

AGENDA

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

August 27, 2020

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 or on a matter not appearing on the agenda, but within the jurisdiction of the Board. **Written public comments or requests to speak during the meeting must be submitted at least one (1) hour before the start of the meeting by using this ([web form](#)).** Please indicate whether your comment is on a specific agenda item or a non-agenda item when submitting your comment or requesting to speak. 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. **Written Comments.** All written comments received at least one (1) hour before 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 received after the one (1) hour limit will be collected, sent to the Board members in writing, and be part of the public record.
2. **Requests to Speak.** Members of the public who have requested to speak at least one (1) hour before the meeting will be recognized at the appropriate time during the meeting. To allow the Chair to call on you, please provide the following minimum information with your request to speak: your name (if attending by videoconference) or telephone number (if attending by phone).

Comments shall be limited to either 400 words, or 3 minutes when speaking. If you have anything that you wish to be distributed to the Board, please provide it via 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/96175366734>

Telephone (Audio Only)

AGENDA – BOARD OF DIRECTORS – SAN DIEGO COMMUNITY POWER

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 for the Board of Directors of San Diego Community Power Regular Meeting held on the following dates: Thursday, May 28, June 25, and July 23, 2020.**

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

Recommendation:

1. Receive and file update on various operational and administration activities.
2. Receive and file update on Regulatory Affairs.

3. Discussion on Potential Impacts from Changes to the SDG&E Customer Information System Rollout

Recommendation: Receive update and provide direction to staff on potential impacts from changes to the SDG&E Customer Information System rollout.

4. Informational Overview of Prospective Feed-In Tariff Program

Recommendation: Receive informational presentation from Pacific Energy Advisors on a prospective Feed-In Tariff program.

5. Approval of the San Diego Community Power 2020 Integrated Resource Plan

Recommendation: Approve 2020 San Diego Community Power Integrated Resource Plan.

6. Marketing and Messaging Presentation by Civilian

Recommendation: Receive informational presentation of upcoming marketing activities and hold insight session.

7. Approval of Community Advisory Committee Work Plan

Recommendation: Approve the Community Advisory Committee Work Plan for the remainder of the calendar year 2020.

8. Approval of Amendment to BB&K Contract

Recommendation: Approve amendment to existing Best Best & Krieger (BB&K) contract for the expansion and continuation of services to SDCP for a total amount not to exceed \$240,000 through June 30, 2021.

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 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 www.sdcommunitypower.org/board-meetings. 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. 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. However, due to the Governor's Executive Orders N-25-20 and N-29-20 and the need for social distancing, that is now suspended and can instead be made available electronically at info@sdcommunitypower.org. The documents may also be posted at the above website. Late-arriving documents received during the meeting are available for review by making an electronic request to the Board Secretary via info@sdcommunitypower.org.

**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

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

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

MINUTES

June 25, 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.

Assistant General Counsel Norvell recommended the Board make a motion to reconvene into Closed Session following the SDCP Board of Directors Regular meeting to discuss Items 1 through 3 on the Special Meeting Agenda.

ACTION: Motioned by Chair Mosca (Encinitas) and seconded by Board Member Baber (La Mesa) to reconvene into Closed Session following the SDCP Board of Directors Regular meeting. 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

CALL TO ORDER

Chair Mosca (Encinitas) called the SDCP Board of Directors meeting to order at 5:15 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: Vice Chair Padilla (Chula Vista)

Also Present: Interim Executive Officer Hooven, Assistant General Counsel Norvell, Interim Board Clerk Wiegelman

ITEMS TO BE ADDED, WITHDRAWN OR REORDERED ON THE AGENDA

Agenda Item 6 was continued to the SDCP Board of Directors Regular meeting of July 23, 2020.

PUBLIC COMMENTS

Andrew Terenzio spoke regarding Recurve Analytics, Inc, third-party data sharing and mapping protocol development, and requirements for demand-side management.

CONSENT CALENDAR

There were no Consent Calendar Items for consideration.

REGULAR AGENDA

1. Election the Chair and Vice-Chair and Appoint the Interim Secretary for Fiscal Year 2020-2021

ACTION: Motioned by Board Member Baber (La Mesa) and seconded by Board Member West (Imperial Beach) to (1) appoint Board Member Mosca as Board Chair and Board Member Padilla as Vice Chair for Fiscal Year 2020-2021; and (2) appoint Megan Wiegelman, City Clerk of the City of La Mesa, to serve as Interim Board Secretary until a permanent Board Secretary is identified. 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

2. Operations and Administration Report from the Interim Executive Officer

Interim Executive Officer Hooven provided an update on the status of the various vendor requests for proposals (RFP) and Committee meetings. Interim Executive Officer Hooven stated SDCP was certified through the California Public Utilities Commission (CPUC).

Ty Tosdal, Tosdal APC, provided an update on the CPUC decision in the Resource Adequacy proceeding designating Pacific Gas & Electric (PG&E) and Southern California Edison (SCE) as central buyers for local RA in their respective territories, the San Diego Gas and Electric (SDG&E) Energy Resource Recovery Account (ERRA) Forecast proceeding, and other energy regulatory affairs as they relate to the interests of SDCP.

Board questions and comments ensued.

3. Adopt the Energy Risk Management Policy

Interim Executive Officer Hooven provided background on the proposed Energy Risk Management Policy.

John Dalessi, Pacific Energy Advisors (PEA), provided a PowerPoint presentation on the proposed Energy Risk Management Policy, highlighting the content, policy administration, delegations of authority, and procurement processes.

Board questions and comments ensued.

ACTION: Motioned by Board Member Baber (La Mesa) and seconded by Vice Chair Padilla (Chula Vista) to approve the proposed Energy Risk Management Policy, including referenced delegations of authority for energy product contract approvals. 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

4. Approval of 2020 Request for Proposals for Long-Term Renewable Energy and Provide Direction on Joint Procurement

Kirby Dusel, PEA, provided a PowerPoint presentation on the general approaches available for administering a RFP for long-term renewable energy, highlighting the purpose of the long-term renewable energy RFP, the key requirements of the proposed RFP, the recommended RFP schedule, and the evaluation criteria.

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, Climate Action Campaign, submitted a comment in support of approving the 2020 RFP for long-term renewable energy with direction not to delay the release of the RFP.

Gretchen Newsom, IBEW 569, spoke regarding recommended changes to the RFP for long-term renewable energy.

Program and Policy Coordinator Sarria announced that letters from Indian Energy and Clean Tech San Diego were submitted as part of public comment for Item 4 and were provided to the SDCP Board of Directors.

Board questions and comments continued.

ACTION: Motioned by Vice Chair Padilla (Chula Vista) and seconded by Board Member Baber (La Mesa) to (1) independently administer the 2020 RFP for Long-Term Renewable Energy; and (2) approve the 2020 RFP for Long-Term Renewable Energy as amended: (a) on page 2, section ii include a statement indicating a preference for renewable energy supply portfolios that emphasize the use of PCC 1 products and has a goal of transitioning to exclusive use of such products over time subject to product availability and budgetary constraints; and (b) on page 5, separate item c under “Evaluation of Responses” into three bullet points: project location, benefits to local work force, and benefits to local economy. 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 Fiscal Year 2020-2021 Budget

Interim Executive Officer Hooven provided an overview of the various revenues and expenses of the Fiscal Year 2020-2021 Budget.

Shawn Marshall, Executive Director, Lean Energy US, reviewed the staff positions included in the Fiscal Year 2020-2021 Budget and the estimated energy cost for Fiscal Year 2022.

Board questions and comments ensued.

ACTION: Motioned by Board Member Montgomery (San Diego) and seconded by Board Member West (Imperial Beach) to approve the Fiscal Year 2020-2021 Budget. 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. Approval of Marketing and Communications Agreement

This item was continued to the July 23, 2020 SDCP Board of Directors meeting.

7. Approval of the Encinitas Cooperation and Administrative Services Agreement

Shawn Marshall, Executive Director, Lean Energy US, reviewed the purpose and content of the Encinitas Cooperation and Administrative Services Agreement.

ACTION: Motioned by Board Member Baber (La Mesa) and seconded by Board Member Montgomery (San Diego) to authorize the Interim Executive Officer to execute the Cooperation and Administrative Services Agreement with the City of Encinitas, providing certain services to San Diego Community Power (SDCP) by the City and reimbursement to the City for these services. 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 SDCP Bylaws

ACTION: Motioned by Board Member Baber (La Mesa) and seconded by Board Member West (Imperial Beach) to approve the proposed San Diego Community Power Bylaws. 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. Appointment to Community Advisory Committee – Vacant City of La Mesa Seat

Board Member Baber stated Community Advisory Committee Member Lacy Bird had resigned and Jen Derks had been nominated to fill the vacancy.

ACTION: Motioned by Board Member West (Imperial Beach) and seconded by Board Member Baber (La Mesa) to approve the appointment of City of La Mesa nominee Jen Derks to fill the vacant City of La Mesa seat on the Community Advisory Committee. 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

10. Review and Provide Input on Community Advisory Committee Draft Standard Operating Procedures

Program and Policy Coordinator Sarria provided an overview of the review and approval process for the Community Advisory Committee draft standard operating procedures.

Board questions and comments ensued.

Following Board questions and comments, no action was taken.

Director Comments

There were no comments.

Reports by Management and General Counsel

There were no reports.

Chair Mosca (Encinitas) adjourned the meeting to Closed Session at 7:56 p.m.

Assistant General Counsel Norvell announced that for Closed Session Item 3, the SDCP Board of Directors voted unanimously to authorize legal counsel to enter as amicus curiae in the matter of *Protect Our Communities Foundation v. California Public Utilities Commission* (4th Appellate District, Division 1, Case No. D077271), with real parties in interest Pacific Gas & Electric Company, San Diego Gas & Electric Company, Southern California Edison, the Utility Reform Network, the Coalition of California Utility Employees, California Large Energy Consumers Association, and Direct Access Customer Coalition. The matter was a writ proceeding challenging the decision of the California Public Utilities Commission concerning the Power Charge Indifference Adjustment.

ADJOURNMENT

Assistant General Counsel Norvell adjourned the meeting at 9:15 p.m.

Megan Wiegelman, CMC
Interim Board Clerk

DRAFT

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

Chula Vista Council Chambers
276 4th Avenue
Chula Vista, CA 91910

MINUTES

July 23, 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 5:22 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), and Board Member Montgomery (San Diego)

ABSENT: Board Member West (Imperial Beach)

Also Present: Interim Executive Officer Hooven, General Counsel Baron, Interim Board Clerk Wiegelman

General Counsel Baron announced that there were no reportable actions for Closed Session Items 1 and 2.

ITEMS TO BE ADDED, WITHDRAWN OR REORDERED ON THE AGENDA

There were no additions or deletions to the agenda.

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.

Gary Jahns submitted a comment regarding the SDCP Board of Directors meeting minutes for the months of May and June and the recording of the June SDCP Board of Directors meeting.

CONSENT CALENDAR

There were no Consent Calendar Items for consideration.

REGULAR AGENDA

1. Operations and Administration Report from the Interim Executive Officer

Interim Executive Officer Hooven provided an update on the impact of COVID-19 on SDCP operations, the status of the various vendor requests for proposals (RFP) and other solicitations, the Committee meetings that were held since the last SDCP Board of Directors meeting, staff discussions with San Diego Gas and Electric (SDG&E), regulatory and legislative matters, and the 2020 Policy Matrix.

Board questions and comments ensued.

Ty Tosdal, Tosdal APC, provided an update on SDG&E's Power Charge Indifference Adjustment application and request for permission to delay implementation of certain ratepayer payment and disconnection protections and other energy regulatory affairs as they relate to the interests of SDCP.

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, Climate Action Campaign, submitted a comment regarding SDG&E's Power Charge Indifference Adjustment application and request for permission to delay implementation of certain ratepayer payment and disconnection protections due to complications with updating its Envision Customer Information System (CIS).

Edward Lopez, Utility Consumers' Action Network, submitted a comment regarding SDG&E's request for permission to delay implementation of certain ratepayer payment and disconnection protections due to complications with updating its CIS.

Following Board questions and comments, no action was taken.

2. Approve Marketing and Communications Agreement with Civilian, Inc.

Interim Executive Officer Hooven provided an overview of the scope of services of the Marketing and Communications Strategy, Public Engagement, and Digital and Graphic

Design RFP, the selection process, and the proposed Marketing and Communications Agreement.

Stacey Smith, Civilian, Inc., gave a brief presentation on Civilian, Inc.'s background and experience.

Board questions and comments ensued.

ACTION: Motioned by Board Member Baber (La Mesa) and seconded by Board Member Montgomery (San Diego) to (1) approve the Marketing and Communications Agreement with Civilian, Inc. for a 2-year term beginning on August 1, 2020; and (2) delegate execution of the agreement to the Interim Executive Officer. The motion carried by the following vote:

Vote: 4-0

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

3. Approval of Amendment to LEAN Energy U.S. Contract

Interim Executive Officer Hooven reviewed the amendment to the contract with LEAN Energy U.S.

ACTION: Motioned by Board Member Baber (La Mesa) and seconded by Vice Chair Padilla (Chula Vista) to approve the LEAN Energy U.S. contract amendment to include additional professional services to be provided as well as an increase in the monetary cap of the contract and authorize the Interim Executive Officer to execute the amendment. The motion carried by the following vote:

Vote: 4-0

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

4. Approval of Public Records Request Policy

General Counsel Baron reviewed the proposed Public Records Request Policy and explained the purpose of the policy.

ACTION: Motioned by Board Member Montgomery (San Diego) and seconded by Vice Chair Padilla (Chula Vista) to adopt the Public Records Request Policy for San Diego Community Power. The motion carried by the following vote:

Vote: 4-0

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

5. Discuss and Consider Potential Actions Relating to the City of San Diego's Franchise Fee Agreement Negotiation

Interim Executive Officer Hooven stated that at the Community Advisory Committee (CAC) meeting of July 17, 2020, the CAC voted to recommend to the SDCP Board of Directors that SDCP submit a letter to the City of San Diego (City) providing input on the City's electric and gas franchise agreements and SDCP join the Coalition for Better Franchise Agreements. Interim Executive Officer Hooven summarized the proposed letter. Interim Executive Officer Hooven said staff recommends the SDCP Board of Directors approve the recommendation to submit a letter to the City but limit the comments to items that have a direct and immediate nexus to SDCP's business, and decline the recommendation to join the Coalition for Better Franchise Agreements.

Matthew Vasilakis, CAC Member, provided a PowerPoint presentation regarding San Diego's Energy Franchise Agreements, CAC's concerns with the current utility, how San Diego's Energy Franchise Agreements impact SDCP, and the actions SDCP can take on the issue.

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.

Joyce Lane, SanDiego350, submitted a comment regarding SDG&E's Power Charge Indifference Adjustment application and request for permission to delay implementation of certain ratepayer payment and disconnection protections due to complications with updating its CIS.

Tyson Siegele, Protect Our Communities Foundation, submitted a comment recommending the SDCP support the inclusion of the Code of Conduct in the City's Franchise Fee Agreements and request the City set an automatic penalty fee of \$500,000 per violation.

Julia Severson submitted a comment regarding the inclusion of a data transparency clause in the City's Franchise Fee Agreements.

Board questions and comments ensued.

ACTION: Motioned by Chair Mosca (Encinitas) and seconded by Vice Chair Padilla (Chula Vista) to approve the Community Advisory Committee's recommendation to submit a letter to the City of San Diego providing input on the City's Franchise Fee Agreements. The motion carried by the following vote:

Vote: 4-0

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

No: None

Abstained: None

Absent: Board Member West (Imperial Beach)

6. Approval of the Community Advisory Committee Standard Operating Procedures

Interim Executive Officer Hooven provided background on the CAC Standard Operating Procedures.

Program and Policy Coordinator Sarria summarized the changes made to the CAC Standard Operating Procedure since last reviewed by the SDCP Board of Directors.

Board questions and comments ensued.

ACTION: Motioned by Board Member Baber (La Mesa) and seconded by Board Member Montgomery (San Diego) to adopt the standard operating procedures for the Community Advisory Committee. The motion carried by the following vote:

Vote: 4-0

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

No: None

Abstained: None

Absent: Board Member West (Imperial Beach)

Director Comments

There were no comments.

Reports by Management and General Counsel

There were no reports.

ADJOURNMENT

Chair Mosca (Encinitas) adjourned the meeting at 6:27 p.m.

Megan Wiegelman, CMC

Interim Board Clerk

DRAFT

SAN DIEGO COMMUNITY POWER
Staff Report – Item 2

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 from the Interim Executive Officer

Date: August 27, 2020

Recommendation

1. Receive and file update on various operational and administration activities.
2. Receive and file update on Regulatory Affairs.

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) Staffing Needs

The volume and complexity of the workload for SDCP is accelerating quickly. In order to manage our fast-growing capacity needs successfully, the Interim Executive Officer will move forward with recruitment for four positions to fill critical and time-sensitive operational roles. The two areas of highest urgency are Power Supply and Compliance/Regulatory Affairs. Job announcements will be posted for Director level positions in each of these areas as soon as possible. Following these postings, we envision hiring in the areas of financial analysis and key customer accounts. To ensure a robust pool of applicants, job postings will be shared widely within the San Diego region, statewide CCA networks, energy trade organizations and associations that focus on diverse professionals.

B) Accounting

Maher Accountancy is under contract and started work for SDCP on August 1. The firm has completed several tasks including transferring all accounting roles and tasks from the City of San Diego, final reconciliation of FY 2019-2020 expenditures, preparation of River City Bank credit reports, and initiation of an FY 2019-2020 audit. Selection of an independent auditor will be brought to the Finance and Risk Management Committee in the near future.

C) Power Resource Solicitations

Staff, supported by Pacific Energy Advisors, submitted bids in response to SDG&E's Renewable Energy solicitation on June 22, 2020 for power to fill a portion of SDCP's initial resource needs.

SDCP received notice on August 19, 2020 that our offers were not selected for further consideration by SDG&E. Staff have reached out to SDG&E to seek feedback on why SDCP's offers were rejected. SDCP also submitted bids in response to SDG&E's RA solicitation on June 15, 2020. SDG&E has postponed notifications for selected RA bids several times, with the new notice date now September 14, 2020. SDCP's long-term renewables portfolio standard solicitation is closing on July 24, 2020. Bids will be evaluated and discussed with the committee and Board over the next few weeks with short-list notifications expected in mid-September. SDCP is completing its 2021-2023 Local Resource Adequacy (RA) solicitation – final negotiations and contracting efforts are underway with multiple suppliers.

D) Committee Meetings

- a. Finance and Risk Management – The FRMC met on August 4, 2020 and received an overview of the Integrated Resource Plan purpose and process and held a discussion on bids received from the 2020 request for proposals for long-term California RPS-eligible renewable energy.
- b. Community Advisory Committee – The CAC met on August 21, 2020 and provided input on an Inclusivity and Sustainability Policy. If any Board agenda items were heard first by the CAC, the Chair of the CAC may report on their action taken.

E) Update on 2020 Policy Matrix

Interim SDCP staff and consultants continue to work on start-up policy items as time permits and as directed by the Board. These policies range from operational to customer-based to financial. An updated schedule of planned policies is attached for reference (Attachment A) and will evolve as items are completed or new items are contemplated.

F) Discussions with San Diego Gas & Electric (SDG&E), Integrated Resource Plan and Other Regulatory Items

The CPUC has broad regulatory authority over the energy sector in California, including partial jurisdiction over CCA programs. SDCP and other CCA programs are regularly affected by CPUC decisions regarding power resources, rates, financial obligations and data retention among other things. SDCP continues to engage in regulatory matters in order to establish a position on key issues and/or provide input on various decisions or actions being considered by the PUC.

This month's regulatory update (Attachment B) includes CPUC proceedings that 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. Staff from Tosdal, APC will be available at the Board meeting to provide an overview of key actions and proceedings.

The Integrated Resource Plan (IRP) provides the CPUC with a 10-year projected look at SDCP's electricity load as part of the integrated resource planning process to ensure that California's electric sector meets its GHG reduction goals while maintaining reliability at the lowest possible costs. The IRP was originally due in April 2020 with the due date changed to September 1, 2020. A draft IRP for Board approval appears on this agenda (August 27, 2020).

Staff are also working on California Independent System Operator (CAISO) registration, which is necessary to be a market participant. Next steps include payment of necessary fees (\$5000) and bonding requirements (\$500,000 cash or letter of credit) and a review of the registration by CAISO that could take up to four months.

Attachments:

Attachment A – Updated SDCP Policy Matrix

Attachment B – Tosdal APC July/August Energy Regulatory Update

San Diego Community Power

2020 Policy Matrix

Purpose:

This matrix reflects the broader Implementation Timeline while focusing on an abbreviated overview of the policies staff is working on through 2020.

Notes:

1. Policies listed below are drawn from the most recent Implementation Timeline adopted at the January 30th Board of Directors meeting and 11 California CCAs¹
2. Policies are intended to guide SDCP operations and procedures rather than set future or aspirational goals.
3. SDCP may wish to consider blending (or bundling) specific policies within general policy categories to reduce the number of individual policies it manages. It may also update completed policies or consider additional policies not included here as its program develops and operational needs evolve.

POLICY CATEGORY/SUBJECT	DESCRIPTION	2020 TIMING/STATUS
ADMINISTRATIVE & OPERATIONS		
SDCP Conflict of Interest Code	Standard C of I policy for seated Board members and relevant SDCP staff members.	DONE
CEO Spending Authority	Authorizes CEO signing authority without prior Board approval; SDCP may consider two policies – one for operational contracts and one for power supply contracts. Describes Board reporting requirements.	DONE
Delegation of Authority to CEO for Regulatory and Legislative Matters	Authorizes CEO to respond timely to requests for regulatory and legislative action that directly impact CCA and SDCP operations. Includes Board reporting requirement.	DONE
Enterprise Risk Management	Describes how operational/business risk is determined and mitigated; may also include energy risk management as a component.	DONE (Energy Risk)
Agency Vendor and Contracting Practices	Describes procurement/vendor contracting guidelines including but not limited to: issuance of RFPs and bid evaluation, local hire, diversity, sustainable and ethical vendor preferences, signing authorities, reporting etc.	DONE (addresses professional services)
Records Retention; Public Access	Compliant with state and federal law, the length of time records of various types will be retained and/or discarded; includes guidelines for public access to SDCP records.	DONE
Information Technology Security	Policies and standards developed by IT security team to manage regulatory compliance, ensure proper staff training and customer satisfaction and minimize legal and criminal risk related to data and information breach. Could also include the AMI data policy described below.	Q4+
Social Media	Describes purpose of using these channels and defines rights/reasons for comment or post removals.	Q4
JPA Expansion/New Members	Considerations when exploring program expansion to areas outside original service area and method of approving new JPA members.	Q4+
Process for Amending/Adopting Agency Policies and JPA Agreement Amendments	Procedures to review/adopt new or amend Agency policies and JPA Amendments. This could also be part of the bylaws.	Q4
PERSONNEL/WORKFORCE		

¹ Clean Power Alliance, Clean Power SF, East Bay Community Energy, Monterey Bay Community Energy, MCE Clean Energy, Peninsula Clean Energy, Redwood Coast Energy Authority, San Jose Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, Valley Clean Energy.

Employee Handbook/Personnel Policies	Describes all legally required elements of an employee policy including fair employment practices, non- discrimination, standard business hours, paid and personal time off, holidays, sick leave, etc.	Q3
Other Personnel Policies: Travel and expense reimbursement, laptop/cell phone usage, work from home, etc.	Could be included in the employee handbook or handled as separate policies.	Q3
Inclusive and Sustainable Workforce Policy	Describes SDCP goals and requirements related to sustainable workforce practices, local hire preferences, livable wages, union engagement/project labor agreements, gender and ethnic diversity, etc.	Q3 (in process)
CUSTOMER AND COMMUNITY		
Prohibition Against Dissemination of Untrue or Misleading Information	Prohibits dissemination, by SDCP or other organization, of SDCP rates, terms and conditions of service, or other operational elements that are untrue or misleading.	Q4+
Customer Data Confidentiality	How customer data is to be treated and how to deal with any privacy or security breaches. States that personal customer shall not be shared unless necessary to conduct specific Agency business. Ensures the privacy and security of Advance Metering Infrastructure (AMI) data and customer usage information pursuant to Attachment B of the California Public Utilities Commission Decision 12-08-045.	Q4
Terms and Conditions of Service	Publicly posted customer service policy that provides information on rates, billing, enrollment process, opting out, opting in and failure to pay. If applicable; articulates process for customers who wish to voluntarily enroll in the 100% renewable product in an earlier phase than otherwise scheduled.	Q4
Customer Billing, Enrollment, Delinquent Accounts and Collections	Outlines procedures for customer billing and enrollments, physical address changes, and handling customer accounts that are past due.	Q4
FINANCIAL POLICIES		
Budget and Accounting Policy	Describes process, reporting and principals for a balanced annual budget and its oversight; may also include Agency reserve policy, debt management and accounting policies or other financial policies within this general category.	Q3-Q4 (in progress)
Rate Setting Procedures	Describes rate setting principals, goals and general process.	Q4
Bad Debt	A set percentage revenue reserve to cover bad debt; usually reviewed annually. Could be included in general budget policy.	Q4+ (prior to fiscal year end)
Surplus Income Policy - Operating Reserve, Debt Repayment, and Programs	Budgeting policy to allow for long-term financial stability, debt reduction and/or funding of new programs and projects.	Q4+ (prior to fiscal year end)
Accounts Receivable Reserves	Estimation procedure for reporting accounts receivables, net assets and earnings using historical data; could also be part of a general budget or reserve policy.	Q4+ (prior to fiscal year end)
Signatories on SDCP checks and financial documents	Describes who is authorized to sign checks and legally binding financial documents on behalf of the Agency; could be part of the budget and finance policy.	Q3 (in process – portions in delegation of authority and risk management policies)
Investment Policy	If needed; provides guidelines to consider Agency investments in real property or other investment vehicles.	Q4+ (prior to fiscal year end)

POWER SUPPLY		
Energy Risk Management Policy/ Procedures and Controls for Supply Management and Transactions	Developed in partnership with power services vendor; Describes energy market strategy and processes to regularly monitor, report and manage risk such as credit, liquidity and market risk. Outlines participation in CAISO markets and monitoring transactions. Provides general overview of procurement approach, criteria and practices including open season RFOs and signing authorities. Could also be part of the overall energy risk management policy.	DONE
Evaluation Criteria	NEW – Describes how proposals for power will be evaluated for selection.	Q3 (In process)
Power Content Guidelines	Provides description of renewable and carbon free content targets as well as types of power that may or may not be procured by SDCP	Done
Net Energy Metering Policy	Describes NEM rates, credits and participation process for NEM customers.	Q4+
Feed in Tariff	NEW – Describes a feed in tariff rate structure and participation process.	Q4

ENERGY REGULATORY UPDATE

To: Cody Hooven, CEO, San Diego Community Power

From: Ty Tosdal, Regulatory Counsel, Tosdal APC

Re: Energy Regulatory Update

Date: August 24, 2020

The energy regulatory update summarizes important decisions, orders, notices and other developments that have occurred at the California Public Utilities Commission (“Commission”) and that may affect San Diego Community Power (“SDCP”). The summary presented here describes high priority developments and is not an exhaustive list of the regulatory proceedings that are currently being monitored or the subject of active engagement by SDCP. In addition to the proceedings discussed below, Tosdal APC monitors a number of other regulatory proceedings as well as related activity by San Diego Gas & Electric (“SDG&E”) and other Investor-Owned Utilities (“IOUs”).

1. SDG&E PCIA Trigger Application (A.20-07-009)

SDG&E filed a PCIA Trigger Application on July 10, 2020 under new rules issued by the Public Utilities Commission in D. 18-10-019 that would substantially increase the PCIA rate for current CCA customers. For example, PCIA charges for Solana Energy Alliance’s (“SEA”) residential customers would go up over 1,200%. This is the first time that an application has been filed by an IOU under the new rules, drawing attention from CCA programs around the state.

SDCP, SEA and San Diego Community Power (collectively “San Diego CCA programs”) filed formal protest with the Commission on August 13, 2020. CalCCA and Direct Access (“DA”) parties also filed protests. SDCP’s regulatory counsel, CalCCA legal counsel and executive staff participated in an ex parte meeting with advisors to the assigned Commissioner, Martha Guzman Aceves, and Energy Division staff on August 13, 2020. Protests and related documents can be found in Attachment A.

Specifically, the San Diego CCA program’s protest addresses the following issues:

- SDG&E’s Application contains an unpredictable outcome that undermines rate stability for CCA customers;
- Multiple methodological and factual issues require additional discovery; and
- The Commission is not required to approve the Application as proposed.

San Diego CCA programs and CalCCA also protested SDG&E’s request for a decision on this Expedited Application within 60 days, instead recommending that a ruling be issued to consolidate this Application for review in the 2021 ERRA proceeding, A.20-04-014.

A prehearing conference has been scheduled for August 27, 2020, and will provide clarity on the schedule going forward. Based on the fact that the prehearing conference has been scheduled at this time, it is unlikely that a decision will be issued in the 60-day time period that was originally proposed. SDG&E continues to withhold confidential information in this proceeding, and as a result, SDCP has filed a motion to compel, which can be found in Attachment A.

2. SDG&E ERRA Forecasting Proceeding (A.20-04-014)

The Commission issued Scoping Ruling on July 6, 2020, in SDG&E's 2021 ERRA Forecast proceeding. See Attachment A. The Scoping Ruling includes the following schedule:

- September 25 – Opening Briefs
- November 6 – SDG&E Testimony Update
- November 18 – Comments on SDG&E November Testimony
- December 2 – Proposed Decision

Evidentiary hearings, which were scheduled for August 25-27, have been vacated pending negotiations over documents and evidence, and may be rescheduled at a later date. Now that special counsel has been retained and entered into a non-disclosure agreement, SDG&E has produced confidential information to SDCP's consultant.

Please note that CalCCA has also filed a motion for Party Status to this Application on August 3, 2020, on the grounds that SDG&E's proposed PCIA calculations in this Application are not just and reasonable, consistent with the law or compliant with previous Commission decisions.

3. Comments on Draft Resolution E-5059 Re: CCA Financial Security Requirements

SDCP made a substantial contribution to comments filed by CalCCA on Draft Resolution E-5059 regarding the implementation of financial security requirements established by IOUs) tariffs for Reentry Fees and Financial Security Requirements (FSRs) required by California Public Utilities Code Section 394.25(e) and Decision 18-05-022. FSRs are designed to replace the current CCA bond requirement. Comments, which are attached in Attachment A, addressed various subjects and sought to obtain greater clarity about the role of utilities, eligible financial instruments and form of the financial security requirements. Based on the applicable formulae and rules, SDCP will likely have to post a \$147,000 minimum FSR.

4. Integrated Resource Planning (R. 20-05-003)

The Integrated Resource Plan (IRP) is due on September 1, 2020. The IRP process is an "umbrella" proceeding to consider all of the Commission's electric procurement policies, and most importantly, is the main proceeding by which the implementation of SB 350 (reduction of

GHGs) is accomplished. Each energy provider serving customers in California must file an IRP every two years.

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Expedited Application of San Diego Gas &
Electric Company (U902E) Under the Power
Charge Indifference Adjustment Account Trigger
Mechanism

Application 20-07-009
(Filed July 10, 2020)

**PROTEST OF SAN DIEGO COMMUNITY POWER, CLEAN ENERGY ALLIANCE AND
SOLANA ENERGY ALLIANCE TO SAN DIEGO GAS & ELECTRIC COMPANY'S
EXPEDITED APPLICATION UNDER THE POWER CHARGE INDIFFERENCE
ADJUSTMENT ACCOUNT TRIGGER MECHANISM**

Ty Tosdal
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August 13, 2020

*Attorney for San Diego Community Power, Clean
Energy Alliance and Solana Energy Alliance*

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Expedited Application of San Diego Gas &
Electric Company (U902E) Under the Power
Charge Indifference Adjustment Account Trigger
Mechanism

Application 20-07-009
(Filed July 10, 2020)

**PROTEST OF SAN DIEGO COMMUNITY POWER, CLEAN ENERGY ALLIANCE
AND SOLANA ENERGY ALLIANCE TO SAN DIEGO GAS & ELECTRIC
COMPANY’S EXPEDITED APPLICATION UNDER THE POWER CHARGE
INDIFFERENCE ADJUSTMENT ACCOUNT TRIGGER MECHANISM**

Pursuant to Rule 2.6 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), San Diego Community Power (“SDCP”), Clean Energy Alliance (“CEA”) and Solana Energy Alliance (“SEA”) (collectively, the “San Diego CCA Programs”) hereby submit this protest (“Protest”) to the *Expedited Application of San Diego Gas & Electric Company (U902E) Under the Power Charge Indifference Adjustment Account Trigger Mechanism* (“Application”) in which SDG&E proposes to increase the Power Charge Indifference Adjustment (“PCIA”) to recover \$8.92 million over the course of three months.¹ The bill impact associated with SDG&E’s proposal would expose departing load customers, including current Community Choice Aggregation (“CCA”) program customers served by SEA and potentially future SDCP and CEA customers, who will be able to enroll next year, to the equivalent of a balloon payment, i.e., a sudden escalation of bills by a large amount. The Application proposes to raise the monthly bill of a residential customer by approximately \$30 per month under one alternative presented in the Application, and \$187 per month under another

¹ *Expedited Application of San Diego Gas & Electric Company (U 902 E) Under the Power Charge Indifference Adjustment Account Trigger Mechanism* (“Application”), Application (“A.”) 20-07-009, filed July 10, 2020, at 2.

alternative.² Current residential customers currently served by SEA have a 2017 vintage and would see a 1,468 percent increase in the PCIA rate (\$0.03187 \$/kWh versus 0.49958 \$/kWh) under one of SDG&E's proposals and a 239% increase (\$0.03187 \$/kWh versus 0.10812 \$/kWh) under an alternative proposal.³ Needless to say, adopting either of these proposals would expose CCA program customers to considerable rate shock.

SDG&E's Application is the first of its kind under the cap and trigger mechanism adopted in D.18-10-019. The speed at which SDG&E arrived at the trigger threshold and the magnitude of the CAPBA balance demonstrate an unintended consequence of adopting the cap and trigger mechanism and do not meet the guiding principles that were adopted as part of R. 17-06-026, as originally anticipated.⁴ Specifically, the PCIA increase proposed in SDG&E's Application, if granted, would not qualify as a reasonably predictable outcome, or one that promotes certainty and stability for all customers within a reasonable planning horizon.⁵ To the contrary, SDG&E's Application contains an unpredictable outcome that undermines reasonable expectations and rate stability for CCA customers. Similarly, rather than preventing unreasonable obstacles to customers of non-IOU energy providers, SDG&E's proposal would create the type of obstacle that the Commission sought avoid.⁶ The Commission adopted the cap in order to "reduce extreme PCIA price spikes, and bill impacts, but not enable a continual state of significant undercollection."⁷ SDG&E's proposal fails in that regard.

² Application at 6-7.

³ SDG&E Schedule CCA-CRS, Sheet 1; Prepared Direct Testimony of Stacy Fuhrer, A. 20-07-009, July 10, 2020, at SF-A2, SF-B2.

⁴ See D. 18-10-019 at 127-130.

⁵ *Id.* at 127 (referring to Guiding Principle b).

⁶ *Id.* at 128 (referring to Guiding Principle d).

⁷ D.18-10-019 at 85.

Because SDG&E's Application is unprecedented, there are a number of methodological and factual issues that must be examined before a decision can be reached. Additional discovery is required to determine whether SDG&E's proposal is just, reasonable and lawful. Accordingly, the San Diego CCA Programs recommend that this proceeding be consolidated with SDG&E's pending ERRA forecast proceeding, where there are a number of closely related and overlapping issues related to SDG&E's 2021 PCIA rates are under consideration.⁸ Consolidation with the ERRA proceeding would also permit the parties and the Commission to address any potential conflicts or problems that may result from deciding SDG&E's PCIA-related CAPBA balance in one proceeding and SDG&E's PCIA rates in a separate proceeding.

I. BACKGROUND

The Commission revised the methodology used to calculate the PCIA in Rulemaking ("R.") 17-06-026, resulting in Decision ("D.") 18-10-019. That decision adopted a cap on the annual change in the PCIA rate and required the investor-owned utilities ("IOUs") to establish an interest-bearing balancing account to track the obligations of departing load customers in the event the cap is reached.⁹ The Commission also adopted a trigger mechanism for the PCIA cap that requires an IOU to submit an expedited application when its balancing account reaches 7% of forecast PCIA revenues and the balance of the account is forecasted to reach 10%.¹⁰ An expedited application must include a projected account balance as of 60 days or more from the date of filing depending on when the balance will reach the 10% threshold and "propose a revised PCIA rate that will bring the projected account balance below 7% and maintain the

⁸ See *Scoping Memo and Ruling of Assigned Commission*, A. 20-04-014, July 6, 2020.

⁹ D. 18-10-019 at OP 9.

¹⁰ D. 18-10-019 at OP 10.

balance below that level until January 1 of the following year . . .”¹¹ Subsequently, SDG&E submitted Advice Letter (“AL”) 3436-E establishing SDG&E’s PCIA undercollection balancing account (“CAPBA”), and the Commission approved it on October 31, 2019.¹²

SDG&E submitted the present Application pursuant to D. 18-10-019 on July 10, 2020, explaining that the CAPBA balance reached 7.9% of forecast PCIA revenue on April 30, 2020, exceeded the 10% trigger threshold on May 31, 2020, and is projected to reach \$8.92 million, or 32%, of forecasted PCIA revenues by December 31, 2020.¹³ SDG&E’s application requests Commission authorization to increase current effective PCIA rates such that SDG&E may recover the full \$8.92 million undercollection amortized in rates over a 3-month period beginning October 1, 2020.¹⁴ The Application would increase the monthly bill of a residential customer by approximately \$30 per month under one alternative, and \$187 per month under another.¹⁵ To the knowledge of the San Diego CCA Programs, SDG&E is the first IOU to file an expedited application under the PCIA cap and trigger mechanism adopted in D. 18-10-019.

II. THE SAN DIEGO CCA PROGRAMS’ GROUNDS FOR PROTEST

The San Diego CCA Programs protest SDG&E’s Application on grounds that its rate proposals are not just and reasonable, as well as other grounds, as further explained below.

A. The Commission Is Not Required to Grant Either of the Application’s Proposals

The PCIA trigger mechanism does not entitle SDG&E to Commission approval of the proposed increase. When the Commission adopted the PCIA rate cap in D. 18-10-009, it

¹¹ *Id.*

¹² AL 3436-E, Establishment of the Power Charge Indifference Adjustments Balancing Account Pursuant to Decision 18-10-019, filed September 30, 2019, effective October 30, 2019.

¹³ A. 20-07-009 at 1-2.

¹⁴ *Id.* at 2.

