

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

MINUTES

May 28, 2020

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 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), Board Member Baber (La Mesa), Board Member Montgomery (San Diego), and Board Member West (Imperial Beach)

ABSENT: None

Also Present: Interim Executive Officer 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ITEMS TO BE ADDED, WITHDRAWN OR REORDERED ON THE AGENDA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.

PRESENTATION

Presentation providing an update from San Diego Gas & Electric

Warren Ruis, San Diego Gas & Electric (SDG&E), provided a PowerPoint presentation on programs available to customers during COVID-19, SDG&E's support of existing CCA programs, the Customer Information System (CIS) replacement and future capabilities, and innovating clean transportation initiatives.

Board questions and comments ensued.

PUBLIC COMMENTS

Interim Board Clerk Wiegelman read aloud the first 400 words of the emailed public comments submitted by 3:00 p.m. the day of the Board meeting.

Michelle Krug submitted a comment regarding the advisory committee selection process.

Matthew Vasilakis submitted a comment regarding the development of a Local Development Business Plan and urging the SDCP Board of Directors to direct SDCP counsel to sign on to an amicus brief for a pending case at the state appellate court led by Protect Our Communities challenging the unfair California Public Utilities Commission 2018 PCIA exit fee decision.

Hammond Climate Solutions submitted a comment in support of SDCP opposing SDG&E's exit fee.

David Harris submitted a comment encouraging SDCP to file an amicus brief in support of the Protect Our Communities Foundation lawsuit against the California Public Utilities Commission 2018 PCIA exit fee decision.

Allen Cadreau submitted a comment introducing the SDCP Board of Directors to Indian Energy, a Native-owned energy development firm with an emphasis on resilient and sustainable utility scale micro-grid solutions.

CONSENT CALENDAR

(Item 1)

1. Approval of the minutes for the Board of Directors of San Diego Community Power Regular Meeting held Thursday, April 23, 2020

ACTION: Motioned by Board Member West (Imperial Beach) and seconded by Board Member Baber (La Mesa) to approve Consent Calendar Item 1. The motion carried by the following vote:

Vote: 4-0-1

Yes: Chair Mosca (Encinitas), Board Member Baber (La Mesa), Board Member Montgomery (San Diego), and Board Member West (Imperial Beach)

No: None
Abstained: Vice Chair Padilla
Absent: None

REGULAR AGENDA

2. Operations and Administration Report from the Interim Executive Officer

Interim Executive Officer Hooven provided an update on the potential process for future SDCP Board meetings, the status of the various vendor requests for proposals (RFPs), the Finance and Risk Management Committee meeting, staff discussions with SDG&E, compliance matters, and regulatory and legislative matters.

Ty Tosdal, Tosdal APC, provided an update on energy regulatory affairs as they relate to the interests of SDCP.

Board questions and comments ensued.

ACTION: Following questions and comments, it was the consensus of the Board to direct staff to add an item to the next closed session agenda to discuss the possibility of signing an amicus brief for a pending case at the state appellate court led by Protect Our Communities challenging the California Public Utilities Commission 2018 PCIA exit fee decision.

Board questions and comments continued.

3. Ad Hoc Subcommittee Update on Chief Executive Officer Recruitment

Interim Executive Officer Hooven left the meeting at 5:45 p.m.

Chair Mosca (Encinitas) provided an update on the recruitment for a Chief Executive Officer (CEO). Chair Mosca (Encinitas) stated the deadline for submissions had closed and 58 applications were received. Chair Mosca (Encinitas) reviewed the next steps in the recruitment process and the estimated timeline.

Board questions and comments ensued.

Following Board questions and comments, no action was taken.

Interim Executive Officer Hooven rejoined the meeting at 5:55 p.m.

4. Update on River City Bank Financing and Promissory Note with B Quest Foundation

Interim Executive Officer Hooven stated that Emerald Blue's collateral loan amount would be reduced to \$3 million and B Quest Foundation would be providing a collateral loan of \$2 million to meet River City Bank's \$5 million collateral requirement.

Glen Price, Best Best & Krieger, reviewed the key terms of the B Quest Foundation agreement and explained that the general structure and terms of the Emerald Blue loan as

approved by the Board on April 23, 2020 had not changed. Glen Price, Best Best & Krieger, stated the only change was the addition of a lender to share the collateral loan amount.

Board questions and comments ensued.

ACTION: Motioned by Board Member West (Imperial Beach) and seconded by Board Member Baber (La Mesa) to approve the ratification of the promissory note with B Quest Foundation in the same form as signed with Emerald Blue. The motion carried by the following vote:

Vote: 5-0

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

5. Approval of Tenaska Power Services Co. for SDCP Schedule Coordination Services

Interim Executive Officer Hooven provided an overview of the Request for Proposals (RFP) process for wholesale power services to provide energy planning and procurement support, power contract negotiation, rate design assistance, risk management, schedule coordination, integrated resource planning and long-term renewables procurement.

Shawn Marshall, LEAN Energy, stated that Carey Morris, Tenaska Power Services, could not attend the meeting. Shawn Marshall, Lean Energy, provided an overview of Tenaska Power Services' experience in wholesale power services and working with CCA programs.

Board questions and comments ensued.

