

**SPECIAL MEETING OF THE BOARD OF DIRECTORS  
OF SAN DIEGO COMMUNITY POWER**

January 30<sup>th</sup>, 2020

5:00 p.m.

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

**AGENDA**

**Note:** Any member of the public may address the San Diego Community Power (SDCP) Board of Directors on any agenda item. To speak on a matter not appearing on the agenda, but within the jurisdiction of the Board, you may do so during Public Comments at the beginning of the meeting. Please complete a Speaker Request Form and submit it to the Board Secretary before the start of the meeting if possible, or in advance of the specific item on which you wish to speak. When addressing the Board, it is requested that you provide your name and city of residence for the record. Speakers are requested to address the Board as a whole through the Chair. Comments are generally limited to three (3) minutes per individual. If you have anything that you wish to be distributed to the Board, please provide it to the Board Secretary, who will distribute the information to the Board Members.

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**ITEMS TO BE ADDED, WITHDRAWN OR REORDERED ON THE AGENDA**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

**CONSENT AGENDA**

*All matters are approved by one motion without discussion unless a Board 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.*

1. MEETING MINUTES

Approve minutes of the Board of Directors Meetings held on November 21<sup>st</sup>, 2019, and December 9<sup>th</sup>, 2019.

**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.*

2. OPERATIONS AND ADMINISTRATION REPORT FROM THE INTERIM EXECUTIVE OFFICER

Updates from the Interim Executive Officer as they relate to operations and administration of the agency.

Formation of ad-hoc executive search committee of the Board and motion to authorize the Interim Executive and/or Board Chair to enter into an executive recruitment contract in an amount not to exceed \$80,000.

3. FORMATION OF THE COMMUNITY ADVISORY COMMITTEE: APPROVAL OF MEMBERSHIP CRITERIA AND TERMS, APPLICATION FORM, COMMITTEE PURPOSE AND SCOPE

Review, receive public input, and approve the CAC membership criteria, application form, and CAC purpose and scope.

4. FORMATION OF THE FINANCE AND RISK MANAGEMENT COMMITTEE

Appoint two primary Board members to serve on the Finance and Risk Management Committee, and approve expansion of the scope to include energy risk management.

5. UPDATE ON THE IMPLEMENTATION TIMELINE, INCLUDING POLICY ADOPTION SCHEDULE

Receive update on the Implementation Timeline, including policy adoption schedule for the operations of SDCP.

6. DISCUSSION OF AMENDMENTS TO SDCP JOINT POWERS AUTHORITY (JPA) AGREEMENT

Discuss potential amendments to the JPA Agreement and direct staff to make amendments if two-thirds special voting threshold is achieved.

7. UPDATE ON ENERGY REGULATORY AFFAIRS FROM TOSDAL, APC

Updates from Tosdal, APC as they relate to energy regulatory affairs of interest to SDCP.

**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 (858) 492-6005 or [RegionalEnergy@sanidiego.gov](mailto:RegionalEnergy@sanidiego.gov). 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 [www.sandiego.gov/sustainability/clean-and-renewable-energy/ccea](http://www.sandiego.gov/sustainability/clean-and-renewable-energy/ccea). Late-arriving documents related to a Board meeting item which are distributed to a majority of the Board prior to or during the Board meeting are available for public review as required by law. Until SDCP obtains offices, those public records are available for inspection at the City of San Diego Sustainability Department, located at 1200 Third Ave., Suite 1800, San Diego, CA 92101. The documents may also be posted at the above website. Late-arriving documents received during the meeting are available for review by making a verbal request to the Board Secretary in the meeting room.

**SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY  
BOARD OF DIRECTORS**

Chula Vista Council Chambers  
276 Fourth Avenue, Building A  
Chula Vista, CA 91910

**MINUTES**

November 21, 2019

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.

**1. Welcome**

Interim Chair Mosca called the San Diego Regional Community Choice Energy Authority (Authority) Board of Directors meeting to order at 2:12 p.m.

**2. Board Roll Call**

**PRESENT:** Interim Chair Mosca (Encinitas), Board Member Baber (La Mesa), Alternate Board Member McCann (Chula Vista), and Board Member Montgomery (San Diego)

**ABSENT:** Board Member Padilla (Chula Vista), Board Member West (Imperial Beach)

*Also Present:* Alternate Board Member Campbell (San Diego), Alternate Board Member Humora (La Mesa), Interim Executive Officer Hooven, La Mesa City Clerk Wiegelman

Interim Chair Mosca led the Pledge of Allegiance.

**3. Public Comment For Items Not on the Agenda**

Matthew Vasilakis, Climate Action Campaign, spoke regarding East Bay Community Energy's Local Development Business Plan and the Authority creating a similar plan in the future.

**CONSENT AGENDA**

**4. Approval of minutes from October 31, 2019 Board Meeting**

ACTION: Motioned by Board Member Baber (La Mesa) and seconded by Board Member Montgomery (San Diego) to approve the minutes for the San Diego Regional Community Choice Energy Authority Board of Directors meeting held Thursday, October 31, 2019. The motion carried by the following vote:

Vote: 4-0

Yes: Interim Chair Mosca (Encinitas), Board Member Baber (La Mesa), Alternate Board Member McCann (Chula Vista), and Board Member Montgomery (San Diego)

No: None

Abstained: None

Absent: Board Member West (Imperial Beach)

## **REGULAR AGENDA**

### **5. Election of Board Chair and Vice Chair and Appointment of Interim Secretary**

ACTION: Motioned by Board Member Baber (La Mesa) and seconded by Alternate Board Member McCann (Chula Vista) to approve the appointment of La Mesa City Clerk Megan Wiegelman as the Interim Board Clerk of the San Diego Regional Community Choice Energy Authority Board of Directors. The motion carried by the following vote:

Vote: 4-0

Yes: Interim Chair Mosca (Encinitas), Board Member Baber (La Mesa), Alternate Board Member McCann (Chula Vista), and Board Member Montgomery (San Diego)

No: None

Abstained: None

Absent: Board Member West (Imperial Beach)

ACTION: Motioned by Board Member Baber (La Mesa) and seconded by Alternate Board Member McCann (Chula Vista) to approve the appointment of Interim Chair Mosca (Encinitas) as the Chair of the San Diego Regional Community Choice Energy Authority Board of Directors. The motion carried by the following vote:

Vote: 4-0

Yes: Interim Chair Mosca (Encinitas), Board Member Baber (La Mesa), Alternate Board Member McCann (Chula Vista), and Board Member Montgomery (San Diego)

No: None

Abstained: None

Absent: Board Member West (Imperial Beach)

ACTION: Following discussion, it was the consensus of the Board to direct staff to bring back for Board consideration policy options for the rotation of Chair and Vice Chair.