¹⁵ Application at 6-7.

required the IOUs to establish balancing accounts to be used in the event that the cap is reached so that year-end balances of undercollected PCIA revenue can be incorporated into the following year's PCIA calculation with interest.¹⁶ In that same proceeding, the Commission adopted the PCIA trigger mechanism based on the ERRRA trigger mechanism established in D. 02-10-062, but made certain modifications to the trigger threshold, amortization period, and IOU reporting requirements.¹⁷ While the trigger mechanism imposes a duty on the IOU to file an expedited application when its balancing account reaches the trigger and specifies what the application must contain, including a proposal to revise the PCIA rate to bring the balance below the trigger, the decision imposes no duty on the Commission to grant the proposal or take any action on the expedited application.¹⁸ In contrast, the ERRRA trigger mechanism was adopted in accordance with Assembly Bill ("AB") 57 which requires the Commission to "promptly amortize" balancing accounts that exceed the trigger.¹⁹ As such, the Commission has the discretion to review the Application's proposals and consider alternative methods of addressing the reported undercollection.

Further, the Application's proposals do not align with the Commission's intent behind establishing the PCIA cap and trigger. When the Commission adopted the PCIA rate cap in D. 18-10-009, it intended to protect against volatility in the PCIA and promote certainty and stability for all customers by limiting annual PCIA changes.²⁰ Though the Commission found the PCIA trigger would provide flexibility to avoid excessive undercollections resulting from the cap and concluded that the mechanism would enable it to act quickly to address undercollections it

¹⁶ D. 18-10-009 at OP 9.

¹⁷ Id. at 86, OP 10.

¹⁸ Id. at OP 10.

¹⁹ D. 02-10-062 at 53-54.

²⁰ Id. at Finding of Fact 18, Conclusion of Law 19.

did not emphasize any specific risk associated with undercollections.²¹ In fact, the Commission affirmed that allowing for repayment of undercollections with interest was consistent with its statutory obligation to protect against cost shifts.²² Since the Commission is not required to approve the Application as proposed, and to do so would give rise to the very risk the Commission sought to avoid, the Commission should consider alternatives to the proposed increase that may provide the intended protections to ratepayers against PCIA volatility.

B. Factual and Methodological Issues Require Additional Discovery

Since SDG&E's Application is the first of its kind to be filed under the cap and trigger mechanism established in D.18-10-019, it is no surprise that there are a number of methodological and factual issues that must be examined and validated before a decision is made. These issues include but are not limited to the following:

- Whether one of the two alternative proposals presented by SDG&E complies with the methodology and goals established in D. 18-10-019, or whether a different methodology needs to be used;
- Whether SDG&E properly applied the PCIA cap to *bundled customers* as well as to departing load customers;
- Whether the rate cap should be calculated cumulatively, as SDG&E has done, or whether a cap should be applied to each vintage, and the undercollection for that particular vintage should be determined as a result; and

²¹ Id. at Finding of Fact 19, Conclusion of Law 24.

²² Id. at 87.

- Whether the outstanding amount accruing in CAPBA should be based on a monthly proportion of SDG&E's annual revenue requirement, or alternatively take sales into account.

Additional discovery is required to unearth the data that was used, how SDG&E calculated the CAPBA balance and whether those calculations and the rest of the proposal contained in the Application comports with D.18-10-019 and the Commission's ratemaking principles. Unfortunately, a 60-day time period provides insufficient time to conduct the discovery necessary to get to the bottom of these questions or resolve discovery disputes for that matter.²³ Accordingly, the San Diego CCA Programs recommend that this proceeding be consolidated with SDG&E's pending ERRR Forecast proceeding, where closely related issues such as SDG&E's PCIA rates are being discussed. Consolidation will permit the parties adequate time to conduct discovery, address new and unprecedented issues contained in SDG&E's Application and ensure that there are no conflicts between decisions related to CAPBA and SDG&E's PCIA rates.

C. The Amortization Period Should Be Longer than 3 Months

One important issue raised in the Application is the amount of time that departing load customers should have to pay the outstanding CAPBA balance, i.e., the length of the amortization period. SDG&E's Application seeks to recover the CAPBA balance over the course of just three months,²⁴ a short amount of time in the world of ratemaking, and one that contributes directly to the high monthly bill impact and corresponding rate shock that would result from granting SDG&E's requests without modification. Rate changes approved by the

²³ SDCP and SDG&E are already locked in a discovery dispute related to the release of confidential data that will likely be the subject of a forthcoming motion to compel and take at least some time to resolve.

²⁴ Application at 2.

Commission in SDG&E's Energy Resource and Recovery Account ("ERRA") proceedings, for example, are typically applied over the course of an entire year.²⁵

Given the magnitude of rate increases proposed in SDG&E's Application, it would be reasonable and justifiable to extend the amortization period for an even longer period, beyond one year. Regardless of the total amount that SDG&E is ultimately approved to recover, an amortization period of 15 or 16 months would spread the costs over a longer period of time and minimize rate shock. The Commission has wide latitude to set the amortization period in this proceeding based on well-established ratemaking principles, and doing so would not conflict with D.18-10-019, which requires an applicant to propose to bring an unspecified amount of the outstanding balance of the trigger account below 7% before the end of the year,²⁶ but does not prescribe or otherwise require the Commission to adopt a particular amortization period.

D. SDG&E Could Have Filed its Application Sooner in Time, Reducing Rate Shock

Another issue is whether SDG&E filed to recover the amount in the CAPBA balance soon enough. SDG&E's monthly ERRA reports show that the trigger balance exceeded the 7% threshold by April 20, 2020.²⁷ Given the rising trend in the CAPBA balance earlier this year, the trigger balance was no doubt exceeded before that time. Yet SDG&E waited until July 10, 2020, to file the Application.²⁸ Had the Application been filed sooner in time, even assuming that

²⁵ See, e.g., *Decision Adopting San Diego Gas & Electric Company's 2020 Electric Procurement Cost Revenue Requirement Forecast And 2020 Forecast Of Greenhouse Gas Related Costs*, D. 20-01-005, at 4, OP 1. See also, *SDG&E Advice Letter 3500-E: Implementation of Decision (D.) 20-01-005 Approving San Diego Gas and Electric Company's 2020 Electric Procurement Cost Revenue Requirement Forecast and 2020 Forecast of Greenhouse Gas Related Costs For Rates Effective February 1, 2020*, January 30, 2020.

²⁶ D. 18-10-019 at OP 10.

²⁷ SDG&E, *Monthly Report of ERRA Balancing Account – April 2020*, May 20, 2020 (showing a CAPBA balance of 7.92% as of April 20, 2020).

²⁸ Application at 14.

SDG&E took the same approach and requested to reduce the CAPBA balance to zero before the end of the year, the resulting monthly rate impacts could have been reduced.

E. PCIA Rate Increases Must Be Imposed on All Departing Load Customers, including GTSR customers

SDG&E must apply any proposed rate adjustment to all departing load customers subject to the PCIA rate, including customers receiving service under SDG&E's Green Tariff Shared Renewables ("GTSR") program. In the Application, SDG&E provides two alternative proposals to increase PCIA rates for all "departing load" customers which include Direct Access ("DA"), Community Choice Aggregation ("CCA"), and Green Tariff Shared Renewables ("GTSR") customers.²⁹ However, the attachments outlining SDG&E's current and proposed PCIA rates only indicate that the PCIA rates are applicable to DA and CCA customers.³⁰ Senate Bill ("SB") 43 requires the Commission to ensure that all GTSR-associated charges and credits are set in a manner that ensures nonparticipant ratepayer indifference for remaining bundled service, DA, and CCA customers, and prevents cost shifting from participating customers to non-participating customers.³¹ In accordance with this statutory requirement and its previous decisions, the Commission must ensure that any rate adjustment resulting from this Application is also applied to GTSR customers.

In D.15-01-051 implementing SB 43 and creating the GTSR program, the Commission directed IOUs to use the vintaged PCIA calculated for DA and CCA customers in their GTSR program rate design to ensure ratepayer indifference.³² The Commission determined that the

²⁹ Application at 2, FN 2.

³⁰ See Prepared Direct Testimony of Stacy Fuhrer on Behalf of San Diego Gas & Electric Company at Attachments A, B, and C.

³¹ Pub. Util. Code § 2833(q).

³² D. 15-01-051 at 103.

PCIA was a “reasonable proxy” for GTSR customer indifference because it is an approved method to address the cost of procurement for a customer who is no longer taking service from the same procurement sources as other ratepayers and is subject to annual review and adjustment through each IOU’s ERRRA proceeding.³³

Accordingly, residential and non-residential customers that participate in SDG&E’s GTSR program are assigned a vintage PCIA based on the date that they take service according to their class. This is meant to ensure that SDG&E’s GTSR customers pay their share of above-market costs for resources procured on their behalf and that those costs are not shifted to non-participating ratepayers. If SDG&E fails to properly allocate the proposed adjustment amongst all customers currently subject to the PCIA, the above-market procurement costs incurred on GTSR customers’ behalf will be shifted to DA and CCA customers in violation of SB 43.

III. DESCRIPTION OF THE SAN DIEGO CCA PROGRAMS

The three San Diego CCA Programs are comprised of eight different member cities located within San Diego County. SEA is a standalone CCA program that was formed in 2017 to serve the residents of Solana Beach.³⁴ SEA is the first CCA program to provide power to customers in the SDG&E service territory and is currently the only operational CCA in the region. Beginning in 2021, SEA customers will transition to service under CEA. CEA is a JPA that was formed in 2019 to provide CCA service to customers in the Cities of Carlsbad, Del Mar, and Solana Beach beginning in 2021.³⁵ SDCP is also a JPA that was formed in 2019 to provide

³³ Id. at Finding of Fact 100, 102, 103.

³⁴ See [City of Solana Beach Community Choice Aggregation Implementation Plan and Statement of Intent](#), November 2017.

³⁵ See [Clean Energy Alliance Community Choice Aggregation Implementation Plan and Statement of Intent](#), December 2019.

CCA service to customers in the Cities of San Diego, Encinitas, La Mesa, Chula Vista, and Imperial Beach beginning in 2021.³⁶

IV. THE INTEREST OF SAN DIEGO CCA PROGRAMS IN THE PROCEEDING

The San Diego CCA Programs seek party status in this proceeding to address the PCIA rate increases. SEA customers currently pay the PCIA rate as departing load customers. Similarly, all SDCP and CEA customers will pay the PCIA rate when the programs begin operating in 2021. The San Diego CCA Programs' interests center on whether SDG&E has properly calculated the PCIA consistent with the Commission's decisions in R. 17-06-026, and whether future CCA members will be subject to similarly extreme and unpredictable rate spikes.

California Community Choice Association ("CalCCA") is also participating in this proceeding. The San Diego CCA programs intend on coordinating with CalCCA to coordinate efforts to the extent possible.

V. PROCEDURAL SCHEDULE, NEED FOR HEARINGS, AND CATEGORIZATION OF PROCEEDING

Pursuant to Rule 2.6(d), the San Diego CCA Programs provide the following procedural comments:

A. Need for Hearing

Evidentiary Hearings will be necessary to address the issues identified in Section II above.

B. Proposed Schedule

The San Diego CCA Programs do not believe that a 60-day schedule will provide for adequate consideration of the issues identified in this proceeding. For this reason, the San Diego

³⁶ See [San Diego Regional Community Choice Energy Authority Joint Powers Agreement](#), October 1, 2019.

CCA Programs recommend that the Administrative Law Judge issue a ruling to consolidate this application for review in the 2021 Forecast ERRA proceeding, A. 20-04-014.

C. Categorization

The proceeding is appropriately categorized as a ratesetting proceeding.

VI. PARTY STATUS

While this Protest is being filed jointly on behalf of SDCP, CEA and SEA, each CCA program that has signed on requests party status in this proceeding individually pursuant to Rule 1.4(a)(2). As described above, SDCP, CEA and SEA have a material interest in the matters being addressed in this proceeding and designate the following person as the “interested party” in the proceeding for each program:

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VII. CONCLUSION

The San Diego CCA Programs appreciate the Commission’s attention to the matters raised in this Protest and look forward to addressing the issues.

Respectfully submitted,

/s/ Ty Tosdal

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August 13, 2020

*Attorney for San Diego Community Power,
Clean Energy Alliance and Solana Energy
Alliance*

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Expedited Application of San Diego Gas &
Electric Company (U902E) Under the Power
Charge Indifference Adjustment Account Trigger
Mechanism

Application 20-07-009
(Filed July 10, 2020)

MOTION TO COMPEL

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August 13, 2020

Attorney for San Diego Community Power

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MOTION TO COMPEL

I. INTRODUCTION

Pursuant to Rule 11.3(a) of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), San Diego Community Power (“SDCP”)¹ submits this motion to compel San Diego Gas & Electric Company (“SDG&E”) to provide complete and unredacted responses to five questions contained in SDCP Data Request_01 (“DR_01”), submitted on July 17, 2020.² The data request seeks information about the *Expedited Application of San Diego Gas & Electric Company (U902E) Under the Power Charge Indifference Adjustment Account Trigger Mechanism* (“Application”) in which SDG&E is proposing to increase the Power Charge Indifference Adjustment (“PCIA”) to recover \$8.92 million from departing load customers over the course of three months.³ The bill impact associated with SDG&E’s proposal is staggering, and would raise the monthly bill of a residential customer by approximately \$30 per month under one alternative presented in the Application, and \$187 per

¹ SDCP filed a protest in the above-captioned proceeding today, August 13, 2020, the same day that the present motion is being filed.

² See Attachment 1: SDCP’s Data Request_01; Attachment 2: SDG&E’s Response to SDCP Data Request_01.

³ *Expedited Application of San Diego Gas & Electric Company (U 902 E) Under the Power Charge Indifference Adjustment Account Trigger Mechanism* (“Application”), Application (“A.”) 20-07-009, filed July 10, 2020, at 2.

month under another alternative.⁴ The Application must be resolved within 60 days from the filing date, leaving limited time for resolution of a discovery dispute.⁵ SDG&E's refusal to supply confidential responses to SDCP's discovery requests leaves SDCP without a means of validating critical information used to develop a proposal that would drastically increase rates for CCA program customers in SDG&E's territory.

The question raised in this motion has nothing to do with SDCP's consultant, Mr. Brian Dickman with NewGen Strategies and Solutions, LLC ("NewGen"). Mr. Dickman has signed the attached Non-Disclosure Agreement ("NDA") in this proceeding and faces no objection from SDG&E.⁶ Rather, the question is whether SDG&E may withhold confidential information from SDCP's consultant, Mr. Dickman, because SDCP's *counsel* has not signed the NDA, even though counsel will not receive or review any confidential material, has established protocols to ensure that no confidential information will be transmitted to him, and has no contractual relationship or right to control SDCP's consultant.⁷ The answer is a plain no. SDG&E may not withhold confidential information under these circumstances. SDCP has an equal right to discovery as any other party, and SDG&E is interfering with that right. SDCP has complied with the applicable Commission decisions, including D. 06-06-066 and D. 11-07-028, as well as the terms of the NDA. Furthermore, by insisting that SDCP's counsel sign the NDA or else forego confidential information, SDG&E is interfering with SDCP's legal right to choose its counsel.

⁴ Application at 6-7.

⁵ See *Decision Modifying the Power Charge Indifference Adjustment Methodology*, Decision ("D."), Rulemaking ("R.") 17-06-026, issued October 11, 2018 at Ordering Paragraph 10.

⁶ See Attachment 3: Non-Disclosure Agreement.

⁷ SDCP is not raising the issue of whether the data that SDG&E seeks to protect is entitled to confidential treatment. For the sake of the present motion, it is assumed that the redacted data is confidential and properly redacted. Nevertheless, SDCP reserves the right to bring a subsequent motion or argue elsewhere that the information SDG&E has redacted is not in fact eligible for confidential treatment.

Finally, SDG&E’s arguments in support of withholding confidential data lack merit and fail to cite to any rules that would bar SDCP from obtaining the data. Given the expedited nature of this proceeding, SDG&E should be ordered to produce the confidential data at issue to SDCP’s consultant without further delay.

II. BACKGROUND

The Commission undertook a review of the methodology used to calculate the Power Charge Indifference Adjustment (“PCIA”) in Rulemaking (“R.”) 17-06-026, resulting in a series of decisions, including Decision (“D.”) 18-10-019. That decision adopted a cap on the annual change in the PCIA rate and required Investor-Owned Utilities (“IOUs”) to establish an interest-bearing balancing account to track the obligations of departing load customers in the event the cap is reached.⁸ The Commission also adopted a trigger mechanism for the PCIA cap that requires an IOU to submit an expedited application when its balancing account reaches 7% of forecast PCIA revenues and the balance of the account is forecasted to reach 10%.⁹ Pursuant to D. 18-10-019, the expedited application must include a projected account balance as of 60 days or more from the date of filing depending on when the balance will reach the 10% threshold and “propose a revised PCIA rate that will bring the projected account balance below 7% and maintain the balance below that level until January 1 of the following year . . .”¹⁰ Subsequently, SDG&E submitted Advice Letter (“AL”) 3436-E establishing SDG&E’s PCIA undercollection balancing account (“CAPBA”), and the Commission approved it on October 31, 2019.¹¹

⁸ D. 18-10-019 at OP 9.

⁹ D. 18-10-019 at OP 10.

¹⁰ *Id.*

¹¹ SDG&E Advice Letter (“AL”) 3436-E: Establishment of the Power Charge Indifference Adjustments Balancing Account Pursuant to Decision 18-10-019, September 30, 2019.

SDG&E submitted an expedited application pursuant to D. 18-10-019 on July 10, 2020, explaining that the CAPBA balance reached 7.9% of forecast PCIA revenue on April 30, 2020, exceeded the 10% trigger threshold on May 31, 2020, and is projected to reach \$8.92 million, or 32% of forecasted PCIA revenues, by December 31, 2020.¹² The Application requests Commission authorization to increase current effective PCIA rates such that SDG&E may recover the full \$8.92 million undercollection amortized in rates over a 3-month period beginning October 1, 2020.¹³ SDG&E proposes two alternatives, one of which would increase a residential customer's monthly bill by approximately \$30 per month, and another that would increase the monthly bill by \$187 per month.¹⁴

SDCP submitted Data Request_01 ("DR_01") to SDG&E on July 17, 2020. Recognizing that several questions in DR_01 may involve confidential data and that SDCP is a market participant, the requests contain prominent instructions that no confidential data should be submitted to SDCP's counsel, and that instead, all confidential data should be submitted to SDCP's consultant, Mr. Dickman.¹⁵ SDCP also requested to enter into a Nondisclosure Agreement ("NDA") with SDG&E. SDCP forwarded a signed copy of the NDA to SDG&E on July 29, 2020, listing Brian Dickman, Executive Consultant with NewGen, as its reviewing representative.¹⁶ SDCP informed SDG&E that its counsel did not plan to sign the NDA, and

¹² Application at 1-2.

¹³ Application at 2.

¹⁴ Application at 6-7.

¹⁵ See Attachment 1: SDCP Data Request_01 at 1. (SDCP's data request lists the name and address of SDCP's counsel and states: "To the extent that the requests call for confidential information, please do not send such responses to the in individual listed above. Send all responses containing confidential information as attachments sent by e-mail or on a CD sent by mail to the following individual ..." The data request then lists SDCP's consultant, Mr. Dickman with NewGen, as the sole recipient of confidential information.)

¹⁶ See Attachment 3: Non-Disclosure Agreement.

requested that SDG&E notify SDCP if it planned to withhold confidential materials from NewGen.

SDG&E returned the fully executed copy of the NDA on July 30, 2020,¹⁷ and stated that it planned to withhold confidential materials from SDCP's consultant unless SDCP's counsel also entered into the NDA.¹⁸ SDG&E explained that SDCP's counsel would be in violation of Rule 1.1 and 1.8 of the Commission's Rules of Practice and Procedure, and that release of confidential materials would violate D. 11-07-028.¹⁹

Subsequently, SDG&E submitted the public version of SDG&E's Response to SDCP's Data Request 01 ("Data Response") on July 31, 2020, but declined to provide any confidential information in response to the following DR_01 questions:

1.2 Please provide SDG&E's forecast of 2020 kWh sales, by month, used to develop the PCIA rates in A.19-04-010. Please separately identify the sales as pertaining to bundled, direct access, community choice aggregation, and Green Tariff Shared Renewables customers.

1.3 Please provide the same forecast of 2020 kWh sales referenced in Question 2, differentiated by customer vintage.

1.7 Please provide workpapers demonstrating the calculations required to compute the monthly CAPBA activity by month customer vintage shown in Attachment A of Mr. Dalton's testimony. Details should include, but not be limited to, monthly kWh sales and the price in \$/kWh applied to arrive at the CAPBA activity by vintage.

1.8 Please provide workpapers demonstrating the calculations required to compute the proposed PCIA rates included in Attachment A of Ms. Fuhrer's testimony.

1.9 Please provide workpapers demonstrating the calculations required to compute the proposed PCIA rates included in Attachment B of Ms. Fuhrer's testimony.

¹⁷ Attachment 3: Non-Disclosure Agreement.

¹⁸ Attachment 4: Correspondence between Counsel.

¹⁹ Attachment 4: Correspondence between Counsel.

Instead, SDG&E provided the following response to DR_01 questions 1.2 and 1.3, and a similar response to questions 1.7, 1.8 and 1.9:²⁰

This response contains “Protected Materials” (i.e., trade secret, market sensitive, or otherwise confidential and/or proprietary information) as determined by SDG&E in accordance with the provisions of D. 06-06-066 and subsequent decisions and subject to a Nondisclosure Agreement. The Protected Materials have also been redacted. The confidentiality declaration of Kenneth E. Schiermeyer is also provided.

SDCP made one further attempt to resolve the impasse. SDCP’s counsel participated in phone call with counsel for SDG&E and other participants on August 3, 2020. During the phone call, SDG&E’s counsel reiterated that it planned to withhold confidential information for the reasons provided in its correspondence with SDCP’s counsel.²¹

III. DISCUSSION

As explained below, SDG&E’s refusal to produce confidential information interferes with SDCP’s right to discovery, which applies equally to parties regardless of whether they are market participants or not. SDCP has complied with applicable Commission decisions and entered into the NDA in this proceeding, which precludes SDCP’s consultant from sharing confidential information with SDCP’s, staff, counsel and other consultants who have not signed the NDA. In addition to interfering with SDCP’s right to discovery, SDG&E is interfering with SDCP’s right to counsel of its choice. Finally, SDG&E’s arguments in support of withholding confidential information lack merit. For all these reasons, the motion to compel should be granted.

A. SDG&E is Interfering with SDCP’s Right to Discovery, in Violation of Rule 10.1 of the Commission’s Rules of Practice and Procedure

²⁰ Attachment 2: SDG&E’s Response to SDCP Data Request_01.

²¹ Attachment 5: Declaration of Counsel.

The Commission's discovery rules provide a party with a right to discovery equal to any other party, regardless of whether that party is a market participant, stating that "*any party may obtain discovery from any other party regarding any matter, not privileged, that is relevant to the subject matter involved in the pending proceeding ...*"²² The right to discovery is not diminished or otherwise limited because the requesting party is a market participant. Rather, it applies with equal force:

"Under the confidentiality rules we are adopting in this proceeding, Reviewing Representatives of market participant parties in electric procurement proceedings will be given the same opportunity for access to confidential market sensitive information through discovery as other parties pursuant to Article 10 of our Rules of Practice and Procedure."²³

While the right is undiminished and applies equally to market participants, confidential information must be treated in accordance with the rules adopted by the Commission in D. 06-06-066 and subsequent decisions, including D. 11-07-028, and in accordance with the applicable NDA for that proceeding.

By withholding confidential information without a proper basis, SDG&E is interfering with SDCP's right to discovery, in violation of Rule 10.1 of the Commission's Rules of Practice and Procedure. SDCP has an equal right to discovery as any other party, regardless of the fact that it is a market participant. Yet SDG&E refuses to release confidential information at least in part because SDCP is a market participant.²⁴ As the Commission stated in D. 11-07-028, the right to discovery is not diminished because the requesting party is a market participant as long as the confidentiality procedures are followed.

²² Rule 10.1, Rules of Practice and Procedure (emphasis added).

²³ D. 11-07-028 at 16.

²⁴ Attachment 2: SDG&E's Response to SDCP Data Request_01.

SDG&E's failure to produce confidential documents and information is prejudicial. As a result of SDG&E's continued refusal to produce confidential information, SDCP had to develop its protest in this proceeding without the benefit of any confidential data, depriving the program of critical information in a proceeding that has significant consequences for CCA programs in the region. To the extent that additional filings come due or hearings are held before this discovery matter is resolved, SDG&E's actions will continue to prejudice SDCP.

B. SDCP Has Complied with the Requirements of D. 06-06-066 and Subsequent Decisions, Entered into a Non-Disclosure Agreement, and Has the Right to Obtain Confidential Information

1. Commission Decisions Establish Different Confidentiality Rules for Market Participants and Reviewing Representatives

SDCP has complied with the Commission's decisions governing the use of confidential information and entered into an NDA with SDG&E that has been signed by SDCP's consultant. Those decisions begin with the frequently cited D. 06-06-066, as modified by D. 07-05-032, which addressed issues that are directly related to the present discovery dispute. When the Commission issued D. 06-06-066,²⁵ it confronted the difficult question of how to balance the open decision-making requirements of Senate Bill ("SB") 1488²⁶ and other legal authorities with the confidentiality provisions of Public Utilities Code sections 454.5(g) and 583.²⁷ The Commission reconciled these directives from the Legislature by taking the "middle ground" approach.²⁸ D. 06-06-066 largely addresses the substance of confidential materials, including a

²⁵ *Interim Opinion Implementing Senate Bill No. 1488, Relating To Confidentiality Of Electric Procurement Data Submitted To The Commission*, D. 06-06-066, June 29, 2006.

²⁶ 2004 Cal Stats. ch. 690 (September 22, 2004).

²⁷ "[T]he challenge we face in our decision today is how to balance the policy goals of public disclosure, full participation and transparency with the statutory provisions allowing and indeed requiring confidential treatment of data in limited instances." D. 06-06-066 as modified by D. 07-05-032 at 2.

²⁸ D. 06-06-066 as modified by D. 07-05-032 at 18.

matrix that includes categories of such materials.²⁹ While D. 06-06-066 outlined a procedure that must be followed in order to preserve the confidentiality of documents and materials, the Commission deferred consideration of additional issues, including the distinction between market participants and non-market participants and the adoption of a non-disclosure agreement, to a subsequent decision.³⁰

Subsequently, the Commission addressed the issue in D.06-12-030, as modified by D.11-07-028 and D.11-08-018. That decision defines “market participant” and “non-market participant” among other things. A later decision, D.08-04-023, adopts a model protective order and non-disclosure agreement for purposes of access to confidential documents. The rules were later refined and modified in D. 11-07-028, which clarified procedures for market participants.

2. The NDA in this Proceeding Requires Signatories to Maintain Confidentiality or Face Regulatory and Civil Enforcement Action

The terms of the NDA in this proceeding are restrictive and bind the signatories. The NDA restricts the distribution of confidential information to a narrow group, including “Authorized Reviewers” (defined as a reviewing representative who has signed the NDA certificate and is representing a requesting party who has also signed the NDA),³¹ employees of Authorized Reviewers as long as they have also signed the NDA certificate, and Commission personnel.³²

Protected Materials shall not be used except as necessary for participation in this proceeding, and shall not be disclosed in any manner to any person except: (i) Authorized Reviewers; (ii) an Authorized Reviewer’s employees and administrative personnel, such as clerks, secretaries, and word processors, to the extent necessary to assist the Authorized Reviewer, provided that they shall first ensure that such personnel are

²⁹ See D. 06-06-066, Appendix 1.

³⁰ D. 06-06-066 as modified by D. 07-05-032 at 46, Conclusion of Law 13, OP 12.

³¹ Attachment 3: Non-Disclosure Agreement, Section 2.I.

³² Attachment 3: Non-Disclosure Agreement, Section 8.

familiar with the terms of this Nondisclosure Agreement and have signed a Nondisclosure Certificate; and (iii) persons employed by or working on behalf of the Commission.

Authorized Reviewers are required to establish “suitable measures” to safeguard confidential data obtained in the proceeding.³³

In addition, the NDA contains robust enforcement provisions. Reviewing representatives are “liable for any unauthorized disclosure” of confidential information.³⁴ “Any violation of this Nondisclosure Agreement shall constitute a violation of an order of the Commission.”³⁵ In addition, SDG&E may pursue a civil enforcement action “to pursue any legal or equitable remedies that may be available in the event of an actual or anticipated disclosure of Protected Materials.”³⁶

While Commission decisions governing confidentiality and the NDA are restrictive and provide various means of enforcement, they do not require *all* individuals who represent a market participant to sign a non-disclosure agreement. The rules only require an eligible individual working on behalf of a market participant to sign a non-disclosure agreement before accessing confidential information, even when that individual must collaborate to some degree with the market participant and its other representatives, such as counsel, on a given proceeding. The NDA is what protects confidential information in these circumstances. Signatories must prevent non-signatories from accessing confidential information, regardless of the non-signatories’ working or other relationship to the market participant. The NDA is clear that non-signatories may not access confidential information.

³³ Attachment 3: Non-Disclosure Agreement, Section 8.

³⁴ Attachment 3: Non-Disclosure Agreement, Section 8.

³⁵ Attachment 3: Non-Disclosure Agreement, Section 12.

³⁶ Attachment 3: Non-Disclosure Agreement, Section 12.

3. SDCP and Its Consultant Have Entered into the NDA in this Proceeding, and SDG&E Should Produce Confidential Data, as Other Utilities Have Done

There is no dispute here about whether SDCP's consultant, Mr. Dickman, is eligible to serve as a reviewing representative.³⁷ SDCP signed and agreed to be bound by the NDA, Mr. Dickman signed the attached certificate agreeing to be bound by the NDA, and SDG&E returned an executed copy of the NDA without objection.³⁸ Under Rule 10.1, D. 06-06-066 and subsequent decisions, including D. 11-07-028, SDG&E is now required to supply confidential information in response to SDCP's discovery requests. SDCP and its consultant are bound by the terms of the executed NDA, and its consultant must safeguard confidential information received in response to SDCP's requests in accordance with those terms, including taking all necessary steps to ensure that confidential information is not released to SDCP, which is a market participant, or to SDCP's counsel or other individuals working on behalf of SDCP who have not signed the NDA and may not access confidential information. Specifically, in this case, the terms of the NDA prevent Mr. Dickman from sharing confidential information with SDCP's counsel or others who have not signed the agreement.³⁹

Instead, the dispute here is about whether SDG&E may withhold confidential information from SDCP's reviewing representative because SDCP's counsel has not signed the NDA, even though he will not have access to confidential information.⁴⁰ The facts demonstrate that SDCP is in compliance with Commission decisions and that SDG&E's concerns are misplaced. SDCP and its counsel have taken steps to ensure that there is no sharing of confidential information.

³⁷ See Attachment 4: Correspondence between Counsel.

³⁸ Attachment 3: Non-Disclosure Agreement.

³⁹ Attachment 3: Non-Disclosure Agreement, Section 8.

⁴⁰ Attachment 4: Correspondence between Counsel.

Notably, SDCP's counsel has no contractual relationship or right to control NewGen or Mr. Dickman.⁴¹ Furthermore, SDCP's counsel communicated to SDG&E that no confidential information should be transmitted to him. SDCP's data requests contain explicit instructions to send all confidential data to SDCP's consultant and *not* to its counsel.⁴² SDCP plans to submit future data requests with the same instructions. Any pleadings or briefs that contain confidential information must be submitted to the Commission directly by SDCP's consultant, Mr. Dickman, following the procedures to file confidential materials under seal.

This arrangement is not without precedent. Counsel for several CCA programs participated in recent proceedings involving Pacific Gas & Electric Company ("PG&E")⁴³ without signing a non-disclosure agreement, even though a consultant working with the same programs signed a non-disclosure agreement and had access to confidential information.⁴⁴ Counsel and the consultant participated in the proceedings while observing applicable Commission decisions and the terms of the NDA without incident. Similarly here, SDCP is in compliance with Commission decisions governing confidentiality and has entered into a NDA

⁴¹ Attachment 5: Declaration of Counsel.

⁴² See Attachment 1: SDCP Data Request_01 at 1.

⁴³ *Application of Pacific Gas and Electric Company for Adoption of Electric Revenue Requirements and Rates Associated with its 2019 Energy Resource Recovery Account (ERRA) and Generation Non-Bypassable Charges Forecast and Greenhouse Gas Forecast Revenue and Reconciliation* (U39E), A. 18-06-001, filed June 1, 2018; *Application of Pacific Gas and Electric Company for Compliance Review of Utility Owned Generation Operations, Electric Energy Resource Recovery Account Entries, Contract Administration, Economic Dispatch of Electric Resources, Utility Owned Generation Fuel Procurement, Diablo Canyon Seismic Studies Balancing Account, and Other Activities for the Period January 1 Through December 31, 2018*. (U39E), A. 19-02-018, filed February 28, 2019; *Application of Pacific Gas and Electric Company for Adoption of Electric Revenue Requirements and Rates Associated with its 2020 Energy Resource Recovery Account (ERRA) and Generation Non-Bypassable Charges Forecast and Greenhouse Gas Forecast Revenue Return and Reconciliation*. (U39E), A. 19-06-001, filed June 3, 2019.

⁴⁴ Attachment 6: Declaration of Tim Lindl.

signed by its consultant. SDG&E has no basis to withhold confidential data, and the motion to compel should be granted.

C. SDG&E Is Also Interfering with SDCP's Right to Choose Counsel

SDG&E's failure to produce confidential information and documents pursuant to the terms of the NDA interferes with SDCP's right to be represented by a counsel of its choice. "Litigants have a right to be represented by counsel of their choice, particularly in substantive areas requiring particular expertise."⁴⁵ Courts have described choice of counsel as a "significant right".⁴⁶ By all accounts, energy regulation is a substantive area requiring particular expertise, so the right to choose counsel has added importance in this context.

Conditioning the production of confidential information and documents to SDCP's technical consultant on the execution of the NDA with SDG&E's counsel, who has not signed the NDA and does not plan to sign it, presents SDCP with an impossible choice: Either use the attorney of its choice and forego access to confidential information, putting SDCP at great disadvantage with respect to advocacy in the proceeding and knowledge about the proposed rates, or select a different attorney, which given the time and expense involved and the expedited nature of the proceeding, also puts SDCP at great disadvantage. The Commission decisions governing confidentiality were never intended – and should not be permitted – to be used as a weapon to deprive a party of its right to choose counsel. SDG&E should not be permitted to interfere with SDCP's right to counsel of its choice, and the motion should be granted.

D. SDG&E's Arguments Lack Merit and SDG&E Cites No Rules or Legal Authorities that Prevent SDCP from Obtaining Confidential Data

⁴⁵ *Banning Ranch Conservancy v. Superior Court*, 193 Cal. App. 4th 903, 908 (2011).

⁴⁶ *Johnson v. Superior Court*, 159 Cal. App. 3d 573, 580 (Ct. App. 1984) (describing the right of a party to be represented by the attorney of his or her choice as a "significant right").

SDG&E makes two wholly unpersuasive arguments in support of withholding confidential data from SDCP's consultant. SDG&E argues that without confidential data, SDCP's counsel will be unfamiliar with the relevant facts such that submitting briefs or documents during the course of the proceeding will violate ethical obligations under Rule 1.1 and authentication requirements under Rule 1.8 of the Commission's Rules of Practice and Procedure.⁴⁷ However, as further explained below, this is not an argument that would preclude SDCP from obtaining confidential data, and furthermore SDG&E's interpretation of Rules 1.1 and 1.8 is incorrect and would lead to absurd results.

SDG&E also argues that in the event confidential information is released, SDCP will be in violation of D. 11-07-028, which provides that a market participant cannot employ the same individual to simultaneously act as a reviewing representative with access to market sensitive information and as a participant in wholesale commercial transactions.⁴⁸ This argument lacks merit because SDG&E fails to observe the boundaries between reviewing representatives and market participants made in D. 06-06-066 and subsequent decisions, and also ignores the strong policy interest in favor of participation established in those decisions. SDG&E fails to cite any law or rule on point, i.e., that would permit it to withhold confidential information from a technical consultant who has signed a non-disclosure agreement because the party's counsel has not signed such an agreement. Without any law or applicable rules, SDG&E has no basis to withhold the confidential information, and the motion to compel should be granted.

1. Rules 1.1 and 1.8 of the Rules of Practice and Procedure Provide No Basis for SDG&E to Withhold Confidential Data

⁴⁷ Attachment 4: Correspondence between Counsel.

⁴⁸ Attachment 4: Correspondence between Counsel.

SDG&E's interpretation of Rules 1.1 and 1.8 relies on the assumption that an attorney or party representative must have access to confidential information in order to be familiar with the facts and law in its pleadings and briefs.⁴⁹ That assumption is incorrect. An attorney or party representative may be intimately familiar with public facts contained in its briefing without violating Rule 1.1 or 1.8. As described above, SDCP's counsel will not obtain or review any confidential information in this proceeding, and so any pleadings or briefs that contain confidential information in this proceeding will have to be filed by SDCP's technical consultant under seal. In that event, there is no risk of violating Rule 1.1 or 1.8 as a result of lack of access to confidential information because SDCP's counsel will not be filing any such pleadings or briefs.

Furthermore, the adoption of SDG&E's interpretation of Rules 1.1 and 1.8 would lead to absurd results. Assuming for the sake of argument that counsel or other party representatives were required to sign a non-disclosure agreement in a proceeding that involves confidential information. Since market participants are not eligible to sign such agreements or access confidential information, no employee of a CCA program or DA provider could participate directly in any such proceedings without violating Commission rules. Furthermore, any attorney

⁴⁹ Rule 1.1 provides: "Any person who signs a pleading or brief, enters an appearance, offers testimony at a hearing, or transacts business with the Commission, by such act represents that he or she is authorized to do so and agrees to comply with the laws of this State; to maintain the respect due to the Commission, members of the Commission and its Administrative Law Judges; and never to mislead the Commission or its staff by an artifice or false statement of fact or law."

Rule 1.8(b) provides: "A signature on a document tendered for filing certifies that the signer has read the document and knows its contents; that to the signer's best knowledge, information, and belief, formed after reasonable inquiry, the facts are true as stated; that any legal contentions are warranted by existing law or a good- faith argument for the extension, modification, or reversal of existing law; that the document is not tendered for any improper purpose; and that the signer has full power and authority to sign the document. (See Rule 1.1.)"

or party representative who had any engagement in wholesale energy transactions,⁵⁰ or was unwilling for some other reason to sign a non-disclosure agreement, would be unable to participate in a Commission proceeding involving confidential data even if they did not access such data. SDG&E's interpretation would likely result in the disqualification of numerous attorneys and other representatives currently practicing before the Commission in a wide range of proceedings. The result is absurd, and SDG&E's argument regarding Rule 1.1 and 1.8 should be disregarded.

