overview

---

- Advice Letter Implementing SDG&E Rate Changes
- Customer Bill Debt Proceeding ([R.21-02-01](#))
- SDG&E GRC Phase II ([A. 19-03-002](#))
- 2020 RPS Procurement Plans ([R. 18-07-003](#))





# Advice Letter Implementing SDG&E Rate Changes

---

- SDG&E 2021 ERRA Forecast (A. 20-04-014) and 2020 ERRA Trigger (A. 20-12-007) have been adopted by the Public Utilities Commission.
- Advice Letter scheduled to be issued February 23, 2021, for rate implementation March 1, 2021.
- There will be **no drastic reduction** in SDG&E rates, as proposed. Instead, **SDG&E rates will increase**.
- The System Average Percent Change (SAPC) allocation method will be applied among rate classes.



# Customer Bill Debt Proceeding

---

- New proceeding launched to address customer bill debt that has accumulated during the COVID Pandemic.
- Residential arrearages for IOUs **increased by more than \$650 million last year, surpassing \$1 billion total.**
- Customers enrolled in low-income programs accounted for \$324 million of the increase.
- Rulemaking follows recent measures, including Arrearage Management Plan (AMP) and Percentage of Income Payment Plan (PIPP), to assist customers with bills.



## SDG&E GRC Phase II

---

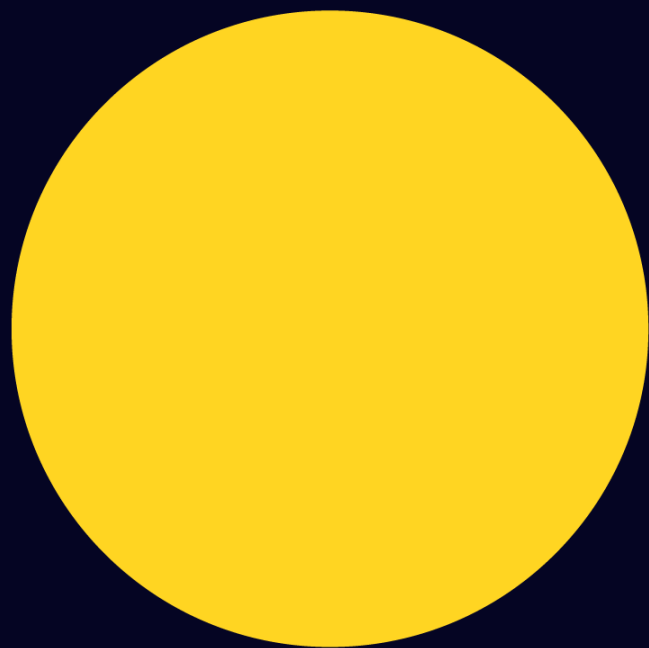
- SDG&E was seeking approval for adoption of sales forecast for later this year that again fails to take into account departing load.
- Sales forecast is part of a proposed settlement agreement.
- Adoption would likely lead to artificial reduction in SDG&E's rates, similar to the outcome of ERRRA forecast proceeding, had San Diego CCA programs not intervened.
- SDG&E will propose addendum to settlement agreement.



# 2020 RPS Procurement Plans

---

- RPS Plans are forward-looking resource planning documents that demonstrate that an energy provider's portfolio will comply with RPS rules.
- Requirements prove challenging for brand new CCA programs like SDCP with limited portfolios.
- SDCP and other CCAs, ESPs and IOUs were ordered to provide additional details to multiple sections of the RPS Plans by February 15, 2021.
- SDCP Final Plan was filed on February 19, 2021.



# Questions ??

---