ACTION: Motioned by Chair Mosca (Encinitas) and seconded by Alternate Board Member McCann (Chula Vista) to approve the appointment of Board Member Padilla (Chula Vista) as the Vice Chair of the San Diego Regional Community Choice Energy Authority Board of Directors. The motion carried by the following vote:

Vote: 4-0

Yes: Chair Mosca (Encinitas), Board Member Baber (La Mesa), Alternate Board Member McCann (Chula Vista), and Board Member Montgomery (San Diego)

No: None  
Abstained: None  
Absent: Board Member West (Imperial Beach)

## 6. SDRCCEA Operations and Administration Report

Interim Executive Officer Hooven provided operational and administrative updates to the Board including current and future requests for proposals and future items for Board consideration.

Board questions and comments ensued.

ACTION: Following discussion, it was the consensus of the Board to direct staff to bring back for discussion the formation of necessary and plausible San Diego Regional Community Choice Energy Authority standing committees, a proposed policy on the role of alternate board members, and a summary of the best practices and standing committees of other Community Choice Aggregations.

Shawn Marshall, Executive Director, Lean Energy US, provided advice on how to move forward with the formation of standing committees.

Following Board questions and comments, no action was taken.

## 7. Approval of Legal Service Engagement for General Counsel

Interim Executive Officer Hooven provided an overview of the proposed agreement between the Authority and Best Best & Krieger (BB&K) for General Counsel legal services.

Board questions and comments ensued.

Ryan Baron, BB&K, Counsel, and Nicholas Norvell, BB&K, Associate, introduced themselves and explained BB&K's process to determine potential conflicts of interest.

Board questions and comments continued.

ACTION: Motioned by Alternate Board Member McCann (Chula Vista) and seconded by Board Member Baber (La Mesa) to approve a 13-month agreement with Best Best & Krieger to provide General Counsel legal services commencing December 1, 2019 through December 31, 2020. The motion carried by the following vote:

Vote: 4-0

Yes: Chair Mosca (Encinitas), Board Member Baber (La Mesa), Alternate Board Member McCann (Chula Vista), and Board Member Montgomery (San Diego)

No: None

Abstained: None

Absent: Board Member West (Imperial Beach)

## 8. Approval of Legal Service Engagement for Regulatory Support

Interim Executive Officer Hooven provided an overview of the proposed agreement between the Authority and Tosdal, APC to provide regulatory monitoring, engagement and legal services.

Board questions and comments ensued.

ACTION: Motioned by Board Member Montgomery (San Diego) and seconded by Alternate Board Member McCann (Chula Vista) to approve a one-year agreement with Tosdal, APC to provide regulatory monitoring, engagement and legal services commencing January 1, 2020 through December 31, 2020. The motion carried by the following vote:

Vote: 4-0

Yes: Chair Mosca (Encinitas), Board Member Baber (La Mesa), Alternate Board Member McCann (Chula Vista), and Board Member Montgomery (San Diego)

No: None

Abstained: None

Absent: Board Member West (Imperial Beach)

## 9. SDRCCEA Implementation Plan – First Draft Review and Discussion

Interim Executive Officer Hooven stated the Implementation Plan would be brought back to the Board at the December 9, 2019 meeting for final discussion and possible adoption.

Mark Fulmer, Principal, MRW & Associates, explained that the Implementation Plan: was a statutory requirement for all new CCAs pursuant to California Public Utilities Code Section 366.2(C)(3); was a regulatory compliance document, not a full business plan; would conform with all legal requirements and follow the content standards of other successfully certified Implementation Plans; described certain administrative elements and policy objectives, but did not require confirmation of final rates, power content and other program aspects; had to be adopted by the Authority Board of Directors by year-end; and the California Public Utilities Commission would have 90 days to certify the Implementation Plan.

Mark Fulmer, Principal, MRW & Associates, reviewed the updates made to the draft Implementation Plan in response to the Board's direction at the October 31, 2019 meeting. The updates included: (1) the Authority would offer two production options – the default would be at least 50% and up to 60% renewable and the voluntary option would be 100% renewable; (2) the Implementation Plan would specify 3 phases occurring in March, July, and November 2021; (3) the Authority would offer competitive generation rates targeting between 2%-4% below SDG&E. The Authority rate structure would match SDG&E's at the outset; (4) the Implementation Plan would describe the interim staff support and use of vendors/consultants with a plan to hire a CEO and staff in 2020/2021; and (5) the Implementation Plan would provide start-up costs information and plan for \$40 million in work capital to support the implementation and early operations of the Authority.

Board questions and comments ensued.

Shawn Marshall, Executive Director, Lean Energy US, provided background on the energy

supply options offered by East Bay Community Energy.

Board questions and comments continued

Matthew Vasilakis, Climate Action Campaign, requested clarification on the energy supply products stated in the Implementation Plan.

Mark Fulmer, Principal, MRW & Associates, provided further information on the energy supply products mentioned in the Implementation Plan.

Interim Executive Officer Hooven explained the Implementation Plan sets a baseline and the decision on the energy supply products may be refined when the Authority goes to market.

Shawn Marshall, Executive Director, Lean Energy US, clarified that the Implementation Plan as written would commit the Authority to a baseline voluntary energy supply product of 100% Renewable Portfolio Standard (RPS) qualified renewable energy but would not prevent the Board from adding another energy supply product option or maximizing the greenhouse gas free energy.

Board questions and comments ensued.

Micah Mitrosky, International Brotherhood of Electrical Workers (IBEW) Local Union 569, spoke regarding energy supply product offerings.

Following Board questions and comments, no action was taken.

## **10. Adoption of New Authority Name**

Interim Executive Officer Hooven provided potential new Authority names for Board consideration and mentioned factors to consider when selecting a new name for the Authority.

Matthew Vasilakis, Climate Action Campaign, proposed new names for the Authority and commented on important components to include in the new name.

Jay Powell, City of San Diego resident, spoke in support of San Diego Community Power as the new Authority name and commented on important components to include in the new name.

Alternate Board Member Campbell spoke in support of San Diego Community Power as the new Authority name.

Board questions and comments ensued.

Charles Miles suggested including 'County' in the new Authority name.

Board questions and comments continued.

Larry Emerson, National City resident, named other organizations with the acronym SDCP.

**ACTION:** Motioned by Alternative Board Member McCann (Chula Vista) and seconded by



Chair Mosca (Encinitas) to adopt San Diego Community Power as the new name for the San Diego Regional Community Choice Energy Authority. The motion carried by the following vote:

Vote: 4-0

Yes: Chair Mosca (Encinitas), Board Member Baber (La Mesa), Alternate Board Member McCann (Chula Vista), and Board Member Montgomery (San Diego)

No: None

Abstained: None

Absent: Board Member West (Imperial Beach)

#### **11. Board Member and Staff Announcements**

Chair Mosca (Encinitas) announced the next San Diego Community Power Board of Directors meeting would be held on Monday, December 9, 2019 at 10:00 a.m. in the City of Encinitas.

#### **12. Adjournment 3:39pm**

Chair Mosca adjourned the meeting at 3:39 p.m.