2. SDG&E Cites D. 11-07-028, but that Decision Does Not Bar and in Fact Supports the Release of Confidential Information

SDG&E also argues that D. 11-07-028 precludes it from releasing confidential information to SDCP's technical consultant⁵¹ and points to language in the decision that precludes a market participant from employing the same person to act as a reviewing representative with access to market sensitive information and as a participant in wholesale transactions.⁵² That argument is incorrect for at least two reasons. One, SDG&E misapplies the facts: SDCP is not using the same person, or even the same firm, to act as a reviewing representative and a participant in wholesale transactions. Two, SDG&E ignores the thrust and main conclusions of D. 11-07-028, which provides that "*all* market participant parties can participate in Commission proceedings through the use of reviewing representatives" and that, consistent with due process, its decision "ensures the protection of market sensitive information,

⁵⁰ See Attachment 3: Non-Disclosure Agreement at 3.

⁵¹ Attachment 4: Correspondence between Counsel.

⁵² "We emphasize that market participants cannot employ the same individual to simultaneously act as reviewing representatives (with access to market sensitive information) in regulatory proceedings before this Commission, and as participant in wholesale commercial transactions. The Commission cannot tolerate this regime because the danger is just too great that the commercial negotiations will be skewed against the interests of the ratepayers this Commission has a duty to protect." D. 11-07-028 at FN 15.

provides for open decision-making, and affords meaningful participation.”⁵³ Rather than supporting the withholding of confidential information, D. 11-07-028 does the opposite, and supports SDGP’s right to obtain such information, provided the right procedures are followed, which they are.

D. 11-07-028 modified D. 06-12-030, which developed a process to permit parties in Commission proceedings to discover market sensitive information while at the same time protecting confidentiality.⁵⁴ The decision was issued in response to applications for rehearing filed by the Independent Energy Producers Association (“IEP”), and jointly by the Cogeneration Association of California and the Energy Producers and Users Coalition (“CAC/EPUC”).⁵⁵ Notably, the applications for rehearing filed by IEP and CAC/EPUC challenged on due process and other grounds whether the procedures established in D. 06-12-030 provided sufficient access to Commission proceedings by parties limited to using reviewing representatives.⁵⁶ Acknowledging due process, the Commission concluded that D. 06-12-030 should be modified to ensure that “any market participant party may hire non-employee attorneys, consultants and experts to act as its Reviewing Representatives ...” provided that the reviewing representative does not engage in wholesale transactions and meets other applicable criteria.⁵⁷

While establishing these procedures, the Commission drew a line at commingling the duties of reviewing representatives and individuals involved in commercial transactions. D. 11-07-028 precludes a market participant from employing the same individual to serve as a

⁵³ D. 11-07-028 at 2.

⁵⁴ D. 11-07-028 at 9.

⁵⁵ *Id.* at 7.

⁵⁶ *Id.* at 10.

⁵⁷ *Id.* at 13, OP 1 and 2.

reviewing representative while simultaneously serving as a consultant or advisor on wholesale transactions.⁵⁸ The Commission clarified that if the market participant “chooses to retain other attorneys, consultants or experts in the same law firm or consulting firm to provide advice in connection with market activities, then the attorney, consultant or expert serving as a Reviewing Representative under our confidentiality rules must be separated by an ethics wall from those in the firm who are involved in commercial dealings.”⁵⁹

SDG&E argues that D. 11-07-028 stands in the way of releasing confidential information in this proceeding, but misapplies the relevant facts.⁶⁰ SDCP is not using the same individual, or even the same firm, to act as both a reviewing representative and a participant in wholesale transactions. The reviewing representative designated by SDCP in this proceeding is Mr. Dickman with NewGen. Mr. Dickman has signed the NDA,⁶¹ and it as well as applicable Commission decisions govern NewGen’s use of confidential information. Meanwhile, SDCP has selected a separate individual, Ty Tosdal with Tosdal APC, to serve as counsel in this proceeding. Mr. Tosdal will not serve as a reviewing representative, has not signed the NDA, and accordingly does not have access to confidential information.⁶² Furthermore, Tosdal APC and NewGen have no contractual relationship and Tosdal APC has no ability to control NewGen or obtain confidential information.⁶³ Accordingly, there is no violation of D. 11-07-028.

⁵⁸ *Id.* at 17, FN 15.

⁵⁹ *Id.* at 13.

⁶⁰ Attachment 4: Correspondence between Counsel.

⁶¹ Attachment 3: Non-Disclosure Agreement

⁶² Attachment 5: Declaration of Counsel.

⁶³ Attachment 5: Declaration of Counsel.

To the contrary, D. 11-07-028 established procedures to guarantee that market participants *could* participate actively in Commission proceedings through the use of reviewing representatives, as SDCP has done. SDG&E's argument flies in the face of the main thrust and key conclusions of D. 11-07-028. Reviewing representatives of market participants have "the same opportunity for access to confidential market sensitive information through discovery as other parties ..." ⁶⁴ SDCP's designated reviewing representative has signed the NDA and is legally bound by its terms as well as D. 11-07-028 and other Commission decisions governing confidential information.

IV. CONCLUSION

For the reasons stated above, SDCP's motion to compel production of confidential information should be granted.

Respectfully submitted,

/s/ Ty Tosdal
Ty Tosdal
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Solana Beach, CA 92075
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August 13, 2020

Attorney for San Diego Community Power

⁶⁴ D. 11-07-028 at 16.

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Expedited Application of San Diego Gas &
Electric Company (U902E) Under the Power
Charge Indifference Adjustment Account Trigger
Mechanism

Application 20-07-009
(Filed July 10, 2020)

**[PROPOSED] ADMINISTRATIVE LAW JUDGE’S RULING
GRANTING MOTION TO COMPEL**

On July 10, 2020, San Diego Gas & Electric Company (“SDG&E”) submitted an Expedited Trigger Application pursuant to Decision (“D.”) 18-10-019 addressing the disposition of SDG&E’s undercollection as currently recorded in its Power Charge Indifference Adjustment (“PCIA”) undercollection balancing account (“CAPBA”).

On August 13, 2020, San Diego Community Power (“SDCP”) filed a Motion to Compel Discovery pursuant to Rule 11.3 of the Rules of Practice and Procedure. SDCP explained that the Applicants previous met and conferred in good faith to informally resolve their dispute. SDCP seeks unredacted responses to its July 17, 2020 Data Request_01 as follows:

1.2 Please provide SDG&E’s forecast of 2020 kWh sales, by month, used to develop the PCIA rates in A.19-04-010. Please separately identify the sales as pertaining to bundled, direct access, community choice aggregation, and Green Tariff Shared Renewables customers.

1.3 Please provide the same forecast of 2020 kWh sales referenced in Question 2, differentiated by customer vintage.

1.7 Please provide workpapers demonstrating the calculations required to compute the monthly CAPBA activity by month customer vintage shown in Attachment A of Mr. Dalton’s testimony. Details should include, but not be limited to, monthly kWh sales and the price in \$/kWh applied to arrive at the CAPBA activity by vintage.

1.8 Please provide workpapers demonstrating the calculations required to compute the proposed PCIA rates included in Attachment A of Ms. Fuhrer’s testimony.

1.9 Please provide workpapers demonstrating the calculations required to compute the proposed PCIA rates included in Attachment B of Ms. Fuhrer's testimony.

IT IS RULED:

1. SDG&E shall respond in good faith and provide unredacted responses to SDCP's Data Request_01 questions identified above within three days of this ruling.

DATED: _____, at San Francisco, California.

Hon. Thomas J. Glegola
Administrative Law Judge

List of Attachments

Attachment 1 – SDCP Data Request_01

Attachment 2 – SDG&E's Response to SDCP Data Request_01

Attachment 3 – Non-Disclosure Agreement

Attachment 4 – Correspondence between Counsel

Attachment 5 – Declaration of Ty Tosdal

Attachment 6 – Declaration of Tim Lindl

Attachment 1
SDCP Data Request_01

SAN DIEGO COMMUNITY POWER
Expedited Application of SDG&E Under PCIA Trigger Mechanism
Application A. 20-07-009
SDCP Data Request_01

To: San Diego Gas & Electric Company
From: San Diego Community Power (SDCP)
Request: July 17, 2020
Response: July 31, 2020

Please provide electronic responses to the following questions no later than 10 business days of this request. The responses should be provided as attachments sent by e-mail or on a CD sent by mail to the following individual:

Ty Tosdal
Tosdal Law Firm
777 S. Highway 101, Suite 215
Solana Beach, CA 92075
(858) 252-6416
ty@tosdalapc.com

To the extent that the requests call for confidential information, please do not send such responses to the individual listed above. Send all responses containing confidential information as attachments sent by e-mail or on a CD sent by mail to the following individual:

Brian Dickman
Executive Consultant, Energy Practice
NewGen Strategies & Solutions, LLC
225 Union Boulevard, Suite 305
Lakewood, CO 80228
Office: (303) 576-0527
bdickman@newgenstrategies.net

If partial responses are available prior to the requested due date, please forward them as soon as they become available. If any of these requests are unclear or otherwise objectionable, please notify the case manager as soon as possible.

SDCP Data Request_01

Question 1. Please provide the capped and uncapped PCIA rates, by vintage and rate group, as approved in SDG&E's 2020 ERRR Forecast Application (A.19-04-010).

Response to Question 1:

Question 2. Please provide SDG&E's forecast of 2020 kWh sales, by month, used to develop the PCIA rates in A.19-04-010. Please separately identify the sales as pertaining to bundled, direct access, community choice aggregation, and Green Tariff Shared Renewables customers.

Response to Question 2:

Question 3. Please provide the same forecast of 2020 kWh sales referenced in Question 2, differentiated by customer vintage.

Response to Question 3:

Question 4. Please provide the 2020 kWh sales, by month, used to develop the projected 2020 CAPBA balance shown in the testimony of Mr. Eric Dalton.

- a. Please include recorded sales volumes for January – May 2020 and forecasted sales volumes for June – December 2020.
- b. Please differentiate the sales provided by rate group.

Response to Question 4:

Question 5. Please provide SDG&E's forecast of 2021 kWh sales, by month, used to develop the PCIA rates in A.20-04-14. Please separately identify the sales as pertaining to bundled, direct access, community choice aggregation, and Green Tariff Shared Renewables customers.

Response to Question 5:

Question 6. Please provide the same forecast of 2021 kWh sales referenced in Question 5, differentiated by customer vintage.

Response to Question 6:

Question 7. Please provide workpapers demonstrating the calculations required to compute the monthly CAPBA activity by month customer vintage shown in Attachment A of Mr. Dalton's testimony. Details should include, but not be limited to, monthly kWh sales and the price in \$/kWh applied to arrive at the CAPBA activity by vintage.

Response to Question 7:

Question 8. Please provide workpapers demonstrating the calculations required to compute the proposed PCIA rates included in Attachment A of Ms. Fuhrer's testimony.

Response to Question 8:

Question 9. Please provide workpapers demonstrating the calculations required to compute the proposed PCIA rates included in Attachment B of Ms. Fuhrer's testimony.

Response to Question 9:

Question 10. Admit that the PCIA rates effective February 2020 for vintage 2020 customers include the impact of the price cap applied to earlier customer vintages.

Response to Question 10:

Question 11: If the answer to question 8 is an admission, please explain why 2020 vintage PCIA rates would be impacted by the rate cap given that there was no previous PCIA rate from which to add \$0.005/kWh for that vintage.

Response to Question 11:

Question 12: Please quantify the total PCIA revenue SDG&E would expect to collect from October – December 2020 if the currently effective PCIA rates remain in place. Provide all workpapers supporting your response.

Response to Question 12:

Question 13: Please quantify the total PCIA revenue SDG&E would expect to collect from October – December 2020 if the uncapped PCIA rates as approved in A.19-04-010 were in place for those months. Provide all workpapers supporting your response.

Response to Question 13:

Question 14: Please quantify the total PCIA and CAPBA revenue SDG&E would expect to collect from October – December 2020 if the proposed rates shown in Attachment A of Ms. Fuhrer’s testimony are in place. Provide all workpapers supporting your response.

Response to Question 14:

Question 15: Please quantify the total PCIA and CAPBA revenue SDG&E would expect to collect from October – December 2020 if the proposed rates shown in Attachment B of Ms. Fuhrer’s testimony are in place. Provide all workpapers supporting your response.

Response to Question 15:

Question 16: Referring to Ms. Fuhrer’s testimony, please explain why the currently effective system average PCIA rates for vintages 2017, 2018, and 2018 shown in Attachment C do not match the rates for the same vintages shown on Line 3 of Table 4 – 2020 ERRRA Forecast Application PCIA Cap Analysis.

Response to Question 16:

Attachment 2
SDG&E's Response to SDCP Data Request_01

SAN DIEGO COMMUNITY POWER (SDCP)
SDG&E PCIA TRIGGER APPLICATION (A. 20-07-009)
Data Request 01
SDG&E RESPONSE
DATE RECEIVED: July 17, 2020
DATE RESPONDED: July 31, 2020

PROTECTED MATERIALS SUBJECT TO NONDISCLOSURE AGREEMENT

1. Please provide the capped and uncapped PCIA rates, by vintage and rate group, as approved in SDG&E's 2020 ERRA Forecast Application (A.19-04-010).

SDG&E Response:

Please refer to Attachment C of Ms. Fuhrer's testimony for approved capped PCIA rates resulting from A.19-04-010 per Decision (D).20-01-005. Uncapped PCIA rates from A.19-04-010 and D.20-01-005 are not approved but are provided for illustrative purposes in the attached excel file named "PUBLIC - SDG&E Response - SDCP DR_01 PCIA Trigger Application Q1-3,7,12-15," tab "DR 1_Q1."

2. Please provide SDG&E's forecast of 2020 kWh sales, by month, used to develop the PCIA rates in A.19-04-010. Please separately identify the sales as pertaining to bundled, direct access, community choice aggregation, and Green Tariff Shared Renewables customers.

SDG&E Response:

This response contains "Protected Materials" (i.e., trade secret, market sensitive, or other confidential and/or proprietary information) as determined by SDG&E in accordance with the provisions of D. 06-06-066 and subsequent decisions and subject to a Nondisclosure Agreement. The Protected Materials have been redacted. The confidentiality declaration of Kenneth E. Schiermeyer is also provided.

See attached excel file named "PUBLIC - SDG&E Response - SDCP DR_01 PCIA Trigger Application Q1-3,7,12-15," tab "DR 1_Q2-3." All rates calculated in the 2020 ERRA Forecast Application use the 2019 Authorized Sales Forecast from D.18-11-035. The bundled sales forecast is available in cell ranges B15:B21 and again in cells B52:B58. The Green Tariff Shared Renewables sales forecast is contained in Bundled sales and is not separately estimated. The direct access ("DA") sales forecast by vintage is contained exclusively in vintage years 2001 through 2016, and are available in cell range C13:K21. The community choice aggregation ("CCA") sales forecast is exclusively contained in vintage year 2017 and 2018, and are available in cell range L13:M21. The vintage billing determinants of those responsible for the vintage portfolio to determine PCIA rates are contained for DA in cell range C38:K46 and cell range L26:M34 for CCA. The complete set of bundled and vintage billing determinants are also shown in cell range B50:M58. No forecast of 2020 kWh sales by vintage month are available since PCIA rates are established on an annual basis.

3. Please provide the same forecast of 2020 kWh sales referenced in Question 2, differentiated by customer vintage.

SDG&E Response:

This response contains “Protected Materials” (i.e., trade secret, market sensitive, or other confidential and/or proprietary information) as determined by SDG&E in accordance with the provisions of D. 06-06-066 and subsequent decisions and subject to a Nondisclosure Agreement. The Protected Materials have been redacted. The confidentiality declaration of Kenneth E. Schiermeyer is also provided.

Please see response to Question 2.

4. Please provide the 2020 kWh sales, by month, used to develop the projected 2020 CAPBA balance shown in the testimony of Mr. Eric Dalton.
 - a. Please include recorded sales volumes for January – May 2020 and forecasted sales volumes for June – December 2020.
 - b. Please differentiate the sales provided by rate group.

SDG&E Response:

SDG&E does not use monthly kWh sales to book to CAPBA. Due to this, SDG&E also does not use monthly kWh forecasted sales to develop the projected 2020 CAPBA balance. The 2020 forecast is based on the capped portion of the 2020 Departed Load PABA (commonly referred to as PCIA) Revenue Requirement. These capped revenues are applied to CAPBA using the electric seasonality factors. CAPBA is used to track the amount of revenue requirement related to Bundled customers’ over payment into PABA that is completely offset by Departed Load customers’ under payment due to the cap. Any volumetric differences will be captured in the balances of the various subaccounts within PABA which will be used to set PCIA rates in SDG&E’s 2021 ERRRA Forecast Application November Update along with any potential remaining balances in CAPBA.

5. Please provide SDG&E’s forecast of 2021 kWh sales, by month, used to develop the PCIA rates in A.20-04-14. Please separately identify the sales as pertaining to bundled, direct access, community choice aggregation, and Green Tariff Shared Renewables customers.

SDG&E Response:

SDG&E objects to this request pursuant to Rule 10.1 of the Commission’s Rules of Practice and Procedure on the grounds that it seeks the production of information that is neither relevant to the subject matter involved in the pending proceeding nor is reasonably calculated to lead to the discovery of admissible evidence. The PCIA rates

being proposed in the 2021 ERRR Forecast application have no impact on the CAPBA rates or revenues being proposed in this application.

6. Please provide the same forecast of 2021 kWh sales referenced in Question 5, differentiated by customer vintage.

SDG&E Response:

SDG&E objects to this request pursuant to Rule 10.1 of the Commission's Rules of Practice and Procedure on the grounds that it seeks the production of information that is neither relevant to the subject matter involved in the pending proceeding nor is reasonably calculated to lead to the discovery of admissible evidence. The PCIA rates being proposed in the 2021 ERRR Forecast application have no impact on the CAPBA rates or revenues being proposed in this application.

7. Please provide workpapers demonstrating the calculations required to compute the monthly CAPBA activity by month customer vintage shown in Attachment A of Mr. Dalton's testimony. Details should include, but not be limited to, monthly kWh sales and the price in \$/kWh applied to arrive at the CAPBA activity by vintage.

SDG&E Response:

This response contains "Protected Materials" (i.e., trade secret, market sensitive, or other confidential and/or proprietary information) as determined by SDG&E in accordance with the provisions of D. 06-06-066 and subsequent decisions and subject to a Nondisclosure Agreement. The Protected Materials have been redacted and are the same materials included in the confidential workpapers of Stacy Fuhrer for this application. The confidentiality declaration of Stacy Fuhrer is provided.

See attached excel file named "PUBLIC - SDG&E Response - SDCP DR_01 PCIA Trigger Application Q1-3,7,12-15," tab "DR 1_Q7." The calculation of the CAPBA by vintage is attached and is calculated by taking the vintage system PCIA rate above the cap and multiplying that applicable vintage rate by departed load system vintage sales. The monthly activity is based on the amount of the 2020 revenue requirement that is above the cap by vintage. The 2020 activity is booked to CAPBA by multiplying the total 2020 capped revenue requirement amount with the electric seasonality factors for each month.

8. Please provide workpapers demonstrating the calculations required to compute the proposed PCIA rates included in Attachment A of Ms. Fuhrer's testimony.

SDG&E Response:

This response contains "Protected Materials" (i.e., trade secret, market sensitive, or other confidential and/or proprietary information) as determined by SDG&E in accordance with the provisions of D. 06-06-066 and subsequent decisions and subject to a Nondisclosure Agreement. The Protected Materials have been redacted. The confidentiality declaration of Stacy Fuhrer is also provided.

See attached excel file named "PUBLIC - PCIA Model_2020 CAPBA Trigger 3 Mo._Gen Rev Alloc_Fuhrer_Q8." Please note that SDG&E uses annual sales, not monthly, to calculate rates.

9. Please provide workpapers demonstrating the calculations required to compute the proposed PCIA rates included in Attachment B of Ms. Fuhrer's testimony.

SDG&E Response:

This response contains "Protected Materials" (i.e., trade secret, market sensitive, or other confidential and/or proprietary information) as determined by SDG&E in accordance with the provisions of D. 06-06-066 and subsequent decisions and subject to a Nondisclosure Agreement. The Protected Materials have been redacted. The confidentiality declaration of Stacy Fuhrer is also provided.

See attached excel file named "PUBLIC - PCIA Model_2020 CAPBA Trigger 3 Mo._Equal Cents Alloc_Fuhrer_Q9. Please note that SDG&E uses annual sales, not monthly, to calculate rates.

10. Admit that the PCIA rates effective February 2020 for vintage 2020 customers include the impact of the price cap applied to earlier customer vintages.

SDG&E Response:

SDG&E's current effective 2020 vintage PCIA rates as implemented February 1, 2020 per AL 3500-E and D.20-01-005 are impacted by the cap but they should not have been. SDG&E mistakenly included cumulative rates from the application of the cap for PCIA vintage 2020 when it should have used the uncapped 2020 PCIA rates calculated for bundled customers in its 2020 ERRA Forecast Application (A.19-04-010). This error resulted in understating the 2020 PCIA vintage rates for any customer departing under PCIA vintage 2020 but has no impact on bundled customers who pay PCIA (called the Portfolio Allocation Balancing Account (PABA) revenue requirement) through commodity rates. This error also has no impact on the CAPBA revenues as SDG&E is only undercollected in PCIA vintages 2009-2012, 2014 and 2015.

11. If the answer to question 8 is an admission, please explain why 2020 vintage PCIA rates would be impacted by the rate cap given that there was no previous PCIA rate from which to add \$0.005/kWh for that vintage.

SDG&E Response:

Please see response to question 10 above.

12. Please quantify the total PCIA revenue SDG&E would expect to collect from October – December 2020 if the currently effective PCIA rates remain in place. Provide all workpapers supporting your response.

SDG&E Response:

See attached excel file named “PUBLIC - SDG&E Response - SDCP DR_01 PCIA Trigger Application Q1-3,7,12-15,” tab “DR 1_Q12-15.” SDG&E would expect to collect from October – December 2020 roughly \$4.6M from departed load customers if the current effective PCIA rates remain in place for those months.

13. Please quantify the total PCIA revenue SDG&E would expect to collect from October – December 2020 if the uncapped PCIA rates as approved in A.19-04-010 were in place for those months. Provide all workpapers supporting your response.

SDG&E Response:

See attached excel file named “PUBLIC - SDG&E Response - SDCP DR_01 PCIA Trigger Application Q1-3,7,12-15,” tab “DR 1_Q12-15.” As stated above in SDG&E’s response to question 1, uncapped PCIA rates from A.19-04-010 and Decision (D).20-01-005 are not approved but if SDG&E’s 2020 Erra Forecast Application had no cap in place then SDG&E would expect to collect from October – December 2020 roughly \$7.1M from departed load customers if the uncapped PCIA rates in A.19-04-010 were in place for those months.

14. Please quantify the total PCIA and CAPBA revenue SDG&E would expect to collect from October – December 2020 if the proposed rates shown in Attachment A of Ms. Fuhrer’s testimony are in place. Provide all workpapers supporting your response.

SDG&E Response:

See attached excel file named “PUBLIC - SDG&E Response - SDCP DR_01 PCIA Trigger Application Q1-3,7,12-15,” tab “DR 1_Q12-15.” SDG&E would expect to collect from October – December 2020 roughly \$13.5M in total PCIA and CAPBA revenue from departed load customers if the proposed rates shown in Attachment A of Ms. Fuhrer’s testimony are in place for those months.

15. Please quantify the total PCIA and CAPBA revenue SDG&E would expect to collect from October – December 2020 if the proposed rates shown in Attachment B of Ms. Fuhrer’s testimony are in place. Provide all workpapers supporting your response.

SDG&E Response:

See attached excel file named “PUBLIC - SDG&E Response - SDCP DR_01 PCIA Trigger Application Q1-3,7,12-15,” tab “DR 1_Q12-15.” SDG&E would expect to collect from October – December 2020 roughly \$13.5M in total PCIA and CAPBA revenue from departed load customers if the proposed rates shown in Attachment B of Ms. Fuhrer’s testimony are in place for those months.

16. Referring to Ms. Fuhrer’s testimony, please explain why the currently effective system average PCIA rates for vintages 2017, 2018, and 2018 shown in Attachment C do not match the rates for the same vintages shown on Line 3 of Table 4 – 2020 ERRA Forecast Application PCIA Cap Analysis.

SDG&E Response:

Line 3 of Table 4 is the maximum the vintage PCIA rate could increase in SDG&E’s 2020 ERRA Forecast Application. Those rates are not the current effective PCIA rates. PCIA rates are cumulative so capped rates from 2009-2012, 2014 and 2015 impact the cumulative rate for vintages that follow a capped rate like vintages 2017 and 2018.

SAN DIEGO COMMUNITY POWER (SDCP)
SDG&E PCIA TRIGGER APPLICATION (A. 20-07-009)
 Data Request 01
SDG&E RESPONSE - Question 1
DATE RECEIVED: July 17, 2020
DATE RESPONDED: July 31, 2020

SDG&E 2020 ERRRA Forecast Application (A.19-04-010) PCIA Rates: Before CAP*

Rate Group	PCIA 2001 Vintage	PCIA 2002 Vintage	PCIA 2003 Vintage	PCIA 2004 Vintage	PCIA 2005 Vintage	PCIA 2006 Vintage	PCIA 2007 Vintage	PCIA 2008 Vintage	PCIA 2009 Vintage	PCIA 2010 Vintage	PCIA 2011 Vintage	PCIA 2012 Vintage	PCIA 2013 Vintage	PCIA 2014 Vintage	PCIA 2015 Vintage	PCIA 2016 Vintage	PCIA 2017 Vintage	PCIA 2018 Vintage	PCIA 2019 Vintage	PCIA 2020 Vintage
Residential	\$ 0.00005	\$(0.00044)	\$(0.00044)	\$ 0.00908	\$ 0.01109	\$ 0.01359	\$ 0.01476	\$ 0.01713	\$ 0.02134	\$ 0.02869	\$ 0.04733	\$ 0.05306	\$ 0.05330	\$ 0.05347	\$ 0.05401	\$ 0.05401	\$ 0.05383	\$ 0.05383	\$ 0.05343	\$ 0.05461
Small Commercial	\$ 0.00004	\$(0.00037)	\$(0.00037)	\$ 0.00762	\$ 0.00931	\$ 0.01140	\$ 0.01238	\$ 0.01438	\$ 0.01791	\$ 0.02408	\$ 0.03978	\$ 0.04460	\$ 0.04481	\$ 0.04495	\$ 0.04541	\$ 0.04541	\$ 0.04526	\$ 0.04526	\$ 0.04492	\$ 0.04592
Medium & Large C&I	\$ 0.00003	\$(0.00041)	\$(0.00041)	\$ 0.00817	\$ 0.00998	\$ 0.01223	\$ 0.01328	\$ 0.01542	\$ 0.01921	\$ 0.02598	\$ 0.04383	\$ 0.04946	\$ 0.04971	\$ 0.04987	\$ 0.05041	\$ 0.05041	\$ 0.05022	\$ 0.05022	\$ 0.04982	\$ 0.05101
Agriculture	\$ 0.00003	\$(0.00030)	\$(0.00030)	\$ 0.00626	\$ 0.00765	\$ 0.00937	\$ 0.01018	\$ 0.01181	\$ 0.01472	\$ 0.01979	\$ 0.03312	\$ 0.03721	\$ 0.03738	\$ 0.03750	\$ 0.03789	\$ 0.03789	\$ 0.03776	\$ 0.03776	\$ 0.03748	\$ 0.03832
Streetslighting	\$ 0.00003	\$(0.00029)	\$(0.00029)	\$ 0.00597	\$ 0.00729	\$ 0.00893	\$ 0.00970	\$ 0.01126	\$ 0.01403	\$ 0.01886	\$ 0.03111	\$ 0.03486	\$ 0.03502	\$ 0.03513	\$ 0.03549	\$ 0.03549	\$ 0.03537	\$ 0.03537	\$ 0.03511	\$ 0.03589
System Total	\$ 0.00004	\$(0.00041)	\$(0.00041)	\$ 0.00840	\$ 0.01026	\$ 0.01257	\$ 0.01365	\$ 0.01585	\$ 0.01975	\$ 0.02662	\$ 0.04435	\$ 0.04985	\$ 0.05009	\$ 0.05025	\$ 0.05077	\$ 0.05077	\$ 0.05060	\$ 0.05060	\$ 0.05021	\$ 0.05136

*Note: Illustrative rates shown are uncapped PCIA rates but are not approved in SDG&E's 2020 ERRRA Forecast Application (A.19-04-010) per D.20-01-005.

SDG&E - 2019 Authorized Sales Forecast (kWh) D.18-11-035

CUSTOMER CLASS	Bundled Sales	Total Sales by Vintage Year (PCIA 2020 Model Input: Bundled + Departed Load)										
	2001	2002-2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total Departing Load
RESIDENTIAL SMALL COMMERCIAL MED/LARGE COMM/IND AGRICULTURAL LIGHTING												
TOTAL												

**SAN DIEGO COMMUNITY POWER (SDCP)
SDG&E PCIA TRIGGER APPLICATION (A. 20-07-009)**

Data Request 01
SDG&E RESPONSE - Question 7
DATE RECEIVED: July 17, 2020
DATE RESPONDED: July 31, 2020

Confidential data in this workbook tab represents sales forecast for bundled customers and retail customers sales, and is protected by sections V.C. and V.E. of the IOU Confidentiality Matrix, adopted as Appendix 1 of CPUC Decision D.08-08-066
PRIVILEGED AND CONFIDENTIAL PURSUANT TO P.U.C. CODE 583, 454.5(a), GO 66-D and D.05-06-066 as needed

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
Vintage Above Cap Rates (\$/Wh)*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.00385	\$ 0.00337	\$ 0.00986	\$ 0.00328	\$ -	\$ 0.00037	\$ 0.00003	\$ -	\$ -	\$ -	\$ -	\$ -
Deparated Load System Sales (GWh)																				
Vintage CAPBA Revenue Requirement (\$000) w/ FF&U*																				\$ 9,839
Vintage CAPBA Revenue Requirement (\$000) w/o FF&U*																				\$ 9,721

Franchise Fees and Uncollectibles Factor (FF&U) 1.0121448

*Rates and resulting revenues assume 12 months of rate implementation from January 1-December 31, 2020

CAPBA by Resource Vintage

Description	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
Above-Cap PCIA Rev Req Deparated Load - CAPBA (without FF&U)																				9,721,366

CAPBA by Customer Vintage

Description	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
Above-Cap PCIA Rev Req Deparated Load - CAPBA (without FF&U)	-	-	-	-	-	-	-	-	577,285	1,880,680	2,795,397	75,034	-	994	3,170,942	-	1,169,810	51,224	-	9,721,366

Deparated Load	Seasonality Factors	8.34% 7.73% 7.57% 7.47% 7.60% 8.04% 8.91% 9.08% 9.97% 8.50% 8.10% 8.24%											
		January	February	March	April	May	June	July	August	September	October	November	December
CAPBA- 2009 - DL	577,285	44,624	43,700	43,123	43,874	46,414	51,436	52,417	57,555	51,378	47,049	47,568	529,139
CAPBA- 2010 - DL	1,880,680	145,377	142,367	140,487	142,932	151,207	167,569	170,766	187,504	167,380	153,275	154,968	1,723,831
CAPBA- 2011 - DL	2,795,397	216,084	211,612	208,816	212,450	224,750	249,070	253,822	278,701	248,790	227,825	230,341	2,562,261
CAPBA- 2012 - DL	75,034	5,800	5,680	5,605	5,703	6,033	6,686	6,813	7,481	6,678	6,115	6,183	68,776
CAPBA- 2014 - DL	994	77	75	74	76	80	89	90	99	88	81	82	911
CAPBA- 2015 - DL	3,170,942	245,114	240,040	236,869	240,992	254,944	282,531	287,922	316,143	282,214	258,432	261,286	2,906,485
CAPBA- 2017 - DL	1,169,810	90,426	88,555	87,385	88,906	94,053	104,230	106,219	116,630	104,113	95,340	96,392	1,072,248
CAPBA- 2018 - DL	51,224	3,960	3,878	3,826	3,893	4,118	4,564	4,651	5,107	4,559	4,175	4,221	46,952
Total DL	9,721,366	751,462	735,907	726,186	738,824	781,598	866,174	882,700	969,220	865,202	792,291	801,041	8,910,604
Bundled													
CAPBA- 2009	(577,285)	(44,624)	(43,700)	(43,123)	(43,874)	(46,414)	(51,436)	(52,417)	(57,555)	(51,378)	(47,049)	(47,568)	(529,139)
CAPBA- 2010	(1,880,680)	(145,377)	(142,367)	(140,487)	(142,932)	(151,207)	(167,569)	(170,766)	(187,504)	(167,380)	(153,275)	(154,968)	(1,723,831)
CAPBA- 2011	(2,795,397)	(216,084)	(211,612)	(208,816)	(212,450)	(224,750)	(249,070)	(253,822)	(278,701)	(248,790)	(227,825)	(230,341)	(2,562,261)
CAPBA- 2012	(75,034)	(5,800)	(5,680)	(5,605)	(5,703)	(6,033)	(6,686)	(6,813)	(7,481)	(6,678)	(6,115)	(6,183)	(68,776)
CAPBA- 2014	(994)	(77)	(75)	(74)	(76)	(80)	(89)	(90)	(99)	(88)	(81)	(82)	(911)
CAPBA- 2015	(3,170,942)	(245,114)	(240,040)	(236,869)	(240,992)	(254,944)	(282,531)	(287,922)	(316,143)	(282,214)	(258,432)	(261,286)	(2,906,485)
CAPBA- 2017	(1,169,810)	(90,426)	(88,555)	(87,385)	(88,906)	(94,053)	(104,230)	(106,219)	(116,630)	(104,113)	(95,340)	(96,392)	(1,072,248)
CAPBA- 2018	(51,224)	(3,960)	(3,878)	(3,826)	(3,893)	(4,118)	(4,564)	(4,651)	(5,107)	(4,559)	(4,175)	(4,221)	(46,952)
		(751,462)	(735,907)	(726,186)	(738,824)	(781,598)	(866,174)	(882,700)	(969,220)	(865,202)	(792,291)	(801,041)	(8,910,604)

SAN DIEGO COMMUNITY POWER (SDCP)
SDG&E PCIA TRIGGER APPLICATION (A. 20-07-009)
Data Request 01
SDG&E RESPONSE - Questions 12 - 15
DATE RECEIVED: July 17, 2020
DATE RESPONDED: July 31, 2020

Electric Monthly Allocation Factors	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	8.34%	7.73%	7.57%	7.47%	7.60%	8.04%	8.91%	9.08%	9.97%	8.90%	8.15%	8.24%	
Total 2020 Departed Load Revenue Requirement	28,000,000	2,164,400	2,119,600	2,091,600	2,128,000	2,251,200	2,494,800	2,542,400	2,791,600	2,492,000	2,282,000	2,307,200	25,664,800
Capped Portion of 2020 Revenue Requirement	9,721,366	751,462	735,907	726,186	738,824	781,598	866,174	882,700	969,220	865,202	792,291	801,041	8,910,604
Non-Capped Portion of 2020 Revenue Requirement	18,278,634	1,412,938	1,383,693	1,365,414	1,389,176	1,469,602	1,628,626	1,659,700	1,822,380	1,626,798	1,489,709	1,506,159	16,754,196

Forecasted PCIA revenues (using current effective PCIA rates)	4,622,667	Question 12
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Forecasted PCIA revenues (using uncapped PCIA rates calculated, but not approved, in A.19-04-010)	7,081,200	Question 13
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Forecasted PCIA revenues (using proposed rates shown in Attachments A and B of Ms. Fuhrer's testimony)	13,533,270	Question 14 and 15
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Line No.	Description	Source of Data	Value
1.	On Peak SP 15 Price (\$/MWh)	Platt's Forward Prices as of November 1, 2019	\$ 37.61
2.	Off Peak SP 15 Price (\$/MWh)	Platt's Forward Prices as of November 1, 2019	\$ 29.56
3.	On Peak Load Weight (%)	2016 Recorded Load - On Peak Hours	61%
4.	Off Peak Load Weight (%)	2016 Recorded Load - Off Peak Hours	39%
5.	Load Weighted Average Price (\$/MWh)	Line 1 x Line 3 + Line 2 x Line 4	\$ 34.47
6.	IOU RPS Premium (\$/MWh)	Platt's CA Bundled REC (Bucket 1) Mid Value	\$ 17.35
7.	Total "Green" Benchmark (\$/MWh)	Line 6 + Line 5	\$51.82
8.	System RA Benchmark (\$/kW-Year)	Energy Division	\$ 55.08
9.	Local RA Benchmark (\$/kW-Year)	Energy Division	\$ 49.80
10.	Flexible RA Benchmark (\$/kW-Year)	Energy Division	\$ 52.92
11.	Line Loss Adjustment Factor	Resolution E-4475	1.043
12.	Franchise Fees and Uncollectibles Factor (FF&U)		1.0121448

	SONGS				2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	CTC-Eligible	Settlement	Legacy UOG																				
1. Cost of Portfolio (\$000)																							
2. CRS Eligible Portfolio Costs	\$	25,203	\$	-	\$	-																	
3. SONGS Settlement Revenue Requirement	\$		\$	676	\$																		
4. CRS Eligible Cumulative Portfolio Costs	\$	25,203	\$	25,879	\$	25,879																	
5. CRS Eligible Supply																							
6. CRS Eligible Non-Renewable Supply at Meter	120	-	-	-	-	-	3,212	-	-	2,489	63	128	42	567	-	-	-	-	-	-	-	-	-
7. CRS Eligible Renewable Supply at Customer Meter	16	-	-	-	-	-	149	404	814	-	555	661	728	2,419	961	91	97	-	-	25	-	-	-
8. CRS Eligible Renewable Supply Sales at Customer Meter							(127)	(616)	(953)		(62)	(744)	(823)	(2,723)	(1,098)	(108)	(46)			(18)			
9. CRS Eligible Cumulative GWh at Meter	135	135	135	135	135	135	3,480	3,899	4,117	6,606	7,162	7,877	8,566	11,281	12,134	12,214	12,247	12,247	12,247	12,270	12,270	12,270	12,270
10. CRS Eligible Net Qualifying Capacity (MW)																							
11. CRS Eligible Total Net Qualifying Capacity (MW)	30	-	-	-	-	-	659	32	20	419	44	98	85	174	69	14	2	-	-	3	-	-	1,037
12. CRS Eligible System NQC (System only, No flex or local)	0	0	0	-	0	0	0	27	0	0	0	0	1	18	36	14	0	0	0	0	0	0	0
13. CRS Eligible NQC (System and local, with or without flex)	30	-	-	-	-	-	659	5	20	-	44	98	84	155	32	-	2	-	-	3	-	-	1,037
14. CRS Eligible Flexible NQC (System and flex only, No local)	-	-	-	-	-	-	-	-	-	419	-	-	-	-	-	-	-	-	-	-	-	-	-
15. CRS Eligible Secure System Sales	-	-	-	-	-	-	(27)	-	(224)	-	-	(1)	(18)	(36)	(14)	-	-	-	-	-	-	-	-
16. CRS Eligible Cumulative Net Qualifying Capacity (MW)	30	30	30	30	30	30	689	695	714	810	854	952	1,037	1,192	1,224	1,224	1,226	1,226	1,226	1,229	1,229	1,229	2,266