ACTION: Motioned by Board Member Montgomery (San Diego) and seconded by Board Member Baber (La Mesa) to (1) approve the Agreement with Tenaska Power Services Co. for SDCP power schedule coordination services ending on December 31, 2022 with annual contract renewals at the discretion of SDCP management; and (2) authorize the Interim Executive Officer to execute the Agreement in substantially similar form as reviewed and approved by General Counsel. The motion carried by the following vote:

Vote: 5-0

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

6. Presentation on Types and Categories of Power Procurements, Procurement/Board Approval Timeline, RPS and GHG-free Targets, and Preview of Risk Management Policy with Delegation of Authority

Interim Executive Officer Hooven provided opening comments.

Kirby Dusel, Pacific Energy Advisors (PEA), provided a PowerPoint presentation on the resources SDCP will need to procure: system energy, renewable energy, other GHG-free energy, and resource adequacy (RA) capacity; the renewable energy compliance (REC) categories: Portfolio Content Category (PCC) 1, PCC 2, and PPC 3; the RA compliance categories: System RA, Local RA, and Flex RA; the preliminary power procurement and SDCP Board approval timeline, the preliminary 2021 portfolio composition recommendation, and SDCP Renewable and GHG-free targets.

Board questions and comments ensued.

Sam Kang, PEA, continued the PowerPoint presentation and reviewed the purpose of a risk management policy, the key energy market risks: market price risk, counterparty credit risk, load and generation volumetric risk, operational risk, liquidity risk, and regulatory and legislative risk; the elements of a risk management policy, a risk oversight committee, the SDCP Energy Procurement Delegation of Authority (DOA), and sample energy procurement transaction sizes and DOA.

Board questions and comments continued.

Interim Board Clerk Wiegelman read aloud the first 400 words of the emailed public comments submitted by 3:00 p.m. the day of the Board meeting.

Matthew Vasilakis submitted a comment regarding concerns over the potential exclusion of renewable energy from SDCP's resource adequacy procurement.

Jason Anderson submitted a comment regarding concerns with SDCP's 2021-2023 Local Resource Adequacy Request for Orders.

David Morris submitted a comment in opposition of the exclusion of renewables from SDCP's 2021-2023 Local Resource Adequacy procurement.

Following Board questions and comments, no action was taken.

7. Approval of SDCP's Participation in SDG&E Request for Proposals (RFP)

Kirby Dusel, PEA, provided an overview of two RFPs that would be issued by SDG&E: (1) SDG&E's intent to sell California RPS-eligible renewable energy; and (2) SDG&E's intent to sell Resource Adequacy capacity.

Board questions and comments ensued.

Interim Board Clerk Wiegelman read aloud the first 400 words of the emailed public comments submitted by 3:00 p.m. the day of the Board meeting.

Matthew Vasilakis submitted a comment regarding SDG&E's resistance to partner with SDCP on relevant energy procurement matters.

ACTION: Motioned by Board Member Baber (La Mesa) and seconded by Board Member West (Imperial Beach) to approve SDCP's participation in SDG&E's resource adequacy and renewable power RFPs. The motion carried by the following vote:

Vote: 5-0

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

8. Approval of the La Mesa Cooperation and Administrative Services Agreement

Interim Executive Officer Hooven provided an overview of the Cooperation and Administrative Services Agreement with the City of La Mesa.

Board questions and comments ensued.

ACTION: Motioned by Board Member Baber (La Mesa) and seconded by Board Member West (Imperial Beach) to approve the Cooperation and Administrative Services Agreement with the City of La Mesa (City) providing certain services to SDCP by the City and reimbursement to the City for these services, and authorize the Interim Executive Officer to execute the agreement. The motion carried by the following vote:

Vote: 5-0

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

9. Approval of Community Advisory Committee Nominees for the City of Chula Vista and Amendment of Term End Date for all CAC Members

Interim Executive Officer Hooven provided an overview of the amendment to the term end dates for the Community Advisory Committee Members.

Vice Chair Padilla stated the reasons for his nominations.

Board questions and comments ensued.

ACTION: Motioned by Vice Chair Padilla (Chula Vista) and seconded by Board Member West (Imperial Beach) to (1) approve the appointments of City of Chula Vista nominees Edward Lopez and Carolyn Scofield to the SDCP Community Advisory Committee (CAC); and (2) approve the amendment to adjust the term end date for all CAC members to be May 2022 and May 2023. The motion carried by the following vote:

Vote: 5-0

Yes: Chair Mosca (Encinitas), Vice Chair Padilla (Chula Vista), Board Member Baber (La Mesa), Board Member Montgomery (San Diego), and Board Member West (Imperial Beach)

No: None

Abstained: None

Absent: None

DIRECTOR COMMENTS

There were no comments.

REPORTS BY MANAGEMENT AND GENERAL COUNSEL

There were no reports.

CLOSED SESSION

Chair Mosca (Encinitas) adjourned the meeting to Closed Session at 7:39 p.m.

10. Public Employment

Title: Chief Executive Officer.

11. Conference with Labor Negotiators

Agency designed representatives: Shawn Marshall, LEAN Energy US, Tom Bokosky, City of Encinitas HR Department, and Ryan Baron, BB&K/Outside General Counsel.

Unrepresented employee: Chief Executive Officer

At 8:30 p.m. General Counsel Baron announced there were no reportable actions.

ADJOURNMENT

General Counsel Baron adjourned the meeting at 8:30 p.m.

Megan Wiegelman, CMC