Megan Wiegelman, CMC  
Interim Board Clerk

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

City of Encinitas Council Chambers  
505 S. Vulcan Avenue  
Encinitas, CA 92024

**MINUTES**

December 9, 2019

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.

**1. Welcome**

Chair Mosca called the SDCP Board of Directors meeting to order at 10:05 a.m.

**2. Board Roll Call**

**PRESENT:** Chair Mosca (Encinitas), Vice Chair Padilla (Chula Vista), Alternate Board Member Humora (La Mesa), Board Member Montgomery (San Diego), and Board Member West (Imperial Beach)

**ABSENT:** Board Member Baber (La Mesa)

*Also Present: Interim Executive Officer Hooven, La Mesa City Clerk Wiegelman*

Chair Mosca led the Pledge of Allegiance.

**3. Public Comment For Items Not on the Agenda**

Rob Wilder, City of Encinitas resident, spoke regarding implementing community choice aggregation and procuring renewable energy.

**CONSENT AGENDA**

**4. Approval of minutes from the Board of Directors meeting held November 16, 2019 Board Meeting**

**ACTION:** Motioned by Vice Chair Padilla (Chula Vista) and seconded by Board Member West (Imperial Beach) to approve the minutes for the San Diego Community Power Board of Directors meeting held Thursday, November 16, 2019. The motion carried by the following vote:

Vote: 5-0

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

## **5. Consideration of the Operations and Administration Report**

Interim Executive Officer Hooven proposed a policy for the rotation of Chair and Vice Chair and gave an update on current and future requests for proposals. Interim Executive Officer Hooven said the Board would consider memorandums of understanding for support services and essential policies in the first quarter of 2020.

General Counsel Ryan Baron, BB&K, Counsel, introduced himself and Assistant General Counsel Nicholas Norvell, BB&K, Associate.

Following Board discussion, no action was taken.

## **6. SDCP Standing Committees – Information and Discussion**

Interim Executive Officer Hooven provided information on the Joint Powers Authority Agreement mandated standing committees and other potential standing committees, SDCP's staffing resources, the SDCP organizational needs, and the best practices of other Community Choice Aggregations. Interim Executive Officer Hooven said staff recommended the establishment of a Finance and Risk Management Committee in the first quarter of 2020 and a Community Advisory Committee in the second quarter of 2020. Interim Executive Officer Hooven stated staff would bring back for Board consideration the scope, purpose, and selection process for the standing committees.

Board questions and comments ensued.

General Counsel Baron explained the required composition of the Finance and Risk Management Committee.

Board questions and comments continued.

General Counsel Baron explained the role of Alternate Board Members and potential ways to expand the role of Alternate Board Members.

Matthew Vasilakis, Climate Action Campaign, spoke regarding the mandated Community Advisory Committee.

Following Board discussion, no action was taken.

## **7. Direction to Finalize Negotiations for Credit and Banking Services**

Interim Executive Officer Hooven provided an overview of the request for proposals (RFP) process for credit and banking services and introduced Richard Eyre, Debt Manager, City of San Diego Debt Management Department, and Mike Berwanger, Managing Director, PFM

Financial Advisors, LLC, who reviewed the RFP's scope of services, the procurement process, the final negotiations process, and the anticipated timeline for the Board's consideration of the final agreement. Mike Berwanger, Managing Director, PFM Financial Advisors, LLC, said staff recommended finalizing negotiations for credit and banking services with River City Bank.

Board questions and comments ensued.

Nicole Capretz, Climate Action Campaign, spoke in support of approving staff's recommendation to finalize negotiations for credit and banking services with River City Bank.

**ACTION:** Following Board discussion, it was the consensus of the Board to direct staff to proceed with finalizing negotiations with River City Bank for credit and banking services.

## **8. Conduct a Public Hearing to Adopt Implementation Plan and Statement of Intent**

Shawn Marshall, Executive Director, Lean Energy US, reviewed the five key elements of the Implementation Plan: energy supply, customer phasing, rate strategy, organizational structure, and financial information. Shawn Marshall, Executive Director, Lean Energy US, stated *Table 4: SDCP Retail Service Accounts (End of Year), 2020-2029*, of the Implementation Plan would be updated to include the total number of accounts.

Board questions and comments ensued.

Mark Fulmer, Principal, MRW & Associates, explained the variance in the power load between Clean Power Alliance and SDCP.

Board questions and comments continued.

Shawn Marshall, Executive Director, Lean Energy US, explained the similarities and differences of an Implementation Plan and an Integrated Resources Plan.

Chair Mosca (Encinitas) opened the hearing for Item 8.

Matthew Vasilakis, Climate Action Campaign, spoke regarding the expectation of the Board to phase out non-RPS qualified and conventional energy sources and the development and implementation of an inclusive local development business plan modeled after East Bay Community Energy.

Jason Anderson, Cleantech San Diego, spoke in support of the adoption of the Implementation Plan.

Josh Brock, CalPine Energy Solutions, spoke in support of the adoption of the Implementation Plan.

Jim Waring spoke regarding energy procurement and providing the public with the information needed to understand the energy procurement process.

Bill Roper, San Diego Strategic Round Table, spoke regarding concerns with the Implementation Plan as written.

Michael Detz, City of Encinitas resident, spoke regarding the marketing challenges SDCP would have with its customers.

Jim Wang spoke regarding the overall goal to reduce greenhouse gases.

Chair Mosca (Encinitas) closed the hearing for Item 8.

Board questions and comments ensued.

**ACTION:** Motioned by Board Member Montgomery (San Diego) and seconded by Vice Chair Padilla (Chula Vista) to adopt San Diego Community Power's Implementation Plan and Statement of Intent. The motion carried by the following vote:

**Vote:** 5-0

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

**No:** None

**Abstained:** None

**Absent:** None

## **9. Discussion of SDCP 2020 Staffing Plan**

Interim Executive Officer Hooven provided an overview of the SDCP 2020 staffing plan. Interim Executive Officer Hooven said staff recommended the Board authorize the Interim Executive Officer to begin the invitation to bid process for an executive recruitment firm to assist with the CEO recruitment.

Board questions and comments ensued.

**ACTION:** Following Board discussion, it was the consensus of the Board to direct staff to bring back for Board consideration an item to establish an ad hoc subcommittee for the CEO candidate selection.

Board questions and comments continued.

Interim Executive Officer Hooven and General Counsel Baron explained the hiring process for essential positions.

**ACTION:** Following Board discussion, it was the consensus of the Board to authorize the Interim Executive Officer to begin the invitation to bid process for an executive recruitment firm to assist with the CEO recruitment.

## **10. Adoption of 2020 Board Meeting Schedule by Resolution**

Interim Executive Officer Hooven provided an overview of the proposed meeting dates, time, and location for the 2020 SDCP Board of Directors meetings.

Board questions and comments ensued.