		CAPBA Revenue Requirement Allocation to Rate Groups (w/ FF&U) (\$000) – Vintaged Revenue Requirement x Column B																				
Rate Group	Generation Revenue Allocation Factor	CTC Indifference	Legacy UOG & Other	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Indifference Amounts by Vintage		\$ 18,725	\$ -																			
Residential	42.8%	\$ 8,020	\$ -																			
Small Commercial	13.3%	\$ 2,485	\$ -																			
Med&Lg C&I	42.0%	\$ 7,870	\$ -																			
Agricultural	1.5%	\$ 281	\$ -																			
Lighting	0.4%	\$ 69	\$ -																			
Total	100.0%	\$ 18,725	\$ -																			

		Vintage-Billing Determinants Sales (GWh)																				
Rate Group	System Sales (GWh)	CTC Sales	Legacy UOG & Other	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Residential		6,105	6,105	43																		
Small Commercial		2,262	2,262	39																		
Med&Lg C&I		9,441	9,441	3,525																		
Agricultural		323	323	25																		
Lighting		80	80	0																		
Total Sales		18,211	18,211	3,632																		

Incremental Rate for Each Portfolio of Resources (Vintage Indifference Amount by Rate Group / Forecast Sales by Rate Group)																					
Rate Group	CTC Rate	Legacy UOG & Other	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Residential	\$ 0.00131	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.14627	\$ 0.10369	\$ 0.17975	\$ 0.03397	\$ -	\$ 0.00373	\$ 0.00030	\$ -	\$ -	\$ -	\$ -	\$ -
Small Commercial	\$ 0.00110	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.05452	\$ 0.04038	\$ 0.09643	\$ 0.01982	\$ -	\$ 0.00219	\$ 0.00018	\$ -	\$ -	\$ -	\$ -	\$ -
Mod&Lg C&I	\$ 0.00083	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.00654	\$ 0.00585	\$ 0.01765	\$ 0.00663	\$ -	\$ 0.00074	\$ 0.00006	\$ -	\$ -	\$ -	\$ -	\$ -
Agricultural	\$ 0.00087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.01487	\$ 0.01054	\$ 0.60952	\$ 0.11520	\$ -	\$ 0.01266	\$ 0.00102	\$ -	\$ -	\$ -	\$ -	\$ -
Lighting	\$ 0.00086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.12881	\$ 0.09131	\$ 0.15829	\$ 0.02326	\$ -	\$ 0.00255	\$ 0.00021	\$ -	\$ -	\$ -	\$ -	\$ -
System	\$ 0.00103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.01415	\$ 0.01238	\$ 0.03621	\$ 0.01205	\$ -	\$ 0.00135	\$ 0.00011	\$ -	\$ -	\$ -	\$ -	\$ -

Final Cumulative Rates																					
Rate Group	CTC	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Residential	\$ 0.00131	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.14627	\$ 0.24996	\$ 0.42970	\$ 0.46368	\$ 0.46368	\$ 0.46741	\$ 0.46771	\$ 0.46771	\$ 0.46771	\$ 0.46771	\$ 0.46771	\$ 0.46771
Small Commercial	\$ 0.00110	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.05452	\$ 0.09490	\$ 0.19133	\$ 0.21115	\$ 0.21115	\$ 0.21334	\$ 0.21352	\$ 0.21352	\$ 0.21352	\$ 0.21352	\$ 0.21352	\$ 0.21352
Mod&Lg C&I	\$ 0.00083	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.00654	\$ 0.01239	\$ 0.03004	\$ 0.03667	\$ 0.03667	\$ 0.03741	\$ 0.03747	\$ 0.03747	\$ 0.03747	\$ 0.03747	\$ 0.03747	\$ 0.03747
Agricultural	\$ 0.00087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.01487	\$ 0.02542	\$ 0.63494	\$ 0.75014	\$ 0.75014	\$ 0.76280	\$ 0.76382	\$ 0.76382	\$ 0.76382	\$ 0.76382	\$ 0.76382	\$ 0.76382
Lighting	\$ 0.00086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.12881	\$ 0.22012	\$ 0.37841	\$ 0.40167	\$ 0.40167	\$ 0.40422	\$ 0.40443	\$ 0.40443	\$ 0.40443	\$ 0.40443	\$ 0.40443	\$ 0.40443
System	\$ 0.00103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.01415	\$ 0.02653	\$ 0.06274	\$ 0.07479	\$ 0.07479	\$ 0.07614	\$ 0.07625	\$ 0.07625	\$ 0.07625	\$ 0.07625	\$ 0.07625	\$ 0.07625

CAPBA Trigger CRS Rates

2020 CAPBA Trigger Only - PCIA Vintaged Rates_3 Month Amortization

Rate Group	DWRBC (All Vintages)	CTC (For All Vintages) ¹	PCIA 2001 Vintage	PCIA 2002 Vintage	PCIA 2003 Vintage	PCIA 2004 Vintage	PCIA 2005 Vintage	PCIA 2006 Vintage	PCIA 2007 Vintage	PCIA 2008 Vintage	PCIA 2009 Vintage	PCIA 2010 Vintage	PCIA 2011 Vintage	PCIA 2012 Vintage	PCIA 2013 Vintage	PCIA 2014 Vintage	PCIA 2015 Vintage	PCIA 2016 Vintage	PCIA 2017 Vintage	PCIA 2018 Vintage	PCIA 2019 Vintage	PCIA 2020 Vintage
Residential	0.00580	0.00131	-	-	-	-	-	-	-	-	0.14627	0.24996	0.42970	0.46368	0.46368	0.46741	0.46771	0.46771	0.46771	0.46771	0.46771	0.46771
Small Commercial	0.00580	0.00110	-	-	-	-	-	-	-	-	0.05452	0.09490	0.19133	0.21115	0.21115	0.21334	0.21352	0.21352	0.21352	0.21352	0.21352	0.21352
Medium & Large C&I	0.00580	0.00083	-	-	-	-	-	-	-	-	0.00654	0.01239	0.03004	0.03667	0.03667	0.03741	0.03747	0.03747	0.03747	0.03747	0.03747	0.03747
Agriculture	0.00580	0.00087	-	-	-	-	-	-	-	-	0.01487	0.02542	0.63404	0.75014	0.75014	0.76280	0.76382	0.76382	0.76382	0.76382	0.76382	0.76382
Streetlighting	0.00580	0.00086	-	-	-	-	-	-	-	-	0.13881	0.22012	0.37841	0.40167	0.40167	0.40422	0.40443	0.40443	0.40443	0.40443	0.40443	0.40443
System Total	0.00580	0.00103	-	-	-	-	-	-	-	-	0.01415	0.02653	0.06274	0.07479	0.07479	0.07614	0.07625	0.07625	0.07625	0.07625	0.07625	0.07625

¹ The CTC shown is illustrative and based off of forecasted PCIA customers using actuals tied to authorized sales.

2020 ERRa Forecast Approved PCIA Rates

Rate Group	DWRBC (All Vintages)	CTC (For All Vintages) ¹	PCIA 2001 Vintage	PCIA 2002 Vintage	PCIA 2003 Vintage	PCIA 2004 Vintage	PCIA 2005 Vintage	PCIA 2006 Vintage	PCIA 2007 Vintage	PCIA 2008 Vintage	PCIA 2009 Vintage	PCIA 2010 Vintage	PCIA 2011 Vintage	PCIA 2012 Vintage	PCIA 2013 Vintage	PCIA 2014 Vintage	PCIA 2015 Vintage	PCIA 2016 Vintage	PCIA 2017 Vintage	PCIA 2018 Vintage	PCIA 2019 Vintage	PCIA 2020 Vintage
Residential	0.00503	0.00131	0.00005	(0.00044)	(0.00044)	0.00908	0.01109	0.01359	0.01476	0.01713	0.01718	0.02092	0.02919	0.03151	0.03175	0.03154	0.03205	0.03205	0.03187	0.03187	0.03147	0.03265
Small Commercial	0.00503	0.00110	0.00004	(0.00037)	(0.00037)	0.00762	0.00931	0.01140	0.01238	0.01438	0.01441	0.01756	0.02452	0.02647	0.02668	0.02650	0.02693	0.02693	0.02678	0.02678	0.02644	0.02744
Medium & Large C&I	0.00503	0.00083	0.00003	(0.00041)	(0.00041)	0.00817	0.00998	0.01223	0.01328	0.01542	0.01546	0.01891	0.02683	0.02910	0.02935	0.02913	0.02964	0.02964	0.02946	0.02946	0.02906	0.03024
Agriculture	0.00503	0.00087	0.00003	(0.00030)	(0.00030)	0.00626	0.00765	0.00937	0.01018	0.01181	0.01185	0.01443	0.02034	0.02200	0.02217	0.02202	0.02239	0.02239	0.02226	0.02226	0.02197	0.02281
Streetlighting	0.00503	0.00086	0.00003	(0.00029)	(0.00029)	0.00597	0.00729	0.00893	0.00970	0.01126	0.01129	0.01375	0.01918	0.02070	0.02086	0.02072	0.02106	0.02106	0.02094	0.02094	0.02068	0.02146
System Total	0.00503	0.00103	0.00004	(0.00041)	(0.00041)	0.00840	0.01026	0.01257	0.01365	0.01585	0.01589	0.01939	0.02726	0.02948	0.02972	0.02951	0.03001	0.03001	0.02983	0.02983	0.02944	0.03059

2020 ERRa Forecast Approved PCIA Rates + 2020 CAPBA Trigger Rates_3 Month Amortization

Rate Group	DWRBC (All Vintages)	CTC (For All Vintages) ¹	PCIA 2001 Vintage	PCIA 2002 Vintage	PCIA 2003 Vintage	PCIA 2004 Vintage	PCIA 2005 Vintage	PCIA 2006 Vintage	PCIA 2007 Vintage	PCIA 2008 Vintage	PCIA 2009 Vintage	PCIA 2010 Vintage	PCIA 2011 Vintage	PCIA 2012 Vintage	PCIA 2013 Vintage	PCIA 2014 Vintage	PCIA 2015 Vintage	PCIA 2016 Vintage	PCIA 2017 Vintage	PCIA 2018 Vintage	PCIA 2019 Vintage	PCIA 2020 Vintage
Residential	0.00580	0.00131	0.00005	(0.00044)	(0.00044)	0.00908	0.01109	0.01359	0.01476	0.01713	0.16345	0.27088	0.45890	0.49518	0.49543	0.49894	0.49976	0.49976	0.49958	0.49958	0.49918	0.50036
Small Commercial	0.00580	0.00110	0.00004	(0.00037)	(0.00037)	0.00762	0.00931	0.01140	0.01238	0.01438	0.06894	0.11246	0.21585	0.23762	0.23783	0.23984	0.24045	0.24045	0.24030	0.24030	0.23996	0.24096
Medium & Large C&I	0.00580	0.00083	0.00003	(0.00041)	(0.00041)	0.00817	0.00998	0.01223	0.01328	0.01542	0.02200	0.03130	0.05687	0.06577	0.06601	0.06655	0.06711	0.06711	0.06693	0.06693	0.06653	0.06772
Agriculture	0.00580	0.00087	0.00003	(0.00030)	(0.00030)	0.00626	0.00765	0.00937	0.01018	0.01181	0.02672	0.03985	0.65528	0.77214	0.77231	0.78482	0.78621	0.78621	0.78608	0.78608	0.78579	0.78664
Streetlighting	0.00580	0.00086	0.00003	(0.00029)	(0.00029)	0.00597	0.00729	0.00893	0.00970	0.01126	0.14010	0.23387	0.39759	0.42237	0.42253	0.42494	0.42549	0.42549	0.42537	0.42537	0.42511	0.42588
System Total	0.00580	0.00103	0.00004	(0.00041)	(0.00041)	0.00840	0.01026	0.01257	0.01365	0.01585	0.03004	0.04592	0.09000	0.10427	0.10451	0.10565	0.10625	0.10625	0.10608	0.10608	0.10569	0.10684

CAPBA Trigger CRS Rates

2020 CAPBA Trigger - Final PCIA Vintaged Rates_3 Month Amortization

	DWRBC (All Vintages)	CTC (For All Vintages) ¹	PCIA 2001 Vintage	PCIA 2002 Vintage	PCIA 2003 Vintage	PCIA 2004 Vintage	PCIA 2005 Vintage	PCIA 2006 Vintage	PCIA 2007 Vintage	PCIA 2008 Vintage	PCIA 2009 Vintage	PCIA 2010 Vintage	PCIA 2011 Vintage	PCIA 2012 Vintage	PCIA 2013 Vintage	PCIA 2014 Vintage	PCIA 2015 Vintage	PCIA 2016 Vintage	PCIA 2017 Vintage	PCIA 2018 Vintage	PCIA 2019 Vintage	PCIA 2020 Vintage
Residential	0.00580	0.00131	0.00005	(0.00044)	(0.00044)	0.00908	0.01109	0.01359	0.01476	0.01713	0.16345	0.27088	0.45890	0.49518	0.49543	0.49894	0.49976	0.49976	0.49958	0.49958	0.49918	0.50036
Small Commercial	0.00580	0.00110	0.00004	(0.00037)	(0.00037)	0.00762	0.00931	0.01140	0.01238	0.01438	0.06894	0.11246	0.21585	0.23762	0.23783	0.23984	0.24045	0.24045	0.24030	0.24030	0.23996	0.24096
Medium & Large C&I	0.00580	0.00083	0.00003	(0.00041)	(0.00041)	0.00817	0.00998	0.01223	0.01328	0.01542	0.02200	0.03130	0.05687	0.06377	0.06601	0.06855	0.06711	0.06711	0.06693	0.06693	0.06653	0.06772
Agriculture	0.00580	0.00087	0.00003	(0.00030)	(0.00030)	0.00626	0.00765	0.00937	0.01018	0.01181	0.02672	0.03985	0.65528	0.77214	0.77231	0.78482	0.78621	0.78621	0.78608	0.78608	0.78579	0.78664
Streetlighting	0.00580	0.00086	0.00003	(0.00029)	(0.00029)	0.00597	0.00729	0.00893	0.00970	0.01126	0.14010	0.23387	0.39759	0.42237	0.42253	0.42494	0.42549	0.42549	0.42537	0.42537	0.42511	0.42588
System Total	0.00580	0.00103	0.00004	(0.00041)	(0.00041)	0.00840	0.01026	0.01257	0.01365	0.01585	0.03004	0.04592	0.09000	0.10427	0.10451	0.10565	0.10625	0.10625	0.10608	0.10569	0.10684	

¹ The CTC shown is illustrative and based off of forecasted PCIA customers using actuals tied to authorized sales.

PUBLIC - PCIA Model_2020 CAPBA Trigger 3 Mo._Equal Cents Alloc_Fuhrer_Q9

Line No.	Description	Source of Data	Value
1.	On Peak SP 15 Price (\$/MWh)	Platt's Forward Prices as of November 1, 2019	\$ 37.61
2.	Off Peak SP 15 Price (\$/MWh)	Platt's Forward Prices as of November 1, 2019	\$ 29.56
3.	On Peak Load Weight (%)	2016 Recorded Load - On Peak Hours	61%
4.	Off Peak Load Weight (%)	2016 Recorded Load - Off Peak Hours	39%
5.	Load Weighted Average Price (\$/MWh)	Line 1 x Line 3 + Line 2 x Line 4	\$ 34.47
6.	IOU RPS Premium (\$/MWh)	Platt's CA Bundled REC (Bucket 1) Mid Value	\$ 17.35
7.	Total "Green" Benchmark (\$/MWh)	Line 6 + Line 5	\$51.82
8.	System RA Benchmark (\$/kW-Year)	Energy Division	\$ 55.08
9.	Local RA Benchmark (\$/kW-Year)	Energy Division	\$ 49.80
10.	Flexible RA Benchmark (\$/kW-Year)	Energy Division	\$ 52.92
11.	Line Loss Adjustment Factor	Resolution E-4475	1.043
12.	Franchise Fees and Uncollectibles Factor (FF&U)		1.0121448

	SONGS			2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	CTC-Eligible	Settlement	Legacy UOG																			
1. Cost of Portfolio (\$000)																						
2. CRS Eligible Portfolio Costs	\$ 25,203	\$ -	\$ -																			
3. SONGS Settlement Revenue Requirement	\$ -	\$ 676	\$ -																			
4. CRS Eligible Cumulative Portfolio Costs	\$ 25,203	\$ 25,879	\$ 25,879																			
5. CRS Eligible Supply																						
6. CRS Eligible Non-Renewable Supply at Meter	120	-	-	-	-	3,212	-	-	2,489	63	128	42	567	-	-	-	-	-	-	-	-	-
7. CRS Eligible Renewable Supply at Customer Meter	16	-	-	-	-	149	404	314	-	555	661	728	2,419	961	91	37	-	-	25	-	-	-
8. CRS Eligible Renewable Supply Sales at Customer Meter	-	-	-	-	-	(17)	(45)	(35)	-	(62)	(74)	(82)	(271)	(108)	(10)	(4)	-	-	(3)	-	-	-
9. CRS Eligible Cumulative GWh at Meter	135	135	135	135	135	3,480	3,839	4,117	6,606	7,162	7,877	8,566	11,281	12,134	12,214	12,247	12,247	12,247	12,270	12,270	12,270	12,270
10. CRS Eligible Net Qualifying Capacity (MW)																						
11. CRS Eligible Total Net Qualifying Capacity (MW)	30	-	-	-	-	659	32	20	419	44	98	85	174	69	14	2	-	-	3	-	-	1,037
12. CRS Eligible System NOC (System only, No flex or local)	0	0	0	0	0	0	27	0	0	0	0	1	18	36	14	0	0	0	0	0	0	0
13. CRS Eligible NOC (System and local, with or without flex)	30	-	-	-	-	659	5	20	-	44	98	84	156	32	-	2	-	-	3	-	-	1,037
14. CRS Eligible Flexible NOC (System and flex only, No local)	-	-	-	-	-	-	-	-	419	-	-	-	-	-	-	-	-	-	-	-	-	-
15. CRS Eligible Excess System Sales	-	-	-	-	-	-	(27)	-	(324)	-	-	(1)	(18)	(36)	(14)	-	-	-	-	-	-	-
16. CRS Eligible Cumulative Net Qualifying Capacity (MW)	30	30	30	30	30	689	695	714	810	854	952	1,037	1,192	1,224	1,224	1,226	1,226	1,226	1,229	1,229	1,229	2,266

		CTC		Legacy UOG & Other		CAPBA Revenue Requirement Allocation to Rate Groups (w/ FF&U) (\$000) -- System Vintaged Revenue Requirement																	
Rate Group	Generation Revenue Allocation Factor	Indifference			2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Indifference			\$	18,725	\$	-																	
Amounts by Vintage																							
Residential	42.8%		\$	8,020	\$	-																	
Small Commercial	13.3%		\$	2,485	\$	-																	
Med&Lg C&I	42.0%		\$	7,870	\$	-																	
Agricultural	1.5%		\$	281	\$	-																	
Lighting	0.4%		\$	69	\$	-																	
System	100.0%		\$	18,725	\$	-																	

		Vintage-Billing Determinants Sales (GWh)																				
Rate Group	System Sales (GWh)	CTC Sales	Legacy UOG & Other	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Residential	6,105	6,105	43																			
Small Commercial	2,262	2,262	39																			
Mod&Lg C&I	9,441	9,441	3,525																			
Agricultural	323	323	25																			
Lighting	80	80	0																			
System Sales	18,211	18,211	3,632																			

		Incremental Rate for Each Portfolio of Resources (System Vintage Indifference Amount / System Forecast Sales)																			
Rate Group	CTC Rate	Legacy UOG & Other	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Residential	\$ 0.00131	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.01415	\$ 0.01238	\$ 0.03621	\$ 0.01205	\$ -	\$ 0.00135	\$ 0.00011	\$ -	\$ -	\$ -	\$ -	\$ -
Small Commercial	\$ 0.00110	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.01415	\$ 0.01238	\$ 0.03621	\$ 0.01205	\$ -	\$ 0.00135	\$ 0.00011	\$ -	\$ -	\$ -	\$ -	\$ -
Mod&Lg C&I	\$ 0.00083	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.01415	\$ 0.01238	\$ 0.03621	\$ 0.01205	\$ -	\$ 0.00135	\$ 0.00011	\$ -	\$ -	\$ -	\$ -	\$ -
Agricultural	\$ 0.00087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.01415	\$ 0.01238	\$ 0.03621	\$ 0.01205	\$ -	\$ 0.00135	\$ 0.00011	\$ -	\$ -	\$ -	\$ -	\$ -
Lighting	\$ 0.00086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.01415	\$ 0.01238	\$ 0.03621	\$ 0.01205	\$ -	\$ 0.00135	\$ 0.00011	\$ -	\$ -	\$ -	\$ -	\$ -
System	\$ 0.00103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.01415	\$ 0.01238	\$ 0.03621	\$ 0.01205	\$ -	\$ 0.00135	\$ 0.00011	\$ -	\$ -	\$ -	\$ -	\$ -

Rate Group	Final Cumulative Rates																				
	CTC	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Residential	\$ 0.00131	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.01415	\$ 0.02653	\$ 0.06274	\$ 0.07479	\$ 0.07479	\$ 0.07614	\$ 0.07625	\$ 0.07625	\$ 0.07625	\$ 0.07625	\$ 0.07625	\$ 0.07625
Small Commercial	\$ 0.00110	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.01415	\$ 0.02653	\$ 0.06274	\$ 0.07479	\$ 0.07479	\$ 0.07614	\$ 0.07625	\$ 0.07625	\$ 0.07625	\$ 0.07625	\$ 0.07625	\$ 0.07625
Med&Lg C&I	\$ 0.00083	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.01415	\$ 0.02653	\$ 0.06274	\$ 0.07479	\$ 0.07479	\$ 0.07614	\$ 0.07625	\$ 0.07625	\$ 0.07625	\$ 0.07625	\$ 0.07625	\$ 0.07625
Agricultural	\$ 0.00087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.01415	\$ 0.02653	\$ 0.06274	\$ 0.07479	\$ 0.07479	\$ 0.07614	\$ 0.07625	\$ 0.07625	\$ 0.07625	\$ 0.07625	\$ 0.07625	\$ 0.07625
Lighting	\$ 0.00086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.01415	\$ 0.02653	\$ 0.06274	\$ 0.07479	\$ 0.07479	\$ 0.07614	\$ 0.07625	\$ 0.07625	\$ 0.07625	\$ 0.07625	\$ 0.07625	\$ 0.07625
System	\$ 0.00103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.01415	\$ 0.02653	\$ 0.06274	\$ 0.07479	\$ 0.07479	\$ 0.07614	\$ 0.07625	\$ 0.07625	\$ 0.07625	\$ 0.07625	\$ 0.07625	\$ 0.07625

CAPBA Trigger CRS Rates

2020 CAPBA Trigger Only - PCIA Vintaged Equal Cent/kWh Rates_3 Month Amortization

Rate Group	DWRBC (All Vintages)	CTC (For All Vintages) ¹	PCIA 2001 Vintage	PCIA 2002 Vintage	PCIA 2003 Vintage	PCIA 2004 Vintage	PCIA 2005 Vintage	PCIA 2006 Vintage	PCIA 2007 Vintage	PCIA 2008 Vintage	PCIA 2009 Vintage	PCIA 2010 Vintage	PCIA 2011 Vintage	PCIA 2012 Vintage	PCIA 2013 Vintage	PCIA 2014 Vintage	PCIA 2015 Vintage	PCIA 2016 Vintage	PCIA 2017 Vintage	PCIA 2018 Vintage	PCIA 2019 Vintage	PCIA 2020 Vintage
Residential	0.00580	0.00131	-	-	-	-	-	-	-	-	0.01415	0.02653	0.06274	0.07479	0.07479	0.07614	0.07625	0.07625	0.07625	0.07625	0.07625	0.07625
Small Commercial	0.00580	0.00110	-	-	-	-	-	-	-	-	0.01415	0.02653	0.06274	0.07479	0.07479	0.07614	0.07625	0.07625	0.07625	0.07625	0.07625	0.07625
Medium & Large C&I	0.00580	0.00083	-	-	-	-	-	-	-	-	0.01415	0.02653	0.06274	0.07479	0.07479	0.07614	0.07625	0.07625	0.07625	0.07625	0.07625	0.07625
Agriculture	0.00580	0.00087	-	-	-	-	-	-	-	-	0.01415	0.02653	0.06274	0.07479	0.07479	0.07614	0.07625	0.07625	0.07625	0.07625	0.07625	0.07625
Streetlighting	0.00580	0.00086	-	-	-	-	-	-	-	-	0.01415	0.02653	0.06274	0.07479	0.07479	0.07614	0.07625	0.07625	0.07625	0.07625	0.07625	0.07625
System Total	0.00580	0.00103	-	-	-	-	-	-	-	-	0.01415	0.02653	0.06274	0.07479	0.07479	0.07614	0.07625	0.07625	0.07625	0.07625	0.07625	0.07625

¹ The CTC shown is illustrative and based off of forecasted PCIA customers using actuals tied to authorized sales.

2020 ERRA Forecast Approved PCIA Rates

Rate Group	DWRBC (All Vintages)	CTC (For All Vintages) ¹	PCIA 2001 Vintage	PCIA 2002 Vintage	PCIA 2003 Vintage	PCIA 2004 Vintage	PCIA 2005 Vintage	PCIA 2006 Vintage	PCIA 2007 Vintage	PCIA 2008 Vintage	PCIA 2009 Vintage	PCIA 2010 Vintage	PCIA 2011 Vintage	PCIA 2012 Vintage	PCIA 2013 Vintage	PCIA 2014 Vintage	PCIA 2015 Vintage	PCIA 2016 Vintage	PCIA 2017 Vintage	PCIA 2018 Vintage	PCIA 2019 Vintage	PCIA 2020 Vintage
Residential	0.00503	0.00131	0.00005	(0.00044)	(0.00044)	0.00908	0.01109	0.01359	0.01476	0.01713	0.01718	0.02092	0.02919	0.03151	0.03175	0.03154	0.03205	0.03205	0.03187	0.03187	0.03147	0.03265
Small Commercial	0.00503	0.00110	0.00004	(0.00037)	(0.00037)	0.00762	0.00931	0.01140	0.01238	0.01438	0.01441	0.01756	0.02452	0.02647	0.02668	0.02650	0.02693	0.02693	0.02678	0.02678	0.02644	0.02744
Medium & Large C&I	0.00503	0.00083	0.00003	(0.00041)	(0.00041)	0.00817	0.00998	0.01223	0.01328	0.01542	0.01546	0.01891	0.02683	0.02910	0.02935	0.02913	0.02964	0.02964	0.02946	0.02946	0.02906	0.03024
Agriculture	0.00503	0.00087	0.00003	(0.00030)	(0.00030)	0.00626	0.00765	0.00937	0.01018	0.01181	0.01185	0.01443	0.02034	0.02200	0.02217	0.02202	0.02239	0.02239	0.02226	0.02226	0.02197	0.02281
Streetlighting	0.00503	0.00086	0.00003	(0.00029)	(0.00029)	0.00597	0.00729	0.00893	0.00970	0.01126	0.01129	0.01375	0.01918	0.02070	0.02086	0.02072	0.02106	0.02106	0.02094	0.02094	0.02068	0.02146
System Total	0.00503	0.00103	0.00004	(0.00041)	(0.00041)	0.00840	0.01026	0.01257	0.01365	0.01585	0.01589	0.01939	0.02726	0.02948	0.02972	0.02951	0.03001	0.03001	0.02983	0.02983	0.02944	0.03059

2020 ERRA Forecast Approved PCIA Rates + 2020 CAPBA Trigger Rates_3 Month Amortization

Rate Group	DWRBC (All Vintages)	CTC (For All Vintages) ¹	PCIA 2001 Vintage	PCIA 2002 Vintage	PCIA 2003 Vintage	PCIA 2004 Vintage	PCIA 2005 Vintage	PCIA 2006 Vintage	PCIA 2007 Vintage	PCIA 2008 Vintage	PCIA 2009 Vintage	PCIA 2010 Vintage	PCIA 2011 Vintage	PCIA 2012 Vintage	PCIA 2013 Vintage	PCIA 2014 Vintage	PCIA 2015 Vintage	PCIA 2016 Vintage	PCIA 2017 Vintage	PCIA 2018 Vintage	PCIA 2019 Vintage	PCIA 2020 Vintage
Residential	0.00580	0.00131	0.00005	(0.00044)	(0.00044)	0.00908	0.01109	0.01359	0.01476	0.01713	0.03133	0.04746	0.09194	0.10630	0.10654	0.10767	0.10830	0.10830	0.10812	0.10812	0.10771	0.10890
Small Commercial	0.00580	0.00110	0.00004	(0.00037)	(0.00037)	0.00762	0.00931	0.01140	0.01238	0.01438	0.02857	0.04409	0.08727	0.10126	0.10147	0.10263	0.10318	0.10318	0.10302	0.10302	0.10269	0.10368
Medium & Large C&I	0.00580	0.00083	0.00003	(0.00041)	(0.00041)	0.00817	0.00998	0.01223	0.01328	0.01542	0.02961	0.04544	0.08957	0.10389	0.10414	0.10527	0.10589	0.10589	0.10570	0.10570	0.10530	0.10649
Agriculture	0.00580	0.00087	0.00003	(0.00030)	(0.00030)	0.00626	0.00765	0.00937	0.01018	0.01181	0.02600	0.04096	0.08308	0.09678	0.09696	0.09815	0.09863	0.09863	0.09850	0.09850	0.09822	0.09906
Streetlighting	0.00580	0.00086	0.00003	(0.00029)	(0.00029)	0.00597	0.00729	0.00893	0.00970	0.01126	0.02544	0.04028	0.08193	0.09549	0.09565	0.09686	0.09731	0.09731	0.09719	0.09719	0.09692	0.09770
System Total	0.00580	0.00103	0.00004	(0.00041)	(0.00041)	0.00840	0.01026	0.01257	0.01365	0.01585	0.03004	0.04592	0.09000	0.10427	0.10451	0.10565	0.10625	0.10625	0.10608	0.10608	0.10569	0.10684

CAPBA Trigger CRS Rates

2020 CAPBA Trigger - Final PCIA Vintaged Rates_3 Month Amortization

Rate Group	DWRBC (All Vintages)	CTC (For All Vintages) ¹	PCIA 2001 Vintage	PCIA 2002 Vintage	PCIA 2003 Vintage	PCIA 2004 Vintage	PCIA 2005 Vintage	PCIA 2006 Vintage	PCIA 2007 Vintage	PCIA 2008 Vintage	PCIA 2009 Vintage	PCIA 2010 Vintage	PCIA 2011 Vintage	PCIA 2012 Vintage	PCIA 2013 Vintage	PCIA 2014 Vintage	PCIA 2015 Vintage	PCIA 2016 Vintage	PCIA 2017 Vintage	PCIA 2018 Vintage	PCIA 2019 Vintage	PCIA 2020 Vintage
Residential	0.00580	0.00131	0.00005	(0.00044)	(0.00044)	0.00908	0.01109	0.01359	0.01476	0.01713	0.03133	0.04746	0.09194	0.10630	0.10654	0.10767	0.10830	0.10830	0.10812	0.10812	0.10771	0.10890
Small Commercial	0.00580	0.00110	0.00004	(0.00037)	(0.00037)	0.00762	0.00931	0.01140	0.01238	0.01438	0.02857	0.04409	0.08727	0.10126	0.10147	0.10263	0.10318	0.10318	0.10302	0.10302	0.10269	0.10368
Medium & Large C&I	0.00580	0.00083	0.00003	(0.00041)	(0.00041)	0.00817	0.00998	0.01223	0.01328	0.01542	0.02961	0.04544	0.08957	0.10389	0.10414	0.10527	0.10589	0.10589	0.10570	0.10570	0.10530	0.10649
Agriculture	0.00580	0.00087	0.00003	(0.00030)	(0.00030)	0.00626	0.00765	0.00937	0.01018	0.01181	0.02600	0.04096	0.08308	0.09678	0.09696	0.09815	0.09863	0.09863	0.09850	0.09850	0.09822	0.09906
Streetlighting	0.00580	0.00086	0.00003	(0.00029)	(0.00029)	0.00597	0.00729	0.00893	0.00970	0.01126	0.02544	0.04028	0.08193	0.09549	0.09565	0.09686	0.09731	0.09731	0.09719	0.09719	0.09692	0.09770
System Total	0.00580	0.00103	0.00004	(0.00041)	(0.00041)	0.00840	0.01026	0.01257	0.01365	0.01585	0.03004	0.04592	0.09000	0.10427	0.10451	0.10565	0.10625	0.10625	0.10608	0.10608	0.10569	0.10684

¹ The CTC shown is illustrative and based off of forecasted PCIA customers using actuals tied to authorized sales.

Attachment 3
Non-Disclosure Agreement

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Expedited Application of San Diego Gas &
Electric Company (U 902 E) Under the Power
Charge Indifference Adjustment Account
Trigger Mechanism.

Application 20-07-009
(Filed on July 10, 2020)

**NONDISCLOSURE AGREEMENT
REGARDING MARKET PROTECTED MATERIALS**

1. Scope. This Nondisclosure Agreement Regarding Protected Materials (“Nondisclosure Agreement”) shall govern access to and the use of Protected Materials, produced by, or on behalf of, a Disclosing Party (as defined in Paragraph 2 below) in this proceeding.
2. Definitions. In addition to the terms defined and capitalized in other sections of this Nondisclosure Agreement, the following terms are defined for the purposes of this Nondisclosure Agreement:
 - A. For purposes of this Nondisclosure Agreement, the term “Protected Materials” means: (i) trade secret, market sensitive, or other confidential and/or proprietary information as determined by the Disclosing Party in accordance with the provisions of Decision (“D.”) 06-06-066 and subsequent decisions, including D.14-10-033 which governs the treatment of market sensitive greenhouse gas data and information, General Order 66-D, Public Utilities Code section 454.5(g), or any other right of confidentiality provided by law; or (ii) any other materials that are made subject to this Nondisclosure Agreement by the Assigned Administrative Law Judge (“Assigned ALJ”), Law and Motion Administrative Law Judge (“Law and Motion ALJ”), Assigned Commissioner, the California Public Utilities Commission (“Commission”), or any court or other body having appropriate authority. Protected Materials also include memoranda, handwritten notes, spreadsheets, computer files and reports, and any other form of information (including information in electronic form) that copies, discloses, incorporates, includes or compiles other Protected Materials or from which such materials may be derived (except that any derivative materials must be separately shown to be confidential). Protected Materials do not include: (i) any information or document contained in the public files of the Commission or any other state or federal agency, or in any state or federal court; or (ii) any information that is public knowledge, or which becomes public knowledge, other than through disclosure in violation of this Nondisclosure Agreement or any other nondisclosure agreement or protective order.
 - B. The term “redacted” refers to situations in which Protected Materials in a document, whether the document is in paper or electronic form, have been covered, blocked out, or removed.

- C. The “Disclosing Party” is San Diego Gas & Electric Company (“SDG&E”).
- D. The “Requesting Party” is San Diego Community Power (“SDCP”).
- E. The term “Party” refers to the Requesting Party or the Disclosing Party and the term “Parties” refers to both the Requesting Party and the Disclosing Party.
- F. The term “Market Participant” refers to a Requesting Party that is:
 - 1) A person or entity, or an employee of an entity, that engages in the wholesale purchase, sale or marketing of energy or capacity, or the bidding on or purchasing of power plants, or bidding on utility procurement solicitations, or consulting on such matters, subject to the limitations in 3) below.
 - 2) A trade association or similar organization, or an employee of such organization,
 - a) whose primary focus in proceedings at the Commission is to advocate for persons/entities that purchase, sell or market energy or capacity at wholesale; bid on, own, or purchase power plants; or bid on utility procurement solicitations; or
 - b) a majority of whose members purchase, sell or market energy or capacity at wholesale; bid on, own, or purchase power plants; or bid on utility procurement solicitations; or
 - c) formed for the purpose of obtaining Protected Materials; or
 - d) controlled or primarily funded by a person or entity whose primary purpose is to purchase, sell or market energy or capacity at wholesale; bid on, own, or purchase power plants; or bid on utility procurement solicitations.
 - 3) A person or entity that meets the criteria of 1) above is not a Market Participant for purpose of access to Protected Materials unless the person/entity seeking access to Protected Materials has the potential to materially affect the price paid or received for electricity if in possession of such information. An entity will be considered not to have such potential if:
 - a) the person or entity’s participation in the California electricity market is *de minimis* in nature. In the resource adequacy proceeding (R.05-12-013) it was determined in D.06-06-064 §3.3.2 that the resource adequacy requirement should be rounded to the nearest megawatt (MW), and load serving entities (LSEs) with local resource adequacy requirements less than 1 MW are not required to make a showing. Therefore, a *de minimis* amount of energy would be less than 1 MW of capacity per year, and/or an equivalent of energy; and/or

- b) the person or entity has no ability to dictate the price of electricity it purchases or sells because such price is set by a process over which the person or entity has no control, i.e., where the prices for power put to the grid are completely overseen by the Commission, such as subject to a standard offer contract or tariff price. A person or entity that currently has no ability to dictate the price of electricity it purchases or sells under this section, but that will have such ability within one year because its contract is expiring or other circumstances are changing, does not meet this exception; and/or
 - c) the person or entity is a cogenerator that consumes all the power it generates in its own industrial and commercial processes, if it can establish a legitimate need for Protected Materials.
- G. The term “Non-Market Participant” refers to a Requesting Party that does not meet the definition of Market Participant. The California Independent System Operator is deemed a Non-Market Participant for purposes of this Nondisclosure Agreement.
- H. “Reviewing Representatives” are limited to person(s) designated in accordance with Paragraph 5 who meet the following criteria:
 - 1) Reviewing Representatives may not currently be engaged in: (a) a transaction for the purchase, sale, or marketing at wholesale of electrical energy or capacity or natural gas (or the direct supervision of any employee(s) engagement in such a transaction); (b) the bidding on or purchasing of power plants (or the direct supervision of any employee(s) engagement in such a transaction); or (c) knowingly providing electricity or gas marketing consulting or advisory services to others in connection with a transaction for the purchase, sale, or marketing at wholesale of electrical energy or capacity or natural gas or the bidding on or purchasing of power plants (or the direct supervision of any employee(s) engagement in such a transaction or consulting).
 - 2) Reviewing Representatives may not be an employee of a Market Participant. If the Market Participant or Non-Market Participant chooses to retain outside attorneys, consultants, or experts in the same law firm or consulting firm to provide advice in connection with marketing activities, then the attorney, consultant, or expert serving as a Reviewing Representative must be separated by an ethics wall consistent with the ethics wall requirements in D.11-07-028, as that decision may be subsequently modified or changed by the Commission, from those in the firm who are involved in wholesale commercial dealings.
 - 3) Reviewing Representatives shall use Protected Materials only for the purpose of participating in the Commission proceeding in which they received the information.
 - 4) Reviewing Representatives are permitted to participate in regulatory proceedings on behalf of Market Participants and Non-Market Participants.