**ACTION:** Motioned by Board Member West (Imperial Beach) and seconded by Board Member Montgomery (San Diego) to adopt the Resolution establishing the regular meeting schedule of the San Diego Community Power Board of Directors for calendar year 2020. The motion carried by the following vote:

**Vote:** 5-0

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

**No:** None

**Abstained:** None

**Absent:** None

#### **11. Board Member and Staff Announcements**

**ACTION:** Following Board discussion, it was the consensus of the Board to direct staff to agendize for Board consideration at the January 30, 2020 meeting an item to discuss potential amendments to the original Joint Powers Authority Agreement that would address the concerns of key community partners regarding procured labor, energy procurement, and vendor diversity.

#### **12. Adjournment**

Chair Mosca (Encinitas) adjourned the meeting at 11:23 a.m.

Megan Wiegelman, CMC  
Interim Board Clerk

**SAN DIEGO COMMUNITY POWER**  
**Staff Report – Item 2**

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To: San Diego Community Power Board of Directors

From: Cody Hooven, SDCP Interim Executive Officer  
Director/Chief Sustainability Officer, City of San Diego

Subject: Operations and Administration Report – Informational Only

Date: January 30, 2020

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**Recommendations**

1. Receive update on various operational and administration activities described in this report.
2. Regarding Item D – Formation of ad-hoc executive search committee of the Board and motion to authorize the Interim Executive and/or Board Chair to enter into an executive recruitment contract in an amount not to exceed \$80,000.

**Analysis and Discussion**

Staff will provide regular updates to the Board of Directors regarding San Diego Community Power's (SDCP) organizational development, administration and start-up activities. The following is a brief overview of this month's discussion items, which are informational only.

**A) Vendor RFPs**

On November 27, 2019, SDCP released its wholesale energy services RFP which includes power resource planning, procurement assistance, rate design, scheduling and long-term procurement planning. Shawn Marshall with LEAN Energy US is providing coordination and advisory support for this effort. Others that reviewed proposals and participated in interviews beyond myself include: Natasha Keefer, Director of Power Planning & Procurement, Clean Power Alliance; Deb Emerson, Director of Power Services, Sonoma Clean Power; Mark Fulmer, Principal and Partner, MRW & Associates; and, Crystal Najera, Climate Action Plan Program Administrator, City of Encinitas. Interviews are complete and staff expect to have an agreement for Board approval at its February Board meeting. Upcoming RFPs include data management/call center and marketing services, both of which will be released in February 2020.

**B) MOUs with City of San Diego and City of La Mesa for Administrative and Support Services**

Staff from the City of San Diego and City of La Mesa are performing Interim Executive Officer, administrative, and Board Secretary duties, respectively, for SDCP. In order to formalize this arrangement and establish terms and conditions for the types of services provided, compensation of those agencies, and the number of hours that will be provided, staff and General Counsel will develop and present proposed MOUs or agreements for the Board to consider at an upcoming Board meeting in the first quarter of 2020.

### **C) Discussions with San Diego Gas & Electric (SDG&E)**

Staff and SDCP consultants have met several times with various SDG&E staff to discuss coordination needs and opportunities for collaboration. Areas of discussion include:

- Launch timeline – SDCP’s identified timeline to begin service to customers starts in March 2021 with municipal accounts, July 2021 for commercial and industrial accounts, and November 2021 for residential accounts. SDCP has kept SDG&E informed of the formation process (throughout 2019), official JPA status (October 2019), and submission of the Implementation Plan (December 2019) to ensure they are aware of our plans. SDG&E has assured us that they understand the timeline.
- Load forecasting – a variety of filings and proceedings at the California Public Utilities Commission (CPUC) will require information from SDCP and SDG&E on load forecasts, resource adequacy, etc. Discussions in this area include data requests and response timelines, CPUC deadlines and opportunity for supportive reply comments, meet and confer needs, and other opportunities for coordination. We anticipate these meetings to occur with greater frequency. MRW and Associates, LEAN Energy US, and Tosdal, APC are all involved at various levels.

### **D) Executive Recruitment**

Per the Implementation Timeline, the CEO recruitment and hiring process is a priority Q1 activity. Shawn Marshall with LEAN Energy US, a consultant to SDCP, is leading this effort and the process is underway. In December, the Board authorized the solicitation of bids from executive recruitment firms that have expertise in energy/utility and public agency staffing that will support the recruitment and hiring process. Proposals are due from potential executive search firms on February 5, 2020. Costs may be higher than originally anticipated, in the range of \$60,000 to \$80,000. An ad hoc committee of two Board members is recommended to work with the recruiter and participate in the recruitment process. The following is the timeline and steps in the process.

<b>Month</b>	<b>Activity</b>
January 2020	Solicit bids from 3-4 executive search firms that have been used by other public agencies or CCAs for successful CEO searches
February 2020	Select winning firm and finalize contract
February 2020	Prepare job posting and open recruitment
March 2020	Application period ends; initial candidate review
April- June 2020	Top candidate selection and interviews (anticipate 2-3 rounds); Board approvals/hiring process





**SAN DIEGO COMMUNITY POWER**  
**Staff Report – Item 3**

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To: San Diego Community Power Board of Directors

From: Cody Hooven, SDCP Interim Executive Officer  
Director/Chief Sustainability Officer, City of San Diego

Subject: Formation of Community Advisory Committee (CAC): Approval of Membership Criteria and Terms, Application Form and Committee Purpose and Scope

Date: January 30, 2020

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**Recommendation**

- 1) Approve the following items:
  - a. Community Advisory Committee Membership Criteria and Terms
  - b. Community Advisory Committee Application Form
  - c. Community Advisory Committee Purpose and Scope

**Background**

Section 5.10.3 of the Joint Powers Authority (JPA) Agreement states the following as it relates to the Community Advisory Committee (CAC):

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. The Community Advisory Committee is advisory only, and shall not have decision-making authority, nor receive any delegation of authority from the Board of Directors. Each Party may nominate a committee member(s) and the Board shall determine the final selection of committee members, who should represent a diverse cross-section of interests, skills sets and geographic regions.

**Analysis and Discussion**

*Community Advisory Committee Membership Criteria*

The CAC intends to promote membership throughout the communities of SDCP's five-member cities, and meet the goal of representing "a diverse cross-section of interests, skills sets and geographic regions," as stated in Section 5.10.3 of the SDCP JPA Agreement.

As outlined in Attachment A to this report, to ensure varied perspectives and participation, it is recommended that the CAC be made up of ten (10) members, with two (2) from each member city. This composition maybe revisited by the Board if new member cities are added to SDCP. CAC members shall be residents (either property owners or renters), business owners, and/or

employees or representatives of a community-based organization within one of SDCP's five-member cities: Chula Vista, Encinitas, Imperial Beach, La Mesa and San Diego. There shall be at least one CAC member that is a renter within SDCP's service territory and one that is a business owner.

When reviewing CAC applicants for membership, SDCP staff and the Board of Directors are to prioritize residents, when feasible, from diverse social, economic, and racial backgrounds that are representative of all residents within the service territory of San Diego Community Power.

Finally, applicants must be committed to serving on the CAC and regularly attending CAC meetings and occasional SDCP Board meetings. CAC meetings, times, and location will be determined once the members are approved by the full Board. Members will serve staggered 3-year terms with a limit of two terms. To ensure continuity and prevent all terms expiring at the same time, one CAC member from each city appointed in the inaugural formation will have an initial 2-year term limit, with the option to seek a second 3-year term.

#### *Community Advisory Committee Application Form and Selection*

SDCP staff recommends that the Board approve a self-nomination application form for prospective members of the CAC.

The form, included as Attachment B, is to include applicant's name, contact information, organization represented and title (if applicable); whether the applicant is a resident (property owner or renter) or business owner (and, if so, in which member city) within SDCP's service territory; the applicant's key areas of interest in the SDCP program; and qualifications for service on the committee.

If approved, staff envisions the process of creating the Community Advisory Committee as follows:

- Application forms available to the public on February 3<sup>rd</sup>, 2020 and publicized by each Board Member and member agency;
- Applications will be accepted by SDCP staff until February 28<sup>th</sup> and distributed to each Board Member based on which city the applicant(s) resides, works or owns a business in;
- Each Board Member, with assistance from SDCP staff, will review the applications to select two nominees from each member city in preparation for the Board meeting on March 26<sup>th</sup>; and
- Present nominees at the March Board meeting for Board approval.

#### *Community Advisory Committee Purpose and Scope*

The 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 SDCP. The Committee is advisory only and is subject to the Brown Act.

In providing guidance on the roles and responsibilities of the CAC, staff is recommending the adoption of a CAC 'Purpose and Scope' (see Attachment C) which may be updated or changed at the Board's discretion. Staff reviewed the CAC scopes of several operational CCAs, which helped inform the recommended Scope below. The proposed CAC Scope includes the following:

1. Elect officers and define priorities and duties to ensure the Committee can operate independently and collaboratively, with limited support from SDCP staff;
2. Adopt an annual work plan that aligns with the CAC Scope provided by the Board;
3. Work on defined objectives as directed by the Board and produce materials or advice that will assist the Board in decision-making;
4. Help the Board to identify issues of concern and opportunities to educate community members about SDCP;
5. Draft reports to the Board with findings and recommendations as may be needed;
6. Represent the views of Committee constituencies in comments and recommendations;
7. Incorporate language around inclusion and diversity in discussions as they relate to SDCP operations;
8. Plan for and engage in community events and special projects, as appropriate;
9. Serve as an information-channel back to their colleagues and communities; and
10. Other duties or tasks, as deemed appropriate by the Community Advisory Committee and Board, that meet the purpose of providing a venue for ongoing citizen support and engagement in the strategic direction, goals, and programs of SDCP.

It is expected that SDCP staff will provide information regarding the operation of its CCA program to the Community Advisory Committee, as necessary and appropriate. The CAC shall appoint officers to manage their committee independently. SDCP shall provide staff support to the Committee to assist with meetings, posting of information, etc.

**Fiscal Impact:**

Costs associated with CAC meetings are unknown; however, they may include staff time to manage the meetings and meeting space charges if public facilities aren't available.

**Attachments:**

Attachment A: CAC Membership Criteria and Terms

Attachment B: CAC Application Form

Attachment C: CAC Purpose and Scope

# SAN DIEGO COMMUNITY POWER

## Community Advisory Committee Membership Criteria and Terms

1. The Committee shall be made up of ten (10) committee members, with two (2) from each member city. This composition may be revisited by the Board if new member cities are added to SDCP.
2. The CAC is a Brown Act Committee and all meetings shall be posted and held in public settings;
3. SDCP aims to ensure a wide variety of perspectives and participation on the Community Advisory Committee;
4. Members shall be residents (property owners and/or renters), business owners, employees or representatives of a community-based organization located within one of the member cities of San Diego Community Power;
5. When reviewing applicants for membership, SDCP staff and the Board of Directors are to prioritize residents, when feasible, from diverse social, economic and racial backgrounds that are representative of all residents within the service territory of San Diego Community Power;
6. There shall be at least one CAC member that is a renter within SDCP's service territory and one that is a business owner.
7. Applicants must be committed to serving on the CAC and attending regular committee meetings, and occasional SDCP Board meetings. CAC meetings, times, and location will be determined once the members are approved by the full Board. Members will serve staggered 3-year terms and there is a limit of 2 terms. To ensure continuity and prevent all terms expiring at the same time, one member from each member city appointed in the inaugural formation will have their first term limited to 2 years, with the option to seek a second 3-year term.
  - a. Seat 1 for each member city – term begins Spring 2020, ends March 2023 (3 years)
  - b. Seat 2 for each member city – term begins Spring 2020, ends March 2022 (2 years)

# SAN DIEGO COMMUNITY POWER

## 2020 Application for SDCP Community Advisory Committee

San Diego Community Power (SDCP), the new Community Choice program made up of the cities of Chula Vista, Encinitas, Imperial Beach, La Mesa, and San Diego, is now taking applications for membership in its Community Advisory Committee. Complete applications along with a resume are to be sent via email to [RegionalEnergy@sandiego.gov](mailto:RegionalEnergy@sandiego.gov) by 5 pm on February 28<sup>th</sup>. Applications can also be mailed to the following address:

San Diego Community Power  
Attn: Cody Hooven  
1200 Third Ave. Suite 1800  
San Diego, CA 92101

According to Section 5.10.3 of the SDCP Joint Powers Authority (JPA) Agreement:

“each Party may nominate a committee member(s) and the Board shall determine the final section of committee members, who should represent a diverse cross-section of interests, skills sets and geographic regions.”

Therefore, two applicants from each member city will be nominated by their respective Board Member to San Diego Community Power. Nominees will then be presented to the full Board at the March 26<sup>th</sup> meeting for final approval.

SDCP will work to ensure that the nominees represent the diverse populations of its member cities, accounting for different economic, racial, and social backgrounds.

The role of CAC members includes, but is not limited to, the following:

1. Elect CAC officers and define priorities and duties within its Scope to ensure the Committee can operate independently and collaboratively, with limited support from SDCP staff;
2. Adopt an annual work plan that aligns with the CAC Scope provided by the Board;
3. Work on defined objectives as approved by the Board, to produce materials or advice that will assist the Board in decision-making;
4. Help the Board to identify issues of concern and opportunities to educate community members about SDCP;
5. Draft reports to the SDCP Board of Directors with findings and recommendations as may be needed;
6. Represent the views of Committee’s constituencies in comments and recommendations;
7. Incorporate language around inclusion and diversity in discussions as they relate to SDCP operations;
8. Plan for and engage in community events and special projects as appropriate;
9. Serve as an information-channel back to their communities; and
10. Other duties or tasks, as deemed appropriate by the Community Advisory Committee and Board, that meet the purpose of providing a venue for ongoing citizen support and engagement in the strategic direction, goals, and programs of SDCP.