- 5) All Reviewing Representatives are required to execute the Nondisclosure Certificate attached to this Nondisclosure Agreement and are bound by the terms of this Nondisclosure Agreement.
- I. The term “Authorized Reviewers” refers to: (1) a Requesting Party that is a Non-Market Participant that has executed a Nondisclosure Agreement; or (2) a Reviewing Representative of a Requesting Party if the Requesting Party has executed a Nondisclosure Agreement and the Reviewing Representative has executed a Nondisclosure Certificate. A Requesting Party that is a Market Participant is not an Authorized Reviewer but it may designate a Reviewing Representative in accordance with Paragraph 5.
- J. The term “Nondisclosure Certificate” refers to the Nondisclosure Certificate attached as Appendix A.
3. Designation, Filing and Service of Protected Materials. When filing or providing in discovery any documents or items containing Protected Materials, a Party shall physically mark such documents (or in the case of non-documentary materials such as computer diskettes, on each item) as “PROTECTED MATERIALS SUBJECT TO NONDISCLOSURE AGREEMENT,” or with words of similar import as long as one or more of the terms, “Protected Materials” or “Nondisclosure Agreement” is included in the designation to indicate that the materials in question are Protected Materials. All materials so designated shall be treated as Protected Materials unless and until: (a) the designation is withdrawn pursuant to Paragraph 13 hereof; (b) an Assigned ALJ, Law and Motion ALJ, Assigned Commissioner, or the Commission makes a determination that: (i) the document does not contain Protected Materials or does not warrant confidential treatment or (ii) denies a motion to file the document under seal; or (c) the document or information becomes public knowledge, other than through disclosure in violation of this Nondisclosure Agreement or any other nondisclosure agreement or protective order. However, the Disclosing Party has the burden of showing that the documents are Protected Materials, and merely marking a document “Protected Materials” is insufficient to meet that burden.

All documents containing Protected Materials that are tendered for filing with the Commission shall be placed in sealed envelopes or otherwise appropriately protected and shall be tendered with a motion to file the document under seal pursuant to Rule 11.4 of the Commission’s Rules of Practice and Procedure. All documents containing Protected Materials that are served on parties in a proceeding shall be placed in sealed envelopes or otherwise appropriately protected and shall be endorsed to the effect that they are served under seal pursuant to this Nondisclosure Agreement. Such documents shall only be served upon Authorized Reviewers and persons employed by or working on behalf of the Commission. Service upon Authorized Reviewers and persons employed by or working on behalf of the Commission may either be: (a) by electronic mail in accordance with the procedures adopted in this proceeding; (b) by facsimile; or (c) by overnight mail or messenger service. Whenever service of a document containing Protected Materials is made by overnight mail or messenger service, the Assigned ALJ shall be served with such document by the same means and at the same time.

4. Redaction of Documents. Whenever a Party files, serves, or provides in discovery a document that includes Protected Materials (including but not limited to briefs, testimony, exhibits, and responses to data requests), such Party shall also prepare a redacted version of such document. The redacted version shall enable persons familiar with this proceeding to determine with reasonable certainty the nature of the data that has been redacted and where the redactions occurred. The redacted version of a document to be filed shall be served on all persons on the service list, and the redacted version of a discovery document shall be served on all persons entitled thereto.
5. Designation of Reviewing Representatives. The Requesting Party shall provide written notice identifying its proposed Reviewing Representative(s) to the Disclosing Party before the Disclosing Party provides any Protected Materials to the Requesting Party's Authorized Reviewers. The written notice shall include the information identified in this paragraph. If the Requesting Party decides to designate any additional Reviewing Representative(s) after the Requesting Party receives Protected Materials, the Requesting Party shall identify the additional proposed Reviewing Representative(s) to the Disclosing Party before the Requesting Party provides Protected Materials to the additional Reviewing Representative(s). Within five (5) business days after receiving written notice of the identity of any Reviewing Representative, the Disclosing Party may provide the Requesting Party with a written objection to a specific Reviewing Representative stating the grounds for the objection. Any dispute concerning whether an identified person or entity is an appropriate Reviewing Representative shall be resolved through the dispute resolution procedures in Paragraph 10 of this Nondisclosure Agreement. If a Disclosing Party objects to a specific Reviewing Representative within five (5) business days after the Reviewing Representative is identified, the Requesting Party shall not provide any Protected Materials to the disputed Reviewing Representative until the Parties are able to resolve the dispute consistent with the dispute resolution procedures in Paragraph 10. Failure by the Disclosing Party to object within five (5) business days does not waive the Disclosing Party's right to later object to the Reviewing Representative, even if Protected Materials has already been disclosed. However, further disclosure of Protected Materials would be stayed until the parties are able to resolve the dispute consistent with the dispute resolution procedures in Paragraph 10.

Reviewing Representative(s) have a duty to disclose to the Disclosing Party any potential conflict that puts the Reviewing Representative in violation of D.06-12-030, as modified by subsequent decisions of the Commission. A resume or curriculum vitae is reasonable disclosure of such potential conflicts, and should be the default evidence provided in most cases.

6. Nondisclosure Certificates. A Reviewing Representative shall not inspect, participate in discussions regarding, or otherwise be granted access to, Protected Materials unless and until he or she has first completed and executed a Nondisclosure Certificate, attached hereto as Appendix A, and delivered the signed Nondisclosure Certificate to the Disclosing Party. The Disclosing Party shall retain the executed Nondisclosure Certificates pertaining to the Protected Materials it has disclosed and shall promptly provide copies of the Nondisclosure Certificates to Commission Staff upon request.
7. Access to Protected Materials and Use of Protected Materials. Subject to the terms of this Nondisclosure Agreement, Authorized Reviewers shall be entitled to access any Protected

Materials and may make copies of Protected Materials, but such copies become Protected Materials. Authorized Reviewers may make notes of Protected Materials, which shall be treated as Protected Materials if such notes disclose any Protected Materials. Protected Materials obtained by a Party in this proceeding may also be requested by that Party in a subsequent Commission proceeding, subject to the terms of any nondisclosure agreement or protective order governing that subsequent proceeding, without constituting a violation of this Nondisclosure Agreement.

8. Maintaining Confidentiality of Protected Materials. Each Authorized Reviewer shall treat Protected Materials as confidential in accordance with this Nondisclosure Agreement and the Nondisclosure Certificate. Protected Materials shall not be used except as necessary for participation in this proceeding, and shall not be disclosed in any manner to any person except: (i) Authorized Reviewers; (ii) an Authorized Reviewer's employees and administrative personnel, such as clerks, secretaries, and word processors, to the extent necessary to assist the Authorized Reviewer, provided that they shall first ensure that such personnel are familiar with the terms of this Nondisclosure Agreement and have signed a Nondisclosure Certificate; and (iii) persons employed by or working on behalf of the Commission. Authorized Reviewers shall adopt suitable measures to maintain the confidentiality of Protected Materials they have obtained pursuant to this Nondisclosure Agreement, and shall treat such Protected Materials in the same manner as they treat their own most highly confidential information.

Reviewing Representatives shall be liable for any unauthorized disclosure or use by themselves and/or their employees, paralegal, or administrative staff. In the event any Requesting Party and/or its Reviewing Representative is requested or required by applicable laws or regulations, or in the course of administrative or judicial proceedings (in response to oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) to disclose any of Protected Materials, the Requesting Party shall immediately inform the Disclosing Party of the request, and the Disclosing Party may, at its sole discretion and cost, direct any challenge or defense against the disclosure requirement, and the Requesting Party and its Reviewing Representative shall cooperate in good faith with such Party either to oppose the disclosure of the Protected Materials consistent with applicable law, or to obtain confidential treatment of the Protected Materials by the person or entity who wishes to receive them prior to any such disclosure. If there are multiple requests for substantially similar Protected Materials in the same case or proceeding where a Requesting Party and/or Reviewing Representative has been ordered to produce certain specific Protected Materials, the Requesting Party and/or Reviewing Representative may, upon request for substantially similar materials by another person or entity, respond in a manner consistent with that order to those substantially similar requests.


9. Return or Destruction of Protected Materials. Protected Materials shall remain available to an Authorized Reviewer until an order terminating this proceeding becomes no longer subject to judicial review. If requested to do so in writing after that date, the Authorized Reviewer shall, within fifteen days after such request, return the Protected Materials to the Disclosing Party that produced such Protected Materials, or shall destroy the materials, except that copies of filings, official transcripts and exhibits in this proceeding that contain Protected Materials, and notes of Protected Materials may be retained, if such Protected

Materials are maintained in accordance with Paragraph 8. Within such time period each Authorized Reviewer, if requested to do so, shall also submit to the Disclosing Party an affidavit stating that, to the best of its knowledge, all Protected Materials have been returned or have been destroyed, or will be maintained in accordance with Paragraph 8. To the extent Protected Materials are not returned or destroyed, such Protected Materials shall remain subject to this Nondisclosure Agreement.

In the event that a Reviewing Representative to whom Protected Materials are disclosed ceases to be engaged to provide services in this proceeding, then access to such materials by that person shall be terminated and the Reviewing Representative shall immediately return or destroy all Protected Materials, or provide a declaration stating that all Protected Materials and all notes of Protected Materials will be maintained in accordance with Paragraph 8. Even if a Reviewing Representative is no longer engaged in this proceeding, every such person shall continue to be bound by the provisions of this Nondisclosure Agreement and the Nondisclosure Certificate.

10. Dispute Resolution. All disputes that arise under this Nondisclosure Agreement, including but not limited to alleged violations of this Nondisclosure Agreement and disputes concerning whether materials were properly designated as Protected Materials, shall first be addressed by the Parties through a meet and confer process in an attempt to resolve such disputes. If the meet and confer process is unsuccessful, either Party may present the dispute for resolution to the Assigned ALJ or the Law and Motion ALJ.
11. Other Objections to Use or Disclosure. Nothing in this Nondisclosure Agreement shall be construed as limiting the right of a Party to object to the use or disclosure of Protected Materials on any legal ground, including relevance or privilege.
12. Remedies. Any violation of this Nondisclosure Agreement shall constitute a violation of an order of the Commission. Notwithstanding the foregoing, the Parties reserve their rights to pursue any legal or equitable remedies that may be available in the event of an actual or anticipated disclosure of Protected Materials.
13. Withdrawal of Designation. A Disclosing Party may agree at any time to remove the "Protected Materials" designation from any materials of such Party if, in its opinion, confidentiality protection is no longer required. In such a case, the Disclosing Party will notify all Requesting Parties that the Disclosing Party has agreed to withdraw its designation of Protected Materials for specific documents or material.
14. Modification. This Nondisclosure Agreement shall remain in effect unless and until it is modified or terminated by written agreement of the parties or by order of the Commission or Assigned ALJ. The Parties agree that modifications to this Nondisclosure Agreement may become necessary, and they further agree to work cooperatively to devise and implement such modifications in as timely a manner as possible. Each Party governed by this Nondisclosure Agreement has the right to seek modifications in it as appropriate from the Assigned ALJ or the Commission.

15. Interpretation. Headings are for convenience only and may not be used to restrict the scope of this Nondisclosure Agreement.

Date: July 27, 2020	REQUESTING PARTY By: <u></u> Name: Cody Hooven Title: Interim Executive Officer Representing: San Diego Community Power
Date: July <u>30</u> , 2020	DISCLOSING PARTY By: <u>/s/ Miguel Romero</u> Name: Miguel Romero Title: Vice President, Energy Supply Representing: San Diego Gas & Electric Company

APPENDIX A TO NONDISCLOSURE AGREEMENT
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Expedited Application of San Diego Gas &
Electric Company (U 902 E) Under the Power
Charge Indifference Adjustment Account
Trigger Mechanism.

Application 20-07-009

NONDISCLOSURE CERTIFICATE

I hereby certify my understanding that access to Protected Materials is provided to me pursuant to the terms and restrictions of the Nondisclosure Agreement between San Diego Community Power and San Diego Gas & Electric Company in this proceeding, that I have been given a copy of and have read the Nondisclosure Agreement, and that I agree to be bound by it.

For the avoidance of doubt, I further represent and warrant that:

- I am not currently engaged in (a) a transaction for the purchase, sale, or marketing at wholesale of electrical energy or capacity or natural gas (or the direct supervision of any employee(s) engagement in such a transaction); (b) the bidding on or purchasing of power plants (or the direct supervision of any employee(s) engagement in such a transaction); or (c) knowingly providing electricity or gas marketing consulting or advisory services to others in connection with a transaction for the purchase, sale, or marketing at wholesale of electrical energy or capacity or natural gas or the bidding on or purchasing of power plants (or the direct supervision of any employee(s) engagement in such a transaction or consulting).
- I am not an employee of a market participant.
- To the extent I am employed by a law firm, consulting firm or other organization or entity that provides advice in connection with marketing activities, I will be separated by an ethics wall consistent with the ethics wall requirements in D.11-07-028, as that decision may be subsequently modified or changed by the Commission, from those in the firm/organization/entity who are involved in wholesale commercial dealings. Specifically, I will ensure the following:
 - o When reviewing or discussing any market sensitive data, I and those working for me will employ all reasonable steps to ensure a physical separation from firm personnel who are not authorized Reviewing Representatives;
 - o I will be responsible for informing all firm personnel about the existence and terms of the applicable confidentiality rules, and in

particular the prohibition against sharing market sensitive information with market participants; and

- o I will take all reasonable steps necessary to ensure that market sensitive information and files, including electronic files, are not accessible to firm personnel who are not authorized Reviewing Representatives.
- I understand that I cannot have access to Protected Information if I become engaged in the activities described in (a) – (c) above or become employed by a market participant.
- I understand that I may use the Protected Information only for purposes of participating in the proceeding identified in Paragraph 1 of the Nondisclosure Agreement.

I understand that the contents of the Protected Materials, any notes or other memoranda, or any other form of information that copies or discloses Protected Materials shall not be disclosed to anyone other than in accordance with the Nondisclosure Agreement. I acknowledge that a violation of this certificate constitutes a violation of an order of California Public Utilities Commission.

Signed: Brian Dickman

Name: Brian Dickman

Title: Executive Consultant

Organization: NewGen Strategies and Solutions

Dated: 7/24/20

Attachment 4
Correspondence Between Counsel

Subject: RE: Signed NDA SDG&E PCIA Trigger Application (A. 20-07-009)
Date: Thursday, July 30, 2020 at 11:38:43 AM Pacific Daylight Time
From: Cerda, Roger A
To: Ty Tosdal
CC: Brian Dickman, Samir Hafez, Woldegiorgis, Shewit T
Attachments: NDA - PCIA Trigger Application.pdf

Ty – Attached is a fully executed copy of the NDA to be used in the PCIA Trigger Application proceeding. Thank you for informing us in advance that you do not intend to sign the Nondisclosure Certificate (Appendix A to the NDA). It is our understanding that the reason you are not signing the Nondisclosure Certificate is because you do not qualify as a Reviewing Representative under Paragraph 2.H. of the NDA as you are involved in commercial transactions in the electricity market. It is also our understanding that SDCP only intends to designate NewGen Strategies and Solutions as a Reviewing Representative under the NDA.

Because you do not qualify as a Reviewing Representative, SDG&E plans to withhold the production of confidential materials at this time. The legal basis for our position is set forth below.

While we appreciate your stated intent to insulate yourself from accessing SDG&E's confidential and market sensitive information that is transmitted to NewGen, we don't see how it will be possible given the extent of coordination, collaboration, and information sharing that will be necessary between you (as lead counsel) and NextGen (as SDCP's consultant) to participate in this proceeding. CPUC Rules of Practice and Procedure 1.1 and 1.8 require that participants in CPUC proceedings submit true statements of fact, formed after reasonable inquiry. Not having access to the facts and/or data underlying this proceeding would appear to compromise lead counsel's Rule 1 obligations. Actions such as preparing and submitting filings, motions, and participating in hearings will not be possible if lead counsel is unable to review the underlying facts at issue.

We also have concerns that your proposed arrangement runs afoul of the Commission's rules and decisions regarding the confidential treatment of market-sensitive information. Both SDG&E and the Commission are obligated to safeguard confidential market-sensitive information to protect California ratepayers. See PUC Sec. 454.(g); see D.11-07-028.

Notably, in D. 11-07-028, the Commission emphasized the importance of protecting the confidentiality of such market-sensitive information under similar circumstances:

“We emphasize that market participants cannot employ the same individual to simultaneously act as reviewing representatives (with access to market sensitive information) in regulatory proceedings before the Commission, and as participant in wholesale commercial transactions. The Commission cannot tolerate this regime because the danger is just too great that the commercial negotiations will be skewed against the interests of the ratepayers this Commission has a duty to protect.”
D.11-07-028, fn. 15.

SDG&E remains concerned that proceeding in the manner which SDCP proposes will expose SDG&E to claims that it failed to comply with Commission directives or that it somehow failed to take adequate measures to protect confidential market-sensitive information to the detriment of ratepayers.

Regards,

Roger

From: Ty Tosdal <ty@tosdalapc.com>
Sent: Wednesday, July 29, 2020 12:06 PM
To: Cerda, Roger A <RCerda@sdge.com>
Cc: Brian Dickman <bdickman@newgenstrategies.net>; Samir Hafez <samir@tosdalapc.com>; Woldegiorgis, Shewit T <SWoldegiorgis@sdge.com>
Subject: [EXTERNAL] Signed NDA SDG&E PCIA Trigger Application (A. 20-07-009)

*** EXTERNAL EMAIL - Be cautious of attachments, web links, and requests for information ***

Roger,

Please find attached a copy of the NDA in this proceeding signed by SDCP and a certificate signed by Brian Dickman with NewGen Strategies. When you have an opportunity, please return a fully executed copy to us.

Note that I do not plan to sign the NDA, so let us know whether SDG&E plans to withhold confidential materials from Mr. Dickman, and if so please provide the legal basis for SDG&E's position.

Thank You,

Ty Tosdal
Tosdal APC
777 S. Highway 101, Suite 215
Solana Beach, CA 92075
(858) 252-6416
ty@tosdalapc.com

This email originated outside of Sempra Energy. Be cautious of attachments, web links, or requests for information.

Attachment 5
Declaration of Counsel

**Declaration of Counsel in Support of San Diego Community
Power's Motion to Compel and Request to Shorten Time**

I, Ty Tosdal, declare as follows:

1. I have reviewed San Diego Community Power's ("SDCP") Motion to Compel and Request to Shorten Time. I am personally familiar with the facts in this Declaration and, if called to testify, I could and would testify to the following based upon my personal knowledge and/or belief.
2. I am an attorney in good standing and licensed to practice law in the State of California, State Bar No. 289175.
3. I am the founder and employed as an attorney by Tosdal APC, a law firm based in Solana Beach, California.
4. Tosdal APC has been retained by San Diego Community Power to represent it in the *Expedited Application of San Diego Gas & Electric Company (U902E) Under the Power Charge Indifference Adjustment Account Trigger Mechanism* (A. 20-07-009).
5. I do not qualify as a reviewing representative, have not signed the Non-Disclosure Agreement, attached to this motion as Attachment 3: Non-Disclosure Agreement.
6. I will not access or review confidential information in A. 20-07-009 and have instructed SDG&E not to send me any confidential information.
7. Mr. Brian Dickman, employed by NewGen Strategies and Solutions, LLC ("NewGen"), has been designated by San Diego Community Power as a reviewing representative in A. 20-07-009 and has signed the Non-Disclosure Agreement.
8. Tosdal APC has no contractual relationship with Mr. Dickman or NewGen, or right to control Mr. Dickman or New Gen.
9. I, in my personal capacity, have no contractual relationship with Mr. Dickman or NewGen, or right to control Mr. Dickman or NewGen.
10. I participated in a phone call with Mr. Roger Cerda, counsel for SDG&E in this proceeding, A. 20-07-009, and other participants on Monday, August 3, to meet and confer regarding the discovery issues raised in this motion and other matters related to the proceeding.

11. During the phone call, Mr. Cerda reiterated that SDG&E is withholding confidential information in response to SDCP Data Request_01.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed August 10, 2020 at San Diego, California.



Ty Tosdal
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Attachment 6
Declaration of Tim Lindl

**Declaration of Timothy J. Lindl in Support of San Diego Community
Power's Motion to Compel and Request to Shorten Time**

I, Timothy J. Lindl, declare as follows:

1. I have reviewed San Diego Community Power's ("SDCP") Motion to Compel and Request to Shorten Time ("Motion"). I am personally familiar with the facts in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or belief.
2. I am an attorney in good standing and licensed to practice law in the State of California, State Bar No. 267030.
3. I have served as counsel on behalf of the clients listed below in the following proceedings:
 - a. East Bay Community Energy ("EBCE"), Marin Clean Energy ("MCE"), Monterey Bay Community Power ("MBCP"), Peninsula Clean Energy ("PCE"), Pioneer Community Energy ("Pioneer"), Silicon Valley Clean Energy ("SVCE"), and Sonoma Clean Power ("SCP"): 2019 PG&E ERRA Forecast – *Application of Pacific Gas and Electric Company for Adoption of Electric Revenue Requirements and Rates Associated with its 2019 Energy Resource Recovery Account (ERRA) and Generation Non-Bypassable Charges Forecast and Greenhouse Gas Forecast Revenue and Reconciliation (U39E)*, A. 18-06-001, filed June 1, 2018.
 - b. EBCE, PCE and SVCE: 2018 PG&E ERRA Compliance – *Application of Pacific Gas and Electric Company for Compliance Review of Utility Owned Generation Operations, Electric Energy Resource Recovery Account Entries, Contract Administration, Economic Dispatch of Electric Resources, Utility Owned Generation Fuel Procurement, Diablo Canyon Seismic Studies Balancing Account, and Other Activities for the Period January 1 Through December 31, 2018. (U39E)*, A. 19-02-018, filed February 28, 2019.
 - c. EBCE, MCE, PCE, Pioneer, San José Clean Energy, SVCE, SCP, and Valley Clean Energy Alliance: 2020 PG&E ERRA Forecast – *Application of Pacific*

Gas and Electric Company for Adoption of Electric Revenue Requirements and Rates Associated with its 2020 Energy Resource Recovery Account (ERRA) and Generation Non-Bypassable Charges Forecast and Greenhouse Gas Forecast Revenue Return and Reconciliation. (U39E), A. 19-06-001, filed June 3, 2019.

4. In the course of my representation in the above referenced proceedings, I did not sign a Nondisclosure Agreement (“NDA”) with PG&E.
5. Instead, the NDA designated a third-party consultant, Richard McCann, cofounder and principal of M.Cubed as sole Reviewing Representative. As such, PG&E was required to submit all confidential data responses directly to Mr. McCann. As counsel, I did not obtain or review any “protected materials” contained within PG&E’s data responses or testimony.
6. Lack of access to PG&E’s confidential and market sensitive information did not compromise my ability to submit true statements of fact, formed after reasonable inquiry, in accordance with CPUC Rules of Practice of Procedure 1.1 and 1.8. I was able to fully participate in the ERRA proceedings and fully advocate on behalf of my clients.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed August 7, 2020 at San Francisco, California.



Timothy J. Lindl
Keyes & Fox LLP



August 13, 2020

VIA ELECTRONIC MAIL

Mr. Ed Randolph
Director, Energy Division
California Public Utilities Commission
505 Van Ness Avenues
San Francisco, CA 94102

**Re: California Community Choice Association
Opening Comments on Draft Resolution E-5059**

Dear Director Randolph:

In accordance with Rule 14.5 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure and the notice accompanying Draft Resolution E-5059 (Draft Resolution), the California Community Choice Association (CalCCA) provides these opening comments on the Draft Resolution.

SUMMARY

Draft Resolution E-5059 (Draft Resolution) addresses implementation of changes to the Investor Own Utilities (IOUs) tariffs for Reentry Fees and Financial Security Requirements (FSRs) required by California Public Utilities Code Section¹ 394.25(e) for Community Choice Aggregators (CCAs). The Draft Resolution would approve with modifications Pacific Gas and Electric (PG&E) Advice Letter 5354-E and 5354-E-A, Southern California Edison (SCE) Advice Letter 3840-E, and San Diego Gas and Electric (SDG&E) Advice Letter 3257-E implementing the requirements of Section 394.25(e) and the revised reentry fee rules adopted by the Commission in Decision (D.) 18-05-022.²

In so doing, the Draft Resolution would establish important limitations on the IOUs' proposed advice letters to better align them with state law and the Commission's requirements. CCAs are preparing to negotiate and submit their first FSRs under the new rules and tariff provisions. It is critical that the Draft Resolution articulates a process that affords sufficient time and clarity on key details so it can be feasibly implemented. CalCCA offers these recommendations:

¹ All subsequent Article or Section references are to the California Public Utilities Code.

² Draft Resolution at 1.

- Adopt the limitations on IOU proposals.
- Afford sufficient time to negotiate and approve the terms of FSRs including: (1) the same timeframe as Energy Service Providers (ESPs) to update the FSR every six months; (2) 90 days following approval of directed changes to IOU tariffs for initial FSRs; and (3) 90 days following underperformance by an issuer to replace the issuer.
- Establish a process that would allow a CCA to comply with its FSR obligation when a utility is refusing to consent to reasonable FSR terms.
- Clarify an order of the Commission is required to activate an FSR.
- Eliminate the reference to Rule 10 of the IOU tariffs (Customer Billing Dispute Resolution).
- Confirm that FSRs using an escrow account instrument do not require credit support provisions for the third-party financial institution.
- Clarify that utilities may track, but may not request administrative costs or a reentry fee that departs from D.18-05-022.
- Direct each IOU to file their tariff changes in a single Tier 2 Advice Letter.
- Clarify the use of the term “beneficiary” to eliminate any ambiguity around the creation of trusts or fiduciary duties.
- Find that reentry fees may not be collected from involuntarily returned CCA customers subject to public Section 394.25(e).
- Direct the utilities to avoid communicating with customers about speculative reentry fee liability as a result of participation in a CCA program.

Appendix A proposes textual modifications to the Draft Resolution. CalCCA supports a timely implementation Section 394.25(e) for CCAs and looks forward to continuing to address related issues in the anticipated proceeding on the Provider of Last Resort (“POLR”).

COMMENTS

1. The Commission Should Adopt the Draft Resolution’s Limitations on the IOU Proposals

CalCCA supports the Draft Resolution’s direction for utilities to file advice letters to revise their respective CCA tariffs within 30 days of this resolution.³ CalCCA is hopeful that subsequent utility advice letters will not require additional protests and encourages the utilities to coordinate

³ Draft Resolution at 25, Ordering Paragraph (OP) 8.

with CalCCA in advance of filing. CalCCA’s original protest suggested a collaborative process to work through issues with the utilities. CalCCA remains committed and open to discussions on the issues.

CalCCA strongly supports the Draft Resolution’s intent to establish balanced rules that do not prejudice CCAs by: (1) prohibiting the IOUs from terminating CCA service;⁴ (2) rejecting the IOUs’ proposed definitions of involuntary return;⁵ and (3) requiring that FSR terms be subject to mutual agreement of the parties.⁶

CalCCA also appreciates the Draft Resolution’s clarifications that: (1) as the beneficiary of the FSR IOU should not hold the funds;⁷ (2) the changes to Direct Access (DA) customer rules are outside the scope of D.18-05-022 and should be rejected; and (3) that the procurement component of the FSRs will only include six months of incremental procurement costs.

These clarifications and findings simplify the remaining issues to be addressed in order for the CCAs to timely implement Section 394.25(e) and should be approved by the Commission.

2. The Draft Resolution Appropriately Recognizes But Does Not Provide Sufficient Time for CCAs to Negotiate and Approve the Terms of the Financial Security Requirement Instruments

The Draft Resolution appropriately finds that “[t]he formation process of an FSR instrument should provide all parties the opportunity to reach mutually agreeable terms, including those related to the specific condition under which the FSR is activated.”⁸ CCAs are local government entities that have their own public approval processes. CCAs may be required to undertake competitive solicitations for the financial services that will be needed to comply with the reentry fee program. Depending on the governance of the specific CCA, and the size of the FSR, approval may require a vote of a CCA’s Commission, Board of Directors, or a Committee thereof, in a public meeting under the Brown Act. These approval processes are required by law and can add 30-60 days to the negotiation process as compared to an ESP. CalCCA provides specific timeline recommendations below for three instances that need to be addressed in the Draft Resolution.

a. CCAs Should Have No Less Time to Provide the Semiannual Updated FSRs Than Under the Existing ESP Rules

CCAs should have the same timeframe for the semiannual updates to FSRs as do ESPs. This is consistent with D.18-05-022 in which the Commission adopted the “same approach”⁹ for CCA updates to the FSR as for ESPs, including that the “security amount [] be recalculated twice each year, in November and May, by the tenth day of each month, and with any adjustments to the

⁴ Draft Resolution at 25, OP 6.b.

⁵ Draft Resolution at 24, OP 3.

⁶ Draft Resolution at 23, Findings 5, 13; *Id.* at 24, OP 4.a.

⁷ Draft Resolution at 19.

⁸ Draft Resolution at 23, Finding 5.

⁹ D.18-05-022 at 11.

security amount implemented on the following January 1 or July 1, respectively.”¹⁰ This proposed timeline would allow a CCA more than 50 days for its semiannual update to the FSR. The Commission should clarify that CCAs should have no less time to post the regularly updated FSR than ESPs under existing rules.

b. The Commission Should Allow CCAs at Least 90 Days from Tariffs Being Finalized to Post Their First FSRs with Third Parties

The Commission should not require CCAs to post their first FSR until the IOUs have finalized their tariffs revisions. The Draft Resolution provides “all parties the opportunity to reach mutually agreeable terms...”¹¹ However, it directs the CCAs to post their FSR instruments within 30 days of this resolution¹² while also directing the IOUs to revise their applicable tariffs through advice letters withing 30 days from the resolution.¹³ The requirement for CCAs to post their FSRs before the relevant IOUs’ tariffs are finalized is not feasible as those tariffs will dictate some of the terms. The Draft Resolution should be modified to reflect that the conditional event starting the clock for a CCA’s FSR deadline is the approval of the relevant IOU advice letter.

The Commission should provide the CCAs 90 days to negotiate and post their first FSRs. While CCAs will comply with the ESP timeline for updating the semiannual FSR as discussed above and directed in D.18-05-022 (*i.e.* over 50 days), the Draft Resolution provides even less time to post the initial FSR (*i.e.* within 30 days). The initial postings will require more extensive negotiations to define their terms, which were a significant source of dispute in the underlying proceeding,¹⁴ and some of which remain in dispute today.¹⁵

The Commission should not lose sight of the fact the FSRs have three parties: the CCA, the IOU, and the issuer. It will take more than 30 days for these three parties to the FSR to work through the FSR’s terms. CCAs may need an additional 30-60 days to administer a competitive solicitation and bring the FSR terms to their Board of Directors for a vote. CalCCA expects these issues to be timely resolved in good faith among the parties to the FSR without further Commission intervention. However, this will only be possible if those parties have sufficient time to work through the issues to define the initial terms. The Draft Resolution should be modified to provide CCAs 90 days to post the first FSR after the IOU tariffs are finalized.

c. The Commission Must Provide CCAs Sufficient Time to Replace an Underperforming Issuer of the FSRs

The Draft Resolution appropriately provides that the terms of the FSRs must be mutually agreed upon by the CCA and the IOU.¹⁶ The IOUs have proposed 10 business days in their advice

¹⁰ D.18-05-022 at 10-11 (citing to D.13-01-021 at 25).

¹¹ Draft Resolution at 23, Finding 5.

¹² Draft Resolution at 25, OP 9.

¹³ Draft Resolution at 25, OP 8.

¹⁴ R.03-10-003.

¹⁵ Draft Resolution at 12-14, 16.

¹⁶ Draft Resolution at 23, Finding 5.

letters for a CCA to replace an issuer that has fallen below the IOUs' standards after the FSR was issued.¹⁷ This timeframe is simply infeasible. Replacing an issuer may require a competitive solicitation and a vote of the CCA's Board of Directors, which could take 30-60 days.

For these reasons, the Commission should allow CCAs at least 90 days to replace underperforming FSR issuers. The replacement timelines will vary by the instrument with escrow accounts likely being the simplest, followed by letters of credit, and surety bonds being the most complex. The Commission should establish a timeframe that will work regardless of the instrument.

d. **The Commission Must Provide CCAs the Opportunity to Comply if the IOU Withholds Its Assent to the Terms of an FSR**

CCAs should have the option to file their FSR advice letter directly with the Commission to ensure compliance if the IOU unreasonably withholds its assent to the proposed FSR terms and conditions. CalCCA understands its members will enter into negotiations with the utilities in good faith to reach mutually acceptable FSR terms as directed in the Draft Resolution. The Draft Resolution, however, provides no process to address an impasse in FSR negotiations.

A utility withholding agreement to reasonable FSR terms and conditions should not be permitted to force CCA non-compliance, which is exactly what the Draft Resolution would permit. This unilateral action by the utility could inappropriately impair the interests of the CCA, including reputational and financial interests.

The Commission, therefore, should revise the Draft Resolution to allow a CCA to file its FSR advice letter without the IOU's agreement, if needed to avoid non-compliance. The Commission has directed CCAs to submit their FSR instruments through an advice letter.¹⁸ The advice letter process would provide the IOUs with an opportunity to file a protest to raise their concerns with the Commission. This process would likely incentivize the IOUs and CCAs to negotiate in good faith and keep the FSR postings from getting mired in unnecessary negotiations.

3. The Commission Should Revise the Draft Resolution to Clarify Several Provisions in Order to Better Effectuate their Purpose

a. **An Order of the Commission Should be Required to Activate an FSR**

The Commission should clarify that an order of the Commission is required to activate an FSR. The Draft Resolution provides "that activation of the FSR should not be unilateral action by the IOU..."¹⁹ Indeed, calling on an FSR instrument is a significant action that is only likely to occur if a CCA service is being voluntarily or involuntarily terminated, both of which require an order of the Commission.²⁰ However, the Draft Resolution only uses the term "CPUC approval" as required to activate an FSR. Technically, Commission "approval" could be provided through no

¹⁷ Draft Resolution at 7.

¹⁸ D.18-05-022 at 16, OP 16.

¹⁹ Draft Resolution at 13.

²⁰ Draft Resolution at 23, Finding 14.

Commission action after 30 days from the filing of a Tier 1 Advice Letter.²¹ While such a process is appropriate for a reporting obligation, it should not be used for the extraordinary step of disturbing a CCA's financial position by finding the CCA out of compliance with the IOU's tariff. The Draft Resolution should be clarified to indicate "CPUC approval" for activation of an FSR requires an order of the Commission.

b. Rule 10 is Neither Needed Nor Appropriate to Resolve Disputed Reentry Fees

The Commission should revise the Draft Resolution to delete footnote 12 or any references to the IOUs' Rule 10. The Draft Resolution only allows an IOU to withhold customer payments without a Commission order if the reentry fees are undisputed.²² Footnote 12 indicates that "[d]isputed charges are subject to the IOU's Rule 10."²³

Rule 10 is not needed to resolve disputed reentry fees, which are adequately addressed through existing processes. A reentry fee dispute can arise under two potential scenarios, each of which has an existing resolution process:

(1) The CCA disputes the accuracy of the reentry fee established under the methodology adopted in D.18-05-022. A CCA's opportunity to dispute the accuracy of the reentry fee is in response to the semiannual utility advice letters updating the reentry fees and FSRs.²⁴ Once those advice letters are effective, the CCA must provide the Commission-approved reentry fee through an FSR. At present, no additional dispute resolution process is required.

(2) The utility demands reentry fees that are not based on the methodology approved in D.18-05-022. Resolving this dispute would either require modifications to or adequate compliance with the existing methodology for calculating the reentry fee adopted in D.18-05-022.²⁵ Such a demand is not currently authorized under Commission rules. However, the utilities could pursue a new Commission decision to modify the methodology. In fact, the Draft Resolution itself expresses an intent to explore one possible scenario where this may occur and a CCA has also become insolvent.²⁶

Rule 10 is intended for billing disputes between the IOU and a retail electricity customer.²⁷ Rule 10 contains no guidance on disputed amounts owed by one LSE to another. Rule 10 is simply inapplicable to the issue of disputed reentry fee amounts. Any references to Rule 10 should be removed from the Draft Resolution.

²¹ General Order 96-B.

²² Draft Resolution at 17.

²³ Draft Resolution at 17, FN 12.

²⁴ D.18-05-022 at 10.

²⁵ D.18-05-022 at 3-7.

²⁶ Draft Resolution at 10.

²⁷ See PG&E Rule 10; SCE Rule 10; and SDG&E Rule 10.

c. The Commission Should Clarify that the FSRs Using an Escrow Account Do Not Require Credit Support Provisions for the Third-Party Financial Institution

The option to post cash in an escrow account to satisfy the FSR is likely to be the primary instrument used to by many CCAs to meet the FSR requirements. CalCCA estimates that, for the foreseeable future, prices for energy and resource adequacy will remain below the IOUs' rates such that the minimum FSR of \$147,000 will be required at the outset and for quite some time thereafter. An FSR of this size is most economically satisfied through cash held in an escrow account. Thus CalCCA believes that most, if not all of its members, will utilize the escrow account instrument to post the required FSRs. The Commission should ensure that this critical option does not have any unnecessary constraints.

The Commission should clarify that the independent financial institution holding cash in an escrow account does not need to meet any credit support requirements. This clarification is intended to avoid protracted negotiations between the CCAs and IOUs following approval of the Draft Resolution.

The Draft Resolution appropriately provides that the terms of the FSRs must be mutually agreed upon by the parties.²⁸ The cash in the escrow account represents the assets that will be used to satisfy a call on the escrow instrument. Where a CCA has posted cash, there is no need for the IOU to further assure assets will be available through credit support arrangements. This is in contrast to the issuer of a letter of credit or surety bond; which should satisfy a set of credit support requirements because the issuer is making a commitment to use its own assets to satisfy a call on these instruments. In fact, the IOUs suggested a list of such criteria in their advice letters related to Security Deposits for letters of credit and surety bonds²⁹ but provided no such criteria for an escrow account. The Draft Resolution should be clarified to reflect that no credit be required when a cash escrow account is used as the FSR instrument.

d. The Commission Should Clarify that Utilities May Track, but May Not Request, Administrative Costs or a Reentry Fee that Departs from D.18-05-022

The Draft Resolution should be clarified to indicate that the IOUs must adhere to the Commission-approved methodologies for administrative costs. D.18-05-022 established the methodology for calculating the administrative costs of the reentry fee to use a proxy (*i.e.* the established per-customer fee for voluntary returns for each utility). The decision does not allow the IOUs to seek recovery for administrative expenses under any other methodology. It did not adopt the methodology proffered by PG&E and cited in the Draft Resolution.³⁰ However, Section 4 of the Draft Resolution, appears to indicate the IOU may use an alternative methodology “if the IOU believes the use of the proxy amount is insufficient....” This is also reflected in PG&E’s proposed changes to its tariff:

²⁸ Draft Resolution at 23, Finding 5.