# SAN DIEGO COMMUNITY POWER

## Applicant Criteria:

1. Applicants must be residents (property owners and/or renters), business owners, employees or representatives of a community-based organization within one of the five member cities of SDCP: Chula Vista, Encinitas, Imperial Beach, La Mesa, and San Diego.
2. Applicants must be committed to serving on the CAC and regularly attending CAC meetings and occasional SDCP Board meetings. CAC meetings, times, and location will be determined once the members are approved by the SDCP Board of Directors. Members will serve staggered 3-year terms and there is a limit of 2 terms. To ensure continuity and prevent all terms expiring at the same time, one member from each member city appointed in the inaugural formation will have their first term limited to 2 years, with the option to seek a second 3-year term.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Organization represented and title (if applicable): \_\_\_\_\_

Phone / Email: \_\_\_\_\_

Are you a resident of one of the five-member cities? If yes, which city? \_\_\_\_\_

Please specify whether you are a property owner or renter \_\_\_\_\_

Are you a business owner in one of the five-member cities? If so, which one? \_\_\_\_\_

<b><u>I am Applying Under the Following Stakeholder Category (please check top 2)</u></b>			
<input type="checkbox"/>	Environmental/Clean Energy	<input type="checkbox"/>	Labor Union
<input type="checkbox"/>	Business Owner/Association	<input type="checkbox"/>	Regional/Large Energy User
<input type="checkbox"/>	Academic/Research Center	<input type="checkbox"/>	Cultural Organization
<input type="checkbox"/>	Social Justice	<input type="checkbox"/>	Student in College/University/Trade School
<input type="checkbox"/>	Citizen at large	<input type="checkbox"/>	Other:

Please explain why you wish to be appointed to the San Diego Community Power Community Advisory Committee and briefly describe your qualifications including any applicable experience. Please indicate if you are a representative of an organization with expertise in energy issues generally and/or Community Choice Energy specifically. Please attach a resume.

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SAN DIEGO COMMUNITY POWER

*As a member of the SDCP Community Advisory Committee, you are making a time commitment to actively participate in the planning and development of the San Diego Community Power (SDCP) program. Please sign the statement below indicating you have the time to prepare for and attend meetings.*

I have sufficient time to devote to this responsibility and will attend scheduled meetings if appointed. I am also aware that this application is a public document. I will also abide by the Political Reform Act and Form 1090, where I will refrain from voting on issues in which I have a financial interest.

Signature

Date

DRAFT



# **SAN DIEGO COMMUNITY POWER**

## **Community Advisory Committee**

### **Committee Purpose and Scope**

The purpose of the San Diego Community Power (SDCP) Community Advisory Committee (CAC) is to advise the SDCP Board of Directors on the operation of its Community Choice Aggregation program, as stated in section 5.10.3 of the SDCP Joint Powers Authority (JPA) Agreement. This Scope will be adopted by the Board of Directors and may be updated or changed at the Board's discretion.

The Community Advisory Committee will, under the direction of the SDCP Board of Directors and authorized SDCP staff:

1. Elect officers and define priorities and duties to ensure the Committee can operate independently and collaboratively, with limited support from SDCP staff;
2. Adopt an annual work plan that aligns with the CAC Scope provided by the Board;
3. Work on defined objectives as directed by the Board and produce materials or advice that will assist the Board in decision-making;
4. Help the Board to identify issues of concern and opportunities to educate community members about SDCP;
5. Draft reports to the Board with findings and recommendations as may be needed;
6. Represent the views of Committee constituencies in comments and recommendations;
7. Incorporate language around inclusion and diversity in discussions as they relate to SDCP operations;
8. Plan for and engage in community events and special projects, as appropriate;
9. Serve as an information-channel back to their colleagues and communities; and
10. Other duties or tasks, as deemed appropriate by the Community Advisory Committee and Board, that meet the purpose of providing a venue for ongoing citizen support and engagement in the strategic direction, goals, and programs of SDCP.

**SAN DIEGO COMMUNITY POWER**  
**Staff Report – Item 4**

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To: San Diego Community Power Board of Directors

From: Cody Hooven, SDCP Interim Executive Officer  
Director/Chief Sustainability Officer, City of San Diego

Subject: Formation of the Finance and Risk Management Committee

Date: January 30, 2020

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**Recommendation**

1. Appoint two Board Members to serve on the Finance and Risk Management Committee for a one-year term.
2. Approve the expansion of the scope of the Finance and Risk Management Committee to include energy risk management.

**Background**

Section 5.10.2 of the SDCP Joint Powers Authority (JPA) Agreement states the following:

The Board shall establish a Finance and Risk Management committee consisting of a subset of its Directors. The primary purpose of the Finance and Risk Management Committee is to review and recommend to the Board:

- a) A Funding plan;
- b) A fiscal year budget;
- c) Financial policies and procedures to ensure equitable contributions by parties; and
- d) The Finance and Risk Management Committees may have such other responsibilities as may be approved by the Board, including but not limited to advising the Chief Executive Officer on fiscal and risk management policies and procedures, rules and regulations governing investment of surplus funds, audits to achieve best practices in corporate governance and selection and designation of financial institutions for deposit of Authority funds, and credit/depository matters.

**Analysis and Discussion**

Staff recommends that two primary Board Members serve on the Finance and Risk Management Committee for a period of one calendar year to end at the December meeting of 2020. At that December meeting, the Board may appoint or reappoint Directors for the following year. All Finance and Risk Management Committee meetings will be subject to Brown Act noticing and open meeting requirements, including the location information.

Staff anticipates that the Finance and Risk Management Committee will meet monthly, or as needed. Additionally, upon appointment of the Directors to the Finance and Risk Management

Committee, staff will assist in determining the best time to meet. It is projected that the first meeting will take place in February 2020.

Given the size of the SDCP Board, and best practices of other Community Choice programs in the state, staff recommends that the scope of this committee be expanded to include energy risk management. Since procurement of energy is the primary business function of SDCP, discussion of energy procurement and related issues or risks is a natural fit for this committee. At a later date, with increased staff and Board capacity, the Board can consider separating functions into additional committees.

**Fiscal Impact**

Cost of this action may include staff time to manage the meetings and a cost for meeting space to host the meetings.

**SAN DIEGO COMMUNITY POWER**  
**Staff Report – Item 5**

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To: San Diego Community Power Board of Directors

From: Cody Hooven, SDCP Interim Executive Officer  
Director/Chief Sustainability Officer, City of San Diego

Subject: Update on the Implementation Timeline, Including Policy Adoption Schedule

Date: January 30, 2020

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**Recommendation**

Receive update on the Implementation Timeline, including policy adoption schedule for the operations of San Diego Community Power (SDCP).

**Background**

This item is in response to the Board's interest in further understanding when various policies will be presented to them for consideration. At the inaugural meeting of SDCP on October 31, 2019, the Board approved a formation timeline that gave a detailed overview of key functions, primary tasks, and timing required to bring SDCP from concept to an independent public agency running an energy business.

**Analysis and Discussion**

Attachment A to this staff report expands the Implementation Timeline previously adopted to now include a list and timing of various policy items that will come before the Board for approval. The timeline now includes nine core functional areas: 1) JPA Administration/Project Management, 2) Required JPA Agreement Tasks, 3) Finance/Banking, 4) Regulatory/Legislative, 5) Technical/Energy Services, 6) Operational Policies, 7) Community Choice Aggregation Policies, 8) Data Management/Call Center, and 9) Communications/Marketing.

Please note that the operational and CCA policies included in the timeline are common to other operational CCAs in the State but will be tailored to the needs of SDCP.

In the coming months the Board will consider adoption of bylaws or operating guidelines as well as specific policies as outlined in Attachment A.

**Fiscal Impact**

There is no fiscal impact associated with this item.

**Attachment:**

- A. Updated Implementation Timeline

[illegible]

San Diego Community Power Implementation Timeline* Updated Jan. 27, 2020 Timeline by Task Area	Q4 2019			Q1 2020			Q2 2020			Q3 2020			Q4 2020			Q1 2021			Q2 2021			Q3 2021			Q4 2021			
	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	
Regulatory/Legislative																												
Secure contract with regulatory and legislative attorney/firm TBD																												
Continue tracking CCE-related regulatory activity and participating in statewide efforts																												
RA Proceeding: Central Procurement Entity																												
PCIA Proceeding: Working Groups 1, 2, and 3																												
DA Proceeding: Expansion																												
Integrated Resource Planning Proceeding																												
Continue tracking CCE-related legislative activity and participating in statewide efforts																												
Establish regular meetings with SDG&E for transition of services																												
Register with the CPUC and obtain party status for priority regulatory proceedings																												
Work with technical services vendor to ensure full regulatory/program compliance and reporting																												
Technical/Energy Services																												
Contract with technical services firm and team for Strategic Plan																												
Review and update results of technical study; verify load projections and proforma estimates																												
Prepare resource adequacy (RA) procurement plan and RA compliance filings																												
Determine power supply mix and product options (i.e. default and voluntary products)																												
Determine customer phasing strategy based on economic projections and credit capacity																												
Develop and issue Energy Services RFPs (includes scheduling services)																												
Prepare and submit program Implementation Plan/Statement of Intent (60-90 day certification)																												
Strategic Plan Developed																												
Negotiate and finalize terms of wholesale energy services contract/schedule coordination																												
Support rate design & rate setting (incl PCIA, NEM and utility cost comparisons)																												
Prepare Utility Service Agreement, Deposit and Bond Posting																												
Finalize supply contracts/approval of master service agreement(s)																												
Set rates																												
Develop related energy programs including FIT, NEM, EE, DR et al																												
Complete all regulatory registrations for program compliance (CPUC, CAISO, WREGIS etc)																												
Coordinate with program staff and all other vendors as needed																												
Operational Policies																												
Adopt bylaws or operating rules and procedures																												
Adopt policy on preparation of agendas																												
Adopt policy on additional standing committees and a technical advisory committee																												
Adopt policy on rules of conduct for Board meetings, including public comment rules																												
Adopt policy on locations for posting of ordinances and resolutions																												
Adopt policy on signatories on SDCP checks and financial documents																												
Adopt policy on designation of SDCP holidays, establishment of regular business hours an designation of SDCP's mailing address																												
Adopt insurance policy																												
Adopt budget and accounting policy																												
Adopt investment policy																												
Adopt travel and reimbursement policy																												
Adopt personnel rules policy																												
Adopt record retention policy and schedule; guidelines for public access																												
Adopt policy on delegation of authority to accept easements and other real property interests																												
Adopt board stipend and reimbursement policy																												

San Diego Community Power Implementation Timeline* Updated Jan. 27, 2020 Timeline by Task Area	Q4 2019			Q1 2020			Q2 2020			Q3 2020			Q4 2020			Q1 2021			Q2 2021			Q3 2021			Q4 2021		
	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Community Choice Aggregation Policies																											
Adopt customer information confidentiality policy																											
Establish terms and conditions of service policy																											
Adopt policy on prohibition of disseminating untrue or misleading information																											
Adopt time sensitive legislative and regulatory policy																											
Adopt information and technology security policy																											
Establish social media policy																											
Complete and adopt energy risk management policy																											
Approve net energy metering program policy																											
Adopt delinquent account, collections and bad debt policy																											
Approve reserve policy																											
Establish and adopt debt management policy																											
Adopt policy on new customer communities joining SDCP																											
Data Management/Call Center																											
Secure Data Mgmt and Call Center Contract																											
Infrastructure and Application configuration																											
EDI certification (utility and bank)																											
Call center training/go live																											
List of Phase 1 customers																											
1st opt-out period (60 days out)																											
2nd opt-out period (30 days out)																											
Program rates and reports																											
Utility account set up (dead period)																											
Account Switches/Customer enrollments																											
1st Full Billing Cycle																											
3rd opt-out period																											
4th opt-out period																											
2nd full billing cycle																											
Communications/Marketing																											
Update FAQs, website and basic program collateral																											
Secure marketing firm; develop public outreach and marketing plan (including multi-lingual, multi cultural)																											
Messaging, branding																											
Develop website 2.0 with translation and opt-out features																											
Community education -- presentations to community groups, public workshops, tabling, stakeholder meetings, etc.																											
Press outreach/earned media (op-eds, feature stories, local radio and TV)																											
Develop and launch advertising campaign (paid media, social media, et al)																											
Develop call center script/Call center live in when first notice drops																											
Prepare/design customer enrollment notices																											
Manage Ph 1 customer enrollment printing and mailing																											
Manage subsequent enrollments and develop ongoing community presence																											
Develop post launch communications plan																											

\*Tasks and timing of tasks are subject to change based on operational needs.

**SAN DIEGO COMMUNITY POWER**  
**Staff Report – Item 6**

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To: San Diego Community Power Board of Directors

From: Cody Hooven, SDCP Interim Executive Officer  
Director/Chief Sustainability Officer, City of San Diego

Subject: Discussion of Amendments to SDCP Joint Powers Authority (JPA) Agreement

Date: January 30, 2020

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**Recommendation**

1. Discuss potential amendments to San Diego Community Power (SDCP) Joint Powers Authority (JPA) Agreement.
2. Direct staff to amend the JPA Agreement, if necessary.

**Background**

At the December 9, 2019 SDCP Board meeting, Board Member Padilla requested an agenda item to allow for the Board to provide direction to staff on potential revisions to the JPA Agreement per public comments made by the International Brotherhood of Electrical Workers (IBEW) and the Sierra Club.