²⁹ See *e.g.* PG&E 5354-E, Attachment 1: Rule 23 Revisions, Section V, W.

³⁰ Draft Resolution at 15, FN 9 (citing “Exhibit JU-01, July 28, 2017, at 35 (lines 29-34) (R.03-10-003)”).

using the proxy amount..., unless PG&E has tracked the actual incremental administrative costs of the Involuntary Return, in which case PG&E reserves the right to use the actual incremental administrative costs noting that utilities requested the right to seek recovery for administrative costs that differ from the proxy cost....³¹

PG&E's requests that were not adopted by the Commission are not an appropriate legal basis to depart from a Commission-approved methodology. CalCCA supports the Draft Resolution's direction that utilities should be able to track the actual costs associated with an actual involuntary return. This information could be useful to revise the methodology for calculating the FSR in the future and ensure bundled and unbundled customers are not inappropriately shifting costs. The Draft Resolution should be modified to make clear that utilities may only seek cost recovery under a Commission-approved methodology.

e. The IOUs Should File Their Proposed Tariff Changes in Response to the Draft Resolution in a Tier 2 Advice Letter

The Commission should direct the utilities to revise their tariffs in a single Tier 2 advice letter filing. The Draft Resolution appears to direct each of the utilities to make corrections to their Rule 23 or 27 tariffs through two separate advice letters, both filed within 30 days of the resolution. OP 4 directs the utilities to file a Tier 1 advice letter;³² and OP 8 directs the IOUs to file a separate Tier 2 advice letter.³³ These separate advice letters will be filed at the same time, to make changes to the same tariffs, address the same subject matter, and will likely involve the same parties. The Commission should streamline the process and consolidate these changes by aligning OP 4 and OP 8 to both call for a Tier 2 advice letter. This way, each IOU will only have to file one advice letter to revise their tariffs.

f. The Commission Should Clarify that the Reentry Fee Rules or FSR Instruments Do Not Create a Trust Relationship or Fiduciary Duties

The Draft Resolution rightfully acknowledges that the IOU advice letters mischaracterize the relationship between IOUs and CCA programs in connection with FSRs and properly instructs the IOUs to "refile all relevant tariff sheets to reflect the new IOU rule as *beneficiary* of the CCA FSR and remove reference to the FSR being posted with the IOU."³⁴ While CalCCA agrees with the analysis and supports the approach contained in the Draft Resolution, the use of the term "beneficiary" is ambiguous.

³¹ PG&E 5354-E Rule 23, Sheet 62, Section W.3.a.1.

³² At 24, OP 4.

³³ At 25, OP 8.

³⁴ Draft Resolution at 19 (emphasis added).

The term is used in one sense as the Draft Resolution intends, i.e., a person “who is designated to receive the advantages from an action or change; esp., one designated to benefit from an appointment, disposition, or assignment (as in a will, insurance policy, etc.), or to receive something as a result of a legal arrangement or instrument.”³⁵ However, the term is also used in a different sense to mean a person “to whom another is in a fiduciary relation, whether the relation is one of agency, guardianship, or trust; esp., a person for whose benefit property is held in trust.”³⁶ While Section 394.25(e) and D.18-05-022 require CCA programs to be responsible for reentry fees in the event of an involuntary return of customers, these authorities do not purport to, and cannot be interpreted to, create a legal trust between IOUs and CCA programs, or establish any fiduciary duties. The Commission should resolve the ambiguity by replacing the term “beneficiary” with the term “recipient”, or otherwise clarifying that the Commission does not interpret the governing legal authorities to create a trust relationship or fiduciary duties.

4. The Commission Must Clarify that Reentry Fees May Not Be Collected from Involuntarily Returned CCA Customers Subject to Public Utilities Code Section 394.25(e)

- a. Section 394.25(e) Prohibits the Commission from Collecting Reentry Fees from Involuntarily Returned Customers

The final resolution should include a finding that recites or otherwise directly references the language contained in Section 394.25(e) that expressly prohibits reentry fees from being collected directly from involuntarily returned CCA customers. The statute provides:³⁷

If a customer of an electric service provider or a community choice aggregator is involuntarily returned to service provided by an electrical corporation, any reentry fee imposed on that customer that the commission deems is necessary to avoid imposing costs on other customers of the electrical corporation *shall be the obligation of the electric service provider or a community choice aggregator*, except in the case of a customer returned due to default in payment or other contractual obligations or because the customer's contract has expired. As a condition of its registration, an electric service provider or a community choice aggregator shall post a bond or demonstrate insurance sufficient to cover those reentry fees. *In the event that an electric service provider becomes insolvent and is unable to discharge its obligation to pay reentry fees, the fees shall be allocated to the returning customers.*

While CalCCA agrees with the Draft Resolution that under Section 394.25(e) “CCAs bear the cost responsibility regardless of whether the costs of returning customers are in excess of the FSR,”³⁸ the plain language of the statute establishes a general rule that reentry fees must be recovered directly from a CCA program rather than CCA customers returning to bundled service

³⁵ Black’s Law Dictionary (10th ed. 2014) p. 186.

³⁶ Black’s Law Dictionary (10th ed. 2014) p. 186.

³⁷ Section 394.25(e) (emphasis added).

³⁸ Draft Resolution at 10.

on an involuntary basis. Had the Legislature intended reentry fees to be recoverable from CCA customers, it would have said so, and included language in the statute creating an exception to the general rule, as it did for DA customers.

Section 394.25(e) establishes rules for DA customers in the event that an ESP becomes insolvent and is unable to pay reentry fees. In that circumstance, the statute provides that “the fees shall be allocated to the returning customers.” The rules of statutory interpretation dictate that where legislation expressly includes one class of entity but not another, the exclusion is intended to be purposeful unless a contrary legislative intent is expressed elsewhere in the statute or is otherwise compelled.³⁹ No similar language creating an exception and allowing for the recovery of reentry fees from CCA customers exists in the statute, and the absence of such language must be interpreted to reflect the intent of the Legislature that CCA customers pay no such fees. The Legislature has provided sufficient guidance, and absent new legislation, the Commission must follow the language of the statute. By establishing a general rule that reentry fees be recovered from CCA programs and ESPs, and creating a limited exception for customers of an insolvent ESP, the Legislature has provided its directive that CCA customers not be held responsible—a directive the Commission must follow.

b. The POLR Statute Did Not Change the Commission’s Authority Under Section 394.25(e)

The Draft Resolution rejects the IOUs’ proposal to have involuntarily returned CCA customers bear responsibility for uncollected reentry fees and directs that issue for further consideration to the POLR rulemaking.⁴⁰ CalCCA supports this exploration under the new POLR bill (SB 520 (2019)). Indeed, the FSR posted under Section 394.25(e) is relevant to that statute because it provides collateral support to the utility for a function that is analogous to the POLR function (*i.e.* serving involuntarily returned customers). However, SB 520 is distinct from Code Section 394.25(e).

The Legislature passed SB 520 long after D.18-05-022 was adopted and the IOU advice letters implementing it were filed. The issues raised therein were in the public record and could have been expressly addressed by the Legislature, but they were not. The POLR statute amends Section 216 and adds Article 8.5, Section 387 but makes no changes or references to Section 394.25(e). While Sections 216 and 387 may provide the Commission authority to develop new cost recovery mechanisms, Section 394.25(e) still provides the Commission no statutory authority to assign reentry costs directly to involuntarily returned CCA customers. The Commission should modify OP 5 to make this explicit and provide clarity as to the effect of Code Section 394.25(e).

5. The Commission Should Direct the Utilities to Avoid Communicating with Customers About Speculative Reentry Fee Liabilities

³⁹ See, e.g., *Dyna-Med, Inc. v. Fair Employment & Housing Com.* (1987) 43 Cal.3d 1379, 1391 (describing a rule of statutory interpretation *Expressio unius est exclusio alterius* – the expression of one thing implies the exclusion of others). See also *Esberg v. Union Oil Co.* (2002) 28 Cal.4th 262, 269 (where statutory language is “unambiguous” a court need not consider “extrinsic aids” to determine its meaning).

⁴⁰ At 24, OP 5.

As discussed above, the Commission does not have authority under Section 394.25(e) to impose reentry fees on involuntarily returned CCA customers. However, even if the Draft Resolution is not explicit about this point, the final resolution should provide explicit direction to the utilities to avoid communicating to customers about the speculative risk that reentry or similar fees may be imposed directly on customers. If customer liability is not be settled by the Commission's final resolution, there is a real possibility that customer communications on the subject may lead to confusion and may even be prohibited by D.12-12-036. The potential for misleading communications regarding the specter of customer liabilities may deter customers from joining a CCA program or encourage them to voluntarily leave a CCA program. To prevent confusing or misleading communications, the final resolution should direct the utilities to refrain from any customer communications about the possibility that CCA customers may be directly assessed reentry fees from an involuntary return.

CONCLUSION

CalCCA appreciates the Commission's thoughtful and careful consideration of these comments on the reentry fee obligations and associated FSRs. As described above, CalCCA supports the limitations on the utilities' proposals and offers important clarifications and considerations to establish a successful reentry fee program. CalCCA recommends the Draft Resolution be modified prior to adoption as described above. CalCCA also supports a timely implementation Section 394.25(e) for CCAs and looks forward to continuing to address related issues in the anticipated proceeding on the Provider of Last Resort.

Respectfully,

CALIFORNIA COMMUNITY CHOICE
ASSOCIATION



Evelyn Kahl
General Counsel

cc via email:

Energy Division Tariff Unit (edtariffunit@cpuc.ca.gov)

Travis Blecha (travis.blecha@cpuc.ca.gov)

Dina Mackin (dina.mackin@cpuc.ca.gov)

Service Lists for R.03-10-003

APPENDIX A

Findings

16. The posting of the FSR refers to the demonstration of the financial instrument having been formed, and the IOU made its obligee, beneficiary-recipient, or equivalent.

18. CCAs may file their FSR advice letters to ensure compliance where the utility is withholding assent to the terms.

19. Reentry fees may not be collected directly from involuntarily returned CCA customers subject to public Section 394.25(e).

Ordering Paragraphs

4. “The IOUs shall refile their tariff sheets via Tier ~~4~~2 advice letter to clarify the following:...”

5. The recovery of reentry fees from involuntarily returned customers in the event that the CCA is unable to recover the fees is prohibited by Section 394.25(e), however this issue shall be deferred to reexamined in the POLR proceeding.

9. ~~All~~ Each CCAs shall post a financial security instrument within ~~30 days of this resolution~~ 90 days of the disposition of their utility’s advice letter for tariff changes directed in this Resolution. Semiannual FSRs will be updated using the same timeline as the ESP rules as directed in D.18-05-022. CCAs will replace underperforming issuers of FSRs within 90 days of the default.

10. Utilities shall not communicate with customers about direct reentry fee liability as a result of participation in a CCA program.

Changes to Discussion

“D.18-05-~~015~~022 found that accurately predicting the timing and manner of a mass involuntary return of CCA customers to IOU service is not feasible.” Draft Resolution at 12.

“The IOUs should resubmit tariffs to clarify that activation of the FSR requires an order of the CPUC for approval, this change should be made through a Tier ~~4~~2 AL.” Draft Resolution at 13.

“With the exception of issues 1, 9 and, 10, we find that the IOUs’ replies reasonably addressed CalCCA’s protests. We do clarify that for issue 3, no credit support provisions will be required beyond cash posted for escrow accounts.” Draft Resolution at 16.

“~~Disputed charges are subject to the IOU's Rule 10.~~” Draft Resolution at 17, Footnote 12.

“In the event that an involuntary return is triggered, and fees are incurred, the utility shall file a Tier 1 AL to create a memorandum account to track the actual costs of returning customers and launching the involuntary return process. The utilities will continue to request administrative and procurement costs from CCAs consistent with the methodology adopted in D.18-05-022 until the Commission directs otherwise.” Draft Resolution at 17.

“...Tier ~~4~~2...” Draft Resolution at 2, 13, and 17.

SAN DIEGO COMMUNITY POWER
Staff Report – Item 3

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 on Potential Impacts from Changes to the SDG&E Customer Information System Rollout

Date: August 27, 2020

Recommendation

Receive update and provide direction to staff on potential impacts from changes to the SDG&E Customer Information System rollout.

Background

As previously shared with the Board, SDG&E notified SDCP staff at a July 10, 2020 meeting of a potential delay in their Customer Information System (CIS) roll out which would delay SDCP's 2021 launch schedule, potentially by several months. SDG&E stated the reason for the delay is due to CPUC decision D. 20-06-003 which ordered the utilities to adopt programs and rules to reduce the number of residential customer disconnections due to nonpayment. The new mandates include protections against disconnections for low-income and other vulnerable populations, caps on the number of total disconnections, a new payment plan for arrears forgiveness, and the elimination of deposits and re-connection fees for all customers. The new rules and programs are ordered to go into effect in April 2021, upon the expiration of COVID-19 protections that are currently in place.

SDCP and Community Energy Alliance (the north County CCA) requested reaffirmation of SDG&E's original timeline and reiterated that a sudden, unilateral change in schedule has significant operational and financial impacts that are not acceptable. SDCP's phases of launch are: March 2021 – municipal accounts; June 2021 – large commercial and industrial accounts; and January 2022 – small commercial and residential accounts. These phases would accommodate the new CIS system, starting with a small municipal load in March to make sure the new customer billing system works properly before ramping up to include commercial customers who are far likelier to opt-out if there are errors resulting from CIS system bugs.

Analysis and Discussion

Representatives from SDG&E, SDCP, Calpine, and Clean Energy Alliance held several meetings on this subject since July 10. SDG&E has since stated they will be able to maintain the phases of SDCP's launch as planned but proposed altering the customer mix in those phases. SDCP,

Calpine, and our energy portfolio consultants Pacific Energy Advisors are reviewing the details to ensure that the goals and revenue requirements that were a key consideration of launch timing are upheld and that we do not incur undue opt-out risk if large commercial accounts are included in phase 1.

Staff and consultants will continue to analyze the customer account information being provided to SDCP to ensure our financial and operational requirements are met. We have established regular meetings with SDG&E to discuss the technical details of the CIS transition, and SDCP staff have reinforced the need for timely agreement on this issue. Staff will return to the Board for regular updates on this item.

Fiscal Impact

To be determined pending agreement between SDG&E and SDCP on customer mix and load allocated to each phase of launch.

SAN DIEGO COMMUNITY POWER
Staff Report – Item 4

To: San Diego Community Power Board of Directors

From: John Dalessi and Kirby Dusel, Pacific Energy Advisors

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

Subject: Informational Overview of Prospective Feed-In Tariff Program

Date: August 27, 2020

Recommendation

Receive informational presentation from Pacific Energy Advisors on a prospective Feed-In Tariff program.

Background

A Feed-in Tariff, or “FIT”, is a standard offer power purchase program, which is typically implemented to incentivize locally situated, small-scale renewable energy projects that are not necessarily price competitive with other utility-scale alternatives (often developed in optimal resource areas with much larger project footprints). As part of its FIT program, the sponsoring utility or Community Choice Aggregator (CCA) clearly articulates eligibility requirements and key commercial terms as well as provides interested applicants with a related non-modifiable power purchase agreement that will be used to formalize any contractual relationship created through the FIT program. As a “standard offer” program, key requirements are non-negotiable, including the energy price offered by the program sponsor, delivery term (which is typically ten years or longer), project size limitations, and the power purchase agreement itself. Any supply arranged through a FIT program will complement other wholesale renewable energy purchases secured by the program sponsor. Other benefits of a FIT program typically include support for local businesses, generalized local economic development benefits, increased utilization of local renewable energy resources and highly visible project development opportunities that can become centerpieces of marketing collateral and communication campaigns.

Analysis and Discussion

California’s investor-owned utilities, including San Diego Gas & Electric, and many CCAs have successfully implemented FIT programs, creating significant project development opportunities for small-scale renewable energy projects. SDG&E’s FIT program, which is overseen by the California Public Utilities Commission (Commission), was renamed the Renewable Market Adjusting Tariff (Re-MAT) and began accepting program applications on October 1, 2013. The Re-MAT program implemented price curves that periodically adjusted in consideration of

program participation. Three product categories were created with an equal amount of capacity allocated to each category, including baseload (typically, geothermal or bioenergy), peaking (typically, solar) and non-peaking (typically, wind). A total of 28.356 MW was made available under SDG&E's Re-MAT, split equally amongst the aforementioned product categories. Prices started at \$89.23/MWh and were subject to time of delivery adjustments. Recently, the Commission issued a ruling requesting comments related to proposed modifications to the Re-MAT program: comments were due by July 21, 2020; reply comments were due by July 28, 2020; a decision is expected after the Commission reviews such comments. One of the primary purposes of the noted ruling is to solicit comments that will assist the Commission in conforming the Re-MAT program with federal law. For the time being, acceptance of new Re-MAT applications has been suspended.

With regard to the administration of FIT programs by CCAs, Marin Clean Energy's (MCE) Board approved the first California CCA FIT program in December 2010 (approximately seven months after MCE commenced CCA service), which has resulted in numerous new small-scale renewable projects (of 1 MW or less) within MCE's service territory, the first of which was placed under contract in 2012. All FIT contracts secured under MCE's FIT Program reflect a delivery term of 20 years. Regarding pricing, MCE's initial FIT price was set at \$137.66/MWh and was generally based on other renewable procurement opportunities that were available during the time of MCE's launch, plus a "local development incentive". Pricing was reduced thereafter, following the reservation of successive 2 MW capacity "steps" (referenced as a Pricing Condition in MCE's FIT). Since its FIT program was first adopted, MCE has implemented several changes, including the expansion of its participatory limit to 25 MW and the addition of a "FIT Plus" program for somewhat larger projects between 1-5 MW. Nearly 19 MW of capacity has been constructed or reserved to date under the basic FIT program with an additional 18 MW reserved under the more recently added FIT Plus program.

Sonoma Clean Power (SCP) offered a similar FIT program, named ProFIT, which is now fully subscribed, according to the CCA's website. While the participatory cap is not known at this time, SCP's FIT is very similar in concept to MCE's program and offers a variety of financial incentives to projects based on size, location, previous development status (of the project site), local business utilization, etc. The success of both FIT programs is tremendous and has created numerous locally situated renewable resources within each CCA's respective service territory. Other CCA FIT programs are currently operational or under development.

At this point, your Board is being provided with a general overview of CCA-based FIT programs to facilitate discussion regarding the development of a future FIT Program that could be administered by SDCP, subject to Board approval. If the FIT program concept is of interest, staff and technical advisors will return in October 2020 with additional program parameters that can be further evaluated by your Board before finalizing such details and launching the program concurrent with SDCP's service commencement in 2021.

Fiscal Impact

To be determined following future discussion regarding SDCP's interest in adopting a FIT program and the identification of related program parameters.

SAN DIEGO COMMUNITY POWER
Staff Report – Item 5

To: San Diego Community Power Board of Directors

From: John Dalessi and Kirby Dusel, Pacific Energy Advisors

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

Subject: Approval of the San Diego Community Power 2020 Integrated Resource Plan

Date: August 27, 2020

Recommendation

Approve 2020 San Diego Community Power Integrated Resource Plan.

Background

Public Utilities Code Section 454.52 requires all California Public Utilities Commission (CPUC) load serving entities (LSEs), including community choice aggregation (CCA) programs, file an Integrated Resource Plan (IRP) with the CPUC every two years. The IRP looks out at a 10-year horizon and details the procurement plan for meeting the state's goals of reducing greenhouse gas (GHG) emissions by 40% from 1990 levels by 2030 and increasing to a resource mix of 60% renewable energy resources by December 31, 2030.

Section 454.52(b)(3) further requires that the IRP of a CCA be submitted to its governing board for approval and shall achieve the following:

(A) Economic, reliability, environmental, security, and other benefits and performance characteristics that are consistent with the goals of achieving 40% reduction in GHG emissions from 1990 levels by 2030 and procure 50% renewable energy resources by December 31, 2030.

(B) A diversified procurement portfolio consisting of both short-term and long-term electricity and electricity-related and demand reduction products.

(C) Resource Adequacy requirements.

The 2020 IRP filing is prepared using the California Public Utilities Commission (CPUC) provided Narrative Template, Resource Data Template, and the Clean Power Supply System Calculator. Two plans are required to be filed in 2020, consistent with a statewide GHG emission limit for the electric sector for 2030 of 46 MMT and a lower limit of 38 MMT.

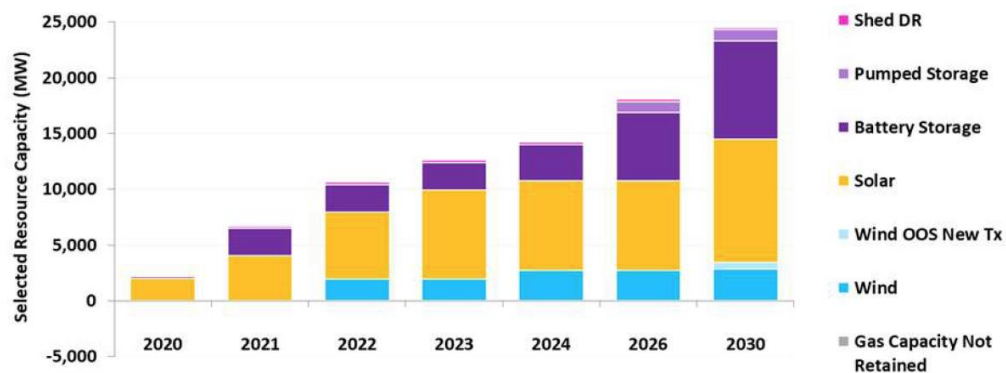
The deadline for submission of SDCP's IRP is September 1, 2020.

The CPUC-assigned 2030 GHG benchmarks are as follows:

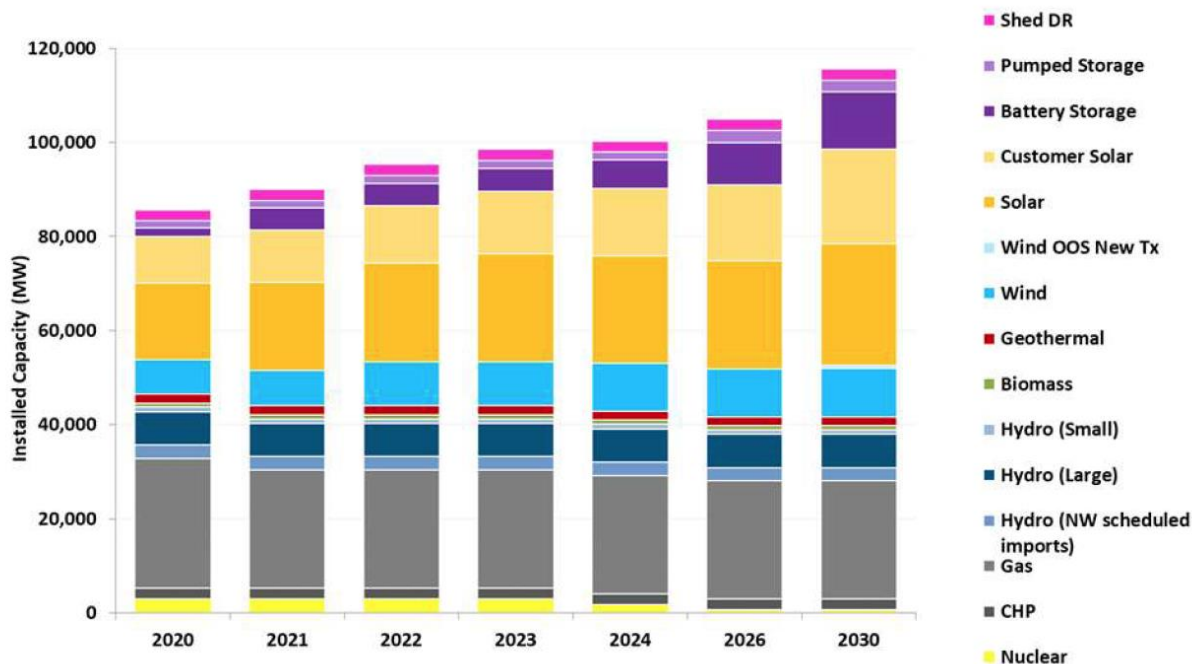
LSE	Proportion of 2030 emissions inclusive of industrial load*	2030 Load (GWh)	Proportion of 2030 Load within IOU Territory	2030 GHG emissions benchmark (MMT) -- 46 MMT scenario	2030 GHG emissions benchmark (MMT) -- 38 MMT scenario
SDG&E Area					
Bundled	8.84%	5,366	29.46%	1.198	0.990
Direct Access		3,940	21.63%	0.880	0.727
Clean Energy Alliance		992	5.45%	0.222	0.183
Solana Energy Alliance		0	0.00%	0.000	0.000
San Diego Community Power		7,914	43.45%	1.768	1.460

The state provides its assumptions related to the types of new resources that will be needed to meet the state's goals as shown below:

Cumulative Buildout of New Resources (46 MMT Reference System Portfolio)



Cumulative Resources (46 MMT Reference System Portfolio)



According to the CPUC’s modeling, the majority of new generation capacity is expected to be comprised of solar, storage, and wind resources.

Analysis and Discussion

Baseline assumptions for SDCP’s IRP include a renewable energy portfolio target of 50% at launch increasing to 100% carbon free by 2035 or earlier, diversity in planned generation mix (solar, wind, geothermal, hydro, natural gas, battery storage, etc.) for energy and resource adequacy capacity, assumptions regarding new buildout vs. use of existing resources and geographic regions for planned resources.

In light of SDCP member climate action goals targeting transition to use of 100% carbon-free energy over the next ten to fifteen years, the IRP establishes the following annual targets for renewable and other carbon-free energy sources:

Source	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Renewable	50%	52%	54%	56%	58%	61%	64%	68%	72%	75%
Large Hydro	5%	5%	5%	4%	4%	8%	11%	13%	14%	15%
Total Carbon-Free	55%	57%	59%	60%	62%	69%	75%	81%	86%	90%

SDCP’s 38 MMT conforming portfolio comprises the following resource mix by 2030:

- 75% renewable energy content
- 15% large hydro energy
- 10% system energy

GHG emissions associated with SDCP's 38 MMT conforming portfolio are estimated to be 1.084 MMT per year, which is below the assigned 38 MMT benchmark of 1.210 MMT per year.

SDCP is required to file a 46 MMT conforming portfolio that has GHG emissions equal to its assigned GHG benchmark in 2030. SDCP's 46 MMT conforming portfolio comprises the following resource mix by 2030:

- 75% renewable energy content
- 25% system energy

GHG emissions associated with SDCP's 46 MMT conforming portfolio are estimated to be 1.510 MMT per year, which is equal to the assigned 46 MMT benchmark.

SDCP's portfolios anticipate significant capacity additions of renewable and storage resources by 2030 to support achievement of SDCP's renewable and carbon-free energy goals, while contributing to system reliability in a responsible manner. Both the 38 MMT and the 46 MMT conforming portfolios include the following planned capacity resources:

- 600 MW of new solar plus 300 MW storage (hybrid) resources
- 400 MW of new solar
- 300 MW of new wind
- 100 MW of new geothermal
- 65 MW of new long duration storage
- 1,327 MW of existing resource adequacy capacity needed to meet reliability obligations

Additionally, SDCP's portfolios include incremental resource adequacy capacity procured by San Diego Gas and Electric Company on SDCP's behalf pursuant to the incremental procurement mandate in D.19-11-016. These total 116 MW of new battery storage net qualifying capacity in the 38 MMT conforming portfolio and 120 MW of new battery storage net qualifying capacity in the 46 MMT conforming portfolio.

Fiscal Impact

The IRP is consistent with assumptions underlying SDCP's financial pro forma projections. There are no direct fiscal impacts of adopting the IRP, and future resource commitments that may be made in effectuating the plan will be subject to separate approval in accordance with SDCP's adopted delegation of authorities.

Attachments

Attachment A: IRP Narrative

Standard LSE Plan

SAN DIEGO COMMUNITY POWER

2020 INTEGRATED RESOURCE PLAN

SEPTEMBER 1, 2020

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I. Introduction and Executive Summary

a. Introduction

Description of SDCP

San Diego Community Power is a Joint Powers Authority (“JPA”) formed by the communities of Chula Vista, Encinitas, Imperial Beach, La Mesa, and San Diego in October 2019.

As a JPA SDCP is a *local government agency*. SDCP is governed by a five-member board composed of representatives of its member local governments. Through these representatives SDCP is controlled by and accountable to the communities SDCP serves.

SDCP plans to provide retail electric generation services and complementary energy programs to customers within the municipal boundaries of the following communities:

- City Chula Vista
- City of Encinitas
- City of Imperial Beach
- City of La Mesa
- City of San Diego

SDCP plans to begin serving load to its first phase of customer enrollments in March 2021. Once all enrollment phases are completed, SDCP’s anticipated customer base will include approximately 667,000 residential accounts and 71,500 commercial and industrial accounts.

SDCP’s Mission

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

Consistent with Public Utilities Code Sections 366.2(a)(5) and 454.52 (b)(3),¹ all procurement by SDCP, including the portfolios set forth in this IRP, *must* comply with policy direction provided by SDCP’s governing board.

¹ All further citations to statute are to the California Public Utilities Code unless otherwise noted.

Introduction to SDCP's IRP

In accordance with the requirements of California Public Utilities Code Sections 454.51 and 454.52 and Commission Decisions ("D.") 20-03-028, D.19-11-016, D.18-02-018, D.19-04-040, and formal guidance provided by the Commission's Energy Division, SDCP is providing its load serving entity ("LSE") -specific Integrated Resource Plan ("IRP") to the Commission for certification review and use in the Commission's statewide planning process. In addition to this narrative, SDCP's IRP includes the following documents:

- SDCP's 38 MMT Resource Data Template
- SDCP's 46 MMT Resource Data Template
- SDCP's 38 MMT Clean System Power Calculator
- SDCP's 46 MMT Clean System Power Calculator

As directed in D.20-03-028, SDCP is submitting two conforming portfolios in this IRP, one based on the Commission's 46 MMT greenhouse gas (GHG) reduction benchmark and associated 38 MMT reference system portfolio ("RSP"), and a second based on the Commission's 46 MMT benchmark and RSP.

As demonstrated by the significant differences between the Commission's 2017-2018 RSP and its 2019-2020 RSP, projecting resource need over the time horizon covered by the IRP is an inexact matter. Further, SDCP is a new entity currently focused primarily on activities leading to the successful launch of the program in 2021. The future resources identified in SDCP's IRP represent SDCP's best good-faith projection of the resource mix that it will procure over the IRP planning horizon, based on the best information currently available. The resources identified in future iterations of SDCP's IRP may change due to new information and changed circumstances, and the ultimate resource mix that SDCP actually procures may differ from what is reflected in the plan due to a number of variables including availability of supply, price of supply and/or other market or regulatory considerations.

Board Approval of IRP

In compliance with Public Utilities Code Section 454.52(b)(3), this IRP was formally submitted to SDCP's governing board for approval based on the IRPs compliance with Sections 454.51 and 454.52 (the "IRP Statute") and all relevant board-adopted procurement requirements SDCP's governing board. On [DATE] SDCP's board approved this IRP narrative, which adopts SDCP's 46 MMT Preferred Conforming Portfolio ("46 MMT PCP") and its 38 MMT Preferred Conforming Portfolio ("38 MMT PCP"). In approving this IRP narrative, SDCP's board also makes the following determinations regarding SDCP's Preferred Conforming Portfolios ("PCPs"):

- SDCP's PCPs achieves economic, reliability, environmental, security, and other benefits and performance characteristics that are consistent with the goals set forth in Section 454.52(a)(1)(A-I).
- SDCP's PCPs includes a diversified procurement portfolio consisting of both short-term and long-term electricity and electricity-related and demand reduction products.
- SDCP's PCPs achieves the resource adequacy requirements established pursuant to Public Utilities Code Section 380.
- SDCP's PCPs are consistent with the procurement timing, resource mix, and operational attributes of both the Commission's 38 MMT RSP and the Commission's 46 MMT RSP.
- SDCP's PCPs are fully compliant with all SDCP board-adopted procurement directives.

Request for Certification

SDCP respectfully requests that the Commission certify this IRP.

As both the Legislature and the Commission have recognized, The Legislature has granted CCAs broad authority to procure resources on their customers' behalf, an authority limited only where "other generation procurement arrangements have been expressly authorized by statute."² The Commission has likewise recognized that the Legislature has granted CCAs autonomy in setting their own rates and managing interactions with their customers.³ The Commission has three primary interests the CCA IRP process:

- Ensuring that CCA IRPs provide the CCA procurement information that the Commission needs to develop its statewide plan.⁴
- Ensuring that CCAs' current and planned procurement is consistent with the resource adequacy ("RA") requirements established pursuant to Public Utilities Code Section 380.⁵

² Public Utilities Code Section 366.2(a)(5).

³ D.05-12-041 at 5 ("Nothing in the statute directs the CPUC to regulate the CCA's program except to the extent that its programs may affect utility operations and the rates and services to other customers. For example, the statute does not require the CPUC to set CCA rates or regulate the quality of its services."); D.19-04-040 at 18 ("[T]he Commission does not approve CCA or ESP rates.").

⁴ D.19-04-040 at 17-18 ("The Commission's portfolio aggregation and evaluation process, which relies of fulfillment of IRP filing requirements by LSEs, is the only process capable of assessing the overall needs of the CAISO grid and meeting the statewide GHG, reliability, and least-cost goals collectively. While LSEs may use their IRP process to meet local planning needs as well, the statewide planning function is the statutorily required process . . .").

⁵ Section 454.52(b)(3)(C).

- Ensuring that CCAs' current and planned procurement satisfies the CCA's share of renewables integration resource identified in the Commission's Reference System Portfolio ("RSP"), and that the CCA either self-provides or pays for IOU procurement for its share of any renewable integration shortfall.⁶

SDCP has prepared its IRP with these interests in mind, and thanks the Commission in advance for its recognition of CCA procurement autonomy and the benefits of a collaborative approach with CCAs in its certification review of SDCP's IRP.

b. Executive Summary

This narrative provides a detailed description of the development and content of SDCP's PCPs, each portfolio's compliance with applicable requirements, and an action plan detailing SDCP's planned next steps.

SDCP developed its IRP through the following steps:

- SDCP compiled data for its existing energy contracts, Resource Adequacy ("RA") capacity contracts, and its share of capacity for allocated Cost Allocation Mechanism ("CAM") resources.
- For each IRP planning year, SDCP identified its short positions relative to SDCP planning targets in consideration of its assigned load forecast.
- SDCP populated the Resource Data Template with all current contracts.
- SDCP compiled detailed information on projects for which it is currently negotiating power purchase agreements, including information regarding project status and timing.
- SDCP identified future contracts it expects for new solar, storage, geothermal, and wind generation. SDCP prioritized the selection of future resources that ensure SDCP's overall portfolio of new resources is consistent with the relevant Reference System Portfolio's resource attribute/category mix,⁷ procurement timing, and SDCP's proportional share of planned new procurement.
- SDCP added generic future contracts with existing resources to help fill its remaining open positions.

⁶ Section 454.51.

⁷ Consistent with the Commission's direction in Ordering Paragraph 7 of D.20-03-028, SDCP tested its portfolios by comparing its planned procurement under the five resource "buckets" identified in the Decision against its load proportional share of the RSPs' respective "buckets." The "buckets" identified in Ordering Paragraph 7 are: long duration storage; short duration storage; hybrid resources; renewables; and other.

- SDCP used the Commission’s Clean System Power Calculator Tool to check the GHG emissions associated with the resulting portfolio to ensure that these emissions are at or below SDCP’s assigned share of the 38 MMT benchmark.
- SDCP identified the resulting portfolio as its 38 MMT PCP.
- Using the 38 MMT PCP as a starting point, SDCP replaced planned large hydro-electric with system power until the portfolio had emissions equal to the SDCP assigned share of the 46 MMT GHG benchmark.
- SDCP identified the resulting portfolio as its 46 MMT PCP.
- SDCP checked both its 38 MMT PCP and its 46 MMT PCP for reliability by comparing the total portfolio net qualifying capacity against SDCP’s RA requirements for the month of September in each year of the planning period. SDCP further established that its planned incremental capacity exceeds its pro rata share of capacity that may be needed for replacement of Diablo Canyon.

SDCP reached the following findings regarding its 38 MMT PCP:

- SDCP’s 38 MMT portfolio includes the procurement of the following new resources:
 - New hybrid resources totaling 600 MW solar/ 300 MW battery storage
 - New wind resources totaling 300 MW
 - New solar resource totaling 400 MW
 - New geothermal resources totaling 100 MW
 - New long duration storage of 65 MW
 - New short duration storage of 116 MW (incremental capacity procured by SDG&E on SDCP’s behalf)
- SDCP’s 38 MMT portfolio provides for the following overall resource mix in 2030:
 - 426 MW of large hydro
 - 556 MW of wind
 - 1,398 MW of solar
 - 100 MW of geothermal
 - 416 MW of short duration battery storage
 - 65 MW of long duration storage
 - 1,327 MW of natural gas/other (capacity-only)
- SDCP’s 38 MMT portfolio is consistent with procurement timing, resource quantities, and general resource attributes identified in the 38 MMT RSP.
- SDCP’s 38 MMT portfolio would have 2030 emissions of 1.084 MMT. This is below SDCP’s assigned share of 2030 emissions, 1.210 MMT.
- SDCP’s 38 MMT portfolio meets all relevant reliability metrics.

- SDCP's 38 MMT portfolio provides more than SDCP's load-proportional share of renewable integration resources.

SDCP reached the following findings regarding its 46 MMT portfolio:

- SDCP's 46 MMT portfolio includes the procurement of the following new resources:
 - New hybrid resources totaling 600 MW solar/ 300 MW battery storage
 - New wind resources totaling 300 MW
 - New solar resource totaling 400 MW
 - New geothermal resources totaling 100 MW
 - New long duration storage of 65 MW
 - New short duration storage of 120 MW (incremental capacity procured by SDG&E on SDCP's behalf)
- SDCP's 46 MMT portfolio provides for the following overall resource mix in 2030:
 - 1 MW of large hydro
 - 556 MW of wind
 - 1,398 MW of solar
 - 100 MW of geothermal
 - 420 MW of short duration battery storage
 - 65 MW of long duration storage
 - 1,327 MW of natural gas/other (capacity-only)
- SDCP's 46 MMT portfolio conforms to the procurement timing, resource quantities, and general resource attributes identified in the 46 MMT RSP.
- SDCP's 46 MMT portfolio would have 2030 emissions of 1.510 MMT. This is equivalent to SDCP's assigned share of 2030 emissions, 1.510 MMT.

To implement its PCPs, SDCP is adopting the action plan described in section IV, below. This action plan consists of the following steps:

- SDCP will periodically solicit offers for new renewable generation and storage projects. These resources are typically secured through long term power purchase agreements. SDCP expects to secure power purchase agreements for new projects in multiple solicitations conducted over the next several years.
- Periodically throughout the year, SDCP will solicit offers for short term renewable energy, resource adequacy, system energy, and other products needed to balance the portfolio and adhere to position limits established through SDCP's risk management policy and practices. These solicitations can take the form of formal request for offers processes, bilateral discussions, and transactions arranged through broker markets.

II. Study Design

a. Objectives

SDCP had the following objectives in performing the analytical work to develop its IRP:

1. Identify a 38 MMT portfolio with emissions equal to SDCP's proportional share of the 38 MMT GHG reduction benchmark, as determined using the Commission's emissions calculator.
2. Identify a 46 MMT portfolio with emissions equal to SDCP's proportional share of the 46 MMT GHG reduction benchmark, as determined using the Commission's emissions calculator.
3. Identify 38 and 46 MMT portfolios that achieve economic, reliability, environmental, security, and other benefits and performance characteristics that are consistent with the goals set forth in Section 454.52(a)(1)(A-I).
4. Identify diverse and balanced 38 and 46 MMT portfolios that include both short-term and long-term electricity and electricity-related and demand reduction products.
5. Identify portfolios that achieve the resource adequacy requirements established pursuant to Public Utilities Code Section 380 and fully provide SDCP's share of system reliability and renewable integration resources.
6. Identify portfolios that fully comply with all SDCP board-adopted procurement directives.
7. Identify portfolios that are fully compliant with SDCP's obligations under the Renewable Portfolio Standard program.
8. Identify portfolios that are cost-effective and minimize rate impacts on SDCP's customers.

b. Methodology

i. Modeling Tool(s)

In developing its planned portfolios SDCP uses modeling tools that quantify portfolio targets for renewable energy content, capacity, and portfolio GHG emissions, as well as physical and financial positions to ensure adherence to sound risk management business practices. SDCP uses proprietary models to assess annual, monthly, and hourly open positions taking account of forecast hourly electric loads and expected deliveries from SDCP's resource portfolio. SDCP uses a proprietary financial model to project power supply costs and incorporate existing and planned procurement into an overall financial assessment of revenues, costs, and cash flows. SDCP also utilizes a commercially available energy trading and risk management system to monitor positions, market exposure, credit exposure, value-at-risk, and other risk management metrics.⁸

For new resource selection, SDCP relied upon the modeling and assumptions in the Reference System Portfolio as well as SDCP's recent procurement experience which provides insight into resource availability and cost. The mix of new resources selected in the RSP is similar to the mix SDCP would select based on its procurement experience, although SDCP anticipates use of new geothermal resources that are not reflected in the RSP.

GHG emissions were assessed using the Commission's Clean System Power tool for the 38 MMT and 46 MMT variations.

ii. Modeling Approach

Load Forecast

SDCP developed its IRP using its assigned load forecast from Attachment A to the May 20, 2020 *Administrative Law Judge's Ruling Correcting April 15, 2020 Ruling Finalizing Load Forecasts and Greenhouse Gas Benchmarks for Individual 2020 Integrated Resource Plan Filings* ("Load Forecast Ruling"). SDCP's assigned load forecast is as follows:

Table 1: SDCP's 2020-2030 Load Forecast

Year	Load Forecast (GWh)
2020	
2021	3227

⁸ Pioneer Solutions TRMTracker SaaS

2022	7407
2023	7393
2024	7406
2025	7442
2026	7485
2027	7541
2028	7601
2029	7660
2030	7719

Load Shape

In developing its portfolio SDCP used the default load shape from the Clean System Power Calculator, which reflects the CAISO hourly system average load shape forecast for the 2019 IEPR Mid Baseline Mid AAE case.

The use of this load shape does not change SDCP's total annual energy volumes for both load and load modifiers, and these energy volumes remain consistent with SDCP's assigned load forecast.

Load-Proportional GHG Emissions Benchmark

SDCP assessed its modeling against its 2030 load-proportional share of the respective 38 MMT and 46 MMT benchmarks, as specified in the 38 MMT and 46 MMT Clean System Power tools. SDCP understands these values to be consistent with the benchmarks assigned in Table 1 of the Load Forecast Ruling, with adjustment for certain allocated emissions as reflected in the Clean System Power tools:⁹

Table 2: SDCP's Assigned Shares of GHG Reduction Benchmarks

2030 Load (GWH)	Proportion of 2030 Load Within IOU Territory	2030 GHG Benchmark (MMT) – 38 MMT Scenario	2030 GHG Benchmark (MMT) – 46 MMT Scenario
7,719	42.4%	1.210	1.510

Compiling Existing Resources

⁹ Load Forecast Ruling at 5-7 (Table 1).

To populate its baseline resource templates, SDCP added existing resources from the following sources:

- Energy Contracts.
- Capacity (Resource Adequacy) Contracts.
- SDCP's assigned share of capacity for CAM resources, taken from the most recent year-ahead CAM resource list available on the Commission's Resource Adequacy Compliance Materials webpage.
- SDCP's share of incremental capacity procured by SDG&E.

Selecting New Resources

To identify its new resource procurement, SDCP first determined the new resource capacity it intends to add each year, in consideration of resource need (open positions), long-term renewable contracting requirements, renewable portfolio standards, resource adequacy requirements, the need for incremental resource adequacy capacity to contribute to system reliability and renewable integration needs, the potential for technological improvements, and financial considerations. SDCP selected resource types based on its experience with competitive solicitations for new renewable and storage resources as well as by making reference to the studies and modeling underlying the adopted Reference System Portfolios.

Confirming Reliability

SDCP's portfolios were evaluated to ensure that sufficient dependable capacity (net qualifying capacity) is available to meet peak load requirements plus a 15% reserve margin. SDCP used technology specific Effective Load Carrying Capacity ("ELCC") factors provided by the Commission to assess the contribution of each resource to system reliability. SDCP's portfolios were designed to ensure that current incremental resource adequacy capacity obligations are met and that SDCP contributes to new resource development to address fossil fuel retirements and decommissioning of the Diablo Canyon nuclear power plant.

Calculating GHG Emissions

SDCP calculated the emissions associated with its 38 MMT PCP and its 46 MMT PCP using the Commission's Clean System Power calculator tool. The assigned load forecast and default load shapes and behind the meter adjustments were used for this assessment, along with the planned supply portfolios. The results were checked against the assigned GHG benchmarks included in the Clean System Power tools.

III. Study Results

a. Conforming and Alternative Portfolios

As required by the Commission, SDCP is submitting two conforming portfolios – a 38 MMT PCP that conforms to the Commission’s 38 MMT RSP and a 46 MMT PCP that conforms to the Commission’s 46 MMT RSP. SDCP is not submitting alternative portfolios.

SDCP’s 38 MMT PCP

The table included as Attachment A to this Narrative provides a summary of SDCP’s 2030 38 MMT Portfolio, identifying resources by type and distinguishing between the following procurement categories:

- Existing resources (energy and capacity) that SDCP owns or contracts with, consistent with definitions provided in the Resource Data Template.
- Existing resources (energy and capacity) that SDCP plans to contract with in the future.
- Existing resources (capacity) that SDCP partially pays for through CAM.
- New Resources (energy and capacity) that are under development that SDCP is planning to procure.
- Future new resources (energy and capacity) that SDCP is planning to procure.

In summary, to meet SDCP’s projected 2030 energy demand of 968 GWh, SDCP has selected a 2030 38 MMT PCP composed primarily of the following resources:

- Existing solar (planned procurement) – 398 MW.
- Existing wind (planned procurement) – 256 MW
- Existing hydro (planned procurement) – 426 MW
- New solar (future resources) – 1,000 MW
- New wind (future resources) - 300 MW
- New geothermal (future resources) – 100 MW
- New short duration storage (future resources) – 416 MW (includes 116 MW procured by SDG&E)
- New long duration storage (future resources) – 65 MW

Additionally, SDCP’s 2030 38 MMT PCP includes capacity-only resources composed primarily of the following resources:

- CAM, Demand Response and Energy Efficiency Allocations – 172 MW
- Existing natural gas and other (planned procurement) – 1,155 MW

SDCP's portfolio includes a mix of existing and new resources. Approximately 1,581 MW of SDCP's 2030 portfolio is composed of new resources, reflecting SDCP's role as an active player in the State's development of new renewable and storage resources.

SDCP's 38 MMT PCP Is Consistent With The 38 MMT RSP

The new resources included in SDCP's 38 MMT PCP are consistent with the 38 MMT RSP's 2030 new resource mix. Under D.20-03-028, "LSEs are not required to adhere directly to the exact proportion of resources selected by RESOLVE in the 46 MMT or 38 MMT portfolios, in developing their own portfolios" and "specific resources may be used as proxies for similar resources."¹⁰ The Decision requires that LSEs procure resources in four broad categories defined by their attributes: long-duration storage (8-12 hours); short-duration storage (4 hours or less); hybrid resources; and other resources.¹¹

As demonstrated in the following table, SDCP's 38 MMT portfolio is generally consistent with SDCP's proportional share of *new procurement* for each of the four "resource types" identified in D.20-03-028:

Table 3: 38 MMT PCP New Resource Procurement by Resource Type Compared to 38 MMT RSP

Resource Type	38 MMT RSP New Resources ¹²	SDCP Load-Proportional Share of 38 MMT RSP New Resources ¹³	SDCP's 38 MMT Portfolio
Long-Duration Storage	1,605 MW	61	65
Short Duration Storage (4 hours or less)	9,714 MW	369	416
Renewable Resources	20,274	770	1,400
Hybrid Resources ¹⁴	0 MW		0
Other Resources	222	0	0

¹⁰ D.20-03-028 at 63

¹¹ Id.

¹² D.20-03-028 at 46 (Table 8).

¹³ SDCP estimated its proportional share based on share of system peak demand in September 2021, adjusted for the SDCP's load growth due to its planned phase in schedule. SDCP's adjusted share is 3.8% of total system peak demand.

¹⁴ SDCP interprets the category "hybrid resources" as including generation resources that are capable of reliably dispatching to meet late-afternoon peak load. This would include biogas generation, combined solar and storage, and geothermal.

The differences between SDCP's raw proportional share of the 38 MMT RSP New Resources and the resources amounts in SDCP's 38 MMT Portfolio reflect SDCP's planned contributions to new resource development during this planning period. In particular, SDCP plans to add significant new renewable generation and storage capacity to help reduce reliance on fossil fueled generation, while minimizing GHG emissions and maintaining reliability. As compared to the RSP, SDCP's 38 MMT PCP includes more renewable energy and more short and long duration storage which helps contribute to system reliability and renewable resource integration.

SDCP's 46 MMT PCP

The table included as Attachment A to this Narrative provides a summary of SDCP's 2030 46 MMT PCP, identifying resources by type and distinguishing between the following procurement categories:

- Existing resources (energy and capacity) that SDCP owns or contracts with, consistent with definitions provided in the Resource Data Template.
- Existing resources (energy and capacity) that SDCP plans to contract with in the future.
- Existing resources (capacity) that SDCP partially pays for through CAM.
- New Resources (energy and capacity) that are under development that SDCP is planning to procure.
- Future new resources (energy and capacity) that SDCP is planning to procure.

In summary, to meet SDCP's projected 2030 load of 968 GWh, SDCP has selected a 2030 46 MMT PCP composed primarily of the following resources:

- Existing solar (planned procurement) – 398 MW.
- Existing wind (planned procurement) – 256 MW
- New solar (future resources) – 1,000 MW
- New wind (future resources) - 300 MW
- New geothermal (future resources) – 100 MW
- New short duration storage (future resources) – 420 MW (includes 120 MW procured by SDG&E)
- New long duration storage (future resources) – 65 MW

Additionally, SDCP's 2030 38 MMT PCP includes capacity-only resources composed primarily of the following resources:

- CAM, Demand Response and Energy Efficiency Allocations – 172 MW
- Existing natural gas and other (planned procurement) – 1,185 MW

SDCP's portfolio includes a mix of existing and new resources. Approximately 225 MW of SDCP's 2030 portfolio is composed of new resources, reflecting SDCP's role as an active player in the State's development of new renewable and storage resources.

As demonstrated in the following table, SDCP's 46 MMT PCP is generally consistent with SDCP's proportional share of new procurement for each of the four "resource types" identified in D.20-03-028:

Table 4: 46 MMT PCP New Resource Procurement by Resource Type Compared to 46 MMT RSP

Resource Type	46 MMT RSP New Resources ¹⁵	SDCP Proportional Share of 46 MMT RSP New Resources	SDCP's 46 MMT PCP
Long-Duration Storage	973 MW	37	65
Short Duration Storage (4 hours or less)	8,873 MW	337	420
Renewable Resources	14,460	549	1,400
Hybrid Resources ¹⁶	0 MW	0	0
Other Resources	222 MW	8	0

The differences between SDCP's raw proportional share of the 46 MMT RSP New Resources and the resources amounts in SDCP's 46 MMT PCP reflect SDCP's planned contributions to new resource development during this planning period. In particular, SDCP plans to add significant new renewable generation and storage capacity to help reduce reliance on fossil fueled generation, while minimizing GHG emissions and maintaining reliability. As compared to the RSP, SDCP's 46 MMT PCP includes more renewable energy and more short and long duration storage which helps contribute to system reliability and renewable resource integration.

b. Preferred Conforming Portfolios

38 MMT PCP

¹⁵ D.20-03-028 at 41 (Table 5).

¹⁶ SDCP interprets the category "hybrid resources" as including generation resources that are capable of reliably dispatching to meet late-afternoon peak load. This would include biogas generation, combined solar and storage, and geothermal.

As demonstrated in Appendix A, SDCP's 38 MMT PCP consists of a combination of:

- Utility-Scale Solar
- In-State and Out-of-State Wind
- Geothermal
- Large Hydro
- Short-Duration Storage
- Long-Duration Storage
- Natural Gas/Other (capacity only)

As stated above, in accordance with Section 454.51(b)(3), SDCP's governing board has determined that the resource mix in its PCP achieves "economic, reliability, environmental, security, and other benefits and performance characteristics that are consistent with the goals set forth in [Section] 454.51(a)(1)]." These benefits and characteristics are discussed as follows.

GHG Reduction Goals

SDCP's 38 MMT PCP achieves results and performance characteristics consistent with the Section 454.52(a)(1)(A) goal of meeting the Commission's 38 MMT GHG reduction benchmark. The 2030 emissions from SDCP's 38 MMT PCP are lower than SDCP's load-proportional share of the 38 MMT emissions benchmark. SDCP's proportional share of the 38 MMT benchmark is 1.210 MMT.¹⁷ According to the Commission's emissions calculator, SDCP's 38 MMT PCP would account for 1.084 MMT in 2030 emissions, which is below the assigned benchmark.

Renewable Energy

SDCP's 38 MMT PCP achieves results and performance characteristics consistent with the Section 454.52(a)(1)(B) goal of ensuring that portfolios are composed of at least 50% eligible renewable resources. In 2030 SDCP's 38 MMT overall PCP portfolio would consist of 75 percent eligible renewable generation, well in excess of the 50% target.

Minimizing Bill Impact

SDCP's 38 MMT PCP achieves results and performance characteristics consistent with the Section 454.52(a)(1)(D) goal of minimizing the impact of planned procurement on ratepayers' bills. SDCP's portfolio consists primarily of renewable resources that benefitted from increasing economies of scale over the past several years and have price projections that continue to drop in the foreseeable future.

SDCP's recent procurement experience indicates that solar costs continue to decline, and lithium ion battery storage is increasingly cost effective relative to other capacity products

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available in the market, particularly when offered in a tax-advantaged hybrid configuration with solar generation.

SDCP prioritizes cost competitiveness, reliability, use of renewable energy and local resource development. SDCP anticipates that bill impacts will be minimized as new solar generation projects generally have lower net costs than the prices paid in the short-term renewable energy markets. Coupling new solar with battery storage increases the capacity value of the projects, displacing the need to buy expensive resource adequacy products, and provides limited dispatchability for the solar generation, minimizing the risk of degradation in energy value. Further, SDCP's 38 MMT PCP minimizes exposure to volatile natural gas prices and the bill impacts that can result from periodic spikes in fossil fuel prices.

Ensuring System and Local Reliability

SDCP's 38 MMT PCP achieves results and performance characteristics consistent with the Section 454.52(a)(1)(E) goal of ensuring system and local reliability. The 38 MMT PCP meets system resource adequacy requirements as detailed in Section III.f. SDCP will meet its local resource adequacy requirements until such time as the central procurement entity takes on this responsibility pursuant to D.20-06-002. Some of the planned capacity-only contracts in SDCP's 38 MMT PCP will be displaced by local resource adequacy procured by the central procurement entity. However, adoption of the central procurement entity construct is a recent development, and the details of its planned procurement are not yet known. To ensure there are no reliability gaps in SDCP's 38 MMT PCP, and pursuant to Energy Division Guidance, SDCP's portfolio assumes no CAM allocations or CAM resources beyond what is described in the most recently issued year-ahead CAM resource list and allocations. This approach, while consistent with Energy Division direction, will likely ultimately indicate more RA than SDCP will be responsible for procuring. Thus, SDCP provides this information with the understanding that its RA positions will be reduced by any future CAM allocations.

Demand-Side Energy Management

SDCP's 38 MMT portfolio achieves results and performance characteristics consistent with the Section 454.52(a)(1)(G) goal of enhancing demand-side energy management. SDCP's portfolio includes the effects of allocated demand response programs administered by SDG&E on behalf of all delivery service customers within its service area. SDCP does not have current plans to administer demand response programs, but SDCP may contract with demand response resources for resource adequacy capacity to the extent such opportunities are cost competitive and contribute to system reliability.

Minimizing Localized Air Pollutants With Emphasis on DACs

SDCP's 38 MMT portfolio achieves results and performance characteristics consistent with the Section 454.52(a)(1)(H) goal of minimizing localized air pollutants and other GHG emissions

with early priority on disadvantaged communities. SDCP's 38 MMT portfolio relies primarily on renewable generation and hydro-electric generation and would have relatively low GHG and localized air pollution emissions. SDCP's 38 MMT portfolio minimizes SDCP's reliance on unspecified system power, instead opting for renewable generation procurement and development and hydro generation whenever feasible.

Results from the CSP tool indicate the following localized air pollutants associated with SDCP's 38 MMT portfolio in 2030:

- NOx: 92
- PM 2.5: 49
- SO2: 5

These emissions derive from planned use of system energy in the 38 MMT PCP, as well as emissions from CHP resources and system energy assigned to the SDCP portfolio by the CSP tool.

46 MMT PCP

As demonstrated in Appendix A, SDCP's 46 MMT PCP consists of a combination of:

- Utility-Scale Solar
- In-State and Out-of-State Wind
- Geothermal
- Large Hydro
- Short-Duration Storage
- Long-Duration Storage
- Natural Gas/Other (capacity only)

As stated above, in accordance with Section 454.51(b)(3), SDCP's governing board has determined that the resource mix in its PCP achieves "economic, reliability, environmental, security, and other benefits and performance characteristics that are consistent with the goals set forth in [Section] 454.51(a)(1)." These benefits and characteristics are discussed as follows.

GHG Reduction Goals

SDCP's 46 MMT PCP achieves emissions *equal to* SDCP's proportional share of the 46 MMT benchmark. CCA Program's Proportional Share of the 46 MMT benchmark is 1.510 MMT. According to the Commission's emissions calculator, SDCP's 46 MMT portfolio would account for 1.510 MMT in 2030 emissions

Renewable Energy

SDCP's 46 MMT portfolio achieves results and performance characteristics that are consistent with the Section 454.52(a)(1)(B) goal of ensuring that portfolios are composed of at least 50% eligible renewable resources. In 2030 SDCP's 46 MMT portfolio would consist of 75 percent eligible renewable generation, well in excess of the 50% target.

Minimizing Bill Impact

SDCP's 46 MMT portfolio achieves results and performance characteristics consistent with the Section 454.52(a)(1)(D) goal of minimizing the impact of planned procurement on ratepayers' bills. CCA's portfolio consists primarily of renewable resources that benefitted from increasing economies of scale over the past several years and have price projections that continue to drop in the foreseeable future. SDCP's portfolio consists primarily of renewable resources that benefitted from increasing economies of scale over the past several years and have price projections that continue to drop in the foreseeable future.

SDCP's recent procurement experience indicates that solar costs continue to decline, and lithium ion battery storage is increasingly cost effective relative to other capacity products available in the market, particularly when offered in a tax-advantaged hybrid configuration with solar generation.

SDCP prioritizes cost competitiveness, reliability, use of renewable energy and local resource development. SDCP anticipates that bill impacts will be minimized as new solar generation projects generally have lower net costs than the prices paid in the short-term renewable energy markets. Coupling new solar with battery storage increases the capacity value of the projects, displacing the need to buy expensive resource adequacy products, and provides limited dispatchability for the solar generation, minimizing the risk of degradation in energy value. Further, SDCP's 46 MMT PCP minimizes exposure to volatile natural gas prices and the bill impacts that can result from periodic spikes in fossil fuel prices.

Ensuring System and Local Reliability

SDCP's 46 MMT portfolio achieves results and performance characteristics consistent with the Section 454.52(a)(1)(E) goal of ensuring system and local reliability.

The 46 MMT PCP meets system resource adequacy requirements as detailed in Section III.f. SDCP will meet its local resource adequacy requirements until such time as the central procurement entity takes on this responsibility pursuant to D.20-06-002. Some of the planned capacity-only contracts in SDCP's 46 MMT PCP will be displaced by local resource adequacy procured by the central procurement entity. However, adoption of the central procurement entity construct is a recent development, and the details of its planned procurement are not yet known. To ensure there are no reliability gaps in SDCP's 46 MMT PCP, and pursuant to Energy Division Guidance, SDCP's portfolio assumes no CAM allocations or CAM resources beyond what is described in the most recently issued year-ahead CAM resource list and

allocations. This approach, while consistent with Energy Division direction, will likely ultimately indicate more RA than SDCP will be responsible for procuring. Thus, SDCP provides this information with the understanding that its RA positions will be reduced by any future CAM allocations.

Demand-Side Energy Management

SDCP's 46 MMT portfolio achieves results and performance characteristics consistent with the Section 454.52(a)(1)(G) goal of enhancing demand-side energy management. SDCP's portfolio includes the effects of allocated demand response programs administered by SDG&E on behalf of all delivery service customers within its service area. SDCP does not have current plans to administer demand response programs, but SDCP may contract with demand response resources for resource adequacy capacity to the extent such opportunities are cost competitive and contribute to system reliability.

Minimizing Localized Air Pollutants With Emphasis on DACs

SDCP's 46 MMT portfolio achieves results and performance characteristics consistent with the Section 454.52(a)(1)(H) goal of minimizing localized air pollutants and other GHG emissions with early priority on disadvantaged communities. SDCP's 46 MMT portfolio relies primarily on renewable generation in combination with system energy and would have relatively low GHG and localized air pollution emissions.

Results from the CSP tool indicate the following localized air pollutants associated with SDCP's 46 MMT portfolio in 2030:

- NOx: 126
- PM 2.5: 67
- SO₂: 6

These emissions derive from planned use of system energy in the 46 MMT PCP, as well as emissions from CHP resources and system energy assigned to the SDCP portfolio by the CSP tool.

c. GHG Emissions Results

SDCP used its load-based proportional share of the 38 and 46 MMT benchmark to determine the emissions compliance for its 38 PCP and its 46 MMT PCP. SDCP's assigned load-proportional share of the 38 MMT benchmark is 1.210 MMT. Based on the 38 MMT version of the CSP calculator, SDCP's 38 MMT portfolio would result in total 2030 GHG emissions of 1.084

MMT, outperforming SDCP's assigned share of the 38 MMT GHG reduction benchmark by 0.126 MMT.

SDCP's assigned load-proportional share of the 46 MMT benchmark is 1.510 MMT. Based on the 46 MMT version of the CSP calculator, SDCP's 46 MMT portfolio would result in total 2030 GHG emissions of 1.510 MMT, which is equal to its assigned load-proportional share of the 46 MMT benchmark.

d. Local Air Pollutant Minimization and Disadvantaged Communities

i. Local Air Pollutants

The 38 MMT version of the CSP calculator estimates the following emissions associated with SDCP's 38 MMT portfolio:

- NOx: 92
- PM 2.5: 49
- SO2: 5

The 46 MMT version of the CSP calculator estimates the following emissions associated with SDCP's 46 MMT portfolio:

- NOx: 126
- PM 2.5: 67
- SO2: 6

ii. Focus on Disadvantaged Communities

SDCP's IRP is fully consistent with the goal of minimizing local air pollutants, with early priority on DACs. As currently identified in CalEnviroScreen 3.0, SDCP serves the following census tracts categorized as Disadvantaged Communities.

Census Tract	City	ZIP Code	Total Population
6073005000	San Diego	92113	2,227

Census Tract	City	ZIP Code	Total Population
6073004900	San Diego	92113	5,028
6073003902	San Diego	92113	4,927
6073003601	San Diego	92113	3,250
6073003901	San Diego	92113	4,241
6073005100	San Diego	92113	7,140
6073003603	San Diego	92113	4,228
6073004000	San Diego	92102	5,160
6073003502	San Diego	92113	4,946
6073012502	Chula Vista	91910	4,466
6073004700	San Diego	92102	1,858
6073003602	San Diego	92113	3,079
6073003501	San Diego	92113	4,255
6073005300	San Diego	92101	6,667
6073005700	San Diego	92101	1,948
6073003301	San Diego	92113	3,337
6073004800	San Diego	92102	4,115
6073013205	Chula Vista	91911	2,381
6073003403	San Diego	92102	4,283
6073012501	Chula Vista	91910	3,858

Census Tract	City	ZIP Code	Total Population
6073004100	San Diego	92102	6,546
6073002502	San Diego	92105	6,264
6073003404	San Diego	92102	4,634
6073003305	San Diego	92113	5,738
6073005200	San Diego	92101	4,563
6073012600	Chula Vista	91910	5,047
6073003303	San Diego	92113	4,193
6073002501	San Diego	92105	5,504
6073003800	San Diego	92136	6,530

In total, SDCP will serve an area with a population of 130,413 located within DACs. This is approximately 8 percent of the total population (1,606,720) SDCP plans to serve.

In developing its IRP, SDCP carefully considered the impact of its resource procurement on DACs. All of the new resources SDCP plans to develop are renewable or storage with no local emissions. Further, SDCP's plan minimizes use of GHG emitting power sources, with an ultimate goal of a 100% carbon free supply portfolio, which will further help to minimize local emissions and impacts to DACs.

Moving forward, SDCP is looking to add more census tracts beyond those identified by CalEnviroScreen 3.0. CalEnviroScreen is a useful tool for a statewide assessment, however a statewide assessment leaves out disadvantaged communities at a local or regional level. The City of San Diego, one of SDCP's members, has developed a citywide assessment of disadvantaged communities, or Communities of Concern. The City of Chula Vista, another member city, is in progress. SDCP will determine how to identify Communities of Concern in its remaining member cities and expand this list of census tracts within SDCP's territory as this analysis is completed.

e. Cost and Rate Analysis

SDCP's 38 MMT and 46 MMT portfolios are both reasonable from a cost perspective. In selecting resources for its portfolios, SDCP carefully considered the cost implications of specific resource selections and procurement timing. This analysis was informed by SDCP's procurement experience and the standard assumptions and results of the Commission's RESOLVE/SERVM modeling.

In general, SDCP sought to balance the need to procure resources with enough lead time to meet SDCP's LSE-specific procurement shortfalls and the Commission-identified overall system new resource need with the cost-saving benefits of waiting to procure renewable and storage resources with downward sloping cost projections. SDCP also recognizes that future resource costs are highly uncertain, and technological advancement can happen unexpectedly; SDCP's procurement cycle is designed to take advantage of technological and cost improvements by adding new resource commitments incrementally over time.

SDCP's PCPs take advantage of the rapidly falling cost of solar, wind, and battery storage resources. SDCP's PCPs also take advantage of the fact that, compared to Investor Owned Utilities, CCAs have significantly shorter generation project development timelines, in part due to the fact that CCAs do not require Commission approval of such projects. These shorter timelines result in significant direct savings and give SDCP more flexibility to time its procurement to take maximum advantage of falling renewable generation prices.

f. System Reliability Analysis

Both SDCP's 38 MMT PCP and its 46 MMT PCP are reliable and contribute SDCP's fair share to system reliability.

The effective capacity of SDCP's 38 MMT PCP is provided in the following "System Reliability Progress Tracking Table" from the its 38 MMT Resource Data Template dashboard (note that the row containing peak demand is confidential and has been excluded from this table). The net qualifying capacity for the month of September is shown for each year in the following table:

System Reliability Progress Tracking Table (NQC MW) for month of September by contract status, 38 MMT portfolio	ELCC type	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
online	wind_low_cf	-	-	-	-	-	-	-	-	-	-	-
online	wind_high_cf	-	-	-	-	-	-	-	-	-	-	-
online	biomass	-	-	-	-	-	-	-	-	-	-	-
online	cogen	-	-	-	-	-	-	-	-	-	-	-
online	geothermal	-	-	-	-	-	-	-	-	-	-	-
online	hydro	-	-	-	-	-	-	-	-	-	-	-
online	thermal	-	-	-	-	-	-	-	-	-	-	-
online	battery	-	-	-	-	-	-	-	-	-	-	-
online	nuclear	-	-	-	-	-	-	-	-	-	-	-
online	solar	-	-	-	-	-	-	-	-	-	-	-
online	psh	-	-	-	-	-	-	-	-	-	-	-
online	unknown	-	750	1,760	1,419	1,386	1,348	1,263	1,277	1,293	1,310	1,327
development	wind_low_cf	-	-	-	-	-	-	-	-	-	-	-
development	wind_high_cf	-	-	-	-	-	-	-	-	-	-	-
development	biomass	-	-	-	-	-	-	-	-	-	-	-
development	cogen	-	-	-	-	-	-	-	-	-	-	-
development	geothermal	-	-	-	-	-	-	-	-	-	-	-
development	hydro	-	-	-	-	-	-	-	-	-	-	-
development	thermal	-	-	-	-	-	-	-	-	-	-	-
development	battery	-	-	-	-	-	-	-	-	-	-	-
development	nuclear	-	-	-	-	-	-	-	-	-	-	-
development	solar	-	-	-	-	-	-	-	-	-	-	-
development	psh	-	-	-	-	-	-	-	-	-	-	-
development	unknown	-	-	-	-	-	-	-	-	-	-	-
review	wind_low_cf	-	-	-	-	-	-	-	-	-	-	-
review	wind_high_cf	-	-	-	-	-	-	-	-	-	-	-
review	biomass	-	-	-	-	-	-	-	-	-	-	-
review	cogen	-	-	-	-	-	-	-	-	-	-	-
review	geothermal	-	-	-	-	-	-	-	-	-	-	-
review	hydro	-	-	-	-	-	-	-	-	-	-	-
review	thermal	-	-	-	-	-	-	-	-	-	-	-
review	battery	-	28	86	117	117	117	117	115	113	111	109
review	nuclear	-	-	-	-	-	-	-	-	-	-	-
review	solar	-	-	-	-	-	-	-	-	-	-	-
review	psh	-	-	-	-	-	-	-	-	-	-	-
review	unknown	-	-	-	-	-	-	-	-	-	-	-
planned_existing	wind_low_cf	-	-	-	-	-	-	-	-	-	-	-
planned_existing	wind_high_cf	-	-	-	-	-	-	-	-	-	-	-
planned_existing	biomass	-	-	-	-	-	-	-	-	-	-	-
planned_existing	cogen	-	-	-	-	-	-	-	-	-	-	-
planned_existing	geothermal	-	-	-	-	-	-	-	-	-	-	-
planned_existing	hydro	-	-	-	-	-	-	-	-	-	-	-
planned_existing	thermal	-	-	-	-	-	-	-	-	-	-	-
planned_existing	battery	-	-	-	-	-	-	-	-	-	-	-
planned_existing	nuclear	-	-	-	-	-	-	-	-	-	-	-
planned_existing	solar	-	-	-	-	-	-	-	-	-	-	-
planned_existing	psh	-	-	-	-	-	-	-	-	-	-	-
planned_existing	unknown	-	-	-	-	-	-	-	-	-	-	-
planned_new	wind_low_cf	-	-	-	15	17	20	55	54	54	54	54
planned_new	wind_high_cf	-	-	9	9	11	12	14	14	14	14	14
planned_new	biomass	-	-	-	-	-	-	-	-	-	-	-
planned_new	cogen	-	-	-	-	-	-	-	-	-	-	-
planned_new	geothermal	-	-	-	83	83	83	83	83	83	83	83
planned_new	hydro	-	-	-	-	-	-	-	-	-	-	-
planned_new	thermal	-	-	-	-	-	-	-	-	-	-	-
planned_new	battery	-	-	-	7	7	7	72	72	72	72	72
planned_new	nuclear	-	-	-	-	-	-	-	-	-	-	-
planned_new	solar	-	-	-	14	49	41	34	30	26	22	19
planned_new	psh	-	-	-	-	-	-	-	-	-	-	-
planned_new	unknown	-	-	50	250	250	300	300	300	300	300	300
TOTAL supply, NQC MW		-	778	1,905	1,914	1,920	1,928	1,937	1,945	1,955	1,966	1,977

As demonstrated in this Table, SDCP's 38 MMT PCP contributes 1,977 MW of peak monthly net qualifying capacity ("NQC") in 2030. While not shown in the table above, this NQC exceeds SDCP's peak load plus 15% planning reserve margin. Of this total, 585 MW are from new renewable, hybrid, and short duration storage resources, and 65 MW are from new long duration storage. SDCP's 38 MMT PCP includes planned contracts with existing resources, likely to be predominantly resource in the existing natural gas generator fleet, for 1,327 MW of NQC.¹⁸ This balanced portfolio of flexible capacity works to effectively and reliability integrate a renewables-heavy portfolio, thus meeting and exceeding SDCP's share of any systemwide renewable integration resource requirement.

The effective capacity of SDCP's 46 MMT PCP is provided in the following "System Reliability Progress Tracking Table" from the its 46 MMT Resource Data Template dashboard (note that the row containing peak demand is confidential and has been excluded from this table)). The net qualifying capacity for the month of September is shown for each year in the following table:

¹⁸ An undetermined portion of this capacity is expected to be procured by the central procurement entity.

System Reliability Progress Tracking Table (NQC MW) for month of September by contract status, 46 MMT portfolio	ELCC type	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
online	wind_low_cf	-	-	-	-	-	-	-	-	-	-	-
online	wind_high_cf	-	-	-	-	-	-	-	-	-	-	-
online	biomass	-	-	-	-	-	-	-	-	-	-	-
online	cogen	-	-	-	-	-	-	-	-	-	-	-
online	geothermal	-	-	-	-	-	-	-	-	-	-	-
online	hydro	-	-	-	-	-	-	-	-	-	-	-
online	thermal	-	-	-	-	-	-	-	-	-	-	-
online	battery	-	-	-	-	-	-	-	-	-	-	-
online	nuclear	-	-	-	-	-	-	-	-	-	-	-
online	solar	-	-	-	-	-	-	-	-	-	-	-
online	psh	-	-	-	-	-	-	-	-	-	-	-
online	unknown	-	750	1,760	1,419	1,386	1,348	1,263	1,277	1,293	1,310	1,327
development	wind_low_cf	-	-	-	-	-	-	-	-	-	-	-
development	wind_high_cf	-	-	-	-	-	-	-	-	-	-	-
development	biomass	-	-	-	-	-	-	-	-	-	-	-
development	cogen	-	-	-	-	-	-	-	-	-	-	-
development	geothermal	-	-	-	-	-	-	-	-	-	-	-
development	hydro	-	-	-	-	-	-	-	-	-	-	-
development	thermal	-	-	-	-	-	-	-	-	-	-	-
development	battery	-	-	-	-	-	-	-	-	-	-	-
development	nuclear	-	-	-	-	-	-	-	-	-	-	-
development	solar	-	-	-	-	-	-	-	-	-	-	-
development	psh	-	-	-	-	-	-	-	-	-	-	-
development	unknown	-	-	-	-	-	-	-	-	-	-	-
review	wind_low_cf	-	-	-	-	-	-	-	-	-	-	-
review	wind_high_cf	-	-	-	-	-	-	-	-	-	-	-
review	biomass	-	-	-	-	-	-	-	-	-	-	-
review	cogen	-	-	-	-	-	-	-	-	-	-	-
review	geothermal	-	-	-	-	-	-	-	-	-	-	-
review	hydro	-	-	-	-	-	-	-	-	-	-	-
review	thermal	-	-	-	-	-	-	-	-	-	-	-
review	battery	-	28	86	117	117	115	113	113	113	113	113
review	nuclear	-	-	-	-	-	-	-	-	-	-	-
review	solar	-	-	-	-	-	-	-	-	-	-	-
review	psh	-	-	-	-	-	-	-	-	-	-	-
review	unknown	-	-	-	-	-	-	-	-	-	-	-
planned_existing	wind_low_cf	-	-	-	-	-	-	-	-	-	-	-
planned_existing	wind_high_cf	-	-	-	-	-	-	-	-	-	-	-
planned_existing	biomass	-	-	-	-	-	-	-	-	-	-	-
planned_existing	cogen	-	-	-	-	-	-	-	-	-	-	-
planned_existing	geothermal	-	-	-	-	-	-	-	-	-	-	-
planned_existing	hydro	-	-	-	-	-	-	-	-	-	-	-
planned_existing	thermal	-	-	-	-	-	-	-	-	-	-	-
planned_existing	battery	-	-	-	-	-	-	-	-	-	-	-
planned_existing	nuclear	-	-	-	-	-	-	-	-	-	-	-
planned_existing	solar	-	-	-	-	-	-	-	-	-	-	-
planned_existing	psh	-	-	-	-	-	-	-	-	-	-	-
planned_existing	unknown	-	-	-	-	-	-	-	-	-	-	-
planned_new	wind_low_cf	-	-	-	15	17	20	55	55	55	55	55
planned_new	wind_high_cf	-	-	9	9	11	12	14	14	14	14	14
planned_new	biomass	-	-	-	-	-	-	-	-	-	-	-
planned_new	cogen	-	-	-	-	-	-	-	-	-	-	-
planned_new	geothermal	-	-	-	83	83	83	83	83	83	83	83
planned_new	hydro	-	-	-	-	-	-	-	-	-	-	-
planned_new	thermal	-	-	-	-	-	-	-	-	-	-	-
planned_new	battery	-	-	-	7	7	7	72	72	72	72	72
planned_new	nuclear	-	-	-	-	-	-	-	-	-	-	-
planned_new	solar	-	-	-	14	49	42	35	35	35	36	36
planned_new	psh	-	-	-	-	-	-	-	-	-	-	-
planned_new	unknown	-	-	50	250	250	300	300	300	300	300	300
TOTAL supply, NQC MW		-	778	1,905	1,914	1,920	1,927	1,935	1,949	1,965	1,982	1,999

As demonstrated in this Table, SDCP's 46 MMT PCP contributes 1,999 MW of peak monthly net qualifying capacity ("NQC") in 2030. While not shown in the table above, this NQC exceeds SDCP's peak load plus 15% planning reserve margin. Of this total, 607 MW are from new renewable, short duration storage, and hybrid resources, and 65 MW are from new long duration storage. SDCP's 46 MMT PCP includes planned contracts with existing resources, likely to be predominantly resource in the existing natural gas generator fleet, for 1,327 MW of NQC.¹⁹ This balanced portfolio of flexible capacity works to effectively and reliability integrate a renewables-heavy portfolio, thus meeting and exceeding SDCP's share of any systemwide renewable integration resource requirement.

g. Hydro Generation Risk Management

In developing its portfolios, SDCP took several steps to manage the risk of reduced hydro availability due to in-state drought. First, SDCP's portfolios include hydro resources located within California as well as imported hydro power from the Pacific Northwest. Second, SDCP will prioritize hydro contracts with marketers that provide firm delivery volumes, helping to reduce the planning uncertainty associated with drought and variable hydro-electric conditions within California. Third, SDCP's planned use of hydro in its 38 MMT PCP is very similar to the proportions included in the RSP (see table below). However, if drought conditions or other factors restrict available hydro energy, SDCP would plan to substitute renewable energy resources to ensure it meets its assigned GHG benchmark. For its 46 MMT PCP, SDCP's planned use of hydro diminishes to nearly zero by 2030, as planned increases in qualifying renewable energy displaces the need for hydro to meet SDCP's assigned GHG benchmark.