Prior to the official formation of San Diego Community Power (SDCP) on October 1, 2019, extensive engagement and negotiations occurred amongst potential member cities, stakeholders, and the five respective City Councils that ultimately adopted the JPA Agreement.

**Analysis and Discussion**

Three sections of the JPA agreement are relevant to this discussion.

The first is item 6 (a) through (o) of the Recitals which reflect the Agency's overall commitment to a variety of principles ranging from 100% renewable energy to local workforce development and inclusion of communities of concern.

The second section of interest is section 4.6, Specific Responsibilities of the Board. In this section, specific policies are called for such as the development of a workforce policy that promotes a local, sustainable, and inclusive workforce; and development of a Strategic Plan to guide the development, procurement, and integration of renewable energy resources consistent with the intent and priorities identified in the JPA Agreement.

The third has to do with voting requirements for JPA Amendments. The relevant sub sections of Section 4.12, Special Voting are below:



- 4.12.1 Except as provided below, matters that require Special Voting as described in this section shall require 72 hours prior notice to any Brown Act meeting or special meeting.
- 4.12.2 Two-thirds vote (or such greater vote as required by state law) of the appointed Directors shall be required to take any action on the following: (a) Issue bonds or other forms of debt; (b) Adding or removing Parties; (c) Amend or terminate this Agreement or adopt or amend the bylaws of the Authority. At least 30 days advance notice shall be provided for such actions. The Authority shall also provide prompt written notice to all Parties of the action taken and enclose the adopted or modified documents;
- 4.12.4 Matters requiring Special Voting under the terms of this Section shall not be subject to Voting Shares Voting pursuant to Section 4.11.2 above [Voting Shares Vote].

Finally, if the Board has additional issues or principles they would like to address, there are two primary avenues to do so: (1) amend the JPA Agreement with strategic revisions and/or (2) include them in Agency bylaws, operational procedures, or policies that direct decision-making moving forward.

#### **Fiscal Impact**

There is no fiscal impact associated with this item. Minimal filing fees may be incurred if a JPA amendment is directed.

#### **Attachment:**

Please see [https://www.sandiego.gov/sites/default/files/sdrcea\\_jpa\\_agreement\\_signed\\_0.pdf](https://www.sandiego.gov/sites/default/files/sdrcea_jpa_agreement_signed_0.pdf) to review the JPA Agreement.

**SAN DIEGO COMMUNITY POWER**  
**Staff Report – Item 7**

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To: San Diego Community Power Board of Directors

From: Ty Tosdal, Tosdal APC

Cc: Cody Hooven, SDCP Interim Executive Officer  
Director/Chief Sustainability Officer, City of San Diego

Subject: Receive Update on Energy Regulatory Affairs from Tosdal, APC

Date: January 30, 2020

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**Recommendation**

Receive update on energy regulatory affairs as they relate to interests of the agency.

**Background**

The California Public Utilities Commission (CPUC) has broad regulatory authority over the energy sector in California, including partial jurisdiction over Community Choice Aggregation (CCA) programs. San Diego Community Power (SDCP) and other CCA program customers are regularly affected by CPUC decisions regarding power resources, rates, financial obligations and data retention among other things.

**Analysis and Discussion**

The following CPUC proceedings are currently active and will have an impact on SDCP. This is not an exhaustive list. Staff and Tosdal, APC will continue to monitor or engage in these proceedings, and other regulatory activities, as needed to ensure SDCP's interests are represented.

<b><u>Proceeding</u></b>	<b><u>Description</u></b>	<b><u>Recent Developments</u></b>	<b><u>Impact</u></b>
<b>PCIA</b> (Power Charge Indifference Adjustment)  <a href="#">R.17-06-026</a>	The PCIA is an “exit fee” paid by CCA customers to the Investor-Owned Utility (IOU) to compensate for legacy power purchases. The CPUC is currently engaged in a multi-year process to revise PCIA rules and methodologies.	The CPUC <a href="#">denied</a> re-hearing of <a href="#">D.18-10-019</a> setting methodology for calculating the PCIA.	CCA customers are required to pay the PCIA. The charge is variable, substantial and has adverse market effects.

<b><u>Proceeding</u></b>	<b><u>Description</u></b>	<b><u>Recent Developments</u></b>	<b><u>Impact</u></b>
<b>RA</b> (Resource Adequacy)  <a href="#">R.19-11-009</a>	RA, which refers to a Load Serving Entity's (LSEs) ability to provide power at critical demand periods, is being looked at closely by the CPUC. Rule changes related to resource eligibility, amount of capacity and other important changes are likely to occur over the next two years.	<a href="#">Order</a> granting stay of <a href="#">Decision 19-10-021</a> restricting RA imports  CPUC's <a href="#">State of the RA Market</a>  <a href="#">Decision 20-01-004</a> determining qualifying capacity of hybrid resources (generation + storage)	LSEs including CCA programs are required to maintain three types of RA (system, flexible and local). RA tends to have high cost impacts, i.e., it is expensive relative to traditional power. San Diego is constrained in its RA supply.
<b>Microgrids</b>  <a href="#">R.19-09-009</a>	Pursuant to Senate Bill 1339, the CPUC has opened a new proceeding to develop rules and rates for microgrids. These systems have many use cases, for example, distributed energy resources capable of operating independently from the main power grid.	<a href="#">Scope of Proceeding</a>  Track 1: Resiliency planning for outage and wildfire prone areas  Track 2: Policy goals under <a href="#">SB 1339</a> ; Service standards, reduce barriers, impact studies, rates & tariffs.  Track 3: Ongoing implementation and Working Groups	CCA programs may have a range of new opportunities for projects that promote their goals and advance resiliency generally. Alternatively, IOUs may seek to establish rules and rate structures that promote utility projects.
<b>IRP</b> (Integrated Resource Plan)  <a href="#">R.16-02-007</a>	The IRP is a planning document that is designed to provide the CPUC with information about an LSE's future procurement so that it can be evaluated against various state objectives.	<a href="#">D.19-11-016</a> requires 3,300 MW on incremental RA procurement by LSEs serving load at time of decision.	CCA programs are required to file IRPs every two years. SDCP may be required to reimburse SDG&E for its incremental procurement via non-bypassable charges.

<u>Proceeding</u>	<u>Description</u>	<u>Recent Developments</u>	<u>Impact</u>
<b>Direct Access Expansion</b>  <a href="#">R.19-03-009</a>	Pursuant to Senate Bill 237, the CPUC is overseeing a proceeding allowing the expansion of direct access (which primarily serves commercial and industrial customers) to purchase power from generators through for-profit entities.	<a href="#">Scope of Phase 2</a>  The CPUC will conduct a study on expanding direct access for commercial/industrial customers.	Depending on the size of the expansion, commercial and industrial customers may seek to leave SDCP for direct access, reducing the program's customer base and revenues.

#### **Fiscal Impact**

There is no fiscal impact associated with this item.