Table 5: SDCP Preferred Conforming Portfolio's Planned Use of Hydro Compared to RSP

Hydro Resource	38 and 46 MMT RSP MW	SDCP Proportionate Share	SDCP 46 MMT PCP	SDCP 38 MMT PCP
CAISO Hydro	7,070	269	1	298
Hydro Imports	2,852	108	0	128

¹⁹ An undetermined portion of this capacity is expected to be procured by the central procurement entity.

h. Long-Duration Storage Development

The Commission's 38 MMT RSP calls for 1,605 MW of new long-duration storage to be developed and operational by 2026, while the 46 MMT RSP calls for 973 MW of new long-duration storage to be operational by 2026.

In response to the Commission's analysis, thirteen CCAs (the Joint CCAs) issued a request for information ("RFI") on long-duration storage in June 2020. This RFI defined long-duration storage resources as those with the capability to discharge at full capacity for at least 8 hours. The RFI requested the following types of information: (1) storage technology and commercial history; (2) project specifics, including location, permitting, financing and development risks; (3) contracting terms and preferences, including indicative pricing.

The Joint CCAs received responses from 31 entities representing numerous types of chemical, mechanical and thermal long-duration storage technologies, such as: lithium-ion batteries; vanadium redox and other flow batteries; used electric vehicle batteries; waste to fuels via ultrasound; hydrogen storage; pumped storage hydro; geo-mechanical pumped storage; crane and stacked blocks; compressed air; flywheels; and molten salt and other thermal storage technologies. Moreover, the respondents identified 25 specific projects that represent more than 9,000 MW of capacity, two thirds of which is advertised as able to achieve commercial operation by 2026.

SDCP will be considering the information made available through the RFI and will be assessing the economics of such projects. This assessment is expected to lead to Requests for Offers (RFOs) and transactional discussions aimed at bringing actual projects online by 2026. For its part, SDCP anticipates it will procure at least its proportional share of the CPUC's 1,605 MW target, which for SDCP translates to 61 MW of long-duration storage online by 2026. Due to the scale and complexity of these projects, however, successful development will depend on efficient collaboration among numerous entities including load-serving entities, developers, manufacturers, market operators, regulators and environmental stakeholders.

i. Out-of-State Wind Development

The Commission's 38 MMT RSP calls for 3,000 MW of new out-of-state wind generation ("OOS Wind") to be developed and operational by 2030, while the 46 MMT RSP calls for 606 MW of new OOS Wind to be operational by 2030. SDCP's recent procurement efforts indicate there may be near term opportunities for use of OOS Wind in limited quantities, and SDCP expects to utilize OOS Wind in its portfolios. SDCP understands that the transmission projects needed to

connect significant quantities of OOS wind to the CAISO grid require significant lead-times. However, given the fact that OOS Wind is not needed until 2030, SDCP believes that a careful and considered approach to potential OOS Wind projects requiring new transmission is best. SDCP is open to purchases of such resources and will evaluate offers it receives during its regular procurement process.

j. Transmission Development

In identifying resource locations for all portfolios, SDCP was guided by the following considerations:

- SDCP has a general preference for resources located within its service area and the communities it serves.
- SDCP preferred projects in locations that can utilize existing transmission infrastructure with minimal upgrade/modification costs.
- SDCP preferred low-impact renewable energy projects that provide economic benefit to DACs, subject to community interest in locally siting such projects.

Unlike the IOUs, SDCP is not a transmission and distribution (“T&D”) system operator. SDCP does not enjoy the benefits of a granular knowledge of SDG&E’s T&D system, and SDCP is not in the best position to identify optimal resource locations. In practice, SDCP relies on project developers to conduct the research and technical studies necessary for siting potential generation projects. SDCP evaluates projects offered by developers based on a variety of criteria, including transmission availability, nodal prices and potential for congestion, project viability, environmental, workforce, and other factors. As such, SDCP generally utilized the RSP selected candidate resources as a guide for likely resource locations in its 38 MMT PCP and its 46 MMT PCP. These should be treated as general expectations based on the above-listed considerations, not set-in-stone selections, and actual project locations will be selected during SDCP’s solicitation processes.

SDCP’s 38 MMT PCP and 46 MMT PCP include a total of 232 MW of new resources to be built at the locations identified in SDCP’s 38 MMT resource data template. The following table provides a list of these resources, their identified locations, and SDCP’s preferred alternate locations if the Commission’s modeling finds that the selected locations are not feasible.

New Resource Type	Size (MW)	Selected Resource	Preferred Alternative Resource/Location
Wind	50	New_Mexico_Wind	Southern_California_Desert_Ex_Wind, Tehachapi_Wind

Wind	250	Southern_California_Desert_Ex_Wind	Tehachapi_Wind, Northern_California_Ex_Wind, New_Mexico_Wind
Hybrid	600	New_Hybrid	N/A
Solar	300	Southern_California_Desert_Ex_Solar	Tehachapi_Solar, Westlands_Ex_Solar
Solar	100	Arizona_Solar	Tehachapi_Solar, Southern_California_Desert_Ex_Solar , Westlands_Ex_Solar
Geo-thermal	100	Greater_Imperial_Geothermal	Riverside_Palm_Springs_Geothermal
Storage, Long Duration*	65	New_Li_Battery	New_Flow_Battery, new_generic_pumped_storage_hydro

*SDCP is exploring numerous long-duration storage technology types, as highlighted above in section H. However, the new resolve categories limits LSEs to “new lithium-ion” and “new flow” technology types for purposes of the Resource Data Template.

IV. Action Plan

a. Proposed Activities

SDCP’s procurement process includes the following key activities:

- a) Identification of planned resources by type, desired online date, and capacity.
- b) Planning for procurement activities in consideration of SDCP’s risk management policy; resource acquisition lead times including, where applicable, development timelines; staff capacity; and financial considerations
- c) Design and administration of resource solicitations. For new resources, these typically take the form of periodic request for offers processes, while for existing resources, procurement activity is more frequent and routinized
- d) Careful negotiation of contract terms to ensure positive outcomes for SDCP customers with appropriate risk mitigation
- e) Ongoing contract management, including where applicable, careful monitoring of development milestones.

b. Procurement Activities

SDCP intends to take the following near-term (in the next 1-3 years) to implement its IRP and associated portfolio:

- Complete negotiations for projects selected in SDCP's recently completed request for offers for renewable energy projects.
- Conduct one or more competitive solicitations for new renewable resources with planned online dates before 2026.
- Refine plans for procurement of long duration storage and begin solicitation process in 2023 or 2024 for a planned online date in 2026
- Carefully manage SDCP's supply portfolio to achieve SDCP's policy objectives and ensure compliance with all regulatory requirements

SDCP's Procurement of Incremental System Capacity Pursuant to D.19-11-016

In D.19-11-016, the Commission ordered LSEs to collectively procure a total of 3,300 MW of incremental system capacity by 2023, with specific procurement obligations allocated to each LSE. SDCP's share of incremental capacity is being procured by SDG&E.

c. Potential Barriers

SDCP has identified the following market, regulatory, financial, or other barriers or risks that may impede SDCP's ability to acquire the resources identified in its Portfolio:

- Impacts of the Covid-19 pandemic on supply chains, the labor force, financial markets, and the overall ability of firms to timely develop generation and storage resources
- Potential constraints in SDCP's ability to contract new build generation and storage projects at the scale and timeline anticipated in its plan
- The potential for regulatory changes, including centralized procurement and rule changes that create uncertainty and undermine SDCP's willingness or ability to enter into long-term resource commitments
- Uncertainty surrounding possible resource allocations from SDG&E resulting from the PCIA working group process and the lack of an allocation method to efficiently transfer excess resources from SDG&E to new CCAs
- The inflexibility in long-term contracting requirements under the renewable portfolio standards program, which does not accommodate a gradual ramping of resource commitments that would be appropriate for newly forming CCAs

- Factors that may restrict availability of resource adequacy capacity such as retirement of conventional resources, the potential re-rating of renewable resource or battery storage Effective Load Carrying Capacity, or SDG&E's retention of resources
- Factors that may increase SDCP customer costs such as potential regulatory changes relating to the treatment of SDG&E generation costs and the share of costs allocated to SDCP customers through the PCIA

d. Commission Direction or Actions

SDCP believes that a stable regulatory framework is fundamental to its ability to invest in resources needed to achieve the environmental and reliability goals set forth in this plan. SDCP encourages the Commission adopt durable rules and processes to bring greater stability to the regulatory framework within which SDCP and suppliers must plan and operate and to provide ample lead time before regulatory changes impacting the market are made effective.

SDCP would welcome the Commission's assistance in facilitating an efficient transfer of excess resources from SDG&E's supply portfolio so that those resources can continue to serve the customers on whose behalf they were procured as these customers begin taking service from SDCP. The absence of an efficient resource transfer mechanism makes the transition of customers to SDCP service more difficult as much of the available renewable and resource adequacy capacity resources are held by SDG&E.

e. Diablo Canyon Power Plant Replacement

SDCP has included plans for new capacity development in its PCPs that are sufficient to meet its share of replacement capacity from the Diablo Canyon Power Plant, if needed. SDCP's load ratio share of Diablo Canyon is estimated to be 87 MW, and SDCP has plans to add 1,581 MW of new capacity, including 672 MW of (September) net qualifying capacity by 2030. 534 MW of the planned incremental net qualifying capacity would be available by 2024 when decommissioning of Diablo Canyon commences.

V. Lessons Learned

It is quite challenging for entities like SDCP who are not yet in operations to prepare the detailed resource plans required by this process. SDCP is primarily focused on the critical

activities leading to the successful transition of customers to SDCP service in early 2021. SDCP will have more time to focus on long range planning once it begins retail operations and builds out its organizational plan. SDCP encourages the Commission to consider exempting load serving entities from filing an IRP if they are not yet serving customers.

SDCP believes that more time needs to be allotted between when the final IRP requirements, templates, and guidance are released and when the IRP submission are due. Community Choice Aggregators have internal review and approval processes that should be considered in the IRP timeline. The late receipt of final templates and instructions makes it extremely challenging to complete the IRP and obtain Board approval before the filing deadline. There were many changes in the IRP requirements this cycle, which took considerable time to understand and get clarification where needed. SDCP recognizes the challenge Commission staff faces in trying to refine and manage the IRP process, but more consideration must be given to the burdens this process puts on respondent load serving entities, many of which are small entities with limited staff.

In this cycle, updated guidance was provided by the Commission as late as August 11th and in mid-August, SDCP was notified to input certain incremental capacity procured by SDG&E into its resource data templates and plan. Such late direction and required changes place a significant burden on respondents, particularly those such as SDCP that are working with limited resources on critical near-term steps to successfully launch its CCA program. The Commission should establish rules that require a minimum of four months from the time that final templates, guidance, and instructions are published and the due date for filing the IRPs. This will provide respondents the time needed to complete the IRP planning process and gain the necessary internal and governing board approvals prior to submission to the Commission.

Glossary of Terms

Alternative Portfolio: LSEs are permitted to submit “Alternative Portfolios” developed from scenarios using different assumptions from those used in the Reference System Plan. Any deviations from the “Conforming Portfolio” must be explained and justified.

Approve (Plan): the CPUC’s obligation to approve an LSE’s integrated resource plan derives from Public Utilities Code Section 454.52(b)(2) and the procurement planning process described in Public Utilities Code Section 454.5, in addition to the CPUC obligation to ensure safe and reliable service at just and reasonable rates under Public Utilities Code Section 451.

Balancing Authority Area (CAISO): the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

Baseline resources: Those resources assumed to be fixed as a capacity expansion model input, as opposed to Candidate resources, which are selected by the model and are incremental to the Baseline. Baseline resources are existing (already online) or owned or contracted to come online within the planning horizon. Existing resources with announced retirements are excluded from the Baseline for the applicable years. Being “contracted” refers to a resource holding signed contract/s with an LSE/s for much of its energy and capacity, as applicable, for a significant portion of its useful life. The contracts refer to those approved by the CPUC and/or the LSE’s governing board, as applicable. These criteria indicate the resource is relatively certain to come online. Baseline resources that are not online at the time of modeling may have a failure rate applied to their nameplate capacity to allow for the risk of them failing to come online.

Candidate resource: those resources, such as renewables, energy storage, natural gas generation, and demand response, available for selection in IRP capacity expansion modeling, incremental to the Baseline resources.

Capacity Expansion Model: a capacity expansion model is a computer model that simulates generation and transmission investment to meet forecast electric load over many years, usually with the objective of minimizing the total cost of owning and operating the electrical system. Capacity expansion models can also be configured to only allow solutions that meet specific requirements, such as providing a minimum amount of capacity to ensure the reliability of the system or maintaining greenhouse gas emissions below an established level.

Certify (a Community Choice Aggregator Plan): Public Utilities Code 454.52(b)(3) requires the CPUC to certify the integrated resource plans of CCAs. “Certify” requires a formal act of the Commission to determine that the CCA’s Plan complies with the requirements of the statute and the process established via Public Utilities Code 454.51(a). In addition, the Commission must review the CCA Plans to determine any potential impacts on public utility bundled customers under Public Utilities Code Sections 451 and 454, among others.

Clean System Power (CSP, formerly “Clean Net Short”) methodology: the methodology used to estimate GHG emissions associated with an LSE’s Portfolio based on how the LSE will expect to rely on system power on an hourly basis.

Community Choice Aggregator: a governmental entity formed by a city or county to procure electricity for its residents, businesses, and municipal facilities.

Conforming Portfolio: the LSE portfolio that conforms to IRP Planning Standards, the 2030 LSE-specific GHG Emissions Benchmark, use of the LSE's assigned load forecast, use of inputs and assumptions matching those used in developing the Reference System Portfolio, as well as other IRP requirements including the filing of a complete Narrative Template, a Resource Data Template and Clean System Power Calculator.

Effective Load Carrying Capacity: a percentage that expresses how well a resource is able avoid loss-of-load events (considering availability and use limitations). The percentage is relative to a reference resource, for example a resource that is always available with no use limitations. It is calculated via probabilistic reliability modeling, and yields a single percentage value for a given resource or grouping of resources.

Electric Service Provider: an entity that offers electric service to a retail or end-use customer, but which does not fall within the definition of an electrical corporation under Public Utilities Code Section 218.

Filing Entity: an entity required by statute to file an integrated resource plan with CPUC.

Future: a set of assumptions about future conditions, such as load or gas prices.

GHG Benchmark (or LSE-specific 2030 GHG Benchmark): the mass-based GHG emission planning targets calculated by staff for each LSE based on the methodology established by the California Air Resources Board and required for use in LSE Portfolio development in IRP.

GHG Planning Price: the systemwide marginal GHG abatement cost associated with achieving a specific electric sector 2030 GHG planning target.

Integrated Resources Planning Standards (Planning Standards): the set of CPUC IRP rules, guidelines, formulas and metrics that LSEs must include in their LSE Plans.

Integrated Resource Planning (IRP) process: integrated resource planning process; the repeating cycle through which integrated resource plans are prepared, submitted, and reviewed by the CPUC

Long term: more than 5 years unless otherwise specified.

Load Serving Entity: an electrical corporation, electric service provider, community choice aggregator, or electric cooperative.

Load Serving Entity (LSE) Plan: an LSE's integrated resource plan; the full set of documents and information submitted by an LSE to the CPUC as part of the IRP process.

Load Serving Entity (LSE) Portfolio: a set of supply- and/or demand-side resources with certain attributes that together serve the LSE's assigned load over the IRP planning horizon.

Loss of Load Expectation (LOLE): a metric that quantifies the expected frequency of loss-of-load events per year. Loss-of-load is any instance where available generating capacity is insufficient to serve electric demand. If one or more instances of loss-of-load occurring within the same day regardless of duration are counted as one loss-of-load event, then the LOLE metric can be compared to a reference point such as the industry probabilistic reliability standard of "one expected day in 10 years," i.e. an LOLE of 0.1.

Net Qualifying Capacity: *Qualifying Capacity reduced, as applicable, based on: (1) testing and verification; (2) application of performance criteria; and (3) deliverability restrictions. The Net Qualifying Capacity determination shall be made by the California ISO pursuant to the provisions of this California ISO Tariff and the applicable Business Practice Manual.*

Non-modeled costs: *embedded fixed costs in today's energy system (e.g., existing distribution revenue requirement, existing transmission revenue requirement, and energy efficiency program cost).*

Nonstandard LSE Plan: *type of integrated resource plan that an LSE may be eligible to file if it serves load outside the CAISO balancing authority area.*

Optimization: *an exercise undertaken in the CPUC's Integrated Resource Planning (IRP) process using a capacity expansion model to identify a least-cost portfolio of electricity resources for meeting specific policy constraints, such as GHG reduction or RPS targets, while maintaining reliability given a set of assumptions about the future. Optimization in IRP considers resources assumed to be online over the planning horizon (baseline resources), some of which the model may choose not to retain, and additional resources (candidate resources) that the model is able to select to meet future grid needs.*

Planned resource: *any resource included in an LSE portfolio, whether already online or not, that is yet to be procured. Relating this to capacity expansion modeling terms, planned resources can be baseline resources (needing contract renewal, or currently owned/contracted by another LSE), candidate resources, or possibly resources that were not considered by the modeling, e.g., due to the passage of time between the modeling taking place and LSEs developing their plans. Planned resources can be specific (e.g., with a CAISO ID) or generic, with only the type, size and some geographic information identified.*

Qualifying capacity: *the maximum amount of Resource Adequacy Benefits a generating facility could provide before an assessment of its net qualifying capacity.*

Preferred Conforming Portfolio: *the conforming portfolio preferred by an LSE as the most suitable to its own needs; submitted to CPUC for review as one element of the LSE's overall IRP plan.*

Preferred System Plan: *the Commission's integrated resource plan composed of both the aggregation of LSE portfolios (i.e., Preferred System Portfolio) and the set of actions necessary to implement that portfolio (i.e., Preferred System Action Plan).*

Preferred System Portfolio: *the combined portfolios of individual LSEs within the CAISO, aggregated, reviewed and possibly modified by Commission staff as a proposal to the Commission, and adopted by the Commission as most responsive to statutory requirements per Pub. Util. Code 454.51; part of the Preferred System Plan.*

Reference System Plan: *the Commission's integrated resource plan that includes an optimal portfolio (Reference System Portfolio) of resources for serving load in the CAISO balancing authority area and meeting multiple state goals, including meeting GHG reduction and reliability targets at least cost.*

Reference System Portfolio: *the multi-LSE portfolio identified by staff for Commission review and adopted/modified by the Commission as most responsive to statutory requirements per Pub. Util. Code 454.51; part of the Reference System Plan.*

Short term: *1 to 3 years (unless otherwise specified).*

Staff: CPUC Energy Division staff (unless otherwise specified).

Standard LSE Plan: type of integrated resource plan that an LSE is required to file if it serves load within the CAISO balancing authority area (unless the LSE demonstrates exemption from the IRP process).

SDCP 2030 Resource Mix – 38 MMT BAPP

Resource Type	Existing Resources (Owned/Contracted)	Existing Resources (Planned Procurement)	Existing Resources (CAM)	New Resources (In Development)	Future New Resources	Total
Nuclear						0
CHP						0
Natural Gas						0
Coal						0
Hydro (Large)		298				298
Hydro (Scheduled Imports)		128				128
Biomass						0
Geothermal					100	100
Hydro (Small)						0
Wind		256			300	556
Out-of-State Wind on New Transmission						0
Solar		398			1000	1398
Customer Solar						0
Battery Storage					300	300
Pumped (long- duration) Storage						0
Shed Demand Response						0
<i>Capacity-Only</i>						
Natural Gas		1155	172			1327
Battery Storage					116	116
Long Duration Storage					65	65

SDCP 2030 Resource Mix – 46 MMT PCP

Resource Type	Existing Resources (Owned/Contracted)	Existing Resources (Planned Procurement)	Existing Resources (CAM)	New Resources (In Development)	Future New Resources	Total
Nuclear						0
CHP						0
Natural Gas						0
Coal						0
Hydro (Large)		1				1
Hydro (Scheduled Imports)		0				0
Biomass						0
Geothermal					100	100
Hydro (Small)						0
Wind		256			300	556
Out-of-State Wind on New Transmission						0
Solar		398			1000	1398
Customer Solar						0
Battery Storage					300	300
Pumped (long- duration) Storage						0
Shed Demand Response						0
<i>Capacity-Only</i>						
Natural Gas		1155	172			1327
Battery Storage					120	120
Long Duration Storage					65	65

SAN DIEGO COMMUNITY POWER
Staff Report – Item 6

To: San Diego Community Power Board of Directors

From: Sean Connacher, Account Supervisor, Civilian

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

Subject: Marketing and Messaging Presentation by Civilian

Date: August 27, 2020

Recommendation

Receive informational presentation of upcoming marketing activities and hold insight session.

Background

San Diego Community Power (SDCP) has enlisted Civilian, Inc to manage an array of marketing activities to drive awareness, spark community engagement, and minimize opt-outs as the CCA rolls out over the coming months. Civilian's board-approved Scope of Work has begun, and the consultant is setting milestones and conducting initial research to inform campaign recommendations.

Analysis and Discussion

Marketing Road Map – Civilian has developed an integrated work plan to ensure that critical messaging, materials, and outreach are prepared to launch seamlessly coinciding with SDCP's rollout. This Road Map initially focuses on a March 2021 implementation and consists of the following tasks:

- Discovery (underway)
 - Onboarding and immersion
 - Research prioritization (partnering with Calpine/See Change Institute)
 - Landscape assessment
 - Stakeholder listening sessions
 - Consumer survey
 - Creative brief development
- Brand Identity (underway)
 - Visual identity (logo, color palette, font family, graphic elements)
 - Tagline exploratory
 - Voice and tone recommendations
 - Product sub-branding

- Brand guidelines and toolkit
- Messaging (underway)
 - Key message platform
 - Talking points
 - Message matrix
- Website Design and Development
 - Objective-setting and technical specifications
 - Content strategy and information architecture
 - User experience/wireframes
 - Content development and language transadaptation
 - User interface design
 - Quality assurance testing
 - Push live
 - Training and user guides
 - Ongoing hosting and maintenance
- Community Outreach
 - Stakeholder assessment and relationship inventory
 - Stakeholder briefings
 - Ambassador recruitment
 - CBO engagement
 - Community outreach/events
- Media Relations
 - Content development and talking points
 - Outreach calendar
 - Media training and spokesperson support
 - Regulatory monitoring and issues management
- Customer Notifications
 - Campaign creative development
 - Direct mail design and messaging
 - Direct mail deployment (60 day / 30 day)
- Municipal Rollout

Perception Shift Exercise – As part of its Stakeholder Listening process, Civilian will walk board members through an exercise to identify and discuss current perceptions associated with SDCP (and Community Choice in general), along with how we will strive to shift those perceptions to higher ground in the future.

Next Steps – Civilian intends to return to the board with recommendations surrounding SDCP's Brand Identity and Message Platform during September's monthly meeting. Additionally, in December the consultant will present a series of marketing materials with the board to provide context to outreach underway at the time.

Fiscal Impact

Not applicable

SAN DIEGO COMMUNITY POWER
Staff Report – Item 7

To: San Diego Community Power Board of Directors

From: Sebastian Sarria, Policy and Program Coordinator
LEAN Energy US

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

Subject: Approval of Community Advisory Committee Work Plan

Date: August 27, 2020

Recommendation

Approve the Community Advisory Committee Work Plan for the remainder of calendar year 2020.

Background

As part of its Scope of Work, the Community Advisory Committee is to “adopt an annual work plan” by the SDCP Board of Directors. This Work Plan is to align with the Scope and serve as a guiding document for staff and the CAC members throughout the year.

Analysis and Discussion

Attachment A includes the draft work Plan, which has been reviewed and recommended for approval to the Board by the CAC members at their August 21st regular meeting. In it are several tasks that define specific work to be done by the CAC, but also allow flexibility for staff and the CAC members to bring forth other issues not previously identified in the document.

Moreover, this draft work plan is for the remainder of the 2020 calendar year. The CAC will review a new draft Work Plan for calendar year 2021 at its first meeting in 2021.

Fiscal Impact

Cost of this action may include staff time to support the CAC.

Attachments

Attachment A: CAC Draft Work Plan for 2020

SAN DIEGO COMMUNITY POWER

Community Advisory Committee Annual Work Plan 2020

Task	Description	When
Presentations	Invite and hold educational presentations to assist the CAC in its ongoing support to SDCP staff and the Board.	Any
Legislative / Public Policy / Regulatory	Bring forth news and advise the Board of legislative, public policy, and regulatory issues that may be of interest to SDCP.	Any
Local opportunities	Advise the Board on the potential for local opportunities in the community such as the participation in community events and special projects.	Any
SDCP Staff Initiated Items	Provide input on items as they are brought forward by staff.	Any
Sustainable and Diverse Workforce Policy	Review and provide potential comments to the Board.	Q3
Marketing and Communications Efforts	Support the SDCP marketing firm in its outreach efforts to the community.	Q3-Q4
Community-Member Communications Guide	This document describes the best practices for CAC members to engage with the community that they represent.	Q3-Q4

The CAC shall cover other tasks not mentioned above but within the purview of the Scope of Work with prior approval of SDCP staff. Those tasks shall be suggested to staff and the Board of Directors with enough time for meeting preparation and Brown Act compliance.

SAN DIEGO COMMUNITY POWER
Staff Report – Item 8

To: San Diego Community Power Board of Directors

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

Subject: Approval of Amendment to BB&K Contract

Date: August 27, 2020

Recommendation

Approve amendment to existing Best Best & Krieger (BB&K) contract for the expansion and continuation of services to SDCP for a total amount not to exceed \$240,000 through June 30, 2021.

Background

At the November 2019 meeting of the Board of Directors, BB&K was approved to provide General Counsel legal services for a not-to-exceed amount of \$120,000. As mentioned at the November meeting, BB&K has extensive experience with municipal/public agency clients as well as experience with Community Choice Aggregation (CCA) programs in California.

Analysis and Discussion

The FY21 budget, as adopted by the Board, approved \$120,000 for general counsel services and an additional \$120,000 for legal review of power supply and other vendor contracts. Rather than retaining a separate law firm for the latter services, staff recommends expanding BB&K's scope and budget to provide legal review of prospective power supply contracts.

Fiscal Impact

Cost of this action includes a total amount not to exceed \$240,000 until June 31, 2021. Funding is available in the FY21 budget approved by the Board.

Attachments

Attachment A: Amendment to BB&K Contract with SDCP

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(760) 568-2611

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Los Angeles
(213) 617-8100

Manhattan Beach
(310) 643-8448

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Ryan M. F. Baron
(949) 263-6568
ryan.baron@bbklaw.com
File No. 55682.00001

August 24, 2020

Cody Hooven
Interim Executive Officer
San Diego Community Power

Re: General Counsel Services for San Diego Community Power

Dear Ms. Hooven:

ABOUT OUR REPRESENTATION

Best Best & Krieger LLP is pleased to enter into this Amended Engagement Letter dated _____ with San Diego Community Power ("SDCP," formerly known as San Diego Regional Community Choice Energy Authority). Specifically, we are pleased to continue providing General Counsel legal services to SDCP, including:

- Prepare any required legal filings with County or state agencies that may be required by law
- Attendance at the regular Board of Directors ("Board") meetings and any special meetings and workshops as required by the Chief Executive Officer or Chair of the Board
- Brown Act, Conflict of Interest and Public Records Act advice and representation
- Preparation and/or review of consultant and vendor contracts
- Advice and preparation of documents related to personnel matters
- Advice to the Chief Executive Officer and designated staff on administrative and operational matters
- Research and advice on operational/public agency legal questions asked by the Board, Chief Executive Officer and designated staff



Cody Hooven
August 24, 2020
Page 2

- Advice and assistance on other legal matters as may be assigned by the Chief Executive Officer

Legal services may also include specialized legal services requested by SDCP. This letter constitutes our updated agreement setting the terms of our representation. For the period of July 1, 2020 through June 30, 2021, the total not-to-exceed amount under this Agreement is \$240,000.

CONFIDENTIALITY AND ABSENCE OF CONFLICTS

An attorney-client relationship requires mutual trust between the client and the attorney. It is understood that communications exclusively between counsel and the client are confidential and protected by the attorney-client privilege.

To also assure mutuality of trust, we have maintained a conflict of interest index. The California Rules of Professional Conduct defines whether a past or present relationship with any party prevents us from representing SDCP. Similarly, SDCP's name will be included in our list of clients to ensure we comply with the Rules of Professional Conduct with respect to your firm.

We have checked the following names against our client index: the San Diego Regional Community Choice Energy Authority, including its member agencies, the Cities of San Diego, Chula Vista, La Mesa, Encinitas, and Imperial Beach. Under this agreement, an attorney-client relationship is only established with SDCP and not any of its member agencies. Based on that check, we can represent SDCP. Please review the list to see if any other persons or entities should be included. If you do not tell us to the contrary, we will assume that this list is complete and accurate. We request that you update this list for us if there are any changes in the future.

YOUR OBLIGATIONS ABOUT FEES AND BILLINGS

For general legal services, the current rate is \$325 per hour for Partners and Of Counsel, \$275 per hour for Associates, and \$165 per hour for Paralegals. General legal services will include the General Counsel scope of work discussed above as well as attendance at meetings, agenda and document review, routine contracts, government ethics and open meetings laws, and entity incorporation.

Should SDCP desire additional specialized services, the current rate is \$395 per hour for Partners and Of Counsel, \$315 per hour for Associates, and \$175 per hour for Paralegals. Special legal services includes complex matters such as regulatory advice and advocacy, power procurement, litigation, CEQA document review, public finance, and other complex matters. Please note that rates for Howard Golub are \$595 per hour due to his unique background and experience.



Cody Hooven
August 24, 2020
Page 3

Other billing rates are described in the memorandum attached to this letter which is entitled “Best Best & Krieger LLP’s Billing Policies.” It also describes the other aspects of our firm’s billing policies. You should consider the Billing Policies memorandum part of this agreement as it binds both of us. For that reason, you should read it carefully.

INSURANCE

We are also pleased to let you know that Best Best & Krieger LLP carries errors and omissions insurance with Lloyd’s of London. After a standard deductible, this insurance provides coverage beyond what is required by the State of California.

HOW THIS AGREEMENT MAY BE TERMINATED

You, of course, have the right to end our services at any time. If you do so, you will be responsible for the payment of fees and costs accrued but not yet paid, plus reasonable fees and costs in transferring the case to you or your new counsel. By the same token, we reserve the right to terminate our services to you upon written notice, order of the court, or in accordance with our attached Billing Policies memorandum. This could happen if you fail to pay our fees and costs as agreed, fail to cooperate with us in this matter, or if we determine we cannot continue to represent you for ethical or practical concerns.

CLIENT FILE

If you do not request the return of your file, we will retain your file for five years. After five years, we may have your file destroyed. If you would like your file maintained for more than five years or returned, you must make separate arrangements with us.

THANK YOU

On a personal note, we are pleased to continue to represent SDCP. If you have any questions at any time about our services or billings, please do not hesitate to call me.

BBK
BEST BEST & KRIEGER
ATTORNEYS AT LAW

Cody Hooven
August 24, 2020
Page 2

If this letter meets with your approval, please sign and date it, and return the original to us.
We have enclosed a separate signed copy of this letter for your records.

Sincerely,



Ryan M. F. Baron
of BEST BEST & KRIEGER LLP

AGREED AND ACCEPTED:

By: _____
Dated: _____

BEST BEST & KRIEGER LLP'S BILLING POLICIES

Our century of experience has shown that the attorney-client relationship works best when there is mutual understanding about fees, expenses, billing and payment terms. Therefore, this statement is intended to explain our billing policies and procedures. Clients are encouraged to discuss with us any questions they have about these policies and procedures. Clients may direct specific questions about a bill to the attorney with whom the client works or to our Accounts Receivable Department. Any specific billing arrangements different from those set forth below will be confirmed in a separate written agreement between the client and the firm.

Fees for Professional Services

Unless a flat fee is set forth in our engagement letter with a client, our fees for the legal work we will undertake will be based in substantial part on time spent by personnel in our office on that client's behalf. In special circumstances which will be discussed with the client and agreed upon in writing, fees will be based upon the novelty or difficulty of the matter, or the time or other special limitations imposed by the client.

Hourly rates are set to reflect the skill and experience of the attorney or other legal personnel rendering services on the client's behalf. Time is accrued on an incremental basis for such matters as telephone calls (minimum .3 hour) and letters (minimum .5 hour), and on an actual basis for all other work. Our attorneys are currently billed at rates from \$255 to \$750 per hour, and our administrative assistants, law clerks, litigation analysts, research analysts, and paralegals are billed at rates from \$70 to \$290 per hour. These hourly rates are reviewed annually to accommodate rising firm costs and to reflect changes in attorney status as lawyers attain new levels of legal experience. Any increases resulting from such reviews will be instituted automatically and will apply to each affected client, after advance notice.

Non-Attorney Personnel: BBK may employ the services of non-attorney personnel under the supervision of a BBK attorney in order to perform services called for in the legal services agreement. The most common non-attorney personnel utilized are paralegals. Other types of non-attorney personnel include, but are not limited to, case clerks, IT analysts, and specialty consultants. The client agrees that BBK may use such non-attorney personnel to perform its services when it is reasonably necessary in the judgment of the responsible BBK

attorney. Hourly fees for non-attorney personnel will be charged at the rate then in effect for such personnel. A copy of BBK's current rates and titles for non-attorney personnel will be provided upon request. Except for paralegals, BBK will not incur more than \$575 in fees for a non-attorney's work on a client matter without first confirming by email or written correspondence with the client the intended use of the non-attorney and the hourly rate for that person.

Fees For Other Services, Costs and Expenses

We attempt to serve all our clients with the most effective support systems available. Therefore, in addition to fees for professional legal services, we also charge separately for some other services and expenses to the extent of their use by individual clients. These charges include but are not limited to, mileage at the current IRS approved rate per mile, extraordinary telephone and document delivery charges, copying charges, computerized research, court filing fees and other court-related expenditures including court reporter and transcription fees. No separate charge is made for secretarial or word processing services; those costs are included within the above hourly rates.

ESI: BBK provides Electronically Stored Information (ESI') services for matters requiring ESI support – typically litigation or threatened litigation matters. BBK shall receive payment for ESI support, if needed, at BBK's then current rates. A copy of BBK's current rates for such services will be provided upon request. BBK shall not incur costs for ESI support on a particular matter without first confirming by email or written correspondence with the client that the client agrees such services are necessary for the matter at hand.

We may need to advance costs and incur expenses on your behalf on an ongoing basis. These items are separate and apart from attorneys' fees and, as they are out-of-pocket charges, we need to have sufficient funds on hand from you to pay them when due. We will advise the client from time to time when we expect items of significant cost to be incurred, and it is required that the client send us advances to cover those costs before they are due.

Advance Deposit Toward Fees And Costs

Because new client matters involve both a substantial undertaking by our firm and the establishment of client credit with our accounting office, we require an advance payment from clients. The amount of this advance deposit is determined on a case-by-case basis discussed first with the client, and is specified in our engagement letter.

Upon receipt, the advance deposit will be deposited into the firm's client trust account. Our monthly billings will reflect such applications of the advance deposit to costs and not to attorney's fees (unless otherwise noted in our accompanying engagement letter). At the end of engagement, we will apply any remaining balance first to costs and then to fees. We also reserve the right to require increases or renewals of these advanced deposits.

By signing the initial engagement letter, each client is agreeing that trust account balances may be withdrawn and applied to costs as they are incurred and to our billings, when we issue our invoice to the client. If we succeed in resolving your matter before the amounts deposited are used, any balance will be promptly refunded.

Monthly Invoices and Payment

Best Best & Krieger LLP provides our clients with monthly invoices for legal services performed and expenses incurred. Invoices are due and payable upon receipt.

Each monthly invoice reflects both professional and other fees for services rendered through the end of the prior month, as well as expenses incurred on the client's behalf that have been processed by the end of the prior month. Processing of some expenses is delayed until the next month and billed thereafter.

Our fees are not contingent upon any aspect of the matter and are due upon receipt. All billings are due and payable within ten days of presentation unless the full amount is covered by the balance of an advance held in our trust account. If a bill is not paid within 30 days, a late charge of one percent per month on the unpaid invoice shall be added to the balance owed, commencing with the next statement and continuing until paid.

It is our policy to treat every question about a bill promptly and fairly. It is also our policy that if a client does not pay an invoice within 60 days of mailing, we assume the client is, for whatever reason, refusing to pay. We reserve the right to terminate our engagement and withdraw as attorney of record whenever our invoices are not paid. If an invoice is 60 days late, however, we may advise the client by letter that the client must pay the invoice within 14 days or the firm will take appropriate steps to withdraw as attorney of record. If the delay is caused by a problem in the invoice, we must rely upon the client to raise that with us during the 14-day period. This same policy applies to fee arrangements which require the client to replenish fee deposits or make deposits for anticipated costs.

From time to time clients have questions about the format of the bill or description of work performed. If you have any such questions, please ask them when you receive the bill so we may address them on a current basis.

Changes in Fee Arrangements and Budgets

It may be necessary under certain circumstances for a client to increase the size of required advances for fees after the commencement of our engagement and depending upon the scope of the work. For example, prior to a protracted trial or hearing, the firm may require a further advance payment to the firm's trust account sufficient to cover expected fees. Any such changes in fee arrangements will be discussed with the client and mutually agreed in writing.

Because of the uncertainties involved, any estimates of anticipated fees that we provide at the request of a client for budgeting purposes, or otherwise, can only be an approximation of potential fees.

BEST BEST & KRIEGER LLP